

# ALIANSCÉ SONAE



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## MANAGEMENT REPORT 4Q20



# IR CONTACTS

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## Message from Management

**Rio de Janeiro, March 10<sup>th</sup>, 2021 – 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 2020 (4Q20). At the end of 4Q20, the Company held ownership interests in 27 shopping malls, totaling 802.5 thousand sqm of owned GLA and 1,143.0 thousand sqm of total GLA. The Company also provides planning, management and leasing services to 12 shopping malls owned by third parties, with total GLA of 289.6 thousand sqm. The Company held 1,432.6 thousand sqm of GLA under its management at the end of 4Q20.

### Description of business, services and operating markets on December 31<sup>st</sup>, 2020

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.

## Human Resources

On December 31<sup>st</sup>, 2020, Aliansce Sonae had 345 employees, while on December 31<sup>st</sup>, 2019, the number of employees was 334. The average employee turnover was 4.64% in 4Q20.

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, 2020, consultancy services to advise the Company and its outsourced provider, in the process of replacing its ERP. Such services were contracted on May 13<sup>th</sup>, 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, 2020.

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 31<sup>st</sup>, 2020, and December 31<sup>st</sup>, 2019.

## Financial Highlights

### CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020 AND 2019

Consolidated Income Statement	4Q20	4Q19	4Q20/4Q19 Δ%	2020	2019	2020/2019 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>						
<b>Gross revenue from rent and services</b>	<b>238,831</b>	<b>309,070</b>	<b>-22.7%</b>	<b>842,741</b>	<b>814,788</b>	<b>3.4%</b>
Taxes, contributions and other deductions	(14,040)	(27,562)	-49.1%	(45,156)	(71,602)	-36.9%
<b>Net revenue</b>	<b>224,791</b>	<b>281,508</b>	<b>-20.1%</b>	<b>797,585</b>	<b>743,186</b>	<b>7.3%</b>
<b>Cost</b>	<b>(72,845)</b>	<b>(76,768)</b>	<b>-5.1%</b>	<b>(269,549)</b>	<b>(200,075)</b>	<b>34.7%</b>
Cost of rent and services	(35,211)	(38,284)	-8.0%	(118,695)	(110,384)	7.5%
Depreciation and Amortization cost	(37,633)	(38,484)	-2.2%	(150,854)	(89,691)	68.2%
<b>Gross income</b>	<b>151,946</b>	<b>204,740</b>	<b>-25.8%</b>	<b>528,036</b>	<b>543,111</b>	<b>-2.8%</b>
<b>Operating income/(expenses)</b>	<b>(126,205)</b>	<b>(33,002)</b>	<b>282.4%</b>	<b>(207,802)</b>	<b>(289,062)</b>	<b>-28.1%</b>
Sales, general and administrative expenses	(39,207)	(28,631)	36.9%	(154,267)	(98,181)	57.1%
Long-term incentive plan	(4,044)	(3,720)	8.7%	(13,841)	(14,874)	-6.9%
Equity income	7,991	12,127	-34.1%	27,260	43,075	-36.7%
Depreciation and Amortization expenses	(7,028)	(4,124)	70.4%	(19,187)	(14,074)	36.3%
Other net income (expenses)	(83,916)	(8,653)	869.8%	(47,766)	(205,008)	-76.7%
<b>Financial income/(expenses)</b>	<b>5,694</b>	<b>(47,713)</b>	<b>n/a</b>	<b>(53,972)</b>	<b>(149,578)</b>	<b>-63.9%</b>
<b>Net income before taxes and social contributions</b>	<b>31,435</b>	<b>124,025</b>	<b>-74.7%</b>	<b>266,263</b>	<b>104,471</b>	<b>154.9%</b>
Current income and social contribution taxes	(10,976)	(16,666)	-34.1%	(30,254)	(41,463)	-27.0%
Deferred income and social contribution taxes	(7,869)	12,408	n/a	(33,536)	(6,375)	426.1%
<b>Net income in the year</b>	<b>12,590</b>	<b>119,766</b>	<b>-89.5%</b>	<b>202,473</b>	<b>56,633</b>	<b>257.5%</b>
<b>Income (loss) attributable to:</b>						
Controlling Shareholders	5,244	100,621	-94.8%	169,071	22,027	667.5%
Minority Shareholders	7,346	19,145	-61.6%	33,402	34,605	-3.5%
<b>Net income in the year</b>	<b>12,590</b>	<b>119,766</b>	<b>-89.5%</b>	<b>202,473</b>	<b>56,633</b>	<b>257.5%</b>

Managerial Income Statement	4Q20	4Q19	4Q20/4Q19 Δ%	2020	2019	2020/2019 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>						
<b>Gross revenue from rent and services</b>	<b>229,494</b>	<b>286,035</b>	<b>-19.8%</b>	<b>809,439</b>	<b>995,645</b>	<b>-18.7%</b>
Taxes, contributions and other deductions	(13,000)	(18,028)	-27.9%	(42,196)	(63,849)	-33.9%
<b>Net revenue</b>	<b>216,494</b>	<b>268,008</b>	<b>-19.2%</b>	<b>767,243</b>	<b>931,797</b>	<b>-17.7%</b>
<b>Cost</b>	<b>(80,770)</b>	<b>(71,525)</b>	<b>12.9%</b>	<b>(308,642)</b>	<b>(241,554)</b>	<b>27.8%</b>
Cost of rent and services	(41,859)	(33,216)	26.0%	(152,660)	(138,615)	10.1%
Depreciation and Amortization cost	(38,911)	(38,309)	1.6%	(155,982)	(102,940)	51.5%
<b>Gross income</b>	<b>135,724</b>	<b>196,483</b>	<b>-30.9%</b>	<b>458,601</b>	<b>690,242</b>	<b>-33.6%</b>
<b>Operating income/(expenses)</b>	<b>(115,328)</b>	<b>(41,608)</b>	<b>177.2%</b>	<b>(168,606)</b>	<b>(335,366)</b>	<b>-49.7%</b>
Sales, general and administrative expenses	(24,678)	(23,396)	5.5%	(90,322)	(96,591)	-6.5%
Long-term incentive plan	(4,044)	(3,720)	8.7%	(13,841)	(14,874)	-6.9%
Depreciation and Amortization expenses	(7,129)	(4,127)	72.7%	(19,592)	(15,071)	30.0%
Other net income (expenses)	(79,476)	(10,365)	666.8%	(44,850)	(208,830)	-78.5%
<b>Financial income/(expenses)</b>	<b>5,286</b>	<b>(49,573)</b>	<b>n/a</b>	<b>(55,622)</b>	<b>(182,468)</b>	<b>-69.5%</b>
<b>Net income before taxes and social contributions</b>	<b>25,682</b>	<b>105,302</b>	<b>-75.6%</b>	<b>234,373</b>	<b>172,408</b>	<b>35.9%</b>
Current income and social contribution taxes	(11,422)	(16,875)	-32.3%	(30,977)	(59,521)	-48.0%
Deferred income and social contribution taxes	(9,016)	12,195	n/a	(34,325)	(28,570)	20.1%
<b>Net income in the year</b>	<b>5,244</b>	<b>100,623</b>	<b>-94.8%</b>	<b>169,071</b>	<b>84,317</b>	<b>100.5%</b>

## BALANCE SHEET

Managerial Balance Sheet	Aliansce Sonae Financial Statements		Adjustments		Aliansce Sonae Managerial Consolidated	
	12/31/20	12/31/19	12/31/20	12/31/19	12/31/20	12/31/19
<b>ASSETS</b> <i>(amounts in thousands of reais)</i>						
<b>Current</b>						
Cash and cash equivalents	13,113	32,682	435	5,381	13,548	38,063
Short-term investments	1,371,587	1,167,366	5,551	(2,335)	1,377,138	1,165,031
Accounts receivable	327,525	164,871	(9,804)	(3,139)	317,721	161,732
Dividends receivable	14	4,121	(14)	(3,739)	-	383
Taxes recoverable	56,120	50,378	(961)	(2,282)	55,160	48,095
Anticipated expenses	2,529	4,425	5	1,030	2,534	5,455
Values receivable	-	-	-	4	-	4
Other receivables	41,473	30,767	(828)	(1,464)	40,645	29,303
<b>Total</b>	<b>1,812,361</b>	<b>1,454,610</b>	<b>(5,615)</b>	<b>(6,544)</b>	<b>1,806,746</b>	<b>1,448,066</b>
Non-Current Assets held for sale	38,565	88,642	-	0	38,565	88,642
<b>Total Current Assets and non-current assets held for sale</b>	<b>1,850,926</b>	<b>1,543,252</b>	<b>(5,615)</b>	<b>(6,544)</b>	<b>1,845,311</b>	<b>1,536,708</b>
<b>Non-Current</b>						
Taxes recoverable	10,835	16,718	611	2,294	11,446	19,012
Deferred income and social contribution tax	66,177	89,861	(15,564)	(9,839)	50,613	80,022
Legal deposits	31,925	32,084	76	45	32,001	32,129
Borrowings and other accounts receivable	8,047	9,166	(0)	-	8,047	9,166
Derivative financial instruments	10,543	9,036	0	-	10,543	9,036
Anticipated expenses	6,888	10,042	(0)	4,126	6,888	14,168
Other receivables	25,561	24,414	5,738	(273)	31,299	24,141
Investments	463,195	545,109	(463,195)	(545,109)	-	0
Properties for investment	8,063,390	8,306,384	(650,935)	(727,893)	7,412,455	7,578,491
Property, plant and equipment	26,541	10,382	236	268	26,777	10,650
Intangible assets	323,548	310,101	96,082	254,094	419,630	564,195
<b>Total Non-current Assets</b>	<b>9,036,649</b>	<b>9,363,295</b>	<b>(1,026,950)</b>	<b>(1,022,287)</b>	<b>8,009,699</b>	<b>8,341,008</b>
<b>Total Assets</b>	<b>10,887,575</b>	<b>10,906,547</b>	<b>(1,032,565)</b>	<b>(1,028,831)</b>	<b>9,855,010</b>	<b>9,877,716</b>
<b>LIABILITIES</b> <i>(amounts in thousands of reais)</i>						
<b>Current</b>						
Suppliers	30,300	33,937	(3,377)	(2,732)	26,923	31,205
Loans and financing, real estate credit notes and debentures	240,620	64,548	0	(0)	240,621	64,547
Taxes and contributions payable	36,247	35,242	(381)	(1,068)	35,866	34,174
Deferred income	1,672	614	35	(10)	1,707	604
Dividends payable	44,475	4,488	(4,299)	0	40,176	4,488
Obligations for purchase of assets	107	103	(0)	-	107	103
Leasing	8,995	4,586	1,254	1,183	10,249	5,769
Other liabilities	61,310	95,992	(230)	(4,886)	61,080	91,106
<b>Total Current Liabilities and liabilities related to non-current assets held for sale</b>	<b>423,726</b>	<b>239,511</b>	<b>(6,998)</b>	<b>(7,513)</b>	<b>416,728</b>	<b>231,997</b>
<b>Non-Current</b>						
Loans and financing, real estate credit notes and debentures	1,766,314	2,080,991	1	(0)	1,766,315	2,080,990
Taxes and contributions to collect	5,987	6,144	(0)	0	5,987	6,144
Deferred income	14,743	18,902	590	2,942	15,333	21,844
Deferred income and social contribution tax	984,257	981,759	13,111	14,053	997,368	995,812
Leasing	40,931	25,706	28,365	29,497	69,296	55,203
Other liabilities	21,017	21,612	5,871	5,870	26,888	27,482
Provision for contingencies	13,518	15,840	(1,273)	(1,228)	12,246	14,612
<b>Total Non-Current Liabilities</b>	<b>2,846,768</b>	<b>3,150,954</b>	<b>46,664</b>	<b>51,135</b>	<b>2,893,432</b>	<b>3,202,088</b>
<b>Shareholders' Equity</b>						
Share capital	4,156,476	4,155,362	-	-	4,156,476	4,155,362
Expenditure on issuance of shares	(72,332)	(71,599)	-	-	(72,332)	(71,599)
Capital reserves	875,808	963,501	-	-	875,808	963,501
Legal reserve	8,454	-	-	-	8,454	-
Shares held in treasury	(24,696)	-	-	-	(24,696)	-
Retained earnings (losses)	-	(84,310)	-	-	-	(84,310)
Income reserves	120,463	-	-	-	120,463	-
Carrying value adjustments	1,480,677	1,480,677	-	-	1,480,677	1,480,677
Minority Interest	1,072,232	1,072,452	(1,072,232)	(1,072,452)	-	-
<b>Total Shareholders' Equity</b>	<b>7,617,081</b>	<b>7,516,083</b>	<b>(1,072,232)</b>	<b>(1,072,452)</b>	<b>6,544,850</b>	<b>6,443,630</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,887,575</b>	<b>10,906,547</b>	<b>(1,032,565)</b>	<b>(1,028,831)</b>	<b>9,855,010</b>	<b>9,877,716</b>

## CASH FLOW

Cash Flow Statement	Aliansce Sonae Financial Statements	Adjustments	Aliansce Sonae Managerial Consolidated
	12/31/2020	12/31/2020	12/31/2020
(amounts in thousands of reais)			
<b>Operating Activities</b>			
<b>Net Profit for the year</b>	<b>202,473</b>	<b>(33,402)</b>	<b>169,071</b>
Adjustments to net profit due to:			
Straight line rent adjustment	(165,856)	8,439	(157,417)
Depreciation and Amortization	185,471	(9,897)	175,574
Residual value of sold fixed asset	984	(89)	895
Equity Income Gain	(27,259)	27,259	-
Provision (Reversal of provision) for doubtful accounts	63,726	(2,776)	60,950
(Reversal) Constitution of provisions for contingencies	(900)	160	(740)
Monetary restatement over provisions for contingencies	31	(60)	(29)
Stock Option plan	2,648	-	2,648
Monetary variation over financial debts	136,971	2,658	139,629
Gain on debt renegotiation	(48,212)	-	(48,212)
Gain on the sale of investment	(45,412)	45,412	-
Provision for loss of value of assets	80,302	-	80,302
Fair value of financial derivatives instruments	(1,508)	-	(1,508)
Deferred income and social contribution tax	33,536	789	34,325
	416,995	38,493	455,488
<b>Decrease (increase) in assets</b>	<b>(68,881)</b>	<b>2,972</b>	<b>(65,909)</b>
Accounts receivable	(61,964)	787	(61,177)
Loans to condominiums	(4,469)	-	(4,469)
Other	(5,951)	394	(5,557)
Legal deposits and values receivable from real estate taxes (IPTU)	54	74	128
Taxes recoverable	3,449	1,717	5,166
<b>Increase (decrease) in liabilities</b>	<b>23,913</b>	<b>(5,988)</b>	<b>17,925</b>
Suppliers	(3,571)	(712)	(4,283)
Collectable taxes and contributions	67,478	(2,967)	64,511
Other obligations	(37,049)	155	(36,894)
Deferred income	(2,945)	(2,464)	(5,409)
<b>Taxes paid - IRPJ e CSLL</b>	<b>(37,724)</b>	<b>553</b>	<b>(37,171)</b>
<b>Taxes paid - PIS, COFINS e ISS</b>	<b>(30,389)</b>	<b>(79)</b>	<b>(30,468)</b>
<b>Net Cash Used in Operating Activities</b>	<b>303,914</b>	<b>35,951</b>	<b>339,865</b>
<b>Investment Activities</b>			
Acquisition of fixed assets	(6,505)	-	(6,505)
Acquisition of properties for investment	(37,247)	(349)	(37,596)
Sale of property for investment	168,560	16,880	185,440
Decrease (increase) in investments	79,972	(79,972)	-
Reduction (increase) in securities	(237,506)	16,059	(221,447)
Increase in intangible assets	(22,832)	(18)	(22,850)
Dividends and interest on capital received	16,630	(16,630)	-
<b>Net Cash Used in Investment Activities</b>	<b>(38,928)</b>	<b>(64,030)</b>	<b>(102,958)</b>
<b>Financing Activities</b>			
Capital increase	1,114	-	1,114
Costs related to emission of shares	(732)	-	(732)
Interest payment - loans, financings and real estate credit notes	(47,782)	-	(47,782)
Principal payment loans and financing and real estate credit notes	(31,882)	-	(31,882)
Pre-Payment of principal - loans, financings and real estate credit notes	(17,133)	-	(17,133)
Payment of structuring cost - loans, financings and real estate credit notes	(3,807)	-	(3,807)
Interest payment - debentures	(62,689)	-	(62,689)
Principal payment - debentures	(8,778)	-	(8,778)
Share buyback	(36,918)	-	(36,918)
Dividends paid to non-controlling stockholders	(26,320)	26,320	-
Proceeds from share-based compensation program	5,788	-	5,788
Leasing - Payment of interest	(3,328)	(2,314)	(5,642)
Leasing - Payment of principal	(4,991)	(872)	(5,863)
Repurchase payment - debentures	(47,097)	-	(47,097)
<b>Net Cash Used in Financing Activities</b>	<b>(284,555)</b>	<b>23,134</b>	<b>(261,421)</b>
<b>Net cash and cash equivalent increase (reduction)</b>	<b>(19,569)</b>	<b>(4,945)</b>	<b>(24,514)</b>
Cash and Cash Equivalents at the end of the year	13,113	436	13,549
Cash and Cash Equivalents at the beginning of the year	32,682	5,381	38,063
<b>Net change in Cash and Cash Equivalents</b>	<b>(19,569)</b>	<b>(4,945)</b>	<b>(24,514)</b>

## RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2020

Conciliation between managerial financial information vs financial statements Year ended 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	(33,302)	809,439
Taxes and contributions and other deductions	(45,156)	2,960	(42,196)
Net revenues	797,585	(30,342)	767,243
Cost of rentals and services	(269,549)	(39,093)	(308,642)
Gross income	528,036	(69,435)	458,601
Operating income/expenses	(207,802)	39,196	(168,606)
Sales, 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 net operating income (expenses)	(47,766)	2,916	(44,850)
Financial income/(expenses)	(53,972)	(1,651)	(55,622)
Net income before taxes and social contributions	266,263	(31,890)	234,373
Income and social contribution taxes	(63,790)	(1,512)	(65,302)
<b>Net income in the year</b>	<b>202,473</b>	<b>(33,402)</b>	<b>169,071</b>
Income attributable to:			
Controlling shareholders	169,071	(0)	169,071
Minority shareholders	33,402	(33,402)	-
<b>Net income in the year</b>	<b>202,473</b>	<b>(33,402)</b>	<b>169,071</b>

Conciliation between EBITDA / Adjusted EBITDA Year ended 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
(+)/(-) Financial expenses / (income)	53,972	1,651	55,622
(+) Income and social contribution taxes	63,790	1,512	65,302
<b>EBITDA</b>	<b>505,704</b>	<b>(40,135)</b>	<b>465,569</b>
<b>EBITDA margin %</b>	<b>63.4%</b>		<b>60.7%</b>
(+)/(-) Non-recurring (expenses)/income	43,609	(94)	43,515
(+) Long-term incentive plan	13,841	-	13,841
<b>Adjusted EBITDA</b>	<b>563,155</b>	<b>(40,230)</b>	<b>522,925</b>
<b>Adjusted EBITDA margin %</b>	<b>70.6%</b>		<b>68.2%</b>

Conciliation between FFO / Adjusted FFO Year ended 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
<b>(=) FFO *</b>	<b>387,943</b>	<b>(43,298)</b>	<b>344,645</b>
<b>FFO margin %</b>	<b>23.6%</b>		<b>21.7%</b>
(+)/(-) Non-recurring expenses	43,609	(94)	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)
<b>(=) Adjusted FFO *</b>	<b>267,419</b>	<b>(26,155)</b>	<b>241,264</b>
<b>AFFO margin %</b>	<b>42.3%</b>		<b>39.6%</b>

\* Non-accounting indicators

## RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2019

Conciliation between managerial financial information vs financial statements Year ended December 31, 2019	Aliansce Sonae Consolidated 2019 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2019 - Managerial
<i>(amounts in thousands of reais)</i>			
<b>Gross revenue from rental and services</b>	814,788	180,858	995,645
Taxes and contributions and other deductions	(71,602)	7,753	(63,849)
<b>Net revenues</b>	743,186	188,611	931,797
Cost of rentals and services	(200,075)	(41,480)	(241,554)
<b>Gross income</b>	543,111	147,131	690,242
<b>Operating income/expenses</b>	(289,062)	(46,304)	(335,366)
General and administrative expenses	(98,181)	1,591	(96,591)
Long-term incentive plan	(14,874)	-	(14,874)
Equity Income	43,075	(43,075)	-
Depreciation and Amortization	(14,074)	(997)	(15,071)
Other operating (expenses)/revenues	(205,008)	(3,822)	(208,830)
<b>Financial income/(expenses)</b>	(149,578)	(32,890)	(182,468)
<b>Net income before taxes and minority interest</b>	104,471	67,938	172,408
Income and social contribution taxes	(47,838)	(40,253)	(88,091)
<b>Net income/(loss) in the year</b>	<b>56,633</b>	<b>27,685</b>	<b>84,317</b>
Income attributable to:			
Controlling shareholders	22,027	62,290	84,317
Minority shareholders	34,605	(34,605)	-
<b>Net income in the year</b>	<b>56,633</b>	<b>27,684</b>	<b>84,317</b>

Conciliation between EBITDA / Adjusted EBITDA Year ended December 31, 2019	Aliansce Sonae Consolidated 2019 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2019 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
<b>Net income</b>	56,633	27,685	84,317
(+) Depreciation and amortization	118,924	(913)	118,011
(+)/(+) Financial expenses / (income)	149,578	32,890	182,468
(+) Income and social contribution taxes	47,838	40,253	88,091
(+) Pre-operational expenses	-	154	154
<b>EBITDA*</b>	<b>372,972</b>	<b>100,069</b>	<b>473,041</b>
<b>EBITDA margin %</b>	<b>50.2%</b>		<b>50.8%</b>
(+)/(+) Non-recurring (expenses)/income	201,610	4,043	205,653
(+) Long-term incentive plan	14,874	-	14,874
<b>Adjusted EBITDA*</b>	<b>589,457</b>	<b>104,112</b>	<b>693,569</b>
<b>Adjusted EBITDA margin %</b>	<b>79.3%</b>		<b>74.4%</b>

Conciliation between FFO / Adjusted FFO Year ended December 31, 2019	Aliansce Sonae Consolidated 2019 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2019 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	56,633	27,685	84,317
(+) Depreciation and amortization	118,924	(913)	118,011
<b>(=) FFO *</b>	<b>175,556</b>	<b>26,772</b>	<b>202,328</b>
<b>FFO margin %</b>	<b>37.7%</b>		<b>45.0%</b>
(+)/(+) Non-recurring expenses	201,610	4,043	205,653
(-) Straight line rent adjustments - CPC 06	(3,125)	(1,385)	(4,510)
(+) Stock Options	14,874	-	14,874
(+)/(+) Non-cash taxes	6,375	22,195	28,570
(+)/(+) SWAP	(2,064)	-	(2,064)
(+)/(+) Other non-recurring financial expenses	1,512	7,538	9,050
(+) Pre-operating expenses	-	154	154
<b>(=) Adjusted FFO *</b>	<b>394,738</b>	<b>59,318</b>	<b>454,056</b>
<b>AFFO margin %</b>	<b>53.1%</b>		<b>48.7%</b>

## RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The table below shows the reconciliation between consolidated net debt and managerial net debt in 4Q20.

Debt breakdown - Consolidated	Financial Statements 4Q20	Effects of CPC 18/19	Managerial 4Q20
<i>(amounts in thousands of reais)</i>			
Banks	344,972	-	344,972
CCI/CRI	167,838	-	167,838
Obligation for purchase of assets	107	-	107
Debentures	1,494,126	-	1,494,126
<b>Total debt</b>	<b>2,007,042</b>	<b>-</b>	<b>2,007,042</b>
Cash and Cash Equivalents	(1,384,699)	(5,987)	(1,390,686)
<b>Total cash available</b>	<b>(1,384,699)</b>	<b>(5,987)</b>	<b>(1,390,686)</b>
<b>Net debt</b>	<b>622,343</b>	<b>(5,987)</b>	<b>616,356</b>

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.

(A free translation of the original in Portuguese)

## **Company and Consolidated Financial Statements**

### **Aliansce Sonae Shopping Centers S.A.**

At December 31, 2020 and 2019  
and Independent Auditor's Report

## **Aliansce Sonae Shopping Centers S.A.**

### Company and consolidated financial statements

December 31, 2020 and 2019

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

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## **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 statement of financial position as at December 31, 2020, 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, 2020, 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, 2020, the balances of investment properties measured by the cost method and of goodwill totaled R\$8,066,828 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 lease 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 profit or loss 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, 2020, 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 9, 2021.

ERNST & YOUNG  
Auditores Independentes S.S  
CRC-2SP015199/O-6

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

Roberto Martorelli  
Accountant CRC-1 RJ106103/O-0

## Aliansce Sonae Shopping Centers S.A.

### Balance sheets

December 31, 2020 and 2019

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents		<b>3,386</b>	6,501	<b>13,113</b>	32,682
Short-term investments	7	<b>1,076,688</b>	925,164	<b>1,371,587</b>	1,167,366
Trade receivables	8	<b>40,849</b>	25,780	<b>327,525</b>	164,871
Dividends and interest on capital receivable	10	<b>14</b>	9,807	<b>14</b>	4,121
Recoverable taxes	9	<b>23,084</b>	30,162	<b>56,120</b>	50,378
Prepaid expenses		<b>2,320</b>	4,008	<b>2,529</b>	4,425
Others		<b>25,305</b>	15,216	<b>41,473</b>	30,767
		<b>1,171,646</b>	1,016,638	<b>1,812,361</b>	1,454,610
Non-current assets held for sale	11	<b>21,610</b>	21,610	<b>38,565</b>	88,642
		<b>21,610</b>	21,610	<b>38,565</b>	88,642
Non-current assets					
Deferred income tax and social contribution	18	<b>29,109</b>	22,895	<b>66,177</b>	89,861
Recoverable taxes	9	<b>7,502</b>	16,018	<b>10,835</b>	16,718
Judicial deposits	16	<b>611</b>	1,653	<b>31,925</b>	32,084
Loans and other receivables	25	-	151	<b>8,046</b>	9,166
Derivative financial instruments	5	<b>10,543</b>	9,036	<b>10,543</b>	9,036
Prepaid expenses		<b>6,475</b>	9,936	<b>6,888</b>	10,042
Others		<b>22,238</b>	15,807	<b>25,562</b>	24,413
		<b>76,478</b>	75,496	<b>159,976</b>	191,320
Investments	10	<b>6,289,898</b>	6,405,396	<b>463,195</b>	545,109
Investment properties	11c	<b>628,021</b>	636,740	<b>8,063,390</b>	8,306,384
Property and equipment	13	<b>9,538</b>	7,425	<b>26,540</b>	10,381
Intangible assets	12	<b>58,040</b>	45,577	<b>323,548</b>	310,101
		<b>6,985,497</b>	7,095,138	<b>8,876,673</b>	9,171,975
Total assets		<b>8,255,231</b>	8,208,882	<b>10,887,575</b>	10,906,547

	Note	Company		Consolidated	
		2020	2019	2020	2019
Liabilities					
Current liabilities					
Trade payables		14,232	17,479	30,300	33,937
Borrowings and financings, CCI/CRI and debentures	14	176,120	27,593	240,621	64,548
Taxes and contributions payable	9	5,780	4,276	36,247	35,242
Dividends payable	19	40,154	-	44,475	4,488
Obligations for purchase of assets	25	-	-	107	103
Deferred revenues		-	-	1,672	614
Trade payables - Lease	13	6,919	4,586	8,995	4,586
Other obligations	17	29,113	59,309	61,308	95,992
		<b>272,318</b>	<b>113,243</b>	<b>423,725</b>	<b>239,510</b>
Non-current liabilities					
Borrowings and financings, CCI/CRI and debentures	14	1,383,739	1,602,315	1,766,314	2,080,991
Taxes and contributions payable	9	360	360	5,987	6,144
Deferred revenues	15	4,455	5,580	14,743	18,902
Deferred income tax and social contribution	18	-	-	984,257	981,759
Trade payables - Lease	13	31,839	25,706	40,931	25,706
Provision for contingencies	16	1,712	2,728	13,518	15,840
Other obligations	17	15,958	15,319	21,018	21,612
		<b>1,438,063</b>	<b>1,652,008</b>	<b>2,846,768</b>	<b>3,150,954</b>
Equity	19				
Share capital		4,156,476	4,155,362	4,156,476	4,155,362
Expenditure on issuance of shares		(72,332)	(71,599)	(72,332)	(71,599)
Capital reserves		875,808	963,501	875,808	963,501
Legal reserve		8,454	-	8,454	-
Treasury shares		(24,696)	-	(24,696)	-
Revenue reserves		120,463	-	120,463	-
Carrying value adjustments		1,480,677	1,480,677	1,480,677	1,480,677
Accumulated losses		-	(84,310)	-	(84,310)
Equity attributable to stockholders of the Parent		<b>6,544,850</b>	<b>6,443,631</b>	<b>6,544,850</b>	<b>6,443,631</b>
Non-controlling interest	19	-	-	1,072,232	1,072,452
Total equity		<b>6,544,850</b>	<b>6,443,631</b>	<b>7,617,082</b>	<b>7,516,083</b>
Total liabilities and equity		<b>8,255,231</b>	<b>8,208,882</b>	<b>10,887,575</b>	<b>10,906,547</b>

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

## Aliansce Sonae Shopping Centers S.A.

### Statements of income

For the years ended December 31, 2020 and 2019

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

	Note	Company		Consolidated	
		2020	2019	2020	2019
Net revenue from rental and services	20	<b>132,780</b>	169,945	<b>797,585</b>	743,186
Cost of rentals and services	21	<b>(85,298)</b>	(42,413)	<b>(269,549)</b>	(200,075)
Gross profit		<b>47,482</b>	127,532	<b>528,036</b>	543,111
Operating expenses					
Selling, general and administrative expenses	22	<b>(111,239)</b>	(97,305)	<b>(187,295)</b>	(127,130)
Result of equity in subsidiaries	10	<b>289,346</b>	148,676	<b>27,260</b>	43,075
Other costs, net	24	<b>(28,099)</b>	(89,310)	<b>(47,766)</b>	(205,008)
		<b>150,008</b>	(37,939)	<b>(207,801)</b>	(289,063)
Finance income (costs)	23				
Finance costs		<b>(90,028)</b>	(113,543)	<b>(154,062)</b>	(207,886)
Finance income		<b>55,395</b>	34,334	<b>100,090</b>	58,308
		<b>(34,633)</b>	(79,209)	<b>(53,972)</b>	(149,578)
Profit before income tax and social contribution		<b>162,857</b>	10,384	<b>266,263</b>	104,470
Income tax and social contribution	18	<b>6,214</b>	11,643	<b>(63,790)</b>	(47,838)
Profit for the year		<b>169,071</b>	22,027	<b>202,473</b>	56,632
Profit attributable to stockholders of the Parent	19	<b>169,071</b>	22,027	<b>169,071</b>	22,027
Non-controlling interest		-	-	<b>33,402</b>	34,605
		<b>169,071</b>	22,027	<b>202,473</b>	56,632
Result per share attributable to stockholders of the Parent during the year (expressed in R\$ per share)					
Result per share - basic	19	<b>0.6386</b>	0.1012		
Result per share - diluted	19	<b>0.6386</b>	0.1012		

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

## Aliansce Sonae Shopping Centers S.A.

Statements of comprehensive income

For the years ended December 31, 2020 and 2019

(All amounts in thousands of reais)

	<b>Company</b>		<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Profit for the year	<b>169,071</b>	22,027	<b>202,473</b>	56,632
Other comprehensive income	-	-	-	-
Total comprehensive income	<b>169,071</b>	22,027	<b>202,473</b>	56,632
Attributable to:				
Stockholders of the Parent	<b>169,071</b>	22,027	<b>169,071</b>	22,027
Non-controlling interest	-	-	<b>33,402</b>	34,605

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  
For the years ended December 31, 2020 and 2019  
(All amounts in thousands of reais)

	Share capital	Expenditure on issuance of shares	Capital reserve	Revenue reserve			Carrying value adjustments	Retained earnings/ (accumulated losses)	Treasury shares	Total	Non-controlling interest	Total
				Legal reserve	Unrealized revenue reserve	Profit retention						
At December 31, 2018	2,013,854	(44,431)	29,604	44,461	-	487,364	24,157	-	(1,034)	2,553,975	51,962	2,605,937
Profit (loss) for the year	-	-	-	-	-	-	-	(102,139)	-	(102,139)	5,530	(96,609)
Capital contribution	4,058	-	-	-	-	-	-	-	-	4,058	-	4,058
Cancellation of treasury shares	-	-	-	-	-	(521)	-	-	521	-	-	-
Share-based compensation program	-	-	1,960	-	-	60	-	-	513	2,533	-	2,533
Distribution of dividends	-	-	-	-	-	(27,066)	-	-	-	(27,066)	(4,560)	(31,626)
At August 5, 2019	2,017,912	(44,431)	31,564	44,461	-	459,837	24,157	(102,139)	-	2,431,361	52,932	2,484,293
Effect of business combination												
Adequacy of legal parent's capital structure	(2,017,912)	44,431	(31,564)	(44,461)	-	(459,837)	(24,157)	102,139	-	(2,431,361)	(52,932)	(2,484,293)
Equity of Sonae Sierra Brasil S.A. acquired on August 5 at fair value	1,397,866	(16,084)	96,198	75,495	97,792	1,083,560	1,480,677	(1,465,323)	-	2,750,181	1,192,924	3,943,105
Merger of legal subsidiary	1,565,607	-	865,754	-	-	-	-	-	-	2,431,361	52,932	2,484,293
Net effect	945,561	28,347	930,388	31,034	97,792	623,723	1,456,520	(1,363,184)	-	2,750,181	1,192,924	3,943,105
Profit for the year	-	-	-	-	-	-	-	124,166	-	124,166	29,075	153,241
Share-based compensation program	-	-	1,549	-	-	-	-	-	-	1,549	-	1,549
Capital contribution related to the share-based compensation program	1,120	-	-	-	-	-	-	-	-	1,120	-	1,120
Capital increase	1,190,769	-	-	-	-	-	-	-	-	1,190,769	-	1,190,769
Expenditure on issuance of shares	-	(55,515)	-	-	-	-	-	-	-	(55,515)	-	(55,515)
Distribution of dividends	-	-	-	-	-	-	-	-	-	-	(35,238)	(35,238)
Transactions with non-controlling stockholders directly in equity	-	-	-	-	-	-	-	-	-	-	(167,241)	(167,241)
Offset of accumulated losses against revenue reserve	-	-	-	(75,495)	(97,792)	(1,083,560)	-	1,256,847	-	-	-	-
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
Profit for the year	-	-	-	-	-	-	-	169,071	-	169,071	33,402	202,473
Absorption of accumulated losses against capital reserve (Note 19)	-	-	(84,310)	-	-	-	-	84,310	-	-	-	-
Capital contribution related to the share-based compensation program (Note 27)	1,114	-	-	-	-	-	-	-	-	1,114	-	1,114
Expenditure on issuance of shares (Note 19)	-	(733)	-	-	-	-	-	-	-	(733)	-	(733)
Constitution of legal reserve (Note 19)	-	-	-	8,454	-	-	-	(8,454)	-	-	-	-
Minimum mandatory dividends	-	-	-	-	-	-	-	(40,154)	-	(40,154)	-	(40,154)
Constitution of profit retention reserve (note 19)	-	-	-	-	-	120,463	-	(120,463)	-	-	-	-
Share buyback (Note 29)	-	-	-	-	-	-	-	-	(36,918)	(36,918)	-	(36,918)
Treasury shares granted under the share-based compensation program (Note 27)	-	-	-	-	-	-	-	-	12,222	12,222	-	12,222
Share-based compensation program (Note 27)	-	-	(3,383)	-	-	-	-	-	-	(3,383)	-	(3,383)
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	(33,622)	(33,622)
At December 31, 2020	4,156,476	(72,332)	875,808	8,454	-	120,463	1,480,677	-	(24,696)	6,544,850	1,072,232	7,617,082

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

## Aliansce Sonae Shopping Centers S.A.

### Statements of cash flows

For the years ended December 31, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Operating activities				
Profit for the year	169,071	22,027	202,473	56,632
Adjustments to profit arising from				
Straight-line rent	(18,490)	(1,153)	(165,856)	(3,124)
Depreciation and amortization	96,017	43,362	185,473	118,924
Result of equity in subsidiaries	(289,346)	(148,676)	(27,260)	(43,075)
Constitution of provision for expected credit loss	12,267	4,999	63,726	17,798
Share-based compensation	2,648	3,798	2,648	3,798
Interest and indexation charges on financial transactions	82,828	105,877	136,971	193,862
Gain (loss) on the sale of interest in Boulevard Corporate Tower	-	-	-	8,905
Gain on debt renegotiation	(14,693)	-	(48,212)	-
Fair value of the derivative financial instruments	(1,508)	(2,064)	(1,508)	(2,064)
Deferred income tax and social contribution	(6,214)	(12,312)	33,536	6,375
Provision for impairment of assets	65,774	-	80,302	118,000
Capital gain on the sale of interest/investment	(45,412)	(7,742)	(45,412)	(24,174)
Others	-	(450)	115	(8,029)
	52,942	7,666	416,996	443,828
Decrease (increase) in assets				
Trade receivables	(12,944)	(5,872)	(61,964)	(32,163)
Others	(14,997)	6,938	(10,420)	11,144
Judicial deposits	1,042	(1,258)	54	(1,757)
Recoverable taxes	20,259	12,797	3,449	11,684
	(6,640)	12,605	(68,881)	(11,092)
Increase (decrease) in liabilities				
Trade payables	(3,247)	10,643	(3,571)	9,824
Taxes and contributions payable	2,426	7,115	67,478	73,414
Other obligations	(30,150)	43,477	(37,051)	46,493
Deferred revenues	(1,126)	1,883	(2,945)	282
	(32,097)	63,118	23,911	130,013
Taxes paid - IRPJ and CSLL	-	(18)	(37,724)	(24,034)
Taxes paid - PIS, COFINS and ISS	(807)	(6,313)	(30,389)	(35,814)
Net cash provided by operating activities	13,398	77,058	303,913	502,901

## Aliansce Sonae Shopping Centers S.A.

### Statements of cash flows (Continued)

For the years ended December 31, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Investing activities				
Acquisition of property and equipment	(1,087)	(2,465)	(6,505)	(3,070)
Acquisition of investment property – shopping malls	(5,177)	(12,836)	(37,247)	(315,864)
Sale of investment property	-	72,345	168,560	134,106
Decrease (increase) in investments	85,211	(366,958)	79,972	(173,115)
Capital increase in subsidiaries/associates	(57,659)	(513,695)	-	(24,000)
Effect of business combination	-	-	-	5,186
Effect of cash of corporate events	-	-	-	7,347
Capital decrease in subsidiaries/associates/amortization of quotas	52,200	173,114	-	-
Decrease (increase) in short-term investments	(58,563)	(545,074)	(237,506)	(449,098)
Acquisition of intangible assets	(18,883)	(9,850)	(22,832)	(10,734)
Payment in obligations for purchase of assets	-	(2,964)	-	(23,282)
Interest on capital and received dividends	151,863	181,903	16,630	44,904
Net cash provided by (used in) investing activities	147,905	(1,026,480)	(38,928)	(807,620)
Financing activities				
Capital increase	1,114	1,195,947	1,114	1,195,947
Expenditure on issuance of shares	(733)	(55,515)	(733)	(55,515)
Payment of interest - borrowings and financings and real estate credit notes	(5,389)	(9,743)	(47,781)	(93,839)
Pre-payment of interest - borrowings and financings and real estate credit notes	-	(2,259)	-	(62,174)
Payment of principal - borrowings and financings and real estate credit notes	(1,225)	(5,407)	(31,881)	(204,825)
Pre-payment of principal - borrowings and financings and real estate credit notes	-	(38,830)	(17,133)	(297,751)
Payment of structuring cost of borrowings and financings	(482)	(40)	(3,807)	(40)
Payment of interest of debentures	(62,689)	(69,162)	(62,689)	(69,162)
Payment of principal of debentures	(8,778)	(8,237)	(8,778)	(8,237)
Payment of structuring cost of debentures	-	(199)	-	(199)
Payment of interest - Lease (right of use)	(3,195)	(2,277)	(3,328)	(2,277)
Payment of principal - Lease (right of use)	(4,814)	(1,882)	(4,991)	(1,882)
Dividends paid to non-controlling stockholders	-	-	(26,320)	-
Disposal of shares	-	1,034	-	1,034
Share buyback	(36,918)	-	(36,918)	-
Proceeds from share-based compensation program	5,788	-	5,788	-
Dividends paid	-	(54,132)	-	(85,569)
Repurchase of debentures	(47,097)	-	(47,097)	-
Net cash provided by (used in) financing activities	(164,418)	949,298	(284,554)	315,511
Net increase (decrease) in cash and cash equivalents	(3,115)	(124)	(19,569)	10,792
Cash and cash equivalents at the end of the year	3,386	6,501	13,113	32,682
Cash and cash equivalents at the beginning of the year	6,501	6,625	32,682	21,890
Net increase (decrease) in cash and cash equivalents	(3,115)	(124)	(19,569)	10,792

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

## Aliansce Sonae Shopping Centers S.A.

### Statements of value added

For the years ended December 31, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Revenue				
Gross revenue from rental and services	<b>143,431</b>	186,261	<b>840,414</b>	810,037
Provision for expected credit losses	<b>(12,267)</b>	(4,999)	<b>(63,726)</b>	(17,799)
Other revenue	<b>51,558</b>	9,893	<b>87,407</b>	48,327
	<b>182,722</b>	191,155	<b>864,095</b>	840,565
Inputs acquired from third parties				
Cost of rentals and services	<b>(5,922)</b>	(10,585)	<b>(77,537)</b>	(95,772)
Materials, energy, outsourced services and other operating expenses	<b>(99,871)</b>	(114,161)	<b>(164,458)</b>	(274,601)
Gross value added provided by the Company	<b>76,929</b>	66,409	<b>622,100</b>	470,192
Retentions				
Depreciation and amortization	<b>(96,016)</b>	(43,362)	<b>(185,471)</b>	(118,924)
Net value added provided by the Company	<b>(19,087)</b>	23,047	<b>436,629</b>	351,268
Value added received in transfer				
Result of equity in subsidiaries	<b>289,346</b>	148,676	<b>27,260</b>	43,075
Finance income	<b>55,395</b>	34,334	<b>100,090</b>	58,307
	<b>344,741</b>	183,010	<b>127,350</b>	101,382
Total value added distributed	<b>325,654</b>	206,057	<b>563,979</b>	452,650
Distribution of value added				
Employees	<b>61,991</b>	65,586	<b>91,162</b>	80,885
Salaries and charges	<b>51,220</b>	52,994	<b>78,833</b>	65,946
Executives fees	<b>7,536</b>	7,646	<b>9,094</b>	9,993
Employees profit sharing	<b>3,235</b>	4,946	<b>3,235</b>	4,946
Taxes	<b>4,565</b>	4,882	<b>114,705</b>	106,110
Federal	<b>2,764</b>	2,256	<b>107,121</b>	95,550
Municipal	<b>1,801</b>	2,626	<b>7,584</b>	10,560
Financiers	<b>90,027</b>	113,562	<b>155,639</b>	209,023
Interest and other finance costs	<b>90,027</b>	113,543	<b>154,061</b>	207,886
Rentals	-	19	<b>1,578</b>	1,137
Remuneration of own capital	<b>169,071</b>	22,027	<b>202,473</b>	56,632
Dividends and interest on capital	-	-	-	-
Retained earnings / loss for the year	<b>169,071</b>	22,027	<b>169,071</b>	22,027
Non-controlling interest in retained earnings / loss for the year	-	-	<b>33,402</b>	34,605
	<b>325,654</b>	206,057	<b>563,979</b>	452,650

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, 2020 and 2019

(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 Shareholders' 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, 2020.

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".

On August 5, 2019, the corporate restructuring process was consummated through which Sonae Sierra Brasil S.A. ("Sonae Sierra") merged Aliansce Shopping Centers S.A. ("Aliansce"), forming Aliansce Sonae Shopping Centers S.A. ("Aliansce Sonae" or "Company"), treated as a downstream merger. The details of this transaction are described in Note 4.1 to the financial statements at December 31, 2019.

The issuance of these financial statements was authorized by the Board of Directors on March 9, 2021.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

## **2. Presentation of the 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.

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.

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.

### **2.3. New or revised pronouncements first adopted in 2020**

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, 2020 and 2019

(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 2020 (Continued)**

#### Amendments to CPC 15 (R1): Definition of a Business

The amendments to CPC 15 (R1) clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the company and consolidated financial statements of the Company, but may impact future periods should the Company enter into any business combinations.

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

The amendments to CPC 38 and CPC 48 provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the company and consolidated financial statements of the Company as it does not have any interest rate hedge relationships.

#### Amendments to CPC 26 (R1) and CPC 23: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the company and consolidated financial statements of, nor is there expected to be any future impact to the Company.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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 2020 (Continued)**

##### Revision of CPC 00 (R2): Conceptual Framework for Financial Reporting

The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the company and consolidated financial statements of the Company.

##### Amendments to CPC 06 (R2): Covid-19 Related Rent Concessions

The amendments provide relief to lessees from applying CPC 06 (R2) guidance on lease modification when accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic.

As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under CPC 06 (R2), if the change were not a lease modification.

This amendment had no impact on the company and consolidated financial statements of the Company.

#### **2.4. Basis of consolidation**

The consolidated financial statements are comprised of the Company's and its subsidiaries' financial statements at December 31, 2020 and 2019, 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.4. 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)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.4. 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 interest 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.

### **2.5. 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 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)

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

#### **2.5. 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 amount 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 retained investment 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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

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

### **2.6. 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 within 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 is essentially maintained for trade purposes.
- 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.

### **2.7. 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 was 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.8. 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.

### **2.9. 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.

### **2.10. 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 at initial recognition are measured at amortized cost, subsequently measured at fair value through other comprehensive income and fair value through profit or loss.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.10. 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 on 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)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.10. 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 specific 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 trade 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 or 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.10. 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.

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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.10. 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 sale of retained 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)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.10. Financial instruments (Continued)**

#### Financial assets (Continued)

##### *Impairment of financial assets (Continued)*

The expected credit losses 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 it 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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

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

### **2.10. Financial instruments (Continued)**

#### Financial liabilities (Continued)

##### *Initial recognition and measurement (Continued)*

All the financial liabilities are initially measured at its 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 are directly attributable to 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 or 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 efficient 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)

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

### **2.10. Financial instruments (Continued)**

#### Financial liabilities (Continued)

##### *Subsequent measurement (Continued)*

##### ii) Loans and receivables

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)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.11. 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.

### **2.12. 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.

### **2.13. 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)

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

### **2.13. Intangible assets (Continued)**

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

### **2.14. 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.

### **2.15. 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.

### **2.16. 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 are 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)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.16. Investment properties (Continued)**

Goodwill arising from the fair value of assets recorded in subsidiaries is 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.

Capitalized interest in the parent refers to borrowings made by its subsidiaries and transferred through the Company to the subsidiaries with projects in the pre-operating stage or in the process of renovation/expansion.

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

### **2.17. 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 amount.

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 in 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)

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

### **2.17. 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.

### **2.18. 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.

### **2.19. 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 money is material).

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

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(All amounts in thousands of reais unless otherwise stated)

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

### **2.19. 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.

### **2.20. 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.

### **2.21. 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

#### **2.21. 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)

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(All amounts in thousands of reais unless otherwise stated)

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

### 2.22. 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 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.22. 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.

### **2.23. 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

### **2.23. Revenue recognition (Continued)**

#### Rental revenue and assignment of right to use (Continued)

The operations of the Company, its subsidiaries and joint ventures vary according to seasons. Historically, special dates and holidays, such as Christmas, Mother's Day, among others result in a positive impact in the sales of the shopping malls.

#### 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 rate method.

### **2.24. Distribution of dividends**

The distribution of dividends to the Company's stockholders is 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.

### **2.25. 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

#### **2.26. 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.

#### **2.27. 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.

### **3. Significant accounting judgments, estimates and assumptions**

#### Judgments

The preparation of the Company's consolidated financial statements requires that 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 on 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, 2020 and 2019

(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 a 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.

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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

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

#### Judgements (Continued)

##### *Provision for expected credit losses for receivables and contract assets (Continued)*

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.

##### *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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **4. Significant events occurred during the year**

In January 2020, the Company completed the third stage of the sale of Boulevard Corporate Tower for R\$ 52,200, with write-off of the cost of R\$ 50,077 and a gain of R\$ 2,123, which is recorded in the statement of income under Other income (costs) line item.

In February 2020, the Company sold its 37.50% interest in Shopping Santa Úrsula (50% in Manati Empreendimentos e Participações S.A.) for R\$ 28,500, with write-off of the investment cost of R\$ 32,564 and a loss of R\$ 4,064, which is recorded in the statement of income under Other income (costs) line item.

In March 2020, the Company concluded the sale of the subsidiary Mozart for R\$ 15, 25% of the share capital of CDG (equivalent to 25% of the asset Shopping Campos) and 32% of the share capital of Norte Shopping Belém (equivalent to 24% of the asset Parque Shopping Belém) for R\$ 52,019 and R\$ 74,933, respectively, without losing control of the companies. Upon the consummation of these transactions, the Company now holds remaining interests of 75% and 51% in shopping malls Campos and Parque Belém, respectively.

The Company considered these transactions as sale of assets and not as sale of equity interests. Accordingly, these transactions generated gains of R\$ 10,000 and R\$ 27,109, respectively, recorded in profit or loss for the period.

Additionally, the sale value of shopping malls Campos and Parque Shopping Belém may be increased by earn-out remuneration based on the performance of both shopping malls over the next 12 months.

In April 2020, the sale of 50% of subsidiary Gaudi Empreendimentos e Participações Ltda. to Legatus Shopping Fundo de Investimento Imobiliário - FII for R \$ 24,374 was concluded. This transaction generated a gain of R\$ 970, which was recorded in the statement of income as "Other income (costs), net".

In October 2020, a total spin-off of DBGZIBEN Participações Ltda. was carried out, in which the spun-off net assets related to the 14% interest in Shopping Taboão of R\$ 81,079 were contributed and merged into the investee Pátio Londrina Empreendimentos e Participações Ltda.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **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.

##### **I) 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. 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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 5. Financial risk management (Continued)

#### 5.1. Financial risk factors (Continued)

##### I) Credit risk (Continued)

Part of the Company's revenues has very low credit risk: parking revenues and service revenues.

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.

##### 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.

The contractual maturities of the main financial liabilities, including the estimated interest payment and excluding, if any, the impact of the negotiation of currencies by net position, are as follows.

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
<b>Non-derivative financial liabilities</b>							
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
<b>Derivative financial instruments</b>							
Swap (debentures)	(10,543)	(8,835)	(1,204)	(1,257)	(2,139)	(4,235)	-
	<b>1,563,548</b>	<b>1,879,288</b>	<b>41,638</b>	<b>198,978</b>	<b>441,789</b>	<b>963,673</b>	<b>233,210</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2019	Company						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
<b>Non-derivative financial liabilities</b>							
Borrowings and financings	72,510	122,551	3,769	3,743	8,149	29,608	77,282
Trade payables	17,479	17,479	17,479	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
<b>Derivative financial instruments</b>							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	<u>1,638,351</u>	<u>2,049,276</u>	<u>59,235</u>	<u>47,017</u>	<u>260,452</u>	<u>1,365,956</u>	<u>316,616</u>
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
<b>Non-derivative financial liabilities</b>							
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
<b>Derivative financial instruments</b>							
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>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2019	Consolidated						Over 5 years
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	
<b>Non-derivative financial liabilities</b>							
Borrowings and financings	406,936	551,425	32,521	34,389	74,671	234,253	175,591
Trade payables	33,937	33,937	33,937	-	-	-	-
Obligations for purchase of assets	103	103	103	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
Real estate credit note (CCIs)	181,205	242,108	16,613	15,379	33,142	105,845	71,129
<b>Derivative financial instruments</b>							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	<u>2,170,543</u>	<u>2,736,819</u>	<u>121,161</u>	<u>93,042</u>	<u>360,116</u>	<u>1,676,446</u>	<u>486,054</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, 2020 and 2019

(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, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Interest rate financial instruments</b>				
Financial assets	1,076,688	925,164	1,371,587	1,167,366
Financial liabilities	(1,614,245)	(1,647,387)	(2,081,817)	(2,179,579)
	<b>(537,557)</b>	<b>(722,223)</b>	<b>(710,230)</b>	<b>(1,012,213)</b>
<b>Derivative financial instruments</b>				
Financial assets	10,543	9,036	10,543	9,036
	<b>10,543</b>	<b>9,036</b>	<b>10,543</b>	<b>9,036</b>

##### Sensitivity analysis of interest rates

CPC 40 (R1) regarding Financial Instruments: Disclosures, 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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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)

For calculation of the sensitivity analysis, the annual projection of the risk variables was carried out based on the market rate projection, which the Central Bank of Brazil makes available. The probable scenario is that scenario worked by Management and can be understood as the estimated balance of the borrowings and financings, CCLs 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.

The tables below show the sensitivity analysis of the Company's Management and the cash effect of transactions outstanding at December 31, 2020, as well as the amounts of indexes used in the forecasts.

Operation	Risk variable	Carrying amount	Company		
			Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,259,914)	(1,094,749)	(1,096,325)	(1,097,904)
IPCA	Increase of IPCA	(289,884)	(291,430)	(296,079)	(300,794)
Swap (debentures)	Increase of CDI	10,543	10,543	9,840	9,136

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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)

Operation	Risk variable	Carrying amount	Consolidated		
			Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,259,914)	(1,094,749)	(1,096,325)	(1,097,904)
IPCA	Increase of IPCA	(289,884)	(291,430)	(296,079)	(300,794)
IGP-DI	Increase of IGP-DI	(81,309)	(68,837)	(70,816)	(72,841)
Swap (debentures)	Increase of CDI	10,543	10,543	9,840	9,136

  

Indexer	December 31, 2020		
	Scenario I Probable	Scenario II (+25%)	Scenario III (+50%)
IPCA	4.40%	5.50%	6.61%
CDI	2.70%	3.37%	4.05%
IGP-DI	23.40%	29.26%	35.11%

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 2020.

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 indexers 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, 2020 and 2019

(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, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings and financings	70,551	77,364	77,328	83,167
Debentures	1,508,471	1,553,800	1,577,522	1,575,173
<b>Total borrowings</b>	<b>1,579,022</b>	<b>1,631,164</b>	<b>1,654,850</b>	<b>1,658,340</b>
<b>Total borrowing cost</b>	<b>(19,163)</b>		<b>(24,942)</b>	
<b>Total net borrowings</b>	<b>1,559,859</b>		<b>1,629,908</b>	

  

Instruments	Consolidated			
	December 31, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings and financings	355,194	389,663	417,977	433,129
CRIs	170,819	189,160	181,205	193,662
Debentures	1,508,471	1,553,800	1,577,522	1,575,173
<b>Total borrowings</b>	<b>2,034,484</b>	<b>2,132,623</b>	<b>2,176,704</b>	<b>2,201,964</b>
<b>Total borrowing cost</b>	<b>(27,549)</b>		<b>(31,165)</b>	
<b>Total net borrowings</b>	<b>2,006,935</b>		<b>2,145,539</b>	

##### 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, 2020 and 2019

(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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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)**

###### **Trade receivables**

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

###### **Derivative financial instruments**

In May 2017, the Company entered into a Swap agreement with Goldman Sachs for the 2<sup>nd</sup> Series of the 4<sup>th</sup> private issuance of simple debentures, non-convertible into shares, up to two series, of unsecured shares to be exchanged 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, released 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 Central Bank of Brazil.

###### **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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **5. Financial risk management (Continued)**

#### **5.1. Financial risk factors (Continued)**

##### **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.

##### ***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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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* (Continued)

The net debt and equity ratio is as follows:

	Consolidated	
	December 31, 2020	December 31, 2019
Borrowings and financings, CCI/CRI and debentures	2,006,935	2,145,539
Obligations for purchase of assets	107	103
Total	2,007,042	2,145,642
(-) Cash and cash equivalents	(13,113)	(32,682)
(-) Short-term investments	(1,371,587)	(1,167,366)
(-) Derivative financial instruments	(10,835)	(9,036)
Net debt (A)	611,507	936,558
Total equity (B)	7,617,082	7,516,083
Net debt /equity ratio (A/B)	8.03%	12.46%

### 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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 6. Segment reporting (Continued)

- 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, 2020				December 31, 2019			
	Rent	Parking lot	Services	Total	Rent	Parking lot	Services	Total
Net revenue (1)	647,347	92,756	57,482	797,585	538,312	135,381	69,493	743,186
Cost	(214,574)	(16,659)	(38,316)	(269,549)	(149,103)	(22,954)	(28,018)	(200,075)
<b>Gross result</b>	<b>432,773</b>	<b>76,097</b>	<b>19,166</b>	<b>528,036</b>	<b>389,209</b>	<b>112,427</b>	<b>41,475</b>	<b>543,111</b>

(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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 7. Short-term investments

Financial assets at fair value through profit or loss	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Bank Certificate of Deposits (CDB)	759,681	56,485	1,001,663	178,390
Bank Certificate of Deposits (CDB) - Gaia (*)	-	-	5,347	3,176
Fixed-income fund	192,785	677,735	230,481	770,210
Financial bill	116,511	16,125	116,511	16,125
Repurchase agreements	-	167,532	-	167,532
Other short-term investments	7,711	7,287	17,585	31,933
	<b>1,076,688</b>	<b>925,164</b>	<b>1,371,587</b>	<b>1,167,366</b>

(\*) 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 ranging from 90% to 120% of the Interbank Deposit Certificate (CDI) as at December 31, 2020 (70% to 110% as at December 31, 2019) and original maturity dates in 2021.

The Company aims to manage its short-term investments, seeking a balance between liquidity and profitability, considering the investment plan for the following years. In order to enable this strategy, and based on the risk management presented in Note 5, Management follows these guidelines:

- (i) Distribute the risk by financial institution prioritizing liquidity and profitability:

Liquidity	%	December 31, 2020	%	December 31, 2019
Daily	99.61	1,366,240	99.73	1,164,190
+ 180 days	0.39	5,347	0.27	3,176
	<b>100.00</b>	<b>1,371,587</b>	<b>100.00</b>	<b>1,167,366</b>

- (ii) Invest the Company's funds in prime financial institutions and government bonds that meet the minimum rating threshold by the major global rating firms (Moody's, Austin, S&P, Fitch).

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 8. Trade receivables

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Rentals	32,714	26,082	234,730	189,619
Parking lot	761	1,051	5,644	8,183
Services provision	8,661	10,136	12,638	14,038
Assignment of right of use receivable	1,023	985	7,132	7,360
Condominium fees receivable	13,255	10,155	58,980	45,498
Others	1,590	882	7,437	4,675
	58,004	49,291	326,561	269,373
Straight-line rent	24,640	6,150	201,105	42,764
Provision for expected credit losses	(41,795)	(29,661)	(200,141)	(147,266)
	40,849	25,780	327,525	164,871

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	14,069	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 receivable	744	-	-	13	266	1,023
Condominium fees receivable	-	-	1,236	1,797	10,222	13,255
Others	-	196	499	56	839	1,590
<b>Total in 2020</b>	<b>16,971</b>	<b>3,786</b>	<b>3,696</b>	<b>3,834</b>	<b>29,717</b>	<b>58,004</b>
Straight-line rental (a)						24,640
Provision for expected credit losses						(41,795)
<b>Net balance at December 31, 2020</b>						<b>40,849</b>
Company	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	11,863	861	766	1,690	10,902	26,082
Parking lot	1,051	-	-	-	-	1,051
Services provision	1,299	362	283	609	7,583	10,136
Assignment of right of use receivable	691	7	10	27	250	985
Condominium fees receivable	-	244	569	1,190	8,152	10,155
Others	9	22	40	131	680	882
<b>Total in 2019</b>	<b>14,913</b>	<b>1,496</b>	<b>1,668</b>	<b>3,647</b>	<b>27,567</b>	<b>49,291</b>
Straight-line rental (a)						6,150
Provision for expected credit losses						(29,661)
<b>Net balance at December 31, 2019</b>						<b>25,780</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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	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 receivable	4,828	81	11	325	1,887	7,132
Condominium fees receivable	-	32	6,254	12,874	39,820	58,980
Others	143	1,108	1,784	272	4,130	7,437
<b>Total in 2020</b>	<b>126,696</b>	<b>23,335</b>	<b>19,176</b>	<b>28,612</b>	<b>128,742</b>	<b>326,561</b>
Straight-line rental (a)						201,105
Provision for expected credit losses						(200,141)
<b>Net balance at December 31, 2020</b>						<b>327,525</b>
Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	103,187	9,309	6,065	11,414	59,644	189,619
Parking lot	8,183	-	-	-	-	8,183
Services provision	2,490	1,262	1,192	800	8,294	14,038
Assignment of right of use receivable	3,996	504	125	230	2,505	7,360
Condominium fees receivable	11	910	2,332	5,251	36,994	45,498
Others	145	166	233	554	3,577	4,675
<b>Total in 2019</b>	<b>118,012</b>	<b>12,151</b>	<b>9,947</b>	<b>18,249</b>	<b>111,014</b>	<b>269,373</b>
Straight-line rental (a)						42,764
Provision for expected credit losses						(147,266)
<b>Net balance at December 31, 2019</b>						<b>164,871</b>

- (a) During the months from March to December 2020, due to the COVID-19 pandemic that had direct impacts on the Company's operations, Management introduced a change in its relationship with storeowners, allowing them, under the condition of making payments due on the respective maturity dates, to make the rent payments with a specific reduction of the rent due (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 rents according to the remaining term of each agreement, as provided for in CPC 06 (R2)/IFRS 16.

#### Rents, 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. In addition, the Company considered in its analysis of impairment of receivables an increase in risk due to the COVID-19 crisis.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 8. Trade receivables (Continued)

#### Rents, assignment of right of use receivable and condominium fees receivable (Continued)

The information about exposure to credit risk in the Company's rents, 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	%	
	December 31, 2020	December 31, 2019
Falling due	3.97%	4.05%
Overdue up to 90 days	54.16%	53.79%
Overdue between 91 and 180 days	75.49%	78.30%
Overdue between 181 and 360 days	91.10%	91.01%
Overdue for more than 360 days	98.53%	98.73%

#### 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, 2020, even considering the COVID-19 impacts, and December 31, 2019.

#### Services provision and others

As at December 31, 2020, receivables balance in the consolidated related to "Services provision" and "Others" have provision for expected credit losses of R\$ 6,406 and R\$ 5,914, respectively (R\$ 5,480 and R\$ 3,767 as at December 31, 2019, respectively). The Company calculates the provision for expected credit loss through an individual analysis of the expected losses through an individual analysis of the expected losses of trade receivables from services provision and other and considered in these analyses the risk increase due to the COVID-19 crisis.

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

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
At January 1	(29,661)	(27,303)	(147,266)	(91,761)
Effect of business combinations	-	-	-	(48,828)
Effect of corporate events	-	900	9,967	(12,740)
Permanent write-off (reversal) of receivables	133	1,741	884	23,861
Constitution of ECL (Note 22)	(12,267)	(4,999)	(63,726)	(17,798)
	(41,795)	(29,661)	(200,141)	(147,266)

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

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 8. Trade receivables (Continued)

#### 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, 2020 and 2019, leases have the following renewal schedule:

	Consolidated	
	December 31, 2020	December 31, 2019
2020	-	23.73%
2021	15.65%	15.64%
2022	17.00%	18.76%
2023	16.00%	17.20%
After 2024	33.82%	14.51%
Indefinite period (*)	17.53%	10.16%
	<b>100.00%</b>	<b>100.00%</b>

(\*) Non-renewed 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.

### 9. Recoverable taxes and taxes payable

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Recoverable taxes</b>				
IR, IRRF and CS to offset	27,979	45,662	60,044	63,859
COFINS and PIS to offset	2,498	413	6,550	943
Other recoverable taxes	109	105	361	2,294
<b>Total</b>	<b>30,586</b>	<b>46,180</b>	<b>66,955</b>	<b>67,096</b>
<b>Taxes payable</b>				
PIS/COFINS	3,526	2,885	14,409	15,755
ISS	199	374	1,624	2,001
Income tax and social contribution payable	-	130	15,045	14,032
ITBI	-	-	7,382	7,382
Others	2,415	1,247	3,774	2,216
<b>Total</b>	<b>6,140</b>	<b>4,636</b>	<b>42,234</b>	<b>41,386</b>
Current assets	23,084	30,162	56,120	50,378
Non-current assets	7,502	16,018	10,835	16,718
Current liabilities	5,780	4,276	36,247	35,242
Non-current liabilities	360	360	5,987	6,144

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

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments

#### a) Subsidiaries/associates

Subsidiaries and associates, with respective interest	Shareholding - %	
	December 31, 2020	December 31, 2019
<b>Subsidiaries</b>		
<b>Acapurana Participações S.A.</b>	52.37	52.37
Santana Parque Shopping	70.00	70.00
<b>Administradora Carioca de Shopping Centers Ltda.</b>	100.00	100.00
Administradora do Estacionamento Carioca Shopping	100.00	100.00
<b>Aliansce Assessoria Comercial Ltda.</b>	99.99	99.99
<b>Aliansce Estacionamentos Ltda.</b>	99.99	99.99
<b>Aliansce Mall e Mídia Inter. Loc. e Merchandising Ltda.</b>	99.99	99.99
<b>Aliansce Services - Serv de Adm. em Geral Ltda.</b>	99.99	99.99
<b>Altair Empreendimentos e Participações S.A.</b>	100.00	100.00
Shopping Leblon	24.62	24.62
<b>América Latina Malls Empreend. e Partic.</b>	100.00	100.00
SCGR Empreend. e Particip. S.A.	44.99	44.99
<b>Atalaya Imóveis e Participações Ltda.</b>	77.56	77.56
C&A store - Shopping da Bahia	42.46	42.46
<b>Bazille Empreendimentos e Participações Ltda.</b>	99.99	99.99
Shopping Parangaba	40.00	40.00
<b>Beethoven Empreendimentos e Participações Ltda.</b>	69.04	69.04
<b>Boulevard Belém S.A.</b>	79.99	79.99
Boulevard Shopping Belém	79.99	79.99
<b>CDG Centro Comercial Ltda. (2)</b>	100.00	100.00
Boulevard Shopping Campos	75.00	100.00
<b>Cezanne Empreendimentos e Participações Ltda.</b>	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
<b>Chopin Empreendimentos Imobiliários Ltda.</b>	99.99	99.99
Land attached to the Shopping Mall Via Parque	99.99	99.99
<b>CTBH Fundo de Invest. Imob. – FII</b>	99.99	99.99
<b>Dali Empreendimentos e Participações S.A.</b>	99.99	99.99
SDT3 Centro Comercial Ltda.	40.00	40.00
Shopping Taboão	40.00	40.00
<b>Degas Empreendimentos e Participações S.A.</b>	99.99	99.99
<b>Gaudi Empreendimentos e Participações Ltda. (6)</b>	-	99.99
Boulevard Shopping Vila Velha	-	50.00
<b>Malfatti Empreendimentos e Participações Ltda.</b>	99.99	99.99
<b>Mozart Empreendimentos e Partic. S.A. (1)</b>	-	99.99
<b>Nibal Participações S.A.</b>	99.99	99.99
Shopping da Bahia - Naciguat Condominium	42.03	42.03
Shopping Taboão	38.00	38.00
C&A store – Shopping da Bahia	44.57	44.57

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020	December 31, 2019
<b>Norte Shopping Belém S.A. (3)</b>	<b>100.00</b>	100.00
Parque Shopping Belém	51.00	75.00
<b>Unishopping Consultoria Imobiliária Ltda.</b>	<b>100.00</b>	100.00
<b>Sierra Investimentos Brasil Ltda.</b>	<b>100.00</b>	100.00
<b>Fundo de Investimento Imobiliário Shopping Parque Dom Pedro e</b>	<b>48.26</b>	48.26
Shopping Parque Dom Pedro	74.47	74.47
<b>Fundo de Investimento Imobiliário Parque Dom Pedro Shopping</b>		
<b>Center (2)</b>	<b>50.10</b>	50.10
Shopping Parque Dom Pedro	15.00	15.00
<b>Pátio Boavista Shopping Ltda.</b>	<b>100.00</b>	100.00
Shopping Metrópole	100.00	100.00
<b>Pátio Londrina Empreendimentos e Participações Ltda. (8)</b>	<b>100.00</b>	100.00
Boulevard Londrina	88.64	88.64
Shopping Plaza Sul	30.00	30.00
Shopping Taboão	14.00	-
<b>Pátio São Bernardo Ltda.</b>	<b>100.00</b>	100.00
Shopping Plaza Sul	30.00	30.00
<b>Pátio São Paulo Intermediação de Negócios Eletrônicos</b>		
<b>Ltda.</b>	<b>100.00</b>	100.00
Services	-	-
<b>Pátio Sertório Shopping Ltda.</b>	<b>100.00</b>	100.00
Shopping Manauara	100.00	100.00
<b>Pátio Uberlândia Shopping Ltda.</b>	<b>100.00</b>	100.00
Uberlândia Shopping	100.00	100.00
<b>RRSPE Empreendimentos e Participações Ltda.</b>	<b>99.99</b>	99.99
Shopping da Bahia - Riguat Condominium	69.04	69.04
Shopping da Bahia - Naciguat Condominium	4.65	4.65
<b>SCGR Empreend. e Particip. S.A.</b>	<b>55.01</b>	55.01
Shopping Grande Rio	50.00	50.00
GR Parking Estacionamentos Ltda. - Administradora de estacionamento	50.00	50.00
<b>SDT3 Centro Comercial Ltda.</b>	<b>38.00</b>	38.00
<b>Tarsila Empreendimentos e Participações Ltda.</b>	<b>99.99</b>	99.99
Malfatti Empreend. e Part. Ltda.	99.99	99.99
Shopping da Bahia - Naciguat Condominium	22.36	22.36
<b>Tissiano Empreendimentos e Participações S.A.</b>	<b>99.99</b>	99.99
Caxias Shopping	65.00	65.00
Expoente 1000 Empreend. e Participações S.A.	100.00	100.00
<b>Vértico Bauru Empreend. Imob. S.A.</b>	<b>99.99</b>	99.99
Boulevard Shopping Bauru	99.99	99.99
<b>Vivaldi Empreendimentos e Participações S.A.</b>	<b>99.99</b>	99.99
Shopping Leblon	0.48	0.48

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020	December 31, 2019
<b>Associated and joint ventures</b>		
<b>2008 Empreendimentos Comerciais S.A.</b>	<b>50.00</b>	50.00
Boulevard Shopping Brasília	100.00	100.00
<b>BG Malls Fazendas Urbanas em Shopping Centers S.A. (7)</b>	<b>50.00</b>	-
<b>Campo Limpo Empreendimentos e Participações Ltda.</b>	<b>20.00</b>	20.00
Shopping Campo Limpo	100.00	100.00
<b>DBGZIBEN Participações Ltda. (8)</b>	-	39.00
Shopping Taboão	-	22.00
<b>Fundo de Investimento Imobiliário Via Parque Shopping</b>	<b>39.23</b>	39.23
Via Parque Shopping	100.00	100.00
<b>Gaudi Empreendimentos e Participações Ltda. (6)</b>	<b>50.00</b>	-
Boulevard Shopping Vila Velha	50.00	-
<b>GDR 2012 Participações S.A.</b>	<b>16.33</b>	16.33
Shopping Leblon	4.90	4.90
<b>Manati Empreend. e Participações S.A. (5)</b>	-	50.00
Shopping Santa Úrsula	-	75.00
<b>Parque Shopping Maceió S.A.</b>	<b>50.00</b>	50.00
Parque Shopping Maceió	100.00	100.00
<b>Colina Shopping Center Ltda.</b>	<b>50.00</b>	50.00

(1) In March 2020, the Company concluded the sale of the company Mozart for R\$ 15.

(2) In March 2020, the sale of the 25% investment property of Shopping Boulevard Campos for R\$ 52,019 was concluded. (See Note 4).

(3) In March 2020, the sale of the 24% interest in Parque Shopping Belém for R\$ 74,933 was concluded (see Note 4).

(4) In January 2020, the third and last stage of the sale of the venture Boulevard Corporate Tower, entered into between CTBH Fundo de Investimento Imobiliário - FII ("CTBH") and Kinea Renda Imobiliária Fundo de Investimento - FII ("Kinea") for R\$ 52,200 was concluded.

(5) In February 2020, the Company concluded the sale of the 37.50% interest in Shopping Santa Úrsula (50% of Manati) for R\$ 28,500.

(6) In April 2020, the sale of 50% of subsidiary Gaudi Empreendimentos e Participações Ltda. to Legatus Shopping Fundo de Investimento Imobiliário - FII for R \$ 24,374 was concluded. This transaction generated a gain in the amount of R\$ 970, which was recorded in the statement of income as "Other income (costs), net". (See Note 4).

(7) In August 2020, the company BG Malls Fazendas Urbanas em Shopping Centers S.A., in which the Company holds a 50% interest, was established. Headquartered in Belo Horizonte, the company is engaged in urban farms development business in Shopping Malls.

(8) In October 2020, a total spin-off of DBGZIBEN Participações Ltda. was carried out, in which its net assets related to the 14% interest in Shopping Taboão were span off to Pátio Londrina Empreendimentos e Participações Ltda., as mentioned in Note 4.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments (Continued)

#### b) Breakdown of investment balance

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Investments - book value	4,545,782	4,526,440	379,299	449,694
Assets' added value	1,672,546	1,807,109	83,896	95,415
Goodwill	71,570	71,847	-	-
	<b>6,289,898</b>	<b>6,405,396</b>	<b>463,195</b>	<b>545,109</b>

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.

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

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Balance at the beginning of the year	4,526,440	2,479,504	449,694	437,629
Capital contribution (1)	57,659	513,695	-	24,000
Effect of the consolidation of SCGR and Acapurana	-	-	-	(43,748)
Equity in the results of subsidiaries/associates	289,346	148,676	27,260	43,075
Acquisitions of interests/companies (3)	-	278,880	-	8,512
Dividends received and accrued interest on capital	(145,641)	(187,450)	(10,049)	(29,900)
Investment balance allocated through business combinations	-	1,466,249	-	10,126
Decrease in capital/quotas amortization (2)	(43,053)	(173,114)	-	-
Corporate restructuring - DBGZIBEN - Note 4	-	-	(81,079)	-
Write-off of investment (4)	(141,969)	-	(32,564)	-
Addition due to loss of control (5)	-	-	23,037	-
Acquisition of associate - "BG Malls" see 10 (a)	3,000	-	3,000	-
Balance at the end of the year	<b>4,545,782</b>	<b>4,526,440</b>	<b>379,299</b>	<b>449,694</b>

(1) The main capital investments of the Parent Company as at December 31, 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. (1) The main capital investments of the Parent Company as at December 31, 2019 are: R\$ 23,076 in Tarsila, R\$ 148,807 in Dali, R\$ 5,318 in Vivaldi, R\$ 6,700 in SCGR, R\$ 129,000 in Sierra Investimentos, R\$ 91,510 in Tissiano, R\$ 75,750 in Vertico and R\$ 9,177 in Aliansce Assessoria Comercial.

(2) Quota decrease of R\$ 43,053 in Fundo CTBH at December 31, 2020. As at December 31, 2019, there was a capital decrease in Tissiano of R\$ 30,000, in Cezanne of R\$ 17,000 and a quota decrease of R\$ 126,059 in Fundo CTBH.

(3) As at December 31, 2019, mainly: purchase of quotas in Fundo de Investimento Via Parque for R\$ 3,423, purchase of interest in Acapurana for R\$ 7,424 (acquisition of R\$ 10,200 less the amount classified as added value goodwill of R\$ 2,776), acquisition of Chopin for R\$ 126,018, acquisition of América Latina for R\$ 32,317, acquisition of Atalaya for R\$ 4,617, acquisition of DBGZIBEN for R\$ 96,888, and acquisition of GDR for R\$ 5,089.

(4) The write-offs result from the sales of Manati, 25% of CDG and 32% of Norte Shopping Belém, as detailed in Notes 10.a and 4.

(5) As a result of the sale of equity interest in the company Gaudi described in note 4, the Company ceased consolidating Gaudi and started to be presented as an associate.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments (Continued)

#### d) Data on the interest

Company	Company				
	December 31, 2020				
Company	Interest	Equity	Total investment	Profit or loss	Result of equity of subsidiaries
<b>Subsidiaries and associates</b>					
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 Empreendimentos 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.	-	-	-	(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%	1,793,524	1,793,524	141,902	141,902
Tarsila Empreend. e Part. Ltda.	99.99%	159,460	159,460	(17,162)	(17,162)
Tissiano Empreendimentos 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	-	-
Campo Limpo Empreendimentos e Part.	20%	113,055	22,611	14,130	2,826
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
Manati Empreend. e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	289,306	144,653	26,152	13,076
SCGR Empreendimentos e Participações S.A.	55.01%	80,233	44,136	15,483	8,517
<b>Total subsidiaries and associates</b>			<b>4,545,782</b>		<b>289,346</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments (Continued)

#### d) Data on the interest (Continued)

Company	Interest	Equity	Consolidated		
			December 31, 2020		
			Total investment	Profit or loss	Result of equity in subsidiaries
<b>Associates and joint ventures</b>					
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%	289,306	144,653	26,152	13,076
<b>Total associates and joint ventures</b>			<b>379,299</b>		<b>27,260</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments (Continued)

#### d) Data on the interest (Continued)

Company	Interest	Equity	Company		
			December 31, 2019		
			Total investment	Profit or loss	Result of equity in subsidiaries
<b>Subsidiaries and associates</b>					
Aliansce Assessoria Comercial Ltda.	99.99%	1,085	1,085	(8,042)	(8,042)
Acapurana Participações S.A.	52.37%	208,889	109,395	12,661	6,631
América Latina Malls Empreend. e Part.	100%	33,566	33,566	1,249	1,249
Aliansce Estacionamento Ltda.	99.99%	1,534	1,534	1,454	1,454
Aliansce Mall e Mídia Ltda.	99.99%	4,880	4,880	1,810	1,810
Aliansce Services - Serv. Adm. em Geral Ltda.	99.99%	3,072	3,072	(511)	(511)
Atalaya Imóveis e Participações Ltda.	78%	6,044	4,715	125	98
Bazille Empreend. e Partic. Ltda.	99.99%	120,984	120,984	9,019	9,019
Beethoven Empreendimentos e Participações Ltda.	69.04%	25,861	17,855	(12)	(8)
Boulevard Shopping Belém S.A.	79.99%	225,631	180,482	48,563	38,846
CDG Centro Comercial Ltda.	100%	156,234	156,234	11,539	11,539
Cezanne Empreendimentos e Participações Ltda.	99.99%	132,856	132,856	20,201	20,201
Chopin Empreend. Imob. Ltda.	99.99%	126,027	126,027	(279)	(279)
CTBH Fundo de Invest. Imob. - FII	99.99%	52,066	52,066	(9,749)	(9,749)
Dali Empreendimentos e Participações S.A.	99.99%	191,347	191,347	1,569	1,569
Degas Empreend. e Participações S.A.	99.99%	614	614	(121)	(121)
Gaudi Empreendimentos e Participações Ltda.	99.99%	47,304	47,304	(122,408)	(122,408)
Mozart Empreendimentos e Partic. S.A.	100%	1	1	(2)	(2)
Nibal Participações S.A.	99.99%	266,102	266,102	53,192	53,192
Norte Shopping Belém S.A.	100%	147,957	147,957	11,955	11,955
RRSPE Empreend. e Partic. Ltda.	99.99%	64,818	64,818	9,187	9,187
SDT 3 Centro Comercial Ltda.	38%	466	177	383	146
Sierra Investimentos Brasil Ltda.	99.99%	1,653,846	1,653,846	72,982	72,982
Tarsila Empreend. e Part. Ltda.	99.99%	159,668	159,668	2,670	2,670
Tissiano Empreend. e Participações S.A.	99.99%	127,013	127,013	7,000	7,000
Unishopping Consultoria Imobiliária Ltda.	99.99%	14,626	14,626	130	130
Vértico Bauru Empreend. Imobiliário S.A.	99.99%	231,314	231,314	(1,665)	(1,665)
Vivaldi Empreend. e Partic. S.A.	99.99%	201,605	201,605	2,008	2,008
2008 Empreendimentos Comerciais S.A.	50%	37,730	18,865	6,782	3,391
Colina Shopping Center Ltda.	50%	87	43	1,008	504
DBGZIBEN Participações Ltda.	39%	251,178	97,959	2,746	1,071
Fundo de Investimento Imobiliário Via Parque	39.23%	388,101	152,252	35,596	13,964
GDR 2012 Participações S.A.	16.33%	38,359	6,264	13,468	2,199
Manati Empreend. e Participações S.A.	50%	65,185	32,592	(1,744)	(872)
Parque Shopping Maceió S.A.	50%	263,155	131,577	20,519	10,260
SCGR Empreendimentos e Participações S.A.	55.01%	64,991	35,745	16,829	9,258
<b>Total subsidiaries and associates</b>			<b>4,526,440</b>		<b>148,676</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 10. Investments (Continued)

#### d) Data on the interest (Continued)

Company	Interest	Equity	Consolidated		
			December 31, 2019		
			Total investment	Profit or loss	Result of equity in subsidiaries
<b>Associates and joint ventures</b>					
2008 Empreendimentos Comerciais S.A.	50%	37,730	18,865	6,782	3,391
Acapurana Participações S.A. 10 months	-	-	-	12,024	4,180
Campo Limpo Empreendimentos e Part. Ltda.	20%	50,080	10,016	7,375	1,475
Colina Shopping Center Ltda.	50%	87	43	1,008	504
DBGZIBEN Participações Ltda.	39%	251,178	97,959	2,746	1,071
Fundo de Investimento Imobiliário Via Parque	39.23%	388,101	152,252	35,596	13,964
GDR 2012 Participações S.A.	16.33%	38,359	6,264	13,468	2,199
GR Parking Estacionamentos Ltda.	50.00%	251	126	29	26
Manati Empreend. e Participações S.A.	50%	65,185	32,592	(1,744)	(872)
Parque Shopping Maceió S.A.	50%	263,155	131,577	20,519	10,260
SCGR Empreendimentos e Participações S.A. 11 months	-	-	-	13,756	6,877
<b>Total associates and joint ventures</b>			<b>449,694</b>		<b>43,075</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020					
	Parque Shop. Maceió Rio de Janeiro - RJ	2008 Empreend. Rio de Janeiro - RJ	Colina Rio de Janeiro - RJ	São João de Meriti- RJ	Manati São Paulo - SP	FILVPS Campo Limpo 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
<b>Assets</b>						
Current	41,937	6,934	19,394	415	14,294	10,284
Non-current	281,726	39,633	102,612	-	181,764	304,276
	<b>323,663</b>	<b>46,567</b>	<b>122,006</b>	<b>415</b>	<b>196,058</b>	<b>314,560</b>
<b>Liabilities and equity</b>						
Current	(1,861)	(65)	(3,244)	(75)	(872)	(1,589)
Non-current	(32,496)	(1,456)	(69,418)	-	(759)	(89,328)
Equity	(289,306)	(45,046)	(49,344)	(340)	(194,427)	(223,643)
	<b>(323,663)</b>	<b>(46,567)</b>	<b>(122,006)</b>	<b>(415)</b>	<b>(196,058)</b>	<b>(314,560)</b>
<b>Result</b>						
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)	(0)	(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)
<b>Profit (loss) for the year</b>	<b>26,152</b>	<b>(2,784)</b>	<b>3,100</b>	<b>922</b>	<b>15,075</b>	<b>14,130</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2019					
	Parque Shop. Maceió	2008 Empreend.	Colina	Manati	FIIVPS	Campo Limpo
	Rio de Janeiro - RJ	Rio de Janeiro - RJ	São João de Meriti- RJ	Rio de Janeiro - RJ	São Paulo - SP	São Paulo - SP
	Interest in Shopping Mall	Interest in Shopping Mall	Shopping Mall management	Interest in Shopping Mall	Interest in Shopping Mall	Interest in Shopping Mall
<b>Assets</b>						
Current	22,964	18,971	122	6,760	18,047	4,746
Non-current	276,293	95,418	-	63,955	184,413	310,146
	299,257	114,389	122	70,715	202,460	314,892
<b>Liabilities and equity</b>						
Current	(6,456)	(5,397)	(35)	(339)	(5,717)	(2,003)
Non-current	(29,646)	(83,173)	-	(5,191)	(109)	(90,822)
Equity	(263,155)	(25,819)	(87)	(65,185)	(196,634)	(222,067)
	(299,257)	(114,389)	(122)	(70,715)	(202,460)	(314,892)
<b>Result</b>						
Net revenue	41,921	25,229	1,116	7,796	54,828	11,470
Services costs	(10,605)	(11,468)	-	(11,248)	(20,067)	(947)
Operating expenses	(505)	15	-	-	(101)	(2,692)
Net finance result	(5,744)	(4,125)	-	219	845	175
Other income (costs)	11	-	1	598	91	-
Income tax and social contribution	(4,559)	(2,869)	(109)	891	-	(631)
<b>Profit (loss) for the year</b>	20,519	6,782	1,008	(1,744)	35,596	7,375

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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 are as follows:

	Company	
	December 31, 2020	December 31, 2019
Fundo de Investimento Imobiliário Via Parque Shopping	14	1,945
CDG Centro Comercial Ltda.	-	1,284
Unishopping Consultoria Imobiliária Ltda.	-	383
Tissiano Empreend. e Part. Ltda.	-	646
Bazille Empreendimentos e Participações Ltda.	-	935
Parque Shopping Maceió S.A.	-	1,794
Norte Shopping Belém S.A.	-	1,445
Cezanne Empreendimentos e Participações Ltda.	-	1,375
	<b>14</b>	<b>9,807</b>

### 11. Investment properties/non-current assets held for sale

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Boulevard Corporate Tower - CTBH (A)	-	-	-	50,077
Land (B)	21,610	21,610	38,565	38,565
Shopping Malls (C)	628,021	636,740	8,063,390	8,306,384
Total investment properties	<b>649,631</b>	<b>658,350</b>	<b>8,101,955</b>	<b>8,395,026</b>

(A) Boulevard Corporate Tower - Non-current assets held for sale

Boulevard Corporate Tower is a commercial tower attached to Boulevard Shopping Belo Horizonte.

In November 2018, a sales and purchase agreement was entered into by CTBH Fundo de Investimento Imobiliário- FII ("CTBH") and Kinea Renda Imobiliária Fundo de Investimento- FII ("Kinea"), in which Kinea is committed to acquiring Boulevard Corporate Tower, owned by CTBH, for the total price of R\$ 190,000, adjusted up to R\$ 5 million (for more or for less), depending on the performance of a lessee with revenue sharing agreement. This transaction is divided into three steps, the first one occurred in December 2018, when the fund sold 9 from the 17 floors of Boulevard Corporate Tower for R\$ 104,000. In February 2019, the second step took place for the amount of R\$ 39,000. The third and last step occurred in January 2020, for the total amount of R\$ 52,200, as mentioned in Note 4.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

#### (B) 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, 2020, the balance of these properties is R\$ 38,565, which are in the finalization phase of proposals and / or already have a sales contract signed, but are awaiting the conclusion of the preceding clauses of the deal.

These properties, when allocated for sale, were evaluated 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.

#### (C) Investment properties - Shopping Mall

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.

Presented below is the table of changes of investment property indicating the start and end of the reported year:

	Company			
	Cost	Accumulated depreciation	Asset's added value	Total
<b>At December 31, 2018</b>	711,685	(92,970)	46,045	664,760
<b>Impacts adoption of IFRS16/CPC06 (R2)</b>	17,867	-	-	17,867
<b>At January 1, 2019</b>	729,552	(92,970)	46,045	682,627
<b>Additions</b>				
Land - business combination	27,766	-	-	27,766
Facilities/buildings - business combination	137,389	-	-	137,389
Facilities/buildings	12,247	(7,197)	-	5,050
Other	348	(2,476)	-	(2,128)
Reclassification to investment (Chopin Land) (Note 10.a)	(146,709)	-	-	(146,709)
Depreciation/amortization of goodwill added value	-	-	(1,279)	(1,279)
Lease amortization	-	(1,084)	-	(1,084)
<b>Write-offs (3)</b>				
Land - Sale West Plaza	(1,300)	-	-	(1,300)
Facilities/buildings - Sale West Plaza	(80,706)	18,056	-	(62,650)
Others - Sale West Plaza	(942)	-	-	(942)
<b>At December 31, 2019</b>	677,645	(85,671)	44,766	636,740
<b>Additions</b>				
Facilities/buildings	4,537	(9,576)	-	(5,039)
Other	1,099	(2,416)	-	(1,317)
Depreciation/amortization of goodwill added value	-	-	(1,279)	(1,279)
Lease	-	(1,084)	-	(1,084)
<b>At December 31, 2020</b>	<b>683,281</b>	<b>(98,747)</b>	<b>43,487</b>	<b>628,021</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

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

	Consolidated			Total
	Cost	Accumulated depreciation	Assets' added value	
<b>At December 31, 2018</b>	2,529,115	(349,644)	894,498	3,073,969
<b>Impacts adoption of IFRS16/CPC06 (R2)</b>	17,867	-	-	17,867
<b>At January 1, 2019</b>	2,546,982	(349,644)	894,498	3,091,836
<b>Additions (2)</b>				
Land, facilities and buildings - acquired in business combinations	1,846,505	-	3,398,573	5,245,078
Land	44,774	-	-	44,774
Facilities/buildings	97,213	(70,908)	-	26,305
Other	5,524	(17,294)	-	(11,770)
Added value	-	-	5,643	5,643
Amortization of added value	-	-	(14,075)	(14,075)
Lease amortization	-	(1,084)	-	(1,084)
Provision for impairment (1)	(118,000)	-	-	(118,000)
Effect of the consolidation of Acapurana (Note 10.a)	152,874	(15,976)	-	136,898
Effect of the consolidation of SCGR (Note 10.a)	49,517	(10,940)	-	38,577
Effect of acquisition - Atalaya, SCGR and Latin America	113,746	-	55,806	169,552
<b>Write-offs (3)</b>				
Land - Sale West Plaza	(1,300)	-	-	(1,300)
Facilities/buildings - Sale West Plaza	(80,706)	18,056	-	(62,650)
Others - Sale West Plaza	(942)	-	-	(942)
Effect of the spin-off of Fundo de Investimento Shopping Parque D. Pedro. See Note 10.a)	(244,443)	1,985	-	(242,458)
<b>At December 31, 2019</b>	4,411,744	(445,805)	4,340,445	8,306,384
<b>Additions</b>				
Facilities/buildings	33,677	(134,060)	-	(100,383)
Others	2,965	(8,353)	-	(5,388)
Added value	-	-	887	887
Amortization of added value	-	-	(18,554)	(18,554)
Lease	-	(1,084)	-	(1,084)
Provision for impairment (1)	(14,528)	-	(65,774)	(80,302)
Merger of 14% interest in Shopping Taboão - see Note 4	95,788	-	-	95,788
<b>Write-offs</b>				
Sale of CDG and NSB assets - see Note 4	(101,107)	14,379	-	(86,728)
Goodwill CDG - see Note 11	-	-	(4,613)	(4,613)
Sale of Gaudi - see note 4	(68,549)	25,932	-	(42,617)
<b>At December 31, 2020</b>	4,359,990	(548,991)	4,252,391	8,063,390

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **11. Investment properties/non-current assets held for sale (Continued)**

- (1) At December 31, 2019, the Company identified indicators of impairment for the Shopping Boulevard Vila Velha, in the amount of R\$ 118,000, for which it recognized a provision for impairment, reducing the asset's value. This amount was recognized in the statement of income, under "Other income (costs), net". At the end of 2020, the Company identified the existence of indicators of impairment for a land recorded in subsidiary Choppin, in the amount of R\$ 80,302, including the added value allocated to this land, for which it recognized a provision for impairment. The Company also recognized a provision for impairment in relation to the value added of this land in the amount of R\$ 65,774. This amount was recognized in the statement of income, under "Other income (costs), net" (Note 24).
- (2) The additions occurred in 2019 are mainly related to (i) business combination events (ii) construction works in Shopping Bangu in the amount of R\$ 9,073 and construction works in Shopping Bahia of R\$ 16,897 and (iii) land in Rio de Janeiro of R\$ 44,774.
- (3) Sale of West Plaza in December 2019. The gain realized on this operation is presented in line item Other income (costs) in the statement of income for the year.

#### 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 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 (December 31, 2020) at a discount rate defined for each mall. In addition, the estimated cash flow of the malls in operation did not consider 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\$ 12,783,173 at December 31, 2020 (R\$ 12,861,220 in 2019).

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. As at December 31, 2020, the projected future cash flows consider an estimate by the Company of possible impacts of the Coronavirus pandemic (Covid-19).

As at December 31, 2020 and 2019, the Company did not identify the existence of indicators of impairment of its investment properties, other than that previously mentioned for Shopping Boulevard Vila Velha and the land recorded in subsidiary Choppin.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 12. Intangible assets

		Company				
		December 31, 2020				
	Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,116	-	1,116	-	1,116
Right of use (1)	5 years	12,149	7,644	19,793	(6,330)	13,463
Computer software	5 years	55,896	18,883	74,779	(38,514)	36,265
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Others	Indefinite	4	-	4	-	4
		76,357	26,527	102,884	(44,844)	58,040

		Company				
		December 31, 2019				
	Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount
Right to the Transfer Unit of the						
Right to Build (UTDC)	Indefinite	1,116	-	1,116	-	1,116
Right of use	5 years	-	12,149	12,149	(1,822)	10,327
Computer software	5 years	46,046	9,850	55,896	(28,958)	26,938
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Others	Indefinite	4	-	4	-	4
		54,358	21,999	76,357	(30,780)	45,577

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 12. Intangible assets (Continued)

		Consolidated				
		December 31, 2020				
	Useful life	Initial cost	Additions (write-offs)	Cost	Accumulated amortization	Net amount
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
Balance of intangible assets allocated through business combination	5 years	1,886	(1,886)	-	-	-
		<b>349,247</b>	<b>28,328</b>	<b>377,575</b>	<b>(54,027)</b>	<b>323,548</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 12. Intangible assets (Continued)

		Consolidated				
		December 31, 2019				
	Useful life	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	-	863	-	863
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	12,149	(1,822)	10,327
Right to explore the parking lot	25 years	40,828	-	40,828	(5,855)	34,973
Right to the Transfer Unit of the Right to Build (UTDC) (1)	Indefinite	1,913	-	1,913	-	1,913
Computer software	5 years	47,986	11,222	59,208	(31,469)	27,739
Balance of intangible assets allocated through business combination	5 years	-	1,886	1,886	-	1,886
		323,990	25,257	349,247	(39,146)	310,101

(1) This refers mainly to the reclassification to the Investment property account.

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

The other 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, 2020 and 2019, 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).

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 13. Property and equipment

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Property and equipment	3,926	6,388	10,502	9,344
Right of use (a)	5,612	1,037	16,038	1,037
	<b>9,538</b>	<b>7,425</b>	<b>26,540</b>	<b>10,381</b>

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

	Company
Opening balance at January 1, 2020 - Right of use	1,037
Amortization of right of use	(1,037)
Addition of office lease contract - administrative	5,612
Balance in non-current assets at December 31, 2020 - Right of use	5,612
Opening balance at January 1, 2020 - Trade payables - lease	30,292
(+) Interest calculated in the year	1,407
(+) Addition of contract	13,268
(-) Payments made in the year	(6,209)
At December 31, 2020 - Trade payables - lease	38,758
Balance in current liabilities - Trade payables - lease	6,919
Balance in non-current liabilities - Trade payables - lease	31,839
	Company
Opening balance at January 1, 2019 - Right of use	2,617
Amortization of right of use	(1,580)
Balance in non-current assets at December 31, 2019 - Right of use	1,037
Opening balance at January 1, 2019 - Trade payables - lease	20,484
(+) Interest calculated in the year	2,277
(+) Addition of contract	11,690
(-) Payments made in the year	(4,159)
At December 31, 2019 - Trade payables - lease	30,292
Balance in current liabilities - Trade payables - lease	4,586
Balance in non-current liabilities - Trade payables - lease	25,706

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 13. Property and equipment (Continued)

	<b>Consolidated</b>
Opening balance at January 1, 2020 - Right of use	1,037
Amortization of right of use	(1,226)
Addition of office lease contract - administrative	16,227
Balance in non-current assets at December 31, 2020 - Right of use	16,038
Opening balance at January 1, 2020 - Trade payables - lease	30,292
(+) Interest calculated in the year	1,717
(+) Addition of contract	24,126
(-) Payments made in the year	(6,209)
At December 31, 2020 - Trade payables - lease	49,926
Balance in current liabilities - Trade payables - lease	8,995
Balance in non-current liabilities - Trade payables - lease	40,931
	<b>Consolidated</b>
Opening balance at January 1, 2019 - Right of use	2,617
Amortization of right of use	(1,580)
Balance in non-current assets at December 31, 2019 - Right of use	1,037
Opening balance at January 1, 2019 - Trade payables - lease	20,484
(+) Interest calculated in the year	2,277
(+) Addition of contract	11,690
(-) Payments made in the year	(4,159)
At December 31, 2019 - Trade payables - lease	30,292
Balance in current liabilities - Trade payables - lease	4,586
Balance in non-current liabilities - Trade payables - lease	25,706
The rental agreements' maturities occur between 2020 and 2039.	

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 14. Borrowings and financings, CCI/CRIs and debentures

Initial date	Company	Instrument	Funding	Rate	Maturity	December 31, 2020	December 31, 2019	Guarantees	Covenants	Obs.
May/2015	Aliansce Sonae	Financing - Banco Itaú S.A.	R\$ 74,400	TR+5.60%	May/2030	<b>75,882</b>	77,327	(1) (2) (3)		(a)
Sep/2014	Aliansce Sonae	Debentures III - Vinci Partners (holders of the debentures)	R\$ 90,000	IPCA + 4%	Jan/2024	<b>98,893</b>	91,893	(2)	(i)	(d)
Oct/2016	Aliansce Sonae	Debentures V	R\$ 102,889	CDI	Sep/2021	<b>102,908</b>	102,895	(1) (2)	(i)	
Oct/2016	Aliansce Sonae	Debentures VI	R\$ 72,111	CDI + 1.25%	Oct/2024	<b>44,480</b>	52,334	(1) (2)	(i)	
Mar/2017	Aliansce Sonae	Debentures VII	R\$ 180,000	99% of CDI	May/2022	<b>180,030</b>	180,007	(1) (2)	(i)	
Jun/2017	Aliansce Sonae	Debentures VIII	R\$ 100,000	CDI + 1.00%	Jun/2029	<b>100,123</b>	100,211	(2)	(i)	
Oct/2017	Aliansce Sonae	Debentures IX	R\$ 300,000	101% of CDI	Apr/2023	<b>301,332</b>	303,686	(1) (2)	(i)	
Sep/2018	Aliansce Sonae	Debentures X	R\$ 244,830	110% of CDI	Sep/2023	<b>246,303</b>	248,885		(i)	
Jul/2017	Aliansce Sonae	2017 - 1 <sup>st</sup> series	R\$ 125,000	CDI + 0.75%	Jul/2022	<b>126,555</b>	128,615		(ii)	
Jul/2017	Aliansce Sonae	2017 - 1 <sup>st</sup> series	R\$ 125,000	IPCA + 6.24%	Jul/2024	<b>146,511</b>	140,229		(ii)	
Feb/2019	Aliansce Sonae	2019 - 1 <sup>st</sup> series	R\$ 90,000	CDI + 0.8%	Jan/2024	<b>91,141</b>	92,624		(ii)	
Feb/2019	Aliansce Sonae	2019 - 1 <sup>st</sup> series	R\$ 110,000	CDI + 1.05%	Jan/2027	<b>111,522</b>	113,340		(ii)	
(=) Subtotal						<b>1,625,680</b>	<b>1,632,046</b>			
(-) Structuring cost - Company						<b>(19,163)</b>	(24,942)			
(+) Effect at fair value of debts acquired in business combinations						<b>16,558</b>	22,804			
(-) Gain on debt renegotiation						<b>(10,913)</b>	-			(e)
(-) Effect of partial repurchase of company-issued debentures						<b>(49,686)</b>	-			(c)
(-) Gain on debenture repurchase transaction						<b>(2,617)</b>	-			(c)
<b>Total Company</b>						<b>1,559,859</b>	<b>1,629,908</b>			

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 14. Borrowings and financings, CCI/CRIs and debentures (Continued)

Initial date	Company	Instrument	Funding	Rate	Maturity	December 31, 2020	December 31, 2019	Guarantees	Covenants	Obs.
Oct/2012	Cezanne	Financing - Banco Bradesco S.A.	R\$ 193,140	TR + 7.15%	Aug/2027	145,669	162,152	(2)		(a)
Jan/13	Tarsila	CRI - Gaia Sec.	R\$ 87,321	IGP-DI + 7.95%	May/2025	81,309	77,043	(2)		
Oct/2016	Altair	CCI RB Capital	R\$ 130,131	TR + 6.8%	Jun/2027	96,504	104,163	(2)		(d)
Dec/2008	Pátio Sertório	Banco do Amazonas S.A.	R\$ 112,300	8.5%	Dec/2020	-	17,133	(3)		(b)
Jun/2011	Sierra Investimentos	Banco Santander S.A.	R\$ 200,000	TR + 6.8%	Jun/2025	150,378	152,773	(3)		(d)
(-) Subtotal						473,860	513,264			
(-) Structuring cost - subsidiaries						(8,386)	(6,222)			
(-) Gain on debt renegotiation						(24,442)	-			(e)
(+ ) Effect at fair value of debts acquired in business combinations						6,044	8,589			
<b>Total Consolidated</b>						<b>2,006,935</b>	<b>2,145,539</b>			

(a) Debt renegotiated in 2020.

(b) Debt prepaid in 2020.

(c) In May and June 2020, the Company repurchased 51,287 company-issued debentures. This transaction generated a gain of R\$ 2,617 which is recorded in finance income (costs). The Company is presenting this transaction at the net amount in liabilities, of which R\$ 4,918 in current liabilities and R\$ 44,768 in non-current liabilities, totaling R\$ 49,686. Finance income is also being presented net of interest expense on debentures. 31,097 debentures 2019 - 2nd Series, 11,190 debentures X and 9,000 debentures 2017 - 1st Series were repurchased.

(d) Debt renegotiated in 2019.

(e) The Company recognized a gain in the renegotiation of debt contracts in the period, in the amount of R\$ 14,693 in the company and R\$ 48,212 in the consolidated. These contracts were treated as "modification" within the scope of the IFRS 9/CPC48 standard, which determines the recognition of gain or loss on the modification of the cash flow of the renegotiated financial instrument, with consequent adjustment of the effective rate of the respective instruments. As at December 31, 2020, the net balance of adjustments for the modification of these contracts is R\$ 10,913 in the company and R\$ 35,355 in the consolidated.

#### 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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 14. Borrowings and financings, CCI/CRIs and debentures (Continued)

#### 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:
- Managerial ratio between Net Debt and Managerial Consolidated Adjusted EBTIDA 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 adjusted consolidated EBTIDA 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 adjusted consolidated EBTIDA 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<sup>1</sup>:
- Net debt/EBITDA maximum of 3.5
  - EBIDTA/Net financial expenses Minimum 1.75

At December 31, 2020 and 2019, the Company is compliant with all covenants.

The repayment schedule for borrowings and financings, real estate credit notes (CCI)/certificates of real estate receivables (CRI) and debentures is as follows:

	<b>Company</b>		<b>Consolidated</b>	
	<b>December 31, 2020</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
2020	-	22,969	-	78,585
2021	<b>189,915</b>	179,705	<b>262,780</b>	245,993
2022	<b>379,542</b>	380,858	<b>456,724</b>	452,624
2023	<b>603,490</b>	597,936	<b>686,645</b>	675,645
2024	<b>181,850</b>	176,355	<b>271,455</b>	260,483
2025	<b>63,547</b>	64,660	<b>129,442</b>	134,137
From 2026 to 2030	<b>207,336</b>	209,563	<b>292,494</b>	297,843
	<b>1,625,680</b>	1,632,046	<b>2,099,540</b>	2,145,310

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 14. Borrowings and financings, CCI/CRIs and debentures (Continued)

Financial changes in borrowings and financings, CCI/CRIs and debentures are as follows:

	<b>Company</b>	<b>Consolidated</b>
<b>Balances of the debts as at December 31, 2018</b>	<b>1,181,914</b>	<b>1,880,918</b>
(+) Appropriation of interest and structuring cost of borrowings and financings	11,599	79,746
(+) Appropriation of interest and structuring cost of CCI/CRIs	-	19,884
(+) Appropriation of interest and structuring cost of debentures	90,174	90,174
(-) Payments of principal of borrowings and financings	(44,237)	(489,795)
(-) Payment of principal of CCI/CRIs	-	(12,781)
(-) Payment of principal of debentures	(8,237)	(8,237)
(-) Payment of interest on borrowings and financings	(12,002)	(133,771)
(-) Payment of interest on CCI/CRIs	-	(22,242)
(-) Payment of interest on debentures	(69,162)	(69,162)
(-) Payment of structuring cost	(239)	(239)
(+) Effect of business combination - debentures	480,098	480,098
(+) Effect of business combinations - borrowings and financings	-	330,946
<b>Balances of the debts as at December 31, 2019</b>	<b>1,629,908</b>	<b>2,145,539</b>
(+) 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 interest 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
<b>Balances of the debts as at December 31, 2020</b>	<b>1,559,859</b>	<b>2,006,935</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 15. Deferred revenues

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Assignment of right of use	4,426	5,558	16,316	19,236
Prepaid rentals	29	22	99	280
	<b>4,455</b>	<b>5,580</b>	<b>16,415</b>	<b>19,516</b>
Current liabilities	-	-	1,672	614
Non-current liabilities	4,455	5,580	14,743	18,902

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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020			December 31, 2019		
	Provision	Judicial deposits	Net	Provision	Judicial deposits	Net
Judicial assets freezing	-	(1,139)	(1,139)	-	(1,221)	(1,221)
Labor	-	(1,265)	(1,265)	-	(1,265)	(1,265)
Civil	-	(221)	(221)	-	(298)	(298)
Tax	-	(29,963)	(29,963)	-	(29,300)	(29,300)
<b>Assets</b>	-	(32,588)	(32,588)	-	(32,084)	(32,084)
Tax	32,263	(19,426)	12,837	32,918	(18,756)	14,162
Civil	1,338	(786)	552	1,651	(923)	728
Labor	1,278	(486)	792	1,500	(550)	950
<b>Non-current liabilities</b>	34,879	(20,698)	14,181	36,069	(20,229)	15,840
<b>Total</b>	34,879	(53,286)	(18,407)	36,069	(52,313)	(16,244)

Changes in the provision for contingencies and judicial deposits are as follows:

	December 31, 2019	Consolidated Provision for contingencies		December 31, 2020
		Additions	Write-offs	
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

	December 31, 2018	Consolidated Provision for contingencies			December 31, 2019
		Business combination	Additions (*)	Write-offs	
PIS/COFINS proceedings	12,473	-	9,883	-	22,356
Other taxes	5,159	5,738	-	(336)	10,561
Civil	1,048	746	596	(738)	1,652
Labor	1,045	100	2,689	(2,334)	1,500
	19,725	6,584	13,168	(3,408)	36,069

(\*) Effect of the additions due to the consolidation of Acapurana and SCGR is R\$ 9,883.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 16. Judicial deposits and provision for contingencies (Continued)

	Consolidated			
	Judicial deposits			
	December 31, 2019	Additions	Write-offs	December 31, 2020
Judicial assets freezing	(1,221)	(1)	83	(1,139)
PIS/COFINS proceedings	(14,392)	(669)	-	(15,061)
Other taxes	(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)

  

	Consolidated				
	Judicial deposits				
	December 31, 2018	Business combination	Additions (**)	Write-offs	December 31, 2019
Judicial assets freezing	(1,225)	-	(280)	284	(1,221)
PIS/COFINS proceedings	(15,560)	-	(1,170)	2,338	(14,392)
Other taxes	(150)	(30,973)	(2,556)	15	(33,664)
Civil	(457)	(247)	(974)	457	(1,221)
Labor	(249)	(24)	(1,640)	98	(1,815)
	(17,641)	(31,244)	(6,620)	3,192	(52,313)

(\*\*) Effect of the additions due to the consolidation of Acapurana and SCGR is R\$ 1,305.

#### Contingent liabilities with a risk of possible loss

The Company is defendant in tax, labor and civil lawsuits, whose probabilities of loss are evaluated as possible by the legal advisors, who estimate at R\$ 145,734 at December 31, 2020 (R\$ 126,662 in December 2019), as follows:

	December 31, 2020	December 31, 2019
Tax	107,791	95,307
Civil	31,175	25,024
Labor	6,768	6,331
Total	145,734	126,662

#### Tax

Main lawsuits: (i) 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\$ 48,730.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 16. Judicial deposits and provision for contingencies (Continued)

#### Civil and labor

The Company is a party to some civil and labor lawsuits, but none is individually material.

### 17. Other obligations

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Labor obligations	11,643	18,507	22,283	30,028
Obligations with shopping mall	2,559	3,939	8,875	13,182
Obligation for the power cogeneration equipment	12,632	12,917	12,632	12,917
Related parties transactions (see Note 25)	2,400	2,400	7,120	7,120
Bangu assets certified as a historic structure	11,332	8,487	11,332	8,487
Amounts to be passed on - condominium fees	5	371	4,911	4,369
Advances on sale of assets	-	20,000	-	20,000
Others	4,500	8,007	15,173	21,501
	<b>45,071</b>	<b>74,628</b>	<b>82,326</b>	<b>117,604</b>
Current	29,113	59,309	61,308	95,992
Non-current	15,958	15,319	21,018	21,612

### 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 will 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, 2020 due to the impacts of the COVID-19 crisis and concluded that there is no need for a provision for impairment of the recorded balance.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	-	(9,692)
Receivables - adjustment to straight-line rent	-	-	(5,705)	-
Swap carried at fair value	-	-	(5,323)	(4,811)
Capitalization of interest	-	-	(3,199)	(3,301)
Provision for expected credit losses ("ECL")	3,629	3,030	-	-
Amortization of the goodwill based on future profitability	-	-	(7,035)	(4,690)
Tax losses	59,681	51,000	-	-
Benefits program	6,151	4,067	-	-
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Debentures carried at fair value	5,629	7,753	-	-
Gain on debt renegotiation	-	-	(3,711)	-
Others	6,905	7,452	(53)	(53)
	<b>81,995</b>	<b>73,302</b>	<b>(52,886)</b>	<b>(50,407)</b>

Net balance of R\$ 29,109 stated as non-current assets as at December 31, 2020 (R\$ 22,895 as at December 31, 2019 as non-current assets).

	Consolidated			
	Assets		Liabilities	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	(112,394)	(112,664)
Changes in fair value of investment properties acquired in a business combination	-	-	(830,181)	(837,351)
Receivables - adjustment to straight-line rent	-	-	(29,195)	-
Capitalization of interest	-	-	(16,635)	(18,631)
Swap carried at fair value	-	-	(5,323)	(4,811)
Amortization of the goodwill based on future profitability	-	-	(57,848)	(55,503)
Provision for expected credit losses ("ECL")	12,455	9,614	-	-
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Tax losses	149,674	132,007	-	-
Fair value of debentures and borrowings	7,753	10,455	-	-
Benefits program	6,279	4,122	-	-
Gain on debt renegotiation	-	-	(12,021)	-
Others	11,001	9,399	(13,785)	(675)
	<b>187,162</b>	<b>165,597</b>	<b>(1,105,242)</b>	<b>(1,057,495)</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, being R\$ 66,177 as non-current assets and R\$ 984,257 in non-current liabilities as at December 31, 2020 (R\$ 89,861 in non-current assets and R\$ 981,759 in non-current liabilities as at December 31, 2019).

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.

#### 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, 2020 and 2019 is as follows:

Determination of effective tax rate	Company	
	December 31, 2020	December 31, 2019
<b>Profit before income tax and social contribution</b>	<b>162,857</b>	10,384
Combined statutory tax rate - companies under the taxable income method	<b>34%</b>	34%
<b>Income tax and social contribution at the combined statutory tax rate</b>	<b>(55,371)</b>	(3,531)
<b>Additions</b>		
Non-deductible expenses	(2,759)	(4,072)
Distribution of interest on capital	-	(3,774)
Effects of taxation on the real estate investment funds	(4,738)	(5,399)
Effect of tax losses for which no deferred tax credits were recognized	(10,763)	(36,027)
Impairment of assets	(22,363)	-
Other additions (*)	(4,552)	(5,712)
<b>Exclusions</b>		
Equity in the results of investees	98,377	50,550
Expenditure on issuance of shares	-	18,875
Effect of write-off of goodwill - CTBH	8,383	-
Other exclusions	-	733
<b>Income tax and social contribution as per statement of income for the year</b>	<b>6,214</b>	11,643
<b>Income tax and social contribution</b>		
Current income tax and social contribution	-	(669)
Deferred income tax and social contribution	6,214	12,312
<b>Income tax and social contribution expense as per statement of income</b>	<b>6,214</b>	11,643
<b>Total effective tax rate</b>	<b>(3.82%)</b>	(112.12%)

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(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, 2020	December 31, 2019
<b>Profit before income tax and social contribution</b>	<b>266,263</b>	<b>104,470</b>
Combined statutory tax rate - companies under the taxable income method	<b>34%</b>	<b>34%</b>
<b>Income tax and social contribution at the combined statutory tax rate</b>	<b>(90,530)</b>	<b>(35,520)</b>
<b>Additions</b>		
Non-deductible expenses	<b>(8,113)</b>	<b>(5,049)</b>
Impairment of assets	<b>(22,363)</b>	<b>(40,120)</b>
Distribution of interest on capital	<b>-</b>	<b>(3,774)</b>
Effect of tax losses for which no deferred tax credits were recognized	<b>(15,059)</b>	<b>(42,139)</b>
<b>Exclusions</b>		
Equity in the results of investees	<b>9,268</b>	<b>14,646</b>
Effects of taxation on the real estate investment funds	<b>1,621</b>	<b>3,892</b>
Tax effect of the companies opting for presumed profit system	<b>37,274</b>	<b>34,427</b>
Expenditure on issuance of shares	<b>-</b>	<b>18,875</b>
Effect of write-off of goodwill - CTBH	<b>8,383</b>	<b>-</b>
Effect of amortization of value added of assets	<b>15,729</b>	<b>5,711</b>
Other exclusions	<b>-</b>	<b>1,213</b>
<b>Income tax and social contribution as per statement of income for the year</b>	<b>(63,790)</b>	<b>(47,838)</b>
<b>Income tax and social contribution</b>		
Current income tax and social contribution	<b>(30,254)</b>	<b>(41,463)</b>
Deferred income tax and social contribution	<b>(33,536)</b>	<b>(6,375)</b>
<b>Income tax and social contribution expense as per statement of income</b>	<b>(63,790)</b>	<b>(47,838)</b>
<b>Total effective tax rate</b>	<b>(23.96%)</b>	<b>(45.79%)</b>

(\*) Mainly refers to the amortization of added value of investments.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **19. Equity**

#### Share capital

At December 31, 2020 the Company's capital is R\$ 4,156,476 (R\$ 4,155,362 as at December 31, 2019), represented by 265,772,778 registered common shares with no par value (265,772,778 as at December 31, 2019).

The Company is authorized to increase its share capital through the issue 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. Considering the capital increase already made, the Company is authorized to further increase its capital by R\$ 2,809,230.

#### Reserves

##### *Capital reserve*

##### Share subscription premium reserve

At December 31, 2020, the Company has a balance of R\$ 875,808 (R\$ 963,501 at December 31, 2019) corresponding to a premium reserve, which represents the premium paid by stockholders on the issuance of shares. The amount will remain recorded in "capital reserve" until its capitalization and 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 amount of R\$ 72,332 (R\$ 71,599 at December 31, 2019) corresponds mainly to expenditures incurred in the IPO transaction on December 5, 2019 mentioned above, which totaled R\$ 56,729.

##### Treasury shares

Until December 31, 2020, the Company acquired 1,314,000 common shares. The balance of treasury shares as at December 31, 2020 is 876,688 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 year was R\$ 29.17 (amount in reais).

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 19. Equity (Continued)

#### Carrying value adjustments

As at December 31, 2020, the carrying value adjustments corresponds to fair value, net of tax impacts, allocated as the price of the business combination transaction.

#### a) Non-controlling interest

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

<b>Equity</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Fundo de Investimento Imobiliário Shopping Parque D. Pedro()	<b>539,351</b>	542,859
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	<b>347,513</b>	348,641
Added value attributed to non-controlling interest in the business combinations	<b>51,892</b>	51,892
Others	<b>133,476</b>	129,060
	<b>1,072,232</b>	1,072,452
<b>Result for the year</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Fundo de Investimento Imobiliário Shopping Parque D. Pedro (a) (b)	<b>18,081</b>	14,976
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center (b)	<b>3,474</b>	6,895
Others	<b>11,847</b>	12,734
	<b>33,402</b>	34,605

(a) On December 17, 2019, the shareholders of Fundo de Investimento Imobiliário Shopping Parque D. Pedro approved at an Extraordinary General Meeting the partial spin-off of the fund's equity, with transfer of 12.39% of the fund's equity to Hedge Real Estate I Fundo de Investimento Imobiliário. The spin-off was based on the balance sheet as at November 25, 2019.

As a consequence of this spin-off, Fundo de Investimento Imobiliário Shopping Parque D. Pedro remained the owner of an ideal fraction of 74.47% of Shopping Parque D. Pedro. In addition, considering the direct and indirect interests held by investee Sierra Investimentos in Fundo de Investimento Imobiliário Shopping Parque D. Pedro and Fundo e Investimento Imobiliário Parque D. Pedro Shopping Center, the Company's consolidated financial statements started being consolidated at the total ideal fraction of 89.47% of Shopping Parque D. Pedro, which previously was 100%. The effect of this spin-off on the non-controlling interest was R\$ 243,043.

(b) Result of five months (post-business combination period), attributed to non-controlling interest.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 19. Equity (Continued)

#### a) Non-controlling interest (Continued)

##### ii) *Main balances of non-controlling interest at December 31, 2020 and 2019*

	FII Shopping Parque D. Pedro (31.52%)	FII Parque S. Pedro Shopping Center (49.9%)
<b>Balance sheet</b>		
Current assets	41,280	15,555
Non-current assets	1,683,827	687,029
Current liabilities	6,367	2,717
Non-current liabilities	7,784	4,084
Equity	1,710,956	695,784
Equity attributable to non-controlling interest	539,351	347,513
<b>Profit or loss and dividends paid</b>	<b>December 31, 2020</b>	<b>December 31, 2020</b>
Net operating revenue from rentals and others	101,556	20,456
Profit and comprehensive income for the year	43,456	6,962
Profit for the year attributed to non-controlling interest	18,081	3,474
Dividends paid	16,170	10,167
	FII Shopping Parque D. Pedro (31.52%)	FII Parque S. Pedro Shopping Center (49.9%)
<b>Balance sheet</b>		
Current assets	30,826	14,896
Non-current assets	1,702,716	692,463
Current liabilities	7,009	2,878
Non-current liabilities	5,850	5,801
Equity	1,720,683	698,680
Equity attributable to non-controlling interest	542,859	348,641
<b>Profit or loss and dividends paid</b>	<b>December 31, 2019</b>	<b>December 31, 2019</b>
Net operating revenue from rentals and others	66,330	12,332
Profit and comprehensive income for the year	39,007	13,818
Profit for the year attributed to non-controlling interest	14,976	6,895
Dividends paid	22,454	8,983

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 19. Equity (Continued)

#### b) Result per share

##### i) *Basic result 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, 2020	December 31, 2019
<b>Basic result per share</b>	<b>Common</b>	<b>Common</b>
Profit attributable to stockholders of the Company	<b>169,071</b>	22,027
Weighted average number of common shares (thousands)	<b>265,773</b>	217,668
Weighted average number of treasury shares (thousands)	<b>(1,040)</b>	-
Basic result per share	<b>0.6386</b>	0.1012

##### 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, 2020	December 31, 2019
<b>Diluted result per share</b>	<b>Common</b>	<b>Common</b>
Profit attributable to stockholders of the Parent	<b>169,071</b>	22,027
Weighted average number of common shares (thousands)	<b>265,773</b>	217,668
Weighted average number of treasury shares (thousands)	<b>(1,040)</b>	-
Weighted average number of outstanding common shares (thousands)	<b>264,733</b>	-
Diluted result per share	<b>0.6386</b>	0.1012

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 19. Equity (Continued)

#### c) Dividends

	2020	
	Total	Amount per share (R\$)
Profit for the year	<b>169,071</b>	<b>0.6414</b>
(-) Legal reserve	<b>(8,454)</b>	
Basic earnings for calculation of dividends	<b>160,617</b>	
Minimum mandatory dividends - 25%	<b>(40,154)</b>	<b>0.1523</b>
Allocation to profit retention reserve	<b>120,463</b>	

### 20. Net revenue from rentals and services

Revenue by nature	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Revenue from rentals	<b>84,994</b>	93,561	<b>661,075</b>	579,093
Revenue from services	<b>56,511</b>	76,849	<b>67,498</b>	78,007
Assignment of right of use	<b>1,707</b>	1,822	<b>11,536</b>	9,230
Parking lot	<b>5,757</b>	14,232	<b>100,026</b>	145,847
Others	<b>11</b>	145	<b>2,606</b>	2,611
Taxes and contributions and other deductions	<b>(16,200)</b>	(16,664)	<b>(45,156)</b>	(71,602)
	<b>132,780</b>	169,945	<b>797,585</b>	743,186

Operating revenue from rentals and parking lot as at December 31, 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 the middle of March 2020. 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, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 21. Cost of rentals and services

Cost by nature	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Depreciation and amortization of properties	(11,992)	(9,673)	(150,854)	(89,691)
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	(66,301)	(21,071)	(14,346)	(14,075)
Cost of services rendered	(945)	(1,290)	(38,316)	(28,018)
Expenditures on rented properties	(1,766)	(3,730)	(36,626)	(30,629)
Cost of parking lot	(1,773)	(3,059)	(16,659)	(22,954)
Operating costs of shopping malls	(1,437)	(2,506)	(7,930)	(10,270)
Others	-	-	(3,734)	(3,354)
	(85,298)	(42,413)	(269,549)	(200,075)

### 22. Selling, general and administrative expenses

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Personnel expenses	(61,990)	(65,586)	(72,741)	(70,940)
Professional services	(17,031)	(9,865)	(19,882)	(14,666)
Occupancy expenses	(760)	(720)	(797)	(720)
Depreciation and amortization	(15,604)	(10,388)	(17,456)	(12,928)
Depreciation of the right of use of the assets	(1,036)	(1,146)	(1,733)	(1,146)
Utility and service expenses	(443)	(553)	(443)	(553)
Legal and tax expenses	(528)	(522)	(1,329)	(1,338)
Provision for expected credit loss (Note 8)	(12,267)	(4,999)	(63,726)	(17,798)
Other administrative expenses	(1,580)	(3,526)	(9,188)	(7,041)
	(111,239)	(97,305)	(187,295)	(127,130)

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 23. Finance income (costs)

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Finance costs</b>				
Interest on borrowings, CCI and debentures	(38,944)	(33,467)	(72,788)	(105,934)
Effective interest resulting from debt renegotiation	(3,780)	-	(12,857)	-
Liability monetary variations	(34,715)	(63,116)	(52,112)	(66,007)
Derivatives - Swap (1)	-	(171)	-	(171)
Structuring cost on indebtedness	(6,260)	(5,969)	(7,415)	(8,080)
Others	(6,329)	(10,820)	(8,890)	(27,694)
	<b>(90,028)</b>	<b>(113,543)</b>	<b>(154,062)</b>	<b>(207,886)</b>
<b>Finance income</b>				
Interest - short-term investments	26,892	26,073	32,224	35,159
Result from derivative financial instruments	3,932	2,664	3,932	2,664
Asset monetary variations	3,246	4,190	4,207	5,953
Update, fine and interest on trade receivables	214	1,368	1,554	4,116
Gain on debt renegotiation	14,693	-	48,212	-
Others	6,418	39	9,961	10,416
	<b>55,395</b>	<b>34,334</b>	<b>100,090</b>	<b>58,308</b>
<b>Finance income (costs)</b>	<b>(34,633)</b>	<b>(79,209)</b>	<b>(53,972)</b>	<b>(149,578)</b>

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

### 24. Other costs, net

	Company		Consolidated	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Notices and publications	(312)	(476)	(312)	(495)
Publicity and advertising	(822)	(780)	(822)	(782)
Expenses related to the business combination described in Note 4.1 (3)	-	(63,042)	-	(63,042)
Earn-out (1)	10,960	-	10,960	16,432
Expenses with indemnities	(2,419)	(7,526)	(3,128)	(9,388)
Disposal of investment property (2)	33,076	-	35,099	(10,253)
Provision for impairment of assets (4)	(65,774)	-	(80,302)	(118,000)
Others	(2,808)	(17,486)	(9,261)	(19,480)
	<b>(28,099)</b>	<b>(89,310)</b>	<b>(47,766)</b>	<b>(205,008)</b>

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 24. Other costs, net (Continued)

- (1) In February 2019, R\$ 16,432 was recognized as revenue related to the earn-out provided by the purchase and sale agreement of Caxias Shopping signed in December 2017; the amount was received in March 2019. 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) Regarding the gains on the sale of the CTBH Tower in March 2019. The balance of December 2020 refers mainly to the gains on sales occurred in 2020, as mentioned in Note 10.a. The gains recorded in these operations were R\$ 10,000 for CDG and R\$ 27,109 for Norte Shopping Belém.
- (3) These refer to business combination expenses, substantially commissions of structuring banks, lawyers, consultants, auditors and others.
- (4) On December 31, 2020, the Company set up a provision for loss on the capital gain of investment in parent company in the amount of R\$ 65,774. Additionally, it constituted a provision for loss of R\$ 14,528 of investment property, see Note 11.

### 25. Related-party transactions

	Company			
	December 31, 2020		December 31, 2019	
	Non-current assets	Non-current liabilities	Non-current assets	Non-current liabilities
<b>Subsidiaries</b>				
Boulevard Belém S.A. (1)	-	2,400	-	2,400
Others	-	-	151	-
	-	2,400	151	2,400

The balances of non-current assets between related parties are recorded under “Loans and other receivables”, and the balance of non-current liabilities is recorded under “Other obligations”.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 25. Related-party transactions (Continued)

	Consolidated						
	December 31, 2020				December 31, 2019		
	Current assets	Non-current assets	Non-current liabilities	Transaction/result (Rendered services)	Current assets	Non-current assets	Non-current liabilities Transaction/result (Rendered services)
<b>Subsidiaries</b>							
Aliansce Sonae Shopping Centers S.A.	-	-	-	7,299	-	-	11,289
Aliansce Ass. Comercial Ltda.	-	-	-	2,279	-	-	4,061
Aliansce Mall e Mídia Int. Loc. e Merch. Ltda.	-	-	-	3,049	-	-	5,835
Nibal Participações S.A. (2)	-	3,620	-	(613)	-	3,777	(1,291)
RRSPE Empreendimentos e Participações Ltda. (3)	-	393	-	(107)	-	393	(204)
Shopping Taboão	-	-	-	(2,023)	-	-	(3,040)
Santana Parque Shopping	-	-	-	(451)	-	-	(613)
Norte Shopping Belém	-	-	-	(174)	-	-	(520)
Boulevard Shopping Belo Horizonte	-	-	-	(1,333)	-	-	(2,469)
Boulevard Shopping Belém	-	-	-	(2,090)	-	-	(3,717)
Boulevard Shopping Campos	-	-	-	(76)	-	-	-
Shopping Grande Rio	-	-	-	(953)	-	-	(801)
Parque Shopping Maceió	-	-	-	(1,043)	-	-	(1,960)
Shopping Parangaba	-	-	-	(720)	-	-	(722)
Boulevard Shopping Brasília	-	-	-	(551)	-	-	(965)
Caxias Shopping	-	-	-	(254)	-	-	(676)
Boulevard Vila Velha	-	-	-	(148)	-	-	(223)
Shopping Leblon	-	-	-	(951)	-	-	(1,400)
Malfatti Empreendimentos e Participações Ltda.	-	-	-	(326)	-	-	(687)
Via Parque	-	-	-	(814)	-	-	(1,529)
West Plaza	-	-	-	-	-	-	(368)
Vivaldi (5)	-	-	7,120	-	-	-	7,120
Plaza Sul	-	-	-	-	-	963	-
<b>Other related parties</b>							
FIP Bali (4)	-	4,033	-	-	-	4,033	-
	-	8,046	7,120	-	-	9,166	7,120

The balances of non-current assets between related parties are recorded under “Loans and other receivables”, and the balance of non-current liabilities is recorded under “Other obligations”. See Note 14.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **25. Related-party transactions (Continued)**

In the course of their business, the Company and its controlled, joint ventures, subsidiaries and other related parties carry out commercial and financial transactions with each other. These commercial transactions mainly include the shopping center 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 as of December 31, 2020 and December 31, 2019 arise from transactions as follows:

The main balances of assets and liabilities at December 31, 2020 and December 31, 2019, as well as transactions that influenced the results for the years, with reference to transactions with related parties, are related to transactions between the Company, joint ventures, subsidiaries, associates and other related parties, as follows:

- (1) In April 2014, a loan agreement was signed between Boulevard Belém ("Lender") and Aliansce ("Borrower"), in the amount of R\$ 2,400 with maturity in December 2021.
- (2) Receivables due to the Program of Payment in Installments or Refinancing of Federal Tax Debts ("REFIS") from the former owner resulting from the merger of Ricshopping into Nibal.
- (3) Receivables due to the Program of Payment in Installments or Refinancing of Federal Tax Debts ("REFIS") from the former owner resulting from the merger of Reishopping into Velazquez, which was later merged into RRSPE.
- (4) As agreed in the terms of purchase and sale of a 25.1% interest in Shopping Leblon entered into in August 2016 between FIP BALI and RLB Empreendimentos e Participações (sellers) and Vivaldi (purchaser), it was defined the reimbursement obligation by the seller to the purchaser in the case of payments related to the IPTU contingencies of Shopping Leblon (Note 16 of December 31, 2017). As guarantee, the seller sold on a fiduciary basis the corresponding of 2.57% of ideal fraction of the mentioned shopping mall. Accordingly, a receivable was recognized in the same amount of the provision for contingencies. In December 2017, through an agreement entered into between the entrepreneurs of the Shopping Mall and the City Hall of the Municipality of Rio de Janeiro, the partial reversal of the provision for contingencies was carried out, see the details in Note 18 of December 31, 2017.
- (5) Obligation payable to the former owners of Altar for the use of the tax credits, as agreed in the terms of purchase and sale of a 25.1% interest in Shopping Leblon entered into in August 2016 between FIP BALI and RLB Empreendimentos e Participações (sellers) and Vivaldi (purchaser).

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 25. Related-party transactions (Continued)

#### Obligations for purchase of assets - related parties

	Consolidated	
	December 31, 2020	December 31, 2019
Tarsila (1)	87	87
Other related parties not considered	20	16
	<b>107</b>	<b>103</b>
Current liabilities	<b>107</b>	103
Result Tarsila (*)	-	(155)
Result - others not considered as related parties (*)	<b>(4)</b>	(43)

(\*) This refers to the impact in the result during the year of the obligations for purchase of assets.

(1) Amount related to the obligations for the acquisition of the additional interest of 22.36% in Condomínio Naciguat which integrates Shopping da Bahia, which took place in January 2013, in two installments: the first one of R\$ 12,500, with no update, with annual payments of R\$ 2,500 after the beginning of the parking operation, which occurred in July 2015, due in July 2019, and the second one of R\$ 10,000, updated by the CDI index, with maturity in January 2019. The financial settlement of the remaining installment still depends on some contractual obligations.

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

As described in Note 16, 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\$29,963 at December 31, 2020 (R\$ 29,300 at December 31, 2019).

#### Key management compensation

The compensation paid to key management, which includes directors and officers, amounted to R\$ 31,505 in the year ended December 31, 2020 (R\$ 29,882 as at December 31, 2019). This amount encompasses short-term compensation, corresponding to: (i) fee paid to the members of the Executive Board of Board of Directors; (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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **25. Related-party transactions (Continued)**

#### Key management compensation (Continued)

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

### **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\$ 1,377,508.

The agreements for which the Company provided guarantees are detailed in Note 14.

### **27. Share based payment 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 registered common shares of Aliansce Shopping Center S.A. which, after the business combination with Sonae Sierra Brasil S.A., were fully 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 share plan of the Company, totalled a capital increase of R\$ 40,586, of which R\$ 4,059 was paid up at the time of issuance.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 27. Share based payment compensation (Continued)

#### a) Restricted shares program (Continued)

The amounts of restricted shares to be paid up should correspond to the strike price (corresponding to a value between R\$15.00 and 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.

The shares granted to the beneficiaries of the program 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, 2020 amounted to R\$ 13,841 (December 31, 2019: R\$14,714).

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.

## Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### 27. Share based payment compensation (Continued)

#### a) Restricted shares program (Continued)

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

Group of options/shares	Number (i)	Weighted average price
Outstanding at the beginning of the year	1,731,919	16.26
Paid up in the year	(55,868)	16.26
Outstanding at the end of the year	1,676,051	16.26
Exercisable at the end of the year	838,041	16.26

(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.

#### b) Hybrid stock option program

On June 23, 2020, the Company's Board of Directors approved a new long-term compensation program for its executives and employees, allowing, for all beneficiaries of the program, the purchase of shares issued by the Company for R\$ 26.47. The Company also estimates a match of an equal number of shares and an additional match of shares based on certain performance indicators, both matches without any cost to the beneficiaries. These granted shares have a lock-up period of three years, linked to the beneficiaries' permanence in the Company and their performance.

On July 8, 2020, the Company granted its beneficiaries 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).

The performance shares included in the program are 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

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **27. Share based payment compensation (Continued)**

#### **b) Hybrid stock option program (Continued)**

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, 2020, R\$ 2,894 (already considering charges) was recognized with the allocation of personnel expenses linked to such program, under "Selling, general and administrative expenses".

### **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 to cover possible losses, taking into consideration the nature of the activities.

At December 31, 2020, 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\$ 132,014.
- **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.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **29. Events after the reporting period**

In January 2021, Tarsila Empreendimentos e Participações Ltda., a Company's subsidiary, purchased Hannover Consultoria e Negócios Ltda., a company that holds a 2% interest in Shopping da Bahia for R\$ 28,683.

In March 2021, the Company entered into an agreement for the acquisition of additional interest of 21.0% in Shopping Leblon for approximately R\$ 275.1 million. After the acquisition, the Company will become holder of 51.0% interest in Shopping Leblon. The closing of the deal is subject to compliance with certain precedent usual conditions, including the approval by CADE.

During February and March 2021, some shopping malls of the Company had their activities interrupted due to Municipal Decrees related to the COVID-19 pandemic. Management is waiting for the guidance of the sanitary and government authorities to resume the operation of these ventures. Since March 2020, the Company has been closely monitoring the situation related to the pandemic and reflecting its impacts on the financial statements, when applicable. As regards these recent events, which do not affect 2020, Management is evaluating the possible impacts, if any, on its financial position and/or performance of its operations.

## **Aliansce Sonae Shopping Centers S.A.**

Notes to company and consolidated financial statements (Continued)

December 31, 2020 and 2019

(All amounts in thousands of reais unless otherwise stated)

### **Board of Directors**

Renato Feitosa Rique – Chairman

Peter Ballon – Director

Marcela Drigo - Director

Fernando Maria Guedes Machado Antunes de Oliveira - Director

Volker Kraft - Director

Luiz Alves Paes de Barros – Independent Director

Alexandre Silveira Dias – Independent Director

### **Executive Board**

Rafael Sales Guimarães - Chief Executive Officer

Carlos Alberto Correa - Chief Financial Officer

Daniella de Souza Guanabara Santos - Chief Investor Relations Officer

Leandro Rocha Franco Lopes - Chief Operating Officer

Paula Guimarães Fonseca – Chief Legal Officer

José Manuel Baeta Tomás- Chief Integration Officer

Mauro Sérgio Junqueira de Araújo- Chief Investment Officer

Mário João Alves de Oliveira- Chief Development and M&A Officer

Alexandre Francisco da Silva

Accountant

CRC-1SP235670/O-0

### **Statement for the purposes of article 25 of the CVM Instruction No. 480**

In accordance with item V of article 25 of CVM Instruction 480, of December 7, 2009, the Executive Board hereby declares that it has reviewed, discussed and agreed with the opinions expressed in the independent auditor's report on the Company's financial statements for 2020.

In accordance with item V of article 25 of CVM Instruction 480, of December 7, 2009, the Executive Board hereby declares that it has reviewed, discussed and agreed with the Company's financial statements for 2020.

Rio de Janeiro, March 9, 2021.