



Financial Statements

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

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



Allpark Empreendimentos, Participações e Serviços S.A.

Financial statements

December 31, 2021 and 2020

Contents

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

Financial statements

Statements of financial position.....	7
Statements of profit or loss	9
Statements of comprehensive income (loss).....	10
Statements of changes in equity	11
Statements of cash flows	12
Statements of value added	13
Notes to financial statements	14



São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1,909
Vila Nova Conceição
04543-011 - São Paulo - SP - Brasil

Tel: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Independent auditor's report on individual and consolidated financial statements

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

Opinion

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

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Allpark Empreendimentos, Participações e Serviços S.A. as at December 31, 2021, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil and 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 have obtained is sufficient and appropriate to provide a basis for our 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 year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.



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

Revenue recognition

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

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

How our audit addressed this matter

Our audit procedures aimed at confirming whether the revenue amounts had been appropriately recognized included, among others: (i) gaining understanding of the internal controls implemented by the Company for the process of recognizing the different revenues by nature and locations, including an assessment of any changes in this process after the impact of the COVID-19 pandemic; (ii) assessing the accounting policies for revenue recognition of the Company and its subsidiaries, and the adequacy of these policies in relation to the current accounting standards; (iii) conducting documentary tests, by sampling, of service transactions carried out to assess whether the revenues were recognized with accurate amounts and within the appropriate reference period; (iv) conducting specific accuracy tests on monthly fee and service revenue transactions; (v) in response to the impacts of the pandemic, we reviewed the revenue projections of the Company and its subsidiaries, prepared quarterly by the executive board, including comparative analyses between actual, budgeted and forecast up to the end of 2021 and 2022, respectively; (vi) we challenged the main assumptions of the projections, mentioned in item (v) above. Additionally, we reviewed the respective disclosures in the financial statements.

Based on the result of the audit procedures conducted, which is consistent with the assessment of the executive board, we consider that the revenue recognition policies of the Company and its subsidiaries, resulting from the provision of vehicle parking services to rotating or monthly customers, are acceptable to support the judgments, estimates and information included in the context of the overall financial statements.



Impairment of goodwill

At December 31, 2021, according to Note 12, the Company recorded goodwill balance of R\$118,464 thousand (Consolidated) and R\$109,368 thousand (Individual) representing 4.6% and 8.3% of total consolidated and individual assets, respectively, at that date. In accordance with accounting practices adopted in Brazil and IFRS, the Company and its subsidiaries analyze, on an annual basis, the recoverable amount of goodwill to determine whether there is any indication of impairment loss.

This was considered a key audit matter, due to the materiality of the amounts involved, and significant judgments used for determining the assumptions used in projections of cash flows, including discount and growth rates. With the effects of the COVID-19 pandemic on the business of the Company and its subsidiaries, as per Note 1, possible differences in determining the recoverable amount of goodwill may result in a material impact on the financial statements.

How our audit addressed this matter

Our audit procedures for confirming whether these assets were appropriately recorded and controlled comprised, among others: (i) evaluation of the criteria used to identify and measure the recoverable amount of the cash-generating units of the Company and its subsidiaries; (ii) with the assistance of our specialists, we evaluated the discounted cash flow model and the assumptions and methodologies used by the Company and its subsidiaries, particularly the expected growth, discount rates, profit or loss and projected margins compared with the industry's macroeconomic information and analyst reports; (iii) we compared the budgets prepared and approved by the Company and its subsidiaries in the previous year with their actual amounts in order to assess the historical accuracy of the executive board's budget preparation process; (iv) we analyzed the effects of the COVID-19 pandemic on the cash flows of the Company and its subsidiaries; (v) we compared the recoverable amount calculated by the executive board, based on discounted cash flows, per cash-generating unit, with the respective goodwill carrying amount; (vi) we assessed the adequacy of the Company's disclosures on the most sensitive assumptions used in the impairment test, i.e., those that have the most significant effect on determining the recoverable amount of goodwill.

Based on the result of the audit procedures performed on the goodwill impairment test, which is consistent with the assessment of the executive board, we consider that the goodwill criteria and assumptions adopted by management, as well as the respective disclosures in Note 12, are acceptable in the context of the overall financial statements.



Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of the executive board, whose presentation is required as supplementary information under IFRS, have been subject to audit procedures in conjunction with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by accounting pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

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

The Company's executive board is responsible for such other information, which comprises the Management Report.

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

In connection with the audit of the financial statements, we are responsible for reading the Management Report and, in so doing, considering whether such report presents significant inconsistency with the financial statements or with our knowledge obtained in the audit or otherwise seems to present material misstatements.

If, based on the work performed, we conclude that the Management Report presents material misstatements, we are required to communicate such fact. We have nothing to report in this regard.

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

The executive board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting policies adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as the executive board 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, the executive board 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.

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

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

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

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

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

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

São Paulo, March 9, 2022

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



Flávio Serpejante Peppe
Accountant CRC-1SP172167/O-6

Allpark Empreendimentos, Participações e Serviços S.A.

Statements of financial position
December 31, 2021 and 2020
(In thousands of reais R\$)

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	4.1	55,555	5,710	96,400	42,109
Accounts receivable	5	43,473	40,739	57,087	49,942
Taxes recoverable	6	35,863	42,739	43,948	49,415
Prepaid expenses		1,970	1,668	6,013	4,035
Advances to suppliers		1,204	530	1,862	1,183
Advances to employees		751	1,724	881	2,114
Prepaid leases		317	404	331	418
Transactions with related parties	17.1	21,680	10,083	30,794	22,833
Other receivables	8	39,473	30,787	39,576	30,930
Total current assets		200,286	134,384	276,892	202,979
Noncurrent assets					
Taxes recoverable	6	17,671	20,912	27,808	32,012
Transactions with related parties	17.1	145	18	401	275
Restricted marketable securities	4.2	-	-	22,821	-
Judicial deposits	18	10,734	9,763	12,295	11,265
Prepaid expenses		3,286	3,607	3,586	4,578
Other receivables	8	18,541	14,053	18,541	14,053
Investment property	7	13,463	13,800	13,463	13,800
Investments	9	324,413	446,010	15,599	20,158
Property and equipment	11	156,528	163,646	219,105	238,339
Right of use	10	63,214	88,787	407,007	509,410
Intangible assets	12	518,186	547,117	1,557,700	1,650,236
Total noncurrent assets		1,126,181	1,307,713	2,298,326	2,494,126
Total assets		1,326,467	1,442,097	2,575,218	2,697,105

Allpark Empreendimentos, Participações e Serviços S.A.

Statements of financial position
December 31, 2021 and 2020
(In thousands of reais R\$)

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Loans, financing and debentures	13	259,194	301,366	322,345	473,634
Derivative financial instruments	14	4,236	-	4,236	-
Trade accounts payable		44,559	38,595	133,763	82,511
Lease liability	15	29,247	34,482	92,796	139,059
Concession rights payable	16	-	-	52,257	50,064
Accounts payable for investments made		-	2,000	-	2,000
Labor obligations		23,245	23,258	27,157	27,557
Tax obligations		13,376	5,278	18,141	8,290
Tax payment in installments		45	133	92	230
Advance from customers		1,715	1,599	18,573	10,158
Transactions with related parties	17.2	1,117	727	81	22
Provision for losses on investees	9	14,111	15,039	-	-
Other payables		17,640	14,217	21,467	16,882
Total current liabilities		408,485	436,694	690,908	810,407
Noncurrent liabilities					
Loans, financing and debentures	13	292,669	238,088	530,609	391,569
Lease liability	15	49,522	71,019	419,909	475,934
Trade accounts payable		1,550	1,625	1,550	1,768
Concession rights payable	16	-	-	325,044	297,544
Accounts payable for investments made		-	3,815	-	3,815
Tax payment in installments		52	101	81	167
Transactions with related parties	17.2	-	5,700	684	18
Provision for contingencies	18	18,821	6,862	34,947	25,239
Other payables		-	-	9,436	3,654
Total noncurrent liabilities		362,614	327,210	1,322,260	1,199,708
Total liabilities		771,099	763,904	2,013,168	2,010,115
Equity					
Capital	20	614,461	512,453	614,461	512,453
Capital reserve		768,198	769,674	768,198	769,674
Accumulated losses		(827,291)	(603,934)	(827,291)	(603,934)
Total equity		555,368	678,193	555,368	678,193
Noncontrolling interests		-	-	6,682	8,797
		555,368	678,193	562,050	686,990
Total liabilities and equity		1,326,467	1,442,097	2,575,218	2,697,105

See accompanying notes.

Allpark Empreendimentos, Participações e Serviços S.A.

Statements of profit or loss
 Years ended December 31, 2021 and 2020
 (In thousands of reais R\$), except earnings (loss) per share

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue from services	21	581,248	499,942	834,931	649,365
Cost of services	22	(452,187)	(371,151)	(628,017)	(484,547)
Gross profit		129,061	128,791	206,914	164,818
Operating income (expenses)					
General and administrative expenses	22	(79,173)	(66,243)	(90,689)	(80,241)
Amortization of intangible assets	12	(63,351)	(65,460)	(146,375)	(121,722)
Other operating income (expenses), net	22	(1,017)	104,208	1,627	47,846
Share of profit of a subsidiary, an associate and a joint venture	9	(155,901)	(193,101)	(3,870)	(2,510)
		(299,442)	(220,596)	(239,307)	(156,627)
Operating income (loss) before finance income (costs)		(170,381)	(91,805)	(32,393)	8,191
Finance income (costs)					
Finance income	23	15,541	26,622	17,572	28,520
Finance costs	23	(68,517)	(105,777)	(206,797)	(205,792)
		(52,976)	(79,155)	(189,225)	(177,272)
Loss before income and social contribution taxes		(223,357)	(170,960)	(221,618)	(169,081)
Income and social contribution taxes					
Current	19	-	-	(2,552)	(1,588)
		-	-	(2,552)	(1,588)
Loss for the year		(223,357)	(170,960)	(224,170)	(170,669)
Attributable to:					
Controlling shareholders		(223,357)	(170,960)	(223,357)	(170,960)
Noncontrolling shareholders		-	-	(813)	291
Earnings (loss) per share					
Basic – common shares	24	(0.8641)	(0.9431)	(0.8641)	(0.9431)
Diluted – common shares	24	(0.8641)	(0.9431)	(0.8641)	(0.9431)

See accompanying notes.

Allpark Empreendimentos, Participações e Serviços S.A.

Statements of profit or loss
Years ended December 31, 2021 and 2020
(In thousands of reais R\$)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss for the year	(223,357)	(170,960)	(224,170)	(170,669)
Total comprehensive income (loss) for the year	(223,357)	(170,960)	(224,170)	(170,669)
Attributable to:				
Controlling shareholders	(223,357)	(170,960)	(223,357)	(170,960)
Noncontrolling shareholders	-	-	(813)	291
	(223,357)	(170,960)	(224,170)	(170,669)

See accompanying notes.

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



Capital reserve								
Note	Capital	Share issue costs	Capital reserves	Stock option plan	Accumulated losses	Total	Noncontrolling interests	Total
Balance at January 1, 2020	212,153	-	773,692	16,265	(432,974)	569,136	11,979	581,115
Capital increase	20 300,300	(22,813)	-	-	-	277,487		277,487
Instruments granted	30 -	-	-	2,530	-	2,530		2,530
Dividends	-	-	-	-	-	-	(3,473)	(3,473)
Loss for the year	-	-	-	-	(170,960)	(170,960)	291	(170,669)
Total comprehensive income (loss)	-	-	-	-	(170,960)	(170,960)	291	(170,669)
Balance at December 31, 2020	512,453	(22,813)	773,692	18,795	(603,934)	678,193	8,797	686,990
Capital increase	20 102,008	-	-	(2,007)	-	100,001	-	100,001
Instruments granted	30 -	-	-	531	-	531	-	531
Dividends	-	-	-	-	-	-	(1,302)	(1,302)
Loss for the year	-	-	-	-	(223,357)	(223,357)	(813)	(224,170)
Total comprehensive income (loss)	-	-	-	-	(223,357)	(223,357)	(813)	(224,170)
Balance at December 31, 2021	614,461	(22,813)	773,692	17,319	(827,291)	555,368	6,682	562,050

See accompanying notes.

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

		Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income (loss) before income and social contribution taxes		(223,357)	(170,960)	(221,618)	(169,081)
Adjustments not representing cash inflows or outflows:					
Depreciation and amortization	7, 11 and 12	83,115	85,485	176,708	154,333
Depreciation of right-of-use asset	10	21,806	61,832	66,340	112,281
Write-off of property and equipment and intangible assets	11 and 12	10,603	3,015	29,118	51,283
Gains (losses) on right-of-use assets / leases – IFRS 16	22	(1,112)	(107,532)	(21,698)	(107,532)
(Reversal of) / Provision for contingencies	18	11,959	(4,107)	9,708	(2,808)
Expenses with share-based payments	30	146	1,772	146	1,772
Provision for bonus		9,160	7,124	9,160	7,124
Share of profit of a subsidiary, an associate and a joint venture	9	155,901	193,101	3,870	2,510
Mark-to-market of derivatives	14	4,236	-	4,236	-
Reversal of accounts payable for acquisition of investments		(6,915)	(17,548)	(6,915)	(17,548)
Decrease in contingent lease liability	15	-	(36,820)	-	(36,820)
Decrease in lease liability – practical expedient CVM 859	15	(8,748)	(14,764)	(14,663)	(58,619)
Allowance for expected credit losses (ECLs)	22	1,335	-	1,335	-
Accrued interest		49,282	83,685	188,808	187,537
(Increase) decrease in assets and liabilities:					
Accounts receivable		(4,069)	8,078	(8,480)	8,111
Taxes recoverable		10,117	6,042	9,671	5,617
Prepaid expenses		19	(628)	(986)	(1,879)
Advances to suppliers		(674)	818	(679)	927
Advances to employees		973	(456)	1,233	(488)
Prepaid leases		87	(91)	87	(67)
Judicial deposits		(971)	(4,816)	(1,030)	(4,778)
Other receivables		(24,898)	(25,708)	(21,221)	(39,359)
Trade accounts payable		344	(21,461)	39,882	2,432
Labor obligations		(13)	(1,470)	(400)	(1,911)
Tax obligations		8,098	(1,307)	9,851	(1,814)
Tax payment in installments		(137)	(213)	(224)	(322)
Advance from customers		116	206	8,415	1,722
Other payables		(11,047)	2,728	1,932	1,459
Income and social contribution taxes paid		-	-	(2,552)	(1,588)
Net cash flows from operating activities		85,356	46,005	260,034	92,494
Cash flows from investing activities:					
Acquisition of property and equipment	11	(16,426)	(13,397)	(30,435)	(25,209)
Dividends received	9	2,353	2,810	730	633
Redemption of (investments in) restricted securities, net	4.2	-	-	(22,526)	-
Acquisition of intangible assets	12	(38,222)	(23,397)	(44,977)	(645,477)
Capital increase in investees	9	(37,585)	(380,372)	(41)	(68)
Net cash flows used in investing activities		(89,880)	(414,356)	(97,249)	(670,121)
Cash flows from financing activities:					
Exercise of options	30	-	758	385	758
Capital increase	20	100,001	300,300	100,001	300,300
Share issue costs	20	-	(22,813)	-	(22,813)
Loans, financing and debentures raised	13	196,356	300,343	196,356	597,005
Repayment of principal on loans, financing and debentures	13	(180,198)	(209,640)	(208,294)	(210,496)
Repayment of principal and interest on leases	15	(23,671)	(56,295)	(102,638)	(116,461)
Interest paid on loans, financing and debentures	13	(38,504)	(31,733)	(64,261)	(34,712)
Dividends paid	20	-	-	(1,302)	(3,473)
Derivative financial instruments		-	19,208	-	19,208
Payment of concession rights	16	-	-	(28,741)	(29,776)
Net cash flows from (used in) financing activities		54,369	300,128	(108,494)	499,540
Net increase (decrease) in cash and cash equivalents		49,845	(68,223)	54,291	(78,087)
Cash and cash equivalents at beginning of year		5,710	73,933	42,109	120,196
Cash and cash equivalents at end of year		55,555	5,710	96,400	42,109

See accompanying notes.

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

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenue:	671,908	576,591	966,015	748,828
Revenue from services	671,908	576,591	966,015	748,828
Inputs acquired from third-parties:	(412,038)	(294,333)	(536,800)	(349,270)
Cost of services	(403,079)	(285,775)	(520,309)	(336,064)
Materials, power, services from suppliers and other	(8,959)	(8,558)	(16,491)	(13,206)
Gross value added	259,870	282,258	429,215	399,558
Depreciation and amortization	(103,499)	(142,278)	(237,592)	(256,999)
Net value added	156,371	139,980	191,623	142,559
Value added received from transfers:	(140,360)	(166,479)	13,702	26,010
Share of profit of a subsidiary, an associate and a joint venture	(155,901)	(193,101)	(3,870)	(2,510)
Finance income	15,541	26,622	17,572	28,520
Total value added to be distributed	16,011	(26,499)	205,325	168,569
Value added distributed	16,011	(26,499)	205,325	168,569
Salaries - charges				
Direct compensation	31,477	30,665	35,741	35,528
Benefits	3,771	3,681	4,362	4,388
Unemployment Compensation Fund (FGTS)	2,440	2,558	2,857	3,009
Taxes and contributions				
Federal taxes	59,370	50,512	84,705	65,184
State taxes	1,084	880	2,153	1,479
Local taxes	30,206	25,257	44,226	32,800
Debt remuneration				
Interest	68,517	105,777	206,797	205,792
Leases	1,166	(433)	1,375	792
Other	41,337	(74,436)	47,279	(9,734)
Equity remuneration:	(223,357)	(170,960)	(224,170)	(170,669)
Loss for the year	(223,357)	(170,960)	(224,170)	(170,669)

See accompanying notes.



1. Operations

Allpark Empreendimentos, Participações e Serviços S.A. (hereinafter referred to as the “Company”, “Allpark”, or “Individual”) is a publicly-held corporation with main place of business at Av. Pres. Juscelino Kubitschek, 1.830, Torre III, 3º andar, in the city and state of São Paulo. It was incorporated in 1982, and it is mainly engaged in managing, operating and/or controlling vehicle parking lot activities, rendering technical management, advisory and planning services related to vehicle parking lots, whether in own or third-party properties, for public or private companies, including in special short-stay parking areas located in public streets, conducting projects, implementing and maintaining traffic signs and road surface markings for the transportation system, and holding interest in other entities.

On May 15, 2020, the Company went public on the stock market and its shares are traded on B3 S.A. - Brasil, Bolsa, Balcão under ticker symbol “ALPK3”, reporting its financial information to the Securities and Exchange Commission (“CVM”).

On May 19, 2020, the Company signed a concession arrangement with the São Paulo City Government, comprising the operation of pay-and-display parking areas in public streets by private companies in the city of São Paulo, the so-called Zona Azul. The concession arrangement was signed in accordance with the provisions of the International Call for Tender No. 001/SMT/2019.

The concession term will be 15 years, from the Notice of Commencement issued by the São Paulo City Government after signature of the arrangement.

At December 31, 2020, the Company had 650 parking lots (651 at December 31, 2020) and 35 franchises (44 at December 31, 2020) located in the main locations in the states of São Paulo, Rio Grande do Sul, Goiás, Pernambuco, Rio Grande do Norte, Bahia, Paraná, Santa Catarina, Minas Gerais, Rio de Janeiro, Espírito Santo, Tocantins, Alagoas, Sergipe, Paraíba and the Federal District.

1.1. Impacts of COVID-19

The social distancing measures taken since March 2020 across the country, as a way to curb the spread of COVID-19, have significantly reduced the flow of people in public spaces and streets, airports, shopping malls, universities, hospitals, commercial buildings, etc. This reduced flow of people has had a significant impact on our operations since the beginning of the pandemic, resulting in a significant drop in the volume of vehicles parked in our parking lots.

Impacts:

The Company management has followed all developments related to Covid-19 by daily monitoring the situation and the guidance from government authorities as of March 2020.

At the beginning of 2021, some of the Company’s operations, particularly shopping malls and on-street parking, are temporarily with reduced movement due to the worsening of the COVID-19 pandemic, pursuant to state government guidelines. As of May 2021, with the flexible measures introduced by state government guidelines, the movement has increased, however, it has not yet reached pre-pandemic levels.

At this time of uncertainty and from the point of view of the operation, demand and financial management are being adjusted according to this new reality. In accordance with Memorandum Circulars No. 02/20 and No. 03/20 issued by the Brazilian SEC (CVM) and taking into account the economic scenario and the risks and uncertainties arising from the impacts of Covid-19, we have revised our accounting estimates, listed below, and disclose our assessments in the respective explanatory notes. We also list other measures that have been adopted due to this new economic reality.

Estimates	Notes
Allowance for expected credit losses	5
Impairment testing of right-of-use assets	10
Impairment testing of investments and joint ventures	9
Impairment testing of property and equipment	11
Impairment testing of intangible assets and of indefinite-lived assets	12
Determination of fair value of derivative financial instruments	14
Provision for contingencies (tax, civil and labor)	18
<hr/>	
Other measures	Notes
Loans, financing and debentures - Covenants	13
Taxes recoverable	6

Measures in response to the impact of COVID-19:

At December 31, 2021, our 630 off-street parking lots (off roads and public spaces) were open, which demonstrates a consistent recovery in revenue compared to the most critical period of the pandemic, following the gradual growth in the volume of vehicles in our parking lots.

With regard to on-street parking lots, as of December 31, 2021, our 20 parking lots were operating normally, demonstrating revenue recovery due to the increase in the volume of vehicles in circulation.

Company management, after carefully assessing its options to address all the challenges caused by the Covid-19 pandemic, has been adopting some measures to comply with local government decrees:

Health:

- Frequent newsletters and training on prevention, hygiene and health care;
- Online platform with exclusive videos with doctors to support and guide our employees, as well as support through virtual assistant services;
- Distribution of prevention kits (hand sanitizer, face masks, non-contact thermometers) to the teams involved in currently active operations;
- Visits from doctors and from the medical and occupational safety department to support employees currently working in the operations;
- Monitoring of suspected and confirmed cases;
- Removal of employees in risk groups from the workplace;
- More than 90% of the administrative employees working from home at the height of the pandemic; and
- Meetings between employees and leaders held through digital platforms.



Manpower:

- Work schedule and planning for operations reviewed to meet the demand.

Renegotiations, lease payments / considerations and other costs and expenses:

- Reduction of operating costs and expenses to adapt to reduced demand;
- Reduction of costs and administrative expenses;
- Ongoing review and negotiation of most contracts for our operations due to the drop in the volume of vehicles.
- Below are some examples of our initiatives regarding lease payments/considerations of our operations:

Off-street concessions – Airports:

- We have 5 parking lots for which we have adopted negotiation initiatives to timely reduce values and/or review the lease payment/consideration calculation methodology;
- In 4 other parking lots, we have contracts that have downside protection mechanisms, which guarantee our protection in scenarios of reduced revenue volume.

Off-street concessions - Except for Airports, Zona Azul, Franchise:

- A portion of our contracts has fixed lease payments/consideration amounts or amounts that are payable based on a percentage of revenue, but minimum lease payments/consideration amounts are guaranteed. Based on these contracts, we have already managed to renegotiate virtually all contracts in order to reduce the lease payment/consideration, see Note 15. While most of the contracts have already been renegotiated, they are monitored monthly in order to verify the volume of use of the parking lots in relation to the amount of the consideration paid.

On-street concessions:

- Investments related to on-street contracts have a natural hedge, as the term of the contract may be extended in case the operation is temporarily suspended. In addition, the monthly grant/consideration amounts are based on a percentage of revenue. Currently, operations are normalized, however with a reduced volume.

Cash preservation:

- Reduction in expenses with maintenance Capex, IT and others, related to our operations and management;
- Reduction and extension of Capex expenses for the acquisition of new operations;
- Ongoing renegotiation to postpone installments, repayments and debt interest payments;
- Constant negotiation with several commercial banks, with credit facilities already approved and under approval and/or definition of commercial terms;
- First issue of simple debentures by investee Z.A Digital de São Paulo Sistema de Parque Rotativo S.A. of R\$300,000, for more information, see Note 13;
- Seeking new short-term revenues with the car rental segment, logistics and retail companies;
- In February 2021, a new credit facility of R\$20,000 obtained from Finep to strengthen cash, bearing interest of TJLP + 0.08% p.a. and with maturity in February 2030, and a new credit facility of R\$75,000 obtained from Santander to strengthen cash, with a change in debt maturities from short to long term, with an interest rate of 3.65% p.a. with maturities from 2022 to 2026;

- On December 13, 2021, the principal amount of debentures of R\$150,000 from Z.A. Digital de São Paulo Sistema de Estacionamento Rotativo S.A. had its payment term renegotiated from December 2021 to August 2025, with an interest rate of CDI + 4.40% p.a. The purpose was to preserve cash and maintain the Company's financial health.

Going concern:

At December 31, 2021, the Company and its subsidiaries had negative net working capital, in the amount of R\$414,016, mainly due to the lease liabilities that started to be recognized after adoption of CPC 06(R2)/IFRS 16, and liabilities for concession grant payable under the concession agreement for Zona Azul in São Paulo. The Company and its subsidiaries generated positive cash flow of R\$54,291 through their operating activities for the year ended December 31, 2021 and, additionally, as described in this Note 1, the Company adopted a number of measures to address the effects arising from the COVID-19 pandemic. Management continuously monitors the effects of the crisis, and will continue to adopt measures to strengthen its cash position, as it has been doing in regard to loan and financing facilities, which are constantly monitored and negotiated with the financial institutions.

In addition, in order to support its internal analyses, the Company engaged an independent consulting firm to conduct a business continuity analysis for the following 12 months, which considered, among other factors, the impacts of the COVID-19 pandemic on the Company's operations. The Company also has pre-approved medium to long-term credit facilities with financial institutions, to complement any cash disbursement needs.

Accordingly, based on its projections, the Company understands that its operations for the next 12 months will be sufficient to continue generating positive cash flow and to fulfill contractual and financial obligations, including those maturing in the short term.



2. Accounting policies

These individual and consolidated financial statements were prepared by management, and are presented in accordance with the accounting practices adopted in Brazil, which comprise Brazilian Securities and Exchange Commission (CVM) rules and Brazilian Financial Accounting Standards Board (CPC) pronouncements, which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and disclose all significant financial statements information, and only such information, which is consistent with that used by management in managing its business.

The individual and consolidated financial statements present comparative information in relation to the prior year.

Issue of these financial statements was approved by Company management on March 9, 2022.

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

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

2.1. Basis of consolidation

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

Company name	Note	% at 12/31/2021		% at 12/31/2020	
		Direct	Indirect	Direct	Indirect
Riopark Estacionamento Ltda. ("Riopark")		99.99%	-	99.99%	-
Hora Park Sist. Estacionamento Rotativo Ltda. ("Hora Park")		100.00%	-	100.00%	-
Saepart Soc. Adm. Empreend. Part. Ltda. ("Saepart")		99.99%	-	99.99%	-
Capital Parking Estacionamento de Veículos Ltda. ("Capital")		99.99%	-	99.99%	-
Primeira Estacionamentos Ltda. ("Primeira")		100.00%	-	100.00%	-
Azera Parking Ltda. ("Azera")		100.00%	-	100.00%	-
Calvitium Participações S.A. ("Calvitium")		100.00%	-	100.00%	-
Autopark S.A. ("Autopark")	(a)	-	99.99%	-	99.99%
Celopark Estacionamento Ltda. ("Celopark")	(a)	-	100.00%	-	100.00%
Estacionamentos Cinelândia S.A. ("Cinelândia")	(a)	-	80.00%	-	80.00%
Hospital Marcelino Champagnat Ltda. ("Marcelino")		75.00%	-	75.00%	-
Wellpark Estacionamento e Serviços Ltda. ("Wellpark")		100.00%	-	100.00%	-
E.W.S Estacionamentos Salvador S.A. ("EWS")	(b)	-	100.00%	-	100.00%
Parking Tecnologia da Informação Ltda. ("Parking TI")		99.90%	-	99.90%	-
I-Park Estacionamentos Inteligentes S.A. ("I-Park")	(c)	-	83.59%	-	83.59%
Loop AC Participações Ltda. ("Loop AC")		75.48%	-	75.48%	-
SCP Parque Shopping Aracajú ("Parque Aracajú")	(d)	51.00%	-	51.00%	-
SCP Estacionamento do Shopping Monte Carmo ("Monte Carmo")	(e)	51.00%	-	51.00%	-
Praça EDG Congonhas Empreendimentos S.A.		-	100.00%	-	100.00%
Z.A. Digital de São Paulo Sistema de Estacionamento Rotativo S.A.		-	100.00%	-	100.00%
SCP - Estacionamento Do Shopping Hortolândia ("Shop Hortolândia")		51.00%	-	-	-
Ecovagas Carregadores Elétricos LTDA ("Ecovagas")		100.00%	-	100.00%	-
SCP Estacionamento Parque Shopping ("Parque Bahia")	(f)	51.00%	-	-	-

(a) Subsidiary of Hora Park.

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

(c) Subsidiary of Capital.

(d) Silent partnership (SCP) created for operation in Parque Shopping Aracajú.

(e) SCP created for operation in Shopping Monte Carmo.

(f) SCP created for operation in Parque Shopping Bahia.



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

The Company has no investments abroad.

Significant financial information on the investments above is disclosed in Note 9.

2.2. Investment in associates and joint ventures

An associate is an investee over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is not control or joint control over those policies. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Company's investments in its associate and joint venture are accounted for using the equity method.

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

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate or joint venture since the acquisition date.

The statement of profit or loss reflects the Company's share of the results of operations of the associate or joint venture.

The aggregate of the Company's share of profit or loss of an associate and a joint venture is shown on the statement of profit or loss and represents the Company's proportional interests in the associate or joint venture.

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

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

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



Equity interest held in associates and joint ventures at the reporting dates is as follows:

Company name	Note	% at 12/31/2020		% at 12/31/2019	
		Direct	Indirect	Direct	Indirect
CCN Centro de Convenções Ltda. ("CCN")	(a)	-	50.00%	-	50.00%
Loop Gestão de Pátios S.A. ("Loop")	(b)	-	49.00%	-	49.00%
Consórcio Enéas de Carvalho Ltda. ("Enéas")	(c)	-	5.60%	-	5.60%
Consórcio Trianon Park Ltda. ("Trianon")	(c)	-	5.00%	-	5.00%
Consórcio Estacionamento Centro Cívico ("Centro Cívico")	(d)	70.00%	-	70.00%	-
Consórcio Estacionamento Novo Centro ("Novo Centro")	(d)	60.00%	-	60.00%	-

(a) Joint venture of Riopark.

(b) Associate of Loop AC.

(c) Company merged into Primeira in 2017.

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

Significant financial information on the investments above is disclosed in Note 9.

2.3. Classification into current and noncurrent

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

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

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

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

The Company classifies all other liabilities as noncurrent.

2.4. Functional and presentation currency

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



2.5. Fair value

The Company measures financial instruments, in addition to nonfinancial assets, such as investment properties for disclosure purposes only, at fair value at each statement of financial position closing date. Likewise, the fair value of financial instruments measured at amortized cost is disclosed in Note 27.

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

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

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

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

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

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

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

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

Independent appraisers are involved in the valuation of significant assets, such as investment properties, as per Note 7. Involvement of independent appraisers is decided by Company management after discussing the matter with the Board of Directors. The selection criteria include knowledge of the market, reputation, independence and checking whether professional standards are complied with.



Management analyzes changes in assets and liabilities that should be measured or realized in accordance with the Company's accounting policies. For the purpose of this analysis, management confirms the main information used in the last assessment, and crosschecks the information contained in the assessment calculation against agreements and other relevant documents. Management, together with the Company's independent appraisers, also compares each change in fair value of each asset and liability with the respective external sources in order to determine whether such change is acceptable.

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

2.6. Revenue recognition

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

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

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

2.7. Taxes

2.7.1 Taxes on services rendered

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

- Social contribution tax on gross revenue for social integration program (PIS) – 0.65% and 1.65%;
- Social contribution tax on gross revenue for social security financing (COFINS) – 3.00% and 7.65%;
- Service tax (ISS) – 2% to 5%.

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

2.7.2 Current income and social contribution taxes

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



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

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

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

2.7.3. Deferred income and social contribution taxes

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

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

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and written off as taxable profit is no longer likely to allow deferred tax assets to be fully or partially used. Deferred tax assets written off are reviewed at each statement of financial position date, and recognized as future taxable profits are likely to allow such tax assets to be recovered. At December 31, 2021 and 2020, the Company recorded no deferred income and social contribution taxes on balances related to temporary differences, and income and social contribution tax losses stated in Note 19.

2.8. Property and equipment

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

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

	2021 and 2020
Real estate properties	60 years
Leasehold improvements	10 years
Facilities	10 years
Machinery and equipment	10 years
Furniture and fixtures	12 years
Signboards and signs	8 years
Computers and peripherals	6 years
Vehicles	8 years

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



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

2.9. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. Cost of intangible assets acquired in a business combination corresponds to fair value at the acquisition date. After initial recognition, the intangible assets are measured at cost less accumulated amortization and impairment losses. Intangible assets generated internally, excluding capitalized development costs, are not capitalized, and expenses are reflected on profit or loss for the year in which they were incurred.

Infrastructure use right

Infrastructure, within the scope of Accounting Interpretation ICPC 01 (IFRIC 12) – Service Concession Arrangement, is not recorded as a property and equipment item of the operator, as the service concession only provides for the assignment of possession of these assets for the rendering of public services, and that they should be returned to the grantor when the arrangement is terminated. The operator has access to build and/or operate the infrastructure to render public services on behalf of the grantor, under the conditions set forth in the arrangement.

The operator recognizes a financial asset as they are entitled to the unconditional contractual right to receive cash or any other financial asset from the grantor for the construction services.

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

Amortization of the right to use the infrastructure is recognized in profit or loss for the year, according to the expected economic benefit curve over the service concession term. The amortization will be based on the arrangement straight-line curve. For more information, see Note 12.

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

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

Indefinite-lived intangible assets are not amortized, but are submitted to annual impairment tests, either individually or based on the relevant cash-generating unit. At December 31, 2021 and 2020, there was no indication of impairment and there were no changes in useful life assessment from indefinite to finite.



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

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

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

- (i) Lease contract refers to the 1st purchase price allocation referring to favorable terms in the lease contracts of acquirees Azera, Minas Park, Multivagas, Injetpark, OW, EWS and Calvitium in relation to the market value of the respective leases upon acquisition of these companies.
- (ii) On August 28, 2019, with the subrogation of the EWS concession arrangement, the Company remeasured its liabilities represented by obligations before the granting authority, see Note 16, in exchange for the right to explore the infrastructure granted, see Note 12.
- (iii) Right to operate the infrastructure granted as a result of a concession arrangement signed with the City of São Paulo, comprising the operation of rotating parking services on streets and in public places, in the City of São Paulo, called Zona Azul, see Notes 1 and 16.

2.10. Financial instruments – Initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial asset, and the business model of the Company for the management of these financial assets. Except for trade accounts receivable without a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at fair value, plus transaction costs, in the case of a financial asset not measured at fair value through profit or loss. Trade accounts receivable without a significant financing component or for which the Company has applied the practical expedient, as disclosed in Note 2.6 – Revenue recognition.

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



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

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

Subsequent measurement

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

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

Financial assets at amortized cost (debt instrument)

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

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

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

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

Financial assets measured at fair value through profit or loss

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



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

Derecognition

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

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

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

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

Impairment of financial assets

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

Expected credit losses

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

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

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



ii) Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, loans, financing and debentures, or as derivatives classified as hedging instruments. The Company determines the classification of financial liabilities upon initial recognition. Financial liabilities are initially recognized at fair value plus, in the case of loans, financing and debentures, transaction costs directly attributable thereto.

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

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified into two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

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

Financial liabilities at fair value through profit or loss

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

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

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

At December 31, 2021 and 2020, the Company designated no financial liabilities at fair value through profit or loss. The Company had recorded the financial liability described in Note 14 at fair value in its financial statements.

Loans, financing and nonconvertible debentures

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



Derecognition

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

2.11. Derivative financial instruments

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

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

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

2.12. Impairment of nonfinancial assets

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

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

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

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

Goodwill paid due to expected future profitability

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



Intangible assets

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

2.13. Cash and cash equivalents

The Company considers cash equivalents a short-term investment readily convertible into a known amount of cash and subject to insignificant risk of change in value, redeemable from the issuer. Therefore, an investment usually qualifies as a cash equivalent when it has short-term maturity from the investment date, and when there is no risk that its settlement value will be reduced if realized before maturity. Breakdown of these balances is stated in Note 4.

2.14. Provisions

General

Provisions are recognized when the Company has a present obligation as a result of past events, for which amounts can be reliably estimated and whose settlement is probable. Provisions are measured at the present value of disbursements that are expected to be necessary to settle the obligation. The amount recognized as a provision is the best estimate of the considerations required to settle the obligation at the end of each year, considering the risks and uncertainties related to the obligation.

Provisions for contingencies

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

2.15. Employee benefits

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

Profit sharing

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



Post-employment benefits

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

2.16. Transactions involving share-based payment

The Company provides its executives with share-based payment plans to be settled solely with its own shares. Plans are measured at fair value on the grant date. To determine fair value, the Company uses the appropriate valuation technique, as detailed in Note 30.

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

2.17. Present value adjustment of assets and liabilities

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

2.18. Investment properties

The Company’s investment properties are recorded at acquisition cost, which does not exceed their net realizable value, and are stated in noncurrent assets. The fair value of each property is disclosed in Note 7.

Investment properties are valued at historical cost less accumulated depreciation over a 50-year useful life.

2.19. Cost of loans, financing and debentures

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

2.20. Leases

The Company assesses, at the inception date, whether an agreement is or contains a lease. That is, if the agreement transfers the right to control the use of an identified asset for a period of time in exchange for consideration.



Company as a lessee

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

Right-of-use assets

The Company recognizes the right-of-use assets at the lease inception date (that is, on the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurements of lease liabilities. The cost of right-of-use assets includes the amount of recognized lease liabilities, initial direct costs incurred and lease payments made up to the inception date, less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis, in accordance with their contractual terms. Right-of-use assets are also subject to impairment. See accounting policies for impairment of nonfinancial assets in Note 2.11.

Lease liabilities

At the lease inception date, the Company recognizes lease liabilities measured at the present value of lease payments to be made during the lease term (actual discounted cash flow). Lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate (such as inflation added to lease liabilities and right of use when applied on the lease adjustment base date), and expected amounts to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of early lease termination fees, if the lease term reflects the Company exercising the option to terminate the lease.

Variable lease payments that do not depend on an index or rate, usually percentages of net revenue on services provided by the Company, and are recognized as costs of services in the period in which the event or condition that generates these payments occurs.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate (nominal rate) at the inception date because the interest rate implicit in the lease is not easily determinable. After the inception date, the amount of the lease liability is increased to reflect the increase in interest and reduced to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (for example, changes in future payments as a result of a change in an index or rate used to determine such lease payments) or a change in the assessment of a purchase option of the underlying asset.



Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. leases with a lease term of 12 months or less from the inception date with no purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment considered to be of low value (the Company has a policy of considering low-value assets those that, when new, are equal to or lower than R\$ 20). Short-term lease and low-value lease payments are recognized as an expense using the straight-line method over the lease term.

2.21. Earnings (loss) per share – basic and diluted

The Company calculates basic earnings (loss) per share using the weighted average number of total shares available during the period corresponding to profit or loss according to accounting pronouncement CPC 41 - Earnings per Share (IAS 33), see Note 24.

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

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

2.22. Statements of cash flows and value added

The statements of cash flows were prepared using the indirect method and are presented in accordance with Accounting Pronouncement CPC 03 (R3) – Statement of Cash Flows (IAS 7). The Company presents its loan, financing and lease liability interest payments as financing activities, and dividends received from subsidiaries and associates are classified as investing activities.

The purpose of the statement of added value is to show the wealth created by the Company and its distribution over a given year, and is presented as part of its financial statements, as required by the Brazilian Corporation Law. This statement is not provided for in or mandatory according to the IFRS.

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

2.23. Segment information

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



An operating segment is defined as a component of a company that engages in business activities from which it may earn revenues and incur expenses. Each operating segment is directly responsible for the revenues and contribution margin related to its operations. The chief operating decision maker assesses each operating segment performance using information on its revenue and contribution margin, rather than assessing operations using information on assets and liabilities.

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

Significant accounting information on the segments above is disclosed in Note 25.

2.24. New or revised accounting pronouncements applied for the first time in 2021

The Company applied for the first time certain standards and amendments to standards effective for annual periods beginning on or after January 1, 2021. The Company elected not to early adopt any other standards, interpretations or amendments that have been issued, but are not yet effective.

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

The amendments to Accounting Pronouncements CPC 38 and 48 provide temporary reliefs addressing the effects of financial reporting upon the replacement of an interbank deposit certificate rate with an alternative nearly risk-free rate (RFR). The amendments include the following practical expedients:

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

These changes had no impact on the Company's individual and consolidated financial statements. The Company intends to use the practical expedients in future periods if they become applicable.

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

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



These amendments were intended to apply until June 30, 2021, but as the impacts of the Covid-19 pandemic may continue, on March 31, 2021, the Brazilian FASB (CPC) extended the period of application of this practical expedient to June 30, 2022. These amendments are effective for annual periods beginning on or after January 1, 2021, and are presented in Note 15.

2.25. Standards issued, but not yet effective

CPC 11 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by the Brazilian FASB (CPC), but which will be issued as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive standard for accounting for insurance contracts that includes recognition and measurement, presentation and disclosure. When it becomes effective, IFRS 17 will replace IFRS 4 – Insurance Contracts (IFRS 4), issued in 2005. IFRS 17 applies to all types of insurance contracts (life, nonlife, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as certain guarantees and financial instruments with discretionary participation features. Certain scope exceptions apply. The general objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast with IFRS 4 requirements, which are widely based on local accounting policies effective in prior periods, IFRS 17 provides a comprehensive model for insurance contracts, comprising all significant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation to contracts with direct participation features (variable rate approach);
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

A simplified approach (the premium allocation approach) mainly for short-duration contracts. IFRS 17 is effective for periods beginning on or after January 01, 2021, and presentation of amounts for comparison purposes is required. Early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17. This standard does not apply to the Company.

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

In January 2020, IASB issued amendments to paragraphs 69 through 76 of IAS 1, correlated with CPC 26, in order to specify the requirements for classifying liabilities as current or noncurrent. These amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are valid for periods beginning on or after January 1, 2023 and should be applied retrospectively. Management is currently assessing the impact that the amendments will have on current practice and whether existing loan agreements may require renegotiation.



Amendments to IAS 8: Definition of accounting estimates

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

Earlier adoption is permitted as long as this fact is disclosed.

These amendments are not expected to have a significant impact on the Company's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies

In February 2021, the IASB issued amendments to IAS 1 (standard corresponding to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply materiality judgment for the disclosure of accounting policies. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their significant accounting policies with a requirement to disclose their material accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Amendments to IAS 1 are applicable for annual reporting periods beginning on or after January 1, 2023, and earlier adoption is permitted. Since the amendments to the Practice Statement 2 provide nonmandatory guidance on the application of the definition of material to accounting policy information, an adoption date for these amendments is not necessary.

The Company is currently assessing the impacts of these amendments on the accounting policies disclosed.



3. Significant accounting judgments, estimates and assumptions

Judgments

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

Estimates and assumptions

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

Impairment of nonfinancial assets

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset. Value in use is calculated by using the discounted cash flow method. Cash flows derive from a budget prepared for the following ten years and do not include reorganization activities not yet engaged by the Company or significant future investments that will improve the base of assets of the cash-generating unit subject to testing. The recoverable amount is sensitive to the discount rate used under the discounted cash flow method, as well as expected future cash receipts, and to the growth rate used for extrapolation purposes.

Expected credit losses

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

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

Assessment of the correlation between historical loss rates observed, expected economic conditions and expected credit losses are significant estimates. The amount of expected credit losses is sensitive to changes in circumstances and economic conditions. The Company's credit loss past experience and economic condition expectation may not represent the actual pattern for the client in the future. Information on expected credit losses of the Company's trade accounts receivable and contract assets are disclosed in Note 5.

Taxes

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

Fair value of financial instruments

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

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

Provision for contingencies

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



4. Cash and cash equivalents and marketable securities

4.1 Cash and cash equivalents

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash and banks	3,608	3,553	5,792	4,796
Bank deposit certificates (a)	51,947	2,157	90,608	37,313
	55,555	5,710	96,400	42,109

(a) Investments in Bank Deposit Certificates are restated at the average rate of 96.42% of the Interbank Deposit Certificate (CDI) at March 31, 2021 (101.86% at December 31, 2020). Such investments may be redeemed at any time without loss in profitability.

4.2 Marketable securities - noncurrent

	CDI*	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Bank deposit certificates (a)	99.50%	-	-	22,821	-
		-	-	22,821	-

(a) Pursuant to the guarantee under the debenture agreements (ZZDT11 and ZZDT21), the Company undertakes to keep a certain amount invested equivalent to, at least, the next three (3) monthly installments of the debt service until the term of the Debentures expires.



5. Accounts receivable

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Trade accounts receivable	12,377	17,460	14,236	19,492
Services rendered in events and guests	592	377	748	491
Agreements with "Tags"	17,296	10,108	21,281	12,368
Agreements and sponsorships	1,386	2,010	1,386	2,018
Debit and credit cards	7,005	3,523	14,369	7,590
Accounts receivable from franchisees	4	552	4	655
Accounts receivable - rent	2,845	2,812	3,094	3,432
Other receivables	3,552	4,147	3,553	4,146
	45,057	40,989	58,671	50,192
(-) Allowance for expected credit losses	(1,584)	(250)	(1,584)	(250)
	43,473	40,739	57,087	49,942

At December 31, 2021 and 2020, the aging list of trade accounts receivable, gross of estimated losses on doubtful accounts, is as follows:

	Individual						
	Total	Balance falling due, with no impairment losses	Balance overdue, with no impairment losses				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
12/31/2021	45,057	44,132	649	64	27	162	23
12/31/2020	40,989	39,669	1,098	65	22	5	130

	Consolidated						
	Total	Balance falling due, with no impairment losses	Balance overdue, with no impairment losses				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
12/31/2021	58,672	57,179	883	236	166	170	38
12/31/2020	50,192	48,256	1,300	197	110	93	236

The Company's operations mainly include the provision of services that are settled in cash, TAGs, credit cards, debit cards. The option for bank slips is exclusive to monthly customers or contracts with legal entities. The Company rates the credit risk as low.

Management understands that amounts overdue will be mostly received, as there are specific negotiations for each outstanding amount. Therefore, the Company did not recognize a loss allowance for these amounts. Rescheduling negotiations due to default are already in progress and generating positive results. Monthly parking customers have already been informed about pre-set payment plans. In addition, management actively charges, and records an allowance for losses, on ad hoc events.

Changes in allowance for doubtful accounts are as follows:

	Individual and Consolidated	
	12/31/2021	12/31/2020
Balance at beginning of period	(250)	(250)
Additions	(1,334)	-
Write-offs	-	-
Balance at end of period	(1,584)	(250)

In view of the current scenario of uncertainties in the economy, caused by the Covid-19 pandemic, and in compliance with CVM/SNC/SEP Memorandum Circulars No. 02/2020 and No. 03/2020, the Company reviewed the variables that make up the methodology of measurement of expected credit losses and considers that the credit risk is low.

6. Taxes recoverable

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Withholding Income Tax - IRRF	4,218	8,965	5,243	9,748
Corporate Income Tax - IRPJ	8,614	8,135	10,200	9,167
Social Contribution Tax on Net Profit - CSLL	2,350	1,219	3,039	1,639
Social Security Tax - INSS	7,123	6,652	7,947	7,486
Contribution Taxes on Gross Revenue (PIS and COFINS)	31,193	36,463	44,921	50,585
Other taxes recoverable	36	2,217	406	2,802
	53,534	63,651	71,756	81,427
Current assets	35,863	42,739	43,948	49,415
Noncurrent assets	17,671	20,912	27,808	32,012
	53,534	63,651	71,756	81,427

These taxes are realized based on growth projections, operational issues and debt generation for these tax credits to be used by the Company. Based on the projections of future tax liabilities, mainly PIS and COFINS, Company management estimates that the amount classified in noncurrent assets will be realized by 2028.



7. Investment property

	Individual and Consolidated	
	12/31/2021	12/31/2020
Opening balance	13,800	14,137
Depreciation	(337)	(337)
Closing balance	13,463	13,800

The amount recorded as investment property refers to the acquisition cost of stores, restaurants and movie theaters in a venture in the city of São Paulo (Brascan Open Mall). This venture was acquired on December 28, 2011, together with the local parking lot. The venture was pledged as collateral for the 9th issue of Company debentures, as disclosed in Note 13.

The fair value of this investment property is R\$42,493, according to an assessment prepared by external consultants at December 31, 2021 (R\$41,494 at December 31, 2020).

At December 31, 2021, in accordance with management's assessment, a provision for assets was not required. The fair value hierarchy is classified as Level 3.

A summary of the valuation techniques used is as follows:

Valuation techniques	Significant unobservable inputs	Average 2022
Discounted cash flow method	• Estimated annual lease amount	R\$3,944
	• Restatement	Inflation
	• Perpetuity growth rate	0% real + inflation
	• Discount rate	10.90%

We present below a sensitivity analysis of assets and the respective fair value adjustments had there been changes in the discount rates used to calculate fair value.

We used variations of 0.5 percentage points upwards and downwards.

Fair value at 12/31/2021	Effects of changes in the discount rate			
	- 0.5 p.p	Effect	+ 0.5 p.p.	Effect
42,493	48,775	6,282	37,613	(4,880)



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

	Individual and Consolidated	
	12/31/2021	12/31/2020
Lease revenue resulting from investment property (i)	2,158	3,781
Direct operating expenses (including repair and maintenance) that generate lease	(2,619)	(2,292)
Income (loss) from investment properties	(461)	1,489

- (i) In 2020 and 2021, the operation was impacted by the COVID-19 pandemic. Management has been working on negotiations to recover income levels.

Future lease receivable from investment properties is as follows:

	12/31/2021
Minimum lease payment:	
Within one year	3,944
From 2 to 4 years	31,816
From 5 to 10 years	59,781
	<u>95,541</u>

8. Other receivables

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Accounts receivable – leases				
(a)	56,441	43,335	56,441	43,335
Other receivables	1,573	1,505	1,676	1,648
	<u>58,014</u>	<u>44,840</u>	<u>58,117</u>	<u>44,983</u>
Current	39,473	30,787	39,576	30,930
Noncurrent	18,541	14,053	18,541	14,053

- (a) Receivables arising from downside protection clauses in lease contracts of long-term private contract segment, with a term of receipt between 6 and 24 months. The amounts may be deducted from balances determined to be paid or received in cash or converted into a contract term extension.

9. Investments

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Investments:				
Subsidiaries	324,413	446,010	-	-
Associates	-	-	15,599	20,158
Total assets	324,413	446,010	15,599	20,158
Subsidiaries' capital deficiency:				
Subsidiaries	(14,111)	(15,039)	-	-
Total liabilities	(14,111)	(15,039)	-	-
Total investments	310,302	430,971	15,599	20,158

Changes in investments

	Individual	Consolidated
Balance at 12/31/2019	246,510	23,233
Equity pickup	(193,101)	(2,510)
Dividends	(2,810)	(633)
Capital increase in investees	380,372	68
Balance at 12/31/2020	430,971	20,158
Equity pickup	(155,901)	(3,870)
Dividends	(2,353)	(730)
Capital increase in investees	37,585	41
Balance at 12/31/2021	310,302	15,599



Information on subsidiaries and provision for investment losses

Individual	Information on subsidiaries and associates (01/01 to 12/31/2021)					12/31/2021	12/31/2020	12/31/2020	
	Total assets	Total liabilities	Total equity	Net revenue	Profit or loss for the period	Investment balance	Equity pickup	Investment balance	Equity pickup
Capital Parking Estacionamento de Veículos Ltda.	(1,203)	243	(1,446)	703	(12,944)	-	-	10,399	(1,816)
Hora Park Sist. Estacionamento Rotativo Ltda.	830,862	530,051	300,811	134,681	(142,502)	283,393	(142,502)	395,419	(147,781)
Riopark Estacionamentos Ltda.	15,535	14,218	1,317	104	(45)	1,317	(45)	1,362	(796)
Primeira Estacionamentos Ltda.	22,071	1,728	20,342	9,035	(12)	20,336	(12)	19,275	242
Saepart Soc. Adm Empreend. Part. Ltda.	2,184	2,346	(163)	262	(279)	-	-	117	(261)
Hospital Marcelino Champagnat Ltda.	281	280	1	2,222	749	1	749	73	794
Loop AC Participações Ltda.	13,926	-	13,926	-	(4,604)	10,514	(3,476)	13,990	(1,972)
SCP Estacionamento do Shopping Monte Carmo	1,193	175	1,018	2,182	1,331	519	679	356	603
Calvitium Participações S.A.	5,393	254	5,138	2,169	491	5,138	491	4,419	91
Praça EDG Congonhas	6	1	5	-	-	5	-	5	(1)
Shopping Parque Bahia	3,840	572	3,268	5,326	3,750	1,667	1,912	595	595
Ecovagas Carregadores Elétricos Ltda.	1,504	1	1,503	-	(58)	1,502	(58)	-	-
SCP Shopping Hortolândia	441	399	42	755	42	21	21	-	-
						324,413	(142,241)	446,010	(150,302)
Subsidiaries' capital deficiency									
Parking Tecnologia da Informação Ltda.	6,177	8,574	(2,397)	-	(352)	(2,397)	(352)	(2,045)	(1,216)
Capital Parking Estacionamento de Veículos Ltda.	(1,203)	243	(1,446)	804	(12,944)	(1,446)	(12,944)	-	-
Shopping Parque Aracajú	774	652	123	723	234	63	120	(57)	(44)
Wellpark Estacionamentos e Serviços Ltda.	8,509	17,984	(9,475)	12,730	(140)	(9,475)	(140)	(12,476)	(41,737)
Azera Parking Ltda.	-	693	(693)	-	(232)	(693)	(232)	(461)	(2)
Saepart Soc. Adm Empreend. Part. Ltda.	2,184	2,346	(163)	262	(279)	(163)	(279)	-	-
						(14,111)	(13,827)	(15,039)	(42,999)
Consórcio Estacionamento Centro Cívico	172	37	135	749	162	-	135	-	184
Consórcio Estacionamento Novo Centro	136	121	15	165	36	-	32	-	16
						-	167	-	200
						310,302	(155,901)	430,971	(193,101)

Consolidated	Information on associates (01/01 to 12/31/2021)					12/31/2021	12/31/2020	12/31/2020	
	Total assets	Total liabilities	Total equity	Net revenue	Profit or loss for the period	Investment balance	Equity pickup	Investment balance	Equity pickup
Consórcio CCN Centro de Convenções Ltda. (1)	2,421	1,069	1,352	262	228	1,150	228	1,033	(383)
Consórcio Enéas De Carvalho Ltda.	905	1	904	6,594	5,997	484	336	571	287
Consórcio Trianon Park Ltda.	2,510	2,180	330	1,027	98	39	5	24	1
Loop Gestão de Pátios S.A.	44,107	41,391	2,716	16,782	(9,396)	13,926	(4,604)	18,530	(2,613)
Consórcio Estacionamento Centro Cívico	172	37	135	749	162	-	135	-	184
Consórcio Estacionamento Novo Centro	136	121	15	165	36	-	30	-	14
						15,599	(3,870)	20,158	(2,510)

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



The joint venture has no contingent liabilities or capital commitments at December 31, 2021 and 2020.

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

At December 31, 2021, management tested its investments and joint ventures for impairment and did not identify the need to recognize losses on the respective assets. Further details on the assumptions used in the projections at December 31, 2021 are described in Note 12.

10. Right of use

At December 31, 2021, the Company had 565 garage lease agreements (636 in 2020) entered into with third parties. Such agreements were reviewed by management, which concluded that they are classified as operating lease agreements. Some of these contracts provide for a variable lease expense on revenue, with amounts annually restated through contractual indexes. For fixed-installment lease agreements (128 agreements at December 31, 2021 and 180 in 2020), installments were recognized at present value (considering the nominal incremental interest rate at commencement of the agreement or upon its change in scope, if any) as a Right of Use matched against lease liability.

In addition, the Company recorded, on an accrual basis, directly in profit or loss under Leases, other lease agreements, at December 31, 2021, containing: contingent payments, which vary according to ranges and percentages on parking lot billing in the amount of R\$197,210 (R\$159,818 in 2020); low value contracts (which the Company has defined as contracts whose asset value when new is lower than R\$20) in the amount of R\$7 (R\$36 in 2020); and contracts whose term is less than 12 months in the amount of R\$147 (R\$2,470 in 2020).

- Term: the lease term will be the legally applicable period of the contract and will take into consideration the termination and renewal options by court, the use of which is reasonably certain by the Company. The contractual average term is from 1 to 30 years. Further details on the maturity of contracts are presented in Note 15.
- Rate: the discount rate used to calculate the right of use and the lease liability was determined based on certain historical inputs attributable to the Company and/or directly observable in the market. The average contract rate is 12.09% p.a. in 2021 and 2020. More details on rates adopted vis-à-vis the contract terms are presented in Note 15.

Lease payments are restated from time to time, according to the respective agreement and related clauses for restatement by inflation indexes. Such remeasurements are recorded in the right of use account matched against the lease liability account on the respective property lease contract restatement base date.

Changes for the years ended December 31, 2021 and 2020 are as follows:

	Individual	Consolidated
Balance at December 31, 2019	439,291	881,290
Additions	657	641
Write-offs (i)	(311,269)	(311,269)
Remeasurements	21,940	51,029
Depreciation	(61,832)	(112,281)
Balance at December 31, 2020	88,787	509,410
Additions	1,805	1,805
Write-offs (ii)	(4,123)	(47,229)
Remeasurements	(1,449)	9,361
Depreciation	(21,806)	(66,340)
Balance at December 31, 2021	63,214	407,007

- (i) Write-off mainly due to a change in the operation's contractual terms and conditions, changing the term and remuneration methodology of the operation mentioned in Note 18, resulting in the derecognition of the right of use in the amount of R\$304,599 and the lease liability, in the amount of R\$407,308 (see Note 15), in accordance with CPC 06 (R2)/IFRS 16. The net effects, without cash impact, amounted to R\$102,709, recognized in profit or loss for the year.
- (ii) Write-off mainly due to the early termination of the parking lot operation at Santos Dumont Airport, resulting in the derecognition of the right of use in the amount of R\$39,208 and the lease liability, in the amount of R\$58,141, in accordance with CPC (R2)/IFRS 16. The effects, without cash impact, were R\$18,933.

The table below shows the potential right to PIS/COFINS tax credits recoverable embedded in the lease/rent consideration, according to expected payment periods. Balances discounted and not discounted to present value:

Individual – 12/31/2021		
Cash flows	Nominal	Present value adjustment
Lease consideration	111,240	78,769
Potential PIS/COFINS (9.25%)	8,778	6,216
Consolidated – 12/31/2021		
Cash flows	Nominal	Present value adjustment
Lease consideration	955,388	512,705
Potential PIS/COFINS (9.25%)	86,009	46,156

At December 31, 2021 and 2020, the Company assessed the impacts of the Covid-19 pandemic and identified no indication of asset impairment.

11. Property and equipment

Carrying amount	Individual					
	12/31/2021			12/31/2020		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Land	698	-	698	1,310	-	1,310
Real estate properties	93,527	(29,477)	64,050	93,527	(28,190)	65,337
Leasehold improvements	129,813	(85,442)	44,371	128,624	(82,114)	46,510
Machinery and equipment	86,959	(55,306)	31,653	84,290	(49,373)	34,917
Furniture and fixtures	7,973	(5,198)	2,775	7,780	(4,764)	3,016
Signboards and signs	15,573	(9,438)	6,135	14,643	(8,232)	6,411
Security system	13,053	(8,357)	4,696	12,137	(7,357)	4,780
Other property and equipment	24,845	(22,695)	2,150	23,121	(21,756)	1,365
Total	372,441	(215,913)	156,528	365,432	(201,786)	163,646

Carrying amount	Consolidated					
	12/31/2021			12/31/2020		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Land	698	-	698	1,310	-	1,310
Real estate properties	129,699	(51,904)	77,795	129,699	(49,360)	80,339
Leasehold improvements	169,155	(109,014)	60,141	187,133	(111,297)	75,836
Machinery and equipment	130,560	(77,448)	53,112	129,920	(74,896)	55,024
Furniture and fixtures	9,836	(6,198)	3,638	9,784	(5,822)	3,962
Signboards and signs	25,198	(13,915)	11,283	24,382	(12,904)	11,478
Security system	16,504	(9,424)	7,080	14,554	(8,280)	6,274
Other property and equipment	37,094	(31,736)	5,358	35,044	(30,928)	4,116
Total	518,744	(299,639)	219,105	531,826	(293,487)	238,339

Changes in property and equipment for the years ended December 31, 2021 and 2020 are as follows:

Carrying amount	Individual					
	Balance at 01/01/2021	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2021
	Land	1,310	-	(612)	-	-
Real estate properties	65,337	-	-	-	(1,287)	64,050
Leasehold improvements	46,510	6,188	(1,656)	-	(6,671)	44,371
Machinery and equipment	34,917	4,977	(1,354)	43	(6,930)	31,653
Furniture and fixtures	3,016	342	(66)	-	(517)	2,775
Signboards and signs	6,411	1,322	(151)	-	(1,447)	6,135
Security system	4,780	1,261	(171)	-	(1,174)	4,696
Other property and equipment	1,365	2,336	(143)	(7)	(1,401)	2,150
Total	163,646	16,426	(4,153)	36	(19,427)	156,528

Carrying amount	Individual					
	Balance at 01/01/2020	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2020
	Land	1,310	-	-	-	-
Real estate properties	67,267	39	-	(682)	(1,287)	65,337
Leasehold improvements	48,458	4,669	(347)	212	(6,482)	46,510
Machinery and equipment	38,163	4,268	(173)	(50)	(7,291)	34,917
Furniture and fixtures	3,022	468	(19)	53	(508)	3,016
Signboards and signs	5,827	1,874	(41)	255	(1,504)	6,411
Security system	4,639	1,129	(16)	251	(1,223)	4,780
Other property and equipment	1,927	950	(80)	(39)	(1,393)	1,365
Total	170,613	13,397	(676)	-	(19,688)	163,646

Allpark Empreendimentos, Participações e Serviços S.A.

Notes to financial statements

Years ended December 31, 2021 and 2020

(In thousands of reais R\$)

	Consolidated					Balance at 12/31/2021
	Balance at 01/01/2021	Additions	Write-offs	Transfers (i)	Depreciation	
Carrying amount						
Land	1,310	-	(612)	-	-	698
Real estate properties	80,339	-	-	-	(2,544)	77,795
Leasehold improvements	75,836	8,785	(14,387)	(164)	(9,929)	60,141
Machinery and equipment	55,024	12,259	(3,430)	44	(10,785)	53,112
Furniture and fixtures	3,962	431	(120)	-	(635)	3,638
Signboards and signs	11,478	2,656	(408)	-	(2,443)	11,283
Security system	6,274	2,528	(239)	(21)	(1,462)	7,080
Other property and equipment	4,116	3,776	(329)	(7)	(2,198)	5,358
Total	238,339	30,435	(19,525)	(148)	(29,996)	219,105

	Balance at 01/01/2020	Additions	Write-offs (ii)	Transfers	Depreciation	Balance at 12/31/2020
	Carrying amount					
Land	1,310	-	-	-	-	1,310
Real estate properties	86,941	819	-	(4,878)	(2,543)	80,339
Leasehold improvements	119,418	7,330	(39,713)	635	(11,834)	75,836
Machinery and equipment	52,341	7,430	(574)	6,983	(11,156)	55,024
Furniture and fixtures	3,887	749	(51)	(4)	(619)	3,962
Signboards and signs	9,241	4,541	(77)	174	(2,401)	11,478
Security system	5,425	2,013	(20)	265	(1,409)	6,274
Other property and equipment	7,323	2,327	(47)	(3,175)	(2,312)	4,116
Total	285,886	25,209	(40,482)	-	(32,274)	238,339

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

(ii) The main difference results from the return of the parking lot operation in the Salvador International Airport. For more information, see Note 16.

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

At December 31, 2021, the Company performed a new impairment test and did not identify the need to record a provision for impairment. Further details on the assumptions used in the projections are described in Note 12.

12. Intangible assets

	Individual					
	12/31/2021			12/31/2020		
	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount
Software	93,466	(59,414)	34,052	78,690	(48,750)	29,940
Goodwill	562,180	(223,227)	338,953	549,477	(184,732)	364,745
Lease contract (ii)	122,380	(90,922)	31,458	122,380	(84,378)	38,002
Service concession arrangement	10,230	(6,567)	3,663	10,230	(5,878)	4,352
Goodwill	109,368	-	109,368	109,386	-	109,386
Other	692	-	692	692	-	692
Total	898,316	(380,130)	518,186	870,855	(323,738)	547,117

	Consolidated					
	12/31/2021			12/31/2020		
	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount
Software	115,731	(69,621)	46,110	97,429	(58,579)	38,850
Goodwill	755,460	(272,882)	482,578	750,965	(226,314)	524,651
Lease contract (ii)	117,674	(93,167)	24,507	117,963	(86,090)	31,873
Concession infrastructure use right (iii)	968,406	(96,362)	872,044	953,083	(31,770)	921,313
Service concession arrangement	23,143	(10,443)	12,700	23,143	(9,373)	13,770
Goodwill	118,464	-	118,464	118,482	-	118,482
Other	1,417	(120)	1,297	1,417	(120)	1,297
Total	2,100,295	(542,595)	1,557,700	2,062,482	(412,246)	1,650,236

Changes in intangible assets for the period ended December 31, 2021 and 2020 are as follows:

	Individual					
	Balance at 01/01/2021	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2021
Carrying amount						
Software	29,940	15,187	(202)	-	(10,873)	34,052
Goodwill	364,745	25,694	(6,230)	(11)	(45,245)	338,953
Lease contract (ii)	38,002	-	-	-	(6,544)	31,458
Service concession arrangement	4,352	-	-	-	(689)	3,663
Goodwill	109,386	-	(18)	-	-	109,368
Other	692	-	-	-	-	692
Total	547,117	40,881	(6,450)	(11)	(63,351)	518,186

	Individual					
	Balance at 01/01/2020	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2020
Carrying amount						
Software	26,086	13,423	(53)	-	(9,516)	29,940
Goodwill	396,809	14,478	(2,286)	-	(44,256)	364,745
Lease contract (ii)	49,002	-	-	-	(11,000)	38,002
Service concession arrangement	5,040	-	-	-	(688)	4,352
Goodwill	109,368	18	-	-	-	109,386
Other	692	-	-	-	-	692
Total	586,997	27,919	(2,339)	-	(65,460)	547,117

	Consolidated					Balance at 12/31/2021
	Balance at 01/01/2021	Additions	Write-offs	Transfers (i)	Amortization	
Carrying amount						
Software	38,850	21,558	(469)	-	(13,829)	46,110
Goodwill	524,651	26,561	(9,105)	(11)	(59,518)	482,578
Lease contract (ii)	31,873	-	-	-	(7,366)	24,507
Concession infrastructure use right (iii)	921,313	15,323	-	-	(64,592)	872,044
Service concession arrangement	13,770	-	-	-	(1,070)	12,700
Goodwill	118,482	-	(18)	-	-	118,464
Other	1,297	-	-	-	-	1,297
Total	1,650,236	63,442	(9,592)	(11)	(146,375)	1,557,700

	Balance at 01/01/2020	Additions	Write-offs (iv)	Transfers (i)	Amortization	Balance at 12/31/2020
	Carrying amount					
Software	30,591	20,160	(70)	-	(11,831)	38,850
Goodwill	553,171	30,517	(2,280)	-	(56,757)	524,651
Lease contract (ii)	43,767	-	-	-	(11,894)	31,873
Concession infrastructure use right (iii)	140,766	958,185	(137,032)	(434)	(40,172)	921,313
Service concession arrangement	14,838	-	-	-	(1,068)	13,770
Goodwill	118,464	18	-	-	-	118,482
Other	1,293	4	-	-	-	1,297
Total	902,890	1,008,884	(139,382)	(434)	(121,722)	1,650,236

(i) Transfers to others asset accounts.

(ii) Lease contract refers to the 1st purchase price allocation referring to favorable terms in the lease contracts of acquirees Azera, Minas Park, Multivagas, Injetpark, OW, EWS and Calvitium in relation to the market value of the respective leases upon acquisition of these companies.

(iii) On May 19, 2020, the Company entered into a concession arrangement with the São Paulo City Government, comprising the operation of pay-and-display parking areas in public streets in the city of São Paulo, the so-called Zona Azul, in accordance with the provisions of the International Call for Tender No. 001/SMT/2019. Due to this arrangement, the Company recorded a grant in the amount of R\$595,355, matched against obligations payable to grantor (see Note 16).

(iv) The main difference results from the return of the parking lot operations in the Salvador International Airport. For more information, see Note 16.

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

Assets with indefinite useful lives, such as goodwill, are tested for impairment on an annual basis, regardless of the existence of impairment indications. The Company tested goodwill for impairment at December 31, 2021, March 31, 2021 and December 31, 2020, and no indications of impairment were found.

In conducting impairment tests, the carrying amount of an asset or cash-generating unit is compared to its recoverable amount. The Company has allocated goodwill and performed impairment tests of allocated goodwill based on operating segments, see Note 27. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Considering the specific characteristics of the Company's assets, the recoverable amount used in the impairment test is the value in use, unless otherwise stated.



This value in use is estimated based of the present value of future cash flows, resulting from the Company's best estimates. Cash flows, arising from the ongoing use of the related assets, are adjusted for specific risks and use the discount rate of 10.6% p.a. This rate derives from Weighted Average Capital Cost rate (Nominal WACC). Significant assumptions are: the Company's economic and financial assessment, a projected horizon comprising the periods from October 2021 to December 2031, deriving from its budget for the next ten years (since returns from contracts are expected in a period from five to ten years and the average duration of the agreement is higher than ten years), considering the present value of the cash flow perpetuity projected for the last year, with constant nominal growth of 3.5% p.a., which corresponds to the expected long-term inflation, as projected by the Central Bank of Brazil. The impairment test of the Company's intangible assets concluded that the Company does not need to recognize losses on said assets.

As an assumption for net revenue from services provided, we use GDP + inflation for the period from October 1, 2021 to 2025 and from 2026 to 2031 (and perpetuity) 0% p.a. real growth + inflation.

The assumption for Costs of services considers 100% of the variable costs with net revenue from services provided, considering a margin recovery based on management's expectations about the segment's normalized margin in terms of percentage of net operating revenue (and compatible with segment history).

The Company performed a sensitivity analysis of the impairment test of goodwill paid based on expected future profitability and intangible assets with an indefinite useful life, applying the sensitivity of the WACC discount rate (+/- 1%) by operating segment, and identified no need to test assets for impairment.

13. Loans, financing and debentures

	Index	Rate	Maturity	Guarantees	Individual		Consolidated	
					12/31/2021	12/31/2020	12/31/2021	12/31/2020
Domestic currency								
PROINFRA	Fixed	11.18% p.a.	12/10/2027	Bank surety	-	-	23,807	26,729
FINEP	TJLP	0.8% p.a.	12/15/2030	Bank surety	20,410	-	20,410	-
FINAME/ BNDES	TJLP	5.75% p.a.	09/15/2021	Guarantee	-	-	-	4
FINAME/ BNDES	TJLP	5.75% p.a.	09/15/2021	Guarantee	-	-	-	16
Debenture	CDI	1.9% p.a.	05/09/2024	Mortgage + Receivables	243,307	342,433	243,307	342,433
Debenture	CDI	4.4% p.a.	08/25/2025	Lien	-	-	139,723	152,637
Debenture	CDI	4.4% p.a.	08/25/2025	Lien	-	-	139,723	150,332
Working capital - FRN	CDI	3.5% p.a.	06/09/2022	Guarantee	20,752	-	20,752	-
Working capital - CCB	CDI	4.32% p.a.	04/13/2021	Guarantee	-	30,586	-	30,586
Working capital - CCB	CDI	4.22% p.a.	12/13/2021	Guarantee	-	50,164	-	50,164
Working capital - CCB	CDI	2.25% p.a.	08/13/2023	Guarantee + Receivables	70,428	70,048	70,428	70,048
Working capital - CCB	CDI	2.25% p.a.	10/04/2023	Guarantee + Receivables	50,407	50,197	50,407	50,197
Working capital - 4131	Fixed	7.15% p.a.	04/01/2022	Guarantee	29,119	-	29,119	-
Working capital - 4131	CDI	4.32% p.a.	03/10/2023	Guarantee	46,649	-	46,649	-
Working capital - 4131	CDI	3.95% p.a.	02/02/2026	Guarantee	75,226	-	75,226	-
Borrowing costs					(4,435)	(3,974)	(6,597)	(7,943)
					551,863	539,454	852,954	865,203
Current liabilities					259,194	301,366	322,345	473,634
Noncurrent liabilities					292,669	238,088	530,609	391,569
Total					551,863	539,454	852,954	865,203

The Company did not capitalize borrowing costs in property and equipment because it does not have qualifying assets in the year ended December 31, 2021 and years ended.

Changes in loans, financing and debentures are as follows:

	Individual	Consolidated
At December 31, 2019	453,414	478,014
Amount raised	300,343	597,005
Repayment of principal	(209,640)	(210,496)
Payment of interest	(31,733)	(34,712)
Interest allocation	24,147	31,953
Foreign exchange differences	1,548	1,548
Commissions	1,375	1,891
At December 31, 2020	539,454	865,203
Amount raised	196,356	196,356
Repayment of principal	(180,198)	(208,294)
Payment of interest	(38,504)	(64,261)
Interest allocation	39,364	66,749
Foreign exchange differences	(4,146)	(4,146)
Commissions	(463)	1,347
At December 31, 2021	551,863	852,954

At December 31, 2021, the Company has outstanding swap transactions for the translation of loans made in foreign currency into debt in CDI. At December 31, 2020, the Company had no transactions of that type outstanding.



9th issue of debentures Allpark Empreendimentos, Participações e Serviços

The characteristics of debentures issued are as follows:

	9 th issue
Issue:	350,000
Total amount:	350,000
Series:	Single
Class and convertibility:	Nonconvertible into Company shares
Guarantee:	Mortgaged property amounting to R\$45,000 and credit rights (Note 8)
Issue date:	05/09/2019
Maturity date:	05/09/2024
Covenants:	Yes
Date of early settlement	-

On May 09, 2019, the Company completed the 9th issue of debentures in the total amount of R\$350,000, as detailed in the previous table. Thus, the Company settled the obligations related to the 6th and 7th issues in advance, as well as other loan agreements, since the cost of debt of the 9th issue is lower. The Company settled between the months of May and June 2019 the principal and interest amounts of the 6th and 7th issues in the amount of R\$181,257 net of their respective issue costs. Amounts remaining from funds raised will be allocated to operations. Costs with the 9th issue of debentures as at December 31, 2021 amounted to R\$2,533 (Individual and Consolidated), allocated as reducing items of debenture balance to be settled, and monthly allocated to profit or loss, over the pro-rata day maturity flow, using the effective interest rate.

The 9th issue debentures is conditioned to the following Covenants, assessed on an annual basis, the first check taking place at December 31 of each year:

- (a) Net debt/Adjusted EBITDA equal to or lower than 4.5 (3.0 in 2020);
- (b) Net debt/equity equal to or lower than 3.0;
- (c) Adjusted EBITDA/ finance costs equal to or greater than 1.0.

At December 31, 2021, the Company is compliant with the conditions established in (b) and (c). For condition (a), the index determined by the Company exceeded the one set forth in the agreement. For this specific index, debenture holders resolved and approved that the obligations resulting from debentures should not be early terminated.

At December 31, 2021 and 2020, the Company is compliant with the conditions established in the 9th issue debentures.

1st Issue of debentures Z.A Digital de São Paulo Sistema de Estacionamento Rotativo S.A.

On September 17, 2020, Z.A Digital de São Paulo Sistema de Estacionamento Rotativo S.A. (“Z.A. Digital”), an indirect subsidiary of the Company, issued 300,000 debentures, of which 150,000 of the first series and 150,000 of the second series, all with nominal unit value of R\$1,000.00, totaling R\$300,000 on the respective issue dates. Debenture issue costs at December 31, 2021 totaled R\$1,300.

	1 st series	2 nd series
Issue:	150,000	150,000
Total amount:	150,000	150,000
Series:	Single	Single
Class and convertibility:	Nonconvertible into Company shares	Nonconvertible into Company shares
Guarantee:	Credit rights assigned – gross profit and related parties	Credit rights assigned – gross profit and related parties
Issue date:	08/25/2020	09/17/2020
Maturity date:	08/25/2025	08/25/2025
Covenants:	Yes	Yes
Date of early settlement	-	-

Z.A. Digital debentures are conditioned to the following Covenants, assessed on an annual basis, and the first check took place at December 31, 2021:

- (a) $(\text{EBITDA} - \text{fixed monthly grant} - \text{IR/CS} + \text{working capital difference}) / (\text{amortization} + \text{interest})$ equal to or greater than 1.30.

For condition (a), the index determined by the Company exceeded the one set forth in the agreement. For this specific index, debenture holders resolved and approved that the obligations resulting from debentures should not be early terminated.

Except for the debentures shown above, loans have no security interest.

At December 31, 2021, the aging list of noncurrent amounts is as follows:

	Individual	Consolidated
2023	186,843	269,570
2024	64,803	151,371
2025	23,566	84,508
2026	6,263	10,054
2027	2,802	6,714
2028 to 2031	8,392	8,392
	292,669	530,609



14. Derivative financial instruments

	Controladora e Consolidado	
	31/12/2021	31/12/2020
Derivativos "swap" de câmbio (a)	4.236	-
	4.236	-

(a) Derivative financial instruments to hedge against the currency risk.

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

Consolidated	Principal amount (notional)		Principal amount				Gain/(loss) MTM	
			Curve value		Fair value			
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Long position:								
Long position – dollar	71,000	-	69,004	-	73,240	-	(4,236)	-
Short position:								
Short position - CDI	71,000	-	71,547	-	71,547	-	-	-
	-	-	(2,543)	-	1,693	-	(4,236)	-

Financial swap transactions consist in replacing foreign exchange difference with a restatement rate related to a percentage of the Bank Deposit Certificate (CDI) variation.

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

Regarding the impacts of the Covid-19 pandemic, in accordance with management's assessment, it was concluded that the future fluctuations in the CDI and Dollar rates are already captured in the calculation methodology for measuring the fair values of financial instruments reflected in the financial positions of financial assets and liabilities.



15. Lease liability

Changes in lease liability in connection with the right of use of lease contracts are as follows:

	Individual	Consolidated
Balance at December 31, 2019	554,040	1,071,148
Additions	664	645
Write-offs (i)	(418,801)	(418,801)
Write-off of contingent lease	(36,820)	(36,820)
Remeasurements	21,940	51,029
Practical expedient – CVM Rule No. 859	(14,764)	(58,619)
Payments	(56,295)	(116,461)
Interest incurred	55,537	122,872
Balance at December 31, 2020	105,501	614,993
Additions	1,805	1,805
Write-offs (ii)	(5,236)	(68,928)
Remeasurements	(1,449)	9,361
Practical expedient – CVM Rule No. 859	(8,748)	(14,663)
Payments	(23,671)	(102,638)
Interest incurred	10,567	72,775
Balance at December 31, 2021	78,769	512,705
Current	29,247	92,796
Noncurrent	49,522	419,909

(i) See item (i) in Note 10.

(ii) See item (ii) in Note 10.

The Company presents in the table below the maturity analysis of its agreements, referring to payments falling due as of 2023, installments to be discounted, reconciled with the noncurrent balance at December 31, 2021:

Year	Individual	Consolidated
2023	18,579	98,160
2024	14,478	92,826
2025	12,033	90,286
2026	9,946	66,024
2027	8,294	60,251
More than 5 years	21,967	442,826
Total undiscounted amounts	85,297	850,373
Embedded interest	(35,775)	(430,464)
Lease liability balance	49,522	419,909

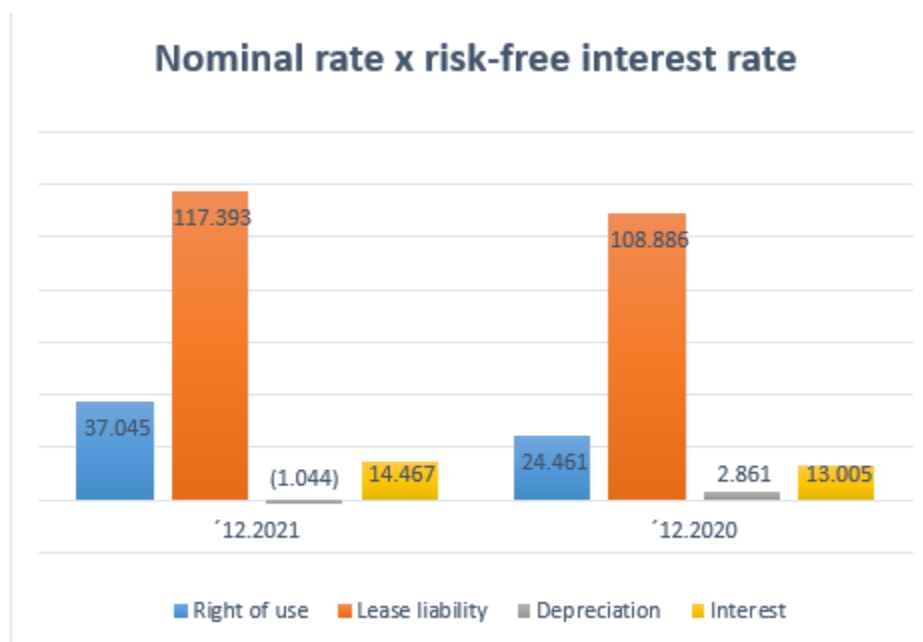
The Company determined the discount rates based on risk-free interest rates observed in the Brazilian market, for the terms of its contracts, adjusted to the Company's reality (credit spread), nominal rate. The spreads were obtained through surveys of the Company's debt instruments. The table below shows the rates adopted, vis-à-vis the terms of the contracts, as required by CPC 12, paragraph 33:

Contracts by term and discount rate	
Contractual terms	Rate % p.a.
4 years	9%
5 years	10%
6 years	12%
More than 7 years	14%

Additional information

In full compliance with IFRS 16/CPC 06 (R2) in measuring its lease liabilities and the right of use and consequent accounting record, the Company used the discounted cash flow model at the nominal interest rate without considering the projected future inflation on the flows to be discounted.

As required by CVM Memorandum Circular No. 2/2019, if the measurement is made at the present value of the lease payments expected until the end of each agreement, incorporating the projected future inflation and discounted by the incremental borrowing rate, that is, the nominal interest rate. The net effects of increases and decreases in lease liability balances (Note 15), right of use and right-of-use depreciation expense (Note 10), and finance costs (Note 23), for the years ended December 31, 2021 and 2020, are presented below.



The nominal interest rates reflect the rates used for calculation and accounting records under IFRS 16/CPC 06 (R2) – Leases determined at the lease inception. Additionally, as an assumption for the determination of future contractual cash flows that include the expected inflation, future market quotations obtained through B3 S.A. - Brasil, Bolsa, Balcão were used for the inflation indexes provided for in our lease contracts, such as the Extended Consumer Price Index (IPCA) and the General Market Price Index (IGPM). The inflation curves were obtained at the contract inception and at each adjustment date considering the remaining contractual term.

In compliance with CVM Rule No. 859, of July 7, 2020, the Company elected to adopt the practical expedient contained in item 46 of the rule. The impact of the adoption at December 31, 2021 is R\$8,748 on the individual statements (R\$14,764 at December 31, 2020) and R\$14,663 on the consolidated statements (R\$58,619 at December 31, 2020), substantially represented by discounts obtained, and it is shown in the statement of profit or loss as a reducing item in Leases, under Cost of services.

16. Concession rights payable

	Consolidated	
	12/31/2021	12/31/2020
Fixed portions	352,766	347,608
Renegotiated portions	24,535	-
	377,301	347,608
Current liabilities	52,257	50,064
Noncurrent liabilities	325,044	297,544
Total	377,301	347,608

EWS

On August 28, 2019, subsidiary E.W.S. Estacionamentos Salvador S.A. entered into an Agreement for the Assignment of Use of an Area of the Airport Complex, arising from the subrogation of the agreement related to Salvador International Airport, previously entered into with Infraero. As a result, the service concession arrangement entered into on July 28, 2017 is no longer in force, and was replaced by the agreement executed on August 28, 2019.

The referred to agreement maintained the same previous scope of operation of the airport area, except for the operation of advertising activities that will no longer be carried out by the Company, with installments to be paid to the new administrator (Salvador Airport Concession operator) measured monthly over fixed and variable amounts, and maintaining the same contractual term (until 2033).

With the subrogation of the agreement, at December 31, 2019, the Company remeasured the balance recorded in Concession rights payable in the amount of R\$40,651 matched against Concession infrastructure use right in Intangible assets.

On October 1, 2020, due to the Company's strategic positioning, it elected to early close its parking operation at Salvador International Airport and the transfer the possession to the new parking operator. As a result, the Company wrote off the assets and liabilities related to the operation, in the amount of R\$137,028 of intangible assets, R\$39,759 of property and equipment, and R\$128,581 of concession rights payable, and recognized a provision related to the amounts under discussion with the concession operator, in the amount of R\$7,851, generating a negative impact on profit or loss amounting to R\$56,056.

Zona Azul Digital – São Paulo

On May 19, 2020, subsidiary Z.A Digital de São Paulo Sistema de Estacionamento Rotativo S.A. entered into a Private Instrument for the Assignment of Play-and-Display Parking Operation on streets and in public places in the city of São Paulo, with installments to be paid to the administrator (São Paulo City government) measured monthly on fixed and variable amounts, with a 15-year term as of July 15, 2020. The installments referring to the initial fixed grant were settled in 2020. The installments to be paid during the concession term are discussed below.

For the calculation, the Company considered the future flow of fixed payments to the granting authority in accordance with amounts and terms defined in the arrangement, adjusted to present value by the discount rate calculated. The discount rate was calculated considering the 7.57% DI projection calculated from the commencement of the arrangement (July 15, 2020) with a 15-year term, and a 4.57% spread calculated based on the interest rate of the debentures issued considering the 15-year term. At December 31, 2021, there were 162 installments falling due. The aging list of noncurrent installments is as follows:

	Consolidated
2023	40,727
2024	35,299
2025	31,371
2026	27,887
2027 to 2035	189,760
	<u>325,044</u>

Changes are as follows:

	12/31/2021	12/31/2020
Opening balance:	347,608	119,133
Additions	-	353,555
Write-offs (i)	-	(128,581)
Monetary difference on concession rights payable	42,092	28,175
Interest	1,019	-
Payment of principal and restatement	(28,741)	(29,776)
Remeasurement	15,323	5,102
Closing balance	<u>377,301</u>	<u>347,608</u>

(i) Impact of derecognizing airport parking operation in Salvador.

The Company renegotiated the payment term of a portion of the amount of the fixed monthly grants for 2021 from ZAD with the São Paulo city government, changing the maturity of the installments from April to December 2021 for the year 2023 in the principal amount of R\$23,516 and interest of R\$1,019.

17. Transactions with related parties

The Company, its subsidiaries, joint ventures, associates and shareholders enter into, among themselves and in the normal course of their business, financial and commercial transactions. These transactions include, in particular, the provision of funds for parking lots in the form of advances for capital increase, intercompany loan agreements and checking account to be used as a source of working capital, normally for specific cash flow needs, whose settlement does not exceed 30 days. Commercial transactions basically refer to the lease of certain parking lots to its related party Carmo Couri.

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

The Company has no intercompany purchase and sale transactions.

17.1. Assets

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current assets:				
Praça Edg Congonhas Empreendimentos S.A.	1	1	-	-
Calvitium Participações S.A.	11	1	-	-
Riopark Estacionamentos e Garagens Ltda.	27	18	-	-
Capital Parking Estacionamentos Ltda.	30	5	-	-
Estacionamento Cinelândia S.A.	34	28	-	-
Parking Tecnologia da Informação Ltda.	78	113	-	-
Primeira Estacionamentos Ltda.	116	275	-	-
Ews Estacionamento Salvador S.A.	180	111	-	-
Wellpark Estacionamento e Serviços Ltda.	255	89	-	-
Z.A.Digital de São Paulo Sistema de Estacionamento Rotativo S.A.	486	291	-	-
Saepart Soc. de Adm. Emp. e Part. Ltda.	501	391	-	-
Azera Parking Ltda.	693	693	-	-
Hora Park Sistema Estacionamentos Rotativos Ltda.	1,974	620	-	-
Consórcio Estacionamento Centro Cívico	-	22	-	22
Consórcio Estacionamento Novo Centro	117	136	117	136
Estacionamento Shopping Monte Carmo	-	69	-	-
Estacionamento Hospital Marcelino Champagnat	100	53	-	-
Estacionamento Shopping Bay Market Center	166	190	166	190
Estacionamento Shopping Hortolândia	230	-	-	-
Estacionamento Shopping Parque Bahia	252	463	-	-
Estacionamento Shopping Sete Lagoas	543	-	543	-
Estacionamento Shopping Parque Aracajú	581	330	-	-
Estacionamento do Mogi Shopping	661	557	661	557
Estacionamento Shopping Bourbon Pompéia	1,716	2,971	1,716	2,971
Accounts receivable – equity holders (i)	12,928	2,655	27,590	18,957
Other	-	1	1	-
	21,680	10,083	30,794	22,833

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Noncurrent assets:				
Other	145	18	401	275
	<u>145</u>	<u>18</u>	<u>401</u>	<u>275</u>

(i) Indemnity amounts related to lawsuits receivable from previous members or shareholders of acquirees.

17.2. Liabilities

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current liabilities:				
Saepart Soc. de Adm. Emp. e Part. Ltda.	2	9	-	-
Calvitium Participações S.A.	3	2	-	-
Capital Parking Estacionamentos Ltda.	5	5	-	-
Autopark S.A.	6	10	-	-
Loop Gestão de Pátios S.A.	7	7	7	7
I-Park Estacionamentos Inteligentes S.A.	7	8	-	-
Estacionamento Cinelândia S.A.	10	14	-	-
Primeira Estacionamentos Ltda.	105	94	-	-
Hora Park Sistema Estacionamentos Rotativos Ltda.	231	171	-	-
Wellpark Estacionamento e Serviços Ltda.	296	224	-	-
Consórcio Estacionamento Novo Centro	-	1	1	1
Consórcio Estacionamento Centro Cívico	1	1	1	1
Estacionamento Edifício Comercial Ahead	-	-	1	2
Estacionamento Hospital Marcelino Champagnat	3	-	-	-
Estacionamento do Mogi Shopping	3	1	3	1
Estacionamento Shopping Bourbon Pompéia	9	3	9	3
Estacionamento Shopping Bay Market Center	55	-	55	-
Estacionamento Shopping Parque Bahia	177	177	-	-
Estacionamento Shopping Parque Aracajú	194	-	-	-
Other	3	-	4	7
	<u>1,117</u>	<u>727</u>	<u>81</u>	<u>22</u>

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Noncurrent liabilities:				
Saepart Soc. de Adm. Emp. e Part. Ltda.	-	900	-	-
Parking Tecnologia da Informação Ltda.	-	3,500	-	-
Cellopark Estacionamentos Ltda.	-	1,300	-	-
Future capital contribution	-	-	684	18
	<u>-</u>	<u>5,700</u>	<u>684</u>	<u>18</u>

Lease and goodwill

Amounts paid to third parties as lease and goodwill for the years ended December 31, 2021 and 2020 are as follows:

	Individual and Consolidated	
	12/31/2021	12/31/2020
Leases paid	1,395	705
Total	1,395	705

Additionally, leases paid by the Company to Carmo Couri Engenharia e Construções Ltda. refer to four (4) lease contracts, with no grace period, with fixed and variable lease payments in installments (percentage on parking lot revenue), which are formalized under the same conditions for similar lease agreements, equivalent to other operations in the region where this operation is located.

Transactions with key management personnel

Key management personnel include the CEO and officers.

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

Key management personnel compensation, which includes retention bonus for the year, amounted to R\$11,758 at December 31, 2021 (R\$8,125 at December 31, 2020), and is considered a short-term benefit. At December 31, 2020, the expense related to the stock option plan amounted to R\$1,772.

Letter of guarantee – EWS

On July 7, 2020, EWS as the customer, BTG Pactual as the endorser, and the Company as the guarantor, entered into the “Letter of Guarantee No. FI162/20”, under which BTG Pactual will guarantee the payment of obligations assumed by EWS under the “Loan Facility Agreement under Instrument No. 187.2015.1139.3661”, entered into on December 10, 2015 with Banco do Nordeste do Brasil S.A., Wellpark Estacionamento e Serviços Ltda. and Hora Park Sistema de Parque Rotativo Ltda. (“Letter of Guarantee”). The Letter of Guarantee, in turn, is guaranteed by surety provided by the Company to guarantee the fulfillment of EWS obligations under the Letter of Guarantee (“Counter Guarantee”).

The Letter of Guarantee matures on June 23, 2022, and covers the amount of R\$25,405.



18. Provision for contingencies

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

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

At December 31, 2021 and 2020, the Company maintained the following provisions, corresponding to legal and administrative proceedings whose likelihood of an unfavorable outcome was assessed as probable (for labor claims whose likelihood of an unfavorable outcome was assessed as probable and possible), as summarized below:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance at December 31, 2019	184	8,783	2,002	10,969	294	9,262	18,491	28,047
Additions	-	-	-	-	-	-	1,299	1,299
Write-offs (payment)	-	(4,107)	-	(4,107)	-	(4,107)	-	(4,107)
Transfers	140	(1,236)	1,096	-	30	(858)	828	-
Balance at December 31, 2020	324	3,440	3,098	6,862	324	4,297	20,618	25,239
Additions	-	-	11,959	11,959	-	-	11,959	11,959
Restatement	-	-	-	-	-	-	1,067	1,066
Reversal	-	-	-	-	-	-	(3,318)	(3,318)
Balance at December 31, 2021	324	3,440	15,057	18,821	324	4,297	30,326	34,947

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

Labor: the Company and investees recognize a provision for labor claims based on an average percentage of loss history of the past three years, considering the best estimate of amounts of claims pending judgment. Claims are related to overtime, severance pay, among others.

Civil: the main civil proceeding whose likelihood of an unfavorable outcome was rated as probable, in the amount of R\$24,848, is an out-of-court enforcement proceeding filed by Infraero, on July 26, 2005, to collect amounts related to the service concession arrangement for the operation of the parking lot in Rio de Janeiro International Airport - Galeão.

Possible risks

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

	12/31/2021
Civil proceedings	89,494
Tax proceedings	58,823
	<u>148,317</u>

Civil proceedings: The main civil proceeding, whose likelihood of loss was assessed as possible in the amount of R\$48,459, refers to the unenforceability of fixed lease payments that are under discussion in court, given the COVID-19 pandemic.

Tax proceedings: The main tax proceedings whose likelihood of an unfavorable outcome is possible are: i) tax collection claim filed by the Federal Government with the purpose of collecting amounts supposedly due as Social Security Tax for the period from April/2016 to December/2017 in the amount of R\$21,498; ii) tax collection claim filed by the City of Santo André, with the purpose of collecting amounts supposedly due as Service Tax (ISS) for the period from August/2011 to June/2014 in the amount of R\$5,007; ii) cancellation of IPTU from 2011 to 2014 at Santos Dumont Airport in the amount of R\$7,523.

Appeal bonds and judicial deposits

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

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance at December 31, 2019	506	3,235	1,206	4,947	506	4,299	1,682	6,487
Additions (deposits)	-	300	5,480	5,780	-	347	5,549	5,896
Reclassifications	101	(1,009)	908	-	101	(945)	844	-
Unfavorable outcome	-	(109)	(68)	(177)	-	(154)	(68)	(222)
Favorable outcome	-	(271)	(516)	(787)	-	(329)	(567)	(896)
Balance at December 31, 2020	607	2,146	7,010	9,763	607	3,218	7,440	11,265
Additions (deposits)	-	565	889	1,454	-	628	1,353	1,981
Favorable outcome	-	(382)	(101)	(483)	-	(413)	(538)	(951)
Balance at December 31, 2021	607	2,329	7,798	10,734	607	3,433	8,255	12,295

19. Current and deferred income and social contribution taxes

Reconciliation of tax expense and the result of accounting profit multiplied by the tax rate for the periods ended December 31, 2021 and 2020 is as follows:

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Loss before income and social contribution taxes	(223,357)	(170,960)	(221,618)	(169,081)
Income and social contribution taxes at a statutory tax rate of 34%	75,941	58,126	75,350	57,487
Permanent differences:				
Equity pickup	(54,246)	(65,654)	(1,488)	(1,447)
Tax impact generated by Silent Partnerships (SCPs)	1,439	607	257	1,102
Other permanent differences	(3,573)	3,328	(3,949)	(2,661)
Temporary differences:				
Unrecognized deferred taxes on temporary differences – prior years	-	(125)	-	(2,659)
Unrecognized tax loss	(18,584)	(34,804)	(53,608)	(82,620)
(Reversal of) / Provision for realization of deferred taxes	(977)	38,522	(19,114)	29,210
Income and social contribution tax expenses	-	-	(2,552)	(1,588)
Current	-	-	(2,552)	(1,588)
Deferred	-	-	-	-
	-	-	(2,552)	(1,588)

Deferred income and social contribution taxes

At December 31, 2021, the Company's income and social contribution tax loss carryforwards (Individual) amounted to approximately R\$496,415 (R\$441,754 at December 31, 2020) and income and social contribution tax loss carryforwards (Consolidated) amounted to approximately R\$708,662 (R\$702,880 at December 31, 2020). The Company did not recognize the potential tax credit from deferred income and social contribution taxes at December 31, 2021 and 2020, nor did it recognize potential tax credit on temporary differences.



20. Equity

Capital

At December 31, 2021, fully subscribed and paid-in capital amounted to R\$614,461 (R\$512,453 at December 31, 2020), comprising 209,231,726 common shares (193,771,106 at December 31, 2020), with no par value, held as follows:

Shareholding structure	At December 31, 2021		At December 31, 2020	
	Common shares	%	Common shares	%
Fundo de investimento em Participações Maranello - Multiestratégico	82,952,328	39.65%	76,890,226	39.68%
Riverside FIP	56,698,371	27.10%	56,698,371	29.26%
FIP Valbuena	15,287,261	7.31%	13,175,000	6.80%
TSEMF III Brazil S.a.r.l.	6,044,430	2.89%	6,044,430	3.12%
Tempranillo	12,143,702	5.80%	5,055,500	2.61%
TSEMF IV Brazil S.a.r.l.	3,488,954	1.67%	3,488,954	1.80%
Other	32,616,680	15.58%	32,418,625	16.73%
Total	209,231,726	100.00%	193,771,106	100.00%

The Company's authorized capital is 2,100,000,000 common shares, thus the capital can be increased within the aforementioned limit. The Board of Directors is the body that decides on the increase and the consequent issue of new shares.

The Special General Meeting held on February 11, 2020, approved the conversion of all Company issued preferred shares into Company issued common shares, in the proportion of 1:1.12785198, as provided for in the articles of incorporation then in force, thus 6,567,712 (six million, five hundred and sixty-seven thousand and seven hundred and twelve) Company issued preferred shares, corresponding to all Company issued preferred shares, were converted into 7,407,407 (seven million, four hundred and seven thousand and four hundred and seven) Company issued common shares, all registered and with no par value, with the same rights and conditions as the common shares already issued by the Company.

All common shares issued by the Company were split in the proportion of 1:7, so that the Company's capital now comprises 161,335,153 (one hundred and sixty-one million, three hundred and thirty-five thousand one hundred and fifty-three) registered common shares with no par value.

The number of shares subject to the authorized capital changed as a result of the abovementioned split, thus the Company's authorized capital is now 2,100,000,000 common shares; the Board of Directors is the body that decides on the increase and the consequent issue of new shares, within the authorized capital limit.

On May 15, 2020, the Company made its initial public offering (IPO) with the issue of 28,600,000 new common shares. The offer price was R\$10.50 per common share. The Company's shares are listed on the Novo Mercado segment of the São Paulo Stock Exchange - B3 S.A. - Brasil, Bolsa, Balcão, under ticker symbol ALPK3.

Gross funding from the Public Offering of Shares totaled R\$300,300. Costs with banks, lawyers, consultants, among others, initially amount to R\$23,239, to be accounted for as a deduction of the "Capital reserve" account, in accordance with CPC 08 - Transaction Costs and Premiums on Issue of Marketable Securities. The funds raised were effectively received on May 18, 2020 and will be allocated to the São Paulo Zona Azul Concession.

On August 10, 2021, the Board of Directors approved the increase in the Company's capital, within the authorized capital limit, due to the exercise of stock options under the stock option plan, see Note 30. 170,100 new common shares were issued, totaling R\$2.007 (two million, seven thousand reais). As a result, the Company's capital increased from R\$512,453 (five hundred and twelve million, four hundred and fifty-three reais), divided into 193,771,106 registered, book-entry, common shares with no par value, to R\$514,461 (five hundred fourteen million, four hundred and sixty-one thousand reais), represented by 193,941,206 registered, book-entry, common shares with no par value.

Additionally, on September 3, 2021, the Board of Directors approved the increase in the Company's capital, in the amount of R\$100,001 (one hundred million and one thousand reais), through the private placement of 15,290,520 registered, common shares, with no par value, fully allocated to the Company's capital, whose resources will be used to improve the Company's capital structure. The Company's capital increased from R\$514,461 (five hundred and fourteen million, four hundred and sixty-one thousand reais), divided into 193,941,206 registered, book-entry, common shares with no par value, to R\$614,461 (six hundred fourteen million, four hundred and sixty-one thousand reais), divided into 209,231,726 registered common shares with no par value.

Subscription warrants

On February 12, 2020, the Board of Directors approved the issuance of 462,017 subscription warrants. Each subscription warrant will grant its holder the right to subscribe Company issued common shares in an amount to be determined by applying the formula in the minutes, and, in any case, limited to 10 Company issued common shares. The issue price of the shares to be subscribed as a result of the exercise of the subscription warrant is R\$100,00 for a total of 4,620,170 common shares that can be subscribed due to the exercise of all subscription warrants, and such exercise should result in the payment proportional to the number of common shares effectively subscribed as a result of their exercise. The rights granted by subscription warrants may be exercised within five business days after the physical and financial settlement of the initial public offering of Company shares approved at the SGM held on February 11, 2020 (Offer). The rights granted by the subscription warrants can only be exercised if the physical and financial settlement of the Offer occurs until August 10, 2020, and if the physical and financial settlement of the Offer does not occur by that date, the subscription warrant holders lose their right to subscribe Company shares due to their subscription warrants. The rights granted by the subscription warrants are subject to the resolutive condition that the price per share obtained as a result of the procedure for collecting investment intentions carried out and organized by the coordinators of the Offer (Price per Share) is equal to or greater than R\$10.32 plus an amount equal to (a) the variation of the IPCA calculated from September 30, 2018 until the date the Company was registered as a category A securities issuer with CVM (in which case, if the IPCA for the month of registration has not yet been released, the index for the immediately preceding month shall be used and calculated on a pro rata basis to replace the index not yet released); plus (b) 4% per year, considering possible stock splits and other significant corporate events, in both cases, calculated on a pro rata die basis, until the Price per Share is defined. In the event of fulfillment of the abovementioned resolutive condition, subscription warrants and all rights granted thereby are terminated.

On March 20, 2020, the Board of Directors approved the issuance of subscription warrants, subscribed and paid in, amounting to 458,810 subscription warrants at the total exercise price of R\$99.31, equivalent to 3,835,953 common shares issued by the Company. That corresponds to the minimum subscription amount provided for in the Board of Directors' Meeting held on February 12, 2020. The cancellation of 3,027 subscription warrants was also approved, corresponding to the remaining unsubscribed subscription warrants and in relation to which, during the preemptive right exercise period, there was no request to subscribe the remaining warrants in the respective subscription forms.

On May 29, 2020, the Board of Directors approved the issuance, within the authorized capital limit, of 3,835,953 common shares, due to the exercise of the rights granted by the subscription warrants held by Riverside Fundo de Investimento em Participação Multiestratégia. The Company's capital increase was also approved, within the authorized capital limit, in the amount of R\$99.31 (ninety-nine reais and thirty-one cents), through the issuance of 3,835,953 registered, book-entry common shares with no par value, due to the exercise of the rights granted by the subscription warrants held by Riverside Fundo de Investimento em Participações Multiestratégia, totaling 193,771,106 registered, book-entry, common shares with no par value issued by the Company.

Capital reserve

This is the contra entry of stock option plan expenses in accordance with Note 30, goodwill reserve, capital reserve for future investments, and share issue costs (IPO). Share issue costs comprise costs of banks, lawyers, consultants, among others, initially totaling R\$22,813.

Dividends

The Company's Articles of Incorporation determine that shareholders are entitled to noncumulative annual dividend corresponding to 25% of net income for the year, calculated under the terms of article 202 of the Brazilian Corporation Law.

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

The Company distributed no dividends for the years ended December 31, 2021 and 2020.

21. Net revenue from services rendered

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenue:				
Operation of parking lots	587,827	481,201	745,114	598,917
Provision of management services	26,473	27,518	30,937	32,310
Operation of pay-and-display areas (Zona Azul)	-	-	128,433	43,607
Lease of spaces	3,446	5,241	3,746	6,143
Revenue as agent	752	1,984	752	1,984
Revenue from services rendered in events	6,143	5,040	7,668	5,782
Other revenue from services	47,267	55,607	49,365	60,085
	671,908	576,591	966,015	748,828
Deductions:				
PIS - 0.65% and 1.65%	(10,563)	(9,037)	(15,082)	(11,654)
COFINS - 3.00% and 7.65%	(48,806)	(41,475)	(69,623)	(53,530)
ISS - 2% to 5%	(30,206)	(25,257)	(44,226)	(32,800)
Other deductions	(1,085)	(880)	(2,153)	(1,479)
	581,248	499,942	834,931	649,365



22. Costs of services and expenses by nature

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Payroll and related charges	(206,094)	(211,298)	(252,596)	(257,147)
Leases	(190,058)	(72,645)	(236,692)	(61,294)
Services from individuals	(155)	(164)	(276)	(236)
Services from legal entities	(27,647)	(22,965)	(38,032)	(35,225)
General	(24,178)	(19,065)	(39,484)	(28,478)
Utilities	(13,433)	(11,154)	(20,985)	(15,882)
Maintenance	(12,475)	(10,317)	(17,667)	(13,968)
Insurance	(5,311)	(4,166)	(6,526)	(5,288)
Provision for expected loss	(1,335)	-	(1,335)	-
Depreciation	(19,765)	(20,024)	(30,331)	(32,609)
Impact of derecognizing airport parking operation in Salvador (Note 15)	-	-	-	(56,056)
Depreciation – right of use – administrative (i)	(1,341)	(1,305)	(1,816)	(1,787)
Depreciation – right of use – operations (ii)	(19,042)	(55,489)	(59,070)	(100,881)
Gain/(loss) IFRS (iii)	1,112	107,532	21,698	107,532
Write-off of property and equipment (iv)	(4,006)	(157)	(22,382)	(174)
Other costs and expenses	(8,649)	(11,969)	(11,585)	(15,449)
Total	<u>(532,377)</u>	<u>(333,186)</u>	<u>(717,079)</u>	<u>(516,942)</u>
Cost of services	(452,187)	(371,151)	(628,017)	(484,547)
Administrative expenses	(79,173)	(66,243)	(90,689)	(80,241)
Other operating income (expenses), net	(1,017)	104,208	1,627	47,846
Total	<u>(532,377)</u>	<u>(333,186)</u>	<u>(717,079)</u>	<u>(516,942)</u>

- (i) Depreciation – right of use - administrative is net of PIS and COFINS tax credits on leases of administrative agreements in the amounts of R\$135 in 2021, and R\$128 in 2020 – Individual, and R\$183 in 2021, and R\$178 in 2020 – Consolidated.
- (ii) Depreciation – right of use – operations is net of PIS and COFINS tax credits on leases of operating agreements in the amounts of R\$1,288 in 2021, and R\$4,909 in 2020 – Individual and R\$5,271 in 2021, and R\$9,435 in 2020 – Consolidated.
- (iii) Refers mainly to the termination of operations of the I-Park and Santos Dumont Airport parking lots, amounting to R\$1,571 and R\$18,933, respectively.
- (iv) Refers mainly to the termination of operations of the I-Park and Santos Dumont Airport parking lots, amounting to R\$11,758 and R\$4,860, respectively.



23. Finance income (costs)

Finance income

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Interest on short-term investments	1,890	2,191	3,403	3,809
Discounts obtained	44	349	524	536
Interest income	1,285	283	1,321	319
Monetary differences	882	924	884	981
Foreign exchange differences	11,440	5,152	11,440	5,152
Fair value adjustment - swap	-	17,723	-	17,723
	15,541	26,622	17,572	28,520

Finance costs

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Interest	(40,702)	(25,231)	(69,345)	(33,129)
Interest on concession rights payable	-	-	(42,092)	(28,135)
Tax on financial transactions (IOF)	(4,236)	(92)	(4,236)	(130)
Fair value adjustment – swap	(353)	-	(434)	-
Bank surety	(201)	-	(212)	-
Commissions	(4,967)	(6,165)	(13,341)	(7,227)
Interest on leases (i)	(9,819)	(51,401)	(68,644)	(113,846)
Foreign exchange differences	(7,365)	(22,064)	(7,365)	(22,064)
Bank fees	(694)	(671)	(870)	(819)
Other finance costs	(180)	(153)	(258)	(442)
	(68,517)	(105,777)	(206,797)	(205,792)

- (i) Interest on leases is net of PIS and COFINS tax credits on leases in the amounts of R\$748 in 2021, and R\$4,136 in 2020 - Individual, and R\$4,132 in 2021, and R\$9,025 in 2020 – Consolidated.

24. Earnings per share

Basic and diluted earnings per share are calculated by dividing net income for the year, attributed to the Company's common shareholders, by the weighted average number of common shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted earnings per share calculations, already considering the effects of conversion and stock split, and the subscription warrant, in accordance with Note 20:

	Individual and Consolidated	
	12/31/2021	12/31/2020
Numerator - Basic		
Net income (loss) for the year attributable to controlling shareholders	(223,357)	(170,960)
Denominator - Basic		
Weighted average number of common shares	258,474,875	181,268,928
Stock options (Note 30) - in thousands	3,226,349	4,417,049
Weighted average number of shares - Diluted	258,474,875	181,268,928
Basic and diluted earnings per share	(0.8641)	(0.9431)

At December 31, 2021 and 2020, the Company had antidilutive effect related to the stock-option plan, with effect of R\$0.0107 in 2021 and R\$0.0224 in 2020.

25. Segment information

Operating segments are reported consistently with the internal reports provided to the Chief Operating Decision Maker (CODM) for purposes of assessment of each segment performance and resource allocation.

An operating segment is defined as a component of a company that engages in business activities from which it may earn revenues and incur expenses. Each operating segment is directly responsible for the revenues and expenses related to its operations. The chief operating decision makers assess each operating segment performance using information on its revenue and contribution margin, rather than using information on assets and liabilities.

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

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

- **Leased and Managed Locations:** comprises agreements entered into with the private sector. There are parking operations in various segments, such as: commercial buildings, malls, hospitals, educational institutions, banks, and land. Agreements are for leases (fixed or variable leases, or a combination of both) and management (fixed or variable fee).
- **Owned Locations:** these are real estate acquisition agreements (garages or parking spaces) as a unit separate from the venture where it is located.
- **Off-Street Concessions:** comprises agreements with the Government, won through bidding. It may be related to infrastructure, which demands huge volumes of investments. These agreements are off-street, and mainly include airports and underground garages.
- **On-Street Concessions:** on-street pay-and-display parking space management agreements entered into with the City Administration, which grant the right of operation for a period from 5 to 10 years (renewable for the same period). The contra entry includes investments in pay-and-display machines, infrastructure, signs and markings, and initial grants in the cities of Americana, Araraquara, Itatiba, Jacareí, Jaraguá do Sul, Juiz de Fora, Limeira, Mauá, Mogi das Cruzes, Pindamonhangaba, Piracicaba, Rio Claro, Santa Bárbara d'Oestes, Santo André, São Carlos, São João da Boa Vista, São Bernardo, São Paulo, Taubaté and Vila Velha.
- **Long-term Contracts:** include agreements entered into with the private sector and demand investments in infrastructure and/or initial grant. We highlight parking operations in the following segments: commercial buildings, airports, educational institutions, among others.
- **Others:** secondary revenues that are not specifically identifiable to an operating segment, such as operation of investee in Loop, franchise revenues, and specific operations considered extraordinary.

Allpark Empreendimentos, Participações e Serviços S.A.

Notes to financial statements

Years ended December 31, 2021 and 2020

(In thousands of reais R\$)

At December 31, 2021 and 2020, segment reporting was as follows:

Note	Consolidated																
	Leased and managed locations		Long-term contracts		Owned locations		Off-street		On-street		Other		Unallocated		Total		
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	
Net revenue from services rendered	21	374,259	306,813	253,492	223,803	22,257	19,826	74,758	60,821	109,929	37,629	236	473	-	-	834,931	649,365
Gross profit (c)		64,040	63,618	111,175	150,017	8,033	6,636	49,907	76,379	65,213	3,459	(237)	(14)	-	-	298,131	300,095
General and administrative expenses (a)	22	-	-	-	-	-	-	-	-	-	-	-	-	(90,689)	(80,241)	(90,689)	(80,241)
Other operating income (expenses), net	22	-	-	102,709	-	-	-	-	(56,056)	-	-	-	-	1,627	1,193	1,627	47,846
Equity pickup	9	-	-	-	165	200	569	(95)	-	-	(4,604)	(2,615)	-	-	(3,870)	(2,510)	
Income (loss) before depreciation and amortization		64,040	63,618	111,175	252,726	8,198	6,836	50,476	20,228	65,213	3,459	(4,841)	(2,629)	(89,062)	(79,048)	205,199	265,190
Depreciation (cost of services) (d)		(26,471)	(29,621)	(10,413)	(44,564)	(2,497)	(2,495)	(43,249)	(50,577)	(4,548)	(3,974)	(645)	(649)	(3,394)	(3,397)	(91,217)	(135,277)
Amortization of intangible assets		(16,561)	(19,404)	(37,453)	(37,994)	(252)	(258)	(10,382)	(18,561)	(69,745)	(35,607)	(2,271)	(1,496)	(9,711)	(8,402)	(146,375)	(121,722)
Income before finance income (costs)		21,008	14,593	63,309	170,168	5,449	4,083	(3,155)	(48,910)	(9,080)	(36,122)	(7,757)	(4,774)	(102,167)	(90,847)	(32,393)	8,191
Finance income	23	-	-	-	-	-	-	-	-	-	-	-	-	17,572	28,520	17,572	28,520
Finance costs (e)	23	-	-	-	-	-	-	-	-	-	-	-	-	(206,797)	(205,792)	(206,797)	(205,792)
Loss before income and social contribution taxes		21,008	14,593	63,309	170,168	5,449	4,083	(3,155)	(48,910)	(9,080)	(36,122)	(7,757)	(4,774)	(291,392)	(268,119)	(221,618)	(169,081)
Current income and social contribution taxes (b)	19	-	-	-	-	-	-	-	-	-	-	-	-	(2,552)	(1,588)	(2,552)	(1,588)
Deferred income and social contribution taxes	19	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the year		21,008	14,593	63,309	170,168	5,449	4,083	(3,155)	(48,910)	(9,080)	(36,122)	(7,757)	(4,774)	(293,944)	(269,707)	(224,170)	(170,669)

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

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

(c) Gross profit from the segments is reconciled to the statement of profit or loss for the years, reducing the line of depreciation of costs of services.

(d) Depreciation of the right of use of operations is net of PIS and COFINS tax credits on leases of operating lease contracts in the amounts of R\$5,271 at December 31, 2021 and R\$9,435 at December 31, 2021.

(e) Finance costs are net of PIS and COFINS tax credits on leases of operating lease contracts in the amounts of R\$4,132 at December 31, 2021 and R\$9,025 at December 31, 2020.

Allpark Empreendimentos, Participações e Serviços S.A.

Notes to financial statements
Years ended December 31, 2021 and 2020
(In thousands of reais R\$)

Other significant information

Note	Leased and managed locations		Long-term contracts		Owned locations		Consolidated				Other		Unallocated		Total	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Property and equipment																
Acquisition cost	189,550	185,745	79,498	78,640	100,145	99,388	61,632	84,807	54,099	52,300	6,244	4,152	27,576	26,794	518,744	531,826
Depreciation	(125,184)	(119,451)	(51,017)	(46,428)	(31,061)	(29,049)	(42,305)	(48,232)	(27,744)	(30,233)	(4,640)	(3,961)	(17,688)	(16,133)	(299,639)	(293,487)
11	64,366	66,294	28,481	32,212	69,084	70,339	19,327	36,575	26,355	22,067	1,604	191	9,888	10,661	219,105	238,339
Intangible assets																
Goodwill	103,528	103,528	1,663	1,663	-	-	10,260	10,278	828	828	2,185	2,185	-	-	118,464	118,482
Other intangible assets:																
Acquisition cost	182,081	175,866	518,405	509,915	3,237	3,205	156,056	167,485	1,018,866	1,003,458	18,955	14,122	84,231	69,950	1,981,831	1,944,001
Amortization	(126,337)	(110,223)	(196,644)	(165,774)	(1,192)	(982)	(44,419)	(42,532)	(111,171)	(41,785)	(9,995)	(7,766)	(52,837)	(43,185)	(542,595)	(412,247)
12	159,272	169,171	323,424	345,804	2,045	2,223	121,897	135,231	908,523	962,501	11,145	8,541	31,394	26,765	1,557,700	1,650,236
Right of use																
Cost of right of use	175,086	184,286	245,971	244,930	1,557	1,557	544,900	612,554	2,808	2,645	-	-	24,782	24,734	995,104	1,070,706
Depreciation of right of use	(152,385)	(140,362)	(213,467)	(207,143)	(1,401)	(1,245)	(203,437)	(197,278)	(2,311)	(2,090)	-	-	(15,096)	(13,178)	(588,097)	(561,296)
10	22,701	43,924	32,504	37,787	156	312	341,463	415,276	497	555	-	-	9,686	11,556	407,007	509,410
Additions																
Capital invested in property and equipment	13,275	9,189	2,321	4,053	853	1,074	843	1,997	10,152	7,675	2,115	604	876	617	30,435	25,209
Capital invested in intangible assets	7,273	14,471	20,904	2,310	75	27	46	5,432	18,204	971,556	2,498	2,452	14,442	12,636	63,442	1,008,884
12	7,273	14,471	20,904	2,310	75	27	46	5,432	18,204	971,556	2,498	2,452	14,442	12,636	63,442	1,008,884
Total capital invested	20,548	23,660	23,225	6,363	928	1,101	889	7,429	28,356	979,231	4,613	3,056	15,318	13,253	93,877	1,034,093

26. Financial instruments and financial risk management policies

Financial instruments carried by the Company at December 31, 2021 and December 31, 2020 are mainly the following:

Cash and cash equivalents

Cash and cash equivalents basically comprise investments in CDB (Bank Deposit Certificates), which are restated by reference to the CDI rates.

Loans and financing

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

Debentures

Debentures are subject to the CDI variation, plus average percentage per year, as disclosed in Note 13.

Derivative financial instruments

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

Accounts payable for investments made

Accounts payable for investments made are pegged to the IPCA, and restated over the year.

Credit risk

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

Market risk

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

	Note	Index	Individual		Consolidated	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial assets:						
Bank deposit certificate	4	CDI	51,947	2,157	113,429	37,313
			51,947	2,157	113,429	37,313
Financial liabilities:						
Working capital	13	CDI	245,590	200,995	245,590	200,995
Working capital - swap	13	Dollar (i)	67,401	-	67,401	-
Debentures	13	CDI	243,307	342,433	522,752	645,402
Derivative financial instruments	14	CDI	4,236	-	4,236	-
Lease liability	15	INPC	78,769	105,501	512,705	614,993
Concession rights payable	16	IPCA	-	-	376,282	347,608
Accounts payable for investments made		IPCA/IGP-M	-	5,815	-	5,815
			639,303	654,744	1,728,966	1,814,813

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

Currency risk

Currency risk is the risk that fair value of future cash flows of a financial instrument fluctuates due to changes in exchange rates. The Company's exposure to the risk of foreign exchange differences mainly refers to loans as a source of working capital. The Company has a swap contract to convert the debt into CDI.

Liquidity risk

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

Given the business dynamics of the Company and its subsidiaries, the Treasury Department aims to maintain balance between fund availability and flexibility through working capital.

In addition, the Treasury Department monitors the consolidated liquidity ratio, considering the expected cash flows matched against the unused credit facilities.

The following table shows the liquidity risks of significant financial liabilities by maturity, and reflect the Company's undiscounted financial flow at December 31, 2021 and 2020.

At December 31, 2021	Individual				Consolidated					
	Book balance	1 to 12 months	1 to 5 years	> 5 years	Total	Book balance	1 to 12 months	1 to 5 years	> 5 years	Total
Loans, financing and debentures	551,863	263,630	281,473	11,195	556,298	852,954	328,942	515,503	15,105	859,550
Trade accounts payable	46,109	44,559	1,550	-	46,109	135,313	109,227	26,086	-	135,313
Lease liability	78,769	25,943	63,330	21,967	111,240	512,705	105,015	407,547	442,826	955,388
Concession rights payable	-	-	-	-	-	377,301	52,257	309,435	391,925	753,617
	676,741	334,132	346,353	33,162	713,647	1,878,273	595,441	1,258,571	849,856	2,703,868

At December 31, 2020	Individual				Consolidated					
	Book balance	1 to 12 months	1 to 5 years	> 5 years	Total	Book balance	1 to 12 months	1 to 5 years	> 5 years	Total
Loans, financing and debentures	539,454	305,339	97,902	140,187	543,428	865,203	332,894	276,559	263,693	873,146
Trade accounts payable	40,220	38,595	1,625	-	40,220	84,740	82,972	1,768	-	84,740
Lease liability	105,501	32,888	86,980	31,774	151,642	614,993	133,463	511,291	486,557	1,131,311
Accounts payable for investments made	5,815	2,000	3,815	-	5,815	5,815	2,000	3,815	-	5,815
Concession rights payable	-	-	-	-	-	347,608	50,064	250,320	425,544	725,928
	690,990	378,822	190,322	171,961	741,105	1,918,359	601,393	1,043,753	1,175,794	2,820,940

Capital management

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

Accordingly, the financial leverage ratio is the result of net debt divided by equity. Net debt results from total loans, financing, debentures, leases (current and noncurrent), less total cash and cash equivalents.

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

Sensitivity analysis of financial instruments

The sensitivity analysis for each type of market considered significant by management is presented in the table below.

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

Individual	Note	Index	Market projections			
			12/31/2021	Probable	Scenario A	Scenario B
Loans and financing	13	CDI	308,556	322,194	325,603	329,013
Debentures	13	CDI	243,307	254,061	256,750	259,438
			551,863	576,255	582,353	588,451
Bank deposit certificate	4	CDI	51,947	54,243	54,817	55,391
			51,947	54,243	54,817	55,391
Total exposure, net			499,916	522,012	527,536	533,060
Loss				(22,096)	(27,620)	(33,144)

Consolidated	Note	Index	Market projections			
			12/31/2021	Probable	Scenario A	Scenario B
Loans and financing	13	CDI	330,202	344,797	348,446	352,095
Debentures	13	CDI	522,752	545,858	551,634	557,410
			852,954	890,655	900,080	909,505
Bank deposit certificate	4	CDI	113,429	118,443	119,696	120,949
			113,429	118,443	119,696	120,949
Total exposure, net			739,525	772,212	780,384	788,556
Loss				(32,688)	(40,859)	(49,031)

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

The cumulative 12-month CDI rates used in scenarios Probable, (A) and (B) were 4.42%, 5.53% and 6.63%. The cumulative 12-month IPCA rates used in scenarios Probable, (A) and (B) were 10.06%, 12.58% and 15.09%. The CDI and IPCA projection was extracted from Anbima's and IBGE's websites.

27. Fair value

Financial instrument fair value calculation methodology

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

The Company adopts CPC 40/IFRS 7 for financial instruments measured at fair value in the Statement of Financial Position, which requires disclosure of the fair value measurements at the following fair value measurement hierarchy level:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Information, in addition to quoted prices, included in Level 1, used by the market for assets or liabilities, either directly (that is, based on prices) or indirectly (that is, deriving from prices) (Level 2); and
- Information for assets or liabilities that are not based on data adopted by the market (that is, unobservable information) (Level 3).

The following tables show the fair value measurement hierarchy level for the Company's consolidated assets and liabilities.

						12/31/2021	
Consolidated	Note	Book balance	Total	Level 1	Level 2	Level 3	
Assets with fair value disclosed							
Noncurrent							
Investment property (c)	9	13,463	-	-	-	42,493	
Assets measured at fair value							
Cash and cash equivalents	4.1	96,400	96,400	96,400	-	-	
Marketable securities	4.2	22,821	22,821	-	22,821	-	
Trade accounts receivable	5	58,672	58,672	-	58,672	-	
Liabilities with fair value disclosed							
Derivative financial instruments (b)	14	4,236	4,236	-	4,236	-	
Interest-bearing loans, financing and debentures (a)	13	852,954	852,954	-	852,954	-	
Trade accounts payable		135,313	135,313	-	135,313	-	
						12/31/2020	
Consolidated	Note	Book balance	Total	Level 1	Level 2	Level 3	
Assets with fair value disclosed							
Investment property (c)	8	13,800	41,494	-	-	41,494	
Assets measured at fair value							
Cash and cash equivalents	4	42,109	42,109	42,109	-	-	
Trade accounts receivable	5	51,746	51,746	-	51,746	-	
Liabilities with fair value disclosed							
Interest-bearing loans, financing and debentures (a)	13	865,203	865,203	-	865,203	-	
Trade accounts payable		84,279	84,279	-	84,279	-	
Accounts payable for investments made		5,815	5,815	-	5,815	-	

(a) The carrying amount of loans, financing and debentures presented in the financial statements approximates the fair value since the rates of these instruments are market values and there is no intention of early settlement. The debentures are private.

(b) Derivative transactions traded over the counter are measured at Level 2, as shown above.

(c) Investment properties are accounted for at cost. If they were recorded at their fair value, they would be classified as level 3. More information on the assumptions used in the calculation and sensitivity analysis is shown in Note 7.

We consider that the balances of trade accounts receivable, trade accounts payable, lease liabilities and accounts payable for investments made at carrying amount, less impairment, approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Over the year ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value assessments, and no transfers between Level 3 and Level 2 fair value assessments.

28. Insurance coverage

Insurance coverage is as follows:

<u>Type of coverage</u>	<u>Coverage</u>
Vehicle insurance	5,700
Corporate insurance and fire in facilities	22,800
Insurance against accidents in garages	131,935
Cash robbery in garages	750
Total	<u>161,185</u>

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

In its main insurance policy, the Company covers all operating issues, which include: branches, related companies and associates.

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

In 2021 and 2020, the Company took out insurance from insurance companies to cover its operating activities. Other insurance coverage is taken out from first-tier insurers, considering premium, risks and contingent event policy.



29. Noncash transactions

In December 31, 2021 and 2020, the Company conducted noncash transactions which, therefore, were not presented in the Statements of Cash Flows, as follows:

- Remeasurements, additions and write-offs related to CPC 06 (R1) - IFRS16, according to Notes 10 and 15;
- Share-based compensation, in the amount of R\$2,007, according to Note 30;
- Remeasurement of concession rights payable in the amount of R\$15,323, in accordance with Note 16;
- Addition of goodwill to intangible assets related to new locations, of which R\$2,659 in 2021 and R\$4,552 in 2020 - Individual, and R\$3,142 in 2021 and R\$4,749 in 2020 – Consolidated, related to the grant of Zona Azul - São Paulo.

30. Share-based payment

The data on the volume and values of the options below are shown considering the effect of the stock split approved on February 11, 2020.

2011 Plan

On August 30, 2011, at the Company's Annual General Meeting, the creation of a stock option plan for shares issued by the Company was approved ("2011 Plan").

The Board of Directors, at a meeting held on July 3, 2013, approved the First Stock Option Plan ("2011 Plan"), whereby the beneficiary was granted a stock option for shares to be issued and sold by the Company.

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

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

	Lot
	03/06/2013
Vesting date	03/06/2013
Strike price	2.33
Strike price (estimated) at the statement of financial position date	4.39
Risk-free interest rate %	8%
Contractual term for exercise per lot (days)	941
Expected dividend yield	0%
Share volatility in the market	24%
Total number of outstanding options	695,849
Total number of lost/expired options	-
Number of options exercised	-
Number of options to be exercised	695,849
Estimated fair value (R\$/share)	2.66

Considering the expected average life of the series, the maximum exercise term is 540 days from the date the employee ceases to be in a management position at Allpark and/or entities controlled by the Company. Options, when exercised, are converted into shares.

2019 Plan

On January 2, 2019, at the Company's Annual General Meeting, the creation of a stock option plan for shares issued by the Company was approved ("2019 Plan – 1st program").

On March 4, 2019, at the Annual General Meeting, the Company's Board of Directors approved the Second Stock Option Plan ("2019 Plan – 2nd program"), whereby the Beneficiary was granted a stock option, for invaluable consideration, for shares issued or sold by the Company.

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

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

2019 Plan – 1st program

	First lot	Second lot	Third lot	Fourth lot
Date of issue	01/04/2019	01/04/2019	01/04/2019	01/04/2019
Vesting date	03/31/2019	10/01/2019	04/01/2020	10/01/2020
Strike price	10.68	10.90	11.12	11.34
Strike price (estimated) at the statement of financial position date	12.92	12.92	12.92	12.92
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%
Contractual term for exercise per lot (days)	214	397	580	762
Expected dividend yield	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%
Total number of outstanding options	1,437,975	675,675	675,675	675,675
Total number of lost/expired options	42,000	-	-	-
Number of options exercised	67,200	34,650	34,650	34,650
Number of options granted/to be exercised	1,370,775	641,025	641,025	641,025
Estimated fair value (R\$/share)	3.61	4.10	4.54	4.96

2019 Plan – 2nd program

	First lot	Second lot	Third lot	Fourth lot	Fifth lot
Date of issue	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Vesting date	03/31/2019	10/01/2019	04/01/2020	10/01/2020	04/01/2021
Strike price	10.68	10.9	11.12	11.34	11.56
Strike price (estimated) at the statement of financial position date	12.92	12.92	12.92	12.92	12.92
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%	8.3%
Contractual term for exercise per lot (days)	214	397	580	762	945
Expected dividend yield	0%	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%	27.5%
Total number of outstanding options	92,400	81,900	81,900	-	-
Total number of lost/expired options	-	-	-	81,900	81,900
Number of options exercised	-	-	-	-	-
Number of options granted/to be exercised	92,400	81,900	81,900	-	-
Estimated fair value (R\$/share)	3.61	4.10	4.54	4.96	5.34

Participants acquired the right to exercise the lots of their options as of March 31, 2019, October 1, 2019, April 1, 2020, October 1, 2020, April 1, 2021, respectively (“Initial Vesting”), and it is certain that, for the purposes of this participation, the Vesting Period will be the entire period elapsed in relation to each lot.

At September 30, 2019, plan beneficiaries exercised the purchase option referring to the acquisition right of the first lot in the amount of R\$763, presented in Financing activities in the statement of cash flows. At March 31, 2020 and September 30, 2020, plan beneficiaries exercised the purchase option referring to the acquisition right of the second and third lots in the amounts of R\$379 and R\$379, respectively, presented in Financing activities in the statement of cash flows. At March 31, 2021, plan beneficiaries exercised the purchase option referring to the acquisition right of the fifth lot in the amount of R\$385, presented in Financing activities in the statement of cash flows.

At December 31, 2020, the expense related to the stock option plan amounted to R\$1,772, as disclosed in Note 17. At December 31, 2021, the monetary restatement of the balance converted into capital was R\$146.

On August 10, 2021, the Board of Directors unanimously approved the increase in the Company's capital, within the authorized capital limit, in the amount of R\$2,007 due to the exercise of stock options of the 1st Program - 2019 Plan. One hundred and seventy thousand and one hundred (170,100) options were exercised. A 12-month extension of the “Exercise Period” was also approved, now maturing on September 30, 2023.

The remaining expected average life of unvested periods is 638 days at December 31, 2021.

Regarding the impacts of Covid-19, in accordance with management's assessment, it was concluded that future fluctuations in the share price and the CDI index did not affect the methodology for calculating the fair value of the options granted for the purchase of shares, as the fair value of options was priced prior to the impacts of Covid-19.



31. Events after the reporting period

Acquisition of On Tecnologia de Mobilidade Urbana S.A. ("Zul Digital")

On November 10, 2021, the Company entered into an agreement for the purchase and sale of shares, merger of shares and other covenants for all the shares of On Tecnologia de Mobilidade Urbana S.A. ("Zul Digital"). Zul Digital will be acquired through the payment of approximately R\$4,992 and the issuance of approximately 12,987,098 shares, all registered common shares with no par value.

At the Special General Meeting held on February 16, 2022, the shareholders approved the terms and conditions of the agreement for the purchase and sale of shares, merger of shares and other covenants for all shares of On Tecnologia de Mobilidade Urbana S.A. ("Zul Digital").

As provided for in articles 252, paragraph 1 and 137, item IV of the Brazilian Corporation Law, the right of withdrawal will be granted to the Company's shareholders who do not vote in favor of the Merger of Shares, who abstained from voting, or who did not attend the SGM, and those who expressly stated their intention to exercise the right of withdrawal within thirty (30) days from February 17, 2022 (date of publication of the SGM minutes).

São Paulo, March 9, 2022

In compliance with legal provisions and in accordance with Brazilian Corporation Law, Allpark Empreendimentos, Participações e Serviços S.A. (Estapar) presents, below, its Management Report, commenting on the operating and financial results for the year ended December 31, 2021. This report is a supplement and shall be read together with the individual and consolidated financial statements, prepared in accordance with accounting practices adopted in Brazil, which comprise Brazilian Securities and Exchange Commission (CVM) rules and Brazilian Financial Accounting Standards Board (CPC) pronouncements, which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Message from management

Strong growth in Net Revenue and Gross Profit

In 2021, we showed significant growth in our indicators compared to 2020. Net Revenue grew 28.6% compared to the previous year, as a result of the resumption of economic activity and the maturation of projects invested in recent years, such as the Zona Azul de São Paulo Concession. Gross Profit grew 25.5% compared to 2020, and Gross Margins remained stable year-over-year (25.4% and 24.8% in 2020 and 2021 respectively).

Reduction of Net Debt and lengthening of short-term debt

In December 31, 2021, our Net Debt totaled R\$1,269.4 million, a decrease of more than R\$174.9 million compared to December 2020. In 2022, we will remain committed to reducing the Company's leverage. We concluded the rollover and extension for approximately 3.5 years of the 2nd Series of the Debenture of the Zona Azul Digital de São Paulo, which would mature at the end of December 2021, of approximately R\$150.0 million in principal, once again ratifying the confidence of the creditors in our long-term project.

1st operation year of Zona Azul de São Paulo

At the end of 2021, we completed the first of the 15 years of the Zona Azul de São Paulo Concession, an operation that we are very proud to manage. We have already reached more than 2.2 million downloads of the Zona Azul app in São Paulo – SP with more than 1.4 million new users. The provision of a quality service to the municipality is our priority and our user appreciation indicators have been growing more and more. We achieved scores of 4.7 and 4.5 (out of a maximum of 5) in the Apple and Android stores respectively. In addition, we won the "RA1000" seal from the Reclame Aqui website, a seal of service excellence.

Net Revenue from the Zona Azul de São Paulo Concession grew exponentially, represented by the 192.1% variation in the On-Street Concessions segment in the comparison between 2021 and 2020. Between the end of 2021 and the beginning of 2022, we doubled the number of scan-cars and we also doubled the volume of inspections. We expect that in 2022 the Net Revenue will grow even more, with the increase of the adoption of the system by the users that still has a lot of room for evolution.

AutoTech, Estapar's digitalization strategy

One of the main trends in the automotive sector is connectivity. It is expected that by 2030 95% of new vehicles will be connected, and that 5G will be a driver of this trend. Estapar has digitalization as an important lever for its growth. Transactions via our digital platforms (applications and website) break records quarter after quarter. In 4Q21, we reached 7.6 million digital transactions, both in the Zona Azul de São Paulo and in the Vaga Inteligente app. Revenues via digital platforms in 4Q21 represented 12.3% of total revenues, a 3.2x growth compared to 4Q20 (3.8%).

On February 16, 2022, at the Shareholders' Meeting, the acquisition of Zul Digital was approved, a startup active in the offer of products and services aimed at the driver that has more than 3 million vehicles registered and which currently has 10 products such as Zona Azul, TAG, Licensing, IPVA, Fines, Auto Insurance, among others. The closing of the combination between Estapar and Zul Digital is expected to take place soon and we hope that with this transaction we will create the largest AutoTech platform in Brazil.

Electromobility and ESG

Another trend that has been growing more and more in the automotive sector and also in the global ESG agenda is the electrification of vehicles. An exponential growth in the % of new electric vehicles is expected in the coming years.

Estapar, through its investee Ecovagas in partnership with EnelX, currently has the largest semi-public network of electric vehicle charging points in Brazil. On January 27, 2022, we announced the execution of a Memorandum of Understanding (MoU) for the combination of structures between Ecovagas and Zletric, a startup also focused on the electric station segment.

The purpose of the combination between Ecovagas and Zletric is to consolidate the main player in electric stations in Brazil.

Final Considerations

We look forward to a 2022 of strong growth, a year in which we intend to reap the rewards of the investment and management decisions we have made in recent quarters. We will remain committed to the usual financial discipline, reducing leverage and increasing the Company's profitability.

The new digitalization and electromobility verticals, in addition to further strengthening our core business, will open new avenues for growth in the coming quarters for Estapar.

We would especially like to thank all of Estapar's employees, customers, users, partners and shareholders.

Management

Group companies:

Subsidiaries	Note	% as of 12/31/2021		% as of 12/31/2020	
		Direct	Indirect	Direct	Indirect
Riopark Estacionamento Ltda. ("Riopark")		99,99%	-	99,99%	-
Hora Park Sist. Estacionamento Rotativo Ltda. ("Hora Park")		100,00%	-	100,00%	-
Saepart Soc. Adm. Empreend. Part. Ltda. ("Saepart")		99,99%	-	99,99%	-
Capital Parking Estacionamento de Veículos Ltda. ("Capital")		99,99%	-	99,99%	-
Primeira Estacionamento Ltda. ("Primeira")		100,00%	-	100,00%	-
Azera Parking Ltda. ("Azera")		100,00%	-	100,00%	-
Calvitium Participações S.A. ("Calvitium")		100,00%	-	100,00%	-
Autopark S.A. ("Autopark")	(a)	-	99,99%	-	99,99%
Cellopark Estacionamento Ltda. ("Cellopark")	(a)	-	100,00%	-	100,00%
Estacionamentos Cinelândia S.A. ("Cinelândia")	(a)	-	80,00%	-	80,00%
Hospital Marcelino Champagnat Ltda. ("Marcelino")		75,00%	-	75,00%	-
Wellpark Estacionamento e Serviços Ltda. ("Wellpark")		100,00%	-	100,00%	-
E.W.S Estacionamento Salvador S.A. ("EWS")	(b)	-	100,00%	-	100,00%
Parking Tecnologia da Informação Ltda. ("Parking TI")		99,90%	-	99,90%	-
I-Park Estacionamento Inteligentes S.A. ("I-Park")	(c)	-	83,59%	-	83,59%
Loop AC Participações Ltda. ("Loop AC")		75,48%	-	75,48%	-
SCP Parque Shopping Aracajú ("Parque Aracajú")	(d)	51,00%	-	51,00%	-
SCP Estacionamento do Shopping Monte Carmo ("Monte Carmo")	(e)	51,00%	-	51,00%	-
Praça EDG Congonhas Empreendimentos S.A.		-	100,00%	-	100,00%
Z.A. Digital de São Paulo Sistema de Estacionamento Rotativo S.A.		-	100,00%	-	100,00%
SCP - Estacionamento Do Shopping Hortolandia ("Shop Hortolandia")		51,00%	-	-	-
Ecovagas Carregadores Elétricos Ltda. ("Ecovagas")		100,00%	-	100,00%	-
SCP Estacionamento Parque Shopping ("Parque Bahia")	(f)	51,00%	-	-	-

(a) Subsidiary of Hora Park.

(b) Subsidiary of Hora Park (50%) e Wellpark (50%).

(c) Subsidiary of Capital.

(d) SCP for operation in Parque Shopping Aracajú.

(e) SCP for operation in Shopping Monte Carmo.

(f) SCP for operation in Parque Shopping

Affiliates and Joint Ventures	Note	% as of 12/31/2021		% as of 12/31/2020	
		Direct	Indirect	Direct	Indirect
CCN Centro de Convenções Ltda ("CCN")	(a)	-	50,00%	-	50,00%
Loop Gestão de Pátios S.A. ("Loop")	(b)	-	49,00%	-	49,00%
Consórcio Enéas de Carvalho Ltda. ("Enéas")	(c)	-	5,60%	-	5,60%
Consórcio Trianon Park Ltda. ("Trianon")	(c)	-	5,00%	-	5,00%
Consórcio Estacionamento Centro Cívico ("Centro Cívico")	(d)	70,00%	-	70,00%	-
Consórcio Estacionamento Novo Centro ("Novo Centro")	(d)	60,00%	-	60,00%	-

(a) Joint venture of Riopark.

(b) Affiliate of Loop AC.

(c) Company incorporated by the company Primeira during the year 2017.

(d) The Company has significant influence over the investee. Despite the participation percentage being greater than 50%, the Company does not have control of the entity as it does not have the necessary amount of voting capital in accordance with the shareholders' agreement.

Analysis of Consolidated

1. Net Revenues

Net Revenue from Services Provided in the fiscal year ended December 31, 2021 was R\$834,931 thousand, compared to R\$649,365 thousand in the fiscal year ended December 31, 2020, representing an increase of R\$185,566 thousand or an increase of 28.6%.

We demonstrate below the evolution of net revenue from services provided by segment between 2021 and 2020:

(In '000 Reais, except %)	Year ended December 31		HC
	2021	2020	2021x2020
Net Revenues	834.931	649.365	28,6%
Leased and Managed	372.294	306.813	21,3%
Long Term Contracts	252.097	223.803	12,6%
On-Street Concessions	109.353	37.629	190,6%
Off-Street Concessions	74.376	60.821	22,3%
Owned Locations	22.141	19.826	11,7%
Others	4.671	473	>200%

On December 31, 2021, our operations had 389,882 parking spaces distributed in 77 cities and 15 states, a net increase of 927 parking spaces compared to December 31, 2020. The main movements of parking spaces in the period were:

- Leased and Managed: net increase of 4,100 parking spaces, as a result of openings carried out in recent months, with emphasis on Shopping Centers (+4,700 parking spaces) and Hospitals (expansion of 1,000 parking spaces);
- Long-Term Contracts: net reduction of 1,300 spaces. Despite the reduction in parking spaces, there is no change in the global economic value of the contracts involved in the reduction, so there is no Churn in this case;
- On-Street Concessions: net reduction of 200 parking spaces, due to closures in December 2021 (Churn of -0.28%);
- Off-Street Concessions: end of concession in Florianópolis/SC and end of operations at Santos Dummont airport in Rio de Janeiro/RJ at the end of 2021;

2. Cost of Services

The Costs of Services provided in the fiscal year ended December 31, 2021 was R\$628,017 thousand compared to R\$484,547 thousand in the fiscal year ended December 31, 2020 corresponding to 75.2% and 74.6% of the Net Revenue from Services Provided in the fiscal years ended December 31, 2021 and 2020.

The increase in the Cost of Services, of R\$143,470 thousand, or 29.6%, between 2021 and 2020, is the result of the partial recomposition of costs with Rent arising from the structure of the Company's contracts, based on variable rents that accompany the variations of revenues and which was partially offset by lower operating labor costs, as well as lower operating depreciation costs.

3. Gross Profit

Gross Profit in the fiscal year ended December 31, 2021 was R\$206,914 thousand compared to R\$164,818 thousand in the fiscal year ended December 31, 2020.

The increase of R\$42,096 thousand or 25.5% between the years 2021 and 2020, mainly reflected the 28.6% increase in Net Revenue due to actions to adjust the cost structure that began to be taken since the beginning of the pandemic.

Gross Profit represented 24.8% and 25.4% of Net Revenue from Services Provided in the fiscal years ended December 31, 2021 and 2020, respectively.

4. General & Administrative Expenses

General and Administrative Expenses in the fiscal year ended December 31, 2021 were R\$90,689 thousand, compared to R\$80,241 thousand in the fiscal year ended December 31, 2020.

The increase of R\$10,448 thousand or 13.0% between the years 2021 and 2020 was mainly due to expenses with the implementation of technology necessary to support the future growth of the Company and prepare it for the current moment of recovery as well as for growth expected in the coming quarters. In 2021, we also invested in modern human resources tools aimed at the continuous improvement of the corporate journey of our employees, including automated admission processes.

General and Administrative Expenses represented 10.9% and 12.4% of Net Revenue from Services Provided in the fiscal years ended December 31, 2021 and 2020.

5. Amortization of Intangible Assets

Amortization of Intangibles in the fiscal year ended December 31, 2021 was R\$146,375 thousand, compared to R\$121,722 thousand in the fiscal year ended December 31, 2020.

The increase of R\$24,653 thousand, or 20.3%, between 2021 and 2020 is directly linked to the maturation of the Zona Azul de São Paulo Concession, which began in November 2020.

6. Other Operating Income (Expenses), Net

Other Operating Income (Expenses), Net for the fiscal year ended December 31, 2021 totaled R\$1,627 thousand, compared to a revenue of R\$47,846 thousand in the fiscal year ended December 31, 2020.

The decrease in Other Net Income is directly related to the closure of operations and the accounting impact of IFRS 16 (Leasing Operations) of contractual renegotiations, both without cash effect, mainly in 2020.

7. Finance Income (Costs)

The Finance Income for the fiscal year ended December 31, 2021 was an expense of R\$189,225 thousand, compared to an expense of R\$177,272 thousand in the fiscal year ended December 31, 2020.

The increase in Net Financial Expenses by R\$11,953 thousand, or 6.7%, between 2021 and 2020 resulted from the 38.4% reduction in total financial income, from R\$28,520 thousand in 2020 to R\$17,572 thousand in 2021, mainly from the reduction in income arising from the mark-to-market effects of the Swap's fair value, without cash effect, contracted to protect the debt in foreign currency.

8. Net Loss

The Net Loss for the fiscal year ended on December 31, 2021 was R\$224,170 thousand, compared to R\$170,669 thousand in the fiscal year ended on December 31, 2020, representing an increase of R\$53,501 thousand between 2021 and 2020.

Variations in losses for the fiscal years ended December 31, 2021 and 2020 are explained by the variations described above.

The Loss for the Year represented 26.8% and 26.3% of the Net Revenue from Services Provided in the fiscal years ended December 31, 2021 and 2020.

9. EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin

EBITDA is a non-accounting measurement prepared by the Company in accordance with the Brazilian Securities and Exchange Commission ("CVM") Instruction No. 527, of October 4, 2012, and consists of the net income (loss) for the year adjusted by the net financial result, income tax and social contribution on profit and depreciation and amortization costs and expenses.

The EBITDA margin consists of EBITDA divided by net revenue from services rendered.

Adjusted EBITDA refers to EBITDA adjusted for expenses that do not have a direct impact on the Company's cash flow, such as expenses incurred by the Company for the preparation and registration of the initial offering of shares and other items considered unusual by the Company or that are not arising from its main operations.

Adjusted EBITDA Margin consists of Adjusted EBITDA divided by net revenue from services provided.

Below is the reconciliation of EBITDA and Adjusted EBITDA and the calculation of the Company's EBITDA Margin and Adjusted EBITDA Margin for the last two fiscal years:

(In '000 Reais, except %)	Year ended December 31		HC
	2021	2020	2021x2020
Net Loss	(224.170)	(170.669)	31,3%
(-) Finance Income (Costs)	189.225	177.272	6,7%
(-) Taxes	2.552	1.588	60,7%
(-) Depreciation and Amortization	237.681	266.612	-10,9%
EBITDA	205.288	274.803	-25,3%
Net Revenues	834.931	649.365	28,6%
EBITDA Margin	24,6%	42,3%	-17,7 p.p.
Earn-Out	18.601	59.820	-68,9%
SOP	(21.699)	(107.532)	-79,8%
Adjusted EBITDA	202.191	227.091	-11,0%
Net Revenues	834.931	649.365	28,6%
Adjusted EBITDA Margin	24,2%	35,0%	-10,8 p.p.

does not consider PIS/Cofins credit on depreciation of the right to use

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin are not accounting measures recognized by the accounting practices adopted in Brazil ("BR GAAP") nor by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), do not represent cash flow for the years presented and should not be considered as a substitute

for net income (loss) for the year, as an indicator of operating performance, as a substitute for cash flow, as an indicator of liquidity or as a basis for the distribution of dividends. They do not have a standard meaning and may not be comparable to measures with similar titles provided by other companies.

EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin are financial indicators used to evaluate the results of companies without the influence of their capital structure, tax effects, other accounting impacts without a direct impact on the company's cash flow and other items considered unusual by the Company or that do not arise from its main operations.

10. FFO, Adjusted FFO, FFO Margin and Adjusted FFO Margin

FFO (Funds From Operation) is a non-accounting measurement disclosed by the Company, reconciled with its consolidated financial statements, and consists of the Company's loss for the year, before deferred income tax and social contribution, FFO financial result and depreciation and amortization (costs and expenses). The FFO margin is calculated by dividing the FFO by the net revenue from services provided.

Adjusted FFO refers to FFO adjusted for expenses that do not have a direct impact on the Company's cash flow, such as expenses incurred by the Company for the preparation and registration of the initial offering of shares and other items considered unusual by the Company or that are not arising from its main operations.

The Adjusted FFO margin is calculated by dividing the Adjusted FFO by the net revenue from services provided. FFO, Adjusted FFO and FFO margin and adjusted FFO margin are not measures recognized by accounting practices adopted in Brazil or IFRS, do not represent cash flow for the years presented and should not be considered, alone, as an alternative to net income to the operating cash flow, nor should they be considered as an indicator of operating performance or an alternative to cash flow as an indicator of the Company's liquidity. FFO, Adjusted FFO and FFO margin and Adjusted FFO margin do not have a default meaning. In this sense, if the meaning adopted by the Company is not adopted by other companies, the FFO, Adjusted FFO and the FFO margin and Adjusted FFO margin disclosed by the Company may not be comparable to measures with similar titles provided by other companies.

Below are the values of the Company's FFO, Adjusted FFO, FFO margin and Adjusted FFO margin for the last two fiscal years:

(In '000 Reals, except %)	Year ended December 31		HC
	2021	2020	2021x2020
Net Loss	(224.170)	(170.669)	31,3%
Financial Result - FFO ⁽ⁱ⁾	16	(811)	-101,9%
Diferred Taxes	-	-	N/A
Depreciation and Amortization ⁽ⁱⁱ⁾	237.681	266.612	-10,9%
FFO	13.527	95.132	-85,8%
Net Revenues	834.931	649.365	28,6%
FFO Margin	1,6%	14,6%	-13,0 p.p.
Earn-out ⁽ⁱⁱⁱ⁾	18.601	59.820	-68,9%
SOP (IFRS 16) ⁽ⁱⁱⁱ⁾	(21.698)	(107.532)	-79,8%
Adjusted FFO	10.430	47.420	-78,0%
Net Revenues	834.931	649.365	28,6%
Adjusted FFO Margin	1,2%	7,3%	-6,1 p.p.

(i) Financial income and expenses with no impact on the Company's cash. The following items presented in explanatory note 26 Financial Result of the financial statements for the years ended December 31, 2021 and 2020 were considered: asset and liability exchange variation, swap fair value adjustment and options fair value adjustment;

- (ii) Depreciation – right to use operations includes PIS and COFINS credits on the lease of operating contracts in the amounts of R\$5,271 in 2021 R\$9,435 in 2020;
- (iii) Gains after write-offs due to contractual terminations and revisions (IFRS16), with no cash effect.

FFO, Adjusted FFO, FFO margin and Adjusted FFO margin are not measures recognized by accounting practices adopted in Brazil or by IFRS, do not represent cash flow for the years presented and should not be considered, alone, as an alternative to net income, to the operating cash flow, as well as they should not be considered as an operating performance indicator or alternative to cash flow as an indicator of the Company's liquidity. FFO, Adjusted FFO, FFO margin and Adjusted FFO margin do not have a default meaning. In this sense, if the meaning adopted by the Company is not adopted by other companies, the FFO, Adjusted FFO, FFO margin and Adjusted FFO margin disclosed by the Company may not be comparable to measures with similar titles provided by other companies.

11. Investments

We proved once again at the end of 2021 our expertise in capital allocation in our operation by investing one. The volume of investments totaled R\$112,572 thousand compared to R\$670,121 in 2020. A substantial part of the variation in the year results from the investments made to face the Initial Grant of the Concession of the Zona Azul de São Paulo in 2020.

Additional information is included in our Consolidated Statement of Cash Flows.

12. Debt

On December 31, 2021, the Company's net debt, which consists of the sum of: Loans, financing and debentures (current and non-current), Accounts payable for acquisition of investments (current and non-current), Tax installments (current and non-current) and lease liabilities (current and non-current) less total cash and cash equivalents, totaled R\$1,269,432 thousand, a 12.1% decrease compared to net debt on December 31, 2020, of BRL 1,444,299 thousand.

Below is the reconciliation of the net debt for the last three fiscal years:

(Net Debt in thousand Reais)	Year ended December 31		HC
	2021	2020	2021x2020
Loans, financing and debentures (current)	322.345	473.634	-31,9%
Loans, financing and debentures (non-current)	530.609	391.569	35,5%
Accounts payable for investment acquisition (current)	0	2.000	-100,0%
Accounts payable for investment acquisition (non-current)	0	3.815	-100,0%
Tax Installments (current)	92	230	-60,0%
Tax Installments (non-current)	81	167	-51,5%
Gross Debt	853.127	871.415	-2,1%
Lease liabilities (current)	92.796	139.059	-33,3%
Lease liabilities (non-current)	419.909	475.934	-11,8%
Total Gross Debt and Lease Liabilities(1)	1.365.832	1.486.408	-8,1%
(-) Cash and Cash Equivalents	(96.400)	(42.109)	128,9%
Net Debt⁽¹⁾	1.269.432	1.444.299	-12,1%

¹ Gross Debt and Net Debt are not measures of financial performance, liquidity or indebtedness recognized by accounting practices adopted in Brazil ("BR GAAP") nor by the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and do not have a standard meaning. Other companies may calculate Gross Debt and Net Debt differently from that used by the Company. Additionally, on January 1, 2019, the new standard that regulates the accounting treatment of Leasing Operations (IFRS 16/CPC 06(R2)) issued by the IASB and CPC, respectively, came into force. For the implementation of this standard, the Company adopted the retrospective method fully and prospectively from the beginning of the first practicable period. Consequently, the accounting information as of December 31, 2021, as well as the comparative information as of December 31, 2020 have been adjusted to reflect the adoption of IFRS 16/CPC 06(R2). The balances of lease liabilities (current and non-current) on December 31, 2021 and 2020 were R\$512,705 thousand and R\$614,993 thousand, respectively.

For more information on the financial contracts entered into by the Company, see explanatory note 13 to the financial statements.

In addition to its own resources and operating cash generation, the Company raises funds, when necessary, through financial contracts, which are used to finance the Company's working capital needs and short and long-term investments, as well as in maintaining cash and cash equivalents at a level that the Company believes to be appropriate for the performance of its activities.

Profit Distribution to Shareholders

The Company's Bylaws determines that a portion of 5% (five percent) will be deducted from the net income for the year for the constitution of the legal reserve, which will not exceed 20% (twenty percent) of the capital stock.

Shareholders are entitled to a non-cumulative annual dividend in an amount corresponding to 25% of the net income for the year calculated pursuant to article 202 of the Brazilian Corporation Law.

For the years ended December 31, 2021 and 2020, there were no distributions of dividends, since the Company had a loss in those years.

Human Resources

Our Human Resources practices are based on an efficient structure that ensures strategic alignment among the approximately 5,000 employees, mainly located in our operations.

Estapar's Human Resources management is based on the following pillars:

Knowledge: learning paths in line with the needs of each employee in order to meet the Company's main guidelines;

Leadership: dissemination of the business strategy, with the objective of engaging and establishing strategic alignment;

Meritocracy: framework and recognition based on a performance management cycle (performance x potential);

Estapar Academy:

The Company's Human Resources area also makes available the Estapar Academy, our development and education platform, which has more than 400 contents available to 100% of our employees. This action guarantees the strategic alignment of the entire company.

In 2021, we reached 134,153 hours of training, which corresponds to an approximate average of 28 hours per employee (a number higher than the service industry average, which is 18 hours) with an adherence of 94% of employee engagement in our training contents.

Contingency Plan:

Its objective is to promote health and quality of life for our employees, where the companies of the ESTAPAR group constantly highlight and reinforce their main preventive actions against the spread of Covid-19.

It brings several contingency plans, such as for individuals from risk groups, guidelines for conduct, a plan for home isolation, contingency of records and operational controls, a plan on safety devices and equipment, general clinical considerations and a plan for the resumption of activities that describes the structural and organizational changes necessary for the safe return of employees to in-company activities.

Social and Environmental Responsibility

Estapar has several initiatives focused on social responsibility and sustainability:

Initiatives to support the fight against the COVID-19 pandemic:

During the most critical moment of the pandemic, Estapar, in response to the request of the Health Department of the State of São Paulo, granted vacancies free of charge to health professionals in São Paulo. Our mobility team also developed initiatives for the diverse use of parking lots to carry out rapid tests to detect the disease, in addition to using part of our operations for cleaning and sanitizing application vehicles in different cities.

Solidary Parking space:

About 70 spaces are available in the municipality of Taubaté that allow users to park free of charge in the indicated places for up to 1 hour a day, divided into two periods of half an hour each, between the morning and afternoon periods. The project aims to facilitate the boarding and disembarkation of passengers such as the elderly, people with reduced mobility and customers who need to perform some quick task on a daily basis.

Solidary Parking:

An Estapar initiative where we make part of the income earned in our Zona Azul operations for and destination actions in the municipalities in which we operate. The funds obtained are used to purchase products that meet specific needs in the communities where the company operates.

Environment:

Estapar contributes to the reduction of greenhouse gas emissions, removing vehicles in search of parking spaces from circulation (about 30% of vehicles circulating on non-main roads are in search of parking spaces).

Among the initiatives adopted by the Company is the use of solar panels in an operation in Minas Gerais, with the generation of 115.8 thousand kWh/year and an estimated reduction of 135 tons of CO₂ in 15 years. Still on the topic of solar energy, we have 1,095 parking meters with photovoltaic panels in 14 On-Street operations, with total autonomy in relation to the conventional grid, generating and consuming approximately 1,800 Watts/terminal/month.

Finally, in 2021, in line with the company's strategy to help reduce and reduce pollutant emissions, we created, in partnership with EnelX, the company Ecovagas, an integrated network of charging stations with currently 200 stations for charging electric vehicles installed. in 100 premium parking spots managed by Estapar, in 29 cities, in 10 states, in the South, Southeast, Northeast and Federal District.

Description of Company's business

Estapar ("Company") was founded in the 1980s, in the city of Curitiba, state of Paraná (PR) and its first growth cycle started in the 1980s with the merger of RioPark, expanding its business to Rio de Janeiro and São Paulo in commercial condominium operations, hospitals, hotels, public concessions for underground garages, in addition to being a pioneer in the implementation of Zona Azul with a parking meter in the city of Araras-SP in 1998 and, later, Zona Azul Digital via App. In 2009, Estapar had 110 thousand vacancies and 198 operations with contracts mostly of the "asset light" type (Leased and Managed). In the same year, the Company began its second growth cycle of investments in long-term public (Off-Street and On-Street) concession arrangements and private (Long-Term) contracts, own operations (Own Operations) and mergers and acquisitions, which enabled Estapar to leverage its results between 2010 and 2020, increasing Gross Margins and Duration of Contracts and becoming a platform with a strong national presence, recognized as a reference and positioned at the forefront of its segment, in line with mobility evolution in major capital cities in the world. At the end of 2020, Estapar had 651 own operations and 389 thousand vacancies with a presence in 77 municipalities and 15 states.

Description of business lines:

Leased and Managed Locations: comprises agreements executed with the private sector. There are operations in the parking area in various segments, such as: commercial buildings, malls, hospitals, educational institutions, banks, and land. Agreements are for leases (fixed or variable leases, or a combination of both) and management (fixed or variable fee).

Long-term Contracts: include agreements entered into with the private sector and demand investments in infrastructure and/or initial grant. We highlight parking operations in the following segments: commercial buildings, airports, educational institutions, among others.

On-Street Concessions: on-street pay-and-display parking space management agreements entered into with the Cities, which grant the right of operation. The counterpart includes investments in parking meters, infrastructure, signage and grants.

Off-Street Concessions: comprises agreements with the Government, won through bidding. It may be related to infrastructure, which demands huge volumes of investments.

Properties: these are real estate acquisition agreements (garages or parking spaces) as a unit separate from the venture where it is located.

Others: secondary revenues that are not specifically identifiable to an operating segment, franchise revenues, and specific operations considered as extraordinary.

Independent auditor

The Company's policy in engaging any non-audit services from the independent auditor is based on the principles that preserve the auditor's independence, namely: (a) the auditor should not audit their own work, (b) the auditor must not exercise managerial functions in their client and (c) the auditor must not promote their client's interests.

Audit fees refer to professional services provided in the audit of the Company's consolidated financial statements, quarterly reviews of the Company's consolidated financial statements, corporate audits and interim reviews of certain subsidiaries, as required by appropriate legislation.

In order to comply with CVM Rule No. 381/2003, the Company informs that Ernst & Young Auditores Independentes S.S., which provides independent audit services to the Company, did not provide other non-audit services that represented more than 5% (five per percent) of audit fees for 2020.

Acknowledgments

We thank all shareholders, employees, suppliers and customers for their trust.