(Convenience Translation into English from the Original Previously Issued in Portuguese)

Iguatemi S.A. and Subsidiaries

Individual and Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders, Directors and Officers of
Iguatemi S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of Iguatemi S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the individual and consolidated balance sheet as at December 31, 2022, and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Iguatemi S.A. as at December 31, 2022, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil and 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 "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not provide a separate opinion on these matters.

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Impairment of investment properties

As mentioned in notes 2.12 and 8 to the individual and consolidated financial statements, as at December 31, 2022, the balances of investment properties, which are recorded at cost, less accumulated depreciation, amount to R$4,970,735 thousand in the Consolidated. The Company and its subsidiaries support the realization of these assets based on estimated future earnings 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. These estimates are prepared and reviewed internally in accordance with the Company's governance structure. Due to the materiality of the balances and the use of internal subjective and market assumptions to determine the recoverable amount of the assets, what involves significant Executive Board's judgment, this matter was considered a key audit matter.

Our audit procedures included, among others: (a) identifying the control activities designed and implemented by the Company in relation to the preparation and reviews of the asset impairment tests; (b) involving valuation specialists to assist us with the analysis and review of the methodologies and models used by the Executive Board and assessment of the main assumptions that support the projections that determined the business plan, budget, technical studies and impairment tests of the Company's investment properties; (c) assessing the reasonableness and consistency of the data and main assumptions used in the preparation of these documents, including growth rates, discount rates and cash flow projections, among others, as provided by the Company's Executive Board, comparing with external market information, as well as with the own assumptions approved by the Executive Board in the preparation of its business plan and other estimates made by the Company; (d) verifying the accuracy of the mathematical calculations of the projections; (e) comparing the assertiveness of projections prepared in previous periods in relation to the Company's performance in the year to identify any potential inconsistency in the development of the cash flow projections; (f) comparing the recoverable amount adopted by the Executive Board, based on the discounted cash flow, with the carrying amount of the investment properties; and (g) assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements.

Based on the audit procedures performed, we believe that the procedures adopted by the Executive Board, as well as the related disclosures in the notes to the financial statements, are acceptable within the context of the financial statements taken as a whole.

Recognition of rent revenue

As mentioned in notes 2.5 and 22 to the individual and consolidated financial statements, the Company and its subsidiaries recognize their rent revenues on a straight-line basis during the period of lease of their investment properties. These transactions are classified as operating leases, as the Company does not substantially transfer all risks and rewards incidental to ownership of the assets. For rent revenue, the lease contracts generally establish that lessees must pay the higher of the minimum contractual amount determined and a variable amount, calculated based on a percentage rate of the sales of each establishment. Pursuant to technical pronouncement CPC 06 (R2)/IFRS 16 - Leases, the minimum rent revenue, considering potential effects arising from grace periods, discounts, etc., without considering inflationary effects, must be recognized on a straight-line basis over the term of the contract, and any amount exceeding the variable rent is recognized when incurred. Accordingly, due to the volume of effective contracts, we consider revenue recognition as a key audit matter because the procedures adopted by the Company involve specific contractual clauses and systemic calculations to determine the contract revenue amount and the recognition period.

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Our audit procedures included, among others: (a) identifying the control activities designed and implemented by the Company in the rent revenue recognition process, (b) performing documentary tests, on a sample basis, including the analysis of the respective contracts; (c) recalculating the revenue amounts recognized, in accordance with the proper accrual periods over the year and contractual periods; (d) obtaining an understanding of and assessing the impacts arising from the concessions to storeowners due to the COVID-19 pandemic on the calculation of the rent revenue straight-lining, with the performance of specific documentary tests; and (e) assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements. As a result of these procedures, we identified internal control deficiencies and audit adjustment, which was not adjusted by the Company due to the immateriality on the financial statements taken as a whole.

Based on the audit procedures performed, we believe that the revenues recognized arising from operating lease contracts, as well as the related disclosures in the notes to the individual and consolidated financial statements, are acceptable within the context of the individual and consolidated financial statements taken as a whole.

Recoverable amount of deferred tax assets

As described in note 17 to the individual and consolidated financial statements, as at December 31, 2022, the consolidated balance of deferred tax assets arising from tax loss carryforwards and temporary differences, whose recognition and realization are supported by a study prepared by the Executive Board on the generation of future taxable income, amounts to R$330,760 thousand in the Consolidated. The estimated generation of future taxable income requires significant judgment in the determination of the projected future income. Due to the materiality of the balances and the use of internal subjective and market assumptions to determine the projected future taxable income, what involves high degree of judgment by the Executive Board, the matter was considered a key audit matter.

Our audit procedures included, among others: (a) identifying the control activities designed and implemented by the Company in relation to the preparation and reviews of the projected future taxable income; (b) analyzing the bases that gave rise to the tax credits in conformity with the prevailing tax laws; (c) assessing the main assumptions and methodology used by the Company for the preparation of the projected future taxable income and adjustments due to permanent and temporary differences that comprise the determination of the tax income, tax planning, tax rates and arithmetical calculations; (d) comparing certain projection data, when available, with other external sources and alignment of these assumptions with the business plans approved by the Company’s governance bodies; (e) comparing the assertiveness of the projections made in previous periods in relation to the Company’s performance in the year; and (f) reviewing the disclosures in note 17 to the individual and consolidated financial statements.

Based on the audit procedures performed, we believe that the procedures adopted by the Executive Board, as well as the related disclosures in the notes to the financial statements, are acceptable within the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2022, prepared under the responsibility of the Company's Executive Board and disclosed as supplemental information for purposes of the IFRS, were subject to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. In forming our opinion, we assess whether these statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

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

The Executive Board is responsible for the other information. Such other information 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 audit 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 in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Corresponding figures for the year ended December 31, 2021

The corresponding figures for the year ended December 31, 2021, presented for purposes of comparison, restated herein as a result of the matters described in note 2.23 to the individual and consolidated financial statements, were audited by other independent auditors who issued an unmodified report thereon, dated February 27, 2023.

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 accounting practices adopted in Brazil and IFRS, issued by the IASB, as well as the standards issued by the Securities and Exchange Commission (CVM), and for such internal control as the Executive Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and, consequently, for the audit opinion.

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

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

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

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, February 28, 2023

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.

Ribas Gomes Simões
Engagement Partner

2023SP020292

A MESSAGE FROM MANAGEMENT

We are pleased to announce that we closed 2022 undertaking several actions, **such as the acquisition of equity interest JK**, the expansion of our omnichannel, the events that continually enchant and build customer loyalty and a robust array of social, environmental and management actions that go far beyond paper, changing and enhancing our Company and our people in day-to-day practices.

Actions like these demonstrate and prove that Iguatemi is not only well-positioned in the sector, **with a robust and high-quality portfolio**, but that the Company is always committed to its positioning as a solid company, with growth and differentiated assets in its store mix, design and provision of services.

In light of that information and our strategies, we may already foresee a very promising future for 2023.

The main highlights for the year are described below:

- **UPON RESUMING, SALES ARE GUARANTEES OF GROWTH**

Driven by a strong Christmas period in all ventures, Iguatemi posted continuously record sales in the fourth quarter of 2022. This scenario led the Company to achieve new records in terms of revenues, profit and FFO.

- **STRONG SALES MAKE ROOM FOR HIGHER RENT ADJUSTMENTS**

The soaring sales volumes allowed the Company not only to withdraw the discounts at the beginning of the year, but also apply above-inflation adjustments to contractual renewals.

- **OCCUPANCY COST REMAINS UNCHANGED DUE TO EFFICIENCY GAINS**

While adjusting rent amounts, Iguatemi has been continuously endeavoring to generate efficiency and ensure stable condominium costs, so as to substantially benefit from the higher rents.

- **SIGNIFICANT SALES VOLUMES ARE SYNONYMS OF LOW DEFAULT AND GROWING OCCUPANCY RATE**

Given the collections at healthy levels, the Company managed to reduce its default rates to an unprecedented level, which contributes to retaining storeowners and maintaining high occupancy rates.

- **RECORD SEQUENCE OF EARNINGS AND ROBUST GROWTH**

In view of the strong growth of projects, Iguatemi has quarterly surpassed its records for both Profit and FFO.

- **SALES OF PLOTS OF LAND RESULT IN RECURRING REVENUES FOR THE COMPANY**

The land portfolio variations have led to consolidation with qualified flow for the ventures and profitability of the Company's plots of land as a recurring revenue. In 4Q22, two transactions were conducted at Iguatemi Esplanada and Iguatemi Ribeirão, generating revenues of R$23.4 million.

- **IGUATEMI S/A ENHANCES SHAREHOLDING STRUCTURE AND REDUCES TAXES**

In 2022, the Company reviewed its tax/shareholding structure so as to identify tax efficiencies within its chain Moreover, given the earnings growth posted by ventures and the acquisition of the 36% equity interest in Shopping JK, the holding company revised the expected realization of future taxable income. Accordingly, our effective tax rates (less effects from the straight-lining and investments in Infracommerce) were positive by 30.5% in 4Q22 and 2.9% for FY2022.

- **ACCOUNTING RECOGNITION OF INFRACOMMERCE INVESTMENT**

Pursuant to the Notice to the Market (September 30), the Company redeemed its units of Navigator fund, which had Infracommerce shares as its main investment, concentrating its interest in a vehicle domiciled in Brazil, accounted for as permanent investments.

- **COMPLETED ACQUISITION OF JK, THE SHOPPING MALL WITH THE HIGHEST RENT GROWTH PER SQUARE METER IN THE COUNTRY**

With 10 years of history, Shopping JK recorded a substantial growth in rent amounts, and closed 2022 with a growth of 62.7% (vs. 2019). Such acquisition was the first M&A transaction conducted by the Company, after the corporate restructuring, and comprises the sector consolidation and growth strategy of Iguatemi.

- **SKY GALLERIA, A NEW CORPORATE ICON FOR THE CITY OF CAMPINAS**

Officially inaugurated in November 2022, the city of Campinas (SP) received a new commercial tower next to Galleria Shopping. In a few months after opening, the development already has 87% of the private area signed or in the process of signing.

- **IGUATEMI'S ENVIRONMENTAL PRACTICE IS RECOGNIZED BY THE MARKET**

For the first time, the Company has been selected to compose the Carbon Efficient Index (ICO2 B3). Recognition is yet another sign of appreciation for a carbon-free economy, further boosting Iguatemi's sustainability journey and its materiality matrix.

- **GREATER COMFORT AND BENEFITS TO IGUATEMI AND XP VISA CUSTOMERS**

Iguatemi entered into an exclusive partnership for certain shopping malls from the chain. XP Investimentos Visa Infinite customers are now entitled to a free first hour when parking through the valet service.

Sustainable Iguatemi

Committed to the Environmental, Social and Governance (ESG) agenda, Iguatemi has been keen on developing actions aligned with the social responsibility, environmental and governance pillars through various practices at all levels within the Company. For instance, all projects are subject to a Sustainability Policy, which provides guidance towards preserving the environment and making activities increasingly sustainable.

- **IGUATEMI NOW COMPOSES THE ICO2 B3 INDEX**

During 2022, Iguatemi focused on enhancing its environmental commitment and is now an integral part of the Carbon Efficient Index (ICO2 B3), substantiating its commitment to reduce emissions and getting ready for a carbon-free economy aligned with the Company's materiality matrix.

- **INSIDE OUR SOCIAL PRACTICE WITH VARIOUS STAKEHOLDERS**

The Diversity Booklet ("Cartilha de Diversidade") was launched as an invitation from Iguatemi to all employees, partners, storeowners and consumers towards a path in which human rights and opportunities are assured for every person.

The Company received the Racial Equality Seal granted by the Municipal Department of Human Rights and Citizenship of São Paulo, awarded to companies maintaining 20% or more of the workforce made up of black people in different positions.

- **PUTTING THE IGUATEMI SUSTAINABILITY REPORT ON PAPER**

In 2022, Iguatemi focused on materializing the ESG journey through the support of an allocated team and specialized consulting services. It ultimately aimed to create its Materiality Matrix and, then, develop specific initiatives to each stakeholder.

2023 GUIDANCE

After the pandemic years during which we did not disclose the annual guidance, we resumed the practice seeking to guide the market expectations about the Company's earnings. The year is challenging in several macroeconomic and political aspects, both nationally and internationally. Even so, **the Company's resilience shown in the recession years, 2015 and 2016, and throughout the pandemic and recovery periods** makes us optimistic about the Company's positioning for the current and next years. In this cycle, the strategic imperatives that will lead us to achieve our Guidance growth are: **1) optimization of projects** composing the current portfolio, ensuring **better operating margins; 2) efficiency in the** Company's **capital allocation; 3)** improvement of surroundings and **profitability of our landbank,** through the sale of a fraction of land; and 4) **profitability of the** Company's **digital strategy.**

The soundness of our results, even during the pandemic, demonstrates that Iguatemi is well-positioned in the sector, relying on a mature and high-quality portfolio. We will continue to invest and strengthen our shopping malls by improving the mix of stores and surroundings, through urban development projects and commercial and residential launches that bring qualified flow, besides continuously creating, through our people, memorable and differentiated consumption experiences for our customers, who have always been and will be the benchmark in our sector.

Cristina Betts
CEO of Iguatemi S.A.

MAIN INDICATORS

The financial information reported below is based on the consolidated financial statements and stated in thousands of Brazilian reais (R$), pursuant to the Brazilian Corporate Law and the International Financial Reporting Standards (IFRSs), through technical pronouncements (CPCs) issued and approved by the Brazilian Securities and Exchange Commission (CVM), and was prepared so as to reflect the Company's interest in all Shopping Centers and Towers comprising its portfolio.

Financial Indicators - Accounting	12M22	12M21	Var. %
Gross Revenue (R$ '000)	1.228.682	992.322	23,8%
Net Revenue (R$ '000)	1.016.341	858.064	18,4%
EBITDA (R$ '000)	653.800	496.768	31,6%
EBITDA Margin	*64,33%*	*57,89%*	*6.4 p.p.*
Profit (R$ '000)	12.821	346.205	-96,30%
Net Margin	*1,26%*	*40,35%*	*-39.,1 p.p.*
FFO (R$ '000)	171.851	501.589	-65,74%
FFO Margin	*16,91%*	*58,46%*	*-41.5 p.p.*

Operating Indicators	12M22	12M21	Var. %
Total GLA (sqm)	723.480	709.304	2,00%
Owned GLA (sqm)	488.849	469.358	4,20%
Average Owned GLA (sqm)	504.925	469.358	7,60%
Total GLA, malls (sqm)	669.970	670.295	0,00%
Owned GLA, malls (sqm)	448.200	436.248	2,70%
Total number of malls(1)	16	16	0,00%
Total sales (R$ '000)	16.968.641	12.706.647	33,50%
Same-Store Sales (SSS)	30,00%	34,70%	-4.6 p.p.
Same-area sales (SAS)	33,70%	46,10%	-12.4 p.p.
Same-store rents (SSR)	44,10%	51,70%	-7.6 p.p.
Same-area rents (SAR)	40,80%	44,80%	-4.0 p.p.
Occupancy cost (% of sales)	12,10%	12,60%	-0.5 p.p.
Occupancy rate	92,86%	90,80%	2.1 p.p.
Net delinquency rate	-0,20%	2,40%	-2.6 p.p.
Sales/sqm	25.448	18.957	34,20%
Rent/sqm	1.998	1.721	16,10%

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

IGUATEMI PORTFOLIO

Portfolio	City	Total GCA (m²) [1]	Total GLA (m²)	Iguatemi Interest	Iguatemi GLA (m²)
Iguatemi São Paulo	São Paulo	49.304	49.304	58,58%	28.882
JK Iguatemi	São Paulo	33.556	33.556	100,00%	33.556
Pátio Higienópolis	São Paulo	33.511	33.511	11,54%	3.867
Market Place	São Paulo	26.690	26.690	100,00%	26.690
Iguatemi Alphaville	Barueri	30.981	30.981	78,00%	24.165
Iguatemi Campinas	Campinas	77.530	73.361	70,00%	51.353
Galleria	Campinas	33.167	33.167	100,00%	33.167
Iguatemi Esplanada [2]	Sorocaba	64.795	64.795	60,93%	39.481
SCIESP		40.444	40.444	65,72%	26.578
SCESP		24.350	24.350	52,99%	12.903
Iguatemi Esplanada - área proprietária [3]	Sorocaba	6.556	3.678	100,00%	3.678
Iguatemi São Carlos	São Carlos	22.066	22.066	50,00%	11.033
Iguatemi Ribeirão Preto	Ribeirão Preto	43.330	43.330	88,00%	38.131
Iguatemi Rio Preto	São José do Rio Preto	43.649	43.649	88,00%	38.411
Subtotal Sudeste		**465.136**	**458.089**	**72,57%**	**332.416**
Iguatemi Porto Alegre [4]	Porto Alegre	68.394	64.946	42,58%	27.654
Praia de Belas	Porto Alegre	47.833	44.884	57,55%	25.831
Subtotal Sul		**116.227**	**109.830**	**48,70%**	**53.485**
Iguatemi Brasília	Brasília	34.657	34.657	64,00%	22.181
Subtotal DF		**34.657**	**34.657**	**64,00%**	**22.181**
I Fashion Outlet Novo Hamburgo	Novo Hamburgo	20.048	20.048	41,00%	8.220
I Fashion Outlet Santa Catarina	Tijucas	19.811	19.811	54,00%	10.698
Power Center Iguatemi Campinas [5]	Campinas	27.534	27.534	77,00%	21.201
Outlet and Power Center Subtotal		**67.393**	**67.393**	**59,53%**	**40.119**
Mall Subtotal		***683.414***	***669.970***	***66,90%***	***448.200***
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 [4]	Porto Alegre	10.276	10.276	42,58%	4.376
Torre Sky Galleria	Campinas	14.500	14.500	52,00%	7.540
Towers Subtotal		***53.510***	***53.510***	**75,97%**	***40.650***
Total		**736.924**	**723.480**	**67,57%**	**488.849**

(1) Gross Commercial Area (GCA) 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.

OPERATING PERFORMANCE (at 100% of the mall) – MINIMUM RENT + OVERAGE + TEMP. RENT (R$ ‘000)

Portfolio	12M22	12M21	Var. %
Iguatemi São Paulo	324.785	281.946	15,20%
JK Iguatemi	150.440	119.772	25,60%
Pátio Higienópolis	132.655	116.276	14,10%
Market Place	33.322	28.387	17,40%
Torres Market Place	21.888	22.043	-0,70%
Iguatemi Alphaville	44.638	38.664	15,50%
Iguatemi Campinas	154.245	128.395	20,10%
Galleria	40.206	28.360	41,80%
Iguatemi Esplanada	90.021	78.271	15,00%
Iguatemi São Carlos	17.164	14.552	17,90%
Iguatemi Ribeirão Preto	39.796	31.005	28,40%
Iguatemi Rio Preto	47.572	40.369	17,80%
Iguatemi Porto Alegre	179.098	146.953	21,90%
Torre Iguatemi Porto Alegre	10.288	9.772	5,30%
Praia de Belas	67.252	58.610	14,70%
Iguatemi Brasília	60.452	51.683	17,00%
I Fashion Outlet Novo Hamburgo	19.368	15.987	21,20%
I Fashion Outlet Santa Catarina	8.245	6.507	26,70%
Power Center Iguatemi Campinas	4.189	3.043	37,60%
Total	**1.445.622**	**1.220.596**	**18,40%**

OPERATING PERFORMANCE (at 100% of the mall) – PARKING (R$ ‘000)

Portfolio	12M22	12M21	Var. %
Iguatemi São Paulo	36.043	24.671	46,10%
JK Iguatemi	24.487	14.420	69,80%
Pátio Higienópolis	15.907	9.473	67,90%
Market Place	14.855	10.363	43,40%
Iguatemi Alphaville	16.585	11.587	43,10%
Iguatemi Campinas	34.827	21.749	60,10%
Galleria	10.547	6.539	61,30%
Iguatemi Esplanada	28.268	18.770	50,60%
Iguatemi São Carlos	3.370	2.210	52,50%
Iguatemi Ribeirão Preto	7.041	-	-
Iguatemi Rio Preto	6.854	-	-
Iguatemi Porto Alegre	29.667	23.641	25,50%
Praia de Belas	14.450	10.010	44,40%
Iguatemi Brasília	10.537	7.915	33,10%
Power Center Iguatemi Campinas	1.481	1.033	43,40%
Total	**254.919**	**162.379**	**57,00%**

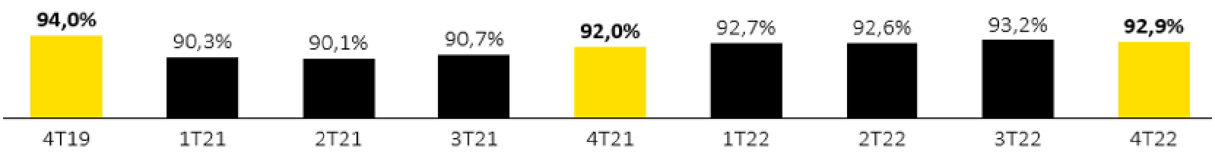
SALES, RENTALS AND PARKING

Total Sales reached R$17 billion in the year. The Fashion, Footwear, Leather Goods, and Miscellaneous, Health & Beauty, and Jewelry segments attained the best performance levels.

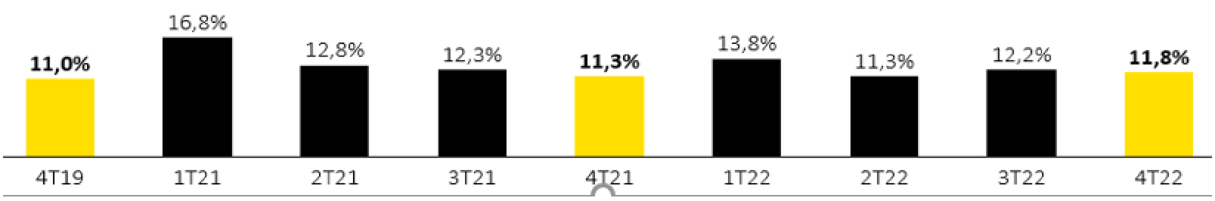
OCCUPANCY RATE AND COST

The Malls' average occupancy rate was 92.9% in the year, 0.9 percentage point above 2021. The occupancy cost was 11.8% and remained at the historical levels indicating the financial health of storeowners despite the rent adjustments and withdraw of discounts.

Occupancy rate



Occupancy cost



DELINQUENCY

The volume of rents received surpasses the rent amounts charged, which arises from a sound base of storeowners allowing the collection of past rent amounts, which are either overdue or have been challenged in courts during the pandemic period. For the third quarter in a row, net delinquency is negative and reached 3.8% at the end of the period, down by 5.2p.p against 2021.

CONSOLIDATED ECONOMIC AND FINANCIAL PERFORMANCE

Consolidated Statement of Income - Accounting (R$ '000)	12M22	12M21	Var. %
Gross revenue	**1.228.682**	**992.322**	**23,8%**
Taxes and discounts	-166.450	-214.485	-22,4%
Straight-lining recognition of discounts(1)	-45.891	80.227	-157,2%
Net revenue	**1.016.341**	**858.064**	**18,4%**
Costs and expenses	-401.810	-357.179	12,5%
Other operating income (expenses)	43.669	-6.946	-728,7%
Share of profit (loss) of subsidiaries	-4.400	2.829	-255,5%

Consolidated Statement of Income - Accounting (R$ ‘000)	12M22	12M21	Var. %
EBITDA	**653.800**	**496.768**	31,6%
EBITDA Margin	*64,33%*	*57,89%*	**6.4 p.p.**
Depreciation and amortization	-159.030	-155.384	2,3%
EBIT	**494.770**	**341.384**	**44,9%**
EBIT margin	*48,68%*	*39,79%*	8.9 p.p.
Finance income	186.846	164.432	13,6%
Finance costs	-489.439	-294.937	65,9%
Fair value of capital instruments	-323.091	326.012	-199,1%
Income tax and social contribution	143.735	-190.686	-175,4%
Profit for the year	**12.821**	**346.205**	**-96,3%**
Net Margin	*1,26%*	*40,35%*	-39.1 p.p.
Attributable to the Company’s owners	7.568	239.024	-96,8%
Attributable to noncontrolling interests	5.253	107.181	-95,1%
FFO	**171.851**	**501.589**	**-65,74%**
FFO Margin	*16,91%*	*58,5%*	-41.5 p.p.

(1) Straight-lining recognition of discounts, net of amortization.

GROSS REVENUE

Iguatemi’s Gross Revenue for FY22 reached R$1,228.6 million, up by 23.8% in relation to the same period of 2021.

Gross Revenue - Accounting (R$ ‘000)	12M22	12M21	Var. %
Rentals	845.328	712.771	18,6%
Management Fees	62.753	38.377	63,5%
Parking	168.420	104.694	60,9%
Retail transactions	139.163	102.026	36,4%
Other	13.018	34.454	-62,2%
Total	**1.228.682**	**992.322**	**23,8%**

Rental Revenue, comprising Minimum Rent, Overage and Temporary Rent, grew by 18.6% over 2021.

Rental Revenue - Accounting (R$ ‘000)	12M22	12M21	Var. %
Minimum Rent	724.999	610.573	18,7%
Overage	54.342	54.924	-1,1%
Temporary Rents	65.987	47.274	39,6%
Total	**845.328**	**712.771**	**18,6%**

This increase in Rental Revenue, compared to 2021, is mainly explained by:

- Minimum Rent: 18.7% increase, with the positive effect from the automatic inflation adjustments to lease agreements.
- Overage: 1,1% drop.
- Temporary Rents: 39.6% increase due to the increase in the search for media properties and temporary operations on commercial dates.

Management Fees increased by 63.5% in relation to 2021, in line with the growth in operating revenues of the projects.

Parking Revenue reached R$168 million, up by 60.9% when compared to 2021. Such growth was due to the adjustment in the parking amounts, increase in the flow due to the resumption of leisure activities and beginning of collection of parking amounts in Iguatemi Rio Preto and Iguatemi Ribeirão Preto malls at the beginning of this year.

DEDUCTIONS, TAXES AND CONTRIBUTIONS

Deductions, Taxes and Contributions totaled R$212.3 million (negative).

NET REVENUE

Net Revenue for 2022 reached R$1,016.3 million, up by 18.4% over 2021.

COSTS AND EXPENSES

Costs and Expenses - Accounting (R$ '000)	12M22	12M21	Var. %
Rental and Service Costs	**-287.395**	**-240.012**	**19,7%**
Personnel	-32.782	-23.288	40,8%
Outside services	-9.530	-10.440	-8,7%
Promotion fund	-2.956	-2.196	34,6%
Parking	-44.495	-32.356	37,5%
Retail transactions	-147.001	-111.298	32,1%
Other	-50.631	-60.434	-16,2%
Expenses	**-114.415**	**-117.167**	**-2,3%**
Personnel	-63.854	-71.301	-10,4%
Share-based compensation	-13.563	-12.160	11,5%
Outside services	-23.279	-16.721	39,2%
Other	-13.719	-16.985	-19,2%
Subtotal	**-401.810**	**-357.179**	**12,5%**
Depreciation and amortization	-159.030	-155.384	2,3%
Total	**-560.840**	**-512.563**	**9,4%**

Line item "Rental and Service Costs" totaled R$287.3 million in 2022 (less depreciation and amortization), i.e., an increase of 19.7% over 2021, due to the higher retail transactions and parking costs. Expenses were 2.3% lower than 2021's figures, primarily due to the decrease in personnel expenses and other expenses.

OTHER OPERATING INCOME (EXPENSES)

Other Operating Income (Expenses) – Accounting (R$ ‘000)	12M22	12M21	Var. %
Real estate development	23.434	27.694	-15,4%
Other	20.235	-34.640	-158,4%
Other Operating Income (Expenses)	**43.669**	**-6.946**	**-728,7%**

Other Operating Income (Expenses) totaled R$20.2 million (positive) referring to the allowance for doubtful debts, sundry receivables and fines due to early leave of tenants. The Company recorded R$23.4 million referring to sales of Iguatemi’s fractions of land for the construction of residential towers.

FINANCE INCOME (COSTS)

Finance Income (Costs), Net - Accounting (R$ ‘000)	12M22	12M21	Var. %
Finance income	186.846	164.432	13,6%
Finance costs	-489.439	-294.937	65,9%
Finance income (costs), net	**-302.593**	**-130.505**	**131,9%**
Fair value of capital instruments	-323.091	326.012	-199,1%
Finance income (costs)	**-625.684**	**195.507**	**-420,0%**

In 2022, Finance Income (Costs), net totaled R$302.6 million (negative), up by 131.9% when compared to 2021. In 2022, the Fair Value of Capital Instruments was R$323.1 million (negative), down by 199.1% when compared to the previous period.

INCOME TAX AND SOCIAL CONTRIBUTION (CURRENT AND DEFERRED)

In 2022, Income Tax and Social Contribution totaled R$143.7 million, due to the tax impacts arising from the variations in Infracommerce’s investment.

CONSOLIDATED EBITDA

Reconciliation of EBIT (LAJIR) and EBITDA (LAJIDA) – Accounting (R$ ‘000)	12M22	12M21	Var. %
Profit	**12.821**	**346.205**	**-96,3%**
(+) Income tax and social contribution	-143.735	190.686	**-175,4%**
(+) Finance costs	512.805	294.937	**73,9%**
(-) Finance income	-210.212	-164.432	**27,8%**
(-) Fair value of capital instruments	323.091	-326.012	**-199,1%**
EBIT (LAJIR)	**494.770**	**341.384**	**44,9%**
(+) Depreciation and amortization	159.030	155.384	2,3%
EBITDA	**653.800**	**496.768**	**31,6%**
Net revenue	**1.016.341**	**858.064**	**18,4%**
EBITDA Margin	***64,33%***	***57,89%***	***6,4 p.p.***

INDEBTEDNESS

	12/31/2022	12/31/2021	Var. %
Total Debt[(1)]	**3.100.412**	**3.423.926**	-9,4%
Cash and cash equivalents	1.906.816	2.054.091	-7,2%
Net Debt	**1.193.596**	**1.369.835**	-12,9%
EBITDA (LTM)	667.899	496.770	34,4%
Net Debt/EBITDA	**1,79**	**2,76**	-1,8%

(1) Considers total cash and cash equivalents and short-term investments.

The Company ended the year with a Total Debt of R$3.1 billion. Cash and cash equivalents amounted to R$1.9 billion, a 7.2% decrease, reaching a Net Debt of R$1.2 billion and a Net Debt/EBITDA multiple of 1.79, a 1.8% decrease.

Total Debt by Index and Term (R$ '000)	12/31/2022	%	12/31/2021	%
TR	409.024	13,2%	441.426	12,9%
CDI	2.691.388	86,8%	2.982.500	87,1%
Short term	924.016	29,8%	321.899	9,4%
Long term	2.176.396	70,2%	3.102.027	90,6%

CAPITAL MARKETS

Iguatemi's shares are listed on B3, under ticker symbols **IGTI11, IGTI3 and IGTI4**, and are part of the **Ibovespa**, **IBx-100 and ICO2** indexes. Our major shareholders and the Company's free float are described in the following table.

Shareholding structure (Iguatemi S.A.)	IGTI3 (ONs)	IGTI4 (PNs)	IGTI11 (Units)		Unit Equivalente	
	#Common shares	**#Preferred shares**	**#Common shares**	**#Preferred shares**	**(Theoretical)**	**% Total**
Controlling Shareholder	530,132,630	0	4,209,970	8,419,940	79,943,203	26.6%
Free Float	36,754,476	3,116,246	213,989,732	427,979,464	220,575,905	73.4%
Treasury	16,706	0	63,538	127,076	65,925	0.0%
Total	566,903,812	3,116,246	218,263,240	436,526,480	300,585,033	100.0%

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 shareholders through variable compensation mechanisms:

Iguatemi Bonus Plan: This program is contingent upon the attainment of short-term budget and operating goals. All our employees are eligible. The amount distributed to each employee is linked to the Company's Key Performance Indicators - KPIs (divided into: i. Ongoing Business profitability and ii. quality and strategic importance of Future Projects/Growth Paths) and to individual KPIs.

Long-term Incentive Plan – Restricted Shares: Granting of common shares issued by the Company to eligible employees selected by the Compensation Committee and approved by the Board of Directors, primarily in order to: (a) encourage improvements in 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, besides giving them an entrepreneurial and corporate vision; (b) encourage the attraction and retention of managers, employees and service providers; (c) support the alignment of interests between the Company's executives and shareholders, maximizing the level of commitment of managers and employees to the generation of sustainable results for the Company; and (d) increase the attractiveness of the Company and its Subsidiaries.

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 compensation.

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

As at December 30, 2022, Iguatemi had **636 employees**, versus 493 employees as at December 30, 2021 (+ 29.01%). A significant portion of these new hirings refer to the structuring of teams for Iguatemi 365 and I-Retail stores, as well as to Iguatemi's internship program and internalization of the commercial brokers team.

SOCIAL AND ENVIRONMENTAL PROGRAMS

Committed to the Environmental, Social and Governance (ESG) agenda, Iguatemi S.A. has been keen on developing actions aligned with the social responsibility, environmental and governance pillars through the installation of water flow reducers in faucets and toilets that use less water; these practices are performed at all levels within the Company. For instance, all projects are subject to a Sustainability Policy, which provides guidance towards preserving the environment and making activities increasingly sustainable.

Iguatemi S.A. has also been constantly striving to lessen the environmental impacts of its operations, developing actions that promote the rational use of natural resources and reduce waste generation within the supply chain. The Company's assumptions involve investing in the purchase of certified materials to ensure a better use of resources. The Company seeks to reduce consumption on all fronts, adopting intelligent technology solutions. Our initiative in 2022 includes our first greenhouse gas inventory, which will be used for the strategic purposes to reduce greenhouse gas emissions. The initiatives include:

CONSCIOUS WATER CONSUMPTION

- Rainwater harvesting and water harvesting from artesian wells.
- Installation of Water Treatment Plants and Sewage Treatment Plants.
- Reuse of rainwater or water from Sewage Treatment Plants/Water Treatment Plants.

In summary, 43% of our water consumption derives from reuse or water harvesting from wells. Note that the annual volume of sewage treatment is similar to the sewage generated by 51 thousand people during 1 month.

CONSCIOUS ENERGY CONSUMPTION

- 100% of the energy consumed by shopping malls derives from renewable sources.
- Replacement of the illumination system with more efficient technologies, including LED lamps.
- Elevators and escalators with regenerative energy system.
- Automation of electrical and air conditioning systems.
- Replacement with more efficient air conditioning equipment.

In general, **51,864** conventional lamps were replaced with LED lamps, lowering lighting consumption by approximately **63%.**

To optimize eco-efficiency, daily monitoring procedures are performed through integrated software for meter reading purposes, and the appropriate improvement measures are taken towards reducing water and energy consumption.

WASTE MANAGEMENT

Waste management constitutes another relevant front. The Company relies on waste management and selective collection programs to boost the recycling of waste volumes generated by the shopping mall operations and conduct the appropriate waste disposal practices.

Currently, 79% of waste volumes generated by shopping malls are intended for composting, recyclables and Fuel Derived from Waste (FDW).

CONTINUOUS REDUCTION OF UTILITIES

Reduce water harvesting and consumption through the following measures:

- Increasing the water harvesting volumes through new wells.
- Expanding water and sewage treatments.
- Including the use of reuse water at other points.

Reduce energy costs and consumption by:

- Retrofitting high consumption machines that have obsolete technologies.
- Automating systems to enhance the efficiency of shopping malls.
- Developing sustainable projects.

Waste generated at the shopping malls:

- Increasing the recycling of waste generated by the shopping mall operations.
- Achieving the zero-landfill goal through appropriate waste disposal.

INDEPENDENT AUDITING SERVICES – COMPLIANCE WITH CVM INSTRUCTION 381/2003

The Company and its subsidiaries engaged Deloitte Touche Tohmatsu Auditores Independentes Ltda. to provide auditing services beginning the first quarter of 2022. The Company's policy adopted for the engagement of non-audit services complies with the principles that preserve the external auditor's independence. These internationally-accepted principles are: (a) the auditor must not audit his or her own work; (b) the auditor must not exercise management functions in the client; and (c) the auditor must not serve in a position of being an advocate for his or her client.

Note: Non-financial information, such as GLA, average sales, average rentals, occupancy costs, average prices, average quotations, EBITDA and pro-forma cash flows, has not been reviewed by our independent auditors.

The Company is subject to arbitration at the Market Arbitration Chamber as set forth in the arbitration clause included in its Bylaws.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

BALANCE SHEETS AS AT DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

		Parent		Consolidated	
ASSETS	Note	12.31.22	12.31.21	12.31.22	12.31.21
CURRENT ASSETS					
Cash and cash equivalents	4 (a)	8,395	300	52,164	38,930
Short-term investments	4 (b)	729,762	210,672	1,777,694	1,965,196
Inventories		-	-	37,569	26,275
Trade receivables	5	-	-	274,192	266,855
Recoverable taxes		6,411	3,946	26,472	33,355
Loans receivable		-	-	258	384
Dividends receivable	6	489	82,643	-	-
Prepaid expenses		-	-	6,402	8,562
Other receivables		743	9,551	2,194	13,943
TOTAL CURRENT ASSETS		745,800	307,112	2,176,945	2,353,500
NONCURRENT ASSETS					
Short-term investments	4 (b)	-	-	76,958	49,965
Trade receivables	5	-	-	237,270	232,723
Due from related parties	6	1,820	-	39,346	34,612
Escrow deposits		-	1,325	21,778	51,485
Deferred income tax and social contribution	17	40,335	-	-	-
Other receivables		2,792	4,125	2,804	4,413
Investments:					
Investment properties	8	145,881	-	4,970,735	4,319,121
Equity interests	7	3,209,893	3,396,057	306,509	145,328
Goodwill on investments	7	-	-	3,495	3,495
Other	7	1,297	297	49,593	21,514
Property, plant and equipment	9	-	8	45,318	47,477
Intangible assets	10	752	752	117,386	109,171
TOTAL NONCURRENT ASSETS		3,402,770	3,402,564	5,871,192	5,019,304
TOTAL ASSETS		4,148,570	3,709,676	8,048,137	7,372,804

		Parent		Consolidated	
LIABILITIES AND EQUITY	Note	12.31.22	12.31.21	12.31.22	12.31.21
CURRENT LIABILITIES					
Borrowings and financing	11	17,611	85,234	585,919	300,205
Debentures	12	-	-	338,097	21,694
Domestic suppliers		486	89	18,101	19,597
Taxes payable	14	855	1,810	17,762	21,310
Payroll, related taxes and premiums		764	6,045	52,939	48,009
Due to related parties	6	-	1,868	557	2,798
Dividends payable	6	2,357	57,191	2,357	57,208
Derivatives	13	-	-	9,618	5,610
Other payables	18	1,978	12,603	682,458	31,256
TOTAL CURRENT LIABILITIES		24,051	164,840	1,707,808	507,687
NONCURRENT LIABILITIES					
Borrowings and financing	11	17,449	84,898	785,434	1,413,767
Debentures	12	-	-	1,390,962	1,688,260
Taxes payable	14	518	1,892	17,685	32,108
Provision for tax, labor and civil risks	15	13,223	12,808	15,343	45,558
Deferred income tax and social contribution	17	-	15,860	14,465	235,182
Other payables	18	-	-	8,752	9,708
TOTAL NONCURRENT LIABILITIES		31,190	115,458	2,232,641	3,424,583
EQUITY	19				
Capital		1,759,393	1,069,691	1,759,393	1,069,691
Treasury shares		(11,884)	(31)	(11,884)	(31)
Capital reserves		1,448,164	1,431,330	1,448,164	1,431,333
Earnings reserves		897,656	928,388	897,656	928,385
Equity attributable to Company's owners		4,093,329	3,429,378	4,093,329	3,429,378
Noncontrolling interests		-	-	14,359	11,156
TOTAL EQUITY		4,093,329	3,429,378	4,107,688	3,440,534
TOTAL LIABILITIES AND EQUITY		4,148,570	3,709,676	8,048,137	7,372,804

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$, except for earnings per share)

		Parent		Consolidated	
	Note	12.31.22	12.31.21	12.31.22	12.31.21
Net operating revenue from rentals and services	22	12,975	2,087	1,016,341	858,064
Costs of rentals and services	23	(1,350)	(10)	(420,884)	(369,223)
GROSS PROFIT		11,625	2,077	595,457	488,841
OPERATING INCOME (EXPENSES)					
General and administrative expenses	23	(8,599)	(24,384)	(139,956)	(143,340)
Share of profit (loss) of subsidiaries	7	(21,176)	226,008	(4,400)	2,829
Other operating income	25	108	-	50,220	35,094
Other operating expenses	25	(843)	(12,707)	(6,551)	(42,040)
		(30,510)	188,917	(100,687)	(147,457)
OPERATING INCOME BEFORE FINANCE INCOME (COSTS) AND TAXES		(18,885)	190,994	494,770	341,384
Finance income (costs)	24	(3,022)	6,721	(302,593)	(130,505)
Finance income		22,540	41,310	186,846	155,413
Finance costs		(25,562)	(34,589)	(489,439)	(285,918)
Fair value of equity instruments	24	(26,720)	57,169	(323,091)	326,012
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		(48,627)	254,884	(130,914)	536,891
INCOME TAX AND SOCIAL CONTRIBUTION	17				
Current		-	-	(76,983)	(45,032)
Deferred		56,195	(15,860)	220,718	(145,654)
		56,195	(15,860)	143,735	(190,686)
PROFIT FOR THE YEAR		7,568	239,024	12,821	346,205
Company's owners		7,568	239,024	7,568	239,024
Noncontrolling interests		-	-	5,253	107,181
Basic earnings per share - in Brazilian reais - R$	20	0.01	0.20	0.01	0.20
Diluted earnings per share - in Brazilian reais - R$	20	0.01	0.20	0.01	0.20

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	12.31.22	12.31.21	12.31.22	12.31.21
Profit for the year	7,568	239,024	12,821	346,205
Other comprehensive income	-	-	-	-
COMPREHENSIVE INCOME FOR THE YEAR	7,568	239,024	12,821	346,205
Company's owners	7,568	239,024	7,568	239,024
Noncontrolling interests	-	-	5,253	107,181

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$, except for the amount per share)

			Capital reserves				Earnings reserves							
	Note	Capital	Share premium	Capital transaction	Other	Treasury shares	Legal	Retention	Additional proposed dividends	Retained earnings	Other comprehensive income	Owners of the Company	Noncontrolling interests	Consolidated equity
BALANCES AS 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	19. a	327,704	-	-	-	-	-	-	-	-	-	327,704 -	357,529	(29,825)
Treasury shares acquired		-	-	-	-	(31)	-	-	-	-	-	(31)	-	(31)
Prior-year additional dividends	19.e	-	-	-	-	-	-	-	-	-	-	- -	1,524	(1,524)
Fair value adjustment to financial instruments	19.e	-	-		-	-	-	-	-	-	(1,957)	(1,957)	-	(1,957)
Gain on merger of subsidiaries' shares	19.e	-	-	1,294,286	-	-	-	-	-	-	-	1,294,286	(1,294,286)	-
Other adjustments to the subsidiaries' equity		-	-	(3,298)	5,564	-	-	-	-	-	-	2,266	-	2,266
Profit for the year		-	-	-	-	-	-	-	-	239,024	-	239,024	107,181	346,205
Allocation of profit for the year:														
Legal reserve	19.d	-	-	-	-	-	11,951	-	-	(11,951)	-	-	-	-
Mandatory minimum dividends	19.e	-	-	-	-	-	-	-	-	(56,768)	-	(56,768)	-	(56,768)
Reversal of proposed dividends		-	-	-	-	-	-	8,154		-	-	8,154	-	8,154
Earnings retention	19.d	-	-	-	-	-	-	170,305	-	(170,305)	-	-	-	-
BALANCES AS 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
Capital increase	19. a	689,702	-	-	-	-	-	-	-	-	-	689,702	-	689,702
Treasury shares acquired	19.c	-	-	-	-	(11,853)	-	-	-	-	-	(11,853)	-	(11,853)
Prior-year additional dividends	19.e	-	-	-	-	-	-	(33,232)	-	-	-	(33,232)	(2,050)	(35,282)
Subsidiaries' stock option plan		-	-	13,562	-	-	-	-	-	-	-	13,562	-	13,562
Other adjustments to the subsidiaries' equity		-		3,272	-	-	-	(3,272)	-	-	-	-	-	-
Profit for the year		-	-	-	-	-	-	-	-	7,568	-	7,568	5,253	12,821
Allocation of profit for the year:														
Legal reserve	19.d	-	-	-	-	-	379	-	-	(379)	-	-	-	-
Mandatory minimum dividends	19.e	-	-	-	-	-	-	-	-	(1,796)	-	(1,796)	-	(1,796)
Earnings retention	19.d	-	-	-	-	-	-	5,393	-	(5,393)	-	-	-	-
BALANCES AS AT DECEMBER 31, 2022		1,759,393	-	1,434,342	13,822	(11,884)	101,203	796,453	-	-	-	4,093,329	14,359	4,107,688

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

STATEMENTS OF CASH FLOWS - INDIRECT METHOD
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	12.31.22	12.31.21	12.31.22	12.31.21
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the year	7,568	239,024	12,821	346,205
ADJUSTMENTS TO RECONCILE PROFIT FOR THE YEAR TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Depreciation and amortization	1,062	1	159,030	155,386
Gain (loss) on disposal of investment property	-	-	25,915	10,513
Provision for tax, labor and civil risks	1,740	4,375	12,744	11,720
Deferred income tax and social contribution	(56,195)	15,860	(220,718)	145,654
Provision for share-based payment	-	-	13,562	-
Provision for bonus program	-	4,082	26,949	27,039
Allowance for inventory impairment	-	-	3,402	795
Allowance for expected credit losses	-	-	9,337	29,480
Accrued interest, inflation adjustments and exchange rate changes on borrowings, contingencies, escrow deposits and short-term investmer	(1,398)	(101,151)	306,157	(480,990)
Share of profit (loss) of subsidiaries	21,176	(226,008)	4,400	(2,829)
Loss (gain) on equity interest	119	-	(993)	-
Amortization of borrowing costs	-	-	9,240	9,585
Fair value adjustment	26,720	57,169	323,091	320,922
Straight-lining of amortization	-	-	45,891	(80,227)
VARIATIONS IN OPERATING ASSETS:				
Trade receivables	-	-	(67,112)	(55,561)
Inventories	-	-	(14,696)	(17,449)
Loans receivable	-	-	126	(384)
Due from related parties	(1,820)	-	(4,734)	18,044
Recoverable taxes and tax credits	(2,465)	33	-	-
Prepaid expenses	-	-	2,160	(8,562)
Dividends	-	25,380	-	-
Other	8,652	(33)	(12,643)	(49,647)
VARIATIONS IN OPERATING LIABILITIES:				
Accrued payroll and related taxes	(5,281)	(99)	(15,398)	(1,437)
Domestic suppliers	397	(192)	(1,496)	(3,863)
Taxes payable	(2,329)	3,593	42,343	48,113
Due to related parties	(1,868)	(662)	(2,241)	(1,815)
Other payables	(10,625)	(24,408)	(16,305)	(27,053)
Net cash provided by (used in) operating activities	(14,547)	(3,036)	640,832	393,639
Payments of income tax and social contribution	-	-	(53,430)	(42,429)
Payments of interest on borrowings, financing and debentures	(23,579)	(5,737)	(394,663)	(176,771)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(38,126)	(8,773)	192,739	174,439
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment, investment properties and intangible assets	(8,887)	(6)	(175,615)	(167,010)
Dividends received from subsidiaries and investees	318,061	-	1,615	1,213
Capital increase	-	-	(6,251)	-
Advance for future capital increase	(5,579)	(1,855)	-	-
Short-term investments	(712,911)	(26,037)	(228,504)	120,120
Other	-	(254)	(2,050)	(1,577)
NET CASH USED IN INVESTING ACTIVITIES	(409,316)	(28,152)	(410,805)	(47,254)
CASH FLOWS FROM FINANCING ACTIVITIES				
Borrowings and financing	-	65,000	-	565,000
Repayment of borrowings, financing and debentures	(132,449)	(18,777)	(356,686)	(671,868)
Proceeds from the issuance of shares	689,702	-	689,702	-
Dividends paid	(89,863)	(9,969)	(89,863)	(9,969)
Treasury shares	(11,853)	(31)	(11,853)	(31)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	455,537	36,223	231,300	(116,868)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,095	(702)	13,234	10,317
CASH AND CASH EQUIVALENTS				
Closing balance	300	1,002	38,930	28,613
Opening balance	8,395	300	52,164	38,930
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,095	(702)	13,234	10,317

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

IGUATEMI S.A.

STATEMENTS OF VALUE ADDED
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Parent		Consolidated	
	12.31.22	12.31.21	12.31.22	12.31.21
Rental revenue and other operating revenue	14,190	2,433	1,228,682	992,322
Other revenue and discounts	(169)	-	(63,614)	(25,577)
Allowance for expected credit losses	-	-	(9,337)	(29,480)
	14,021	2,433	1,155,731	937,265
SERVICES AND INPUTS ACQUIRD FROM THIRD PARTIES				
Costs of rentals and services	(1,295)	(10)	(180,523)	(171,401)
Materials, electric power, outside services and other supplies	(6,186)	(19,020)	(65,203)	(71,357)
	(7,481)	(19,030)	(245,726)	(242,758)
GROSS VALUE ADDED	6,540	(16,597)	910,005	694,507
DEPRECIATION AND AMORTIZATION	(1,062)	(1)	(159,030)	(155,386)
NET WEALTH CREATED	5,478	(16,598)	750,975	539,121
WEALTH RECEIVED IN TRANSFER				
Share of profit (loss) of subsidiaries	(21,176)	226,008	(4,400)	2,829
Finance income	22,540	84,749	186,846	487,775
	1,364	310,757	182,446	490,604
TOTAL WEALTH FOR DISTRIUTION	6,842	294,159	933,421	1,029,725
WEALTH DISTRIBUTED				
Personnel:				
Salaries and wages	2,841	4,763	97,313	73,071
Benefits	933	1,757	44,480	32,319
Severance pay fund (FGTS)	138	606	8,702	6,835
	3,912	7,126	150,495	112,225
Government:				
Federal	(54,445)	20,043	(81,025)	264,351
State	-	-	22,971	16,851
Municipal	-	121	15,362	10,576
	(54,445)	20,164	(42,692)	291,778
Lenders and lessors:				
Interest	52,282	9,191	812,530	191,916
Rents	-	-	3,977	2,649
Other	(2,475)	18,655	(3,710)	84,953
	49,807	27,846	812,797	279,518
Shareholders:				
Interest on capital and dividends	1,796	56,768	1,796	56,768
Retained earnings	5,772	182,255	5,772	182,255
Noncontrolling interests	-	-	5,253	107,181
	7,568	239,023	12,821	346,204
TOTAL	6,842	294,159	933,421	1,029,725

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

1. GENERAL INFORMATION

a. Business purpose

Iguatemi S.A., the new corporate name adopted by Jereissati Participações S.A. ("Company" and, together with Iguatemi Empresa de Shopping Centers and its subsidiaries, "Group"), is a Brazilian publicly-held company whose shares are traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") - under ticker symbols IGTI11 (UNT), IGTI4 (ON) and IGTI3 (ON), primarily engaged in holding interests in other companies and providing economic, financial and tax advisory and consulting services. The Company is a holding company with registered head office at Rua Angelina Maffei Vita, 200 - 9º andar, Jardim Paulistano, in the city of 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, 2022, holds 45.37% (45.30% in 2021) of the Company's total outstanding shares.

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, 2022, the Company holds 100% of Iguatemi's total outstanding voting capital.

b. Information on investments in Iguatemi Empresa de Shopping Centers S.A.

Iguatemi, with head office at Rua Angelina Maffei Vita, nº 200, in the city of São Paulo - State of São Paulo, is engaged in the commercial exploration and planning of shopping malls, the rendering of services involving the management of regional 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 promotions and merchandising, the pursuit of other activities that are similar or related to its business purpose and holding interests in other companies as an owner, shareholder or member in any other form permitted by law.

The ventures ("shopping centers") are jointly managed by shareholders and set up as condominium of buildings and consortiums. Their operations are recorded by Iguatemi in its accounting books proportionally to their interests. Iguatemi and its subsidiaries hold interest in specific real estate projects, mostly shopping malls, located in the Southern, Southeastern and Midwestern Brazil.

Iguatemi's results of operations 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 rents twice in December under their lease agreements.

Iguatemi and its subsidiaries hold interest in specific real estate projects, mostly shopping malls, located in the Southern, Southeastern and Midwestern Brazil. Shopping malls and office buildings in operation:

	Equity interest - %			
	12.31.2022			12.31.2021
	Direct	Indirect	Total	Total
Shopping Center Iguatemi São Paulo (“SCISP”)	-	58.58	58.58	58.58
Shopping Center JK Iguatemi (“JK Iguatemi”) (i)	20.00	80.00	100.00	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 (“SCIAlpha”)	-	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

(i) Acquisition of the additional 36% interest in Shopping Center Iguatemi JK, as shown in note 28.

c. Significant events in the year:

- In September 2022, the Company acquired additional 36% interest in Shopping JK Iguatemi, and started to hold 100% of the notional fraction of this real estate project, as shown in note 08, item (i). The acquisition price was R$667 million, subject to potential adjustments to the terms and conditions of the agreement, which amount will be paid on the transaction closing date in local currency, using funds from the financing obtained from financial institutions. Further information on the transaction, see notice to the market dated November 30, 2022.

- In September 2022, the Company informed its shareholders and the market in general that, within the scope of the primary public offering with restricted efforts, the bookbuilding procedure was completed, with the placement of 36,476,000 Common Shares and 72,952,000 Preferred Shares, including Common and Preferred Shares underlying the Units in the Institutional Offering, considering the Overallotment, resulting in a total Offering amount of R$720 million. This Follow On process resulted in the Company’s capital increase. All details on this transaction are included in the notice to the market dated September 23, 2022.

d. Continuity as a going concern

Management concluded that there are no material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. No events or conditions that individually or in the aggregate, could cast significant doubt as to the Company's ability to continue as a going concern have been identified. Therefore, Management continues to adopt the going concern basis of accounting when preparing the Company's financial statements.

<u>Approval of the financial statements</u>

The financial statements were approved by the Company's Board of Directors and authorized for filing on February 28, 2023.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

<u>Statement of compliance</u>

All relevant information for the financial statements, and only such information, is being disclosed and corresponds to the information used in managing the Company. The Company's Management is responsible for the individual and consolidated financial statements, which comprise:

The individual, identified as Parent, and consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, which include the standards issued by the Brazilian Securities and Exchange Commission ("CVM"), which are consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

As there is no difference between the consolidated equity and the consolidated profit or loss attributable to the owners of the Company, disclosed in the consolidated financial statements, and the Parent's equity and profit or loss disclosed in the individual financial statements, the Company elected to present these individual and consolidated financial statements in a single set.

Additionally, the Company also considered the guidance set out in OCPC 07, which was issued by CPC in November 2014, in preparing its financial statements. Accordingly, the relevant information for the financial statements is being disclosed and corresponds to the information used by Management in managing the Company.

<u>Statements of cash flows</u>

The statements of cash flows have been prepared using the indirect method and are presented in accordance with technical pronouncement CPC 03 (R2) - Statements of Cash Flows issued by the Accounting Pronouncements Committee (CPC).

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

2.2. Investments in direct and indirect subsidiaries and joint ventures

The table below comprises the Company’s equity interests as at December 31, 2022 and 2021:

	Equity interest - %			
	12.31.2022			12.31.2021
	Direct	Indirect	Total	Total
Iguatemi Empresa de Shopping Centers S.A ("IGTA")	100.00	-	100.00	100.00
EDS66 Participações S.A. ("SP66")	100.00	-	100.00	96.54
Mutuall Soluções Financeira Ltda. ("MUTU")	-	100.00	100.00	100.00
Venture Iguatemi Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("FP84") (b)	100.00	-	100.00	-
Adeoti Empreendimentos Imobiliários Ltda. ("ADEO") (c)	-	100.00	100.00	-
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
IESTA Porto Alegre Estacionamentos Ltda. (“IESTAPA”)	-	99.99	99.99	99.99
Iguatemi Estacionamentos Ltda. (“IESTA”)	-	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”)	-	100.00	100.00	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
Ork Empreendimentos Imobiliarios 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. (“SCRP”)	-	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 Imobiliarios S.A. (“SPHI”)	-	100.00	100.00	100.00
Administradora Gaúcha de Shopping Centers S.A. (“AGSC”) (a)	-	36.00	36.00	36.00
Odivelas SP Participações S.A. (“OSPP”) (a)	-	52.00	52.00	52.00

a) The jointly controlled investees AGSC and OSPP were recognized under the equity method, considering the shared control established under Shareholders’ Agreement executed between the entities, whereby none party individually determines the financial and operating policies.

b) In September 2022, the Company has established an equity investment fund. Currently, the main investment is the indirect 7.4% interest in the shares of Infracommerce CXAAS S.A, pursuant to note 7, item (ii).

c) In September 2022, the Company acquired 100% of the shares of Adeoti Empreendimentos Imobiliários Ltda, a company that holds 36% of the notional fraction of Shopping Center Iguatemi JK.

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. Specifically, the Group controls an investee if, and only if, it has:

- Power over the investee (i.e., existing rights ensuring its current ability to govern the investee's relevant activities);
- Exposure or rights to variable returns arising from its involvement with the investee.
- The ability to use its power over the investee affecting its return.

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

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over such subsidiary and ceases when the Group no longer exercises such control. Assets, liabilities and profit or loss of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group achieves control until the date when the Group ceases to control the subsidiary. Any variations in equity interests held by subsidiaries, without loss of control, are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognizes the assets (including goodwill), liabilities, and any related noncontrolling interests and other components of equity, whereas any resulting gains or losses are recorded in profit or loss. Any retained investments are remeasured at fair value.

Profit or loss and each component of other comprehensive income are attributed to owners of the Group and to the noncontrolling interests, even if it results in noncontrolling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, profit or loss, income, expenses and cash flows relating to transactions between members of the Group and its subsidiaries are eliminated in full on consolidation.

2.3. Business combination

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is determined using the fair value at the acquisition date, and the amount of any noncontrolling interests in the acquiree. For each business combination, the acquirer should measure noncontrolling interests in the acquiree at fair value or based on its share of the acquiree’s identifiable net assets. Costs directly attributable to the acquisition are recorded as expenses when incurred.

Upon acquiring a business, the Group measures the financial assets acquired and financial liabilities assumed for the purpose of classifying and allocating them according to the contractual terms, economic circumstances and conditions prevailing at the acquisition date, which includes the acquiree’s segregation of the embedded derivatives existing in the acquiree’s host contracts.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration considered as an asset or a liability should be recognized in the statement of income.

Goodwill is initially measured as the exceeding consideration amount transferred in relation to the net assets acquired (identifiable net assets acquired and liabilities assumed). If consideration is lower than the fair value of net assets acquired, the difference should be recognized as a gain in the statement of income.

Upon initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, after the acquisition date, the goodwill acquired on a business combination is allocated to each of the cash-generating units that are expected to benefit from the combination synergies, regardless of other assets or liabilities of the acquiree attributable to these cash-generating units.

When goodwill forms part of a cash-generating unit and a portion of such unit is disposed of, the goodwill associated with the portion disposed of should be included in transaction costs when determining the gain or loss thereon. The goodwill disposed of under these circumstances is calculated based on the proportional amounts of the portion disposed of in relation to the cash-generating unit.

2.4. Goodwill

Goodwill is tested for impairment annually or, more frequently, when there is an indication that an unit might be impaired. If the recoverable amount is lower than the carrying amount, the impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to that unit, and subsequently to the other assets of the cash-generating unit, proportionally to the carrying amount of each of its assets. Any impairment loss of goodwill is recognized directly in profit or loss for the year. An impairment loss is not reversed in subsequent periods.

2.5. Revenue recognition and income and expense recognition

The Group's revenue primarily derives from contracts with customers, leases, provision of services, parking lots and property sales.

Contracts with customers

Revenue from contracts with customers is recognized when control over the goods or services is transferred to the customer in an amount that reflects the consideration that the Group expects to be entitled in exchange for transferring those goods or services. Revenues, costs and expenses are recognized on an accrual basis. Rental revenue is recognized over the contractual period and service revenue is allocated to profit or loss when control over services is transferred to the customer. Expenses and costs are recognized when incurred. Revenue from assignment of rights to storeowners is deferred and allocated to income over the term of the first rental agreement. Revenue from disposal of properties is recognized on an accrual basis and classified as "Other operating income (expenses)" as it does not refer to recurring income.

Leases

Lease revenues are recorded in accordance with CPC 06 (2)/IFRS 16. Lease agreements under which the Group does not substantially transfer all risks and rewards incidental to ownership of the assets are classified as operating leases.

Initial direct costs incurred on the negotiation of operating leases are added to the carrying amount of the lease asset and recognized over the lease term, on the same basis as the lease revenue. Contingent leases are recognized as revenue when earned. Revenues from minimum rents, co-payments, considering possible effects of grace periods, discounts, etc., less any inflation adjustments, should be recognized on a straight-line basis over the lease term, an any excess of variable rent is recognized when incurred, regardless of the receipt method.

Financial barters

The Company adopts the strategy of negotiating 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 agreements with characteristics of financial barters, in which certain performance obligations have to be met.

Provision of services

Refers to revenues from the collection of condominium management fees from shopping malls.

Parking

Refers to revenues from the operation of parking lots in the shopping malls. These revenues are allocated to profit or loss on an accrual basis, according to the use of the parking space by customers, the price schedule per hour, charged over the period used.

2.6. Financial instruments

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

a) Financial assets

Initial recognition and measurement

Upon initial recognition, financial assets are classified 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 on initial recognition depends on their contractual cash flow characteristics and the Company's business model for managing these financial assets. Except for trade receivables that do not contain a significant financing component or to which the Company has applied the practical expedient, the Company initially measures financial assets at fair value plus transaction costs, in the case of financial assets not measured at fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it must give rise to cash flows that are "solely payments of principal and interest" on the principal amount outstanding. Such assessment is performed at an instrument level. Financial assets comprising cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model 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 whose objective is to hold financial assets in order to collect contractual cash flows, whereas financial assets classified as measured at fair value through other comprehensive income are held within a business model whose objective is to collect contractual cash flows and sell financial assets.

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

Subsequent measurement

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

i) Financial assets measured at amortized cost.

ii) Financial assets measured at fair value through other comprehensive income with reclassification of retained earnings (accumulated losses).

iii) Financial assets measured at fair value through other comprehensive income, without reclassification of retained earnings (accumulated losses) upon derecognition (equity instruments).

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

Financial assets measured at amortized cost

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

Financial assets measured at fair value through other comprehensive income

For debt instruments measured at fair value through other comprehensive income, interest income, exchange gains or losses and impairment losses or reversals of impairment losses are recognized in the statement of income and calculated on the same basis as for financial assets measured at amortized cost. The remaining changes in fair value are recognized in other comprehensive income. Upon derecognition, the cumulative changes in fair value recognized in other comprehensive income are reclassified to profit or loss.

Financial assets measured at fair value through other comprehensive income, without reclassification of retained earnings (accumulated losses) upon derecognition (equity instruments)

Upon initial recognition, the Group may irrevocably elect to classify its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under CPC 39 - Financial Instruments. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never reclassified to profit or loss. Dividends are recognized as other income in the statement of income 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 assets, in which case such gains are recorded in other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment testing.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognized in the balance sheet at fair value, with the related gains or losses recognized in the statement of income.

Derecognition

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

i) The rights to collect cash flows from an asset have expired; or

ii) The Company has transferred its rights to collect cash flows from the asset or assumed an obligation to pay cash flows received in full, with no significant delay, to a third party under a “transfer” arrangement and the Company has substantially transferred all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards incidental to the asset but it has transferred control over the asset.

Impairment of financial assets

The Company tests its financial assets for impairment according to the model proposed under CPC 48/IFRS 9 (expected credit losses). The measurement is applied to assets classified as measured at amortized cost and fair value through other comprehensive income, and is based on the perception of increase in credit risk since the initial recognition of the asset, in which an allowance is recorded according to the expected losses for the next 12 months or lifetime expected 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 lifetime expected losses are recognized from the initial recognition of receivables. Further information on the measurement of expected credit losses is stated in note 5.

b) Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are either classified as financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortized cost or derivatives designated as hedge instruments in an effective hedge relationship, as appropriate.

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

Subsequent measurement

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

i) Financial liabilities measured at fair value through profit or loss.

ii) Financial liabilities measured at amortized cost.

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

Financial liabilities measured at fair value through profit or loss

If any, financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss on initial recognition.

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

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

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

Financial liabilities measured at amortized cost (borrowings, financing and debentures)

After initial recognition, interest-bearing borrowings, financing and debentures are subsequently measured at amortized cost using the effective interest method. Any gains and losses are recognized in profit or loss when liabilities are derecognized, as well as during the amortization process using the effective interest 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 method. The amortization under the effective interest method is recognized in line item “Finance costs” in the statement of income.

Derecognition

A financial liability is derecognized when the obligation thereunder is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender under substantially different terms, or the terms of an existing liability are substantially modified, such a change or modification is treated as the derecognition of the original liability and recognition of a new liability. Any differences in the respective carrying amounts are recognized in the statement of income.

c) Net presentation of financial instruments

Financial assets and financial liabilities are offset and the net amount is recorded in the individual and consolidated balance sheet when there is a legally enforceable right to set off recognized amounts and the intent to either settle them on a net basis, or to recognize the assets and settle the liabilities simultaneously.

2.7. Fair value measurement

The Group measures financial instruments, such as derivatives, and, for reporting purposes, investments properties at fair value at each balance sheet 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 players 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.

The fair value of an asset or liability is measured based on the assumption that market players would use to define the price of an asset or liability, assuming that those market players act in their best economic interest. A fair value measurement of nonfinancial assets takes into account a market player’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market player that would also do so. 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 fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described below, based on the lowest level inputs that are significant to the fair value measurement as a whole:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - valuation techniques for which inputs of the lowest level and significant to fair value measurement are directly or indirectly observable.
- Level 3 - valuation techniques for which inputs of the lowest level and significant to fair value measurement are unobservable.

For assets and liabilities recognized at fair value in the financial statements on a recurring basis, the Group determines whether there have been transfers between hierarchy levels, revaluing their categorization (based on the lowest level inputs that are significant to the fair value measurement as a whole) at the end of each reporting period. The Group determined the policies and procedures to measure the fair value of investment properties, which were internally prepared based on the knowledge, market performance information and expertise in the shopping mall industry. For fair value disclosure purposes, the Group determined classes of assets and liabilities based on the nature, characteristics and risks of an asset or liability and their fair value hierarchy level, as described above. Corresponding disclosures at fair value of financial instruments and nonfinancial 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 the balance sheet based on current/noncurrent classification. An asset is classified as current when:

- it is primarily held for trading;
- it is expected to be realized within 12 months from the reporting date; or
- it comprises cash or cash equivalents, 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 primarily held 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 in noncurrent assets and liabilities.

2.9. Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments rather than for investment or any other purposes. The Group considers as cash equivalents the short-term investments readily convertible into a known cash amount, which are subject to an insignificant risk of change in value. Therefore, an investment usually qualifies as a cash equivalent when it has a short-term maturity of, for example, three months or less from the investment date.

2.10. Inventories

Inventories are carried at the lower of cost and net realizable value. Inventories are stated at average acquisition cost. The net realizable value represents the estimated selling price for inventories less all costs necessary to make the sale.

2.11. Investments

Investments are accounted for under the equity method in the individual financial statements. Investments in companies in which Management has significant influence or interest of 20% or more in the voting capital, or which are part of the same group or are under common control, are accounted for under the equity method (see note 7).

Investments in joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties engaged in an economic activity that is subject to joint control, and exists only when the decisions on strategic financial and operating policies related to the joint venture activities require the unanimous consent of all parties sharing 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 depreciation calculated 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, less costs of daily service of the investment properties. After initial recognition, investment properties are carried at cost, but measured at fair value, which reflects the market conditions at the balance sheet date. Investment properties are derecognized when either sold or when they are no longer permanently used and no future economic benefits from the disposal thereof are expected. The difference between the net sales proceeds and its carrying amount is recognized in the statement of profit and loss on the derecognition date. The Company annually reviews the useful life and the residual value of its investment properties.

2.13. Property, plant and equipment

Stated at cost, less depreciation calculated on a straight-line basis according to the rates disclosed in note 9.

The estimated useful lives and residual values are reviewed at least on an annual basis, and the effects of any change in estimates are recorded prospectively.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continuing use. Any gain or loss arising on the disposal or derecognition of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.14. Intangible assets

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment on an annual basis, as disclosed in note 2. Intangible assets with finite useful lives are subject to amortization over their estimated useful lives and, whenever impairment indicators are identified, they are also tested for impairment (see note 10).

The estimated useful lives of intangible assets with finite useful lives are reviewed at least on an annual basis, and the effects of any change in estimates are recorded prospectively.

2.15. Direct taxes

Certain Group companies are subject to taxation under the taxable income regime, whereas other companies are taxed under the deemed income regime.

Taxable income:

- The provision for income tax is recognized at the rate of 15%, plus a 10% surtax on annual taxable income exceeding R$240. Social contribution was calculated at the rate of 9% on adjusted profit. Deferred income tax and social contribution were calculated based on temporary differences arising from the recognition of income and expenses for tax and accounting purposes, as well as on tax loss carryforwards, in accordance with CPC 32 (IAS 12) - Income Taxes.

Deemed income:

- Income tax and social contribution are calculated at the rate of 32% on gross service revenue, 8% on sales revenue (12% for social contribution) and 100% of finance income and other revenues are subject to the regular rates of 15%, plus a 10% surtax, for income tax, and 9% for social contribution; therefore, these consolidated entities did not record deferred income tax and social contribution on tax loss carryforwards and temporary differences nor are subject to the noncumulative PIS and COFINS taxation system.

2.16. Equity

a) Distribution of dividends

The distribution of minimum dividends to the Company's shareholders is recognized as a liability in the financial statements at the end of each reporting period, according to its bylaws. Any amounts in excess of mandatory minimum dividends can only be accrued on the date they are approved by the shareholders at a General Meeting.

b) Earnings (loss) per share

Basic earnings (loss) per share are calculated using profit or loss for the year attributable to the Company's owners and the monthly average number of shares outstanding in the year. Diluted earnings (loss) per share are calculated by means of the average number of shares outstanding, adjusted by instruments potentially convertible into shares, with diluting effect, in the reported years, pursuant to CPC 41/IAS 33.

c) Common and preferred shares

Common and preferred shares are classified as equity. Additional costs directly attributable to the issuance of shares and stock options are recognized as a deduction from equity, net of any taxes.

d) Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit and loss on the purchase, sale, issuance or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognized in "Other capital reserves".

e) Capital reserve

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

2.17. Provisions

a) General

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of funds will be required to settle the obligation, and the obligation amount can be reliably estimated. When the Group expects that the amount of a provision will be reimbursed, whether wholly or partially (e.g., by virtue of an insurance contract), the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. Expenses on any provision are recorded in the statement of income, net of any reimbursements.

If the effect of the time value of money is material, provisions are discounted by using a current pretax rate that reflects, when appropriate, the liability-specific risks. When discounts are used, the increase in the provision due to the passage of time is recognized as financing cost.

b) Provision for tax, labor and civil risks

The Group is a party to several lawsuits and administrative proceedings. Provisions are recognized for all risks relating to lawsuits for which it is probable that an outflow of funds will be required to settle the contingency/obligation and a reliable estimate can be made. The provisions for labor risks are recognized based on the opinion and amounts assessed by the legal counsel, according to a percentage rate defined by Management by reference to the historical settlement of lawsuits of similar nature over the past 12 months. The likelihood of loss is assessed based on available evidence, the hierarchy of laws, available case rulings, most recent court decisions, their relevance within the legal system, and the assessment made by the outside legal counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as relevant statute of limitations, conclusions of tax audits or additional exposures identified based on new matters or court decisions. Risks assessed as possible losses are not recognized for accounting purposes and should only be disclosed, whereas those classified as remote losses do not require provision or disclosure.

2.18. Share-based payment

The Company offers its employees share-based compensation plans, settled in shares, under which the Company receives services as consideration for stock options. The value of options granted is recognized as expenses over the vesting period, during which certain vesting terms and conditions must be met. At the balance sheet date, the Company revises its estimates on the number of options that will be vested under specific terms and conditions. The Company recognizes the impact of the revised estimates, if any, in the statement of profit and loss, as a contra entry to equity.

2.19. Present value adjustments to assets and liabilities

Long-term monetary assets and liabilities are adjusted for inflation and, therefore, are adjusted at their present value. Present value adjustments to short-term monetary assets and liabilities are calculated, and only recorded, if considered material in relation to the financial statements taken as a whole. For purposes of recording and determining the materiality, the present value adjustments are calculated taking into consideration the contractual cash flows and the explicit, and in certain cases implicit, interest rate of the related assets and liabilities. Based on the analyses made and Management's best estimate, the Group concluded that the adjustments to present value of current monetary assets and liabilities are immaterial in relation to the financial statements taken as a whole and, accordingly, it did not record any adjustments.

2.20. Impairment losses on nonfinancial assets

Management annually tests assets for impairment to determine whether events or changes in economic, operating or technological circumstances indicate that they might be impaired. Whenever any evidence of impairment is identified and the carrying amount exceeds the recoverable amount, an allowance for impairment is recognized to adjust the carrying amount to the recoverable amount. The recoverable amount of an asset or a certain cash-generating unit is defined as the higher of the value-in-use and the net sales amount. In measuring the value-in-use of assets, estimated future cash flows are discounted to their present values, using a pretax discount rate that reflects the weighted average cost of capital in 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 under this model are corroborated by available fair value indicators, such as quoted prices for listed entities, among other available indicators. The Group's impairment test is based on forecasts and detailed financial budgets, which are separately prepared by Management for each cash-generating unit to which the assets are allocated. Projections based on these forecasts and budgets usually cover a five-year period. An average long-term growth rate is calculated and applied to future cash flows after the fifth year. Any impairment losses on assets are recognized in the statement of income consistently with the use of the impaired assets. For assets other than goodwill, an impairment test is performed at each reporting date to determine whether there is any indication that previously recognized impairment losses no longer exist or have decreased. If any such indication exists, the Group estimates the recoverable amount of the assets or cash-generating unit. Previously recognized impairment losses on assets are reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss that was recognized. The reversal is limited so that the carrying amount of an asset does not exceed the carrying amount that would have been determined (net of depreciation, amortization or depletion) had no impairment losses been recognized in prior years. Such reversal is recognized in profit or loss. Goodwill is tested for impairment on an annual basis as at December 31 or whenever the circumstances indicate that the carrying amount has deteriorated. An impairment loss is recognized for a cash-generating unit to which the goodwill relates.

Whenever the recoverable amount of the unit is lower than its carrying amount, an impairment loss is recognized and allocated to write down the carrying amount of the unit assets in the following order: (a) reducing the carrying amount of goodwill allocated to the cash-generating unit; and (b) then, other unit assets proportionately to the carrying amount of each asset. Intangible assets with indefinite useful lives are tested for impairment annually as at December 31, individually, or at the level of the cash-generating unit, as the case may be or when the circumstances indicate any existing impairment losses.

2.21. Functional and reporting currency

The financial statements of each investee included in the consolidation are prepared using the functional currency (i.e., currency of the primary economic environment in which it operates) of each investee. When defining the functional currency of each subsidiary, Management considered which currency significantly influences the price of the services rendered and the currency in which most of the service costs are paid or incurred. The consolidated financial statements are presented in Brazilian reais (R$), which is the functional and reporting currency adopted by the parent and all subsidiaries.

Foreign currency

In preparing the Company’s individual and consolidated financial statements, foreign currency-denominated transactions are recorded at the exchange rates prevailing on the date of each transaction. At the end of each reporting period, monetary items denominated in foreign currency are translated at the effective rates. Exchange rate changes on monetary items are recognized in profit or loss for the year in which they incur.

2.22. New and revised standards and interpretations

New and revised IFRSs that are effective for the current year:

The following revised standards were adopted for the first time for annual reporting periods beginning January 1, 2022:

- Amendment to IAS 16/CPC 27 - Property, Plant and Equipment: prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while preparing the relevant assets for their intended use. These revenues and costs should be recognized in the statement of income for the year.

- Amendment to IAS 37/CPC 25 - Provisions, Contingent Liabilities and Contingent Assets: clarifies that, for purposes of determining whether a contract is onerous, the cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and the allocation of other costs directly related to said fulfillment.

- Amendment to IFRS 3/CPC 15 - Business Combinations: replaces references to the previous conceptual framework with the version most recently issued in 2018.

- Annual improvements - 2018-2020 cycle:

  (i) IFRS 9/CPC 48 - Financial Instruments: clarifies which rates should be included in the 10% test conducted to analyze the derecognition of financial liabilities.

  (ii) IFRS 16/CPC 06 - Leases: amends example 13 to exclude the instance of lessor's payments referring to leasehold improvements.

  (iii) IFRS 1/CPC 37 - First-time Adoption of International Financial Reporting Standards: simplifies the application of said standard for a subsidiary that becomes a first-time adopter of IFRS standards later than its parent in respect of the measurement of cumulative exchange rate changes.

  (iv) IAS 41/CPC 29 - Biological Assets: removes the requirement for entities to exclude cash flows for taxation when measuring the fair value of biological assets and agricultural produce, in order to conform the fair value measurement requirements set out in IAS 41 to those prescribed by other IFRSs.

The aforementioned amendments did not have any material impacts on the Company.

<u>New and revised IFRSs issued and not yet effective:</u>

The Company and its subsidiaries did not adopt the new standards to be applied beginning January 1, 2023, as follows:

Standard	Description	Effective date
Amendments to IFRS 17	Insurance contracts	01/01/2023
IFRS 10 - Consolidated Financial Statements and IAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture	Undetermined
Amendments to IAS 1	Classification of liabilities as current or noncurrent	01/01/2023
Amendments to IAS 8	Definition of accounting estimates	01/01/2023
Amendments to IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	01/01/2023

Management does not expect that the adoption of the standards listed above will have a material impact on the Group's financial statements in future periods.

2.23. Reclassification for better presentation

The Company revised its accounting policies to enhance the reporting criteria applicable to the statements of income and of cash flows for the year ended December 31, 2021. Consequently, line item "Fair value of equity instruments" is being separately presented. Note that such reclassification will neither change the total amounts of finance income (costs) reported in the statement of income nor the total amounts recorded in cash flows from operating activities, in the statement of cash flows.

The reclassifications made in the statements of income and of cash flows are shown below:

a) Reclassification in the statement of income for the year ended December 31, 2021:

	Parent			Consolidated		
Statements of income for the year	Balance as at 12.31.2021	Adjustment	Balance as at 12.31.2021 after adjustment	Balance as at 12.31.2021	Adjustment	Balance as at 12.31.2021 after adjustment
Finance income	84,749	(43,439)	41,310	487,775	(332,362)	155,413
Finance costs	(20,859)	(13,730)	(34,589)	(292,268)	6,350	(285,918)
Fair value of equity instruments	-	57,169	57,169	-	326,012	326,012
Finance income (costs)	63,890	-	63,890	195,507	-	195,507

b) Reclassification in the statement of cash flows for the year ended December 31, 2021:

	Parent			Consolidated		
Statements of cash flows - Indirect method	Balance as at 12.31.2021	Adjustment	Balance as at 12.31.2021 after adjustment	Balance as at 12.31.2021	Adjustment	Balance as at 12.31.2021 after adjustment
Cash flows from operating activities						
Profit for the year	239,024	-	239,024	346,205	-	346,205
Adjustments to reconcile profit for the year to net cash provided by operating activities:						
Accrued interest, inflation adjustments and exchange rate changes on borrowings, contingencies and escrow deposits	(43,982)	(57,169)	(101,151)	(154,978)	(326,012)	(480,990)
Fair value adjustment	-	57,169	57,169	(5,090)	326,012	320,922
Other	(203,815)	-	(203,815)	(11,698)	-	(11,698)
Net cash provided by operating activities	(8,773)	-	(8,773)	174,439	-	174,439

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY 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 include, therefore, estimates referring to the selection of the useful lives of property, plant and equipment, intangible assets and investment properties, the necessary provisions for tax, labor and civil risks, the recognition of provisions for income tax and social contribution, allowance for doubtful debts, fair value of investment properties for reporting purposes, and other similar provisions. The settlement of transactions involving these estimates may result in amounts that significantly differ from those reported in the financial statements due to the inaccuracy inherent to the estimation process. The Company revises its estimates at least annually.

Judgments

The preparation of the Group's individual and consolidated financial statements requires Management to make judgments and estimates and adopt assumptions that affect the reported amounts of income, expenses, assets and liabilities, as well as the disclosures of contingent liabilities. In applying the Group's accounting policies, Management exercised the following judgments, which most significantly affect the amounts recognized in the consolidated financial statements.

Fair value measurement of investment properties for impairment testing and reporting purposes

Fair values are based on market values and the estimated amount 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. To measure the fair value of investment properties for impairment testing and reporting purposes, the Group adopted the methodology of cash flows discounted to present value. Under such methodology, the current lease revenue is projected based on current performance and projections, over a period of 10 years, considering appropriate growth rates and contractual events (adjustments, reviews and renewals), within the lower frequency set forth in the legislation governing lease agreements. For those cases where current lease is higher or lower than the market, marked-to-market adjustments 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 10^{th} year, revenue is capitalized, and the revenue flow and perpetuity value are then discounted to present value using the discount rates appropriate to the market risk perception, taking into account the probable risk/performance under 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 also considered. Investment properties under construction are valued by measuring the fair value of the entire investment, less the estimated costs of completion, financing costs and a reasonable profit margin. The main assumptions adopted in determining 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 unutilized tax loss carryforwards and temporary differences to the extent that it is probable that taxable income will be available to allow the utilization of such tax losses and temporary differences. Considerable judgment is required from Management to determine the amount of deferred tax assets that can be recognized, based on the probable term and future taxable income, together with future tax planning strategies. These Company's tax losses can be carried forward indefinitely. However, their offset is limited to 30% of taxable income generated during a certain fiscal year. For further details on deferred taxes, see note 17.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities reported in the balance sheet cannot be obtained from active markets, it is determined based on valuation techniques, including the discounted cash flow method. Inputs for these methods are based on market values, if possible; otherwise, Management is required to make judgment to determine the fair value. Such judgment includes the analysis of the data used, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors could affect the fair value of financial instruments.

Allowance for expected credit losses for trade receivables and contract assets

The Group uses an allowance matrix to calculate expected credit losses on trade receivables 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 credit losses. For example, if economic conditions are expected to deteriorate over the next year (e.g., gross domestic product) - which could lead to an increase in default rates in the manufacturing sector - the historical loss rates are adjusted. At all reporting dates, the historical loss rates are adjusted and any changes in forward-looking estimates are analyzed. Assessing the correlation between observed historical loss rates, foreseen economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and foreseen 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 trade receivables and contract assets is disclosed in note 5.

Provisions for tax, civil and labor risks

The Group recognizes a provision for civil and labor risks. The likelihood of loss is assessed based on available evidence, the hierarchy of laws, available case rulings, most recent court decisions, their relevance within the legal system, and the assessment made by the outside legal counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as relevant 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

	Controladora		Consolidado	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(a) Cash and cash equivalents				
Cash and banks	8,395	300	52,164	38,930
Total	8,395	300	52,164	38,930
(b) Short-term investments				
Domestic investment fund (i)	672,568	112,068	1,300,020	960,531
Foreign investment fund (ii)	57,194	98,604	79,687	441,022
Short-term investments under repurchase agreements (iii)	-	-	56,080	49,965
Multimarket investment funds (iv)	-	-	418,865	563,643
Total	729,762	210,672	1,854,652	2,015,161
Current	738,157	210,972	1,829,858	2,004,126
Noncurrent	-	-	76,958	49,965

(i) These are represented by non-exclusive fixed-income investment funds, with daily liquidity and accumulated yield of 13.40% up to December 31, 2022 (5.12% - 2021). Management manages the Company's cash through non-exclusive investment funds, expecting to use such resources for the development of the projects foreseen.

(ii) It refers to the investment in a foreign investment fund, with investments in equity interests and in other investment funds, subject to exchange rate changes. These investments are made within the scope of the Corporate Venture Capital investment program, which aims to support companies with high growth potential at the beginning of their business journey. The investments can be partially or fully made in the short- and medium term and the Company does not make these investments for the purpose of controlling or having significant influence in the investees.

(iii) Short-term investments under repurchase agreements are aimed at securing borrowings under Mortgage-backed Securities (CRI), maturing on July 12, 2023 and September 17, 2025.

(iv) Multimarket investment funds

The investments managed by G5 Partners ultimately refer to an exclusive multimarket investment fund drawing on a wide and diversified investment strategy that seeks to ensure maximum return to its shareholders.

	Controladora		Consolidado	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Fixed-income securities (i)	-	-	347,787	467,997
Variable-income securities (ii)	-	-	71,078	95,646
	-	-	418,865	563,643

(i) Substantially comprises federal government bonds, debentures and receivables, among others. In the year ended December 31, 2022, the average yield was approximately 3.83% (2021: 5.69%).

(ii) Comprises investments in ownership interests not subject to any exchange rate changes. In the year ended December 31, 2022, the average yield was approximately 1.11% (2021: 0.79%).

5. TRADE RECEIVABLES

	Consolidated	
	12.31.2022	12.31.2021
Rents, co-payments, retail and provision of services	313,257	286,003
Straight-lining, net of amortization (i)	191,850	237,741
Other (ii)	125,550	85,620
	630,657	609,364
Allowance for expected credit losses	(119,195)	(109,786)
	511,462	499,578
Current	274,192	266,855
Noncurrent	237,270	232,723

(i) The straight-lining is substantially represented by discounts granted during the COVID-19 pandemic, in which Management adopted new discount policies in order to create financial breathing room in the 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 discounts were recorded on a straight-line basis and will be amortized over the remaining lease term, as provided for by CPC 06(R2)/IFRS 16. Total discounts granted up to December 31, 2022 amounted to R$391,076 (R$343,436 up to December 31, 2021) in Consolidated.

(ii) Substantially represented by sales of plots of land 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") and installment payments, as provided for in the agreement. 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 trade receivables is as follows:

	Consolidated	
	12.31.2022	12.31.2021
Current - 721 to 1440 days	146,093	147,972
Current - 361 to 720 days	91,177	84,751
Current - up to 360 days	266,818	263,731
Up to 30 days past due	7,883	7,617
31 to 60 days past due	4,004	5,085
61 to 90 days past due	1,111	1,947
91 to 120 days past due	3,498	4,039
121 to 360 days past due	19,770	25,448
Over 360 days past due	90,303	68,774
	630,657	609,364

The aging list of trade receivables without any impacts on the straight-lining recognition is as follows:

	Consolidated	
	12.31.2022	12.31.2021
Current - 721 to 1440 days	46,108	32,917
Current - 361 to 720 days	56,896	31,648
Current - up to 360 days	209,235	194,148
Up to 30 days past due	7,883	7,617
31 to 60 days past due	4,004	5,085
61 to 90 days past due	1,111	1,947
91 to 120 days past due	3,498	4,039
121 to 360 days past due	19,769	25,448
Over 360 days past due	90,303	68,774
	438,807	371,623

Iguatemi and its subsidiaries adopted the calculation of expected losses on trade receivables based on 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 reported in line item “Trade receivables” was classified into the category of financial assets measured at “amortized cost”.

The variations in the allowance for expected credit losses are shown below:

	Consolidated	
	12.31.2022	12.31.2021
Opening balance	(109,786)	(81,716)
Recognition of allowance for expected credit losses	(9,337)	(29,480)
Write-off/reversal of uncollectible receivables	(72)	1,410
Closing balance	(119,195)	(109,786)

To determine the collectability of trade receivables, Iguatemi and its subsidiaries consider any changes in the customer’s creditworthiness from the date the credit was originally granted through the end of the reporting period.

The percentage rates attributable to the allowance for expected credit losses are broken down as follows:

	%	
	12.31.2022	12.31.2021
Current	3.97%	4.01%
Up to 30 days past due	30.55%	30.86%
31 to 60 days past due	35.83%	36.19%
61 to 90 days past due	41.40%	41.82%
91 to 120 days past due	46.27%	46.74%
121 to 360 days past due	68.52%	69.22%
Over 60 days past due	100.00%	100.00%

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

	Consolidated	
	12.31.2022	12.31.2021
Current	(10,454)	(16,519)
Up to 30 days past due	(1,899)	(2,337)
31 to 60 days past due	(1,405)	(1,840)
61 to 90 days past due	(429)	(814)
91 to 120 days past due	(1,561)	(1,888)
121 to 360 days past due	(13,144)	(17,614)
Over 360 days past due	(90,303)	(68,774)
	(119,195)	(109,786)

Leases

Iguatemi and its subsidiaries lease spaces in their shopping malls, with an effective term between four (4) and five (5) 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 contractual rent installments to be billed on non-cancelable leases, considering the stores in operation as at December 31, 2022 and December 31, 2021, are as follows (unaudited):

	Consolidated	Consolidated
	12.31.2022	12.31.2021
Up to one year	700,361	604,686
From two to five years	1,716,817	1,468,088
More than five years	206,733	162,475
	2,623,911	2,235,249

6. INFORMATION ON RELATED-PARTY BALANCES AND TRANSACTIONS

In the normal course of business, the Company carries out transactions with related parties represented by Iguatemi S.A. entities at prices, terms, finance charges and other conditions determined by Management.

Related-party balances and transactions

Related-party balances and transactions as at December 31, 2022 and 2021 are as follows:

a. Balances

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Current assets:				
Dividends receivable:				
Iguatemi Empresa de Shopping Centers S.A.	-	82,170	-	-
EDS66 Participações S.A.	489	473	-	-
Total current assets	489	82,643	-	-
Noncurrent assets:				
Due from other related parties:				
Ifashion Outlet Santa Catarina (iii)	-	-	963	-
Ifashion Outlet Novo Hamburgo (iii)	-	-	302	-
Shopping Center Galleria (iii)	-	-	5,409	4,828
Shopping Center Iguatemi São Paulo (iii)	-	-	6,367	4,093
Praia de Belas Shopping Center (iii)	-	-	-	321
Federação das Entidades Assistenciais Campinas (i)	-	-	15,289	22,399
Shopping Center Iguatemi Brasilia (iii)	-	-	592	-
Shopping Center Iguatemi São Carlos (iii)	-	-	1,025	-
Shopping Center Iguatemi Ribeirão Preto (iii)	-	-	2,860	1,652
Other related parties (ii)	1,820	-	6,539	1,319
Total due from related parties	1,820	-	39,346	34,612
Total noncurrent assets	1,820	-	39,346	34,612
Current liabilities:				
Due to related parties:				
Lease - Shopping Center Iguatemi São Paulo (iv)	-	-	557	2,798
Other related parties (ii)	-	1,868	-	-
Total due to related parties	-	1,868	557	2,798
Dividends payable:				
Controlling shareholders:				
Company x shareholders	2,357	57,191	2,357	57,191
Noncontrolling interests				
Noncontrolling shareholders	-	-	-	17
Total dividends payable	2,357	57,191	2,357	57,208
Total current liabilities	2,357	59,059	2,914	60,006

(i) Refers to a loan with FEAC - Federação das Entidades Assistenciais de Campinas, which holds a 30% interest in Shopping Center Iguatemi Campinas, for the purpose of financing the expansion of the mall, bearing interest of CDI + 0.8% p.a. and settlement expected for August 31, 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 related-party balances 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 4591/64 and 8245/91.

(iv) Amount payable referring to a corporate office lease agreement entered into with Iguatemi São Paulo shopping mall, maturing on December 31, 2023, due to the adoption of IFRS 16/CPC 06 (R2).

Additionally, the Company recognizes amounts payable to members of the Executive Board and Board of Directors of the then parent Jereissati Participações S.A., for services provided prior to the merger mentioned in note 01, item (e), relating to the financial statements for 2021, in the total amount of R$3,500 as at December 31, 2022 and R$11,180 as at December 31, 2021. This amount is recorded in "Other payables" in current liabilities.

Transactions

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Cost of services:				
IFCM - Infracommerce CXAAS S/A	-	-	(111)	(18)
Services provided:				
GJ Investimentos S.A. (i)	-	-	(1,560)	-
Finance income:				
Loans with shareholder:				
Iguatemi Empresa de Shopping Centers S.A.	-	1,300	-	1,300
Intragroup loans:				
Federação das Entidades Assistenciais de Campinas (ii)	-	-	2,174	1,087
Ifashion Outlet Santa Catarina (iii)	-	-	82	39
Ifashion Outlet Novo Hamburgo (iii)	-	-	44	26
Shopping Center Galleria (iii)	-	-	601	219
Shopping Center Iguatemi São Carlos (iii)	-	-	95	79
Shopping Center Iguatemi Ribeirão Preto (iii)	-	-	168	368
	-	-	3,164	1,455

(i) The Company provides consulting services to its subsidiary Iguatemi.

(ii) Refers to a loan with FEAC - Federação das Entidades Assistenciais de Campinas, which holds a 30% interest in Shopping Center Iguatemi Campinas, for the purpose of financing the expansion of the mall, bearing interest of CDI + 0.8% p.a. and settlement expected for August 31, 2023.

(iii) The related-party balances 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 4591/64 and 8245/91.

Intragroup loan agreements

Iguatemi and its subsidiaries enter into borrowing and financing agreements as a lender to finance the working capital of related companies and, as borrower, to finance its ventures. The terms and conditions of agreements are described in the table above.

Management compensation

Management's annual compensation relating to short-term benefits, in the amount of R$31,061, was approved at the Annual General Meeting held on April 29, 2022. The compensation paid to the officers responsible for planning, steering and controlling the Company's operations, which include the Board of Directors' members and statutory officers, is as follows:

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Short-term benefits (i)	4,508	7,791	26,450	27,194
Share-based payment (ii)	-	-	6,948	6,138
	4,508	7,791	33,398	33,332

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

(ii) This refers to the cost of options granted to Management members.

Guarantees provided to the subsidiaries of Iguatemi Empresa de Shopping Centers

a) On September 4, 2015, the Board of Directors approved the Company's provision of a guarantee on behalf of Nova Galleria Empreendimentos Imobiliários Ltda., in order to collateralize the securitization of real estate receivables arising from the commitment to sell and purchase the properties composing Shopping Center Galleria, signed between 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, subject to CDI + 0.15% p.a. and term of 120 months, as disclosed in note 11 (c).

b) On December 28, 2015, the Board of Directors approved the Company's provision of a guarantee on behalf of CSC 142 Participações, in order to collateralize the securitization of real estate receivables arising from the commitment to sell and purchase the property located in the city of Tijucas, on which a commercial complex will be built, with Securitizadora RB Capital Companhia de Securitização, in the amount of R$105,000, subject to CDI + 1.30% p.a. and term of 228 months, as disclosed in note 11 (d).

c) On March 31, 2016, the Board of Directors approved the Company's provision of a guarantee on behalf of CSC41 Participações Ltda., in order to collateralize the securitization of real estate receivables with Securitizadora RB Capital Companhia de Securitização, in the amount of R$105,000, subject to CDI + 1.30% p.a. and term of 228 months, as disclosed in note 11 (e).

d) On July 12, 2016, the Board of Directors approved the Company's provision of a guarantee on behalf of ORK Empreendimentos Imobiliários SPE Ltda., in order to collateralize the securitization of real estate receivables with Securitizadora RB Capital Companhia de Securitização, in the amount of R$275,000, subject to a closing CDI rate - 0.10% p.a. and term of 84 months, as disclosed in note 11 (f).

7. INVESTMENTS

Breakdown of investments

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Iguatemi Empresa de Shopping Centers S/A	3,042,766	3,396,057	147,966	145,328
FIP -Venture Iguatemi (ii)	159,033	-	158,543	-
EDSP66 Participações S/A	8,094	-	-	-
Equity interests	3,209,893	3,396,057	306,509	145,328
Goodwill on asset surplus (i)	-	-	3,495	3,495
Other investments (iii)	1,297	297	49,593	21,514
	3,211,190	3,396,354	359,597	170,337

(i) Goodwill arising on the acquisition of additional interest in Odivelas Participações S.A, with useful life to be defined after the project completion. As it refers to a noncontrolling interest that does not hold control over the operation, goodwill was not reclassified to investment property.

(ii) The Company made a long-term investment in a FIP (“Fundo de Investimento em Participações Multiestratégia”) to concentrate the investments made within the scope of the Corporate Venture Capital investment program. This FIP’s main asset is the indirect interest of 7.4% in Infracommerce CXAAS S/A. As prescribed by accounting pronouncement CPC 18, paragraph18, since it has significant influence, the Company prospectively changed the measurement of the interest held in Infracommerce from fair value through profit or loss to equity method.

(iii) The amounts of other investments in the consolidated substantially refer to equity interests, as described below:

- Equity interest in Rojo Entretenimento S.A. “Teatro Santander”. Such interest is equivalent to 5% of the capital of Rojo Entretenimento S.A.

- Equity interest in Etiqueta Única, an e-commerce portal intermediating the sale of authentic second-hand luxury goods from third parties, curated by a specialized team. Such interest is equivalent to 23.08% of the capital of Etiqueta Única. Currently, the Company holds an option to acquire the residual interest from third-party shareholders, provided that certain contractually determined metrics are achieved. As at December 31, 2022, those metrics were not achieved, while the Company’s Executive Board does not expect such purchase option to become exercisable.

Variations in equity interests

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Opening balance	3,396,057	1,593,531	145,328	143,074
Capital increase	98,179	3,995	6,251	638
Advance for future capital increase	5,579	1,855	-	-
Capital increase in Parent (ii)	-	357,529	-	-
Acquisition of interest (iv)	161,900	-	160,945	-
Gain on acquisition of interest (i)	-	1,294,283	-	-
Share of profit (loss) of subsidiaries	(21,176)	226,008	(4,400)	2,829
Dividends received	(306,043)	(83,363)	(1,615)	(1,213)
Other (iii)	(124,603)	2,219	-	-
Closing balance	3,209,893	3,396,057	306,509	145,328

(i) Gain referring to the merger of 100% of the shares held by subsidiary Iguatemi Empresa de Shopping Centers S.A., in connection with the corporate restructuring process, which had no impact on the Company's cash.

(ii) Capital increase arising from the merger of all shares held by subsidiary Iguatemi Empresa de Shopping Centers S.A., which had no impact on the Company's cash.

(iii) The amount substantially refers to the transfer of 20% of Shopping Iguatemi JK through dividend distribution.

(iv) Long-term investment in a FIP ("Fundo de Investimento em Participações Multiestratégia") to concentrate the investments made within the scope of the Corporate Venture Capital investment program. This FIP's main asset is the indirect interest of 7.4% in Infracommerce CXAAS S/A.

Financial information on subsidiaries with noncontrolling interests and joint ventures

As at December 31, 2022 and 2021, Management analyzed the financial information on subsidiaries with noncontrolling 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		Profit (loss) for the year	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	31.03.2021
AGSC	107,683	747	74	74	(18)	287	4,182	3,429
Other	5,908	5,846	11,807	11,807	5,888	5,831	57	(59)

8. INVESTMENT PROPERTIES

At cost

Description	Average remaining useful life in years	Land	Buildings, facilities and other	Accumulated depreciation	Total
Parent					
12.31.2022	50 a 60 (*)	19,285	127,658	(1,062)	145,881
12.31.2021	51 a 60 (*)	-	-	-	-
Consolidated before goodwill					
12.31.2022	28 a 60 (*)	632,789	5,290,512	(1,277,274)	4,646,027
12.31.2021	29 a 60 (*)	454,550	4,929,883	(1,143,113)	4,241,320
Reclassified goodwill (**)					
12.31.2022	39 a 60	147,654	193,867	(16,813)	324,708
12.31.2021	40 a 60	34,785	58,576	(15,560)	77,801
Total consolidated 2022		780,443	5,484,379	(1,294,087)	4,970,735
Total consolidated 2021		489,335	4,988,459	(1,158,673)	4,319,121

(*) The useful lives of other 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, 2022, Management did not identify any significant changes.

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

Income and the substantial costs generated by investment properties are described in notes 22 and 23, respectively.

Variations in investment properties are as follows:

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Opening balance	-	-	4,319,121	4,328,984
Additions (i)	146,943	-	810,023	128,789
Write-offs	-	-	(25,915)	(10,386)
Transfer	-	-	-	2,417
Depreciation	(1,062)	-	(132,494)	(130,683)
Closing balance	145,881	-	4,970,735	4,319,121

(i) The amount reported in Consolidated refers mainly to the acquisition of the notional fraction of 36% of Shopping Center Iguatemi JK, through the acquisition, by its subsidiary Mutuall Soluções Financeiras Ltda., of 100% of shares from Adeoti Empreendimentos Imobiliários Ltda, as shown in note 1, item (c).

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

	12.31.2022	12.31.2021
	Shopping malls in operation	Shopping malls in operation
Fair value	12,752,192	14,033,843
Own gross leasable area (thousand square meter)	490	486

Iguatemi and its subsidiaries adopted a methodology for calculating the fair value, considering the discounted cash flows - Nominal model (fair value - level III), which was prepared by internal specialists according to the physical qualifications, assumptions and estimates determined as per real estate market inputs, as well as macroeconomic trends for a ten-year period. These assumptions consisted of projections on revenues, costs and expenses. The calculations did not include potential expansions, barters of land and unannounced projects (even those contained in the guidance).

Assumptions used in the evaluation:

	12.31.2022	12.31.2021
Real average discount rate	8,9% a.a.	7,3% a.a.
Occupancy rate	96.7%	94.9%
Effective growth rate in perpetuity	2% a.a.	2% a.a.
Annual inflation in perpetuity	3,7% a.a.	3,9% a.a.

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

9. PROPERTY, PLANT AND EQUIPMENT

		Consolidated			
	Annual	12.31.2022			12.31.2021
	depreciation rate -	Cost	Accumulated depreciation	Net	Net
Facilities, machinery and equipment	10	52,808	(24,486)	28,322	26,940
Furniture and fixtures	10	13,749	(9,553)	4,196	4,522
IT equipment	33.33	23,459	(16,437)	7,022	6,678
Imóvel de direito de uso	25	10,693	(10,693)	-	2,673
Other	20	20,260	(14,482)	5,778	6,664
		120,969	(75,651)	45,318	47,477

The variations in property, plant and equipment are as follows:

	Consolidated	
	12.31.2022	12.31.2021
Opening balance	47,477	31,114
Additions	14,280	29,368
Write-offs	-	(127)
Depreciation	(16,439)	(12,878)
Closing balance	45,318	47,477

Based on the same assumptions adopted to measure the fair value of investment properties, as disclosed in note 8, Management concluded that there is no indication of impairment.

10. INTANGIBLE ASSETS

	Consolidated			
	12.31.2022			12.31.2021
	Cost	Accumulated amortization	Net	Net
Goodwill on future earnings (i)	88,169	-	88,169	88,169
Software under development (ii)	21,701	-	21,701	8,704
Other (iii)	62,049	(54,533)	7,516	12,298
	171,919	(54,533)	117,386	109,171

(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 earnings of shopping malls - Shopping Center Iguatemi Porto Alegre (Lasul) and Shopping Center Iguatemi São Paulo (SISP).

(ii) The modules under development are added to cost, which completion is expected to occur within one year, on average.

(iii) Refers to the implementation and improvements of the various technology systems, with amortization in three years.

Variations in intangible assets:

	Consolidated	
	12.31.2022	12.31.2021
Opening balance	109,171	112,161
Additions	18,312	8,835
Amortization	(10,097)	(11,825)
Closing balance	117,386	109,171

Impairment test of goodwill on future earnings

The cash-generating unit (CGU) to which goodwill on expected future earnings is allocated should be tested for impairment. The impairment test is conducted by comparing the carrying amount of the CGU (including goodwill) with its recoverable amount. This test should be conducted at least annually or whenever there is indication that the CGU might be impaired.

The goodwill tested for impairment considers the CGU of Iguatemi São Paulo and Iguatemi Porto Alegre shopping malls.

The Company analyzed the recoverable amount considering the discounted cash flows - nominal model, which was prepared by internal specialists according to the physical qualifications, assumptions and estimates determined as per real estate market inputs, as well as macroeconomic trends.

The Company adopted a methodology for calculating the fair value, considering the discounted cash flows - Nominal model (fair value - level III), which was prepared by internal specialists according to the physical qualifications, assumptions and estimates determined as per real estate market inputs, as well as macroeconomic trends for a ten-year period. These assumptions consisted of projections on revenues, costs and expenses, which are based on past experience adjusted for the expected market trends and strategic decisions taken in relation to the cash-generating units. The calculations did not include potential expansions, barters of land and unannounced projects (even those contained in the guidance).

The key assumptions supporting the estimated amounts are described below:

	12.31.2022	12.31.2021
Real average discount rate	8,1% a.a.	6,5% a.a.
Occupancy rate	97.6%	96.7%
Effective growth rate in perpetuity	2% a.a.	2% a.a.
Annual inflation in perpetuity	3,7% a.a.	3,9% a.a.

In light of the impairment testing of shopping malls (measured through cash flows) against the net cost, goodwill on future earnings and goodwill on asset surplus allocated to the respective malls (when applicable), Management concluded that no allowance for impairment losses is required.

11. BORROWINGS, FINANCING AND DERIVATIVE INSTRUMENTS

			Parent		Consolidated	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Banco Itaú TR + 6.0% to 8.6% p.a	July 10, 2031	(a)	-	-	58,853	64,679
Banco Itaú TR + 6.0% to 8.6% p.a	December 15, 2030	(b)	-	-	108,482	120,156
RB Capital CDI + 0.15% p.a	September 15, 2025	(c)	-	-	112,467	154,371
RB Capital CDI + 1.30% p.a	December 15, 2034	(d)	-	-	95,125	97,242
RB Capital CDI + 1.30% p.a	March 19, 2035	(e)	-	-	98,349	99,421
RB Capital CDI - 0.10% p.a	July 12, 2023	(f)	-	-	78,976	215,871
RB Capital 96% of CDI	September 18, 2024	(g)	-	-	287,673	282,195
Apice 97.5% of CDI	June 27, 2023	(h)	-	-	254,679	253,314
Banco Itaú TR + 5.0% to 8.6% p.a	March 29, 2032	(i)	-	-	162,066	172,037
Banco Itaú TR + 5.0% to 8.6% p.a	March 29, 2032	(j)	-	-	79,623	84,554
Banco Alpha S.A. CDI + 2.9 p.a.	October 2, 2023	(k)	-	51,292	-	51,292
Banco Safra S.A. CDI + 1.75 p.a.	December 20, 2024	(l)	24,611	36,885	24,611	36,885
Banco Itaú S.A. CDI + 1.40 p.a.	December 20, 2024	(m)	10,449	15,657	10,449	15,657
Promissory note CDI+1.50% p.a	October 17, 2022	(n)	-	66,298	-	66,298
			35,060	170,132	1,371,353	1,713,972
Current			17,611	85,234	585,919	300,205
Noncurrent			17,449	84,898	785,434	1,413,767

Breakdown of debt by index

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
TR	-	-	409,024	441,426
CDI	35,060	170,132	962,329	1,272,546
	35,060	170,132	1,371,353	1,713,972

Debt repayment schedule

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

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
2024 to 2025	17,449	67,449	337,706	859,879
2026 to 2035	-	17,449	447,728	553,888
	17,449	84,898	785,434	1,413,767

Variations in borrowings and financing

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Opening balance	170,132	120,455	1,713,972	2,303,837
Borrowings	-	65,000	-	65,000
Repayment of principal and interest	(156,028)	(24,514)	(529,179)	(764,828)
Accrued interest	20,956	9,191	181,249	104,064
Borrowing costs	-	-	5,311	5,899
Closing balance	35,060	170,132	1,371,353	1,713,972

The main characteristics of borrowings and financing are described below:

a) In order to expand Shopping Center Iguatemi Porto Alegre, the subsidiary entered into a financing agreement with Itaú Unibanco S.A. on July 11, 2014, in the amount of R$78,000, subject to TR + 6.0, which was fully released with total borrowing cost of R$1,571. The subsidiary pledged 40% of Shopping Campinas and its future expansion as collateral. The repayment will occur within 144 months through the Constant Amortization System (SAC). As at December 31, 2022, the balance amounted to R$58,853 (R$64,679 in 2021) in Parent and Consolidated. The transaction is not subject to any covenants.

b) In order to expand Shopping Center Iguatemi Campinas, the subsidiary entered into a financing agreement with Itaú Unibanco S.A. on July 11, 2014, in the amount of R$152,000, subject to TR + 6.0, which was fully released. The subsidiary pledged 40% of Shopping Campinas and its future expansion as collateral. The repayment will occur within 144 months through the Constant Amortization System (SAC). As at December 31, 2022, the balance amounted to R$108,482 (R$120,156 in 2021) in Parent and Consolidated. The transaction is not subject to any covenants.

c) On September 24, 2015, the subsidiary carried out a securitization transaction within the market through Securitizadora RB Capital, in the amount of R$210,000 on behalf of subsidiary Galleria Empreendimentos Imobiliários Ltda., in order to capitalize the Company. Mortgage-backed Securities (CRI) were subject to the closing of bookbuilding at the rate of CDI + 0.15% p.a., with a grace period of 48 months and repayment in 72 months beginning October 2019. The subsidiary pledged 100% of Shopping Galleria as collateral. As at December 31, 2022, the balance amounted to R$112,467 (R$154,371 in 2021) in Consolidated.
The transaction is not subject to any covenants.

d) On December 28, 2015, the Company carried out a securitization transaction within the market through Securitizadora RB Capital, in the amount of R$105,000, releasing the amounts of R$35,000 on December 31, 2015 and R$70,000 on January 4, 2016, on behalf of subsidiary CSC 142 Participações Ltda., for the construction of the future outlet in the city of Tijucas in Santa Catarina. Mortgage-backed Securities (CRI) were distributed at the rate of CDI + 1.30% p.a. and repayment in 228 months. The Company pledged 50% of Shopping Iguatemi JK as collateral.
As at December 31, 2022, the balance amounted to R$95,125 (R$97,242 in 2021) in Consolidated. The transaction is not subject to any covenants.

e) On June 30, 2016, the Company carried out a securitization transaction within the market through Securitizadora RB Capital, in the amount of R$105,000 on behalf of subsidiary CSC 41 Participações Ltda., in order to capitalize the subsidiary. Mortgage-backed Securities (CRI) were distributed at the rate of CDI + 1.30% p.a. and repayment in 22 months. The Company pledged 50% of Shopping Iguatemi JK as collateral. As at December 31, 2022, the balance amounted to R$98,349 (R$99,421 in 2021) in Consolidated. The transaction is not subject to any covenants.

f) On July 12, 2016, the Company carried out a securitization transaction within the market through Securitizadora RB Capital, in the amount of R$275,000 on behalf of subsidiary Ork Empreendimento Imobiliários SPE Ltda., in order to capitalize the subsidiary. Mortgage-backed Securities (CRI) were distributed at the rate of CDI + 0.10% p.a. and repayment in 84 months. The Company pledged 78% of Shopping Iguatemi Alphaville as collateral. As at December 31, 2022, the balance amounted to R$78,976 (R$215,871 in 2021) in Consolidated. The transaction is not subject to any covenants.

g) On July 24, 2017, the subsidiary was authorized by the Board of Directors to conduct the fifth issue of simple, nonconvertible debentures, in a single series, to be linked to the issuance of Mortgage-backed Securities (CRI). The transaction was completed on September 18, 2017, in the total amount of R$279,635 and total borrowing cost of R$7,600, yielding interest limited to 96% of the cumulative DI rate fluctuation, with amortization in 84 months. As at December 31, 2022, the balance amounted to R$287,673 (R$282,195 in 2021) in Parent and Consolidated. The transaction is not subject to any covenants.

h) On April 30, 2018, the subsidiary was authorized by the Board of Directors to conduct the sixth issue of simple, nonconvertible debentures, in a single series, to be linked to the issuance of Mortgage-backed Securities (CRI). The transaction was completed on June 27, 2018, in the total amount of R$254,000, yielding interest equivalent to 97.5% of the CDI rate and maturing on June 27, 2023. This transaction is subject to a nonfinancial covenant, which consists of a risk rating downgrade by two levels (notches), by Fitch Ratings or its equivalent by Standard & Poor's or Moody's, except when such a downgrade solely arises from changes or impacts on the risk rating referring to the credit of the Federative Republic of Brazil (sovereign risk). As at December 31, 2022, the balance amounted to R$254,679 (R$253,314 in 2021) in Parent and Consolidated. The transaction is not subject to any covenants.

i) In order to increase its equity interest in Praia de Belas Shopping Center, the subsidiary entered into a financing agreement with Itaú Unibanco S.A. on March 23, 2020, in the amount of R$174,600, subject to a rate ranging between TR + 8.60% and TR + 5.00%, which is monthly assessed by reference to the Selic rate calculated on the date of each maturity. The Company pledged 37.545% of Praia de Belas Shopping Center as collateral. The repayment will occur within 120 months through the Constant Amortization System (SAC). As at December 31, 2022, the balance amounted to R$162,066 (R$172,037 in 2021) in Parent and Consolidated. The transaction is not subject to any covenants.

j) In order to increase its equity interest in Esplanada Shopping, the subsidiary entered into a financing agreement with Itaú Unibanco S.A. on March 23, 2020, in the amount of R$85,500, subject to a rate ranging between TR + 8.60% and TR + 5.00%, which is monthly assessed by reference to the Selic rate calculated on the date of each maturity. The subsidiary pledged 27.3271782% of Esplanada Shopping as collateral. The repayment will occur within 120 months through the Constant Amortization System (SAC). As at December 31, 2022, the balance amounted to R$79,623 (R$84,554 in 2021) in Consolidated. The transaction is not subject to any covenants.

k) On October 2, 2020, the Company entered into a CCB borrowing with Banco Alfa S.A., in the amount of R$50,000, subject to CDI rate + 2.90% p.a. Interest repayment will be semiannual with payment of principal on the agreement maturity. This transaction was settled in 2022.

l) On November 29, 2018, the Company carried out the portability of its debt with Banco Bradesco to Banco Safra, in the amount of R$61,246, subject to 100% CDI + 1.50% p.a., for a three-year period, subject to annual maturity of interest and principal on 11/29/2019, 11/30/2020 and 11/29/2021. The borrowing has no collaterals. On November 27, 2019, the Company renegotiated the borrowing from Banco Safra, which interest was CDI + 1.50% p.a. to CDI + 1.75% p.a. and the term was extended for five years with installments maturing beginning December 21, 2020 and ending December 21, 2024. In December 2022, the balance is R$24,611 (R$36,885 in 2021) in the Parent and Consolidated.

m) On February 26, 2018, the Company entered into a borrowing with Banco Itaú Unibanco S.A., in the amount of R$26,000, subject to 100% CDI + 2.25% p.a., for a two-year period, with semiannual maturity of interest on 08/27/2018, 02/26/2019, 08/26/2019 and principal maturity on 02/26/2020. The borrowing has no collaterals. The Company renegotiated the borrowing from Banco Itaú, which interest was CDI + 2.25% p.a. to CDI + 1.40% p.a. and the term was extended for five installments maturing beginning June 22, 2020. In December 2022, the balance is R$10,449 (R$15,657 in 2021) in the Parent and Consolidated.

n) On October 15, 2021, the Company issued 65 commercial promissory notes, each in the amount of R$1,000, totaling R$65,000, subject to CDI + 1.50% p.a. The repayment of interest and payment of principal will take place on the maturity of the promissory notes on October 17, 2022. This transaction was settled in 2022.

12. DEBENTURES

The Company uses the proceeds from the offerings to finance: (a) the expansion of the operations of the shopping malls in which the Company holds interests; (b) the acquisition of higher equity interests; (c) the acquisition of interest in existing third-party shopping malls and smaller chains; (d) the design, acquisition and management of new shopping malls; and (e) the refinancing of falling-due financial liabilities.

	Consolidated	
	12.31.2022	12.31.2021
Debentures 7th issue	409,530	402,212
Debentures 9th issue	303,308	299,551
Debentures 10th issue	517,445	509,955
Debentures 11th issue	498,776	498,236
	1,729,059	1,709,954
Current	338,097	21,694
Noncurrent	1,390,962	1,688,260

The nonconvertible debentures were subject to public offering under the firm guarantee regime, pursuant to the Public Offering Agreement, through the intermediation of the financial institutions that participate in the securities distribution system. There were no early reservations nor minimum or maximum allotments, and the Offering was based on the results 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 conducted the seventh issue of debentures through a public offering pursuant to CVM Instruction 476. Three hundred and ninety-five thousand, one hundred and seventy-six (395,176) debentures were allocated: 100,000 debentures of the first series, 65,741 debentures of the second series and 229,435 debentures of the third series, all of which are registered, book-entry, unsecured and nonconvertible debentures, with unit par value of one thousand reais (R$1,000) and final maturity on September 20, 2024 for all issues.

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

The maturity of debentures will be six (6) years from the date of issue and its par value will be fully amortized in a single installment on the relevant maturity date for all issues.

Debentures of the first series will bear compensatory interest equivalent to 107.50% of the cumulative fluctuation of the DI Over rates, on a 252-business-days basis; debentures of the second series will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 0.82% p.a., on a 252-business-days basis; and debentures of the third series will bear compensatory interest equivalent to 109% of the cumulative fluctuation of the DI Over rates, on a 252-business-days basis, all exponentially and cumulatively calculated on a pro rata basis for business days elapsed, from the first payment date or interest payment date of the respective immediately preceding series, as the case may be, to the effective payment date. Accrued interest amounts to R$2,370 as at December 31, 2020 and R$5,954 as at December 31, 2019. Debentures of the second and third series were only distributed to debentureholders in connection with the fourth issue of simple, nonconvertible, unsecured debentures conducted by the Issuer on December 27, 2012 (debentures of the fourth issue).

The issuance costs are amortized in profit or loss under the effective cost method and are recognized in line item “Debentures” as a debt decrease. The costs to be amortized total R$1,137 (noncurrent: R$544) as at December 31, 2022 and R$1,730 (noncurrent: R$1,137) as at December 31, 2021.

<u>Ninth issue</u>

In May 2020, the Company conducted the ninth issue of debentures through a public offering pursuant to CVM Instruction 476. Three hundred thousand (300,000) debentures were allocated in a single series, all of which are book-entry, unsecured and nonconvertible debentures, with unit par value of one thousand reais (R$1,000) and final maturity on May 28, 2023.

The debentures were issued based on the resolution of the Board of Directors’ Meetings held in May 2020.

The maturity of debentures will be three (3) years from the date of issue and its par value will be fully amortized in a single installment on the relevant maturity date.

The debentures will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 3.0% p.a., on a 252-business-days basis, all exponentially and cumulatively calculated on a pro rata basis for business days elapsed, from the first payment date to the effective payment date.

The issuance costs are amortized in profit or loss under the effective cost method and are recognized in line item “Debentures” as a debt decrease. The costs to be amortized total R$1,227 as at December 31, 2022 and R$3,681 (noncurrent: R$1,227) as at December 31, 2021.

<u>Tenth issue</u>

In October 2020, the Company conducted the tenth issue of debentures through a public offering pursuant to CVM Instruction 476. Five hundred thousand (500,000) debentures were allocated in two series, according to a bookbuilding procedure, all of which are book-entry, unsecured and nonconvertible debentures, with unit par value of one thousand reais (R$1,000); the first series matures on September 28, 2025 and the second series matures on September 28, 2026 (50%) and September 28, 2027 (50%).

The debentures were issued based on the resolution of the Board of Directors’ Meetings held in September 2020.

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

The first-series debentures will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 2.15% p.a., on a 252-business-days basis, whereas the second-series debentures will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 2.45% p.a., on a 252-business-days basis, all exponentially and cumulatively calculated on a pro rata basis for business days elapsed, from the first payment date to the effective payment date for both series.

The issuance costs are amortized in profit or loss under the effective cost method and are recognized in line item “Debentures” as a debt decrease. The costs to be amortized total R$2,178 (noncurrent: R$1,720) as at December 31, 2022 and R$2,636 (noncurrent: R$2,178) as at December 31, 2021.

Eleventh issue

In July 2021, the Company conducted the eleventh issue of debentures through a public offering pursuant to CVM Instruction 476. Five hundred thousand (500,000) debentures were allocated in two series, according to a bookbuilding procedure, all of which are book-entry, unsecured and nonconvertible debentures, with unit par value of one thousand reais (R$1,000); the first series matures on June 24, 2026 and the second series matures on June 24, 2028.

The debentures were issued based on the resolution of the Board of Directors’ Meetings held in June 2021.

The maturity of debentures will be five (5) years for the first series and seven (7) years for the second series, from the date of issue. The par value of first-series debentures will be fully amortized in a single installment, on the relevant maturity date, whereas the par value of second-series debentures will be amortized in two annual installments, with the first one falling due in June 2027 and the second one on the relevant maturity date.

The first-series debentures will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 1.48% p.a., on a 252-business-days basis, whereas the second-series debentures will bear compensatory interest equivalent to 100% of the cumulative fluctuation of DI Over rates, exponentially increased by a surcharge or spread of 1.63% p.a., on a 252-business-days basis, all exponentially and cumulatively calculated on a pro rata basis for business days elapsed, from the first payment date to the effective payment date for both series.

The issuance costs are amortized in profit or loss under the effective cost method and are recognized in line item “Debentures” as a debt decrease. The costs to be amortized total R$2,363 (noncurrent: R$1,951) as at December 31, 2022 and R$2,786 (noncurrent: R$2,374) as at December 31, 2021.

Covenants

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

Debentures	Leverage and indebtedness level
7th issue	Net debt / EBITDA < 3.50 and EBITDA-to-net finance cost > 2.00
9th issue	Net debt / EBITDA < 4.00 and EBITDA-to-net finance cost > 2.00
10th issue	Net debt / EBITDA < 4.00 and EBITDA-to-net finance cost > 2.00
11th issue	Net debt / EBITDA < 4.00 and EBITDA-to-net finance cost > 2.00

Compliance with the financial ratios must be achieved on a quarterly basis. The covenants were met as at December 31, 2022 and there are no renegotiation clauses.

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

	Consolidated	
	12.31.2022	12.31.2021
Opening balance	1,709,954	1,271,148
Borrowings	-	500,000
Repayment of principal and interest	(222,170)	(158,837)
Issuance costs	3,929	3,686
Accrued interest	237,346	93,957
Closing balance	1,729,059	1,709,954

The repayment schedule for the principal amount, classified in noncurrent liabilities, is as follows:

	Consolidated	
	12.31.2022	12.31.2021
2023 9th issue	-	300,000
2024 7th issue	395,176	395,176
2025 10th issue	100,000	100,000
2026 11th issue	263,871	263,871
2027 10th issue	400,000	400,000
2028 11th issue	236,129	236,129
	1,395,176	1,695,176
Unrecognized issuance costs	(4,214)	(6,916)
	1,390,962	1,688,260

13. DERIVATIVES

The Company entered into an agreement for swap of gain (loss) on future financial flows (swap agreement) with Banco Itaú and Santander, whereby the Company holds a long position in the fluctuations of the price of its shares and a short position in the fluctuation equivalent to 100% of the CDI rate, plus a fixed rate. The result of operations will be financially settled on maturity.

As at December 31, 2022 and 2021, the Company held the following outstanding positions:

Parent and Consolidated				Fair Value	Parent and Consolidated				Fair Value
Beginning	Maturity	Number of shares	Long position	12.31.2022	Beginning	Maturity	Number of shares	Long position	12.31.2021
January 2022	May 2023	5,029,200	Shares	6,853	March 2021	March 2022	1,530,788	Shares	(3,061)
February 2022	May 2023	521,000	Shares	(190)	April 2021	April 2022	162,354	Shares	(816)
March 2022	August 2023	1,693,142	Shares	(70)					-
				6,593					(3,877)
Beginning	Maturity	Amount	Short position	12.31.2022	Beginning	Maturity	Amount	Short position	12.31.2021
January 2022	May 2023	87,746	CDI + 0.9% to 1%	11,364	March 2021	March 2022	87,746	CDI + 1.15% to 1.25%	1,553
February 2022	May 2023	9,991	CDI + 0.9%	1,231	April 2021	April 2022	9,991	CDI + 1.25%	180
March 2022	August 2023	31,918	CDI + 0.89% to 0.92%	3,616					
				16,211					1,733
			Net Balance	9,618				Net Balance	5,610

14. TAXES PAYABLE

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Income tax and social contribution payable	-	231	-	7,619
Deferred taxes (i)	518	1,892	17,685	30,318
PIS, Cofins and Finsocial (taxes on revenue)	853	735	8,960	8,286
Other taxes and contributions (ii)	2	844	8,802	7,195
	1,373	3,702	35,447	53,418
Current	855	1,810	17,762	21,310
Noncurrent	518	1,892	17,685	32,108

(i) In the Consolidated, substantially refers to taxes on revenue (PIS and COFINS) on discounts recorded on a straight-line basis, as stated in note 5, item (ii).

(ii) The balance reported as at December 31, 2022 substantially refers to the Urban Property Tax (IPTU), in the amount of R$4,164 - Consolidated.

15. PROVISION FOR TAX, LABOR AND CIVIL RISKS

The Company and its subsidiaries are defendants to lawsuits and administrative proceedings involving tax, labor and civil matters. Accordingly, a provision for risks was recognized in amounts considered sufficient to cover any probable future disbursements.

a. Breakdown of the account balance

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Noncurrent:				
Corella (i)	-	-	-	37,614
Labor	10,175	9,760	10,863	10,304
Other (ii)	3,048	3,048	4,479	4,610
	13,223	12,808	15,342	52,528
Asset recognized arising from the possibility of repurchase of interest in Corella (i)	-	-	-	(6,970)
	13,223	12,808	15,342	45,558

Summary of the main proceedings

Civil and tax

(i) The Company was a defendant in an ordinary action that claims the enforcement of a clause whereby the plaintiff's ownership interest in Shopping Center Boulevard Iguatemi, equivalent to 3.58% of the project, could be repurchased. The Company has classified the likelihood of loss as probable, based on the litigation progress and its outside legal counsel's opinion. On July 9, 2022, the parties entered into an agreement in the amount of R$59,820, settling the litigation and, as at December 31, 2022, a final and unappealable court decision for dismissal of said litigation was rendered.

(ii) They substantially refer to the provision for Urban Property Tax (IPTU)-related lawsuits filed by Votorantim and Sorocaba City Governments, which amount to R$1,196 as at December 31, 2022 (R$1,555 in 2021).

Labor

The Company and its subsidiaries are defendants to various labor claims filed by former employees. Based on the likelihood of loss assessed by Management, the Company recognized a provision, as at December 31, 2022, amounting to R$10,175 (R$9,760 in 2021) and R$10,863 in Consolidated (R$10,304 in 2021).

Tax, civil and indemnification claims assessed 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 and involving a "possible" risk of loss. As at December 31, 2022, the estimated losses on tax lawsuits total R$57,027 (R$47,581 in 2021) in Consolidated; civil lawsuits: R$12,341 (R$99,617 in 2021) in Consolidated; and indemnification lawsuits: R$5,787 (R$5,632 in 2021) in Consolidated. Most civil lawsuits are covered by an insurance policy, as stated in note 20 - item (b).

Variations in the provision for tax, labor and civil risks

Variations in the provision for tax, labor and civil risks are broken down as follows:

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Opening balance	12,808	8,433	45,558	33,838
Provisions, net of reversals	415	4,375	(30,216)	11,720
Closing balance	13,223	12,808	15,342	45,558

16. FINANCIAL INSTRUMENTS

General considerations and policies

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

These financial instruments are managed based on policies, definition of strategies and establishment of control systems, which are monitored by the Company's Management.

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

Financial instruments by category

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

	12.31.2022			12.31.2021		
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
Assets						
Cash and cash equivalents	52,164	-	52,164	38,930	-	38,930
Short-term investments	1,798,572	56,080	1,854,652	1,965,196	49,965	2,015,161
Trade receivables	-	385,912	385,912	-	413,958	413,958
Other receivables	-	125,550	125,550	-	85,620	85,620
Loans receivable	-	258	258	-	384	384
Due from other related parties	-	39,346	39,346	-	34,612	34,612
Other receivables	-	2,194	2,194	-	13,943	13,943
Other investments	49,593	-	49,593	21,514	-	21,514
Total	1,900,329	609,340	2,509,669	2,025,640	598,482	2,624,122
Liabilities						
Trade payables	-	18,101	18,101	-	19,597	19,597
Borrowings and financing	-	1,371,353	1,371,353	-	1,713,972	1,713,972
Debentures and charges	-	1,729,059	1,729,059	-	1,709,954	1,709,954
Other payables	-	691,210	691,210	-	40,964	40,964
Total	-	3,809,723	3,809,723	-	3,484,487	3,484,487

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

(i) Prices quoted (unadjusted) in markets for identical assets and liabilities (Level 1).

(ii) In addition to the quoted prices included in Level 1, market inputs for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2).

(iii) Assumptions for assets and liabilities that are not based on observable market inputs (unobservable inputs) (Level 3).

As at December 31, 2022 and December 31, 2021, the instruments recorded at fair value were classified as follows:

Description	Fair value hierarchy	12.31.2022	12.31.2021
Short-term investments	Level 2	1,798,572	1,965,196
Other investments	Level 3	49,593	21,514

Risk factors

The main source of revenue for the Company and its subsidiaries is 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 designed for monitoring the level of default of its clients to control the credit risk underlying the diversified customer portfolio. The assumptions considered by the Company to evaluate the acceptance of potential clients are: the collaterals accepted (property, letter of guarantee, insurance, etc.), the suitability of individuals and legal entities involved in the lease (partners and guarantors) and use of SERASA as a reference for consultation. The allowance for impairment losses is analyzed at each balance sheet date by analyzing the historical data of default and expected loss projections.

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

The Company derecognizes its financial assets when there is no reasonable expectation of recovery (write-off). Receivables written off by the Company remain under collection to recover the amount of receivables. If any, recoveries are recognized as credit recovery proceeds in profit or loss for the year.

b. Liquidity risk

The cash flow forecast is performed at the Company's operating entities by finance professionals who continuously monitor liquidity to ensure that the Company has sufficient cash to meet its operating needs. This forecast takes into consideration the debt financing plans, compliance with internal balance sheet ratio goals and, if applicable, external regulatory or legal requirements.

The table below details the remaining contractual maturities of financial liabilities and related amortization. This table was prepared according to the undiscounted cash flows based on the earliest date on which the Company expects to settle the related liabilities.

	Parent				Consolidated			
12.31.2022	Up to 1 year	1 to 3 years	Over 3 years	Total	Up to 1 year	1 to 3 years	Over 3 years	Total
Borrowings and financing	17,611	17,449	-	35,060	585,919	337,706	447,728	1,371,353
Debentures	-	-	-	-	-	495,176	900,000	1,395,176
Payables for properties	-	-	-	-	667,000	-	-	667,000
Total	17,611	17,449	-	35,060	1,252,919	832,882	1,347,728	3,433,529

	Parent				Consolidated			
12.31.2021	Up to 1 year	1 to 3 years	Over 3 years	Total	Up to 1 year	1 to 3 years	Over 3 years	Total
Borrowings and financing	85,234	67,449	17,449	170,132	300,205	859,879	553,888	1,713,972
Debentures	-	-	-	-	300,000	495,176	900,000	1,695,176
Total	85,234	67,449	17,449	170,132	600,205	1,355,055	1,453,888	3,409,148

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 capital structure to reduce this cost. The net financial position is equivalent to total cash and cash equivalents, less short- and long-term borrowings, financing and debentures.

	Consolidated	
	12.31.2022	12.31.2021
Cash, cash equivalents and short-term investments	1,906,816	2,054,091
Borrowings, financing and debentures	(3,100,412)	(3,423,926)
Net financial position	(1,193,596)	(1,369,835)
Equity	4,107,688	3,440,534

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 set forth in such 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 substantially results from short- and long-term borrowings, 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, subject to interest based on the Selic rate. The risk inherent in these liabilities arises from the possibility of fluctuations in these rates. The Company and its investees do not have any derivative contracts, except for the swap disclosed below to hedge against this risk, as they understand that this risk is mitigated by the existence of assets pegged to the CDI rate.

Sensitivity analysis of fluctuations in inflation adjustment indexes

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

In the year ended December 31, 2022, Management estimated scenarios of fluctuations in the DI and TR rates. For the probable scenario, rates prevailing at the end of the reporting period were used. These rates were stressed by 25% and 50%, used as a basis for possible and remote scenarios, respectively.

As at December 31, 2022, 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 future flows under 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, the total amounts under each scenario are not equivalent to the fair value or the present value of these liabilities. The fair value of these liabilities, when considering the Company's credit risk unchanged, would not be affected by interest rate fluctuations, since the rates applied to cash flows discounted to future value would be the same as those applicable to discounting these cash flows to present value.

In addition, cash equivalents and short-term investments in floating securities that would increase yield accrued under the possible and remote scenarios are held, thus neutralizing part of the impact of interest rate increases on the flow of debt payments.

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:

		Parent			Consolidated				
		2022			2022				
Transaction	Individual risk	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
Probable scenario									
Debts indexed to the CDI	CDI maintenance	5,348	2,706	8,054	396,206	361,985	141,107	60,140	959,438
Debts indexed to the TR	TR maintenance	-	-	-	33,722	57,322	43,495	41,104	175,643
Total index to interest rates		5,348	2,706	8,054	429,928	419,307	184,602	101,244	1,135,081
Possible scenario > 25%									
Debts indexed to the CDI	CDI increase	6,489	3,303	9,792	482,093	439,499	170,444	72,863	1,164,899
Debts indexed to the TR	TR increase	-	-	-	33,774	57,807	44,424	43,291	179,296
Total index to interest rates		6,489	3,303	9,792	515,867	497,306	214,868	116,154	1,344,195
Remote scenario > 50%									
Debts indexed to the CDI	High CDI increase	7,623	3,898	11,521	566,503	515,778	199,261	85,250	1,366,792
Debts indexed to the TR	High TR increase	-	-	-	33,826	58,296	45,366	45,537	183,025
Total index to interest rates		7,623	3,898	11,521	600,329	574,074	244,627	130,787	1,549,817
Possible scenario < 25%									
Debts indexed to the CDI	CDI decrease	4,202	2,106	6,308	308,778	283,186	111,226	47,063	750,253
Debts indexed to the TR	TR decrease	-	-	-	33,670	56,841	42,582	38,973	172,066
Total index to interest rates		4,202	2,106	6,308	342,448	340,027	153,808	86,036	922,319
Remote scenario < 50%									
Debts indexed to the CDI	CDI decrease	3,050	1,504	4,554	219,727	203,034	80,774	33,609	537,144
Debts indexed to the TR	TR decrease	-	-	-	33,529	56,188	41,522	36,679	167,918
Total index to interest rates		3,050	1,504	4,554	253,256	259,222	122,296	70,288	705,062

Estimated impacts on the Company's debts

Transaction	Parent 2022 Up to 1 year	1 to 3 years	Total	Consolidated 2022 Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Possible Scenario - Probable Scenario								
Debts indexed to the CDI	1,141	597	1,738	85,887	77,514	29,337	12,723	205,461
Debts indexed to the TR	-	-	-	52	485	929	2,187	3,653
Total impact	1,141	597	1,738	85,939	77,999	30,266	14,910	209,114
Remote Scenario - Probable Scenario								
Debts indexed to the CDI	2,275	1,192	3,467	170,297	153,793	58,154	25,110	407,354
Debts indexed to the TR	-	-	-	104	974	1,871	4,433	7,382
Total impact	2,275	1,192	3,467	170,401	154,767	60,025	29,543	414,736
Transaction	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 indexed to the CDI	(1,146)	(600)	(1,746)	(87,428)	(78,799)	(29,881)	(13,077)	(209,185)
Debts indexed to the TR	-	-	-	(52)	(481)	(913)	(2,131)	(3,577)
Total impact	(1,146)	(600)	(1,746)	(87,480)	(79,280)	(30,794)	(15,208)	(212,762)
Remote Scenario - Probable Scenario								
Debts indexed to the CDI	(2,298)	(1,202)	(3,500)	(176,479)	(158,951)	(60,333)	(26,531)	(422,294)
Debts indexed to the TR	-	-	-	(193)	(1,134)	(1,973)	(4,425)	(7,725)
Total impact	(2,298)	(1,202)	(3,500)	(176,672)	(160,085)	(62,306)	(30,956)	(430,019)

17. INCOME TAX AND SOCIAL CONTRIBUTION

Income tax and social contribution are calculated based on the prevailing rates, as follows:

<u>Breakdown of income tax and social contribution expenses in the years</u>

	Parent 12.31.2022	Parent 12.31.2021	Consolidated 12.31.2022	Consolidated 12.31.2021
Current income tax and social contribution	-	-	(76,983)	(45,032)
Deferred income tax and social contribution	56,195	(15,860)	220,718	(145,654)
	56,195	(15,860)	143,735	(190,686)

The net balance of deferred income tax and social contribution as at December 31, 2022 and December 31, 2021 is as follows:

	Parent 12.31.2022	Parent 12.31.2021	Consolidated 12.31.2022	Consolidated 12.31.2021
Tax loss carryforwards	45,000	-	285,886	141,385
Swap transactions	-	-	3,270	-
Other temporary additions	-	-	41,604	14,631
Deferred taxes - assets	45,000	-	330,760	156,016
Temporary differences (tax depreciation)	(132)	-	(262,063)	(206,641)
Straight-lining	(239)	-	(77,147)	(95,480)
Fair value adjustment (i)	(4,294)	(15,860)	(6,015)	(89,077)
Deferred taxes - liabilities	(4,665)	(15,860)	(345,225)	(391,198)
Deferred taxes, net	40,335	(15,860)	(14,465)	(235,182)

(i). This substantially refers to income tax and social contribution on adjustments to investments in a foreign investment fund, as stated in note 4, item (ii).

Deferred income tax and social contribution are recorded to reflect the future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Projections on the realization of deferred taxes were prepared by Management, taking into account the current macroeconomic inputs available within the market. Currently, the tax credits are being utilized through an increase in taxable income arising from the significant decrease in finance costs and better performance of certain assets, which were also considered as an integral part of the assumptions supporting those projections. Nevertheless, given that several assumptions that are outside the Company's control are involved, such as inflation rates and other economic uncertainties in Brazil, future results may materially differ from those considered in preparing the projections.

As at December 31, 2022, unrecognized tax credits amount to R$69,012, based on Management's assessment of their expected realization in the long term.

The Company reported the expected realization of tax credits below:

	Parent		Consolidated	
Year	%	Amount	%	Amount
2023	0%	-	2%	6,615
2024	0%	-	6%	19,846
2025	0%	-	11%	36,384
2026	1%	450	17%	56,229
2027	3%	1,350	26%	85,998
2028	7%	3,150	37%	122,381
2029	11%	4,950	48%	158,765
2030	18%	8,100	64%	211,686
2031	26%	11,700	81%	267,916
2032	36%	16,200	85%	281,146
2033	47%	21,150	88%	291,069
2034	60%	27,000	91%	300,992
2035	74%	33,300	95%	314,222
2036	95%	42,750	99%	327,452
2037	100%	45,000	100%	330,760

On December 26, 2022, the Company's Supervisory Board revised projections concerning the realization of tax credits. On the same date, the Board of Directors approved those projections.

Reconciliation of income tax and social contribution expenses in the years

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Profit (loss) before income tax and social contribution	(48,627)	254,884	(130,914)	536,891
Statutory tax rate	34%	34%	34%	34%
Income tax and social contribution expenses at statutory rate	16,533	(86,661)	44,511	(182,543)
Tax effects on:				
Share of profit (loss) of subsidiaries	(7,200)	76,843	(1,496)	962
Difference in tax base of companies taxed based on deemed income	-	-	39,422	24,311
Deferred income tax and social contribution from prior years	45,000	-	45,000	-
Permanent deductions (additions) and other	1,862	(6,042)	16,298	(33,416)
Income tax and social contribution expenses at effective rate	56,195	(15,860)	143,735	(190,686)

18. OTHER PAYABLES

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
United project	-	11,012	-	11,012
Acquisition of notional fraction - SCIJK (i)	-	-	667,000	-
Other payables	1,978	1,591	24,210	29,952
	1,978	12,603	691,210	40,964
Current	1,978	12,603	682,458	31,256
Noncurrent	-	-	8,752	9,708

(i) The amount refers to the acquisition of the notional fraction of 34% of Shopping Center Iguatemi JK, through the acquisition, by its subsidiary Mutuall Soluções Financeiras Ltda., of 100% of shares from Adeoti Empreendimentos Imobiliários Ltda, as shown in note 1, item (c).

19. EQUITY - PARENT

a. Capital

As at December 31, 2022, the Company's paid-in capital amounted to R$1,819,552 (R$1,099,516 as at December 31, 2021), represented by 797,612,750 registered common shares and 435,494,160 preferred shares, with no par value. On February 2, 2022, pursuant to the minutes of the meeting of the Board of Directors, common shares were converted into preferred shares. On September 20, 2022, the Company increased its capital by R$720,036 through the issuance of 36,476,000 common shares and 72,952,000 preferred shares. After these transactions, the Company's paid-in capital is R$1,759,393 (R$1,069,691 as at December 31, 2021), due to the recognition of share issuance costs in the amount of R$60,159 as a reduction of equity.

b. Authorized capital

The Company is authorized to increase its capital up to the limit of 150,000,000 common shares, regardless of any amendment to the bylaws, upon resolution of the Board of Directors, which will establish the share issue conditions, price and payment conditions.

c. Capital reserves

On October 15, 2021, the Company recorded the amount of R$1,294,286 relating to the gain on the merger of 100% of the shares of its subsidiary Iguatemi Empresa de Shopping Centers S.A, due to the corporate restructuring process.

The Company recognized a reserve for the share-based compensation plan in the amount of R$13,562 (R$12,944 as at December 31, 2021), as shown in note 27, item (c).

Treasury shares

As at December 31, 2022, the Company’s treasury shares amounted to R$11,884 (R$31 in 2021), comprising 120,419 common shares and 207,426 preferred shares (16,700 in 2021), to sponsor the share-based compensation plan, as shown in note 27, item (c).

d. Earnings reserves

Legal reserve

A legal reserve is recognized by allocating 5% of profit for the year, limited to 20% of capital, pursuant to the bylaws.

Earnings retention reserve

The retained earnings reserve, which corresponds to the remaining earnings after the allocation to the legal reserve and the proposed payment of dividends, is primarily intended to meet the investment plans comprising the Company’s and its subsidiaries’ working capital budgets.

e. Dividends

Dividend policy

The mandatory dividend is equivalent to a certain percentage of the Company's net income, adjusted according to the Brazilian Corporate Law. Under the terms of the Articles of Incorporation currently in force, at least 25% of net income accrued in the previous year should be distributed as a mandatory dividend. For the Brazilian Corporate Law purposes, net income is defined as the income for any given year which remains after the deduction of the amounts related to income tax and social contribution, net of any prior-year accumulated losses, and any amounts used to pay officers’ and employees' profit sharing.

	12.31.2022	12.31.2021
Profit for the year	7,568	239,024
Legal reserve recognition	379	11,951
Basis for recognition of dividends	7,189	227,073
Mandatory minimum dividends	1,796	56,768

20. BASIC AND DILUTED EARNINGS (LOSS) PER SHARE

	Parent and Consolidated	
	12.31.2022	12.31.2021
Basic earnings (loss) per share from operations (in R$)	0,01	0.20
Diluted earnings (loss) per share from operations (in R$)	0,01	0.20

Profit or loss and the weighted average number of common shares used to calculate basic earnings (loss) per share are as follows:

	Parent and Consolidated	
	12.31.2022	12.31.2021
Profit for the year attributable to the Company's owners and used to calculate earnings (loss) per share	7,568	239,024
Weighted average number of shares used to calculate earnings (loss) per share	1,152,683,128	1,170,211,598

21. INSURANCE

As at December 31, 2022, the Company and its projects have the following insurance policies obtained from third parties (unaudited):

a. Named peril insurance

The Company contracted an operational risk insurance, which covers the usual risks that may impact its activities, with Sompo Seguros S.A. (100%). This policy establishes a maximum indemnity limit of R$1,016,815 for property damages and loss of profits. Shopping Pátio Higienópolis also contracted insurance with Sompo Seguros S.A.. (100%), whose policy establishes a maximum indemnity limit of R$658,922 for property damages and loss of profits.

The insured period is up to March 28, 2023.

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 become liable in a final and unappealable court decision or in a settlement reached by the insurer with regard to the compensation for involuntary damages, bodily injuries and/or property damages caused to third parties.

The insured period is up to March 28, 2023.

The insured amount contracted by the Company will have the maximum indemnity amount of R$13,500, primarily covering: (a) shopping centers and condominium; (b) commercial and/or industrial establishments: for the premises of the holding companies; (c) lodging establishments, restaurants, bars, nightclubs and similar establishments; (d) civil liability of the employers; (e) civil works of construction and/or renovation of real estate with additional coverage for: error of design, crusade and property damages/bodily injuries to the owner of the work; (f) civil liability of garage owner: fire/theft/flooding of vehicles to places that do not have Valet system and fire/theft/collision for places that have Valet system; and (g) pain and suffering for all coverages.

The insured amount contracted by Shopping Pátio Higienópolis will have the maximum indemnity amount of R$30,000, primarily covering: (a) shopping centers and condominium; (b) commercial and/or industrial establishments: for the premises of the holding companies; (c) lodging establishments, restaurants, bars, nightclubs and similar establishments; (d) civil liability of the employers; (e) civil works of construction and/or renovation of real estate with additional coverage for: error of design, crusade and property damages/bodily injuries to the owner of the work; (f) civil liability of garage owner: fire/theft/flooding of vehicles to places that do not have Valet system and fire/theft/collision for places that have Valet system; and (g) pain and suffering for all coverages.

22. NET REVENUE FROM RENTALS AND SERVICES

Net revenue from rentals and services is represented by:

	Consolidated	
	12.31.2022	12.31.2021
Rents	845,328	712,771
Parking	168,420	104,694
Service rendering	75,356	67,903
Retail transactions (i)	139,163	102,026
Other	415	4,928
Gross revenue from rentals and services	1,228,682	992,322
Taxes and deductions	(212,341)	(134,258)
Net revenue from rentals and services (ii)	1,016,341	858,064

(i) Refers to revenue from the sale of goods involving iretail and e-commerce transactions

(ii) The net revenue from rentals and services was impacted by the straight-lining of discounts, according to note 4, item (i).

23. COST OF SERVICES AND EXPENSES BY NATURE

The Company elected to present the consolidated statement of profit and loss by function. As required by the IFRS, detailed costs of services rendered and administrative expenses by nature are as follows:

Consolidated

	12.31.2022			12.31.2021		
	Cost of services	Administrative expenses	Total	Cost of services	Administrative expenses	Total
Depreciation and amortization	(133,489)	(25,541)	(159,030)	(129,211)	(26,173)	(155,384)
Personnel	(32,782)	(63,854)	(96,636)	(23,288)	(71,301)	(94,589)
Share-based compensation	-	(13,563)	(13,563)	-	(12,160)	(12,160)
Outside services	(9,530)	(23,279)	(32,809)	(10,440)	(16,721)	(27,161)
Promotion fund	(2,956)	-	(2,956)	(2,196)	-	(2,196)
Parking	(44,495)	-	(44,495)	(32,356)	-	(32,356)
Retail transactions (i)	(147,001)	-	(147,001)	(111,298)	-	(111,298)
Other	(50,631)	(13,719)	(64,350)	(60,434)	(16,985)	(77,419)
	(420,884)	(139,956)	(560,840)	(369,223)	(143,340)	(512,563)

(i) Refer to expenses on iretail and e-commerce transactions.

24. FINANCE INCOME (COSTS)

Finance income (costs) are broken down as follows:

	Parent		Consolidated	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Finance income:				
Interest receivable	91	176	11,372	5,597
Inflation adjustment and exchange gains	2	15,395	2,713	66,370
Income from short-term investments (i)	22,354	25,739	121,110	78,757
Other finance income	93	-	51,651	4,689
	22,540	41,310	186,846	155,413

	Controladora		Consolidado	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Finance costs:				
Interest on borrowings and financing	(20,956)	(9,191)	(186,560)	(109,963)
Debentures interest	-	-	(241,275)	(97,643)
Losses on swap transactions (ii)	-	-	(8,672)	(2,520)
Taxes and fees	(1,898)	(1,768)	(16,005)	(26,319)
Other finance costs	(2,708)	(1,030)	(36,927)	(26,303)
	(25,562)	(34,589)	(489,439)	(285,918)
Fair value of capital instruments (iii)	(26,720)	57,169	(323,091)	326,012
	(29,742)	63,890	(625,684)	195,507

(i) Substantially refers to the adjustments made to short-term investments, as stated in note 4, items (i), (iii) and (iv).

(ii) Substantially refers to gains on the return equity swap, as approved by the Board of Directors at the meeting held on November 5, 2020.

(iii) Refers to adjustment to a short-term investment at fair value, which variation is not characterized as finance income or finance cost, pursuant to note 04, item (ii).

25. OTHER OPERATING INCOME (EXPENSES)

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

26. SEGMENT REPORTING

The information presented to the chief decision-maker to allocate resources and evaluate the performance of the Company and its subsidiaries includes the Shopping Center segment, whose statement of profit and loss is the lowest level for the purpose of analyzing the Group's performance.

27. EMPLOYEE BENEFITS

a. Supplementary private pension plan

Currently, the Group maintains a supplementary private pension plan (defined contribution) at Itaú Vida e Previdência S.A. This plan is optional for employees and the Company contributes 100% of the monthly amount contributed by employees. The Company does not have any obligation or right related to any surplus or deficit arising from the plan.

b. Iguatemi Bonus Plan

The Group grants eligible employees a bonus plan linked to the attainment of budget and operational goals, whose amounts are recognized on accrual basis in the Company's profit or loss and payments were annually made in March.

c. Share-based compensation plan

On March 28, 2018, the Extraordinary Shareholders' Meeting terminated the Stock Option Plan approved by the previous Shareholders' Meeting held on November 8, 2006, maintaining the effectiveness of the stock options still in effect based on it and on the respective Programs.

Also on March 28, 2018, the Extraordinary Shareholders' Meeting approved the new Long-term Incentive Plan - Restricted Shares ("Plan").

The Plan aims to allow the granting of Restricted Shares to Eligible Employees, primarily with a view to: (i) encouraging improvements in 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, besides giving them an entrepreneurial and corporate vision; (ii) encouraging the attraction and retention of managers, employees and service providers; (iii) supporting the alignment of interests between the Company's executives and shareholders, maximizing the level of commitment of managers and employees to the generation of sustainable results for the Company; and (iv) increasing the attractiveness of the Company and its subsidiaries.

<u>Restricted Share Program</u>

Granting of restricted shares, to be settled in equity instruments, subject to the vesting condition of one-year grace period, with vesting of (a) 1/3 of the total restricted shares granted after the first year; (b) 1/3 of total restricted shares granted after the second year; and 1/3 of total restricted shares granted after the 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 determine the amount of equity instruments granted based on their fair values on the granting date. There is no strike price to be considered. The corresponding expenses will be recognized over the grace period so that the instruments may become vested. The fair value of stock options granted was measured on the granting date of each plan, which is equivalent to the average number of shares on the trading sessions held in the month preceding the granting, which period is adopted to allow pricing and cutting procedures to calculate the global volume of the programs, less dividends, per share.

Considering the matching concept adoption, for each Restricted Share acquired by the participant, through use of the Authorized Funds, a multiple of up to six (6) Restricted Shares may be additionally granted, in conformity with the blocking periods and criteria of this Program.

The criteria adopted for choosing the 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.

The volumes of stock options granted per lot are described in the following table:

	Quantity granted	Grace period	Total Expense for the 2020 Plan	Accumulated expense for the 2020 plan
Vesting 1st yearano	126,366	05/01/2021	3,535	3,404
Vesting 2nd year	126,366	05/01/2022	3,374	3,249
Vesting 3rd year	126,404	05/01/2023	1,768	1,703
Total	379,136		8,677	8,356

	Quantity granted	Grace period	Total Expense for the 2021 Plan	Accumulated expense for the 2021 plan
Vesting 1st yearano	175,793	05/01/2022	7,145	5,690
Vesting 2nd year	175,793	05/01/2023	6,821	5,432
Vesting 3rd year	175,845	05/01/2024	3,573	2,845
Total	527,431		17,539	13,967

	Quantity granted	Grace period	Total Expense for the 2022 Plan	Accumulated expense for the 2022 plan
Vesting 1st yearano	216,733	05/01/2023	5,007	2,040
Vesting 2nd year	216,733	05/01/2024	4,780	1,947
Vesting 3rd year	216,798	05/01/2025	2,504	1,020
Total	650,265		12,291	5,007

As at December 31, 2022, the long-term incentive plan amounted to R$13,563 (2021: R$12,160), as disclosed in note 23.

28. NON-CASH TRANSACTIONS

In the year ended December 31, 2022, the Company reclassified from investments to earnings retention reserve the amount of R$138,048, which refers to the process for transfer of 20% interest in Shopping Iguatemi JK to Iguatemi S.A.

Moreover, the Company approved the distribution of dividends amounting to R$69,199 and allocated the amount of R$3,274 to the earnings retention reserve. The amount of R$72,473 substantially refers to short-term investments referring to the Infracommerce’s shares that were transferred to Iguatemi S.A.

On November 30, 2022, the Company acquired the notional fraction of 36% of Shopping Iguatemi JK in the amount of R$667,000, as mentioned in note 18.

Due to these transactions that did not involve cash, the Company did not present the respective effect in the statement of cash flows - indirect method of non-cash transactions in the year ended December 31, 2022.

29. EVENTS AFTER THE REPORTING PERIOD

(a) STF decision - effectiveness of the tax res judicata

On February 8, 2023, the Federal Supreme Court concluded the judgment of Tax Matters 881 and 885, whereby determining the loss of effects of individual final and unappealable court decisions, based on a later change of understanding of the courts. As assessed by the Company, there are no cases that might materially affect its operations.

(b) On February 28, 2023, trade payables relating to the acquisition of the notional fraction of 36% of Shopping Center Iguatemi JK were settled, as mentioned in note 18.

(c) The meeting of the Board of Directors held on February 28, 2023 approved the Executive Board’s proposal for allocation of profit for 2022 which includes the distribution of dividends in the amount of R$110,000. Such proposal will be submitted to the approval of the Annual General Meeting to be held in April 2023. On March 15, 2023, the Company will make a partial payment in the amount of R$27,500.