Financial Statements

Tellus Properties Fundo de Investimento Imobiliário

CNPJ : 26.681.370/0001-25

(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A - CNPJ: 13.486.793/0001-42)

Financial statements as of December 31, 2024
and Independent Auditor’s Report

Tellus Properties Fundo de Investimento Imobiliário
CNPJ: 26.681.370/0001-25

(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A.
CNPJ: 13.486.793/0001-42)

Financial statements

December 31, 2024

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A free translation from Portuguese into English of Independent Auditor's Report on financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil applicable to real estate investment funds

Independent auditor's report on financial statements

To the Shareholders and Administrator of
Tellus Properties Fundo de Investimento Imobiliário
(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A. ("Fund Administrator")
São Paulo - SP

Opinion

We have audited the financial statements of Tellus Properties Fundo de Investimento Imobiliário ("Fund"), which comprise the statement of financial position as at December 31, 2024, and the statements of surplus or deficit, of changes in net asset value, and of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tellus Properties Fundo de Investimento Imobiliário as at December 31, 2024, and its financial performance and cash flows for the year then ended, in accordance with the accounting practices adopted in Brazil applicable to real estate investment funds.

Basis for opinion

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

Key audit matters

Key audit matters are those that, in our professional judgment, were the most significant in our current year audit. These matters were addressed in the context of our audit of the financial statements as a whole and in the formation of our opinion on these financial statements and, as such, we do not express a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

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

<u>Existence and measurement of investment properties</u>

As of December 31, 2024, the Fund had investment properties measured at fair value amounting to R$463,590 thousand, representing 110.97% of its equity. The existence and determination of the fair value of the investment properties were considered a key audit matter due to the significance of these assets in relation to the Fund's net asset value, the complexity of the measurement methodology used, and the high degree of judgment involved in determining the assumptions adopted in the valuation of the investment properties, as described in Note 8 to the financial statements. The Fund's Administrator engages an external specialist to assess the investment properties at least once a year, using the discounted cash flow (DCF) methodology.

How our audit addressed this matter

Our audit procedures included, among others, verifying the investment properties owned by the Fund by inspecting their registration records and involving valuation experts to assist in reviewing the methodology and models used in measuring the fair value of these investment properties, including the reasonableness of the assumptions used. We also analyzed the accuracy of investment property data provided by the Fund's Administrator to the external appraiser that was used in the measurement. We reviewed information that could contradict the most significant assumptions and methodology selected. We also analyzed the sensitivity of such assumptions to assess the behavior of the model with its variations. Additionally, we analyzed the adequacy of the disclosures included in Note 8 to the financial statements.

Based on the results of the audit procedures performed regarding the existence and measurement of the fair value of the investment properties, which are consistent with the assessment made by the Fund's Administrator, we consider that the criteria and assumptions adopted by the Fund's Administrator are appropriate in the context of the financial statements taken as a whole.

<u>Distribution of income to shareholders</u>

The income intended for distribution to the Fund's shareholders, in accordance with Article 10 of Law No. 8668/93, must take into account the calculation basis described in CVM Memorandum Circular No. 1/2014. We consider the calculation of this amount to be a key audit matter since the aforementioned calculation basis must be adjusted for additions and/or exclusions considering the obligations incurred and to be incurred by the Fund, and submitted for the shareholders' approval at a General Meeting, as per CVM Memorandum Circular No. 1/2015.

How our audit addressed this matter

Our procedures included, among others, verifying the mathematical accuracy of the income distribution calculation prepared by the Fund's Administrator, and analyzing its compliance with CVM Memorandum Circular No. 1/2014. We compared the main additions and exclusions included in the calculation basis with the supporting documentation provided by the Fund's Administrator and also examined the liquidity management controls of the Administrator for the Fund, considering its ability to meet its current obligations for future cash outflows, as well as the consequent adjustments to the calculation basis for distributions. Additionally, we analyzed the adequacy of the disclosures on the matter included in Note 15 to the financial statements.

Based on the results of the audit procedures performed on the calculation of income to be distributed to the shareholders, which is consistent with the assessment made by the Fund's Administrator, we consider the criteria used by the Fund's Administrator for such calculation, derived from the calculation basis in CVM Memorandum Circular No. 1/2014, to be acceptable in supporting the calculation basis and the information included in the context of the financial statements taken as a whole.

Responsibilities of the Fund's Administrator for the financial statements

The Fund's Administrator is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting practices adopted in Brazil applicable to Real Estate Investment Funds, and for such internal controls as the Administrator determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Fund's Administrator is responsible for assessing the Fund'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 Fund's Administrator either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's Administrator's internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Fund's Administrator.

- Concluded on the appropriateness of Fund's Administrator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Fund to cease to continue as a going concern.

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

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

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

Of the matters that were the subject of communication with those charged with governance, we determined the ones that were considered most significant in the audit of the financial statements for the current year and, consequently, considered 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 the matters should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 25, 2025.

Ernst & Young
Auditores Independentes S/S Ltda.
CRC SP-034519/O

Fabricio Aparecido Pimenta
Accountant CRC - SP241659/O

CNPJ: 26.681.370/0001-25

(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A.)
CNPJ: 13.486.793/0001-42

Statement of financial position
At December 31, 2024 and 2023

In thousands of reais

Assets	Note	31/12/2024	% Net asset value	31/12/2023	% Net asset value
Current assets					
Cash and cash equivalents	5	1	0,00%	1	0,00%
Fixed-income fund shares	5	5.429	1,30%	8.127	1,99%
Financial investments					
Of a real estate nature					
Real estate investment fund shares	6	2.155	0,52%	1.154	0,28%
Accounts receivable					
Rental income receivable	7	3.403	0,81%	3.081	0,75%
Amounts deposited in guarantee		387	0,09%	248	0,06%
Amounts receivable – sale of properties		113.950	27,28%	-	0,00%
Sundry		482	0,12%	501	0,13%
Prepaid expenses		-	0,00%	28	0,01%
		125.807	**30,12%**	**13.140**	**3,21%**
Noncurrent assets					
Long-term receivables					
Fund Reserve	9	1	0,00%	401	0,10%
		1	**0,00%**	**401**	**0,10%**
Investment					
Investment properties					
Finished properties	8	454.080	108,69%	424.434	103,89%
Fair value measurement - adjustments	8	9.510	2,28%	15.935	3,90%
		463.590	**110,97%**	**440.369**	**107,79%**
Total assets		**589.398**	**141,09%**	**453.910**	**111,10%**

Liabilities and Net asset value	Note	31/12/2024	% Net asset value	31/12/2023	% Net asset value
Current liabilities					
Income to be distributed	12	3.715	0,89%	3.800	0,93%
Administration and management fee	11	290	0,07%	326	0,08%
Audit and custody		69	0,02%	69	0,02%
Consulting and advisory services		-	0,00%	60	0,01%
Provisions and accounts payable		8	0,00%	86	0,02%
Obligations for securitization of receivables	9	10.111	2,42%	4.412	1,08%
Prepaid rents	7	2.243	0,54%	64	0,02%
Obligations for acquisition of properties	8	71.563	17,13%	-	0,00%
		87.999	**21,07%**	**8.817**	**2,16%**
Noncurrent liabilities					
Long-term payables					
Obligations for securitization of receivables	9	84.393	20,19%	36.853	9,01%
(-) Structuring costs - securitization of receivables	9	(721)	(0,17%)	(303)	(0,07%)
		83.672	**20,02%**	**36.550**	**8,94%**
Total liabilities		**171.671**	**41,09%**	**45.367**	**11,10%**
Net asset value					
Paid-up shares		414.975	99,34%	414.975	101,57%
Share placement costs		(14.527)	(3,48%)	(14.527)	(3,56%)
Distribution of income to shareholders		(149.155)	(35,71%)	(104.951)	(25,69%)
Retained earnings/accumulated losses		166.434	39,85%	113.046	27,68%
Total net asset value	13	**417.727**	**100,00%**	**408.543**	**100,00%**
				-	
Total liabilities and net asset value		**589.398**	**141,09%**	**453.910**	**111,10%**

See accompanying notes.

Tellus Properties Fundo de Investimentos Imobiliário
CNPJ: 26.681.370/0001-25

(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A.)
CNPJ: 13.486.793/0001-42

Statement of surplus or deficit
Years ended December 31, 2024 and 2023

(In thousands of reais, except earnings per paid-up shares and share net asset value)

	Note	31/12/2024	31/12/2023
Income from investment properties			
Rental income	**10**	38.120	35.588
Income from fine and interest on rents		1.558	269
Discounts granted		(247)	-
		39.431	**35.857**
Investment properties			
Sales revenues - investment properties sold	**8**	33.795	2.953
Fair value adjustment of investment properties	**8**	(6.425)	6.047
		27.370	**9.000**
Interest and monetary adjustment expenses on the acquisition of properties			
Structuring costs - fundraising		(189)	(33)
Interest expenses – fundraising obligations		(4.093)	(5.327)
	9	**(4.282)**	**(5.360)**
Investment property expenses			
Federal and local tax expenses	**15**	(190)	(133)
Expenses with commissions	**15**	(4.846)	(1.200)
Condominium fees	**15**	(31)	(160)
Expenses with property repairs, maintenance and upkeep	**15**	-	(13)
		(5.067)	**(1.506)**
Net income (loss) – investment properties		**57.452**	**37.991**
Financial assets of a real estate nature			
Income from real estate investment fund shares (FII)	**6**	363	138
Gains (losses) on transactions – real estate investment fund shares (FII)	**6**	(26)	(59)
Present value adjustment of real estate investment fund shares (FII)	**6**	(373)	235
		(36)	**314**
Net income (loss) – real estate activities		**57.416**	**38.305**
Other financial assets			
Income from fixed-income fund shares	**5**	1.393	718
Income tax expenses on redemptions of fixed-income securities	**15**	(325)	(161)
		1.068	**557**
Operating income (expenses)			
Other income		60	1.202
Administration and management fee	**11 , 15 and 19**	(4.098)	(3.705)
Consulting expenses	**15**	(595)	(789)
Audit and custody expenses	**15**	(118)	(140)
Expenses with attorney's fees		(77)	-
Expenses with public fees and registry offices	**15**	(51)	(10)
CVM inspection fee	**15**	(40)	(40)
Other operating expenses	**15**	(177)	(125)
		(5.096)	**(3.607)**
Surplus for the year		**53.388**	**35.255**
Number of outstanding shares		**4.221.967**	**4.221.967**
Earnings per share - R$		**12,65**	**8,35**
Share net asset value - R$		**98,94**	**96,76**

See accompanying notes.

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Statement of changes net asset value
Years ended December 31, 2024 and 2023

(In thousands of reais)

	Note	Paid-up shares	Share placement costs	Distribution of earnings	Retained earnings	Total
At December 31, 2022		**414.975**	**(14.527)**	**(74.131)**	**77.791**	**404.108**
Surplus for the year		-	-	-	35.255	35.255
Distribution of rearnings	**12**	-	-	(30.820)	-	(30.820)
At December 31, 2023		**414.975**	**(14.527)**	**(104.951)**	**113.046**	**408.543**
Surplus for the year		-	-	-	53.388	53.388
Distribution of rearnings	**12**	-	-	(44.204)	-	(44.204)
At December 31, 2024		**414.975**	**(14.527)**	**(149.155)**	**166.434**	**417.727**

See accompanying notes.

Tellus Properties Fundo de Investimentos Imobiliário
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(Administered by BRL Trust Distribuidora de Títulos e Valores Mobiliários S.A.)
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Statement of cash flows (indirect method)
Years ended December 31, 2024 and 2023

(In thousands of reais)

	31/12/2024	31/12/2023
Cash flows from operating activities		
Rental income received	37.798	35.678
Income from fine and interest on rents received	1.558	269
Other income received	60	1.202
Fixed-income earnings	1.393	718
Amounts deposited in guarantee	(139)	183
Prepaid rents	2.179	-
Payment of consulting expenses	(535)	(729)
Payment - expenses with property repairs, maintenance and upkeep	-	(13)
Payment of fee and registry expenses	(51)	(10)
Payment of condominium fees	(31)	(160)
Payment of audit and custody expenses	(118)	(87)
Payment of expenses with commissions	(4.846)	(1.200)
Payment of attorney's fees	(77)	(1)
Payment of federal and local taxes	(190)	(133)
Payment of administration and management fees	(4.134)	(3.738)
Payment of inspection fee – Brazilian SEC	(40)	(40)
Payment of income taxes on redemption of fixed-income securities	(325)	(161)
Sundry payments	(174)	(161)
Net cash flows from operating activities	**32.328**	**31.617**
Cash flows from investing activities		
Acquisition of real estate investment fund shares - FIIs	(3.712)	-
Redemption of real estate investment fund shares - FIIs	2.312	853
Income received from real estate investment fund shares (FII)	363	138
Acquisition of rental properties	(133.865)	(938)
Incremental costs of rental properties	(5.692)	(1.454)
Sale of rental properties	101.318	30.643
Cash flows from investing activities	**(39.276)**	**29.242**
Cash flows from financing activities		
Acquisition/write-off of obligations for securitization of receivables	51.257	-
Payment of structuring costs - securitization of receivables	(607)	-
Payment of interest expenses on securitization of receivables	(1.955)	(3.321)
Payment - amortization of principal of securitization of receivables	(156)	(20.815)
Income paid	(44.289)	(29.173)
Net cash flows from financing activities	**4.250**	**(53.309)**
Net changes in cash and cash equivalents	**(2.698)**	**7.550**
Cash and cash equivalents at beginning of year	**8.128**	**578**
Cash and cash equivalents at end of year	**5.430**	**8.128**

See accompanying notes.

(In thousands of, unless otherwise stated)

1. Operations

The Real Estate Investment Fund – Tellus Properties Fundo de Investimento Imobiliário ("Fund") is a real estate investment fund governed by CVM Ruling No. 175/22, CVM Ruling No. 516/11, as amended, as well as by Law No. 8668, dated June 25, 1993. It was established on November 25, 2016, and the first shares were paid in on September 23, 2019.

The Fund was incorporated as a closed-end fund with an indefinite term and aims to provide shareholders with the appreciation and profitability of their shares, in accordance with the investment policy defined in its regulations, predominantly through long-term real estate investments, which consist of: (i) the acquisition of real estate assets for subsequent leasing, renting, or sale, as applicable; (ii) investment in other assets; aiming to yield returns on the investments made by shareholders through (a) the payment of income derived from the exploitation of the Fund's real estate assets, (b) an increase in the net asset value of the shares resulting from the appreciation of the Fund's assets; or (c) subsequent sale, either in cash or on credit, of the assets that will compose the Fund's portfolio, as permitted by its regulations, law, and CVM provisions.

The Administrator's risk management policies are in compliance with market practices and in line with the guidelines set by the regulatory agencies. The main risks associated with the Fund are detailed in Note 4.

The Fund distributes income to its shareholders in accordance with Article 10 of Law No. 8668/93, which is also described in Memorandum Circular CVM/SIN/SNC No. 1/2014, and does not withhold income that would be necessary for the payment of its obligations related to property acquisitions and commitments to contribute funds to an exclusive fund. The Fund's Administrator, together with the manager, periodically assesses the Fund's ability to meet its incurred obligations and evaluates the need to liquidate any asset in the portfolio or capitalize the Fund through an offering (with a new issue of shares).

As of December 31, 2024, the Fund's shares are traded on B3 under ticker symbol TEPP11, with the closing share price on the last trading day, December 29, 2024, being R$80.29 (eighty reais and twenty-nine cents), and on December 29, 2023, R$92.30 (ninety-two reais and thirty cents).

Month	2024	2023
January	93.01	68.99
February	93.34	67.00
March	97.61	66.40
April	95.11	73.40
May	95.48	80.81
June	92.00	87.90
July	90.66	88.45
August	89.55	88.85
September	87.65	91.98
October	87.52	90.22
November	82.80	93.23
December	80.29	92.30

Shareholders investing in this Fund will be exposed to the risk of loss of their invested capital without any guarantee from the administrator or any insurance mechanism, nor from the Deposit Insurance Fund (FGC).

2. Presentation and preparation of financial statements

The financial statements have been prepared in accordance with the accounting practices adopted in Brazil, applicable to real estate investment funds, governed by CVM Ruling No. 516/11 and CVM Ruling No. 175/22, as amended, as well as other guidance and accounting standards issued by the CVM, as applicable.

The financial statements as of December 31, 2024, were approved by the Fund's Administrator on March 25, 2025.

3. Summary of significant accounting policies and calculation criteria

The preparation of the financial statements requires the Administrator to make estimates and assumptions that affect the amounts of assets and liabilities presented, as well as the amounts of revenues and expenses reported for the reporting period.

The use of estimates extends to the required allowances for doubtful accounts, fair value, and the measurement of the recoverable amount of assets. Actual results may vary from these estimates.

3.1. Classification of assets and liabilities as current and noncurrent

The Fund presents assets and liabilities in the statement of financial position based on their classification as current/noncurrent.

An asset is classified as current when: (i) it is expected to be realized in, or is intended for sale or consumption in, the normal operating cycle; (ii) it is held primarily for the purpose of being traded; (iii) it is expected to be realized within 12 months after the reporting period; (iv) it is cash and cash equivalent. All other assets are classified as noncurrent.

A liability is classified as current when: (i) it is expected to be settled in the normal operating cycle, within 12 months from the reporting period; or (ii) there is no unconditional right to defer settlement of the liability for at least 12 months from the reporting period. All other liabilities are classified as noncurrent.

3.2. Financial instruments

a) Classification of financial instruments

I. <u>Date of recognition</u>

All financial assets and liabilities are initially recognized on the trading date.

II. Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on their characteristics and the purpose for which the financial instruments were acquired by the Fund. All financial instruments are initially recognized at fair value plus transaction costs, except in cases where financial assets are recorded at fair value through surplus or deficit.

III. Classification of financial assets for measurement purposes

The classification of financial instruments at initial recognition depends on their characteristics and the purpose for which the financial instruments were acquired by the Fund. All financial instruments are initially recognized at fair value plus transaction costs, except in cases where financial assets are recorded at fair value through surplus or deficit.
Financial assets are included, for measurement purposes, in the following categories:

- **Financial assets at fair value through surplus or deficit:** This category includes financial assets acquired for the purpose of generating profit from trading in the short term.

- **Amortized cost:** Financial assets held within a business model whose objective is to collect contractual cash flows, for which the contractual terms generate, on specific dates, cash flows that are solely payments of principal and interest on the principal amount outstanding. Rental income receivable from investment properties is classified in this category.

IV. Classification of financial assets for presentation purposes

Financial assets are classified by nature in the following line items on the statement of financial position:

- **Cash and cash equivalents:** Cash and cash equivalents.

- **Financial investments represented by marketable securities:** Securities that represent debt for the issuer, yield interest, and have been issued in physical or book-entry form.

- **Rental income receivable:** This refers to rental income receivable from investment properties.

V. Classification of financial liabilities for measurement purposes

- **Financial liabilities at amortized cost:** Financial liabilities, regardless of their form and maturity, resulting from fundraising activities conducted by the Fund.

VI. Classification of financial liabilities for presentation purposes

- **Obligations for securitization of receivables:** These represent funds obtained for the purpose of financing the acquisition of investment properties, measured at amortized cost, in accordance with the contracted rate.

b) Measurement of financial assets and liabilities and recognition of changes in fair value

I. Measurement of financial assets

- Financial assets are measured at fair value, without deducting estimated transaction costs that would be incurred upon their disposal.

- The “fair value” of a financial instrument on a given date is interpreted as the amount for which it could be bought or sold on that date between two knowledgeable and willing parties, acting prudently, in a transaction under normal market conditions. The most objective and common reference for the fair value of a financial instrument is the price that would be paid for it in an active, transparent, and significant market (“quoted price” or “market price”).

- If there is no market price for a specific financial instrument, its fair value is estimated based on valuation techniques commonly used in the financial market, taking into account the specific characteristics of the instrument to be measured and, above all, the various types of risk associated with it.

- Receivables are measured at amortized cost, less any impairment in recoverable value, where revenues from this group are recognized on an effective yield basis using the effective interest rate.

II. Measurement of financial liabilities

In general, financial liabilities are measured at amortized cost, using the effective interest rate method.

The “effective interest rate” is the discount rate that exactly matches the initial value of the financial instrument with the total estimated cash flows of all kinds over its remaining useful life. In the case of fixed-rate instruments, the effective interest rate coincides with the contractual interest rate defined at the time of contracting, plus any commissions and transaction costs that, by their nature, are part of the financial return. In the case of variable-rate financial instruments, the effective interest rate coincides with the current return on all commitments until the next reference date for interest renewal.

III. Recognition of changes fair value

As a general rule, changes in the fair value of financial assets and liabilities held for trading are recognized in the statement of surplus or deficit in their respective source accounts.

3.3. Investment properties

In the case of properties held for income, they will be presented at their respective fair values, which are obtained through appraisal reports prepared by professionally qualified entities formally approved by the Fund's Administrator. Changes in the fair value of investment properties are recognized in the statement of surplus or deficit for the period in which the appreciation or depreciation occurs.

3.4. Provisions, contingent assets and contingent liabilities

In preparing its financial statements, the Fund segregates:

- **Provisions:** Creditor balances that cover present obligations (legal or constructive) as of the statement of financial position date arising from past events that could result in a loss or outflow for the Fund, the occurrence of which is considered probable and whose nature is certain, but whose amount and/or timing are uncertain.

- **Contingent liabilities:** Possible obligations arising from past events, the existence of which will only be confirmed if one or more future events that are not entirely under the control of the Fund occur. These contingent liabilities are recognized in the statement of financial position when, based on the opinion of the legal advisors and the Administrator, the likelihood of loss in a legal or administrative proceeding is considered probable, and it is probable that an outflow of funds will be required to settle these obligations. Contingent liabilities assessed as possible loss by legal advisors and by the Administrator are only disclosed in the notes to financial statements, whereas those assessed as remote loss do not require disclosure.

- **Contingent assets:** Assets arising from past events whose existence depends solely on the occurrence or non-occurrence of events beyond the control of the Fund. These contingent assets are not recognized in the statement of financial position or in the statement of surplus or deficit.

3.5. Determination of surplus or deficit

Revenues and expenses are recognized in statement of surplus or deficit on an accrual basis.

3.6. Cash and cash equivalents

Cash and cash equivalents are represented by bank deposits and financial investments with immediate liquidity, which primarily correspond to investments in fixed-income funds, yielding returns based on the variation of the CDI ("Interbank Deposit Certificate") with liquidity of less than 90 days and subject to an insignificant risk of changes in value.

3.7. Critical accounting estimates and judgments

The Fund's Administrator makes accounting estimates and judgments based on assumptions that may not exactly match the actual results in the future. The estimates and judgments that, in the opinion of the Administrator, may be considered most relevant and may vary in the future, potentially impacting the Fund's assets and liabilities, are described as follows:

(i) **Fair value of financial instruments** The fair value of financial instruments that do not have quotations available market, such as stock exchanges, is measured using valuation techniques, considering methods and assumptions based primarily on market conditions and on the information available at the reporting date. The accounting policies described in Note 3.2 provide detailed information on "classification of financial instruments" and "measurement of financial assets and liabilities and recognition of changes in fair value."

(ii) **Fair value of investment properties:** As described in Note 3.3, the fair value of rental properties is obtained through appraisal reports prepared by professionally qualified entities, using valuation techniques such as projections of future performance of cash flows, discounted at present value. Information regarding these investment properties is described in Note 8.

3.8. Earnings or loss per share

Earnings or loss per share, presented in the statement of surplus or deficit, is calculated by considering the net income or loss for the period divided by the total number of Fund shares outstanding at the end of each year.

3.9. Obligations for securitization of real estate receivables

These are initially recorded at the present value of the cash flows transferred and are adjusted monthly based on the discount rate of the cash flow over the remaining balance. The liability is recorded under "Obligations for securitization of receivables", and the expenses are recognized in the Fund's surplus or deficit at the effective rate of the securitization of real estate receivables, recorded under "Finance costs", considering the contractual terms and rates defined in the securitization agreements.

The revenues derived from the funds obtained through securitization are recognized based on the use and enjoyment of the property and the contractual conditions established in the lease agreement.

4. Risks associated with the Fund

Notwithstanding the Administrator's and manager's diligence in putting into practice the outlined investment policy, the Fund's investments are, by their nature, subject to typical market fluctuations, credit risk, systemic risk, adverse liquidity conditions and atypical trading in the markets where the Fund operates, which may lead to asset depreciation and losses for the shareholders. Even if the administrator and manager maintain risk management routines and procedures, there is no guarantee that possible losses for the Fund and its shareholders will be fully eliminated.

4.1 Risks related to macroeconomic factors, government policy, and globalization

The Fund will operate in the Brazilian market and is therefore subject to the effects of the economic policy adopted by the Federal Government. The Brazilian government occasionally intervenes in the economy, making significant changes to its policies. The Brazilian Government's measures to control inflation and implement economic and monetary policies have, in the recent past, involved changes in interest rates, currency devaluation, exchange control, and increased public tariffs, among others. These policies, as well as other macroeconomic conditions, have significantly affected the Brazilian economy and capitals market. The adoption of measures that may result in currency fluctuation, indexation of the economy, price instability, increase in interest rates or influence the current fiscal policy may impact business, financial conditions, the Fund's operating income (loss), and the consequent distribution of income to the shareholders. Negative impacts on the economy, such as recession, loss of currency purchasing power and an excessive increase in interest rates resulting from internal policies or external factors, can also influence the Fund's surplus or deficit.

4.2 Risk of events and perception of risk in other countries

The capital market in Brazil is influenced, to varying degrees, by economic and market conditions of other countries, including countries with an emerging economy. The reaction of investors to events in these other countries may have an adverse effect on the price of assets and marketable securities issued in the country, reducing the interest of investors in these assets, including shares, certain real estate assets, and other assets, which may adversely affect the activities of the issuers of real estate assets and other assets held by the Fund, and consequently, the Fund's results and the profitability of its shareholders.

4.3 Credit risk of real estate and other assets

The shareholders of the Fund will be entitled to receive earnings that will be paid to them based on the amounts received by the Fund from tenants, lessees, or purchasers of real estate and/or other assets, in the form of rent, lease, or sale of such real estate and/or other assets. Thus, for as long as the aforementioned real estate assets are leased or rented, the Fund will be exposed to the credit risks of the tenants or lessees. Similarly, in the event of the sale of real estate and/or other assets, the Fund will be subject to the credit risk of the purchasers.

4.4 Various risks associated with financial assets

Financial assets are subject to price fluctuations and market quotations, as well as other risks such as credit and liquidity risks, and risks arising from the use of derivatives, market volatility, and asset pricing, which may negatively affect the Fund's performance and the investments made by the shareholders. The Fund may incur credit risk in the settlement of transactions conducted through brokers and securities dealers that mediate the buying and selling of financial assets on behalf of the Fund. In the event of a lack of capacity and/or willingness to pay by the counterparties in the transactions included in the Fund's portfolio, the Fund may suffer losses and may even incur costs to recover its receivables.

4.5 Liquidity risk

Real estate investment funds experience low liquidity in the Brazilian market, being a type of investment that is not widely disseminated in this market. Additionally, real estate investment funds are always established as closed-end funds, thus not allowing for the redemption of their shares. Therefore, shareholders may face difficulties in selling their shares in the secondary market, even if trading is permitted on the stock exchange or organized over-the-counter market. Thus, investors acquiring shares in the Fund should be aware that investing in the Fund constitutes a long-term investment.

4.6 Risks of not distributing the minimum amount of shares from the Fund’s first issue of shares

If shares corresponding to the minimum amount of the Fund’s first issue of shares are not subscribed, pursuant to Article 34, Paragraph 1 below, this offering will be canceled, and the Fund will be liquidated. In this case, the Administrator will return the amounts deposited to the subscribers who have fully paid for their shares, plus the net earnings obtained from the Fund’s investments, calculated pro rata temporis from the date of payment, less any applicable taxes.

4.7 Tax risk

In general, the income and gains arising from the transactions conducted by the Fund’s portfolio are not subject to income tax. The income and net gains earned by the Fund from fixed or variable income financial investments are subject to withholding income tax, in accordance with the same rules applicable to legal entities. This tax may be offset against the tax withheld at source by the Fund when distributing income and capital gains to the shareholders. Law No. 8668, as amended by Law No. 9779, establishes that real estate investment funds must distribute at least 95% (ninety-five percent) of the profits earned, calculated on a cash basis, based on a semiannual balance sheet or trial balance ending at June 30 and December 31 of each year. According to Law No. 9779, a fund that invests resources in real estate projects where the developer, builder, or partner is a shareholder who holds, individually or in conjunction with related parties, more than 25% (twenty-five percent) of the shares issued by the Fund, is subject to taxation applicable to legal entities for the purposes of corporate tax liability (Corporate Income Tax – “IRPJ”, Social Contribution Tax on Net Profit – “CSLL”, Contribution Tax on Gross Revenue for Social Integration Program – “PIS”, and Contribution Tax on Gross Revenue for Social Security Financing – “COFINS”). The net income and gains earned by the Fund, when distributed to shareholders, including exempt legal entities, are subject to withholding income tax at a rate of 20% (twenty percent). However, according to article 3, item III and the sole paragraph, items I and II, of Law No. 11033, dated December 21, 2004, earnings distributed by real estate investment funds is exempt from withholding income tax and in the annual income tax return for individuals, provided that the following requirements are cumulatively met: (a) the shares are exclusively traded on stock exchanges or in organized over-the-counter markets; (b) the shareholder holds shares representing less than 10% (ten percent) of the total shares issued by the fund or whose shares entitle them to receive income of less than 10% (ten percent) of the total income earned by the fund; and (c) the fund has at least 50 (fifty) shareholders. Since the shares are freely traded in the secondary market, there is no guarantee that the Fund will have at least 50 (fifty) shareholders.

The income and capital gains earned by shareholders upon the sale or redemption of shares, including upon their extinction, are subject to income tax at a rate of 20% (twenty percent). Furthermore, although these tax rules are currently in effect, there is a risk of a potential tax reform or changes in the applicable legislation. Thus, tax risk encompasses the risk of losses arising from (i) non-compliance with legal requirements for the Fund's classification considering the application of the taxation regime defined in Laws No. 8668 and No. 9779; (ii) non-compliance with the legal provision granting tax benefits to individual shareholders; (iii) the creation of new taxes; (iv) the increase of tax rates; (v) differing interpretations of current tax liabilities; or (vi) the revocation of existing exemptions, which may subject the Fund or its shareholders to unforeseen tax liabilities.

4.8 Risk of tax changes and changes in legislation

Although the tax rules for funds have been in effect since the enactment of the aforementioned legal provision, and there are no immediate prospects for changes, there is a risk that such rules may be modified in the context of a potential tax reform or changes in current legislation. Thus, tax risk encompasses the risk of losses arising from the creation of new taxes, differing interpretations of current tax liabilities, or the revocation of existing exemptions, which may subject the Fund or its shareholders to unforeseen tax liabilities.

4.9 Risk of concentration in the Fund's portfolio

The Fund will allocate the resources raised for the acquisition of assets that will comprise the Fund's portfolio in accordance with its investment policy. It should also be noted that new share issues may be carried out as necessary, with successive placements, to allow the Fund to acquire additional assets. Regardless of the possibility of acquiring various assets, the Fund will initially acquire a limited number of target properties, which may lead to a concentration in the Fund's portfolio, exposing the Fund to risks inherent in the existing demand for leasing or renting properties, considering that there is no guarantee that all target properties to be acquired, preferably commercial properties, will always be leased or rented.

4.10 Risk of management of target properties by third parties

Considering that the Fund's objective is the exploration, through leasing or renting, and/or commercialization of target properties and/or other assets, and that the management of such ventures may be carried out by specialized companies without direct interference from the Fund, this may represent a limitation for the Fund in implementing the property management policies that the Manager deems appropriate.

4.11 Legal risks

The entire architecture of the financial, economic, and legal model of this Fund considers a set of strict requirements and obligations stipulated between the parties through public or private contracts, in accordance with current legislation. However, due to the limited maturity and lack of tradition and case law in the Brazilian capital markets regarding this type of financial operation, atypical or conflicting situations may result in losses for investors due to the expenditure of time and resources to ensure the effectiveness of the contractual framework.

4.12 Risk of termination of atypical lease contracts and rent review

Although the terms and conditions established in any atypical lease contracts related to the target properties, which may be entered into by the Fund, are subject to free agreement between the Fund and the respective tenants, nothing prevents tenants from attempting to legally challenge the validity of such clauses and terms, questioning, among other aspects: (a) termination of the lease contract by tenants prior to the expiration of the contractual term, with the return of the property subject to such instrument, as well as the questioning by such tenants of the payment of the indemnity established for early termination without cause; and (b) judicial review of the rent amount, alleging the applicability of Law No. 8245 for the purpose of judicial review of the rent amount. In the event of a challenge to the terms and conditions established between the parties in such instruments, any judicial decision that disregards the parties' intent in establishing the terms and conditions of the atypical lease contract and decides for the full application of Law No. 8245 may negatively affect the value of the Fund's shares.

4.13 Risk of termination of typical lease contracts

Tenants may return the target properties to the Fund before the term stipulated in the respective lease contract, upon payment of the agreed penalty, proportional to the period of contract fulfillment, or, in its absence, as judicially stipulated, or, in the case of contracts with an indefinite term, by giving written notice to the landlord at least 30 (thirty) days in advance, in accordance with Law No. 8245. In the event of vacancy of the target properties, the Fund may not succeed in finding tenants and/or lessees for the target properties, which may reduce the Fund's profitability, considering the potential receipt of a lower amount of income from leasing, renting, or selling the Fund's real estate ventures. Additionally, the costs to be incurred by the Fund for the payment of fees and taxes, among other expenses related to the target properties, may compromise the Fund's profitability.

4.14 Risk arising from the use of derivatives

The Fund's engagement in derivative transactions, even if such operations are conducted solely for asset hedging purposes, as permitted by this Regulation, may result in variations in the value of its Net Assets greater than those that would occur if such strategies were not employed. This situation may also lead to net asset losses for the Fund and negatively impact the value of the shares.

4.15 Risk of delays and/or non-completion of target property construction

On behalf of the Fund, and following the Manager's instructions, the Administrator may use the Fund's resources to advance amounts for construction projects, provided that such resources are exclusively allocated to the acquisition of the properties where the venture will be built and/or the execution of the venture's works, that they are compatible with the physical-financial schedule, and comply with the Fund's investment policy. In this case, if there are delays in the completion or non-completion of the target property works, whether due to climatic factors or any other factors that may directly or indirectly affect the established deadlines, the estimated timeline for the commencement of rental or leasing income and the consequent profitability of the Fund may be affected, and shareholders may also have to contribute additional resources to complete the properties. Furthermore, the builder of the target properties may face financial, administrative, or operational issues that cause interruptions and/or delays in the construction works and projects related to the said properties. Such scenarios may result in losses for the Fund and, consequently, for the shareholders.

4.16 Environmental risks

Even if the target properties are located in urban areas with complete infrastructure, environmental problems may occur, such as storms, flooding, or issues arising from sewage leaks, or other matters related to the construction of the target properties caused by excessive use of public infrastructure, potentially generating liabilities concerning the properties and thus leading to a loss of their economic value and, consequently, losses for the Fund and its shareholders.

Additionally, the target properties that may be acquired by the Fund are subject to inherent risks related to: (i) legislation, regulation, and other environmental issues, such as lack of environmental licensing and/or environmental authorization for the operation of their activities and other related activities, use of water resources through artesian wells, sanitation, handling of controlled chemicals (issued by the Civil Police, Federal Police, and Army), vegetation suppression, and disposal of solid waste; (ii) environmental liabilities arising from soil and groundwater contamination, as well as any administrative, civil, and criminal responsibilities arising therefrom, with possible risks to the Fund’s image and the properties that comprise the Fund’s portfolio; (iii) the occurrence of environmental problems, whether prior to or subsequent to the acquisition of the properties, which may lead to a loss of value of the properties and/or the imposition of administrative, civil, and criminal penalties on the Fund; and (iv) indirect consequences of regulation or business trends, including legislative restrictions related to urban issues, such as land and construction measurements, restrictions on measurements and details of the built area, and their potential consequences. The occurrence of these events may negatively affect the Fund’s assets, profitability, and the trading value of the shares. Additionally, government agencies or other authorities may also enact new, stricter rules or seek more restrictive interpretations of existing laws and regulations, which may require tenants, lessees, or owners of target properties to spend additional resources on environmental compliance, including obtaining environmental licenses for facilities and equipment that were not previously required. Government agencies or other authorities may also significantly delay the issue or renewal of the licenses and permits necessary for the development of the businesses of owners, tenants, or property owners, consequently generating adverse effects on their operations. Any of the above events may cause tenants or lessees to have difficulty meeting their rental obligations for the properties. Additionally, due to requirements from the relevant authorities, there may be a need to make renovations or alterations to such properties, the costs of which may be charged to the Fund. The occurrence of the above events may negatively affect the Fund’s assets, profitability, and the trading value of the shares.

4.17 Risk of expropriation

There is a possibility of partial or total expropriation of the target properties owned by the Fund by unilateral decision of the public authority to meet public utility and interest purposes. In the event of expropriation, there is no guarantee in advance that the price to be paid by the public authority will be fair, equivalent to market value, or that it will adequately compensate for the invested amounts. Thus, if the target property(ies) is/are expropriated, this fact may adversely and significantly affect the Fund’s activities, its financial situation, and results. Other restrictions on the target property(ies) may also be imposed by the public authority, such as the preservation of the property or its surrounding area, preemption, or the creation of special cultural preservation zones, which may decrease the value of the respective target property or restrict its use, complicating potential leasing.

4.18 Risk loss

In the event of a loss (insurance claim) involving the target properties that will comprise the Fund's assets, the resources obtained from the insurance coverage will depend on the payment capacity of the contracted insurance company, according to the terms of the policy, and the indemnities to be paid by the insurers may be insufficient to repair the damage suffered, considering the general conditions of the policies. Additionally, in this situation, the Administrator may not recover the loss of the target property. The occurrence of a significant uninsured or non-compensable loss, either partially or fully, may have an adverse effect on the Fund's operating income (loss) and financial condition. Furthermore, the Fund may be held legally liable for the payment of compensation to any victims of the loss, which may lead to adverse effects on its financial condition and, consequently, on the income to be distributed to shareholders.

4.19 Risks of extraordinary expenses

As the owner of the target properties, the Fund may be subject to the payment of extraordinary expenses, such as shared costs for construction and renovations, painting, decoration, maintenance, installation of security equipment, labor indemnities, as well as any other expenses that are not routine in the maintenance of the target properties and the condominiums in which they are located. The payment of such expenses would lead to a reduction in the profitability of the Fund's shares. Additionally, the Fund will be subject to expenses and costs arising from legal proceedings necessary for the collection of overdue rents, evictions, renewals, reviews, among others, as well as for the collection of any other expenses unpaid by the tenants of the target properties, such as taxes, condominium expenses, and costs for renovation or recovery of target properties unfit for leasing after eviction or amicable departure of the tenant.

4.20 Risks of depreciation of target properties and external conditions

The target properties are subject to market conditions over which the Fund's Administrator and Manager have no control and cannot influence or prevent. The level of economic development and the conditions of the economy and the real estate market in general may affect the profitability of the target properties that will comprise the Fund's assets and, consequently, the future remuneration of the Fund's investors. The value of the target properties and the Fund's ability to distribute results to its shareholders may be adversely affected due to changes in economic conditions, the supply of other commercial spaces with characteristics similar to those of the target properties, and/or a reduction in the interest of potential tenants in spaces like those offered by the target properties.

4.21 Risks related to the acquisition of target properties

The Fund may hold target properties, which includes rights related to target properties, as well as interests in special purpose entities (SPEs). Investments in the real estate market can be illiquid, making it difficult to buy and sell real estate properties and adversely impacting property prices. Furthermore, acquisitions may expose the buyer to liabilities and contingencies incurred prior to the acquisition of the target property. There may also be questions regarding the ownership of the target properties. The due diligence process conducted by the Fund on the target properties, as well as any contractual guarantees or indemnities that the Fund may receive from the sellers of the target properties, may not be sufficient to protect, safeguard, or compensate it for any contingencies that arise after the effective acquisition of the respective property. For this reason, there may be hidden liabilities that have not been identified or resolved, which could (a) impose burdens on the Fund as the owner of the target properties or rights related to the target properties; (b) imply potential restrictions or prohibitions on the use and exploitation of the target properties by the Fund; or (c) trigger discussions regarding the legitimacy of the Fund’s acquisition of the target property, including the possibility of characterizing fraud against creditors and/or fraud in execution, with these three scenarios potentially affecting the results obtained by the Fund and, consequently, the income of the shareholders and the value of the shares.

4.22 Risk of unfavorable judicial decisions

The Fund may be a defendant in various actions of civil, tax, and labor nature. There is no guarantee that the Fund will obtain favorable decisions or that any legal or administrative proceedings brought against the Fund will be judged unfounded, nor that it will have sufficient reserves. If such reserves are insufficient, it is possible that an additional capital contribution will be made through the subscription and full payment of new shares by the shareholders, who will have to bear any losses.

4.23 Risks related to the occurrence of fortuitous events and force majeure

The Fund’s income arising from the exploitation of target properties is subject to the risk of potential losses arising from fortuitous events and force majeure, which consist of unavoidable and involuntary events related to the target properties. Therefore, the Fund’s results are subject to atypical situations that, even with risk management systems and mechanisms in place, may generate losses for the Fund and its shareholders.

4.24 Ownership of shares and not real estate assets

Although the Fund’s portfolio is primarily composed of real estate assets, ownership of the shares does not equate to direct ownership of the real estate assets to the shareholders. The rights of the shareholders are exercised over all the assets in the portfolio, collectively, and proportionally to the number of shares held.

4.25 Risk related to concentration and dilution

According to the regulations, there is no restriction on the limit of shares that can be held by a single shareholder. Accordingly, a situation may arise where a single shareholder holds a substantial portion of the shares, resulting in a significantly concentrated position, thereby weakening the position of any minority shareholders. In this case, there is a possibility that decisions may be made by the majority shareholder based on their self-interests to the detriment of the Fund and/or the minority shareholders. If the Fund is highly diluted, certain matters that require a qualified majority approval at the General Meeting of shareholders may be impossible to approve due to a lack of quorum (when applicable) and resolution in such meetings. The inability to pass resolutions on certain matters may lead to, among other consequences, the early liquidation of the Fund.

4.26 Risk related to new share issues

In the event the Fund issues new shares, the exercise of preemptive rights by shareholders, if any, in potential new share issues depends on the availability of resources on the part of the shareholder. If a new share offering occurs and the shareholder does not have the resources to exercise their preemptive rights, their interest may be diluted and their influence on the Fund's political decisions reduced. In the event of new share issues, shareholders will incur the risk of having their interest in the Fund's capital diluted.

4.27 Risk related to non-replacement of the administrator or manager

Over the Fund's term, the administrator or manager may be subject to intervention, out-of-court liquidation, or bankruptcy at the request of the Central Bank of Brazil (BACEN), and may be disqualified, dismissed, or resign from their positions, in which case their replacement must occur according to the deadlines and procedures set forth in the regulations. If such replacement does not occur, the Fund will be liquidated early, which may result in net asset losses for the Fund and its shareholders.

4.28 Cash availability risk

If the Fund does not have available resources to meet its obligations, the Administrator, upon the manager's recommendation, may decide to issue new Fund shares without the need for approval at a General Meeting of shareholders, provided
they are limited to authorized capital, or, as the case may be, may call the shareholders to decide, at a General Meeting, on the issue of new shares to raise additional resources for the Fund. Shareholders who do not contribute resources will be diluted.

4.29 Risks associated with the liquidation of the fund

Upon the expiration of the Fund's term or if the General Meeting of shareholders decides on the early liquidation of the Fund, the payment of redemptions may occur through the delivery of the Fund's assets to the shareholders, with the possibility of delivering such assets through the establishment of a civil condominium, as provided in the regulations and the Brazilian Civil Code, which will be governed by the rules established in these regulations and can only be modified by unanimous decision of a Shareholders' General Meeting attended by all shareholders. In any case, shareholders may encounter difficulties (i) in selling the assets received upon the liquidation of the Fund, or (ii) in collecting amounts owed for the assets, which may cause losses to the shareholders.

4.30 Risk due to registration exemption

Offers that are distributed under CVM Ruling No. 476 will be automatically exempt from registration with the Brazilian Securities and Exchange Commission (CVM), meaning that the information provided by the Fund and the Coordinator will not have been subject to analysis by the federal agency.

4.31 Risk of additional contributions by shareholders

The costs incurred with the necessary procedures for collecting the assets in the Fund's portfolio and safeguarding the rights, interests, and prerogatives of the Fund are the responsibility of the Fund and must be covered up to the total limit of its net assets, always observing what is decided by the shareholders at the General Meeting. The Fund may only adopt and/or maintain in-court or out-of-court collection procedures for such assets once the limit of its net assets has been exceeded, provided that the shareholders contribute the additional amounts necessary for their adoption and/or maintenance. Thus, if in-court or out-of-court collection of the assets is required, shareholders may be asked to contribute additional resources to the Fund to ensure the adoption and maintenance of appropriate measures to safeguard their interests. No in-court or out-of-court measures will be initiated or maintained by the Administrator before the full receipt of the aforementioned contribution and the shareholders' commitment to provide the necessary resources for the payment of any legal fees, should the Fund be found liable. The administrator, manager, bookkeeper, custodian, and/or any of their affiliates are not responsible, jointly or individually, for the adoption or maintenance of such proceedings and for any damages or losses of any kind suffered by the Fund and/or the shareholders due to the failure to initiate (or continue) necessary in-court or out-of-court measures to safeguard the rights, guarantees, and prerogatives of the Fund, should the shareholders fail to contribute the necessary resources for that purpose, in accordance with the regulations. Accordingly, the Fund may not have sufficient resources to carry out the amortization or redemption of its shares, as applicable. Therefore, it is possible that the shareholders may even lose, in whole or in part, their respective invested capital.

4.32 Real estate risk

This is the risk of devaluation of the investments made by the Fund, caused by, but not limited to, factors such as: (i) macroeconomic factors that affect the entire economy, (ii) changes in zoning or regulations that directly impact the location of the investments, either allowing for a greater supply of properties (and consequently depressing rental prices in the future) or potentially restricting the possible uses of the investments, limiting their appreciation or resale potential, (iii) socioeconomic changes that exclusively impact the region(s) where the investments are located, such as the emergence of slums or potentially undesirable locations, like nightclubs, bars, among others, which result in changes in the neighborhood, worsening the area of influence for commercial use, (iv) unfavorable traffic changes that limit, hinder, or prevent access to the investments, and (v) future infrastructure/public service restrictions, such as electrical capacity, telecommunications, public transportation, among others, (vi) the expropriation of the investments where the compensatory payment does not reflect the premium and/or historical appreciation.

(In thousands of, unless otherwise stated)

5. Cash and cash equivalents

As of December 31, 2024, and 2023, the balance of the account "Checking account" is represented by demand deposits at the institutions Itaú Unibanco S/A, Brl Trust DTVM S/A, and financial investments.

Financial investments are as follows:

December 31, 2024	Administrator	Market value	% on net asset value
Demand deposit		1	0.00%
FICFI Itaú Soberano Renda Fixa Simples LP (a)	Itáu Unibanco	3,196	0.76%
Itaú Corp Federal Plus RF Cp FICFI (b)	Itáu Unibanco	2,233	0.54%
		5,430	**1.30%**

December 31, 2023	Administrator	Market value	% on net asset value
Demand deposit		1	0.00%
FICFI Itaú Soberano Renda Fixa Simples LP	Itáu Unibanco	8,127	1.99%
		8,128	**1.99%**

a) Itaú Soberano Renda Fixa Simples Longo Prazo Fundo de Investimento em Cotas de Fundos de Investimento, duly registered with the Brazilian IRS Registry of Legal Entities (CNPJ/MF) under No 06.175.696/0001-73, seeks to invest its resources in investment fund shares classified as "fixed income – Indexed", which invest in financial assets that aim to track the variation of the interbank deposit certificate ("CDI") or the Selic rate, so that at least 95% (ninety-five percent) of the financial assets in their respective portfolios are linked to this parameter, directly or indirectly. Redemption requests from the Fund are converted and paid on T+0, upon verbal, written, or electronic instruction from the shareholder to the distributor or directly to the administrator.

   The financial statements for the year ended October 31, 2023, have been duly audited, with an auditor's report issued on January 19, 2024, containing an unmodified opinion.

b) Itaú Corp Federal Plus Renda Fixa Curto Prazo Fundo de Investimento em Cotas de Fundos de Investimento, duly registered under CNPJ (MF) No. 03.557.198/0001-05, was established as an open-end fund with an indefinite duration. It began its activities on August 11, 2000, and receives resources from investment funds, investment funds in shares of other investment funds, and/or legal entities, customers of the Administrator, the Manager, or subsidiaries, directly or indirectly, of Itaú Unibanco Holding S.A. Its objective is to invest its resources in investment fund shares classified as "Fixed Income — Short Term", which invest in federal government or private securities, with fixed-rates or indexed to the Selic rate or another interest rate, or securities indexed to price indices, with a maximum remaining term of 375 days and an average portfolio duration of less than 60 days. The adopted strategy derives from and reflects the Fund's investment policy as described in its regulations.

(In thousands of, unless otherwise stated)

The financial statements for the year ended June 30, 2024, have been duly audited, with an auditor's report issued on September 13, 2024, containing an unmodified opinion.

In the year ended December 31, 2024, revenues amounting to R$1,393 (R$718 in 2023) were recognized, recorded under "Income from fixed income fund shares".

6. Financial investments

6.1. Of a real estate nature

Real estate investment fund shares - FIIs

The investment in Real Estate Investment Fund shares amounts to R$2,155 (R$1,154 in 2023), classified as financial assets held for trading and recorded at acquisition cost, with their value adjusted monthly based on the variation in the value of the invested fund shares on the last business day of each month, as disclosed on B3, regardless of the volume of shares traded.

As of December 31, 2024, the financial investments are represented by:

				2024			
Ticker	**Fund name**	**Type**	**Adm.**	**Number of shares**	**% of shares held**	**Market value**	**%net asset value**
CVBI11	FII VBI CRI	Paper	BRL Truste	7,320	0.07%	615	0.15%
RBRY11	FII RBR PCRI	Paper	BTG Patcual	4,954	0.04%	439	0.11%
RBRF11	RBR Alpha Multiestratégia Real Estate FII	FOF	BTG Pactual	58,000	0.04%	371	0.09%
TVRI11	Tivio Renda Imobiliaria FII	Brick	Bem Dtvm	2,750	0.02%	240	0.06%
CPTS11	Capitania Securities II FII Closed Fund	CRI	BTG Pactual	25,000	0.01%	171	0.04%
BBRC11	BB Renda Corporativa FII	Brick	Votorantim	1,000	0.06%	101	0.02%
WHGR11	FII WHG REAL	Hybrid	XP CTVM S.A	21,486	0.07%	186	0.04%
GTWR11	FII Green Towers	Brick	Votorantim	450	0.00%	32	0.01%
						-	
						2,155	**0.52%**

(In thousands of, unless otherwise stated)

As of December 31, 2023, the financial investments are represented by:

			2023				
Ticker	**Fund name**	**Type**	**Adm.**	**Number of shares**	**% of shares held**	**Market value**	**%net asset value**
RBRF11	RBR Alpha Multiestratégia Real Estate FII	FOF	BTG Pactual	5,800	0.04%	473	0.12%
TVRI11	Tivio Renda Imobiliária FII	Brick	Bem Dtvm	2,800	0.02%	274	0.07%
CPTS11	Capitania Securities II FII Closed Fund	CRI	BTG Pactual	28,000	0.01%	238	0.06%
BBRC11	BB Renda Corporativa FII	Brick	Votorantim	1,000	0.06%	117	0.03%
GTWR11	FII Green Towers	Brick	Votorantim	600	0.01%	52	0.01%
						1,154	**0.28%**

VBI CRI Fundo de Investimento Imobiliário ("CVBI11") – Established as a closed-end fund in July 2019, with an indefinite term, managed by VBI Real Estate and administered by BRL Trust. The fund primarily aims to invest in Real Estate Receivables Certificates (CRIs) and, secondarily, in shares of other real estate investment funds and assets related to the real estate market. CVBI11 must maintain at least 80% of its net assets invested in CRIs and can invest up to 20% in other assets. The fund makes monthly distributions of income to shareholders based on the results obtained from its investments. The financial statements of VBI CRI for the year ended December 31, 2024, were duly audited, with an auditor's report issued on March 13, 2024, containing an unmodified opinion.

RBR Private Crédito Imobiliário Fundo de Investimento Imobiliário ("RBRY11") – Established as a closed-end fund with an indefinite term, approved for operation by the Brazilian Securities and Exchange Commission (CVM). The fund primarily aims to invest in fixed-income assets related to the real estate industry, such as Real Estate Receivables Certificates (CRIs), Mortgage Bills (LH), Real Estate Credit Bills (LCI), Guaranteed Real Estate Bills (LIG), and shares of other real estate funds. Additionally, it seeks to provide income and capital gains for shareholders. The financial statements of RBRY11 for the year ended June 30, 2024, were duly audited, with an auditor's report issued on September 04, 2024, containing an unmodified opinion.

RBR Alpha Multiestratégia Real Estate Fundo de Investimento Imobiliário ("RBR Alpha") – RBRF11 – Established as a closed-end fund on July 24, 2017, with an indefinite term, approved for operation by the Brazilian Securities and Exchange Commission (CVM) on September 12, 2017, and began its activities on the same date. The fund's objective is to primarily invest in shares of other real estate investment funds and, secondarily, in assets such as: (a) Real Estate Receivables Certificates (CRIs), provided they have been subject to a public offering registered with the CVM or whose registration has been waived according to current regulations; (b) Mortgage Bills (LH); (c) Real Estate Credit Bills (LCI); (d) Guaranteed Real Estate Bills (LIG); (e) Certificates of Additional Construction Potential. The financial statements of RBR Alpha for the year ended December 31, 2023, were duly audited, with an auditor's report issued on March 28, 2024, containing an unmodified opinion.

Tivio Renda Imobiliária Fundo de Investimento Imobiliário ("TVRI11") – Established as a closed-end fund with an indefinite term, and began its operations on [start date]. The fund's objective is to primarily invest in commercial properties for lease and, secondarily, in assets such as: (a) Real Estate Receivables Certificates (CRIs); (b) shares of real estate investment funds (FIIs); (c) Real Estate Credit Bills (LCI); (d) Mortgage Bills (LH). TVRI11 must maintain at least 67% of its net assets invested in properties for lease and can invest up to 33% in other assets. The fund makes monthly distributions of income to shareholders based on the results obtained from its investments. The financial statements of Tivio Renda Imobiliária for the year ended June 30, 2024, were duly audited, with an auditor's report issued on September 27, 2024, containing an unmodified opinion.

Capitânia Securities II Fundo de Investimento Imobiliário ("Capitânia Securities II") – CPTS11 – Established on December 17, 2013, and began its operations on August 5, 2014, as a closed-end fund with an indefinite term. The fund's objective is to invest in real estate financial assets, such as: (i) Real Estate Receivables Certificates (CRI); (ii) Real Estate Investment Fund Shares (FII); (iii) Real Estate Credit Bills (LCI); and (iv) Mortgage Bills (LH). The fund must maintain at least 67% and a maximum of 100% of its net assets invested in Real Estate Receivables Certificates (CRI), and up to 33% of its net assets invested in other assets. The financial statements of Capitânia Securities II for the year ended June 30, 2024, were duly audited, with an auditor's report issued on September 23, 2024, containing an unmodified opinion.

BB Renda Corporativa Fundo de Investimento Imobiliário ("BBRC11") – Established as a closed-end fund with an indefinite term, and began its operations on [start date]. The fund's objective is to invest in corporate properties, focusing on atypical and long-term lease contracts, predominantly with Banco do Brasil as the tenant. The fund may also invest in other financial assets related to the real estate market, such as Real Estate Receivables Certificates (CRIs) and Real Estate Credit Bills (LCIs). BBRC11 must maintain at least 80% of its net assets invested in properties for lease and can invest up to 20% in other assets. The fund makes monthly distributions of income to shareholders based on the results obtained from its investments. The financial statements of BB Renda Corporativa for the year ended December 31, 2023, were duly audited, with an auditor's report issued on April 08, 2024, containing an unmodified opinion.

WHG Real Estate Fundo de Investimento Imobiliário ("WHGR11") – Established as a closed-end fund with an indefinite term, and began its operations on [start date]. The fund's objective is to invest in physical and financial real estate assets, focusing on commercial properties for lease and assets such as Real Estate Receivables Certificates (CRIs) and Real Estate Credit Bills (LCIs). The fund must maintain at least 67% of its net assets invested in properties for lease and can invest up to 33% in other financial assets. WHGR11 makes monthly distributions of income to shareholders based on the results obtained from its investments. The financial statements of WHG Real Estate for the year ended June 30, 2024, were duly audited, with an auditor's report issued on October 01, 2024, containing an unmodified opinion.

Green Towers Fundo de Investimento Imobiliário ("GTWR11") – Established as a closed-end fund with an indefinite term, and began its operations on June 24, 2019. The fund may also invest in other financial assets related to the real estate market, such as Real Estate Receivables Certificates (CRIs) and Real Estate Credit Bills (LCIs). GTWR11 must maintain at least 80% of its net assets invested in properties for lease and can invest up to 20% in other assets. The fund makes monthly distributions of income to shareholders based on the results obtained from its investments.

(In thousands of, unless otherwise stated)

The financial statements of Green Towers Fundo de Investimento Imobiliário for the year ended December 31, 2023, were duly audited, with an auditor's report issued on March 28, 2024, containing an unmodified opinion.

Changes for the years are as follows:

Balance at December 31, 2022	**1,831**
Redemption of real estate investment fund shares	(853)
Gains (losses) on transactions – real estate investment fund shares	(59)
Present value adjustment of real estate investment fund shares	235
Balance at December 31, 2023	**1,154**
Acquisition of real estate investment fund shares	3,712
Redemption of real estate investment fund shares	(2,312)
Gains (losses) on transactions – real estate investment fund shares	(26)
Present value adjustment of real estate investment fund shares	(373)
Balance at December 31, 2024	**2,155**

In the year ended December 31, 2024, the fund received income amounting to R$363 (R$138 in 2023).

7. Accounts receivable

Rental income receivable

As of December 31, 2024, the amounts comprising the book balance presented under accounts receivable of R$3,403 (R$3,081 in 2023) include rental and parking fees, both overdue and falling due, related to the occupied areas.

The rental fees will be adjusted annually, or at the shortest frequency established by law, based on the accumulated variation of the General Market Price Index (IGPM) calculated by Fundação Getúlio Vargas (FGV), and the Extended Consumer Price Inde (IPCA).

The amounts comprising the book balance presented under accounts receivable for rental and parking fees mature as follows:

Term	**12/31/2024**	**12/31/2023**
Falling due	3,403	3,081
	3,403	**3,081**

As of December 31, 2024, the Fund has a liability balance amounting to R$2,243 for Advance Rental Payments, consisting of a collateral deposit and advance rental payments in the amounts of R$2,177 and R$68, respectively (R$64 in 2023).

8. Investment properties

(i) Edifício Torre Sul

This corresponds to 100% of (i) 15 sets (61, 62, 71, 72, 81, 82, 91, 92, 101, 102, 111, 112, 121, 122, and 142); (ii) 62.5% of the indivisible part of sets 181 and 182, the store, the theater, and the restaurant; and (iii) 50% of the indivisible part of 178 independent parking spaces in Edifício São Luiz, located at *Rua James Joule, 65, Cidade das Monções,* in the city and state of São Paulo. The sets have a BOMA area of 10,290 square meters (m²).

(ii) Edifício São Luiz

This corresponds to 23.88% of the total GLA (Gross Leasable Area) of the São Luiz Condominium. The package of acquired floors consists of units from the 10th to the 14th floor of Tower I, the 12th floor of Tower II, and from the 2nd to the 4th floor and from the 9th to the 11th floor of Tower III of the São Luiz Condominium, as well as the independent parking spaces, located at *Av. Presidente Juscelino Kubitschek1830, Itaim Bibi,* in the city and state of São Paulo. The sets have a BOMA area of 13,179 square meters.

(iii) Edifício Passarelli

This corresponds to 51.9% of the total GLA (Gross Leasable Area) of Edifício Passarelli. The package of acquired sets consists of 42 units corresponding to the sets (41, 42, 46, 63, 64, 65, 71, 73, 74, 75, 76, 91, 92, 93, 94, 95, 96, 101, 102, 103, 104, 105, 106, 113, 134, 135, 136, 141, 142, 143, 144, 145, 146, 151, 155, 156, 161, 162, 163, 164, 165, and 166), located at *Rua Paes Leme 524, Pinheiros,* in the city and state of São Paulo. The sets have a BOMA area of 6,960 square meters.

(iv) Edifício Timbauba

This corresponds to 31.6% of the total GLA (Gross Leasable Area) of Edifício Timbaúba. The package of acquired sets consists of 16 units corresponding to the sets (51, 52, 53, 54, 61, 62, 63, 64, 71, 72, 73, 74, 81, 82, and 84), located at *Rua Itapeva 538, Bela Vista,* in the city and state of São Paulo. The sets have a BOMA area of 1,965 square meters.

(v) Edifício Fujitsu

This corresponds to 52.17% of the total GLA (Gross Leasable Area) of Edifício Fujitsu. The package of acquired corporate floors consists of seven units from the 7th to the 10th floor, located at *Rua Treze de Maio, nº 1,633 - Bela Vista,* in the city and state of São Paulo. The sets have a BOMA area of 4,107.47 square meters.

(vi) Condomínio Faria lima

This corresponds to 100% of the real properties located in the city and state of São Paulo, specifically sets 801, 802, 901, 902, 1001, and 1002 (referring to the 8th to 10th floors) of the *Avenida Brigadeiro Faria Lima* Condominium, located at *Avenida Brigadeiro Faria Lima, nº 1,355, CEP 01452-002*;

(In thousands of, unless otherwise stated)

parking spaces numbers 265, 266, 267, 268, 269, 270, 271, 279, 280, 281, 282, 283, 284, 285, 293, 294, 307, and 308, located in the 1st basement; 12 (twelve) unallocated parking spaces located in the 2nd basement; and 8 (eight) unallocated parking spaces located on the ground floor of the building, all duly registered at the 10th Property Registry Office of São Paulo, and properly described and characterized therein, registered with the City Administration of São Paulo ("PMSP"), with a BOMA area of 4,757.40 square meters.

(vii) GPA Head Office

This corresponds to 100% of the urban property located at *Avenida Brigadeiro Luiz Antônio, nº 3,172*, in the city and state of São Paulo ("Property"), registered at the 4th Property Registry Office of São Paulo/SP. This is a commercial building composed of the "Tower" and "Malls." The Tower is situated on a land area of 2,367 square meters, with a total constructed area of 16,095 square meters, while the Malls occupies a land area of 520 square meters, with a total constructed area of 1,549 square meters. The BOMA area totals 11,224.79 square meters.
+
Changes in investment properties are as follows:

2024						
	Balance at 12/31/2023	**Sale (cost write-off)**	**Acquisition / investments**	**Costs incurred**	**Fair value adjustment**	**Balance at 12/31/2024**
Edifício Torre Sul	120,802	-	-	203	(1,884)	119,121
Edifício São Luiz (ii)	193,282	(181,473)		1,201	(13,010)	-
Edifício Passarelli (i)	71,230	-	-	909	7,097	79,236
Edifício Fujitsu	55,055	-	-	275	(2,343)	52,987
Condomínio Faria Lima (iii)	-		95,000	2,333	3,127	100,460
GPA Head Office (iv)	-		110,427	771	588	111,786
	440,369	**(181,473)**	**205,427**	**5,692**	**(6,425)**	**463,590**

2023					
Project	**Balance at 12/31/2022**	**Sale (cost write-off)**	**Costs incurred**	**Fair value adjustment**	**Balance at 12/31/2023**
Edifício Torre Sul	120,521	-	188	93	120,802
Edifício São Luiz	189,939	-	436	2,907	193,282
Edifício Passarelli (i)	65,523	-	507	5,200	71,230
Edifício Timbaúba (v)	30,325	(27,690)	99	(2,734)	-
Edifício Fujitsu	54,250	-	224	581	55,055
	460,558	**(27,690)**	**1,454**	**6,047**	**440,369**

(i) The unit number 113 of Edifício Passarelli was acquired on December 21, 2022, for R$1,125, in 6 (six) equal monthly and consecutive installments of R$187. The first installment was paid on the date of contract execution. As of December 31, 2022, the balance of obligations for the acquisition of real properties totaled R$938, which was paid as of December 31, 2023.

(ii) On February 29, 2024, through the Agreement for Real Estate Sale and Purchase and Other Agreements, the real property *Edifício São Luiz* was sold for R$215,000. Of this amount, 42% equivalent to R$90,300 was paid on the date of the agreement; 5% equivalent to R$10,750 will be paid within 6 (six) months from the date of the down payment; 20% equivalent to R$43,000 will be paid within 12 months from the date of the down payment; and 33% equivalent to R$70,950 will be paid within 24 months from the date of the down payment, monetarily restated by reference to the positive accumulated variation of the IPCA/IBGE. The Fund recorded profit of R$33,795 from this transaction and, as of December 31, 2024, has "Receivables - sale of properties" amounting to R$113,950.

(iii) *Condomínio Faria Lima* was acquired on March 14, 2024, for the amount of R$57,000, with a down payment of R$14,250 made on the date of the agreement. The remaining R$42,750 will be paid in 4 equal consecutive installments of R$10,688 each. The first installment is due on the same day, six months after the down payment, and the subsequent installments are due on the same day every six months until the full payment is completed. The installments will be adjusted monthly based on the positive variation of the IPCA/IBGE. As of December 31, 2024, the balance of obligations for the acquisition of real properties is R$40,000.

(iv) The GPA head office was acquired on May 29, 2024, for the amount of R$109,000, with a down payment of R$14,500 made on May 2, 2024. R$55,000 will be paid by December 30, 2024, R$10,000 by March 31, 2025, and R$29,500, all adjusted by reference to the Extended Consumer Price Index (IPCA) published by the Brazilian Institute of Geography and Statistics (IBGE). As of December 31, 2024, the balance of obligations for the acquisition of real properties is R$32,063.

(v) On May 11, 2023, through the sale and purchase agreement, the property Timbaúba was sold for R$28,100, and the Fund recorded profit of R$2,953 from this transaction.

In the year ended December 31, 2024, the Fund has an outstanding amount payable related to the acquisition of *Condomínio Faria Lima* and the GPA Head Office, as previously described, totaling R$71,563. Of this amount, R$32,063 corresponds to *Condomínio Faria Lima*, and R$39,500 corresponds to the GPA Head Office.

As of December 31, 2024, the market values corresponding to the real properties are supported by appraisal reports prepared by Newmark Brasil, dated December 2023, and formally approved by the Administrator.

As of December 31, 2023, the market values corresponding to the real properties are supported by appraisal reports prepared by Cushman & Wakefield l, dated November 2023, and formally approved by the Administrator.

The fair value corresponding to the real property is supported by an appraisal report, which was estimated using valuation techniques that consider methods and assumptions primarily based on market conditions, projected cash flows of the project, and information available as of the date of the financial statements. Significant assumptions used to determine the fair value of the real property as of the financial statement reporting date are described below:

(In thousands of, unless otherwise stated)

2024

Project	Vacancy rate	Period of analysis	Discount rate	Capitalization rate
Edifício Torre Sul	20.90%	10 years	9.50%	9.00%
Edifício Passarelli	20.90%	10 years	9.00%	8.50%
Edifício Fujitsu	20.90%	10 years	9.00%	8.50%
Condomínio Faria Lima	20.90%	10 years	8.50%	8.00%
GPA Head Office	20.90%	10 years	9.00%	8.50%

2023

Project	Vacancy rate	Period of analysis	Discount rate	Capitalization rate
Edifício Torre Sul	22.50%	10 years	12.72%	8.25%
Edifício São Luíz	9.00%	10 years	12.72%	8.25%
Edifício Passarelli	11.90%	10 years	13.24%	9.25%
Edifício Fujitsu	16.10%	10 years	12.72%	8.25%

Newmark Brasil - Valuation & Advisory has a qualified and dedicated technical team in the real estate appraisal segment. The report produced by the experts was prepared in accordance with the RICS Valuation Standards (Appraisal Institute and the Royal Institution of Chartered Surveyors) by an appraiser acting as an External Appraiser, as defined in the Red Book, and in compliance with the practices regulated by the Brazilian Standards ("NBR") No. 14.653-2/2011 and 14.653-2/2004, 14.653-4, issued by the Brazilian Association of Technical Standards (ABNT). The experts engaged by the Fund conducted various appraisals in the industry, serving major banks, real estate investment funds, pension funds, managers, and investors, both for individual appraisals and for portfolio appraisals covering offices, commercial spaces, and corporate floors.

According to CVM Ruling No. 516, fair value is understood as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, rather than a forced transaction. The fair value of an investment property should reflect market conditions at the time of its measurement. The best evidence of fair value is provided by current trading prices in an active market for similar assets in the same region and condition, and subject to similar lease agreements or others. Therefore, as of December 31, 2024 and 2023, the fair value of the properties is the amount agreed upon in the transaction between the parties involved, and does not consider the value of the appraisal report.

(In thousands of, unless otherwise stated)

9. Obligations for securitization of receivables

The Fund assigned to Isec Securitizadora S.A. real estate receivables arising from future cash flows from the lease of the property named "São Luíz" for the amount of R$18,594, for a total period of 144 months, calculated considering conventional interest, monetary restatement, and principal, respectively, as per the Agreement for Assignment of Real Estate Receivables and Other Covenants, signed by and between the parties on March 12, 2021. The Fund assigned to RB Sec Companhia de Securitização real estate receivables arising from future cash flows from the lease of the property named "Imóvel Edifício Fujitsu" for the amount of R$33,000, for a total period of 144 months, calculated considering conventional interest, monetary restatement, and principal, as per the Agreement for Assignment in Trust of Receivables and Other Covenants, signed by and between the parties on June 24, 2021.
Changes in Obligations for securitization of receivables are as follows:

	2024					
	Balance at 12/31/2023	**Obligations for securitization of receivables**	**Interest expense and monetary restatement**	**Real estate receivable funding costs**	**Payment of interest, restatement and principal**	**Balance at 12/31/2024**
Securitization of receivables	41,265	51,257	4,093	-	(2,111)	94,504
Structuring costs	(303)	-	189	(607)	-	(721)
	40,962	**51,257**	**4,282**	**(607)**	**(2,111)**	**93,783**

	2023				
	Balance at 12/31/2022	**Obligations for securitization of receivables**	**Interest expenses and monetary restatement**	**Payment of interest, restatement and principal**	**Balance at 12/31/2023**
Securitization of receivables	60,074	-	5,327	(24,136)	41,265
Structuring cost	(336)	-	33	-	(303)
	59,738	**-**	**(5,360)**	**(24,136)**	**40,962**

A Reserve Fund has been established in connection with these obligations, which must correspond continuously until full compliance with the principal and arrears obligations, present or future, on their original or early maturity, including those arising from interest, fines, penalties, the obligation to repurchase, and indemnities related to the respective Real Estate Receivables.

The original amount of the Reserve Fund is R$400, monetarily restated based on the accumulated monthly variation of the Extended Consumer Price Index (IPCA)/Brazilian Institute of Geography and Statistics (IBGE) since the payment date of the Assignment Price. The resources held in the Reserve Fund will be invested by the Issuer, as the holder of the Separate NAV Account, in fixed-income financial instruments with low-risk ratings and daily liquidity, issued by top-tier financial institutions.

(In thousands of, unless otherwise stated)

As of December 31, 2024, the Reserve Fund amounts to R$1 (R$401 in 2023).

10. Rental income

This comprises rents from occupied areas of the ventures mentioned in Note 8, amounting to R$38,120 (R$35,588 in 2023). The projects' units for lease are corporate floors, for which lessees pay a monthly contractual amount, adjusted for inflation over the previous twelve months. The Fund's lease income is recognized on an accrual basis according to the lease agreement terms and takes into consideration adjustments, as well as the effects of discounts and rebates granted.

11. Administrator and Manager charges and fees

The administrator receives compensation for its services related to administration, management, custody, and bookkeeping, which consists of an administration fee of up to 1.17% per year on the Fund's net asset value, considering that:

(i) It is payable to the administrator for administration, custody, and qualified services:

(a) In the first nine-month period following the day after the date of the first payment of shares, the amount of R$20 thousand (twenty thousand reais) per month; and

(b) From the 10th month, inclusive, following the day after the date of the first payment of shares, the amount equivalent to:

Percentage of net asset value or market value (Post-IFIX[1])	**Range of net asset value or market value (Post-IFIX)**
0.15% p.a.	From 0 to R$300,000
0.13% p.a.	From R$300,001 to R$800,000
0.10% p.a.	Above R$800,001

(ii) The administrator is entitled to an amount equivalent to 0.02% per year on the Fund's net asset value for bookkeeping services, setting a minimum monthly amount of R$3;

(iii) The manager is entitled to compensation for the management of the securities in the Fund's portfolio, in the amount equivalent to:

Percentage of net asset value or market value (Post-IFIX)	**Range of net asset value or market value (Post-IFIX)**
1.00% p.a.	From 0 to R$300,000
0.95% p.a.	From R$300,000 to R$800,000
0.90% p.a.	Above R$800,000

The administration fee includes payables to the manager, the custodian, and the bookkeeper, and does not include amounts corresponding to other charges of the Fund, which will be debited from

[1] Real Estate Investment Fund Index.

(In thousands of, unless otherwise stated)

the Fund as stipulated in its Regulation and prevailing legislation.

The expenses for management and administration fees recognized in the year ended December 31, 2024, amounted to R$4,098 (R$3,705 in 2023). The Fund has payables totaling R$290 (R$326 in 2023).

12. Earnings distribution policy

The Fund distributes to its shareholders a minimum of 95% of income earned, calculated on a cash basis, based on semiannual statements of financial position ending June 30 and December 31 each year. The income earned in a given period is distributed to shareholders monthly, by the 10th business day of the month following the receipt of funds by the Fund, as an advance on the semiannual earnings to be distributed. Any remaining income not distributed as an advance will be paid within 10 business days after the end of the semiannual statements of financial position. This remaining balance may be used by the administrator for reinvestment in target assets or for the composition or recomposition of the reserve for contingencies, in accordance with the Fund's Regulation and based on recommendations presented by the Investment Manager.

The balance of earnings to be distributed was calculated as follows:

Earnings	**2024**	**2023**
Net income for the year	53,388	35,255
Fair value adjustment of investment properties	6,425	(6,047)
Adjusted income on sale of properties	(17,769)	-
Adjusted distribution of interest and monetary restatement with fundraising activities	2,148	2,063
Fair value adjustment of real estate fund shares	373	(235)
Rental income receivable	(322)	80
Non-cash operating expenses	(10)	(19)
Income on a cash basis - article 10, sole paragraph of Law No. 8668/93 (CVM Mem. Cir. No. 01/2014)	**44,233**	**31,097**
Cash supplement for distribution	(29)	(277)
(-) Portion of retained earnings	**(29)**	**(277)**
Accrued earnings	**44,204**	**30,820**
Earnings to be distributed	(3,715)	(3,800)
Prior periods' earnings paid out in the current period	3,800	2,153
Gross earnings paid in the period	**44,289**	**29,173**
% of income for the period distributed (considering the calculation basis determined under Law No. 8668/93)	99.93%	99.11%
Difference between income on a cash basis and accrued earnings	(29)	(277)

As of December 31, 2024, the average amount of earnings paid per share in the year, considering earnings paid during the year based on the weighted average number of shares paid in the year, was R$10.47 (ten reais and forty-seven cents). In 2023, it was R$7.30 (seven reais and thirty cents).

13. Net asset value

13.1. Issues, payments and subscription of shares

The resolution for the issue of new shares must specify the characteristics of the offering, the conditions for subscription and payment of shares, and the allocation of resources resulting from the payment, so that the Administrator may sign the supplement for each issue and take the necessary measures for the effective distribution of shares. In a material news release dated February 2, 2021, it was announced that the public offering of the primary distribution of shares from the 3rd issue of the Fund was concluded, with restricted placement efforts, in accordance with CVM Ruling No. 476 of January 16, 2009, as amended, in a single class and series, registered and book entry-type, all at an issue price of R$88.08 (eighty-eight reais and eight cents) per new share. A total of 605,057 new shares were subscribed and paid up, amounting to R$53,284, considering the value of the new shares. Of that amount, R$28,588 was raised as of December 31, 2020. The remaining balance of the offering was raised by the Fund on February 2, 2021, totaling R$24,726.

13.2. Net asset value

As of December 31, 2024, the net asset value consists of 4,221,967 shares (4,221,967 in 2023) at a price of R$98.94 (R$96.76 in 2023) each share, totaling R$417,727 (R$408,543 in 2023). The Fund's net asset value is represented by a single class of shares.

13.3. Share amortization

In the years ended December 31, 2024 and 2023, there was no share amortization.

13.4. Reserve for contingencies

The Fund Regulation establishes the creation of a reserve for contingencies to cover extraordinary expenses related to the properties, if any. The amount of the reserve for contingencies will correspond to 5% (five percent) of the Fund's P&L, calculated based on the existing cash availability, as reflected in the semiannual statement of financial position ended June 30 and December 31 each year. In the years ended December 31, 2024 and 2023, no reserve for contingencies was recorded.

13.5. Share placement costs

In the years ended December 31, 2024 and 2023, the Fund did not incur any share placement costs.

14. Profitability

In the year ended December 31, 2024, the profitability (calculated considering net income for the period over the weighted average number of shares paid up in the year) was positive at 12.11% (compared to a positive profitability of 8.42% in 2023).

(In thousands of, unless otherwise stated)

15. Expenses charged to the Fund

	12/31/2024		12/31/2023	
	Amounts	**Percentage**	**Amounts**	**Percentage**
Administration and management fees	4,098	0.99%	3,705	0.92%
Expenses with commissions	4,846	1.18%	1,200	0.30%
Consulting expenses	595	0.14%	789	0.20%
Income tax expenses on financial investments	325	0.08%	161	0.04%
Local and federal tax expenses	190	0.05%	133	0.03%
Audit and custody expenses	118	0.03%	140	0.03%
Expenses with lawyer’s fees	77	0.02%	-	-
Expenses with public fees and registry offices	51	0.01%	10	0.00%
CVM inspection fee	40	0.01%	40	0.01%
Condominium fees	31	0.01%	160	0.04%
Property repair, maintenance, and upkeep expenses	-	0.00%	13	0.00%
Other operating income (expenses)	177	0.04%	125	0.03%
	10,548	**2.56%**	**6,476**	**1.60%**

In the year ended December 31, 2024, the percentage was calculated based on the average monthly equity of R$412,352 (R$402,604 in 2023).

16. Taxation

According to legislation in force, namely article 36 of Revenue Procedure RFB No. 1585, of August 31, 2015: Income and net gains earned by the portfolios of real estate investment funds from fixed or variable income financial investments are subject to withholding income tax in accordance with the same rules provided for financial investments of legal entities.

Pursuant to article 37 of the aforementioned Revenue Procedure, capital gains and income from disposal or redemption of real estate investment fund shares earned by any beneficiary, including exempt legal entities, are subject to a rate of 20% (twenty percent).

Income distributed by real estate investment funds whose shares are admitted for trading exclusively on stock exchanges or in organized over-the-counter markets are exempt from withholding income tax and from annual tax return for individuals, as stated in article 40 of Revenue Procedure No. 1585.

Law No. 14754 of December 12, 2023
According to Law No. 14754 of December 12, 2023, which provides for the taxation of investments in investment funds, the income from investments in investment funds will be subject to withholding income tax (IRRF) on the following dates:

a) On the last day of the months of May and November; or
b) On the date of distribution of income, amortization, or redemption of shares, if earlier.

For investment funds classified as investment entities and that meet the other requirements set forth in the Law, they will not be subject to periodic taxation on the last day of the months of May and November.

(In thousands of, unless otherwise stated)

For Real Estate Investment Funds, the most significant change is the increase in the number of minimum shareholders, from 50 (fifty) to 100 (one hundred), to maintain the exemption from withholding income tax (IRRF).

17. Contingencies

There is no record of legal claims, whether in defense of the rights of shareholders or against the Fund administration.

18. Custody and treasury services

The treasury, bookkeeping, and custody services for the Fund's shares are provided by the Administrator itself.

19. Related parties

The balances of transactions with related parties of asset, liability and surplus or deficit natures are listed below:

Expenses	Institution	Relationship	12/31/2024
Administration fees	BRL Trust DTVM S.A.	Administrator	467
Management fees	Tellus Gestão e Consultoria de Investimentos Ltda.	Manager	3.631

Amounts payable	Institution	Relationship	12/31/2024
Administration fees	BRL Trust DTVM S.A.	Administrator	35
Management fees	Tellus Gestão e Consultoria de Investimentos Ltda.	Manager	255

Expenses	Institution	Relationship	12/31/2023
Administration fees	BRL Trust DTVM S.A.	Administrator	455
Management fees	Tellus Gestão e Consultoria de Investimentos Ltda.	Manager	3.250

Amounts payable	Institution	Relationship	12/31/2023
Administration fees	BRL Trust DTVM S.A.	Administrator	39
Management fees	Tellus Gestão e Consultoria de Investimentos Ltda.	Manager	287

(In thousands of, unless otherwise stated)

20. Fair value hierarchy

The Fund applies CPC 40 and article 7 of CVM Ruling No. 516/2011 for financial instruments and investment properties measured at fair value in the statement of financial position, which requires disclosure of fair value measurements based on the level of the fair value measurement hierarchy below:

- **Level 1** - The fair value of financial instruments traded in active markets is based on market prices quoted at the statement of financial position date. A market is considered active when the quoted prices are readily and regularly available based on a securities exchange, distributor, broker, group of industries, pricing service, or regulatory agency, and those prices represent actual market transactions that occur frequently, on purely commercial bases.

- **Level 2 -** The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of data adopted in the market where it is available and rely as little as possible on specific entity estimates. If all relevant information required for the fair value of an instrument is adopted by the market, the instrument will be included in Level 2.

- **Level 3** - If one or more relevant piece of information is not based on market-adopted data, the instrument will be included in Level 3. The specific valuation techniques used to measure financial instruments and investment properties include those described in article 7 of CVM Ruling No. 516/11.

The table below presents the Fund assets measured at fair value at December 31, 2024 and 2023:

		2024		
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through surplus or deficit				
Fixed income fund shares	-	5,429	-	5,429
Real estate investment fund shares – FIIs	2,155	-	-	2,155
Investment properties	-	-	463,590	463,590
Total	**2,155**	**5,429**	**463,590**	**471,174**

		2023		
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through surplus or deficit				
Fixed income fund shares	-	8,127	-	8,127
Real estate investment fund shares – FIIs	1,154	-	-	1,154
Investment properties	-	-	440,369	440,369
Total	**1,154**	**8,127**	**440,369**	**449,650**

The statement of changes in fair value of investment properties is presented in Note 8 “Investment properties”.

(In thousands of, unless otherwise stated)

21. Disclosure of information

The mandatory Fund information is available at the headquarters of the Administrator, as well as with the Brazilian Securities and Exchange Commission (CVM).

22. Other services provided by independent auditors

In compliance with CVM Ruling No. 162/22, the Administrator did not engage, nor were services provided by Ernst & Young Auditores Independentes S/S Ltda. in the year ended December 31, 2024 related to the Fund other than independent audit services. The policy adopted meets the principles that preserve the independence of the auditor in accordance with internationally accepted criteria whereby the auditor should not audit its own work, perform managerial duties at the client, or promote the interests thereof.

23. Resolutions reached at general meetings

In the formal consultation completed on August 16, 2024, the shareholders approved the financial statements of the Fund for the year ended December 31, 2023.

24. Other matters

The CVM issued Ruling CVM No. 175 on December 3, 2022, with subsequent amendments, which provide for the establishment, operation, and disclosure of information of investment funds, as well as the provision of services for the funds. The Ruling came into effect on October 2, 2023, with a deadline for adaptation until June 30, 2025, and revoked CVM Ruling No. 472/08, among others. Until the financial statements reporting date, the Fund was not yet adapted, and the administrator is assessing the impacts of the new resolution on the Fund.

25. Events after the reporting period

There were no events after the reporting period ended December 31, 2024 that would require disclosure in the financial statements.

Luiz Carlos Altemari	**Marcelo Vieira Francisco**
Accountant CRC-1SP16561-7	Officer in Charge

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