

# **Individual and Consolidated Financial Statements**

**Iguatemi S.A.**  
(New name of Jereissati Participações S.A.)

December 31, 2021  
with Independent Auditor's Review Report

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

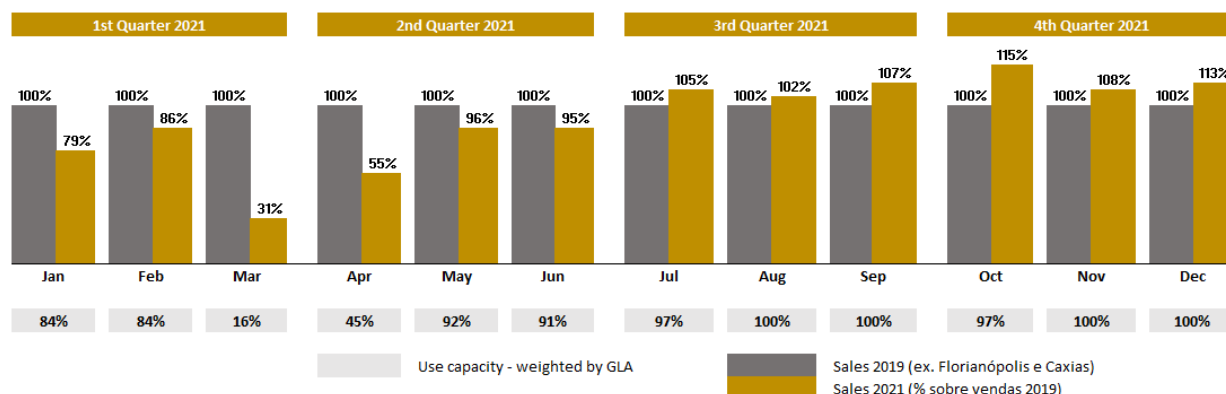
## MESSAGE FROM MANAGEMENT

### Operation and Sales Status

The year of 2021 was marked by the great result of our malls, which posted a strong improvement compared to 2019 in the main indicators, with increase in sales and rental revenues, resulting in a drop in delinquency and closing of vacant area when compared to the scenario seen in 2020.

### Operational indicators

Our sales continued to perform very well, leading us to reach the quarterly sales record in our history. Total sales reached R\$ 12.7 billion in 2021, which represents a growth of 46.1% compared to 2020. Same-Store sales (SSS) had a superior performance, reaching 34.7 % higher when compared to the same period in 2020.



We managed to improve same-store sales (SSS) in all categories, such as Fashion, Footwear and Leather Goods, which account for 32.0% of our GLA, increased 50.6% in same-store sales over 2019, and Food also have performed well, growing 35.6% in 2021 versus 2020.

### Rent

With the return of movie and new releases schedule, entertainment operations improved, which positively impacted parking lot flow and restaurant and food court occupancy at night.

The positive sales result allowed us to continue with our policy of withdrawing discounts, generating a 67.2% growth over 2020 in same-store rent (SSR). Despite having increased collections, net delinquency fell to 2.4%, a value close to the pre-pandemic level and occupancy cost reached 12.6% in 2021.

### Occupancy rate

With the strong pick-up of sales in our portfolio, we saw an increase in the search for our spaces and we signed 66 new rental agreements in 4Q21. As a result, December was the 6th consecutive month in which we closed vacant GLA in 2021, reaching an average occupancy rate of 90.8% in 2021. If we consider the end of December, the occupancy rate was 92.2%.

## Restructuring

Continuing with the corporate restructuring, on October 1st and 13th, 2021, **Jereissati Participações and Iguatemi, approved, respectively, at the EGM unanimously and with 65% of the minority shareholders' votes**, the merger of the shares issued by Iguatemi owned by non-controlling shareholders by Jereissati. The Transaction aims to create Iguatemi SA, a new name to be adopted by Jereissati, **which will bring together the shareholding bases of the two companies in a single company, and which will have shares traded, in the form of Units**, in the Level 1 listing segment of B3 S.A., but with shareholder rights and governance practices substantially like those required by B3's Novo Mercado Regulation. In addition, **the Company's new Bylaws implemented vetoes given to non-controlling shareholders on specific matters, in addition to the creation of 4 new committees formed by statutory members.**

**This new structure is a fundamental step for the company's future**, as it allows the company to increase its investment and growth capacity, **putting the company in a favorable position to participate in future opportunities for consolidation, business combinations and acquisition of strategic assets**, increasing thus the relevance within the market.

## Employees

In 4Q21, we reinforced the importance of our people being in the core of our customer experience.

In the organizational health front, we focused on dates targeted at disease prevention, such as Pink October and Blue November. We offered our employees the opportunity to have male and female health exams at the company and held lectures on preventive health with renowned professionals, such as Dr. Fernando Cotait Maluf and Dr. Antonio Carlos Buzaid.

Continuing the development of our leaders, we have developed the Lidera Iguatemi programs aimed at first-time leaders and training in future skills for middle-level leaders, comprising 2 modules: Problem Solving and Inova Iguatemi. Problem Solving being formed by 5 meetings with project presentation submitted to a panel. For Inova Iguatemi, 3 microlearning courses were launched (Innovation Mindset, Design Thinking and Agile Methodologies) with practical laboratories that will start in 2022.

We received GPTW recertification, in the Women and Retail categories, we built new action plans and achieved 86% completion of the climate actions foreseen in the organizational plan for 2021. We were recognized in the 24th HR TOP of mind, being among the five most remembered for managing people in the pandemic.

Reinforcing our commitment to generational diversity, we launched a program in partnership with Lets Code aimed at developers over fifty years of age. In the end, of the 800 people who signed up, 15 people were selected to participate in a training program fully financed by Iguatemi, lasting 24 weeks and 400 hours of full stack training.

We continue to expand our view on and affirmative initiatives towards diversity. As a signatory of the Women's Empowerment Principles (WEPs), Iguatemi joined UN's annual campaign - 16 Days of Activism against Gender-Based Violence. We carried out affirmative initiatives to support this cause, including information, workshops and using orange lighting in the facade of Iguatemi Brasília. A Workshop on the topic was also held, with more than 65 participants.

## **Iguatemi Digital**

In the fourth quarter, we continued to make progress in important topics of Iguatemi's digital strategy:

### **Acquisition of Etiqueta Única**

On March 3, Iguatemi announced the acquisition of a 23.08% stake in Etiqueta Única, Brazil's largest e-commerce intermediating the sale of luxury second-hand items in the country. Amounting to R\$27 million, the transaction ensures that Iguatemi has a purchase option to become the operation's controller for the next 3 years.

The partnership with Iguatemi S.A. strengthens the importance of innovation and conscious consumption in the fashion market. Currently, Etiqueta Única is Latin America's largest online luxury platform specialized in collaborative and circular economy, growing 40% per year on average.

Since its expansion, the entity counts with above 600 national and international labels in its portfolio, and 65 thousand authentic products, with iconic and desired luxury brands such as Gucci, Chanel and Louis Vuitton.

Besides being aligned with Iguatemi's business goals and a player on the rise, Etiqueta Única has always recorded profits since its creation in 2013. Through this new investment, the company intends to triple its GMV in the coming years.

### **Iguatemi 365**

2021 was a year of great expansion for Iguatemi 365. Out of the four main movements planned (1) Logistics - expansion in Brazil; (2) Selection - increase in categories and SKUs; (3) Omnichannel - opening of 365 Pop Up and (4) app launch, only the last one was postponed to the 1st half of 2022.

In (1) Logistics, we began to deliver to all Brazilian states, covering 91% of the Brazilian GDP. Even with the national expansion, we reduced our delivery lead time by 13% and kept the percentage of orders delivered on time above 90%. As a result, the GMV for cities without the presence of Iguatemi shopping malls now represents 47% of the website's total GMV (versus 30% in 2020).

In (2) Selection, through the development of non-fashion categories (such as home, decor and beauty) and the entry of 185 new brands, such as Golden Goose, Burberry and Michael Kors, we reached 407 active brands (+83% YoY) and 22.4k SKUs (+ 38% YoY). Even with the growth in non-fashion categories share, with lower prices and now representing 13% of total GMV (+5 p.p. YoY), we kept the average ticket stable YoY.

In (3) Omnichannel expansion, we opened our Pop Up store in 4Q21, with more than 400 sqm at Shopping Iguatemi SP, reinforcing our omnichannel DNA. Also, in 4Q21, with a greater optimization of investments in traffic and exposure of offline fronts, we had organic traffic growing 3x more than paid traffic compared to 4Q20, while cost per session fell 42%. From a GMV standpoint, 4Q21 was the best sales quarter in our history and December - month when we opened 365 Pop Up store and the new Private Client Relationship structure - our best month, with Offline operations (sales at the Baroneza store, assisted sales at 365 Pop Up and direct sales to Private Clients) accounting for 19% of the month's total GMV.

With this expansion and increased operation efficiencies, versus 2020, we closed 2021 with traffic up by 117%, an 82% increase in customers making purchases, and a 17% reduction in cost per session.

In 2022, we plan to (1) reduce delivery times; (2) maintain the expansion of non-fashion category and continue bringing in Top Brands; (3) develop new offline sales models - such as new temporary operations and Private Client; and (4) launch the app. As a result, we plan to double our GMV versus 2021.

## **Iguatemi One**

Iguatemi One had important progress in the last quarter. The number of customers increased more than 3 times, and the number of partners doubled, bringing innovations such as discounts and experiences inside and outside our malls. We made experiences more convenient to our customers, such as the participation in the Christmas promotion through the app itself, avoiding queues and providing a more fluid interaction. Also, through the app, we offered customers the option to contribute to a more charitable Christmas, by making donations in an easy and simple way.

The connection between physical and digital environment also provides information that helps us improve the journey of Iguatemi's customers and such data enables us to offer the best experience in line with each customers' profile and needs, in addition to even more tailored communication and initiatives.

For the coming months, we have several actions to even further customize the user experience, making it remarkable; We will offer relevant benefits, new features and a more dynamic environment, encompassing all steps of the new relationship concept between Iguatemi and the customer.

## **Iguatemi institutional**

### **Mondrian for Children**

Sound, image resources and a good dose of special effects were part of the immersive exhibition "Mondrian for Children", which Galleria Shopping brought to Campinas from October 1st to 31st, in celebration of Children's Month. The show was a tribute to the Dutch painter Piet Mondrian (1872-1944), creator of the Neo-Plasticism movement and known for an abstract aesthetic, with the predominant use of black, white, and primary colors (red, blue and yellow), in addition to many forms. geometric shapes, especially square and rectangular shapes.

Customers were able to take their children to enjoy unforgettable moments in six very visual and fun environments.

### **Fashion Week Kids**

On October 2nd and 3rd, Pátio Higienópolis hosted another edition of Fashion Weekend Kids, a fashion show in the children's segment for brands that wish to relate to their final consumer.

The fashion show was produced by the clothing and accessories brands, with the participation of the clients' children as models. For guests to access the event, they should donate a toy to an NGO.

### **Impressionist Landscapes by Claude Monet**

Iguatemi promoted the "Impressionist Landscapes by Claude Monet" experience at Pátio Higienópolis, between August 13 and October 17, Iguatemi Campinas, from October 29 to December 14 and Shopping Praia de Belas, from January 21 to October 22, February 2022. Visitors experienced an immersive and sensorial experience in Monet's paintings, such as the aroma of his garden, the atmosphere of the Paris cafes of the effervescent Belle Époque.

Sensory Experience that, through eight seasons, introduced the colors, the techniques, the works of Monet and the environment in which he lived. Claude Monet was born in Paris in 1840, and from an early age he began to study painting and is considered the most famous impressionist painter – the term "impressionism" came from one of his paintings, "Impression: Sunrise". Occupying an area of approximately 380 meters.

Visitors had access to eight stations, which introduced the colors, techniques, works and the environment in which the artist lived.

### **Wine Festival**

The Wine Festival took place at Iguatemi Esplanada on November 13th and 14th and at Galleria Shopping on December 4th and 5th, and it brought a relaxed experience in tasting wines and sparkling wines, and to complete this experience the festival offered finger foods different for each drink. The event took place at the Garden Espaço de Eventos, with live music led by the Orquestra do Conservatorio de Tatuí, following all safety protocols such as distancing between tables, which accommodated up to four people each.

### **Van Gogh Landscapes**

An immersive and sensorial experience inspired by the work of one of the world's greatest artists, the main name of post-impressionism. The exhibition Landscapes of Van Gogh did not take place at Shopping Iguatemi Rio Preto from January 14 to February 13, being part of the painter's universe.

The event was inspired by five of Van Gogh's most famous paintings, the hundreds of personal letters he wrote throughout his 37 years of life and the 38 places he lived. With resources of colors, sounds and aromas, the visitor was able to learn about his life and impressions of the world through excerpts from his personal letters, presented by a narrator.

The visitation circuit included eight scenarios, in each environment, different experiences to the sound of excerpts from his letters to his brother Theo and his sister-in-law Johanna. In addition to the rooms, on the upper floor the visitor can still see one last work: the "Arles Room", a 12m<sup>2</sup> installation, a faithful replica of the canvas that depicts the room in which the painter lived during his stay in the French countryside.

### **Welcome do Extraordinary**

Iguatemi exclusively brought "Welcome to Extraordinary": an unprecedented and exclusive event that brings together the films that Steven Spielberg produced and directed together with Universal Studios. Parents and children had the opportunity to remember the classics "Tubarão", "E.T. – The Extraterrestrial", "Back to the Future" and "Jurassic Park - The Dinosaur Park". The arena, which had about 200m<sup>2</sup>, brought interesting facts about the films and interactive content. Each scenario explored famous details from each of the films and made the visitor interact and have an immersive and special experience. The free event took place at Praia de Belas malls, between 10/08 and 11/07, Market Place between 10/23 and 11/21, Iguatemi Esplanada between 01/07 and 02/06, Iguatemi Ribeirão Preto between 01/14 and 02/13 and at Iguatemi Campinas, from 02/11 to 03/13.

### **Beach Tennis**

A complete structure for renting beach tennis courts, set up in the open air at Iguatemi Shopping Malls. The unprecedented initiative was created to reinforce the venture's pioneering and innovative DNA, in promoting exclusive actions for its customers. The experience promotes practicing the sport with family and friends, renting the courts or taking exclusive classes with renowned teachers.

There were two courts with a complete infrastructure, allowing customers to play with up to four people per game, in doubles or singles. Beach Tennis Iguatemi also had renowned teachers in the field, to give solo classes and teach the techniques of the sport. All this following strict health and safety protocols. The event took place at Iguatemi São Paulo between 09/17 and 10/31 and at Galleria Shopping, between 11/20 and 01/20.

## **Social Responsibility Initiative at Christmas**

With the objective of encouraging solidarity and engaging its public in support of others, Iguatemi also promoted the Social Responsibility Campaign at Christmas 2021. As in the previous year, the campaign was carried out in a 100% digital format, on a platform safe and easy to use developed by Bsocal. The platform was available for donations during the months of December 2021 and January 2022, and can be accessed through social networks and malls' websites, in addition to the Iguatemi One app.

## **4Q21 RESULTS**

As mentioned above, the Company's operating and financial results recovered in 2021 and are already at pre-pandemic levels. **Total sales in the quarter reached R\$12.7 billion in our portfolio, up 46.1%** compared to the same period in 2020. **Same-Area Sales (SAS) and Same-Store Sales (SSS) grew 46.1% and 34.7% over 2020**, respectively. **Same-Areas Rents (SAR) and Same-Store Rents increased by 66% and 67.2%, respectively, compared to the same period in 2020.** It is worth noting that the rental indicators are net of discounts and provisions on rents, therefore, they reflect in the Company's decision to grant temporary discounts on the contractual transfer of IGP-M interest rate.

Regarding the performance of **Malls at 100%**, we had **a 19.7% increase in Gross Rent Revenue compared to 2020** (Minimum Rent + Overage + Temporary Rent), reaching **R\$1,220.6 million**.

Parking revenue totaled **R\$ 162.4 million** in 2021, 39.3% over 2020, even though this line has grown, it is still impacted mainly by the lower flow and frequency of entertainment activities, which, despite continuing to take place, still fail to attract the same audience as before.

the Company recorded a **Gross Revenue of R\$992.3 million, up by 29.8% over 2020**, positively impacted by the rental line, which grew 20.1% vs. 2020. In 2021, the Company continued to grant temporary discounts on the rent's automatic adjustment for inflation, according to the mall's profile and the segment of each tenant. Considering this discount policy, we had a **26.8% increase in Net Revenue, compared to the same period in 2020, reaching R\$858.1 million** in the year.

Rental and service costs increased by 56.2% versus 2020. This growth was driven by the higher parking costs and the "others" line, this growth was driven by the line of "others" due to the expansion of the retail business (I-Retail), Iguatemi 365 and to the cost increase related to vacant GLA and the higher vacant rate compared to 2020. Expenses grew by 46.3% compared to 2020, reaching R\$117.2 milhões in 2021. O EBITDA reached R\$496.8 million in the year, up 2.8% versus 2020, with EBITDA margin of 58.9%.

**The Company's Total Debt ended the quarter at R\$3.4 billion**, down by 4.2% over 2020. Cash Position reached R\$2.1 billion, up by 13.5% versus 2020, leading to a **Net Debt of R\$1.37 billion and a Net Debt/EBITDA ratio of 2.76x**.

Iguatemi reinforces its optimistic view and is ready to benefit from the economic recovery after the pandemic, with a robust and high-quality portfolio. We will continue investing to update our Malls mix, always seeking to increase the company's profitability. In the digital part, we have a well-designed strategy in a growth phase, with interactions at different stages of the customer journey.

**Cristina Betts**  
**CEO of Iguatemi S.A**

## MAIN INDICATORS:

Financial and operational information is based on the consolidated figures, in R\$ '000, under the Brazilian Corporate Law and IFRS, as expressed in Accounting Pronouncements approved by the Brazilian Securities and Exchange Commission (CVM), and were designed to reflect the Company's participation in all Shopping Centers and Towers in its portfolio, including the consolidation of the indirect interest of 6.58% in Shopping Iguatemi Porto Alegre and adjacent tower (Iguatemi Business) as of January 1, 2020.

Financial indicators - Managerial	2021	2020	Chg. %
Gross Revenue (R\$ '000)	992,322	764,402	29.8%
Net Revenue (R\$ '000)	858,064	676,664	26.8%
EBITDA (R\$ '000)	496,770	483,279	2.8%
EBITDA Margin	57.89%	71.42%	-13.5 p.p.
Net Profit (R\$ '000)	346,205	176,080	96.6%
Net Margin	40.35%	26.02%	14.3 p.p.
FFO (R\$ '000)	473,897	306,156	54.79%
FFO Margin	55.23%	45.24%	10.0 p.p.

Operational indicators	2021	2020	Chg. %
Total GLA (sqm)	709,304	710,895	-0.2%
Owned GLA (sqm)	469,358	470,928	-0.3%
Average Owned GLA (sqm)	469,358	469,521	0.0%
Total GLA, malls (sqm)	670,295	671,909	-0.2%
Owned GLA, malls (sqm)	436,248	437,844	-0.4%
Number of malls <sup>(1)</sup>	16	16	0.0%
Total sales (R\$ '000)	12,706,647	8,697,166	46.1%
Same-stores sales (SSS)	34.7%	-28.1%	62.8 p.p.
Same-area sales (SAS)	46.1%	-36.2%	82.3 p.p.
Same-store rentals (SSR) <sup>(2)</sup>	67.2%	-24.5%	91.7 p.p.
Same-area rentals (SAR) <sup>(3)</sup>	66.0%	-28.5%	94.5 p.p.
Occupancy cost (% of sales)	12.6%	13.5%	-0.9 p.p.
Occupancy rate <sup>(4)</sup>	90.8%	93.1%	-2.3 p.p.
Net delinquency rate	2.4%	5.8%	-3.4 p.p.

(1) Considers Iguatemi Esplanada and Esplanada Shopping as one asset.

(2) Table number in the competency view in 2021 versus 2020.

(3) Table number in the competency view in 2021 versus 2020.

(4) At the end of December, the occupancy rate was 92.2%.



## IGUATEMI PORTFOLIO

Portfolio	City	Total GCA (sqm) <sup>(1)</sup>	Total GLA (sqm)	Iguatemi Interest	Iguatemi GLA (sqm)
Iguatemi São Paulo	São Paulo	49,250	49,250	58.58%	28,851
JK Iguatemi	São Paulo	34,104	34,104	64.00%	21,826
Pátio Higienópolis	São Paulo	33,487	33,487	11.54%	3,864
Market Place	São Paulo	26,560	26,560	100.00%	26,560
Iguatemi Alphaville	Barueri	30,924	30,924	78.00%	24,121
Iguatemi Campinas	Campinas	77,559	73,390	70.00%	51,373
Galleria	Campinas	33,141	33,141	100.00%	33,141
Iguatemi Esplanada <sup>(2)</sup>	Sorocaba	64,807	64,807	60.93%	39,487
Iguatemi Esplanada - área proprietária <sup>(3)</sup>	Sorocaba	6,556	3,678	100.00%	3,678
Iguatemi São Carlos	São Carlos	22,344	22,344	50.00%	11,172
Iguatemi Ribeirão Preto	Ribeirão Preto	43,329	43,329	88.00%	38,130
Iguatemi Rio Preto	São José do Rio Preto	43,550	43,550	88.00%	38,324
<b>Southeast Subtotal</b>		<b>465,612</b>	<b>458,565</b>	<b>69.90%</b>	<b>320,527</b>
Iguatemi Porto Alegre <sup>(4)</sup>	Porto Alegre	68,240	64,792	42.58%	27,589
Praia de Belas	Porto Alegre	47,801	44,852	57.55%	25,812
<b>South Subtotal</b>		<b>116,042</b>	<b>109,645</b>	<b>48.70%</b>	<b>53,401</b>
Iguatemi Brasília	Brasília	34,658	34,658	64.00%	22,181
<b>DF Subtotal</b>		<b>34,658</b>	<b>34,658</b>	<b>64.00%</b>	<b>22,181</b>
I Fashion Outlet Novo Hamburgo	Novo Hamburgo	20,057	20,057	41.00%	8,223
I Fashion Outlet Santa Catarina	Tijucas	19,836	19,836	54.00%	10,712
Power Center Iguatemi Campinas <sup>(5)</sup>	Campinas	27,534	27,534	77.00%	21,201
<b>Outlet and Power Center Subtotal</b>		<b>67,427</b>	<b>67,427</b>	<b>59.53%</b>	<b>40,136</b>
<b>Mall subtotal</b>		<b>683,739</b>	<b>670,295</b>	<b>65.08%</b>	<b>436,245</b>
Market Place Torre I	São Paulo	15,345	15,345	100.00%	15,345
Market Place Torre II	São Paulo	13,389	13,389	100.00%	13,389
Torre Iguatemi Porto Alegre <sup>(4)</sup>	Porto Alegre	10,276	10,276	42.58%	4,376
<b>Towers Subtotal</b>		<b>39,010</b>	<b>39,010</b>	<b>84.87%</b>	<b>33,109</b>
<b>Total</b>		<b>722,748</b>	<b>709,304</b>	<b>66.17%</b>	<b>469,355</b>

(1) Gross Commercial Area (ABC) includes, in some projects, proprietary areas that do not belong to Iguatemi.

(2) Considers the Iguatemi Esplanada complex, including Esplanada Shopping and Iguatemi Esplanada.

(3) Area owned by Iguatemi in Esplanada held through a subsidiary.

(4) Considers the indirect interest of 6.58% held through Maiojama Participações.

(5) Power Center located next to Shopping Iguatemi Campinas.

**OPERATIONAL PERFORMANCE (at 100% of the mall) – MINIMUM RENTAL + OVERAGE + TEMP. RENT (R\$ '000)(1)**

Portfolio	2021	2020	Chg. %
Iguatemi São Paulo	281,946	226,855	24.3%
JK Iguatemi	119,772	88,331	35.6%
Pátio Higienópolis	116,276	104,676	11.1%
Market Place	28,387	26,931	5.4%
Torres Market Place	22,043	27,348	-19.4%
Iguatemi Alphaville	38,664	34,131	13.3%
Iguatemi Campinas	128,395	110,571	16.1%
Galleria	28,360	22,976	23.4%
Iguatemi Esplanada <sup>(2)</sup>	78,271	66,635	17.5%
Iguatemi São Carlos	14,552	12,533	16.1%
Iguatemi Ribeirão Preto	31,005	25,646	20.9%
Iguatemi Rio Preto	40,369	30,914	30.6%
Iguatemi Porto Alegre	146,953	120,999	21.4%
Torre Iguatemi Porto Alegre	9,772	9,352	4.5%
Praia de Belas	58,610	50,172	16.8%
Iguatemi Brasília	51,683	42,350	22.0%
I Fashion Outlet Novo Hamburgo	15,987	12,029	32.9%
I Fashion Outlet Santa Catarina	6,507	4,584	42.0%
Power Center Iguatemi Campinas	3,043	3,018	0.8%
<b>Total</b>	<b>1,220,596</b>	<b>1,020,051</b>	<b>19.7%</b>

**OPERATIONAL PERFORMANCE (at 100% of the mall) – PARKING REVENUE (R\$ '000)**

Portfolio	2021	2020	Chg. %
Iguatemi São Paulo	24,671	16,792	46.9%
JK Iguatemi	14,420	10,435	38.2%
Pátio Higienópolis	9,473	6,948	36.3%
Market Place	10,363	7,118	45.6%
Torres Market Place	-	-	-
Iguatemi Alphaville	11,587	8,467	36.8%
Iguatemi Campinas	21,749	16,140	34.8%
Galleria	6,539	5,333	22.6%
Iguatemi Esplanada <sup>(2)</sup>	18,770	13,673	37.3%
Iguatemi São Carlos	2,210	1,965	12.5%
Iguatemi Ribeirão Preto	-	-	-
Iguatemi Rio Preto	-	-	-
Iguatemi Porto Alegre	23,641	15,216	55.4%
Torre Iguatemi Porto Alegre	-	-	-
Praia de Belas	10,010	7,542	32.7%
Iguatemi Brasília	7,915	5,977	32.4%
I Fashion Outlet Novo Hamburgo	-	-	-
I Fashion Outlet Santa Catarina	-	-	-
Power Center Iguatemi Campinas	1,033	956	8.1%
<b>Total</b>	<b>162,379</b>	<b>116,562</b>	<b>39.3%</b>

(1) Numbers do not include the straight-line effect.

(2) Considers Iguatemi Esplanada and Esplanada Shopping as one asset.

## SALES AND RENTALS

Total sales reached **R\$12.7 billion** in the year, up by 46.1% over 2020. O The segments with best sales performance in the quarter were Fashion, Footwear, Leather Goods and Food & Beverage, which show the operational improvement as consumers resume their pre-pandemic commercial activities and return to work from the offices.

Same-Stores Sales (SSS)	% GLA	2021 x 2020		
		Anchors	Other stores	TOTAL
Food & Beverage	13.1%	40.6%	35.2%	35.6%
Apparel, Shoes, Leather Goods	32.0%	55.5%	49.6%	50.6%
Household Goods, Bookstores, Stationery, Tech	12.5%	13.3%	9.3%	10.0%
Miscellaneous, Health & Beauty, Jewelry	17.1%	22.9%	30.3%	29.8%
Services, Entertainment, Others	25.3%	9.2%	13.7%	10.5%
<b>TOTAL</b>	<b>100.0%</b>	<b>29.3%</b>	<b>35.9%</b>	<b>34.8%</b>

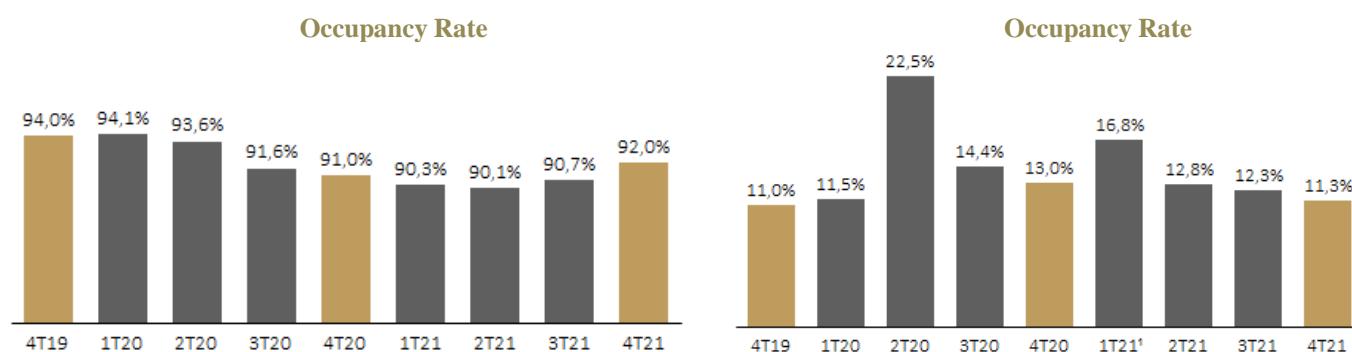
Considering anchor stores those with GLA equal to or greater than 1,000 sqm and other stores those with GLA less than 1,000 sqm.

Versus 2020, same area sales (SAS) were up by 46.1% in the year, while same-store sales (SSS) increased by 34.7%. Same-Area Rents (SAR) increased by 66.0% and Same-Store Rents (SSR) by 67.2%.

Rental Revenue at assets at 100% reached R\$1,220.6 million in 2021 (19.7% over 2020), while Parking Revenue reached R\$162.4 million in the year (39.3% versus 2020).

## OCCUPANCY RATE AND COST

The portfolio's average occupation in the quarter was 90.8%, 2.3 p.p. below 2020, and at the end of the year, on December 31st, occupancy rate was 92.2%. The average occupancy cost was 12.6% in the year.



## DELINQUENCY

We ended 4Q21 with net delinquency at pre-pandemic levels of 2.4%, down by 3.4 p.p. versus 2020, showing that we have managed to receive overdue amounts from the past months, in addition to emphasize our capacity to receive current rents.

## ECONOMIC AND FINANCIAL PERFORMANCE

Consolidated P&L - Managerial (R\$ '000)	2021	2020	Chg. %
Gross Revenue	992,322	764,402	29.8%
Taxes and Discounts	-214,485	-245,252	-12.5%
Straight-Line Effect <sup>(1)</sup>	80,227	157,514	-49.1%
<b>Net Revenue</b>	<b>858,064</b>	<b>676,664</b>	<b>26.8%</b>
Costs and Expenses	-357,177	-233,710	52.8%
Other Operational Revenues	-6,946	43,061	-116.1%
Equity Gain (Loss) in Subsidiaries	2,829	-2,736	-203.4%
<b>EBITDA</b>	<b>496,770</b>	<b>483,279</b>	2.8%
<i>EBITDA Margin</i>	<i>57.89%</i>	<i>71.42%</i>	<b>-13.5 p.p.</b>
Depreciation and Amortization	-155,386	-149,001	4.3%
<b>EBIT</b>	<b>341,384</b>	<b>334,278</b>	<b>2.1%</b>
<i>EBIT Margin</i>	<i>39.79%</i>	<i>49.40%</i>	-9.6 p.p.
Financial Revenue (Expenses)	195,507	-88,935	-319.8%
Income Tax & Social Contribution Tax	-190,686	-69,263	175.3%
<b>Net Profit</b>	<b>346,205</b>	<b>176,080</b>	<b>96.6%</b>
<i>Net Margin</i>	<i>40.35%</i>	<i>26.02%</i>	14.3 p.p.
<b>FFO</b>	<b>473,897</b>	<b>306,156</b>	<b>54.79%</b>
<i>FFO Margin</i>	<i>55.23%</i>	<i>45.24%</i>	10.0 p.p.

(1) Straight-line of discounts.

## GROSS REVENUE

Iguatemi Gross Revenue in 2021 reached R\$992.3 million, increase 29.8% over 2020.

Gross Revenue - Managerial (R\$ '000)	2021	2020	Chg. %
Rentals	712,771	593,660	20.1%
Management Fees	38,377	39,259	-2.2%
Parking	104,694	75,750	38.2%
Other	136,480	55,733	144.9%
<b>Total</b>	<b>992,322</b>	<b>764,402</b>	<b>29.8%</b>

Rental Revenue, comprising Minimum Rent, Overage and Temporary Rent, grew by 20.1% versus 2020, accounting for 71.8% of total mall gross revenue.

<b>Rental Revenue - Managerial (R\$ '000)</b>	<b>2021</b>	<b>2020</b>	<b>Chg. %</b>
Minimum Rental	610,573	532,967	14.6%
Percentage Revenues (Overage)	54,924	28,991	89.5%
Temporary Rentals	47,274	31,702	49.1%
<b>Total</b>	<b>712,771</b>	<b>593,660</b>	<b>20.1%</b>

This increase in Rental Revenue compared to 2020 is mainly explained by:

- Minimum Rent: 14.6% increase, with the positive effect from the automatic adjustment for inflation.
- Overage: 89.5% increase due to sales growth in Miscellaneous, Health & Beauty, Jewelry and Fashion, Footwear and Leather Goods categories.
- Temporary Rentals: 49.1%, increased, showing not only the resumption of flow, but also the positive expectations of operators about the sector.

Parking Revenue reached R\$104.7 million, 38.2% higher compared to 2020, even above this line, still impacted by the shorter length of stay of people in the mall and also due to the flow in general still below the levels of 2019, partly because of entertainment operations that have not yet resumed the pre-pandemic flow and partly because of the dynamics of home office, which reduces the movement of people in business centers.

The Others line grew by 144.9% in the year, mainly due to the new I-Retail brands that we started operating, and the growth of the Iguatemi 365. Both operations have grown at a fast pace in recent quarters.

#### **MALL DEDUCTIONS, TAXES AND CONTRIBUTIONS**

Deductions, Taxes and Contributions totaled negative R\$134.3 million, mainly due to the temporary support being granted to tenants on rent.

#### **STRAIGHT-LINE**

As previously mentioned, Iguatemi adopted different discount policies during the period in which operations were restricted due to the pandemic which, added to the other commercial discounts granted, will be straight-lined and amortized over the remaining term of each contract. Likewise, sales of co-participation, which until then were recorded as revenue in a single installment, began to be straight-lined and amortized over a period of 60 months, thus fully applying what is provided for in CPC 06 (R2)/IFRS 16 – Lease operations in Iguatemi's financial statements.

#### **NET REVENUE**

Net revenue reached R\$858.1 million, up by 26.8% versus 2020.

## COST AND EXPENSES

Costs and Expenses - Managerial (R\$'000)	2021	2020	Chg. %
<b>Rent and Services Costs</b>	<b>-240,010</b>	<b>-153,623</b>	<b>56.2%</b>
Personnel	-23,288	-25,562	-8.9%
Third party services	-10,440	-7,871	32.6%
Promotional fund	-2,196	-1,488	47.6%
Parking	-32,356	-31,659	2.2%
Others	-171,730	-87,043	97.3%
<b>Expenses</b>	<b>-117,167</b>	<b>-80,087</b>	<b>46.3%</b>
Personnel	-71,301	-38,856	83.5%
Share-based Compensation	-12,160	-8,092	50.3%
Third party services	-16,721	-15,911	5.1%
Others	-16,985	-17,228	-1.4%
<b>Sub Total</b>	<b>-357,177</b>	<b>-233,710</b>	<b>52.8%</b>
Depreciation and Amortization	-155,386	-149,001	4.3%
<b>Rent and Services Costs</b>	<b>-512,563</b>	<b>-382,711</b>	<b>33.9%</b>

The Rent and Services Costs line was R\$240 million in the year (excluding depreciation and amortization), an increase of 56.2% in comparison 2020, this increase is due to the part to the increase in stores operated by I-Retail, expansion of Iguatemi 365 operations and by the increase in expenses related to the vacant area of the projects.

Expenses were 46.3% higher than in 2020, driven by higher personnel expenses and share-based compensation.

## OTHER OPERATIONAL REVENUE (EXPENSES)

In the year, the Company presented a result of R\$ 27.7 million referring to fraction sale of the Iguatemi land for the construction of 3 residential towers totaling approximately 20,500 m2 of private area. Despite this, in the total of Other Operating revenue and Expenses, the negative amount of R\$ 6.9 million is 116.1% below the same period in 2020.

Other Op. Rev. (Exp.) - Managerial (R\$ '000)	2021	2020	Chg. %
Property development	27,694	18,925	46.3%
Other	-34,640	24,136	-243.5%
<b>Other Operational Rev. (Exp.)</b>	<b>-6,946</b>	<b>43,061</b>	<b>-116.1%</b>

## DEPRECIATION AND AMORTIZATION

The Depreciation and Amortization line increased by 4.3% in the quarter compared to the same period in 2020, to R\$ 155.4 million.

## NET FINANCIAL REVENUES (EXPENSES)

Net Financial Result in the year was R\$ 195.5 million, 319.8% up to the amount presented 2020.

Financial expenses, increased 79.9% due to the company's higher level of gross indebtedness and increase in SELIC, compared to the same period in 2020.

Net Financial Revenues (Expenses) - Managerial (R\$ '000)	2021	2020	Chg. %
Financial Revenues	487,775	73,566	563.0%
Financial Expenses	-292,268	-162,501	79.9%
<b>Net Financial Revenues</b>	<b>195,507</b>	<b>-88,935</b>	<b>-319.8%</b>

## INCOME TAX AND SOCIAL CONTRIBUTION TAX (CURRENT AND DEFERRED)

In 2021, Income Tax and Social Contribution totaled R\$190.7 million, up by 175.3% vs. 2020, due to the deferred tax from the straight-line effect and capital gains from Infracommerce's investment.

## NET INCOME AND FFO

Net Income in the quarter was R\$346.2 million, increased by 96.6% over 2020, with a Net Margin of 40.3%. FFO reached R\$473.9 million, up by 54.8% compared to 2020.

## EBITDA

EBITDA for the quarter reached R\$496.7 million, up by 2.8% vs. 2020, with an EBITDA margin of 57.9%. The drop in the EBITDA Margin is partially due to the growth retail and Iguatemi 365 operations that have lower margins.

Conciliation of EBIT and EBITDA - Managerial (R\$ '000)	2021	2020	Chg. %
<b>Net Profit</b>	<b>346,205</b>	<b>176,080</b>	<b>96.6%</b>
(+) Income & Social Contribution Taxes	190,686	69,263	<b>175.3%</b>
(+) Financial Expenses	292,268	162,501	<b>79.9%</b>
(-) Financial Revenues	-487,775	-73,566	<b>563.0%</b>
<b>EBIT</b>	<b>341,384</b>	<b>334,278</b>	<b>2.1%</b>
(+) Depreciation and Amortization	155,386	149,001	4.3%
<b>EBITDA</b>	<b>496,770</b>	<b>483,279</b>	<b>2.8%</b>
<b>Net Revenues</b>	<b>858,064</b>	<b>676,664</b>	<b>26.8%</b>
<b>EBITDA Margin</b>	<b>57.89%</b>	<b>71.42%</b>	<b>-13.5 p.p.</b>

## DEBT

Iguatemi ended the year with a total debt of R\$ 3,423.9 million. with average duration of 3.5 years and average cost of 111.8% of CDI. to which 87.1% of our debt is indexed. The cash position totaled R\$ 2 billion an increase of 13.5% from the previous year. as a result. the Company`s net debt 1,369.8 million. leading to a net debt/EBITDA multiple of 2.76x for 2020, 0.89p.p. down versus 2020.

Consolidated Figures (R\$ '000)	12/31/2021	12/31/2020	Chg. %
<b>Total Debt<sup>(1)</sup></b>	<b>3,423,926</b>	<b>3,574,985</b>	<b>-4.2%</b>
Cash and Cash Equivalents	2,054,091	1,809,746	13.5%
<b>Net Debt (Cash)</b>	<b>1,369,835</b>	<b>1,765,239</b>	<b>-22.4%</b>
EBITDA (LTM) <sup>(1)</sup>	496,770	483,279	2.8%
<b>Net Debt/EBITDA</b>	<b>2.76x</b>	<b>3.65x</b>	<b>-0.89</b>

(1) Total Debt net of the financial instrument (swap) reported in the Noncurrent Assets in 2020.

Total Debt Breakdown (R\$ '000)	12/31/2021	%	12/31/2020	%
TR	441,426	12.9%	460,815	12.9%
CDI	2,982,501	87.1%	3,035,572	84.9%
Others	0	0.0%	78,598	2.2%
Short-term	321,899	9.4%	680,077	19%
Long-term	3,102,027	90.6%	2,894,908	81%



## CAPITAL MARKETS

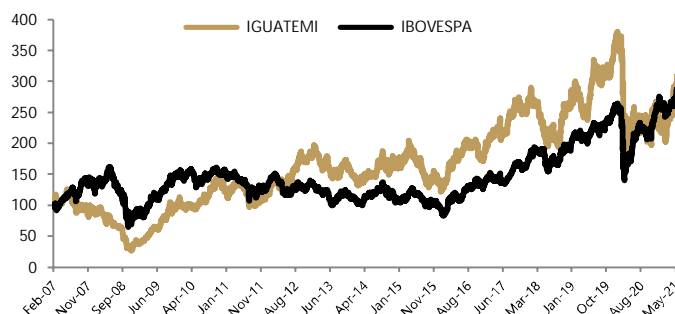
Iguatemi shares are listed on B3's Novo Mercado, under the ticker IGTA3, and are part of the Ibovespa and IBx-100 indexes. The table below presents our largest stockholders and the free float, with date base of 12/31/2021:

	IGTI3 (ONs)	IGTI11 (UNITs)		Equivalent Unit	
Shareholding Structure (Iguatemi S.A.)	# Common shares	# Common shares	# Common shares	(theoretical)	% Total
Controlling Shareholder	530,132,630			75,733,233	28.7%
Free Float	49,733,034	180,853,438	361,706,876	187,958,157	71.2%
Treasury shares	6	417,642	835,284	417,643	0.2%
<b>Total</b>	<b>579,865,670</b>	<b>181,271,080</b>	<b>362,542,160</b>	<b>264,109,033</b>	<b>100.0%</b>

Iguatemi's units ended 4Q21 at R\$18.07. Currently, 13 sell-side analysts have active coverage on Iguatemi shares.

IGTI11 <sup>(1)</sup>	
Closing Price (12/31/2021)	R\$ 18.07
Highest Price in 4Q21	R\$ 21.39
Lowest Price in 4Q21	R\$ 17.50
Appreciation in 4Q21	-8.55%
Number of equivalente Units	264,109,033
Market Cap (12/31/2021)	R\$ 4,772,450,224
Average daily liquidity in 4Q21	R\$ 62,438,139

(1) Source: Broadcast, reference date: December 31, 2021



## HUMAN RESOURCES

We have an experienced management team, and we consistently seek to align the interests of our management and employees with those of our stockholders, through mechanisms of variable remuneration

**Iguatemi bonus plan:** This program is linked to meeting short-term budget and operational targets. All our employees are eligible. The amount distributed to each employee is linked to the Company's Key Performance Indicators – KPIs (On-Going Business, Projects Under Development and Future Growth) and to individual KPIs.

**Long Term Inventive Plan – Restricted Shares:** Granting of common shares issued by the Company to eligible employees selected by the Remuneration Committee and approved by the Executive Board, with the intent to: (a) encourage the improvement of the management of the Company and its Subsidiaries, giving the participants the possibility of being shareholders of the Company, stimulating them in the optimization of all aspects that can value the Company in the long term, giving them, also, an entrepreneurial and corporate vision; (b) encourage the attraction and retention of managers, employees and service providers; (c) to support the alignment of interests between Company's executives and shareholders, maximizing the level of commitment of managers and employees with the generation of sustainable results for the Company; and (d) to increase the attractiveness of the Company and its Subsidiaries. Based on the best market practices and based on the result of a structured diagnostic work, carried out with the help of external consultants in all HR sub-processes and in the CMMI methodology (Capability Maturity Model Integration), the Remuneration and Attraction policies, as well as other department policies were updated. We launched and supported an integrated HCM (Human Capital Management) SuccessFactor for people management that we use extensively in the exercise of human resources processes on a daily basis which managers have access to in order to facilitate the management of information, the approval levels and transparency for employees who also have access to relevant information, such as:

- complete organizational structure;
- descriptions of all positions;
- positions available for internal registration or nominations;
- platform with courses available;
- self-service in relation to updating your own profile, requesting vacation and consulting payment statements.

We seek to provide an environment that encourages employee engagement with the company, through annual surveys using the GPTW methodology and the formation of Climate Committees composed of active volunteer employees, confirming our understanding of the importance of a physically pleasant and emotionally safe environment for our people. The Saúde Iguatemi program aims to provide ongoing guidance on the integral health of employees, by means of diagnostics, customized programs in the pillars of physical, emotional and financial health. Equally relevant is our dedication to the development of employees and, every year, we invest time and energy in the People Cycle, a practice of individual evaluation, feedback and development plan so that our employees can develop in the organization and occupy new activities and positions in the company, including in this exercise the mapping of internal successors for the maintenance and expansion of business. Our Human Resources policies and practices seek to strengthen the engagement of our employees, offering education and development programs, management tools to improve our individual and collective efficiency, opportunities for internal promotion, as well as competitive remuneration

On December 31, 2021, Iguatemi had **493 employees**, versus 372 employees on December 31, 2020 (+32.5%). Most of these new employees were hired for Iguatemi 365 teams and also for I-Retail stores

## **ENVIRONMENTAL PROGRAMS**

For more than 10 years, Iguatemi - always concerned with social and environmental aspects - has been implementing sustainability actions to save water and reduce consumption of energy. Highlights are:

### **Actions to reduce energy consumption:**

- Migration to the “Mercado Livre” Market (currently all our malls are in “Mercado Livre”)
- Continuous replacement of lamps and equipment by new, more efficient technologies (chillers, LED, ...)
- Automation of systems to improve the efficiency of malls (illumination, air conditioning ...)

### **Actions to save water and increase self-sufficiency:**

- Artesian wells
- Water and sewerage treatment stations
- Installation of water saving equipment (aerators, toilet bowls, water-saving valves, ...)

### **Other initiatives:**

We develop our logistics processes (for example, recycling or selective collection) always taking the environment into account.

Currently, four malls have an advanced composting system: Iguatemi Porto Alegre, Iguatemi Campinas and Iguatemi Esplanada. In each mall a different model was adopted and studies are being conducted to define the best model to be adopted in the Group's other assets. Moreover, all our malls have separate collection and recycling systems (in different models).

In addition, we practice social actions, supporting cooperatives, which help needy communities with the work of separations of wastes and re-use of raw materials.

Finally, we signed in 2019 the Woman's Empowerment Principle's (WEP's), a project of the UN and the Global Pact. The initiative reinforces the Company's commitment to the defense of gender equality, ensuring equal opportunities for men and women in the workplace.

## **EXTERNAL AUDITING SERVICES: COMPLIANCE WITH CVM INSTRUCTION 381/2003**

As from the first quarter of 2017 Iguatemi and its subsidiaries began using the auditing services of Ernst & Young Auditores Independentes S.S.. The Company's activity in contracting with our independent auditors of any services not related to external auditing is based on the principles that preserve the external auditor's independence. These internationally accepted principles are: (a) the auditor must not audit his own work; (b) the auditor must not exercise a management function in his client; and (c) the auditor should not promote his client's interests.

Note: Non-financial data, such as GLA, average sales, average rentals, occupancy costs, average prices, average market prices, EBITDA, NOI and pro-forma cash flow have not been reviewed by our external auditors

**The Company is committed, by the Commitment Clause in its by-laws, to arbitration in the Market Arbitration Chamber.**

## Contents

Independent auditor's report on individual and consolidated financial statements.....	1
Individual and Consolidated Financial Statements	
Statements of financial position.....	9
Statements of income and loss .....	11
Statements of comprehensive income .....	12
Statements of changes in equity .....	13
Statements of cash flows – indirect method .....	14
Statements of value added .....	16
Notes to financial statements .....	17

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

---

## **Independent auditor's report on individual and consolidated financial statements**

To the Shareholders, Board of Directors and Officers

**Iguatemi S.A. (The new name of Jereissati Participações S.A)**

São Paulo - SP

### **Opinion**

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

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

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the individual and consolidated financial statements' section of our report. We are independent of the Company and its subsidiaries and comply with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the overall individual and consolidated financial statements, and in forming our opinion on the individual and consolidated financial statements. Therefore, we did not express a separate opinion on these matters. For each of the matters below, a description of how our audit has addressed

them, including any comments on the results of our procedures is presented in the context of the financial statements taken as a whole.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of 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 procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Recoverable value of investment properties and goodwill for future profitability

As at December 31, 2021, the balances of investment properties measured by the cost method (Note 8) and goodwill for future profitability (Notes 10) totaled R\$4,319,121 thousand and R\$88,169 thousand, respectively, in the Consolidated. The Company and its subsidiaries support the realization of these assets through estimates of their future profitability and cash generation, prepared by the executive board, based on their judgment and supported by the business plan and budget, approved by the corporate governance bodies. Such estimates are prepared and reviewed internally in accordance with the Company’s governance structure, since they involve a high degree of judgment. Annually, the Company assesses the assumptions and estimates of future profitability and cash generation by cash generating units (CGU) to which the properties and the respective goodwill are allocated, as well as the growth rates, discount rates, cash flow projections, among other indicators, since economic or regulatory changes may occur in the markets in which it operates. Due to the changes that may occur in these estimates, which may have a material impact on the recoverable value of these assets and, consequently, the financial statements taken as a whole, we consider this to be a significant audit matter.

#### *How our audit addressed this matter:*

Our audit procedures included, among others: (a) the involvement of valuation specialists to assist us in analyzing and reviewing the models and methodologies used by the executive board and in evaluating the assumptions that supported the projections that determined the business plan, budget, technical studies and analyses of the recoverable value of the properties for investment and goodwill for future profitability of the Company; (b) assessing the reasonableness and consistency of the data and assumptions used in the preparation of those documents, including growth rates, discount rates, country risk and cash flow projections, among others, as provided by the Company’s executive board and comparing them with external market information, as well as with the assumptions approved by the executive board in the preparation of its business plan and other estimates made by the Company; (c) evaluating the effects of the current COVID-19 pandemic on the assumptions adopted; (d) checking the accuracy of the arithmetic calculations of the projections; (e) the comparison of the assertiveness of projections made in previous periods in relation to the performance achieved by the Company in the year; (f) analyzing information that could contradict the most significant assumptions and methodologies selected; (g) the sensitivity analysis on such assumptions, to evaluate the recoverable value behavior, considering other scenarios and assumptions, based on market data; (h) comparing the recoverable amount adopted by the executive board, based on the discounted cash flow, with the carrying value of investment properties and goodwill for future profitability, as well as comparing the

Company's market value, based on the value of its shares traded in the market with the value of its equity; and (i) evaluating the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as at December 31, 2021.

Based on the result of the audit procedures performed on the impairment test of investment properties and goodwill for future profitability, which is consistent with the executive board's assessment, we consider that the criteria and assumptions of the recoverable amount adopted by the executive board, as well as the related disclosures in the respective notes are acceptable in the context of the financial statements taken as a whole.

#### Recognition of rental income and assignment of rights

As mentioned in Notes 2.5 and 20, subsidiary Iguatemi Empresa de Shoppings Center S.A. ("IESC") recognizes its revenues from minimum rents and assignment of rights to shopkeepers negotiated after the date of the venture opening, at the moment they occur, and are presented in operating income and other operating income in the statement of profit or loss, respectively. The assignment of rights to shopkeepers prior to the delivery of the venture opening is recognized by the straight-line method, respecting the period of the lease and included in operating income. These operations are classified as operating leases, since the Group does not transfer substantially all the risks and rewards of ownership of the asset.

For rental income, lease contracts generally establish that the lessees must pay the highest value between a contractual minimum determined and a variable, calculated as a percentage of the sales of each business establishment. Minimum rents are adjusted by regular fixed increases over the term of the contracts, double rent in December and inflation. According to CPC 06 (R2)/IAS 17 - Leasing, the minimum rental income, considering effects of grace periods, discounts, etc., and excluding inflationary effects must be recognized on a straight-line basis over the term of the contract, and any excess variable rent is recognized when incurred. Similarly, all revenues from assignment of rights to shopkeepers must also be recognized on a straight-line basis over the term of the contracts, from the beginning of the lease term. The volume of contracts in force and the peculiarity of the contractual conditions of each one, as well as the potential risks involved in the recognition of revenues led us to identify these issues as significant risks that require special audit considerations.

#### *How our audit addressed this matter:*

Our audit procedures included, among others: (a) evaluation of the controls involved in the revenue recognition process; (b) documentary tests on a sampling basis, including the examination of contracts; (c) recalculation of the revenue recognition amounts, observing the appropriate accrual periods throughout the year and contractual periods; (d) obtaining an understanding and assessment of the impacts of concessions to shopkeepers due to the COVID-19 pandemic in the calculations of the straight-lining of rent revenues, with the performance of specific documentary tests; (e) analytical procedures on the monthly changes in revenues, accounts receivable and receipts, using data disaggregated by shopping mall, to identify changes inconsistent with our expectations obtained from our prior knowledge of the Company and the industry that could indicate potential accrual-basis-related issues; and (f) assessment of the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements.

As a result of these procedures, we identified an audit adjustment indicating the need to supplement revenue from rent and assignment of rights straight-lining, which was not adjusted by the Company due to its immateriality to the overall financial statements.

Based on the result of audit procedures performed on the recognition of revenue from rental income and assignment of rights, which is consistent with the executive board's assessment, we understand that the recognition criteria used by the Company's executive board as to recognition of referred to revenues, as well as the respective disclosures in the explanatory information are acceptable in regard to the financial statements taken as a whole.

#### Recoverable value of deferred tax assets

As described in Note 16, the consolidated balance of deferred taxes arising from Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) losses and temporary differences, whose recognition and realization are based on a study prepared by the executive board on the generation of future taxable profit, is R\$ 141,385 thousand. Estimating the generation of future taxable profits requires significant judgment in determining the projection of future profits.

Monitoring this matter was considered significant for our audit due to the significance of the amounts involved, as well as to the degree of judgment used by the executive board in the projections of future taxable profits, and the potential impact that any changes in the assumptions and estimates used could have on the amount of these credits recorded in the Company's individual and consolidated financial statements.

#### *How our audit addressed this matter*

Our audit procedures included, among others: (a) analysis of the bases that gave rise to the tax credits under the tax legislation currently prevailing; (b) assessment of the assumptions and methodology used by the Company in projections of future taxable profits, such as changes in sales and costs, projection of other expenses and income and adjustments for permanent and temporary differences that are part of the determination of taxable profits, effects of the current COVID-19 pandemic in the assumptions used, tax planning strategies, tax rates and arithmetic calculations; (c) comparing certain projection data, when available, with other external sources and aligning these assumptions with the business plans approved by the Company's competent bodies; (d) comparing the assertiveness of projections made in previous periods in relation to the performance achieved by the Company in the year; (e) recalculating projections considering historical scenarios and assessing the risks of non-realization in the expected time, or the extension of the maximum term for using the respective credits; and (f) reviewing the disclosures made in Note 16 to the individual and consolidated financial statements.

Based on the result of the audit procedures performed on the recoverable value of deferred tax credits, which is consistent with the executive board's assessment, we consider that the criteria and assumptions for determining the realization of deferred taxes adopted by management, as well as the respective disclosures in the corresponding notes are acceptable in regard to the financial statements taken as a whole.



### Corporate reorganization

As described in Note 1.e, the parent company Iguatemi S.A. (new business name of Jereissati Participações S.A. and “IGTI”) and its subsidiary Iguatemi Empresa de Shopping Centers S.A. (“IESC”), approved with their shareholders, through a Special General Meeting (SGM), the creation of Iguatemi S.A, which now brings together all the shareholding bases of IESC and IGTI in a single publicly-held company. This corporate reorganization was completed on October 15, 2021, resulting in an increase in IGTI's shareholder interest in IESC.

The determination of the number of common shares issued by IGTI, considered in the “Replacement Ratio” and which were destined to the non-controlling shareholders of IESC, was calculated by an independent valuation firm, which considered a premium of 16.4% over the weighted average of the market value of IESC shares in the 30 (thirty) trading sessions prior to June 8, 2021, the date immediately following the disclosure of the Transaction. The corporate transactions were carried out based on the statements of financial position “at book value” of IESC and Jereissati (former corporate name of IGTI), consequently, no impact was recorded on the Company's profit or loss, since the transaction was carried out between the shareholders.

Due to the significance of this process, the need for ancillary controls to determine the amounts to be recognized and the judgment involved, which may affect the amounts recognized in the individual and consolidated financial statements, we considered to be a significant audit matter.

#### *How our audit addressed this matter*

Our audit procedures included, among others: a) checking the documentation and corporate acts related to the payment of capital and issue of new shares; b) checking the assumptions and sources of information used to identify the balances and transactions related to the payment of capital reflected in the individual and consolidated financial statements; c) evaluating the adequacy of the criteria for accounting recognition of the results arising from the corporate reorganization, performing documentary tests to conclude whether these transactions were accounted for as appropriate and within the correct accrual period; and d) assessing the adequacy and sufficiency of the disclosures presented in the accompanying notes.

Based on the result of audit procedures performed on the recognition of corporate reorganization effects, which is consistent with the executive board's assessment, we consider that the analysis performed and conclusions reached by the executive board, as well as the respective disclosures in the explanatory information are acceptable in regard to the individual and consolidated financial statements taken as a whole.



## **Other matters**

### *Statements of value added*

The individual and consolidated statements of value added for the year ended December 31, 2021, prepared under the responsibility of Company's executive board and presented as supplementary information for IFRS purposes were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. 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 abovementioned Accounting Pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

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

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

### **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 practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as referred to board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, 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 the executive board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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

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

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could, individually or as a whole, reasonably be expected to influence the economic decisions of users made 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluded on the appropriateness of 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 substantial doubt as to the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company 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.



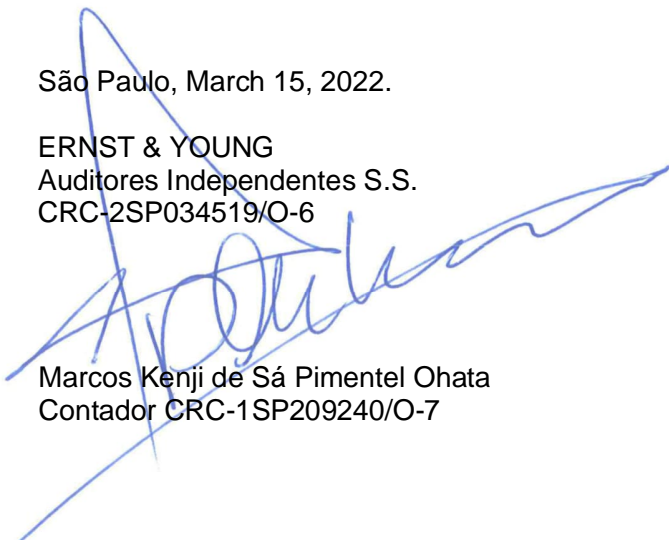
We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

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

São Paulo, March 15, 2022.

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



Marcos Kenji de Sá Pimentel Ohata  
Contador CRC-1SP209240/O-7

## Iguatemi S.A.

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

		Individual		Consolidated	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current					
Cash and cash equivalents	4 (a)	300	1,002	38,930	28,613
Short-term investments	4 (b)	210,672	41,596	1,965,196	1,585,272
Inventories		-	-	26,275	9,621
Trade Accounts receivable	5	-	-	266,855	205,370
Taxes recoverable and tax credits		3,946	235	33,355	18,145
Loans Receivable		-	-	384	-
Dividends Receivable	6	82,643	24,660	-	-
Prepaid expenses		-	-	8,562	6,408
Other assets		9,551	993	13,943	5,488
Total Current Asset		307,112	68,486	2,353,500	1,858,917
Noncurrent					
Long-term investments	4 (b)	-	89,866	49,965	195,861
Trade Accounts receivable	5	-	-	232,723	164,820
Loans Receivable		-	-	-	-
Related-party receivables	6	-	-	34,612	53,294
Judicial deposits		1,325	1,237	51,485	13,868
Swap Operation	11	-	-	-	75,026
Taxes recoverable and tax credits		-	3,744	-	3,762
Other assets		4,125	12,738	4,413	13,049
Investments:					
Investments proprieties	8	-	-	4,319,121	4,328,984
Equity Interest	7	3,396,057	1,593,531	145,328	143,074
Goodwill on investments	7	-	-	3,495	3,495
Other	7	297	978	21,514	16,406
Property and equipment	9	8	3	47,477	31,114
Intangible Assets	10	752	2	109,171	112,161
Total Noncurrent Assets		3,402,564	1,702,099	5,019,304	5,154,914
Total Assets					
		3,709,676	1,770,585	7,372,804	7,013,831

## Iguatemi 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					
Loans and financing	11	85,234	18,108	300,205	596,163
Debentures	12	-	-	21,694	83,914
Trade accounts payable – domestic		89	281	19,597	23,460
Tax liabilities	13	1,810	109	21,310	22,259
Personnel, charges, social charges and premiums		6,045	2,062	41,388	15,786
Related-party Payables	6	1,868	2,530	2,372	2,484
Dividend payable	6	57,191	18,434	57,208	42,231
Other liabilities		12,603	1,581	43,487	11,125
Total current liabilities		164,840	43,105	507,261	797,422
Noncurrent					
Loans and financing	11	84,898	102,347	1,413,767	1,707,674
Debentures	12	-	-	1,688,260	1,187,234
Tax liabilities	13	1,892	-	32,108	11,894
Provision for tax, civil and labor contingencies	14	12,808	8,433	45,558	33,838
Deferred income and social contribution taxes	16	15,860	-	235,182	91,661
Related-party payables	6	-	-	426	2,822
Other liabilities		-	-	9,708	7,272
Total noncurrent liabilities		115,458	110,780	3,425,009	3,042,395
Equity	17				
Capital		1,069,691	741,987	1,069,691	741,987
Treasury shares		(31)	-	(31)	-
Capital reserves		13,822	8,258	13,822	8,258
investment reserves		1,417,508	126,520	1,417,508	126,520
Income reserves		928,388	737,978	928,388	737,978
Other comprehensive income		-	1,957	-	1,957
Noncontrolling interests		-	-	11,156	1,557,314
Total Equity		3,429,378	1,616,700	3,440,534	3,174,014
Total Liabilities		3,709,676	1,770,585	7,372,804	7,013,831

See accompanying notes.

## Iguatemi S.A.

### Statements of Income and loss

Year ended December 31, 2021 and 2020

(In thousands of reais - R\$, except for net earnings per share)

	Note	Individual		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue from leases and services	20	<b>2,087</b>	2,477	<b>858,064</b>	676,664
Cost of leases and services rendered	21	<b>(10)</b>	(58)	<b>(369,223)</b>	(275,319)
Gross profit		<b>2,077</b>	2,419	<b>488,841</b>	401,345
Operating income (expenses)					
General and administrative expenses	21	<b>(24,384)</b>	(19,903)	<b>(143,340)</b>	(107,392)
Equity pick-up	7	<b>226,008</b>	91,404	<b>2,829</b>	(2,736)
Other operating income	23	-	5,300	<b>35,094</b>	76,575
Other operating expenses	23	<b>(12,707)</b>	(1,281)	<b>(42,040)</b>	(33,514)
		<b>188,917</b>	75,520	<b>(147,457)</b>	(67,067)
Operating income before finance income (costs) and taxes		<b>190,994</b>	77,939	<b>341,384</b>	334,278
Finance income	22	<b>63,890</b>	(1,439)	<b>195,507</b>	(88,935)
Income before income and social contribution taxes		<b>254,884</b>	76,500	<b>536,891</b>	245,343
Income and social contribution taxes	16				
Current		-	-	<b>(45,032)</b>	(40,309)
Deferred		<b>(15,860)</b>	-	<b>(145,654)</b>	(28,954)
		<b>(15,860)</b>	-	<b>(190,686)</b>	(69,263)
Net income for the year		<b>239,024</b>	76,500	<b>346,205</b>	176,080
Controlling interest		<b>239,024</b>	76,500	<b>239,024</b>	76,500
Noncontrolling interests		-	-	<b>107,181</b>	99,580
Basic earnings per share - R\$	18	<b>0,20426</b>	0,08704	<b>0,20426</b>	0,08704
Diluted earnings per share - R\$	18	<b>0,20421</b>	0,08703	<b>0,20421</b>	0,08703

See accompanying notes.

## Iguatemi S.A.

Statements of comprehensive income  
Year 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
Net income for the year	<b>239,024</b>	76,500	<b>346,205</b>	176,080
Other comprehensive income	<b>(1,957)</b>	1,957	<b>(1,957)</b>	1,957
Comprehensive income for the year	<b>237,067</b>	78,457	<b>344,248</b>	178,037
Controlling interest	<b>237,067</b>	78,457	<b>237,067</b>	78,457
Noncontrolling interests	-	-	<b>107,181</b>	99,580

See accompanying notes.



## Iguatemi S.A.

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

Note	Capital Reserves				Income Reserves				Other Comprehensive Income	Equity - individual	Noncontrolling interests	Equity - consolidated
	Capital	Capital Transaction	Other	Treasury shares	Legal	Retained profits	Dividends additional proposed	Retained earnings				
Balance at December 31, 2019	741,987	129,404	6,925	-	85,051	569,643	4,444	-	-	1,537,454	1,486,316	3,023,770
Stock option plan in investees	-	-	1,333	-	-	-	-	-	-	1,333	3,987	5,320
Additional dividends from the previous year	17.e	-	-	-	-	4,444	(4,444)	-	-	-	(5,647)	(5,647)
Adjustment to fair value of financial instruments	17.f	-	-	-	-	-	-	-	1,957	1,957	-	1,957
Results of changes in investee's equity	17.f	-	(2,884)	-	-	-	-	(62)	-	(2,946)	(3,255)	(6,201)
Net income for the year	-	-	-	-	-	-	-	76,500	-	76,500	99,580	176,080
Allocation of profit or loss for the year:												
Legal Reserve	17.d	-	-	-	3,822	-	-	(3,822)	-	-	-	-
Mandatory minimum dividends	17.e	-	-	-	-	-	-	(10,000)	-	(10,000)	(23,667)	(33,667)
Retained profits	17.d	-	-	-	-	54,462	-	(54,462)	-	-	-	-
Special dividend reserve	17.d	-	-	-	-	20,556	-	(8,154)	-	12,402	-	12,402
Balance at December 31, 2020	741,987	126,520	8,258	-	88,873	649,105	-	-	1,957	1,616,700	1,557,314	3,174,014
Capital increase	17.a	327,704	-	-	-	-	-	-	-	327,704	(357,529)	(29,825)
Treasury shares acquired	-	-	-	(31)	-	-	-	-	-	(31)	-	(31)
Additional dividends from the previous year	17.e	-	-	-	-	-	-	-	-	-	(1,524)	(1,524)
Adjustment to fair value of financial instruments	17.f	-	-	-	-	-	-	-	(1,957)	(1,957)	-	(1,957)
Gain from merger of subsidiaries' shares	17.c	-	1,294,286	-	-	-	-	-	-	1,294,286	(1,294,286)	-
Results of changes in investee's equity	-	-	(3,298)	5,564	-	-	-	-	-	2,266	-	2,266
Net income for the year	-	-	-	-	-	-	-	239,024	-	239,024	107,181	346,205
Allocation of profit or loss for the year:												
Legal Reserve	17.d	-	-	-	11,951	-	-	(11,951)	-	-	-	-
Mandatory minimum dividends	17.e	-	-	-	-	-	-	(56,768)	-	(56,768)	-	(56,768)
Special dividend reserve	-	-	-	-	-	8,154	-	-	-	8,154	-	8,154
Retained profits	17.d	-	-	-	-	170,305	-	(170,305)	-	-	-	-
Balance at December 31, 2021	1,069,691	1,417,508	13,822	(31)	100,824	827,564	-	-	-	3,429,378	11,156	3,440,534

See accompanying note.

## Iguatemi S.A.

Statements of cash flows – Indirect Method  
Year 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
Cash flow from operating activities				
Net income for the year	<b>239,024</b>	76,500	<b>346,205</b>	245,343
Adjustments to reconcile net income for the year to cash from operating activities:				
Depreciation and amortization	<b>1</b>	1	<b>155,386</b>	149,001
Gain or loss on disposal of permanent assets	-	(5,302)	<b>10,513</b>	(14,166)
Provision for tax, civil and labor contingencies	<b>4,375</b>	1,214	<b>11,720</b>	1,662
Deferred income and social contribution taxes	<b>15,860</b>	-	<b>145,654</b>	-
Provision for bonus program	<b>4,082</b>	-	<b>27,039</b>	-
Inventory valuation allowance	-	-	<b>795</b>	-
Allowance for doubtful accounts	-	-	<b>29,480</b>	26,326
Provision for interest, monetary variation and foreign exchange differences on loans, contingencies and judicial deposits	<b>(43,982)</b>	1,669	<b>(154,978)</b>	70,215
Equity pick-up	<b>(226,008)</b>	(91,404)	<b>(2,829)</b>	2,736
Amortization of borrowing costs	-	-	<b>9,585</b>	-
Amortization of deferred revenue	-	-	-	(1,188)
Fair value adjustment	-	-	<b>(5,090)</b>	(6,947)
Straight-line of Covid-19 discounts	-	-	<b>(80,227)</b>	(157,514)
Changes in operating assets:				
Trade accounts receivable	-	9	<b>(55,561)</b>	(47,092)
Inventories	-	-	<b>(17,449)</b>	(4,309)
Loans receivable	-	-	<b>(384)</b>	-
Related-party receivables	-	-	<b>18,044</b>	-
Taxes recoverable and tax credits	-	-	-	-
Prepaid expenses	-	-	<b>(8,562)</b>	-
Dividends	<b>25,380</b>	37,358	-	1,314
Other	-	1,830	<b>(49,647)</b>	(27,653)
Changes in operating liabilities:				
Personnel, charges, social charges and premiums	<b>(99)</b>	(478)	<b>(1,437)</b>	(8,003)
Trade accounts payable – domestic	<b>(192)</b>	(179)	<b>(3,863)</b>	8,690
Taxes payable	<b>3,593</b>	2,143	<b>48,113</b>	11,381
Related-party payables	<b>(662)</b>	-	<b>(1,815)</b>	-
Other liabilities	<b>(24,408)</b>	-	<b>(27,053)</b>	-
Other				
Payment of income and social contribution taxes	-	-	<b>(42,429)</b>	(26,395)
Payment of interest on loans, financing and debentures	<b>(5,737)</b>	(4,616)	<b>(176,771)</b>	(102,229)
Net cash generated by operating activities	<b>(8,773)</b>	18,745	<b>174,439</b>	123,548

## Iguatemi S.A.

### Statements of cash flows – Indirect Method - continued

Year ended december 31, 2021 and 2020

(In thousands of reais - R\$)

	<b>Individual</b>		<b>Consolidated</b>	
	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Cash flow from investing activities				
Acquisition of property and equipment, investment property, and intangible assets	(6)	(12,271)	(167,010)	(494,127)
Prepayment of dividends – subsidiaries	-	-	1,213	-
Capital increase	-	-	-	(8,872)
Advance for future capital increase	(1,855)	-	-	-
Short-term investments	(26,037)	(31,722)	120,120	(658,293)
Other	(254)	3,621	(1,577)	3,621
Net cash used in investing activities	(28,152)	(40,372)	(47,254)	(1,157,671)
Cash flow from financing activities				
Loans and financing raised	65,000	50,000	565,000	1,210,100
Loans, financing and debentures paid	(18,777)	(17,449)	(671,868)	(125,818)
Dividend paid	(9,969)	(9,969)	(9,969)	(47,924)
Treasury shares	(31)	-	(31)	(11,461)
Other	-	-	-	(9,138)
Net cash generated by (used in) financing activities	36,223	22,582	(116,868)	1,015,759
Increase (Decrease) in cash and cash equivalents	(702)	955	10,317	(18,364)
Cash and cash equivalents				
Closing balance	1,002	47	28,613	46,977
Opening balance	300	1,002	38,930	28,613
Increase (Decrease) in cash and cash equivalents	(702)	955	10,317	(18,364)

See accompanying notes.

## Iguatemi S.A.

Statement of value added  
Year 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
Lease and other operating revenues	2,433	2,887	992,322	764,402
Other revenues	-	5,302	(25,577)	(7,292)
Allowance for doubtful accounts	-	-	(29,480)	-
	<b>2,433</b>	<b>8,189</b>	<b>937,265</b>	<b>757,110</b>
Services and materials acquired from third-parties				
Cost of leases and services rendered	(10)	-	(171,401)	(101,638)
Bought-in materials, energy and services and others	(19,020)	(10,304)	(71,357)	(34,532)
	<b>(19,030)</b>	<b>(10,304)</b>	<b>(242,758)</b>	<b>(136,170)</b>
Gross value added	<b>(16,597)</b>	<b>(2,115)</b>	<b>694,507</b>	<b>620,940</b>
Depreciation and amortization	(1)	(1)	(155,386)	(149,001)
Value added, net	<b>(16,598)</b>	<b>(2,116)</b>	<b>539,121</b>	<b>471,939</b>
Value added received in transfer				
Equity pickup	226,008	91,404	2,829	(2,736)
Finance income	84,749	7,460	487,775	73,566
	<b>310,757</b>	<b>98,864</b>	<b>490,604</b>	<b>70,830</b>
Value added to be distributed	<b>294,159</b>	<b>96,748</b>	<b>1,029,725</b>	<b>542,769</b>
Payment of value added				
Personnel:				
Direct compensation	4,763	8,593	73,071	65,116
Benefits	1,757	1,400	32,319	7,389
Unemployment compensation fund (FGTS)	606	282	6,835	6,668
	<b>7,126</b>	<b>10,275</b>	<b>112,225</b>	<b>79,173</b>
Government:				
Federal	20,043	1,338	264,351	113,605
State	-	-	16,851	6,889
Local	121	149	10,576	7,722
	<b>20,164</b>	<b>1,487</b>	<b>291,778</b>	<b>128,216</b>
Remuneration of third party capital:				
Interest	9,191	8,486	191,916	113,687
Leases	-	-	2,649	1,327
Other	18,655	-	84,953	44,286
	<b>27,846</b>	<b>8,486</b>	<b>279,518</b>	<b>159,300</b>
Shareholders:				
Interest on equity and dividends	56,768	10,000	56,768	10,000
Retained profit	182,255	66,500	182,255	66,500
Non-controlling interests	-	-	107,181	99,580
	<b>239,023</b>	<b>76,500</b>	<b>346,204</b>	<b>176,080</b>
Total	<b>294,159</b>	<b>96,748</b>	<b>1,029,725</b>	<b>542,769</b>

See accompanying notes.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **1 Operational**

#### **a) Business purpose**

Iguatemi S.A. (the “Company” and, together with Iguatemi Empresa de Shopping Centers and its subsidiaries, the “Group”), is a listed Brazilian company whose shares are traded on B3 S.A. - Brasil, Bolsa, Balcão (“B3”) – under ticker symbols IGTH11 (UNT) and IGTH3 (ON), primarily engaged in holding interests in other companies and providing economic, financial and tax advisory and consulting services. Iguatemi S.A. is a holding company with main offices at Rua Angelina Maffei Vita, 200 – 9º andar, Jardim Paulistano, São Paulo - state of São Paulo, Brazil.

The Company is a subsidiary of GJ Investimentos e Participações S.A. (“GJIP”) which, as at December 31, 2021, holds 45.30% of the Company’s total outstanding voting capital.

Iguatemi Empresa de Shopping Centers S.A. and its subsidiaries (“Iguatemi” or “Iguatemi and its subsidiaries”) are the main asset of the Company. As at December 31, 2021, the Company holds 100% of the total outstanding voting capital of Iguatemi.

#### **b) Information on investment in Iguatemi Empresa de Shopping Centers S.A**

Iguatemi Empresa de Shopping Centers SA and its subsidiaries (“Iguatemi” or “Company”) with head office at Rua Angelina Maffei Vita. 200, in the city and state of São Paulo, trades its shares on B3, under ticket symbol IGTA3, is engaged in the commercial exploration and planning of shopping malls, the rendering of services of management of shopping malls and mixed-use real estate complexes, the purchase and sale of properties, the exploration of short-stay parking lots, intermediation in the lease of promotional spaces, the preparation of studies, projects and planning in promotion and merchandising, the pursuit of other activities that are similar or related to its business purpose and holding interests in other companies as a owner, shareholder or member in any other form permitted by law.

The ventures ("shopping centers") are set up as condominium of buildings and consortiums. Their operations are recorded by the Company in its accounting books, according to the proportion of their interests. Iguatemi and its investees hold interest in certain real estate ventures, mostly shopping malls, located in Southern, Southeastern and Midwestern Brazil.

Iguatemi results are subject to seasonal changes that affect the shopping mall industry. Sales of shopping malls generally increase in seasonal periods, such as the weeks Before Easter (April), Mother's Day (May), Valentine's Day (which in Brazil occurs in June), Father's Day(which in Brazil occurs in August), Children's Day (which in Brazil occurs in October) and Christmas (December). In addition, a large majority of the Iguatemi leaseholders pay or rent twice in December under their lease prices.

Iguatemi and its investees hold interest in certain real estate ventures, mostly shopping malls, located in Southern, Southeastern and Midwestern Brazil. Shopping malls and commercial towers in operation are the following:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Interest %			
	12.31.2021			12.31.2020
	Direct	Indirect	Total	Total
Shopping Center Iguatemi São Paulo ("SCISP")	46.21	12.37	58.58	58.58
Shopping Center JK Iguatemi ("JK Iguatemi")	-	64.00	64.00	64.00
Shopping Center Iguatemi Campinas ("SCIC")	70.00	-	70.00	70.00
Shopping Center Iguatemi Porto Alegre ("SCIPA")	-	42.58	42.58	42.58
Shopping Center Iguatemi Brasília ("SCIBRA")	64.00	-	64.00	64.00
Shopping Center Iguatemi Alphaville ("SCIAAlpha")	-	78.00	78.00	78.00
Market Place Shopping Center ("MPSC")	-	100.00	100.00	100.00
Praia de Belas Shopping Center ("PBSC")	57.55	-	57.55	57.55
Shopping Center Galleria ("SCGA")	-	100.00	100.00	100.00
Esplanada Shopping Center ("SCESP")	-	53.21	53.21	53.21
Shopping Center Iguatemi Ribeirão Preto ("SCIRP")	-	88.00	88.00	88.00
Shopping Center Iguatemi São José Rio Preto ("SCIRIOP")	-	88.00	88.00	88.00
Shopping Center Iguatemi Esplanada ("SCIESP")	-	65.71	65.71	65.71
Shopping Center Iguatemi São Carlos ("SCISC")	50.00	-	50.00	50.00
Platinum Outlet Premium Novo Hamburgo ("IFONH")	-	41.00	41.00	41.00
Ifashion Outlet Santa Catarina ("IFOSC")	-	54.00	54.00	54.00
Boulevard Campinas	77.00	-	77.00	77.00
Praia de Belas Prime Offices	43.78	-	43.78	43.78
Market Place Tower ("MPT")	-	100.00	100.00	100.00
Shopping Patio Higienópolis	-	11.54	11.54	11.54

### c) Covid-19 pandemic:

In December 2019 a new agent called the new Coronavirus ("Covid-19") was reported in China. With the exponential growth of cases of contamination by Covid-19 in several countries worldwide, the World Health Organization (WHO) classified Covid-19 as a pandemic and a Public Health emergency of International Interest.

In response to this serious pandemic, Iguatemi concerned with preserving the well-being of its employees and aligned with its values and mainly with its commitment to its partners, society and communities, carried out several actions and initiatives, which are described in detail in our financial statements for the period ended December 31, 2021. The Company continues to monitor impacts, if any, that could generate significant effects on its operations.

### d) Income tax reform

On May 26, 2021, the Executive Branch presented to the National Congress Bill No. 2337, of 2021, which amends the legislation on Corporate Income Tax (IRPJ) and the Social Contribution Tax on Net Profit (CSLL). In this context, the Company is monitoring, evaluating and studying all the effects on its operation and tax burden, should Bill No. 2337, of 2021, be approved by the National Congress and sanctioned by the Executive Branch. However, at this time, no other measures have been or should be taken by the Company.

### e) Corporate reorganization

On June 7, 2021, the Company informed its shareholders and the market in general that, on that date, a process aimed at a corporate reorganization was initiated, to be submitted for approval by their shareholders in due course. This corporate reorganization is intended to simplify the ownership structure of the Companies (Iguatemi Empresa de Shopping Centers S.A. and Jereissati Participações S.A.), consolidating their shareholding bases into

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

a single company, without changing its control structure, thus providing an increase in liquidity of shares and a greater capacity for investment and growth.

Once completed, the transaction allowed the creation of Iguatemi SA, a new business name adopted by Jereissati, which bring together all of the Company's and Jereissati's shareholding bases in a single publicly-held company, which will have its shares traded in the form of units, in the Level 1 listing segment of B3 SA – Brasil, Bolsa, Balcão ("B3"), yet with shareholder rights and governance practices substantially similar to those required by B3's New Market Regulation, with an estimated free float of 45% higher than the Company's current free float and additional capacity to make new investments and strategic acquisitions ("Iguatemi S.A."). The cost of the transaction was R\$ 29,825 and the accounting impacts on the Company are reflected as per Notes 7 and 17.

## **2 Summary of significant accounting practices**

### **2.1 Basic of preparation**

#### ***Statement of compliance***

All material information of the financial statements, and only it, is disclosed, and corresponds to the information used by Company management. The (individual and consolidated) financial statements are the responsibility of Company management, and comprise:

The individual and consolidated financial statements, identified as "Parent Company" and "Consolidated", were prepared and are presented 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).

As there is no difference between consolidated equity and consolidated profit or loss attributable to the Company's shareholders, included in the consolidated financial statements, and Company's equity and profit or loss, included in the parent company financial statements, the Company decided to present these parent company and consolidated financial statements in a single set.

In addition, the Company considered the guidance contained in OCPC 07, issued by CPC in November 2014, when preparing its financial statements. Accordingly, significant information of the financial statements has been disclosed, and corresponds to the information used by management.

#### ***Statements of cash flows***

The statements of cash flow were prepared by the indirect method and are presented in accordance with CPC 03 (R2) – Statement of Cash Flow, issued by Brazil's FASB (CPC).

The Company classifies dividends received, arising from the investees' and subsidiaries' operations investing activities.

#### ***Approval of financial statements***

The Company's Executive Board approved the financial statements, and authorized its filing on March 15, 2022.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 2.2 Investment in direct and indirect subsidiaries and joint ventures investments

Company's equity interest at December 31, 2021 and 2020 were as follows:

	Interest %			
	12.31.2021		12.31.2020	
	Direct	Indirect	Total	Total
Iguatemi Empresa de Shopping Centers S.A. ("IGTA")	100.00	-	100	50.73
EDS66 Participações S.A. ("SP66")	96.54	-	96.54	96.54
Mutual Soluções Financeiras Ltda. ("MUTU")	-	100.00	100.00	-
Administradora Gaúcha de Shopping Centers S.A. ("AGSC") (a)	-	36.00	36.00	36.00
AEMP - Administradora de Empreendimentos Ltda. ("AEMP")	-	100.00	100.00	100.00
AEST - Administradora de Estacionamento Ltda. ("AEST")	-	100.00	100.00	100.00
Amuco Shopping Ltda. ("Amuco")	-	100.00	100.00	100.00
ATOW Administradora de Torres Ltda. ("ATOW")	-	100.00	100.00	100.00
AZ Brasil Comércio Varejista Ltda. ("AZBR")	-	100.00	100.00	100.00
CSC41 Participações Ltda. ("CS41")	-	100.00	100.00	100.00
CSC61 Participações Ltda. ("CS61")	-	100.00	100.00	100.00
CSC132 Comércio Varejista Ltda. ("POLO")	-	100.00	100.00	100.00
CSC142 Participações Ltda. ("OLSC")	-	100.00	100.00	100.00
DV Brasil Comércio Varejista Ltda. ("DV Brasil")	-	100.00	100.00	100.00
Fleury Alliegro Imóveis Ltda. ("FLEURY")	-	80.00	80.00	80.00
Galleria Empreendimentos Imobiliários Ltda. ("01GL")	-	100.00	100.00	100.00
Milan Comércio Varejista Ltda. ("MILA")	-	100.00	100.00	100.00
I-Art Produções Teatrais Ltda. ("IART")	-	100.00	100.00	100.00
UESTA Porto Alegre Estacionamentos Ltda. ("UESTA")	-	99.99	99.99	99.99
Iguatemi Estacionamentos Ltda. ("UESTA")	-	100.00	100.00	100.00
Iguatemi Leasing Ltda. ("Iguatemi Leasing")	-	100.00	100.00	100.00
Iguatemi Outlets do Brasil Ltda. ("OLNH")	-	100.00	100.00	100.00
I-Retail Serv. Consult. de Moda e Particip. Ltda. ("I-Retail")	-	100.00	100.00	100.00
Iguatemi 365 Ltda. ("I365")	-	100.00	100.00	100.00
JK Iguatemi Administração de Shopping Centers Ltda. ("JK ADM")	-	100.00	100.00	100.00
JK Iguatemi Empreendimentos Imobiliários S.A. (JKIG)	-	100.00	100.00	100.00
JK Iguatemi Estacionamentos Ltda. ("JKES")	-	64.00	64.00	64.00
Lasul Empresa de Shopping Centers Ltda. ("Lasul")	-	100.00	100.00	100.00
Market Place Participações e Empreendimentos Imobiliários Ltda. ("MPPart")	-	100.00	100.00	100.00
Market Place Torres Ltda. ("MPT")	-	100.00	100.00	100.00
Nova Galleria Empreendimentos Imobiliários Ltda. ("01NG")	-	100.00	100.00	100.00
Odivelas SP Participações S.A. ("OSPP") (a)	-	52.00	52.00	52.00
Ork Empreendimentos Imobiliários SPE Ltda. ("ORKE")	-	100.00	100.00	100.00
Praia de Belas Deck Parking Ltda. ("PBES")	-	80.00	80.00	80.00
Riviera Comércio Varejista Ltda. ("VILE")	-	100.00	100.00	100.00
SCIALPHA Participações Ltda. ("SCIALPHA")	-	100.00	100.00	100.00
SCIRP Participações Ltda. ("SCRIP")	-	100.00	100.00	100.00
Shopping Center Reunidos do Brasil Ltda. ("SCRB")	-	100.00	100.00	100.00
SISP Participações Ltda. ("SISP")	-	100.00	100.00	100.00
SJRP Iguatemi Empreendimentos Ltda. ("SJRP")	-	100.00	100.00	100.00
SPH 1 Iguatemi Empreendimentos Imobiliários S.A. ("SPHI")	-	100.00	100.00	100.00

- As Jointly-controlled entities AGSC and OSPP were recognized under the equity method, considering the shared control established through Shareholders' Agreements entered into between the companies, according to which neither party may determine financial and operational policies alone.
- At the Special General Meeting held on November 8, 2021, the corporate restructuring, which consisted of merger of 100% shares of Iguatemi Empresa de Shopping Centers S.A. was approved (Note 2.23).



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### Consolidation

The consolidated financial statements comprised the financial statements of the Company and its subsidiaries at December 31, 2021. Control is obtained when the Group is exposed or entitled to variable returns based on its involvement with the investee, and has the ability to affect such returns by exercising power in relation to the investee. Specifically, the Group controls an investee if, and only if, it has:

- Power in relation to the investee (i.e., existing rights that guarantee the current ability to govern the relevant activities of the investee);
- Exposure or right to variable returns based on its involvement with the investee;
- The ability to use its power over the investee to affect its profit or loss.

Generally, it is assumed that the majority of voting rights results in control. To support this assumption, and when the Group has less than the majority of or similar voting rights of an investee, the Group considers all relevant facts and circumstances when assessing whether it has power over an investee, including:

- The contractual agreement with other voting holders in the investee;
- Rights arising from contractual agreements;
- The voting rights and potential voting rights of the Group.

The Group evaluates whether it exercises control over an investee if facts and circumstances indicate changes in one or more of the three control elements. Consolidation of a subsidiary begins when the Group obtains control over that subsidiary, and ends when such control ceases to exist. Assets, liabilities and profit or loss of a subsidiary acquired or disposed of over the year are included in the consolidated financial statements from the date the Group obtains control to the date such control over the subsidiary ceases to exist.

Profit or loss and each component of other comprehensive income is attributed to the Group's controlling and non-controlling shareholders, even if this results in loss to non-controlling shareholders. Whenever necessary, adjustments are made to the financial statements of the subsidiaries to align their accounting practices with the Group's accounting practices. All assets and liabilities, profit or loss, revenues, expenses and cash flows of the same group, related to operations between Group members, are fully eliminated in the consolidation.

Changes in equity interest held in subsidiary, without losing control, are accounted for as equity transactions. If the Group loses the control exercised over a subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are written off, whereas any resulting gains or losses are accounted for in profit or loss. Any retained investment is remeasured at fair value.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.3 Business Combination**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value, and the value of any non-controlling interests in the acquiree. For each business combination, the acquirer should measure the non-controlling interest in the acquiree at fair value or based on its participation in the identified net assets of acquiree. Costs directly attributable to the acquisition must be expensed as incurred.

Upon acquiring a business, the Group assesses financial assets and liabilities assumed so as to classify them and allocate them in accordance with contractual terms, economic circumstances and relevant conditions at the acquisition date, which includes the acquiree's segregating embedded derivatives existing in host contracts in the acquired company.

Any contingent consideration to be transferred by the acquiror will be recognized at fair value as of acquisition date. Subsequent changes in fair value of contingent consideration considered as an asset or a liability shall be recognized in the statement of profit or loss.

Initially, goodwill is measured as the exceeding consideration amount transferred in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If consideration is lower than fair value of net assets acquired, the difference is to be recognized as gains in profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and a part of that unit is disposed of, the goodwill associated with the portion disposed of is included in the carrying amount of the operation when determining the respective gain or loss thereon. Goodwill disposed of in these circumstances is calculated based on the relative values of the portion disposed of in relation to the cash-generating unit.

### **2.4 Goodwill**

Goodwill stemming from a business combination is stated at cost on the business combination date. Initially, goodwill is measured as the exceeding consideration amount transferred in relation to net assets acquired (net identifiable assets acquired and liabilities assumed). If consideration is lower than fair value of net assets acquired, the difference is to be recognized as gains in profit or loss. For impairment testing purposes, goodwill is allocated to the investment that benefits from the combination synergy. Goodwill, characterized as future profitability, as a result of a business combination, was not allocated to the investment due to its characteristics, according to note 10 (i)

Goodwill is tested for impairment annually, or whenever there is any indication that a unit may be impaired. If the recoverable amount is lower than they carrying amount, impairment loss is firstly allocated to reduce the carrying amount of goodwill allocated to that unit, and subsequently, to other assets of that unit, proportionally to the carrying amount of each of its assets. Any impairment loss in goodwill is directly recognized in the profit or loss. Impairment losses in subsequent periods are not reversed.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.5 Revenue recognition and Determination of profits or loss**

IFRS 15 (CPC 47) stems from the principles that the entity will apply to determine the measurement of revenue and how and when it is recognized, based on five steps: (1) identification of contracts with customers; (2) identification of the performance obligations provided for in the contracts; (3) determining the transaction price; (4) allocation of the transaction price to the performance obligation provided for in the contracts and (5) recognition of revenue when the performance obligation is met. Revenue from customer contracts is recognized when control of the goods or services is transferred to the customer for an amount that reflects the consideration to which the Group expects to be entitled in exchange for these goods or services. Revenues, costs and expenses are recognized in accordance with the accrual accounting principle. Expenses and costs are recognized as incurred. Revenues from assignment of rights to storeowners are deferred and allocated to profit or loss according to the fruition of their first lease agreement. Income from disposal of properties is recognized on an accrual basis, and classified as other operating income and expenses, as this is not recurring income.

#### Operating leases

Lease for which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating lease agreements. Initial direct costs incurred in negotiating operating lease agreements are added to the carrying amount of the leased asset, and recognized over the lease term, similarly to lease revenue. Contingent leases are recognized as revenue over the time they are earned. Revenues from minimum rents, co-payments, considering possible effects of grace periods, discounts, etc., and excluding inflationary effects, must be recognized on a straight-line basis over the term of the contract, and any excess of variable rent is recognized when incurred, regardless of the receipt method.

#### Financial swaps

The Company adopts the strategy of negotiating together with associated developers the plots of land around certain malls, for the development of residential and commercial ventures to leverage mall revenues in the future, as well as the profitability of these assets. Negotiations provide for the execution of contracts with characteristics of financial swaps, in which certain performance obligations have to be met.

#### Rendering of services

This refers to revenues from the collection of condominium fees from shopping malls.

#### Parking

This refers to revenue arising from the operation of parking lots in the shopping malls. These revenues are allocated to P&L on an accrual basis, according to the use of the parking space by the customer, according to the price schedule per hour, charged over the period used.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 2.6 Financial instruments

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

#### a) 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 upon initial recognition depends on the characteristics of the contractual cash flows of the financial asset and of the Company's business model for management of these financial assets. Except for trade accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not measured at fair value through profit or loss.

For a financial asset to be classified and measured at amortized cost or at fair value through Other Comprehensive Income (OCI), it must generate cash flows that represent Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is performed at an instrument level. 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, irrespective of the business model adopted.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the marketplace (regular negotiations) are recognized on the trade date, i.e., the date on which the Company undertakes to purchase or sell the asset.

##### Subsequent measurement

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

- i) Financial assets at amortized cost (debt instrument);
- ii) Financial assets at fair value through OCI, with reclassification of accumulated gains and losses (debt instruments);

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

iii) Financial assets designated at fair value through OCI, without reclassification of accumulated gains and losses upon their derecognition (equity instruments); and

iv) Financial assets at fair value through profit or loss.

### Financial assets at amortized cost (debt instruments)

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

### Financial assets at fair value through OCI (debt instruments)

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

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

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under CPC 39 - Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

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

### Financial assets at fair value through profit or loss

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

### Derecognition

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

i) The rights to receive cash flows from the asset have expired; or

## **Iguatemi S.A.**

Note to individual and consolidated financial statements

December 31, 2021 and 2020

(In Thousand of reais – R\$, unless otherwise stated)

- ii) The Company has transferred the rights to receive cash flows from the asset, or has assumed an obligation to fully pay any cash flows it has received, without material delay, to a third party under a pass thorough arrangement; and (a) the Company has transferred substantially all the risks and rewards of ownership of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but transferred control of such asset.

### Impairment of financial assets

The Company assesses the impairment of its financial assets in accordance with the model proposed by CPC 48/IFRS 9 for expected credit loss. The measurement is applied to assets classified as amortized cost and fair value through Other Comprehensive Income (OCI), and is based on the perception of increase in credit risk since the initial recognition of the asset, in which the provision is recorded according to the expected loss for the next 12 months or asset lifetime expected credit losses. For the portfolio of receivables, since they have no significant financing component, the Company applies the simplified approach permitted as a practical expedient by CPC 48/IFRS 9, in which expected losses are recognized for lifetime, starting from the initial recognition of receivables. Further information on measurement of expected credit loss is stated in Note 5.

## **b) Financial liabilities**

### Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost, or derivatives designated as hedging instruments in an effective hedge, as the case may be.

All financial liabilities are initially measured at fair value increased or decreased by, in the case financial liabilities other than at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

### Subsequent measurement

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

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

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

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, if any, include financial liabilities for trading and financial liabilities designated upon initial recognition at fair value through profit or loss.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing within short term.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial recognition date, and only if the CPC 48 /IFRS 9 criteria are met.

### Financial liabilities at amortized cost (loans and financing and debentures)

After initial recognition, interest-bearing loans, financing and debentures are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit or loss when liabilities are derecognized, and through the amortization process by the effective interest rate method.

The amortized cost is calculated taking into consideration any discount or goodwill on acquisition and rates or costs that are an integral part of the effective interest rate method. Amortization by the effective interest rate method is included as finance costs in the statement of profit or loss.

### Derecognition

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

## **c) Net presentation of financial instruments**

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

## **2.7 Fair value measurement**

The Group measures financial instruments, such as derivatives, and, for reporting purposes, investment properties at fair value at each statement of financial position closing date. 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 Group must have access to the principal (or most advantageous) market.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

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. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate 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 or disclosed 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;
- 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 Group 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 Group determined the policies and procedures to measure the fair value of investment properties, which was prepared internally based on the knowledge, market performance information, and expertise in the shopping mall segment. For fair value disclosure purposes, the Group 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. Corresponding disclosures at fair value of financial instruments and non-financial assets measured at fair value or, upon disclosure of fair values, are summarized in the respective notes.

### 2.8 Current vs. Noncurrent classification

The Group records assets and liabilities in its statement of financial position based on current/noncurrent classification. An asset is classified as current when:

- it is held primarily for trading;
- it is expected to be realized within 12 months from the reporting date; or
- it is cash and cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

- it is held primarily for trading;
  - it is expected to be realized within 12 months from the reporting date; or
  - there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
- The Group classifies all other liabilities as noncurrent. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.



## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.9 Cash and cash equivalents**

Cash equivalents are held by the Company for the purpose of meeting short-term cash commitments rather than for investment or other purposes. The Group considers as cash equivalents short-term investments immediately redeemable at a known cash amount and that are exposed to an insignificant risk of change in value.

Accordingly, an investment normally qualifies as cash equivalent when it is redeemable in the short term, for example, within three months from the investment date.

### **2.10 Inventories**

Inventories are carried at the lower of cost and net realizable value. Inventory costs are determined under the average cost of acquisition method. Net realizable value corresponds to the estimated inventory selling price, less those costs required to complete the sale.

### **2.11 Investments**

Investments are measured under the equity method in the parent company financial statements. Investments in entities in which management has significant influence, or holds 20% or more of voting capital, or that are part of the same group under common control, are also measured under the equity method (see Note 7).

#### Joint ventures

A joint venture is a contractual agreement through which the Company and other parties engage in an economic activity subject to joint control, a situation in which decisions on strategic financial and operational policies related to joint venture activities require the approval of all the parties that share control.

Joint investments are recorded under the equity method, from the date the shared control was acquired, and are not consolidated.

### **2.12 Investment Properties**

Investment properties are initially measured at cost, less accumulated depreciation on a straight-line basis, including transaction costs. The carrying amount includes borrowing costs, the cost for replacing part of an investment property existing at the time the cost is incurred if the recognition criteria are met; excluding costs of daily service of investment property. After initial recognition, investment properties are held at cost, but presented at fair value, which reflects market conditions at the statement of financial position date. Investment properties are written off when sold or when they are no longer permanently used and no future economic benefit from the disposal thereof is expected. The difference between net value obtained from the sale and asset carrying amount is recognized in the statement of profit or loss for the period in which write-off takes place. The Company annually reviews the useful lives and residual values of its investment properties.

### **2.13 Property and Equipment**

Stated at cost, less accumulated depreciation on a straight-line basis, at the rates disclosed in Note 9.

### **2.14 Intangible Assets**

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment on an annual basis. Intangible assets with finite useful lives are subject to amortization over the estimated economic useful life of the asset and, whenever impairment indicators are identified, they are also tested for impairment (see Note 10).

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.15 Taxes**

The provision for income tax was set up at the rate of 15%, plus surtax of 10% on annual taxable profit exceeding R\$240. Social contribution tax was calculated at the rate of 9% on adjusted net income. Deferred income and social contribution taxes were calculated based on temporary differences in revenue recognition and expenses for accounting and tax purposes. As permitted by tax legislation, certain consolidated companies elected the taxation system under which taxable profit is computed as a percentage of gross revenue, for which income and social contribution taxes are calculated at the rate of 32% on gross revenues from services rendered, 8% on goods sold (12% for social contribution tax), and 100% on finance income and other income, on which the regular rate of 15%, plus surtax of 10%, is applied to income tax and 9% to social contribution tax. Therefore, these consolidated companies did not record deferred income and social contribution taxes on income and social contribution tax losses and temporary differences, nor are they included in the context of non-cumulative accounting for Contribution tax on gross revenue for social integration program (PIS) and for social security financing (COFINS).

### **2.16 Equity**

#### *a) Dividend Payment*

Dividends payment to shareholders is recognized as a liability in the year-end financial statements, according to the Company's articles of incorporation. Any amount above mandatory minimum dividend is accrued on the date of its approval by the shareholders in General Meeting.

#### *b) Earnings per Share*

Basic earnings per share are calculated through profit or loss for the period attributable to the Company's shareholders and the monthly average of outstanding shares in the respective period. Diluted earnings per share are calculated through the referred to average number of outstanding shares, adjusted by instruments potentially convertible into shares, with dilutive effect, for the years presented, under the terms of CPC 41/IAS 33.

#### *c) Common and preferred shares*

Common and preferred shares are classified as equity. Incremental costs that are directly attributable to issuing shares and stock options are recognized as equity reduction, net of any tax effects.

#### *d) Treasury Shares*

These are own equity instruments there were reacquired (treasury shares), recognized at cost, less equity. No gains or losses are recognized in profit or loss upon purchase, sale, issue or cancellation of the Group's own shares. Any differences between the carrying amount and consideration are recognized in other capital reserves.

#### *e) Capital reserve*

The gain on the merger of all the subsidiary's shares is recognized in equity, with no effect on profit or loss for the year.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.17 Provisions**

#### *a) General*

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that economic benefits will be required to settle the obligation, and such obligation can be reliably estimated. When the Group is expected to fully or partially reimburse a provision – in virtue of an insurance contract, for example –, such reimbursement is recognized as a separate asset item, but only when the amount is more likely than not to be reimbursed. The expense relating to any provision is stated in profit or loss, net of any reimbursement. If the effect of time value of money is significant, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the liability-specific risks. When the discount is adopted, an increase in provision due to time elapsed is recognized as a financing cost.

#### *b) Provision for tax, labor and civil risks*

The Group is party to several 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. For labor contingencies, provisions consider the opinion and amounts informed by the legal advisors, according to the percentage defined by management through the history of same-nature proceedings settled for the past 12 months. Assessment of the likelihood of loss also includes an analysis of available evidence, the hierarchy of laws, available case law, the latest decisions of courts of law and their relevance in the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted to take into consideration changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court decisions. Risks classified as possible losses are not recognized for accounting purposes, and are only disclosed, and those classified as remote do not require provision or disclosure.

### **2.18 Transactions involving share-based payment**

The Company offers its employees share-based payment plans, according to which the Company receives the services as consideration for stock options. The value of options granted is recognized as an expense over the vesting period. During this period, the specific conditions for acquiring the rights must be met. At the statement of financial position date, the Company reviews its estimated number of options whose rights are to be acquired based on the vesting conditions. It recognizes the impact of reviewing initial estimates, if any, in profit or loss, against equity.

### **2.19 Present value adjustment of assets and liabilities**

Noncurrent monetary assets and liabilities are monetarily restated, and therefore adjusted to their present value. Present value adjustment of current monetary assets and liabilities is calculated, and only recorded, if it is considered significant in relation to the overall financial statements. For the purposes of recording and determining whether it is material, the adjustment to present value is calculated considering contractual cash flows and the explicit interest rate, or implicit rate in some cases, for these assets and liabilities. Based on management analysis and best estimates, the Group concluded that the present value adjustment of current monetary assets and liabilities is immaterial in relation to the overall financial statements; accordingly, no such adjustment was recorded.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **2.20 Impairment of nonfinancial assets**

Management annually reviews the net book value of assets in order to evaluate events or changes in economic, operating or technological conditions that may indicate deterioration or impairment. When such evidence is found, and net book value exceeds recoverable amount, a provision for impairment is recorded so as to adjust the net book value to the recoverable amount. The recoverable amount of an asset or a cash generating unit is defined as the higher of value in use and fair value less costs to sell. In assessing an asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital for the industry where the cash-generating unit operates. The net fair value of selling expenses is determined, whenever possible, based on recent market transactions between knowledgeable and willing parties with similar assets. In the absence of observable transactions in this regard, an appropriate valuation methodology is used. The calculations provided in this model are corroborated by available fair value indicators, such as quoted prices for listed entities, among other available indicators. The Group's impairment assessment is premised on the forecasts and these detailed financial budgets, which are prepared separately by management for each cash-generating unit to which the assets are allocated. Projections based on these forecasts and budgets generally cover a five year period. An average long-term growth rate is calculated and applied to future cash flows after the fifth year. The impairment loss on the asset is recognized in the statement of profit or loss consistently with the use of the asset subject to loss. For assets other than goodwill, an assessment is made at each reporting date to determine if there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the recoverable value of the asset or the cash-generating unit. A previously recognized impairment loss on an asset is reversed only if there has been a change in the estimates used to determine the recoverable value of the asset since the last impairment loss that was recognized. The reversal is limited so that the carrying amount of the asset is not the book value that would have been determined (net of depreciation, amortization or depletion) if no impairment loss had been recognized for the asset in prior years. This reversal is recognized in profit or loss. The impairment test for goodwill is made annually on December 31 or when circumstances indicate that the carrying amount has deteriorated. The impairment loss is recognized for a cash-generating unit to which the goodwill relates. When the recoverable value of the unit is less than the book value of the unit, the loss is recognized and allocated to reduce the book value of the unit assets in the following order: (a) reducing the carrying amount of the goodwill allocated to the cash-generating unit; and (b) then, to the other assets of the unit in proportion to the book value of each asset. Intangible assets with indefinite useful lives are tested for impairment annually on December 31, individually, or at the level of the cash-generating unit, as the case may be or when the circumstances indicate a loss due to devaluation of the book value.

### **2.21 Conversion of foreign currency**

#### *Functional and reporting currency*

The financial statements of each investee included in the consolidation are prepared using the functional currency (currency of the primary economic environment in which they operate) of each investee. In defining the functional currency of each of its subsidiaries, management considered which currency significantly influences the selling price of the services rendered and the currency in which the majority of the cost of providing its services is paid or incurred. The consolidated financial statements are presented in Brazilian reais, which is the functional and reporting currency of the Company and all its subsidiaries.

#### *Foreign currency*

In the preparation of the Company's (individual and consolidated) financial statements, foreign currency transactions are recorded at the exchange rates prevailing at the date of each transaction. At the end of each

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

accounting period, monetary items in foreign currency are translated at the prevailing rates. Foreign exchange variations on monetary items are recognized in P&L for the year in which they occur.

### 2.22 New and revised standards and interpretations

New standards and revised standards and interpretations issued but not adopted until December 31, 2021 are described below. The Company intends to adopt these new and revised standards and interpretations, if applicable, when they come into effect. Management expects no material impact from such application on Company individual and consolidated financial statements.

*Business Combinations CPC 15/IFRS 3 – Reference to the conceptual framework (Applicable on/or after January 1, 2022. Early adoption is allowed if the entity also adopts all other updated references (published together with the updated Conceptual Framework) on the same or before such date)*

The amendments update CPC 15/IFRS 3 based on the 2018 Conceptual Framework rather than the 1989 Framework. Such amendments include in CPC 15/IFRS 3 the requirement that, for obligations within the scope of CPC 25/IAS 37, the buyer must apply CPC 25/IAS 37 to determine whether there is a present obligation at the date of acquisition by virtue of past events. For taxes within the scope of ICPC 19/IFRIC 21 – Taxes, the buyer must apply ICPC 19/IFRIC 21 to determine whether the event that resulted in the obligation to pay the tax occurred until the date of acquisition. The amendments establish that the buyer must explicitly declare that he does not recognize contingent assets acquired in a business combination.

*CPC 25/IAS 37 – Onerous contracts: Cost to comply with an onerous contract (applicable to annual periods beginning on or after January 1, 2022. Early adoption is allowed)*

The amendments to CPC 25/IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify what the term “costs of fulfilling a contract” represents, when assessing whether a contract is onerous. Certain entities that apply the incremental cost approach may increase the amount of their provisions, or record new provisions for onerous contracts as a result of this new definition. The need for clarification arised after introduction of IFRS 15/CPC 47, which replaced the existing requirements relating to revenue, including guidance contained in CPC 17 (R1)/IAS 11, which referred to construction contracts. CPC 17 (R1)/IAS 11 specified which costs were included as costs to fulfill a contract whereas IAS 37 did not specify such costs, which generated diversity in practice. The amendment aims at clarifying which costs should be included in this assessment.

*Property, Plant and Equipment - CPC 27/IAS 16 – Proceeds before intended use (applicable to annual periods beginning on or after January 1, 2022. Early adoption is allowed)*

In the process of building up a PPE item for its intended use, an entity may, in parallel, produce and sell products generated in the such process. Before the amendment proposed by the IASB, these revenues were, in practice, accounted for in many different manners. The IASB amended this standard to provide guidance on how to account for such revenues and related production costs.

According to this new proposal, rather than being deducted from PPE costs, sales revenue is recognized in the statement of profit or loss together with these items’ production costs. IAS 2/ CPC 17 Inventories should be applied in identifying and measuring production costs.

*CPC 43 (R1)/IFRS 1 – First-time Adoption of International Financial Reporting Standards (applicable to annual periods beginning on or after January 1, 2022. Early adoption is allowed)*

This amendment provides for an additional measure for a subsidiary that adopts this standard for the first time after its parent company, relating to accounting for cumulative translation differences. By virtue of this

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

amendment, the subsidiary that uses the exemption contained in IFRS 1:D16(a) may now opt for measuring cumulative translation differences for all foreign transactions for the carrying amount that would be included in the parent company's consolidated financial statements, based on the parent company's date of transition to IFRS, if no adjustment is made to the consolidation procedures and effects of the business combination in which the parent company acquired such subsidiary. A similar option is available for an associate or joint venture that uses the exemption contained in IFRS 1:D16(a).

### CPC 48/IFRS 9 – Financial Instruments (applicable to annual periods beginning on or after January 1, 2022. Early adoption is allowed)

This amendment clarifies that, in applying the 10% test to assess whether a financial liability should be written off, an entity includes only amounts paid or received between the entity (debtor) and the creditor, including amounts paid or received by the entity or creditor on behalf of the other party. This amendment may be applied retrospectively to changes and exchanges on or after the date on which the entity applies the amendment for the first time.

### CPC 06(R2)/IFRS 16 – Leases (date of effectiveness not applicable)

This amendment excludes the example on reimbursement of leasehold improvements. Since the amendment to IFRS 16 constitutes only an illustrative example, no effectiveness date is defined.

### Amendments to CPC 36(R3)/ IFRS 10 and CPC 18 (R2)/IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (date of effectiveness of these amendments has not been defined by the IASB; however, early adoption is allowed)

Amendments to CPC 36(R3)/ IFRS 10 and CPC 18/IAS 28 address situations that involve the sale or contribution of assets between an investor and its associate or joint venture. Specifically, gains and losses resulting from the loss of control of a subsidiary that does not have a business in a transaction with an associate or joint venture accounted for using the equity method are recognized in the parent's profit or loss only in proportion to the interest held by investors unrelated to that associate or joint venture. Likewise, gains and losses resulting from remeasurement of investments retained in any former subsidiary (that has become an associate or joint venture accounted for using the equity method) at fair value are recognized in the former parent's profit or loss in proportion to the interests of unrelated investors in the new associate or joint venture.

### Amendments to CPC 26 (R1)/IAS 1 – Classification of Liabilities as Current or Noncurrent (applicable to annual periods beginning on or after January 1, 2022. Early adoption is allowed)

The amendments to CPC 26/IAS 1 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about these items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights existing at the statement of financial position date, specify that the classification is not affected by expectations about whether an entity will exercise its right to postpone settlement of the liability, explain that the existing rights if restrictive clauses are complied with at the statement of financial position date, and introduce the definition of "settlement" to clarify that it refers to transfer, to a counterparty of an amount in cash, equity instruments, other assets or services.

### Amendments to CPC 26(R1)/ IAS 1 and practical expedient 2 of IFRS – Disclosure of Accounting Policies (Applicable to annual or other periods beginning on or after January 1, 2023)

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

These amend the requirements of CPC 26/IAS 1 concerning disclosure of accounting policies. The amendment replace of occurrences of the term "significant accounting policies" for "information about material accounting policies". Accounting policy information is material if, when considered in conjunction with other information included in an entity's financial statements, it can reasonably be expected to influence the decisions of the key users of the financial statements. In applying these amendments, an entity discloses its material accounting policies rather than its significant accounting policies. The supporting paragraphs of CPC 26/IAS 1 were also amended to clarify that accounting policy information related to transactions, other events or immaterial conditions are immaterial and require no disclosure. Information about accounting policies may be material due to the nature of the related transactions, other events or conditions, even if their amounts are immaterial. However, not all accounting policy information relating to transactions, other material events or conditions are material on their own.

### Amendments to CPC 23/ IAS 8 – Definition of Accounting Estimates (Applicable to annual or other periods beginning on or after January 1, 2023)

This amendment replaces the definition of “change in accounting estimate” for “accounting estimate”. According to this new definition, accounting estimates are “monetary values in the financial statements that are subject to the uncertainty of measurement”.

### Amendments to CPC 32/ IAS 12 – Deferred Tax Relating to Assets and Liabilities arising from a Single Transaction (Applicable to annual or other periods beginning on or after January 1, 2023)

These amendments introduce a new exception to the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption to transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, deductible and taxable temporary differences may arise upon recognition of an asset or liability in a transaction other than a business combination and that does not affect book profit or taxable profit. For example, this may occur upon recognition of a lease liability and of the corresponding right-of-use asset applying CPC 06 (R2)/IFRS 16 - Leases at lease inception date. In consonance with the amendments to CPC 32/IAS 12, the entity is required to recognize the respective assets and deferred liabilities. Recognition of deferred tax assets is subject to the recoverability criteria of CPC 32/IAS 12.

## 3 Significant accounting judgments, estimates and assumptions

### *Estimates and assumptions*

In preparing the financial statements, estimates need to be used to account for certain assets, liabilities and other transactions. The financial statements of the Company and its subsidiaries therefore include estimates referring to the selection of useful lives of its property and equipment and investment properties, provisions necessary for tax, labor and civil contingencies, provisions for income and social contribution taxes, allowance for doubtful accounts, fair value of investment properties for reporting purposes, and other similar provisions. Settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in their estimate process. The Company reviews its estimates at least once a year.

### *Judgments*

Preparation of parent company and consolidated financial statements of the Group requires that management make judgments, estimates and adopt assumptions that affect the stated amounts of revenues, expenses, assets

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

and liabilities, as well as the disclosure of contingent liabilities. In applying the Group's accounting policies, management made the following judgments that have a more significant effect on the amounts recognized in the consolidated financial statements

### ***Investment properties measured at fair value for reporting purposes***

Fair values are based on market values and the estimated value by which a property could be exchanged at the valuation date between knowledgeable and willing parties in an arm's length transaction, as defined in IFRS 13 for level 3 assessments. For To measure fair value of investment properties for reporting purposes, the Group considered the methodology of cash flow discounted to present value. This methodology is projected to current lease revenue, based on current performance and projection, over a 10-year period, considering appropriate growth rates and contract events (restatements, revisions and renewals), occurring in the shortest periodicity defined by legislation on lease contracts. For those cases where current lease is higher or lower than the market, market reviews are considered, at the review dates of each agreement. In addition, in the case of a percentage lease collection, projections consider the higher of the revenues earned. To reflect the perpetuity of operations, at the end of the 10th year, revenue is capitalized, and the revenue stream and perpetuity value are then brought to present value at discount rates appropriate to the market risk perception, taking into account the likely risk/performance of each scenario. For analysis purposes, the continuity of existing agreements is considered, with automatic renewal of those agreements. Losses of revenue due to default were considered. Investment property in construction is valued by estimating the fair value of the entire investment, less the estimated cost to complete the construction, cost of financing and a reasonable profit margin. The main assumptions used to determine the fair value of investment properties are detailed in Note 8.

### ***Realization of deferred income tax and social contribution credits***

Deferred tax assets are recognized for all unused tax losses and negatives bases unused of social contribution, as well as time differences to the extent that it is probable that taxable profit will be available against which losses and temporary differences can be used. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. These losses refer to the Company and are not time-barred. However, offsetting of accumulated tax losses is limited to 30% of taxable profit generated for a given fiscal year. For more details on deferred taxes, see Note 16.

### ***Fair value of financial statements***

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. Inputs for these methods are based on the market, whenever possible. However, when not feasible, a certain level of judgment is required to establish 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.

### ***Allowance for expected credit losses for accounts receivable and contract assets***

The Group uses an allowance matrix to calculate the expected credit loss for accounts receivable and contract assets. The allowance rates applied are based on days of delay for groupings of various customer segments that have similar loss patterns (such as by geographic region, product type or customer type and credit risk, among others). The allowance matrix is initially based on the historical loss rates observed by the Group. The Group reviews the matrix prospectively to adjust it according to the historical experience of credit loss. For example, if forecasted economic conditions are expected to deteriorate over the next year (e.g. gross domestic product) -



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

which could lead to an increase in defaults in the manufacturing sector - historical loss rates are adjusted. On all reporting dates, observed historical loss rates are updated and changes in forward-looking estimates are analyzed. Assessing the correlation between observed historical loss rates, anticipated economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and anticipated economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not represent the customer's actual pattern in the future. Information on expected credit losses on the Group's accounts receivable and contract assets is disclosed in Note 5.

### *Provisions for tax, civil and labor risks*

The Group recognizes a provision for civil and labor claims. The assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, available case law, the most recent decisions in the courts and their relevance in the legal system, as well as the assessment of outside lawyers. Provisions are reviewed and adjusted to take into consideration changes in circumstances, such as applicable statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

## 4 Cash, cash equivalents and short-term investments

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
(a) Cash and cash Equivalents				
Cash and Banks	300	1,002	38,930	28,613
Total	300	1,002	38,930	28,613
(b) Financial investments				
Investment fund on-shore (i)	112,068	107,315	1,524,174	1,653,990
Investment fund off-shore (ii)	98,604	24,147	441,022	93,773
Repurchase agreements (iii)	-	-	49,965	33,370
Total	210,672	131,462	2,015,161	1,781,133
Current	210,672	42,598	2,004,126	1,613,885
Noncurrent	-	89,866	49,965	195,861

- (i) These are represented by fixed income investment fund, with daily liquidity and accumulated yield of 5.12% for the twelve months ended December 31, 2021 (2.53% - 2020). Management manages the Company's cash through investment funds not exclusive, expecting to use such resources for the development of the projects foreseen.
- (ii) It refers to the investment in a long-term international investment fund, with investments in equity interests and in other investment funds, as a result of the Corporate Venture Capital investment program, which aims to support companies with high growth potential at the beginning of their business journey. At December 31, 2021, the fund's main investment is the indirect interest of in Infracommerce CXAAS S/A, of which 1.1% - individual and 11.3% - consolidated.
- (iii) Short-term investments under repurchase agreement of financial institution Itaú Unibanco S/A are classified as amortized cost under CPC 48 due to its characteristic, and its objective is to secure borrowing under Mortgage-backed Securities (CRI), maturing on June 19, 2023

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

and September 17, 2025.

### 5 Trade Accounts Receivable

	Consolidated	
	12.31.2021	12.31.2020
Rents and resale of points of sale receivable	276,233	226,009
Coparticipation receivable (i)	9,770	5,843
Straight-line of discount (ii)	237,741	157,514
Others (iii)	85,620	62,540
	609,364	451,906
Allowance for doubtful accounts	(109,786)	(81,716)
	499,578	370,190
Current	266,855	205,370
Noncurrent	232,723	164,820

- (i) These substantially represents balances receivable for the right of use of real estate space, Co-participations are invoiced in accordance with contracts and recognized in P&L over the contracted rent term.
- (ii) Due to COVID-19 pandemic, which had large impacts on Company operations, management, in partnership with shopkeepers, adopted new discount policies. under specific conditions in order to create financial breathing room in these shopkeepers cash flows. These discounts include full or partial exemptions. always based on each shopkeeper's condition (these conditions reach most shopkeepers in the Company's portfolio, but consider exceptions relating to establishments whose operations were not halted when the shopping malls closed). These grants, will be recorded on a straight line, according to the average term of the standard lease, as provided for by CPC 06(R2)/IFRS 16. Total discounts net of appropriations in December 2021 is R\$ 114,722 (R\$72,087 in 2020) - individual and R\$ 343,436 (R\$181,249 in 2020) - consolidated.
- (iii) Represented substantially by sales of real estate for the development of real estate projects by the development buyers. Receipts will occur through transfers of funds related to units sold ("financial barter transaction"), as provided in the agreement. On an annual basis, the Company subsequently remeasures this financial asset at fair value, which is supported by the feasibility studies of the projects launched or to be launched in their respective regions. In addition, we highlight that these financial assets are monthly restated based on the INCC/FGV and/or IGP-M/FGV indexes.

The aging list of receivables is as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Consolidated	
	12.31.2021	12.31.2020
To fall due from 721 to 1440 days	147,972	67,227
To fall due from 361 to 720 days	84,751	97,593
To fall due up to 360 days	263,731	195,089
Overdue up to 30 days	7,617	10,892
Overdue from 31 to 60 days	5,085	7,808
Overdue from 61 to 90 days	1,947	3,390
Overdue from 91 to 120 days	4,039	5,818
Overdue from 121 to 360 days	25,448	16,233
Overdue over 360 days	68,774	47,856
	<u>609,364</u>	<u>451,906</u>

Iguatemi and its subsidiaries adopted the calculation of expected trade accounts receivable losses based on the preparation of an “allowance matrix”, taking into account historical default data that already include the effects of COVID-19, and defined a percentage of allowance for each maturity range of the receivables portfolio. The aging list reflects the original date of each security, with no change in the original dates of the securities overdue, which were renegotiated. The balance of the item “Accounts receivable” was classified in the category of financial assets - “amortized cost”.

Changes in allowance for expected credit losses are shown as follows:

	Consolidated	
	12.31.2021	12.31.2020
Opening Balance	(81,716)	(54,637)
Constitution / reversal of provision for expected credit losses	(29,480)	(26,326)
Reversal / write-off of bad debts	1,410	(753)
Closing Balance	<u>(109,786)</u>	<u>(81,716)</u>

To determine the recovery of accounts receivable, Iguatemi and its subsidiaries consider any change in the credit quality of the customer from the date the credit was initially granted to year end.

The breakdown of percentages of Allowance for doubtful accounts is as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	%	
	12.31.2021	12.31.2020
To fall due	4.01%	4.37%
Overdue up to 30 days	30.86%	33.62%
Overdue from 31 to 60 days	36.19%	39.60%
Overdue from 61 to 90 days	41.82%	46.00%
Overdue from 91 to 120 days	46.74%	52.01%
Overdue from 121 to 360 days	69.22%	100.00%
Overdue over 360 days	100.00%	100.00%

The aging list of amounts included in allowance of expected credit losses is as follows:

	Consolidado	
	12.31.2021	12.31.2020
To fall due	(16,519)	(14,151)
Overdue up to 30 days	(2,337)	(2,617)
Overdue from 31 to 60 days	(1,840)	(2,282)
Overdue from 61 to 90 days	(814)	(1,086)
Overdue from 91 to 120 days	(1,888)	(2,275)
Overdue from 121 to 360 days	(17,614)	(11,449)
Overdue over 360 days	(68,774)	(47,856)
	<u>(109,786)</u>	<u>(81,716)</u>

### Leases

Iguatemi and its subsidiaries lease spaces in its shopping malls, with an effective term between 4 (four) and 5 (five) years, with the option of renewal after this period. Exceptionally, they may have contracts with different effective terms and conditions. The amounts are adjusted annually, according to market indexes. The future minimum rent installments to be billed on non-cancelable leases, considering the stores in operation as of December 31, 2021 and December 31, 2020 are as follows:

	Consolidated	
	12.31.2021	12.31.2020
Up to one year	604,686	504,735
Between two and five years	1,468,088	1,277,847
More than five years	162,475	118,467
	<u>2,235,249</u>	<u>1,901,049</u>

## 6 Information on related-party balances and transactions

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

In the normal course of business, the Company carries out transactions with related parties represented by the companies of the Iguatemi S.A, which are carried out at prices, terms, financial charges and other conditions defined by management.

### Related-party transactions and balances

Related-party balances and transactions at December 31, 2021 and December 31, 2020 are as follows:

#### a. Balances

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Current assets:				
Dividends receivable:				
Iguatemi Empresa de Shopping Centers S.A.	82,170	24,365	-	-
EDSP66 Participações S.A.	473	295	-	-
Total current assets	82,643	24,660	-	-
Noncurrent assets:				
From other related parties:				
Shopping Center Galleria (iv)	-	-	4,828	4,739
Shopping Center Iguatemi São Paulo (iii)	-	-	4,084	3,880
Praia de Belas Shopping Center (iii)	-	-	321	321
Federação das Entidades Assistenciais Campinas (i) (CDI + 1% p.a.)	-	-	22,399	29,523
Shopping Center Iguatemi Ribeirão Preto (vi) (CDI + 4% p.a.)	-	-	1,652	1,032
Other related parties (ii)	-	-	1,328	13,799
Total receivables from related parties	-	-	34,612	53,294
Total Noncurrent assets	-	-	34,612	53,294
Current liabilities				
Payables to related parties:				
Leasing Shopping Center Iguatemi São Paulo (v)	-	-	2,798	2,372
Others Related Parties (ii)	1,868	2,530	-	112
Total payables to related parties	1,868	2,530	2,798	2,484
Dividends payable:				
Controlling Shareholders:				
Company x Shareholders	57,191	18,434	57,191	18,434
Minorities	-	-	-	-
Noncontrolling Shareholders	-	-	17	23,797
Total dividends payable	57,191	18,434	57,208	42,231
Total current liabilities	59,059	20,964	60,006	44,715
Noncurrent liabilities				
Payables to related parties:				
With related parties:				
Leasing Shopping Center Iguatemi São Paulo (v)	-	-	-	2,822
Total payables to related parties	-	-	-	2,822
Total payables to related parties	-	-	-	2,822
Total noncurrent liabilities	-	-	-	2,822

## Iguatemi S.A.

### Note to individual and consolidated financial statements December 31, 2021 and 2020 (In Thousand of reais – R\$, unless otherwise stated)

- (i) Refers to a loan with FEAC - Federation of Assistance Entities of Campinas, which holds a 30% interest in Shopping Center Iguatemi Campinas, for the purpose of financing the expansion of the mall, with interest rate 0.8% of CDI per year and settlement scheduled for April 30, 2023.
- (ii) Refers substantially to the receivables from various mall condominiums, arising from the processes of refund of several payments, made by the Company.
- (iii) The balances of related parties between the civil and the commercial condominium refer to reimbursements of expenses not paid by lessees that were paid by the entrepreneurs, as determined by Laws No. 4591/64 and No. 8245/91.
- (iv) Related parties between the civil and the commercial condominium of Galleria Shopping Mall, which will be settled according to the insurer's indemnity.
- (v) Amount payable referring to a corporate office lease agreement entered into with Iguatemi São Paulo shopping mall, maturing on December 31, 2022, due to the adoption of IFRS 16/CPC 06 (R2).
- (vi) This refers to a loan between the civil condominium and the commercial condominium of Shopping Center Iguatemi Ribeirão Preto, remunerated at CDI 4% p.a. and repayment scheduled for August 31, 2022.

### Transactions

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Services rendered by controlling shareholder				
Iguatemi Empresa de Shopping Centers S.A (i)	1,300	1,560	-	-
	<u>1,300</u>	<u>1,560</u>	<u>-</u>	<u>-</u>
Finance income:				
Iguatemi Empresa de Shopping Centers S.A	46	46	-	-
	<u>46</u>	<u>46</u>	<u>-</u>	<u>-</u>
Intercompany loans - related parties:				
Federação das Entidades Assistenciais de Campinas (ii)	-	-	1,087	806
Shopping Center Iguatemi Ribeirão Preto (iii)	-	-	106	48
	<u>-</u>	<u>-</u>	<u>1,193</u>	<u>854</u>

- (i). The Company provides advisory services to its subsidiary Iguatemi.
- (ii). Refers to a loan with FEAC - Federation of Assistance Entities of Campinas, which holds a 30% interest in Shopping Center Iguatemi Campinas, for the purpose of financing the expansion of the mall, with interest rate 0.8% of CDI per year and settlement scheduled for April 30, 2023.
- (iii). This refers to a loan between the civil condominium and the commercial condominium of Shopping Center Iguatemi Ribeirão Preto, remunerated at CDI 4% p.a. and repayment scheduled for August 31, 2022.

### Intercompany loan agreements

Iguatemi and its subsidiaries enter into loans and financing agreements as a lender, for the purpose of financing the working capital of related companies, and as borrower, for the purpose of financing its ventures. The terms and conditions of agreements are broken down in the previous table.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **Management personnel compensation**

Compensation of the Executive Board and Statutory Officers, who are in charge of planning, directing and controlling the Company's activities, is presented below. Compensation re 2021 was approved in a General Shareholders' Meeting held on April 2021.

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Short-term benefits (i)	7,791	6,712	27,194	33,279
Share-based Payment (ii)	-	-	6,138	4,592
	7,791	6,712	33,332	37,871

(i). These basically refer to Executive Board's fees and profit sharing, including performance bonus.

(ii). This refers to cost of options for managing officers.

### **Guarantees provided to subsidiaries of Iguatemi Empresa de Shopping Centers**

- (a) On September 4, 2015, the Executive Board approved the Company's provision of a guarantee in favor of Nova Galleria Empreendimentos Imobiliários Ltda., in order to guarantee the securitization of the real estate credits arising from the commitment to sell and purchase the properties that make up Shopping Center Galleria, signed by its subsidiaries Galleria Empreendimentos Imobiliários Ltda. and Nova Galleria Empreendimentos Imobiliários Ltda., and Securitizadora RB Capital Companhia de Securitização in the amount of R\$ 210,000, with a CDI + 0.15% p.a. rate, and term of 120 months, according to Note 11 (d).
- (b) On December 28, 2015, the Board of Directors approved a grant by the Company of an alliance in favor of CSC 142 Participações, guaranteeing the securitization of real estate credits with the commitment to sell and buy the property located in the city de Tijucas, on which will be the commercial project built on a residential complex, with the securitization company RB Capital Company of Securitization in the amount of R \$ 105,000, with a CDI rate + 1.30% pa and term of 228 months, according to note nº 11 (e).
- (c) On March 31, 2016, the Board of Directors approved the Company's provision of a guarantee in favor of CSC41 Participações Ltda., in order to guarantee the securitization of the real estate credits with Securitizadora RB Capital Companhia de Securitização in the amount of R\$ 105,000, with a CDI rate + 1.30% p.a. and term of 228 months, according to Note 11 (f).
- (d) On July 12, 2016, the Board of Directors approved the Company's provision of a guarantee in favor of ORK Empreendimentos Imobiliários SPE Ltda., in order to guarantee the securitization of the real estate credits with Securitizadora RB Capital Companhia de Securitização in the amount of R\$ 275,000, with a final CDI rate – 0.10% p.a. and term of 84 months, according to Note 11 (g).

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 7 Investments

#### Breakdown of Investment

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Goodwill for added value of assets	-	-	3,495	3,495
Equity Participations	3,396,057	1,593,531	145,328	143,074
Other investments	297	978	21,514	16,406
	<u>3,396,354</u>	<u>1,594,509</u>	<u>170,337</u>	<u>162,975</u>

#### **Changes in equity interests**

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Opening Balance	1,593,531	1,552,261	143,074	49,123
Capital Purchase	3,995	-	638	-
Advances for future capital increase	1,855	-	-	-
Reflex capital increase of the controlling company (ii)	357,529	-	-	-
Purchase Participation	-	-	-	123,000
Gain on Purchase Participation (i)	1,294,283	9,224	-	2,230
Equity Equivalence	226,008	91,404	2,829	(2,736)
Dividends Received	(83,363)	(24,365)	(1,213)	-
Others	2,219	(34,993)	-	(28,543)
Closing Balance	<u>3,396,057</u>	<u>1,593,531</u>	<u>145,328</u>	<u>143,074</u>

- (i). Gain referring to merger of 100% shares of subsidiary Iguatemi Empresa de Shopping Centers S.A, in connection with the corporate restructuring (Note 2.23).
- (ii). Capital increase arising from the merger of all the shares of subsidiary Iguatemi Empresa de Shopping Centers S.A without impact on the Company's cash, as per Note 17 (a).

#### **Financial information on subsidiaries with non-controlling interests and joint ventures**

At December 31, 2021 and 2020, management analyzed the financial information on subsidiaries with non-controlling interests and joint ventures, and concluded that such information is immaterial for reporting purposes. However, as additional information, significant balances of assets, liabilities and profit or loss for the years are as follows:

	Assets		Capital		Equity		Net Income (loss) for the period	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
AGSC	747	567	74	74	287	228	3,429	3,779
JKES	3,279	4,244	1	1	2025	954	5,671	14
Other	5,846	5,902	11,807	11,807	5831	5890	(59)	(544)



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 8 Investment properties

#### At Cost

Description	Remaining average usefull life in years	Land	Buildings, facilities and other	Accumulated depreciation	Total
Consolidated before goodwill					
12.31.2021	29 to 60 (*)	454,550	4,929,883	(1,143,113)	4,241,320
12.31.2020	30 to 60 (*)	454,594	4,801,001	(1,005,660)	4,249,935
Goodwill reclassified (**)					
12.31.2021	40 to 60	34,785	58,576	(15,560)	77,801
12.31.2020	40 to 60	34,785	58,576	(14,312)	79,049
Total consolidated 2021		489,335	4,988,459	(1,158,673)	4,319,121
Total consolidated 2020		489,379	4,859,577	(1,019,972)	4,328,984

(\*) The useful lives of items classified as investment properties were defined based on studies prepared by real estate advisors, and are timely reviewed by management, particularly in cases of significant changes in malls that may change said useful lives. For the year ended December 31, 2021, management detected no significant change.

(\*\*) This refers to the asset's surplus value, due to its origin, as investment properties in the consolidated financial statements. The amounts are stated net of amortization.

Income and the substantial costs generated by investment properties are described in Notes 20 and 21, respectively.

Changes in investment properties are as follows:

	Consolidated	
	12.31.2021	12.31.2020
Opening Balance	4,328,984	4,088,563
Addition	128,789	367,864
Write-off	(10,386)	(1,636)
Transfer	2,417	124
Depreciations	(130,683)	(125,931)
Closing balance	4,319,121	4,328,984

Iguatemi and its subsidiaries annually estimates the fair value of investment properties, as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	12.31.2021	12.31.2020
	Shopping malls in operation	Shopping malls in operation
Fair Value	14,033,843	14,612,279
Gross Lettable Area (mil m2)	486	488

Iguatemi and its subsidiaries adopted a methodology for calculating the fair value, considering the projected cash flow - Nominal model (fair value - level III), which was prepared by internal specialists, considering physical qualifications, assumptions and weighted estimates with market information real estate, as well as macro economic trends for a period of ten years. The calculations did not include potential expansions, barter of land and unannounced projects (even those contained in "guidance").

Assumptions used in the evaluation:

	12.31.2021	12.31.2020
Average real discount rate	7.3% p.a.	6.5% p.a.
Occupancy rate	94.9%	94.2%
Real growth rate in perpetuity	2% p.a.	2% p.a.
Annual inflation in perpetuity	3.9% p.a.	3.7% p.a.

Based on the fair value of investment properties, management concluded that there is no indication of impairment.

## 9 Property and Equipment

		Consolidated			
		12.31.2021		12.31.2020	
	Annual Depreciation Tax %	Accumulated			
		Cost	Depreciation	Net cost	Net cost
Installations, Machinery and Equipment	10	42,612	(15,672)	26,940	11,549
Furniture and Fixtures	10	13,733	(9,211)	4,522	5,033
Computer Equipments	33.33	19,450	(12,772)	6,678	2,453
Property of Right to use (i)	25	10,693	(8,020)	2,673	5,347
Other	20	20,261	(13,597)	6,664	6,732
		106,749	(59,272)	47,477	31,114

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

Changes in property and equipment are as follows:

	Consolidated	
	12.31.2021	12.31.2020
Opening balance	31,114	36,193
Additions	29,368	7,057
Non-current assets held for sale	(127)	-
Depreciation	(12,878)	(12,136)
Final balance	47,477	31,114

Based on the same assumptions used to assess the fair value of investment properties, as described in Note 8, the executive board concluded that there is no indication of impairment of the asset that would require impairment.

## 10 Intangible assets

	Consolidated			
	12.31.2021		12.31.2020	
	Cost	Accumulated Depreciation	Net	Net
Goodwill (i)	88,169	-	88,169	88,169
Software in development (ii)	8,704	-	8,704	6,600
Others (iii)	56,736	(44,438)	12,298	17,392
	153,609	(44,438)	109,171	112,161

- (i) Goodwill net of amortization amounting to R\$ 76,365 (SISP Participações S.A) and R\$ 11,804 (Lasul Empresa de Shopping Centers Ltda.) was calculated by the Company in 2007, through the acquisition of equity interests in the respective companies. This goodwill is economically based on the future profitability of shopping malls – Shopping Center Iguatemi Porto Alegre (Lasul) and Shopping Center Iguatemi São Paulo (SISP).
- (ii) The modules under development are aggregated to cost, and begin to amortize as from completion.
- (iii) Refers to the implementation and improvements of the various technology systems, with amortization in three years.

Changes in intangible assets

	Consolidated	
	12.31.2021	12.31.2020
Opening Balance	112,161	116,393
Additions	8,835	6,703
Amortizations	(11,825)	(10,935)
Closing Balance	109,171	112,161

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### Goodwill impairment analysis of future profitability

The Cash Generating Unit (CGU) to which goodwill is allocated must be tested for impairment. The test is conducted by comparing the carrying amount of the CGU (including goodwill) with its recoverable amount, and must be performed at least annually, or whenever there is an indication that the CGU may be impaired.

The goodwill tested for purposes of recoverable amount considers the CGU of shopping Iguatemi São Paulo and Iguatemi Porto Alegre.

The Company analyzed the recoverable amount through the discounted cash flow - nominal model, which was prepared by internal specialists, considering the physical qualifications, assumptions and estimates weighted with real estate market information, as well as macroeconomic trends. The main assumptions that led to the estimated amount are described below:

	12.31.2021	12.31.2020
Average real discount rate	6.5% p.a.	5.7% p.a.
Occupancy rate	96.7%	96.9%
Real growth rate in perpetuity	2% p.a.	2% p.a.
Annual inflation in perpetuity	3.9% p.a.	3.7% p.a.

Based on the impairment testing of malls (measured through cash flows) against the net cost value, goodwill for future profitability and for surplus allocated to the respective malls (where applicable), management concluded that there is no indication impairment.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 11 Loans, Financing and derivative instruments

				Individual		Consolidated	
				12.31.2021	12.31.2020	12.31.2021	12.31.2020
Swap operation			(a)	-	-	-	75,026
				-	-	-	75,026
Noncurrent				-	-	-	75,026
				Individual		Consolidated	
				12.31.2021	12.31.2020	12.31.2021	12.31.2020
Banco Itaú	92.50% of CDI	July 19, 2021	(a)	-	-	-	225,612
Banco Itaú	TR + 6.0% p.a.	July 10, 2031	(b)	-	-	64,679	71,324
Banco Itaú	TR + 6.0% p.a.	December 15, 2030	(c)	-	-	120,156	133,315
RB Capital	CDI + 0.15% p.a.	September 17, 2025	(d)	-	-	154,371	185,150
RB Capital	CDI + 1.30% p.a.	December 15, 2034	(e)	-	-	97,242	98,826
RB Capital	CDI + 1.30% p.a.	March 19, 2035	(f)	-	-	99,421	100,307
RB Capital	CDI - 0.10% p.a.	June 19, 2023	(g)	-	-	215,871	273,411
RB Capital	96% of CDI	September 18, 2024	(h)	-	-	282,195	277,081
Apice	97.5% of CDI	June 27, 2023	(i)	-	-	253,314	251,526
Santander	CDI + 0.75% p.a.	June 01, 2021	(j)	-	-	-	207,600
Santander	CDI + 1.54% p.a.	September 13, 2021	(k)	-	-	-	103,054
Banco Itaú	TR + 5.0% to 8.6% p.a.	March 29, 2032	(l)	-	-	172,037	171,746
Banco Itaú	TR + 5.0% to 8.6% p.a.	March 29, 2032	(m)	-	-	84,554	84,430
Banco Alpha S.A.	CDI + 2.9% p.a.	October 02, 2023	(n)	51,292	50,589	51,292	50,589
Safra S.A.	CDI + 1.75% p.a.	December 20, 2024	(o)	36,885	49,046	36,885	49,046
Banco Itaú	CDI + 1.40% p.a.	December 20, 2024	(p)	15,657	20,820	15,657	20,820
Banco Itaú	CDI + 1.50% p.a.	October 17, 2022	(q)	66,298	-	66,298	-
				170,132	120,455	1,713,972	2,303,837
Current				85,234	18,108	300,205	596,163
Noncurrent				84,898	102,347	1,413,767	1,707,674

#### Breakdown of debt by index

		Individual		Consolidated	
		12.31.2021	12.31.2020	12.31.2021	12.31.2020
TR		-	120,455	441,426	581,270
CDI		170,132	-	1,272,546	1,722,567
		170,132	120,455	1,713,972	2,303,837

#### Debt payment schedule

The payment schedule of long-term debts with third parties is as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
2023 to 2024	67,449	84,898	859,879	520,006
2025 to 2035	17,449	17,449	553,888	1,187,668
	<u>84,898</u>	<u>102,347</u>	<u>1,413,767</u>	<u>1,707,674</u>

## Changes in loans and financing

	Individual		Consolidated	
	03.31.2021	12.31.2020	03.31.2021	12.31.2020
Opening balance	120,455	87,999	2,303,837	1,938,381
Borrowings	65,000	50,000	65,000	410,100
Payments principal and interest	(24,514)	(22,065)	(764,828)	(135,527)
Accrued interest	9,191	4,521	104,064	86,192
Borrowing costs	-	-	5,899	4691
Closing balance	<u>170,132</u>	<u>120,455</u>	<u>1,713,972</u>	<u>2,303,837</u>

Description of the main characteristics of loans and financing:

- (a) On July 10, 2013, the Company issued a bank credit note (CCB) in favor of Banco Itaú BBA with principal amount of R\$ 150,000, IPCA rate + 4% p.a. ("Swap" to 92.5% of CDI), semi-annual interest and repayment in the 8th year and total borrowing cost in the amount of R\$ 9,897, specifically for the purpose of building Shopping Center Iguatemi Rio Preto. As a guarantee, the Company presented the ideal fraction corresponding to 88% of Shopping in São José do Rio Preto. On July 18, 2013, the Company entered into a cash flow swap agreement with Banco Itaú BBA SA, with the objective of reducing the risk of fluctuation in the CRI debt index, thus, the credit agreement swap provides that the Company is required to pay 92.5% of the CDI (passive) and to receive 4% pa + IPCA (active tip). At 2021, the balance has been liquidated (R\$ 150,586 in 2020, net of swap).
- (b) In order to expand Shopping Center Iguatemi Porto Alegre, the Company entered into a financing agreement with Itaú Unibanco S.A. on July 11, 2014, in the amount of R\$ 78,000, with TR + 6.0, fully released with total borrowing cost of R\$ 1,571. As a guarantee, the Company presented the 40% (forty percent) fraction of Shopping Campinas and its future expansion. The repayment will occur within 144 months, through the Constant Amortization System - SAC. At December 31, 2021, the balance amounted to R\$ 64,679 (R\$ 71,324 em 2020) in Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (c) In order to expand Shopping Center Iguatemi Campinas, the Company entered into a financing agreement with Itaú Unibanco S.A. on July 11, 2014, in the amount of R\$ 152,000, with TR + 6.0, fully released. As a guarantee, the Company presented the 40% (forty percent) fraction of Shopping Campinas and its future expansion. The repayment will occur within 144 months, through the Constant Amortization System - SAC. At December 31, 2021, the balance amounted to R\$ 120,156 (R\$ 133,315 in 2020) in consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.

## Iguatemi S.A.

### Note to individual and consolidated financial statements December 31, 2021 and 2020 (In Thousand of reais – R\$, unless otherwise stated)

- (d) On September 24, 2015, the Company carried out a Securitization operation with the market through Securitizadora RB Capital in the amount of R\$ 210,000 in the name of subsidiary Galleria Empreendimentos Imobiliários Ltda., in order to capitalize the Company. The Mortgage-backed Securities had the closing of bookbuilding at the rate of CDI + 0.15% p.a., with grace period of 48 months and repayment in 72 months, as from October 2019. As a guarantee, the Company presented the fraction of 100% (one hundred percent) of Shopping Galleria. At December 31, 2021, the balance amounted to R\$ 154,371 (R\$ 185,150 in 2020) in Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (e) On December 28, 2015, the Company carried out a Securitization operation with the market through Securitizadora RB Capital in the amount of R\$ 105,000, with release, at December 31, 2015, of R\$ 35,000 and, on January 4, 2016, of R\$ 70,000 in the name of subsidiary CSC 142 Participações Ltda., for the construction of the future outlet in the city of Tijucas, in Santa Catarina. CRI was distributed at the rate of CDI + 1.30% p.a. and amortization in 228 months. As a guarantee, the Company presented the fraction of 50% of Shopping Iguatemi JK. At December 31, 2021, the balance amounted to R\$ 97,242 (R\$ 98,826 in 2020) in Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (f) On June 30, 2016, the Company carried out a Securitization operation with the market through Securitizadora RB Capital in the amount of R\$ 105,000 in the name of subsidiary CSC 41 Participações Ltda., in order to capitalize the Company. CRI was distributed at the rate of CDI + 1.30% p.a. and amortization in 228 months. As a guarantee, the Company presented the fraction of 50% of Shopping Iguatemi JK. At December 31, 2021, the balance amounted to R\$ 99,421 (R\$ 100,307 in 2020) in Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (g) On July 12, 2016, the Company carried out a Securitization operation with the market through Securitizadora RB Capital in the amount of R\$ 275,000 in the name of subsidiary Ork Empreendimento Imobiliários SPE Ltda., in order to capitalize the Company. CRI was distributed at the rate of CDI - 0.10% p.a. and amortization in 84 months. As a guarantee, the Company presented the fraction of 78% of Shopping Iguatemi Alphaville. At December 31, 2021, the balance amounted to R\$ 215,871 (R\$ 273,411 in 2020) in consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (h) On July 24, 2017, the Company was authorized by the Board of Directors to issue the fifth issue of simple debentures non-convertible into shares, in a single series, to be linked to the issuance of CRI. The operation was completed on September 18, 2017, in the total amount of R\$ 279,635 and total borrowing cost of R\$ 7,600, with remuneration limited to 96% of the accumulated variation of the DI rate, and amortization in 84 months. At December 31, 2021, the balance amounted to R\$ 282,195 (R\$ 277,081 in 2020) in Company and Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (i) On April 30, 2018, the Company was authorized by the Board of Directors to perform the sixth issue of simple non-convertible debentures, in a single series, to be linked to the issuance of Certificates of Real Estate Receivables ("CRI"). The operation was concluded on June 27, 2018, in the total amount of R\$ 254,000, with a remuneration of 97.5% of the CDI and maturity on June 27, 2023. This operation has a non-financial covenant clause, consisting of downgrade by Fitch Ratings or its equivalent by Standard & Poor's or by Moody's, except where such a downgrade is caused solely by changes or impacts on the risk ) referring to the credit of the Federative Republic of Brazil (sovereign risk). As of December 31, 2021, the balance is R\$ 253,314 (R\$ 251,526 in 2020) in consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (j) On November 14, 2019, the Company was authorized by the Board of Directors to issue a Promissory Note. The transaction was completed on November 29, 2019, in the amount of R\$ 200,000, yielding CDI + 0.75% p.a. and 18-month amortization. At 2021, the balance has been liquidated (R\$ 207,600 in 2020) in consolidated. This transaction has a covenant with the same level of indebtedness and leverage, described in Note 12 (4th issue).
- (k) On March 18, 2020, the Company executed a Bank Credit Note with Banco Santander (Brasil) S.A. in the amount of R\$ 100,000, with a CDI rate + 1.54% p.a. to maintain cash availability to address the uncertainties caused by the COVID-19 pandemic. At 2021, the balance has been liquidated. As of December 31, 2020, the balance is R\$ 103,054 Individual and Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

- (l) In order to increase its interest in Praia de Belas Shopping Center, the Company entered into a financing with Itaú Unibanco SA on March 23, 2020 in the amount of R\$ 174,600, with a rate ranging between TR + 8.60 and TR + 5.00%, this rate is verified monthly by reference to the Selic rate calculated on the date of each maturity. As a guarantee, the Company presented 37.545% of Praia de Belas Shopping Center. Amortization will take place within 120 months, through the Constant Amortization System - SAC. As of December 31, 2021, the balance is R\$ 172,037 (R\$ 171,746 in 2020) in consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (m) In order to increase its interest in Esplanada Shopping, the Company entered into a financing with Itaú Unibanco SA on March 23, 2020 in the amount of R\$ 85,500, with a rate ranging between TR + 8.60 and TR + 5.00%. This rate is verified monthly by reference to the Selic rate calculated on the date of each maturity. As a guarantee, the Company provided 27.3271782% of Esplanada Shopping. Amortization will take place within 120 months, through the Constant Amortization System - SAC. As of December 31, 2021, the balance is R\$ 84,554 (R\$ 84,430 in 2020) in consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (n) On October 2, 2020, the Company took out a CCB-type loan from Banco Alfa S.A., amounting to R\$50,000, subject to CDI +2.90% p.a. Interest will be paid on a semi-annual basis. Principal will be paid upon contract maturity, which is planned for September 19, 2023. This operation is not subject to covenants or guarantees. As at December 31, 2021, this balance is of R\$51,292.
- (o) On November 29, 2018, the Company ported its Banco Bradesco debt to Banco Safra, amounting to R\$61,246, at the rate of 100% CDI + 1.50% p.a., for three years. Interest and principal mature annually, which is planned for 11/29/2019, 11/30/2020 and 11/29/2021. This loan has no guarantees. On November 27, 2019, the Company renegotiated the loan taken out from Banco Safra, whose rate increased from CDI +1.50% p.a. to CDI + 1.75% p.a. and term extended for five years maturing from 12/21/2020 to 12/21/2024. In December 2021, this balance is of R\$36,885.
- (p) On February 26, 2018, the Company took out a loan from Banco Itaú Unibanco S.A. amounting to R\$26,000, at the rate of 100% CDI + 2.25% p.a., for two years. Interest matures on a semi-annual basis, planned for 08/27/2018, 02/26/2019, 08/26/2019 and principal matures on 02/26/2020. This loan has no guarantees. The Company renegotiated the loan taken out from Banco Itaú, whose rate increased from CDI +2.25% p.a. to CDI + 1.40% p.a. and term extended for 10 installments maturing as from 06/22/2020. In December 2021, this balance is of R\$16,657.
- (q) On October 15, 2021, the Company issued 65 Commercial Promissory Notes, each of which amounting to R\$ 1,000 (one million reais) totaling R\$ 65,000 (sixty-five million reais), at CDI +1.50% p.a. Interest and principal will be paid upon maturity of the promissory notes, which is planned for October 17, 2022. This operation is not subject to covenants or guarantees. As at December 31, 2021, this balance is of R\$66,298.

## 12 Debentures

Funds obtained by the Company through offers are used to fund: (a) the expansion of operations in shopping malls in which the Company holds interest; (b) acquisition of more interest; (c) the acquisition of interest in existing third-party shopping malls and smaller networks; (d) the design, incorporation and management of new shopping malls; and (e) refinancing of financial liabilities falling due.



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Consolidated	
	12.31.2021	12.31.2020
Debentures 4th issue	-	78,598
Debentures 7th issue	402,212	395,223
Debentures 9th issue	299,551	295,136
Debentures 10th issue	509,955	502,191
Debentures 11th issue	498,236	-
	<u>1,709,954</u>	<u>1,271,148</u>
Current	21,694	83,914
Noncurrent	1,688,260	1,187,234

The debentures are not convertible and have been publicly distributed, under the firm guarantee regime, under the terms of the Distribution Agreement, with brokerage of financial institutions that are part of the marketable securities distribution system, there being no advance reservations or minimum or maximum lots, and the Offer became effective in accordance with the result of the bookbuilding procedure.

The debentures were registered for trading in the secondary market through the National Debentures System and BOVESPA FIX.

### Seventh Issue

In September 2018, the Company issued its seventh issue through a public offering through CVM Instruction 476. Three hundred and ninety-five thousand, one hundred and seventy-six (395,176) Debentures were allocated, of which 100,000 (one hundred thousand) Debentures Series, 65,741 (sixty-five thousand, seven hundred and forty one) Debentures of the second Series and 229,435 (two hundred twenty-nine thousand, four hundred and thirty-five) Debentures of the third Series nominative, book-entry, unsecured and non-convertible into shares and nominal unit value of R\$ 1,000 (one thousand reais), with final maturity on September 20, 2024 for all issues.

The debentures were issued based on the deliberations of the Meetings of the Board of Directors held in August 2018.

The maturity of the Debentures will be six (6) years, counted from the date of issue, the Debentures Face Value will be fully amortized in a single installment, on the maturity date of the Debentures for all issues.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

The Debentures of the 1st series, will bear remuneratory interest corresponding to 107.50% of the cumulative variation of the DI Over Rates, based on 252 business days, 2nd Series Debentures, remuneration interest corresponding to 100% of the accumulated variation of the DI Over rates, exponentially increased by a surcharge or spread of 0.82% per annum, based on 252 Business Days and 3rd Series Debentures, will bear remuneration interest corresponding to 109% of the accumulated variation of DI Over Rates, based on 252 Days Useful, all calculated exponentially and cumulatively pro rata temporis for Business Days elapsed, from the first Payment Date or the Payment Date of the Remuneration of the respective series immediately preceding, as the case may be, until the effective payment date. The balance of accrued interest on December 31, 2021 is R\$ 2,370 (R\$ 5,954 in 2020). The Debentures of the 2nd Series and the Debentures of the 3rd Series were distributed only to holders of debentures subject to the 4th issuance of simple, non-convertible debentures of the Issuer's unsecured type, dated December 27, 2012 (Debentures of the 4th Issue).

The costs of issuing the debentures are amortized to the results by the effective cost method and are presented under "Debentures", as a reduction of the debt. The costs to be amortized on December 31, 2021, amount to R\$ 1,730 (noncurrent 1,137) and R\$ 2,323 (noncurrent 1,730) on December 31, 2020.

### **Ninth issue**

On May 2020, the Company conducted its 9<sup>th</sup> issue of debentures, by means of a public offer in accordance with CVM Ruling No. 476. The Company allocated 300,000 (three hundred thousand) unsecured registered debentures not convertible into shares in a single series, at par value of R\$ 1,000 (one thousand reais), maturing on May 28, 2023.

These debentures were issued based on the decisions of the Board of Directors' meetings held on May 2020.

Referred to debentures mature within 3 (three) years, as from date of issue and their nominal value will be fully amortized in a single installment on maturity date.

Company debentures are subject to interest corresponding to 100% of the accumulated variation of DI Over rates, plus a surtax or spread of 3.0% p.a. calculated under the compound interest method, on a base of 252 business days, all calculated using referred to method and on a cumulative pro rata basis per business days elapsed, from the first payment date to the effective payment date.

Debenture issue costs are posted to P&L under the effective cost method and recorded in Debentures as debt decrease. At December 31, 2021, costs to be amortized amount to R\$ 3,681 (noncurrent 1,227) and as at December 31, 2020, amount to R\$ 6,134 (noncurrent 2,454).

### **Tenth issue**

In October 2020, the Company conducted its tenth issue of debentures, through a public offering via CVM Ruling No. 476. A total of 500,000 (five hundred thousand) book-entry, unprivileged, non-convertible debentures with a par unit value of R\$1,000 (one thousand reais) was allocated, in up to two series, under the "communicating vessel system", the first series with final maturity on September 28, 2025 and the second series with 50% maturity on September 28, 2026 and 50% on September 28, 2027.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

These debentures were issued based on the decisions of the Board of Directors' meetings held on September 2020.

Maturity will be in 5 (five) years for the first series and in 7 (seven) years for the second series, from the issue date. The par value of the first series debentures will be fully amortized in a single installment, on the maturity date of the debentures, and the par value of the second series debentures will be amortized in two installments.

The first series debentures will bear interest corresponding to 100% of the accumulated variation of DI Over rates, exponentially increased by a surcharge or spread of 2.15% per year, based on 252 working days, and the second series will bear interest corresponding to the 100% of the accumulated variation of the DI Over rates, exponentially increased by a surcharge or spread of 2.45% per year, based on 252 working days, all of which are calculated exponentially and cumulatively pro rata temporis for working days elapsed, from the first payment date up to the date of the effective payment of both series.

Debenture issue costs are posted to P&L under the effective cost method and recorded in Debentures as debt decrease. At December 31, 2021, costs to be amortized amount to R\$ 2,636 (noncurrent 2,178) and as at December 31, 2020, these costs amount to R\$ 2,972 (R\$ 2,532 - noncurrent).

### **Eleventh issue**

In July 2021, the Company conducted its 11th issue of debentures, through a public offering via CVM Ruling No. 476. A total of 500,000 (five hundred thousand) book-entry, unprivileged, non-convertible debentures with a unit par value of R\$1,000 (one thousand reais) was allocated, in up to two series, under the "communicating vessel system", the first series with final maturity on June 24, 2026 and the second series with maturity on June 24, 2028.

The issue of debentures was carried out based on the resolutions at the Board of Directors' Meetings held in June 2021.

Maturity will be in 5 (five) years for the first series and in 7 (seven) years for the second series, from the issue date. The par value of the first series debentures will be fully amortized in a single installment, on the maturity date of the debentures, and the par value of the second series debentures will be amortized in two installments, the first in June/2027 and the second on the debenture maturity date.

The first series debentures will bear interest corresponding to 100% of the accumulated variation of DI Over rates, exponentially increased by a surcharge or spread of 1.48% per year, based on 252 working days, and the second series will bear interest corresponding to the 100% of the accumulated variation of the DI Over rates, exponentially increased by a surcharge or spread of 1.63% per year, based on 252 working days, all of which are calculated exponentially and cumulatively pro rata temporis for working days elapsed, from the first payment date up to the date of the effective payment of both series.

Debenture issue costs are amortized to P&L using the effective cost method and presented under "Debentures", as debt reduction. Costs to be amortized as of December 31, 2021 amount to R\$ 2,786 (noncurrent R\$ 2,374).

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### Covenants

All debentures have covenants determining the debt levels and leverage, as follows:

Debentures	Indebtedness and leverage level			
7th issue	Net Debt / EBITDA	< 3.50	and	EBITDA/Net Finance Cost > 2.00
9th issue	Net Debt / EBITDA	< 4.00	and	EBITDA/Net Finance Cost > 2.00
10th issue	Net Debt / EBITDA	< 4.00	and	EBITDA/Net Finance Cost > 2.00
11th issue	Net Debt / EBITDA	< 4.00	and	EBITDA/Net Finance Cost > 2.00

Financial indices must be complied with on a quarterly basis. However, compliance of the 9th and 10th issue of debentures will be on March 31, 2022 and after such date, for all subsequent quarters, until final settlement of the transaction. For the 4th and 7th issue, the covenant clause was complied on December 31, 2021 and 2020 and there are no renegotiation clauses

Changes in debentures, recorded in current and noncurrent liabilities, are as follows:

	Consolidated	
	12.31.2021	12.31.2020
Opening balance	1,271,148	528,430
Borrowings	500,000	800,000
Payments principal and interest	(158,837)	(92,520)
Issue costs	3,686	2,036
Accrued interest	93,957	33,202
Closing balance	1,709,954	1,271,148

Repayment schedule of principal amount, classified as noncurrent liabilities, is as follows:

	Consolidated	
	12.31.2021	12.31.2020
2023 9th issue	300,000	300,000
2024 7th issue	395,176	395,176
2025 10th issue	100,000	100,000
2026 11th issue	263,871	-
2027 10th issue	400,000	400,000
2028 11th issue	236,129	-
	1,695,176	1,195,176
Issue cost to allocate	(6,916)	(7,942)
	1,688,260	1,187,234

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

Calculation of the internal return rate:

	Date	Nominal Value	Expenses with issuance	Net Value	Projected interest rate	IRR
7th issue	09/20/2018	231,591	(2,156)	229,435	Used the metric of the BMF, being the curve as of 12/31/2021	7.40%
7th issue	09/20/2018	66,359	(618)	65,741	Used the metric of the BMF, being the curve as of 12/31/2021	7.66%
7th issue	09/20/2018	100,940	(940)	100,000	Used the metric of the BMF, being the curve as of 12/31/2021	7.31%
9th issue	05/28/2020	306,552	(6,552)	300,000	Used the metric of the BMF, being the curve as of 12/31/2021	10.50%
10th issue	10/02/2020	100,617	(617)	100,000	Used the metric of the BMF, being the curve as of 12/31/2021	10.18%
10th issue	10/02/2020	402,467	(2,467)	400,000	Used the metric of the BMF, being the curve as of 12/31/2021	10.52%
11th issue	06/24/2021	263,871	(1,485)	262,386	Used the metric of the BMF, being the curve as of 12/31/2021	10.34%
11th issue	06/24/2021	236,129	(1,329)	234,800	Used the metric of the BMF, being the curve as of 12/31/2021	10.33%

## 13 Tax Liabilities

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Income and social contribution tax payable	231	-	7,619	6,781
Deferred taxes (i)	1,892	-	30,318	11,894
PIS, Cofins and Social Security Funding Tax - Finsocial	735	-	8,286	-
Other taxes and contributions	844	109	7,195	15,478
	<u>3,702</u>	<u>109</u>	<u>53,418</u>	<u>34,153</u>
Current	1,810	109	21,310	22,259
Noncurrent	1,892	-	32,108	11,894

- (i) In the consolidated financial statements, this refers substantially to Pis and Cofins on discounts recorded on a straight-line basis (Note 05, item (ii)).

## 14 Provision for tax, labor and civil contingencies

The Company and its subsidiaries figure as defendants in legal and administrative proceedings of tax, labor and civil nature. Accordingly, a provision for contingencies was set up at amounts deemed sufficient to cover probable future disbursements.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### a. Breakdown of book balance

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Noncurrent				
Corella (i)	-	-	37,614	30,000
Labor	9,760	7,637	10,304	8,457
Other (ii)	3,048	796	4,610	2,351
	<u>12,808</u>	<u>8,433</u>	<u>52,528</u>	<u>40,808</u>
Asset recorded due to the possibility of repurchase of interest in Corella (i)	-	-	(6,970)	(6,970)
	<u>12,808</u>	<u>8,433</u>	<u>45,558</u>	<u>33,838</u>

### Summary of main proceedings

#### *Civil and tax*

- (i) A The Company is a defendant in a suit that aims to apply a clause of repurchase of the plaintiff's interest in Shopping Center Boulevard Iguatemi, equivalent to 3.58% of this venture. The Company has classified the likelihood of loss as probable and based on the progress of the process and the opinion of its external advisors, at december 31, 2021, the Company's provision totaled R\$ 37,614 (R\$ 30,000 in 2020). The proceeding is pending higher court judgment.
- (ii) They refer substantially to the provision for Municipal Real Property Tax (IPTU)-related suits by the Votorantim and Sorocaba City Governments, which amount to R\$ 1,555 as of December 31, 2021 (R\$ 1,555 in 2020).

#### *Labor*

The Company and its subsidiaries are defendants in various labor claims filed by former employees. Based on the estimated loss assessed by management, the Company recorded a provision, at December 31, 2021, amounting to R\$9,760 (R\$7,637 in 2020) and R\$ 10,304 in Consolidated (R\$ 8,457 in 2020).

#### *Tax, civil and indemnification claims rated as possible losses*

The Company and its subsidiaries are parties to other tax, civil and indemnification claims arising in the normal course of their business, involving "possible" risk of loss. At December 31, 2021, estimated loss amounts in tax proceedings total R\$ 47,581 in consolidated (R\$ 23,445 in 2020), in civil proceedings, R\$ 99,917 in Consolidated (R\$ 99,962 in 2020) and in indemnification claims R\$ 5,632 in Consolidated (R\$ 3,421 em 2020). Most of the civil claims are insured, as shown in Note 19, item (b).

#### *Changes in provision for tax, labor and civil contingencies*

Changes in provision for tax, labor and civil contingencies are as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Opening balance	8,433	23,412	33,838	24,957
Provisions net of reversals	4,375	(14,979)	11,720	8,881
Closing balance	<u>12,808</u>	<u>8,433</u>	<u>45,558</u>	<u>33,838</u>

## 15 Financial Instruments

### 15.1 General considerations and policies

The Company and its subsidiaries enter into transactions involving financial instruments, where applicable, which are recorded in statement of financial position accounts in order to meet their operating and financial needs. Short-term investments, loans, financing and intercompany loans, debentures, among others, are contracted.

These financial instruments are managed by means of policies, definition of strategies and establishment of control systems, which are monitored by Company management.

Treasury procedures set by the policy in effect include monthly projection routines and assessment of the consolidated currency exposure of the Company and its subsidiaries, based on which management makes its decisions.

### 15.2 Financial instruments by category

The consolidated balances of the Company's financial instruments were classified into the following categories:

	12.31.2021			12.31.2020		
	Fair value through profit or loss	Amortizable cost	Total	Fair value through profit or loss	Amortizable cost	Total
<b>Asset</b>						
Cash and cash equivalents	38,930	-	38,930	28,613	-	28,613
Financial investments	1,965,196	49,965	2,015,161	1,747,763	33,370	1,781,133
Trade receivables	-	413,958	413,958	-	307,650	307,650
Other receivables	-	85,620	85,620	-	62,540	62,540
Loans receivable	-	384	384	-	-	-
Receivables from other related parties	-	34,612	34,612	-	53,294	53,294
Other investments	21,514	-	21,514	16,406	-	16,406
<b>Total</b>	<u>2,025,640</u>	<u>584,539</u>	<u>2,610,179</u>	<u>1,792,782</u>	<u>456,854</u>	<u>2,249,636</u>
<b>Liabilities</b>						
Labor obligations	-	19,597	19,597	-	23,460	23,460
Borrowings	-	1,713,972	1,713,972	-	2,228,811	2,228,811
Debentures and charges	-	1,709,954	1,709,954	-	1,271,148	1,271,148
Minimum mandatory dividend payable	-	57,208	57,208	-	42,231	42,231
Other payable	-	53,195	53,195	-	18,397	18,397
<b>Total</b>	<u>-</u>	<u>3,553,926</u>	<u>3,553,926</u>	<u>-</u>	<u>3,584,047</u>	<u>3,584,047</u>

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

The Company and its investees apply the hierarchy rules for the evaluation of the fair values of their financial instruments, for financial instruments measured in the balance sheet, which requires the disclosure of fair value measurements by the level of the following hierarchy:

- (i) Quoted prices (unadjusted) in markets for identical assets and liabilities (Level 1).
- (ii) Information, in addition to the quoted prices, included in Level 1 that are adopted by the market for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2)
- (iii) Assumptions, for assets or liabilities, that are not based on observable market data (unobservable inputs) (Level 3).



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

At December 31, 2021, and December 31, 2020, the instruments recorded at fair value were classified as follows:

Description	Fair value hierarchy	12.31.2021	12.31.2020
Financial investments	2nd Level	1,965,196	1,747,763
Other investments	3rd Level	21,514	16,406

### 15.3 Risk factors

The main source of revenue for the Company and its subsidiaries are the leases from the shopping mall lessees.

According to their nature, financial instruments may involve known or unknown risks, and the potential risk assessment is important, in the best judgment of the Company and its subsidiaries. Thus, there may be risks with or without guarantees depending on circumstantial or legal aspects. The main market risk factors that may affect the business of the Company and its subsidiaries are as follows:

#### a. Credit Risk

The Company and its investees have internal controls capable of monitoring the level of default of its clients to control the credit risk of the portfolio, which is composed of pulverized customers. The assumptions considered by the Company to evaluate the acceptance of potential clients are: the collateral accepted (property, letter of guarantee, insurance, etc.), the suitability of individuals and legal entities involved in the lease (partners, guarantors and guarantors) and use of SERASA as a reference for consultation. The provision for impairment is analyzed at each balance sheet date, by analyzing the historical data of default and projection of expected loss.

The maximum exposure to credit risk at the balance sheet date is the recorded amount of each class of financial assets.

The Company lowers its financial assets when there is no reasonable expectation of recovery (write-off). Receivables written off by the Company continue in the collection process to recover the amount of receivables. When there are recoveries, these are recognized as credit recovery proceeds in the period result.

#### b. Liquidity Risk

The cash flow forecast is performed in the Company's operating entities by financial professionals who continuously monitor liquidity to ensure that the Company has sufficient cash to meet its operating needs. Such forecast takes into consideration the debt financing plans, covenant compliance, compliance with internal statement of financial position ratio targets and, if applicable, external regulatory or legal requirements.

#### c. Capital management

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders as well as to maintain an optimal target capital structure to reduce the cost of capital. The net financial position is equivalent to total cash and cash equivalents, less short and long-term loans, financing and debentures.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Consolidated	
	12.31.2021	12.31.2020
Cash, cash equivalents and financial investments	2,054,091	1,809,746
Loans, financing and debentures	(3,423,926)	(3,574,985)
Net financial position	<u>(1,369,835)</u>	<u>(1,765,239)</u>
Equity	3,440,534	3,174,014

### d. *Price fluctuation risk*

Lease agreements, in general, are restated by reference to the annual variation of the IGP-M (General Market Price Index) and IPCA (Extended Consumer Price Index), as established in lease agreements. Lease levels may vary due to adverse economic conditions and, consequently, the level of revenues may be affected. Management monitors these risks to minimize the impacts on its business.

### e. *Interest rate risk*

The Company's interest rate risk is mainly from short and long-term loans, financing and debentures, described in the prior notes. These financial instruments are subordinated to interest rates pegged to indexes such as CDI, as well as the balance of taxes payable, with interest at the Selic rate. The risk inherent in these liabilities arises from the possibility of fluctuation in these rates. The Company and its investees do not have derivative contracts, except for swap disclosed below to cover this risk, as they understand that this risk is mitigated by the existence of assets pegged to the CDI.

### **Sensitivity analysis of fluctuations in monetary restatement indexes**

Management considers that the most significant risk of fluctuation in interest rates derives from the liability pegged to TR and mainly the CDI. The risk is related to fluctuations in those rates.

At December 31, 2021, management estimated scenarios of fluctuations in the DI and TR rates. For the probable scenario, rates prevailing at year end were used. These rates were stressed in 25% and 50%, serving as a parameter for the possible and remote scenarios, respectively.

At December 31, 2021, management estimated the future flow of interest payments on its debts pegged to the CDI and TR, based on the interest rates presented above, assuming that all interest payments would be made on the contractually established maturity dates. The impact of the hypothetical fluctuations in interest rates can be measured by the difference of the possible future flows of the possible and remote scenarios in relation to the probable scenario, where no increase is estimated. It should be noted that such a sensitivity analysis considers payment flows on future dates. Thus, total in each scenario is not equivalent to the fair value or the present value of these liabilities.

In addition, cash equivalents and short-term floating-income investments that would increase the remuneration in the possible and remote scenarios, neutralizing part of the impact of interest rate increases in the flow of debt payments.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

However, due to the lack of predictability of maturities equivalent to financial liabilities, the impact of the scenarios on these assets was not considered. The balances of cash equivalents and short-term investments are shown in Note 4.

The effects of exposure to interest rates, in the sensitivity scenarios estimated by the Company, are shown in the following tables:

*Total interest amounts to be paid in the estimated sensitivity scenarios:*

Transaction	Individual risk	Individual			Consolidated				
		2021			2021				
		Up to 1 year	1 to 3 years	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
<b>Probable Scenario</b>									
Debts in CDI	Maintenance CDI	18,326	11,660	29,986	361,162	387,963	173,638	75,511	998,274
Debts in TR	Maintenance TR	-	-	-	36,480	61,686	46,415	49,111	193,692
Total related to interest rates		18,326	11,660	29,986	397,642	449,649	220,053	124,622	1,191,966
<b>Possible Scenario &gt; 25%</b>									
Debts in CDI	Increase in CDI	21,498	13,954	35,452	433,592	470,517	208,180	90,931	1,203,220
Debts in TR	Increase in TR	-	-	-	36,480	61,686	46,415	49,111	193,692
Total related to interest rates		21,498	13,954	35,452	470,072	532,203	254,595	140,042	1,396,912
<b>Remote Scenario &gt; 50%</b>									
Debts in CDI	High increase in CDI	24,651	16,233	40,884	505,136	552,166	242,306	106,096	1,405,704
Debts in TR	High increase in TR	-	-	-	36,480	61,686	46,415	49,111	193,692
Total related to interest rates		24,651	16,233	40,884	541,616	613,852	288,721	155,207	1,599,396
<b>Possible Scenario &lt; 25%</b>									
Debts in CDI	Decrease in CDI	15,134	9,352	24,486	287,824	304,482	138,673	59,827	790,806
Debts in TR	Decrease in TR	-	-	-	32,081	54,283	40,902	43,520	170,786
Total related to interest rates		15,134	9,352	24,486	319,905	358,765	179,575	103,347	961,592
<b>Remote Scenario &lt; 50%</b>									
Debts in CDI	Decrease in CDI	11,922	7,027	18,949	213,532	220,030	103,261	43,868	580,691
Debts in TR	Decrease in TR	-	-	-	26,015	44,076	33,302	35,811	139,204
Total related to interest rates		11,922	7,027	18,949	239,547	264,106	136,563	79,679	719,895

*Estimated impacts on the Company's debts*

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

Operation	Individual			Consolidated				
	2021			2021				
	Up to 1 year	1 to 3 years	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Possible Scenario - Probable Scenario								
Debts in CDI	3,172	2,294	5,466	72,430	82,554	34,542	15,420	204,946
Total impact	3,172	2,294	5,466	72,430	82,554	34,542	15,420	204,946
Remote Scenario - Probable Scenario								
Debts in CDI	6,325	4,573	10,898	143,974	164,203	68,668	30,585	407,430
Total impact	6,325	4,573	10,898	143,974	164,203	68,668	30,585	407,430
Operation	Up to 1 year	1 to 3 years	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Possible Scenario - Probable Scenario								
Debts in CDI	(3,192)	(2,308)	(5,500)	(73,338)	(83,481)	(34,965)	(15,684)	(207,468)
Debts in TR	-	-	-	(4,399)	(7,403)	(5,513)	(5,591)	(22,906)
Total impact	(3,192)	(2,308)	(5,500)	(77,737)	(90,884)	(40,478)	(21,275)	(230,374)
Remote Scenario - Probable Scenario								
Debts in CDI	(6,404)	(4,633)	(11,037)	(147,630)	(167,933)	(70,377)	(31,643)	(417,583)
Debts in TIR	-	-	-	(10,465)	(17,610)	(13,113)	(13,300)	(54,488)
Total impact	(6,404)	(4,633)	(11,037)	(158,095)	(185,543)	(83,490)	(44,943)	(472,071)

## 16 Income and social contribution taxes

Income and social contribution taxes are calculated at ruling rates, and shown below:

### Breakdown of income and social contribution tax expenses for the years

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Income and social contribution taxes - current	-	-	(45,032)	(40,309)
Income and social contribution taxes - deferred	(15,860)	-	(145,654)	(28,954)
	(15,860)	-	(190,686)	(69,263)

The net balance of deferred income and social contribution taxes as of December 31, 2021 and December 31, 2020, is as follows:

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Tax losses and negative basis of social contribution	-	-	141,385	133,738
Swap operation	-	-	-	25,509
Other temporary additions	-	-	14,631	9,720
<b>Deferred taxes - assets</b>	-	-	156,016	168,967
Temporary differences (tax depreciation)	-	-	(206,641)	(192,548)
Straight-line of Covid-19 discounts	-	-	(95,480)	(42,571)
Swap operation	-	-	-	(25,509)
Adjustment of fair value (i)	(15,860)	-	(89,077)	-
<b>Deferred taxes - liabilities</b>	(15,860)	-	(391,198)	(260,628)
<b>Net deferred taxes</b>	(15,860)	-	(235,182)	(91,661)

- (i). This refers substantially to income and social contribution taxes on adjustment of the investment in a foreign investment fund (Note 04, item (ii)).

Deferred income and social contribution taxes are recorded to reflect the future tax effects attributable to temporary differences between the tax base of assets and liabilities and their respective book value.

The projected realization of deferred taxes was prepared by Management considering the current macroeconomic information available in the market. Currently, tax credits are being consumed by increasing taxable income resulting from a significant reduction in financial expenses and an improvement in the performance of certain assets, which were also considered as part of the assumptions for the preparation of this projection. However, because they involve several assumptions that are not under the control of the Company, such as inflation indices and other economic uncertainties in Brazil, future results may differ materially from those considered in the preparation of this projection.

At December 31, 2021, unrecorded tax credits amount to R\$44,054, as a result of Management's assessment of its long-term prospects for realization.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

The Company presents the projection for the realization of tax credits as follows:

Year	Consolidated
2022	4%
2023	10%
2024	20%
2025	34%
2026	50%
2027	70%
2028	93%
2029	98%
2030	100%

On March 15, 2022, the Company's Supervisory Board met and reviewed the projections for realization of tax credits. On the same date, the Board of Directors approved these projections.

### Reconciliation of income and contribution tax expenses.

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Profit before income and social contribution taxes	254,884	76,500	536,891	271,587
Nominal rate	34%	34%	34%	34%
Income and social contribution tax expense at nominal rate	(86,661)	(26,010)	(182,543)	(92,340)
Tax effects on:				
Equity pickup	76,843	31,077	962	1,127
Difference in tax base for companies under the taxable profit computed as a percentage of gross sales regime	-	-	24,311	31,899
Permanent exclusions (additions) and others (i)	(6,042)	(5,067)	(33,416)	(9,949)
Income and social contribution tax expense at effective rate	(15,860)	-	(190,686)	(69,263)

- (i). In 2021 (Consolidated), this mainly refers to the recognition of deferred tax assets, calculated on the portion of tax loss carryforwards not previously recognized due to the lack of expectation of realization.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **17 Equity - Individual**

#### **a. Capital social**

At December 31, 2021, the Company's paid-in capital amounted to R\$1,099,516 (R\$741,987 at December 31, 2020). On October 01, 2021, the Special General Meeting approved a capital increase amounting to R\$ 357,529, represented by 77,829,571 common registered shares and 35,682,251 preferred registered shares, with no par value (87,889,174 common shares at December 31, 2020). The Company's realized capital is R\$ 1,069,691 (R\$ 741,987 at December 31, 2020), due to expenses with merger of share recorded in the amount of R\$ 29,825 in an equity reducing account.

#### **b. Authorized Capital**

The Company is authorized to increase capital up to 150,000,000 common shares, irrespectively of any corporate restructuring, upon deliberation by the Board of Directors, who will establish the share issue conditions, price and payment conditions.

#### **c. Capital Reserves**

##### ***Goodwill on share issue***

The Iguatemi allocated R\$ 393,111 and R\$ 58,971, arising from proceeds from the IPO, to the capital reserve, according to the minutes of Board of Directors' meetings held on February 9 and March 1, 2007, respectively, totaling R\$ 452,082.

##### ***Others capital reserves***

The Company set up a reserve to cover the share-based payment plan in the amount of R\$12,944 (R\$9,850 in December 31, 2020).

##### ***Treasury shares***

At December 31, 2021, the Company's treasury shares amounted to R\$31 comprising 16,700 common shares. At December 31, 2020, there are no treasury shares.

##### ***Equity transactions***

On October 15, 2021, the Company recorded the amount of R\$1,294,286 referring to the gain on the merger of 100% of the shares of its subsidiary Iguatemi Empresa de Shopping Centers S.A., as a result of the corporate reorganization process, as per Note 1 (e).

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### d. Income Reserves

#### *Legal Reserve*

A legal reserve is set up by allocating 5% of net income for the period, capped at 20% of capital, in accordance with the articles of incorporation.

#### *Retained Profits Reserve*

The retained profits reserve, which corresponds to the remaining profit, after the allocation to the legal reserve and the proposal for dividend payment, is mainly intended to meet the investment plans provided for in the working capital of the Company and its subsidiaries.

#### *Special dividend reserve*

The special dividend reserve may be set up, as provided for in Law No. 6404/76 in its article 202. This provision allows the Company to assess the best financial moment for the settlement of these dividends.

### e. Dividend and interest on equity

#### *Dividend Policy*

The mandatory dividend is equivalent to a certain percentage of the Company's net income, adjusted according to the Brazilian Corporation Law. Under the terms of the Articles of Incorporation currently in force, at least 25% of net income determined in the prior financial year should be distributed as a mandatory dividend. For the purposes of the Brazilian Corporation Law, net income is defined as the profit or loss of the year that remains after deducting

	<u>12.31.2021</u>	<u>12.31.2020</u>
Net income for the year	239,024	76,500
(-) Accumulated losses	-	(62)
Constitution of the legal reserve	<u>11,951</u>	<u>3,822</u>
Basis for the constitution of dividends	<u>227,073</u>	<u>72,616</u>
Mandatory minimum dividends	<u>56,768</u>	<u>18,154</u>

#### *Minimum mandatory dividends*

For the year ended December 31, 2020, the minimum mandatory dividends totaled R\$18,154. Of this amount, the Company proposed the payment of R\$10,000, totaling a dividend per share of R\$0.1137796562, and the remaining amount of R\$8,154 proposed the establishment of the special dividend reserve pursuant to paragraphs 4 and 5 of article 202 of Law No. 6404/76. This proposal was submitted and approved at the Company's Annual General Meeting (AGM) held on April 27, 2021. In June 2021, the Company paid the 1st installment of dividends, and the 2nd installment was settled in December 2021.

### f. Amounts adjusted directly in equity

#### **Other comprehensive income**



## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

Other comprehensive income comprises reflexes of joint ventures including revenue and expense items, translation adjustments, reclassification adjustments and respective tax impacts, not recorded in the statements of profit or loss.

### 18 Earnings per Share

	Individual and Consolidated	
	12.31.2021	12.31.2020
Basic earnings per share from operations (in R\$)	0.20426	0.08704
Diluted earnings per share from operations (in R\$)	0.20421	0.08703

#### a. Basic earnings per share

Earnings and the weighed number of common shares used in the calculation of basic earnings per shares are as follows:

	Individual and Consolidated	
	12.31.2021	12.31.2020
Profit for the year attributable to owners of the Company and used in the calculation of basic earnings per share	239,024	76,500
Weighted average number of common shares for the calculation of basic earnings per share	1,170,211,598	878,890,000

#### b. Diluted earnings per share

Earnings used to calculate diluted earnings per share is as follows:

	Individual and Consolidated	
	12.31.2021	12.31.2020
Profit used in the calculation of basic and diluted earnings per share	239,024	76,500

The weighted average number of common shares used in the calculation of diluted earnings per share is reconciled to the weighted average number of common shares used in the calculation of basic earnings per share, as follows:

	Individual and Consolidated	
	12.31.2021	12.31.2020
Weighted average number of common shares used in the calculation of basic earnings per share	1,170,211,598	878,890,000
Weighted average number of employee's options	280,152	156,000
Weighted average number of common shares used in the calculation of diluted earnings per share	1,170,491,750	879,046,000

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 19 Insurance

At December 31, 2021, the Company and its ventures had the following main insurance policies taken out from third parties:

#### a. Named peril insurance

The Company contracted a operational risk insurance, which covers the usual risks that may impact its activities, with Somp Seguros S.A. (100%). This policy establishes a maximum indemnity limit of R\$ 759,508 for property damages, aircraft crash and loss of profits. Shopping Pátio Higienópolis also contracted insurance with Somp Seguros S.A. (100%), whose policy establishes a maximum indemnity limit of R\$ 504,013 for property damage, machinery breakdown (including aircraft crash) and loss of profits.

The insured period is up to March 28, 2022.

Insured ventures	Property damages	Loss of profits	Total
Shopping Center Praia de Belas	339,151	73,682	412,833
Shopping Center Iguatemi São Paulo e Torres	473,819	280,689	754,508
Shopping Center Iguatemi São Carlos	101,497	18,401	119,898
Shopping Center Iguatemi Porto Alegre	547,010	155,259	702,269
Conjunto Comercial Porto Alegre - Torre	58,748	11,479	70,227
Shopping Center Iguatemi Campinas	445,464	154,328	599,792
Power Center	53,280	5,587	58,867
Iguatemi Empresa de Shopping Centers S.A	7,241	57,718	64,959
Market Place Shopping Center	234,203	58,131	292,334
Market Place - Tower I	59,028	36,215	95,243
Market Place - Tower II	59,708	-	59,708
Shopping Center Galleria	132,124	28,848	160,972
Shopping Center Iguatemi Brasília	275,382	59,944	335,326
Shopping Center Iguatemi Alphaville	314,696	50,614	365,310
Shopping Center Esplanada	149,374	45,410	194,784
Shopping Center Iguatemi JK	414,157	127,450	541,607
Área Comum Iguatemi JK	170,929	2,096	173,025
Outlet Novo Hamburgo	69,533	14,621	84,154
Shopping Center Iguatemi Ribeirão Preto	326,170	24,427	350,597
Shopping Center Iguatemi Esplanada	368,565	43,675	412,240
Shopping Center Iguatemi São José do Rio Preto	290,356	26,278	316,634
Área Comum SCIRIOP	-	2,779	2,779
Casa Jacarezinho	7511	321	7,832
Tijucas Fashion Outlet	56,808	3,425	60,233
Shopping Pátio Higienópolis	370,581	128,432	499,013

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### b. General civil liability insurance

The Company and Shopping Pátio Higienópolis have general liability insurance covering the usual risks applicable to their activities contracted with Sompo Seguros S.A. (100%). Such policies refer to the amounts for which the Company may be civilly liable, in a final judicial decision or in an express agreement by the insurer, as regards reparations for involuntary damages, physical and / or material, caused to third parties. The period of coverage of general liability insurance extends until September 28, 2022.

The insured amount contracted by the Company will have the maximum indemnity amount to R\$ 13,500 and may be divided into: (a) shopping centers and condominium; (b) commercial and / or industrial establishments: for the premises of the holding companies; (c) personal objects of employees; (d) lodging establishments, restaurants, bars, nightclubs and similar; (e) civil liability of the employer; (f) contingent risks of vehicles; (g) damage to store contents; (h) professional failure of the medical area; (i) civil works of construction and/or renovation of real estate with additional of: error of design, crusade and material damage to the owner of the work; (j) Liability of garage owner: fire / theft of vehicle to places that do not have Valet system and fire / theft / collision for places that have Valet system; (k) flooding / flooding for garagista civil liability and (l) moral damages for all coverages.

The insured amount contracted by Shopping Pátio Higienópolis will have the maximum indemnity amount between R\$ 30,000 million and may be divided into: (a) shopping centers and condominium; (b) commercial and / or industrial establishments: for the premises of the holding companies; (c) personal objects of employees; (d) lodging establishments, restaurants, bars, nightclubs and similar; (e) civil liability of the employer; (f) contingent risks of vehicles; (g) damage to store contents; (h) professional failure of the medical area; (i) civil works of construction and/or renovation of real estate with additional of: error of design, crusade and material damage to the owner of the work; (j) Liability of garage owner: fire / theft of vehicle to places that do not have Valet system and fire / theft / collision for places that have Valet system; (k) flooding / flooding for garagista civil liability and (l) moral damages for all coverages.

## 20 Net revenue from leases and services

Net revenue from leases and services is represented by:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Rents	-	-	712,771	593,660
Parking lots	-	-	104,694	75,750
Services rendered	2,433	2,887	67,903	51,830
Other	-	-	106,954	43,162
Gross revenue from rent and services	2,433	2,887	992,322	764,402
Taxes and deductions	(346)	(410)	(134,258)	(87,738)
Net revenue from rent and services (i)	2,087	2,477	858,064	676,664

(i) The net revenue from rentals and services was impacted by straight line of the discounts, according to note 05 item (ii).

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### 21 Cost of services and expenses by nature

The Company opted for presenting the consolidated income statement by nature. As required by the IFRS, detailed costs of services rendered and administrative expenses by nature are as follows:

#### a. Parenty Company

	12.31.2021			12.31.2020		
	Cost of services	Administrative costs	Total	Cost of services	Administrative costs	Total
Depreciation and amortization	-	(1)	(1)	-	(1)	(1)
Personal	-	(18,103)	(18,103)	-	(10,935)	(10,935)
Share remuneration	-	-	-	-	-	-
Third Party Services	(9)	(756)	(765)	(58)	(2,031)	(2,089)
Promotion fund	-	-	-	-	-	-
Parking	-	-	-	-	-	-
Others	(1)	(5,524)	(5,525)	-	(6,936)	(6,936)
	<u>(10)</u>	<u>(24,384)</u>	<u>(24,394)</u>	<u>(58)</u>	<u>(19,903)</u>	<u>(19,961)</u>

#### b. Consolidated

	12.31.2021			12.31.2020		
	Cost of services	Administrative costs	Total	Cost of services	Administrative costs	Total
Depreciation and amortization	(129,213)	(26,173)	(155,386)	(121,696)	(27,305)	(149,001)
Personal	(23,288)	(71,301)	(94,589)	(25,562)	(38,856)	(64,418)
Share remuneration	-	(12,160)	(12,160)	-	(8,092)	(8,092)
Third Party Services	(10,440)	(16,721)	(27,161)	(7,871)	(15,911)	(23,782)
Promotion fund	(2,196)	-	(2,196)	(1,488)	-	(1,488)
Parking	(32,356)	-	(32,356)	(31,659)	-	(31,659)
Others	(171,730)	(16,985)	(188,715)	(87,043)	(17,228)	(104,271)
	<u>(369,223)</u>	<u>(143,340)</u>	<u>(512,563)</u>	<u>(275,319)</u>	<u>(107,392)</u>	<u>(382,711)</u>

### 22 Finance income (cost)

Finance income (costs) are as follows:

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial income:				
Interest income	176	99	5,597	12,328
Monetary and exchange rate variations	15,395	5,780	66,370	6,586
Income from financial investments (i)	69,178	1,538	402,100	40,913
Gain on swap operation	-	-	9,019	13,485
Other financial income	-	43	4,689	254
	<u>84,749</u>	<u>7,460</u>	<u>487,775</u>	<u>73,566</u>

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

	Individual		Consolidated	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Financial expenses:				
Interest on borrowing and financing	(9,191)	(4,521)	(109,963)	(90,883)
Monetary and exchange rate variations	(8,870)	(3,015)	(32,040)	(11,687)
Debentures charges	-	-	(97,643)	(35,238)
Taxes and fees (ii)	(1,768)	(1,228)	(26,319)	(5,421)
Other financial expenses	(1,030)	(135)	(26,303)	(19,272)
	<u>(20,859)</u>	<u>(8,899)</u>	<u>(292,268)</u>	<u>(162,501)</u>
Resultado financeiro	<u>63,890</u>	<u>(1,439)</u>	<u>195,507</u>	<u>(88,935)</u>

- (i). Substantially refers to the investment in an international investment fund marked to market and considering foreign exchange difference, as per Note 4, item (ii).
- (ii). Refers to deferred Pis and Cofins on the earnings of a short-term investment, as per Note 4, item (b).

## 23 Other operating income (expenses)

Other operating income refers basically to revenues from resale of spaces, store transfer fees, fines for termination of contracts with storekeepers and sale of assets, while other operating expenses refer mainly to the allowance for doubtful accounts.

## 24 Segment Reporting

The information presented to the chief decision-maker to allocate resources and evaluate the performance of the Company and its subsidiaries, presents the Shopping Center segment of the Group in accordance with CPC 22/IFRS 8. The statement of profit or loss is the lowest level for purpose of analysis of the Company's performance.

## 25 Employee benefits

### a. Supplementary private pension plan

The Company and Iguatemi maintains a supplementary private pension plan (defined contribution) at Itaú Vida e Previdência S.A. This plan is optional to employees and the Company and Iguatemi contributes with 100% of the monthly amount contributed by employees.

The Company and Iguatemi has no obligation or right in relation to any surplus or deficit from the plan.

### b. Iguatemi Bonus Plan

Iguatemi grants eligible employees a bonus plan, linked to compliance with budget and operational goals, whose amounts are recorded in Company P&L on an accrual basis. Payments are made every March.

## **Iguatemi S.A.**

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

### **c. Share-based payment plan**

On March 28, 2018, the Extraordinary Shareholders' Meeting of the Company terminated the Stock Option Plan approved by the previous Shareholders' Meeting held on November 8, 2006, maintaining the effectiveness of the options still in effect granted based on it and the respective Programs. Also on March 28, 2018, the Company's Extraordinary General Meeting approved a new Long-Term Incentive Plan – Restricted Shares ("Plan"). The purpose of the Plan is to allow the granting of Shares Restricted to Eligible Employees, with a view to: (i) encouraging the improvement of the management of the Company and its Subsidiaries, giving the Participants the possibility of being shareholders of the Company, in the optimization of all aspects that can value the Company in the long term, giving them, also, an entrepreneurial and corporate vision; (ii) encourage the attraction and retention of managers, employees and service providers; (iii) support the alignment of interests between executives and shareholders of the Company, maximizing the level of commitment of managers and employees with the generation of sustainable results for the Company; and (iv) to increase the attractiveness of the Company and its Subsidiaries.

#### **Restricted Share Program**

Granting of restricted shares, to be settled in equity instruments, subject to the vesting condition of one year, with vesting of (a) 1/3 of the total restricted shares granted after the first (1) year, (b) 1/3 of the total restricted shares granted after the second (second) year, and (c) 1/3 of the total restricted shares granted after the third (third) year. This plan will be accounted for in accordance with CPC 10 - Share-based Payment and its corresponding IFRS 2, which requires the Company to calculate the value of the equity instruments granted based on their fair value at the grant date. There is no exercise price to be considered. The corresponding expense will be recognized over the vesting period to acquire the right to exercise the instruments. Considering the use of the matching concept, for each Restricted Share acquired by the participant, through the use of the Authorized Funds, a multiple of up to 6 (six) Restricted Shares may be additionally granted, respecting the blocking periods and criteria of this Program. The criteria adopted for the choice of participants and matching are: performance of the year prior to the Program; quality of the challenges established for the year prior to the Program (KPIs); future potential of the participant; and company performance and expectations for the future.

## Iguatemi S.A.

Note to individual and consolidated financial statements  
December 31, 2021 and 2020  
(In Thousand of reais – R\$, unless otherwise stated)

The quantities granted per lot are described in the following table:

	Amount Granted	Grace date	Total Plan Expense 2019	Plan expense Accrued in 2019
Vesting 1st Year	76,083	05/01/2020	3,183	3,066
Vesting 2nd Year	76,083	05/01/2021	3,038	2,926
Vesting 3rd Year	76,106	05/01/2022	1,592	1,533
<b>Total</b>	<b>228,272</b>		<b>7,813</b>	<b>7,525</b>

	Amount Granted	Grace date	Total Plan Expense 2020	Plan expense Accrued in 2020
Vesting 1st Year	126,366	05/01/2021	3,535	2,815
Vesting 2nd Year	126,366	05/01/2022	3,374	2,687
Vesting 3rd Year	126,404	05/01/2023	1,768	1,408
<b>Total</b>	<b>379,136</b>		<b>8,677</b>	<b>6,910</b>

	Amount Granted	Grace date	Total Plan Expense 2021	Plan expense Accrued in 2021
Vesting 1st Year	175,793	05/01/2022	7,145	2,911
Vesting 2nd Year	175,793	05/01/2023	6,821	2,779
Vesting 3rd Year	175,845	05/01/2024	3,573	1,456
<b>Total</b>	<b>527,431</b>		<b>17,539</b>	<b>7,146</b>

## 26 Events after the reporting period

On March 03, 2022, the Company announced the acquisition of 23.08% of Etiqueta Única, which is Brazil's largest e-commerce and intermediates the sale of second-hand luxury articles in Brazil. This transaction amounted to R\$ 27,000 and provides the Company with a purchase option to control the operation within three years. For further information on this operation, refer to the communication to the market.