

Operator:

Good morning, ladies and gentlemen. Welcome to the video conference of SYN to discuss the results for the 1Q25. This conference call is being recorded, and the replay can be accessed on the Company's website. The presentation will also be available for download.

We inform you that all participants will only watch the video conference during the presentation. And then we will have a question and answers session when further instructions will be provided.

Before proceeding, I would like to emphasize that forward looking statements are based on the beliefs and assumptions of SYN and current information available to the Company. Statements may involve risks and uncertainties given that they relate to future events and therefore depend on circumstances that may or may not occur.

Investors, analysts, and journalists should consider that events related to the macroeconomic environment, the segment, and to other factors may cause the results to be materially different from those expressed in the respective forward looking statements.

With us here today, we have Mr. Thiago Muramatsu, CEO, and Mr. Hector Leitão, CFO and IRO.

Now I would like to pass the floor to Mr. Thiago Muramatsu, who will begin with the presentation.

Thiago Muramatsu:

Good morning. I would like to thank you for being here in our earning's release call. And we are here to explain to you what happened in 1Q25. Let's begin with the realizations that we have until the 1Q ending.

We had the closure of Brasílio Machado. We signed the deal last year and the payments are going to be made in installments. Each installment, they are going to be buying an area. So from the six, we have already had two. In March, we had 4.7 million and we still have four remaining installments. The next one is going to be done, probably, this month.

And also regarding the lease of the CLD, it is 100% leased, so the last vacant area was leased in January. We are going to have a slide talking about CLD in detail soon.

So besides the achievements that we had in the 1Q, there happened some things between the 1Q and today. The first one was the anticipation of the XP installment. We had a receivable planned. It was the third and last installment. We had the closure installment. The first one was paid in December 24. And there was a remaining one for 25 that we anticipated.

The cost was around 1.32 for the period of anticipation and we thought it was a low cost. So, we paid 590.5 million. So, the money is already in cash and part of it, 360 million, was used for the prepayment of one of our debentures. This left the Company still with very robust cash and we have reduced the debt cost because our debt now is linked to IPCA. We did this leverage management.

And also we had the disclosure, the distribution of dividends in the order of 70 million. It is 0.45 per unit. So it is going to be paid on the 20th of May.

And now I would like to talk about our operational performance regarding our shopping malls. We improved our physical occupation, reaching 95.2%. We were in 94.9 and now we are at this new mark. And this makes us comfortable, especially regarding the fact that the vacancies are in areas in which we already, have conversations ongoing. So the prognosis is very positive regarding our assets occupation.

And also we had an increase in sales. I mean, it was a little lower. The sales evolution was lower because of Easter time and it is an important date, especially for sales, especially for same store sales, because during Easter the sales are focused on chocolates, and the impact is high in the same store sales.

So when we look at the four malls to set off this effect, we had an increase of sales of almost 6%. But when we look at the same store sales, we grew 4.6%. In the same store rent, we grew 4.3%.

Now about corporate buildings, there was a significant improvement regarding physical occupation and we are now 93.5%. Not taken into consideration Brasílio Machado that had a higher vacancy because we have already sold this asset. We still have some areas in the building under transition, but the effects of this asset are already out of it, because it is going to be sold until the end of the year.

So now, looking at the Triple As and Class As, we have this impact of the CEO in Rio de Janeiro. So financial occupancy is kind of flat if we do not consider Brasílio Machado. And without Brasílio Machado, we are at 92.9%, what we consider very comfortable.

And now warehouses, we have the first phase delivering operational. We have just delivered the second phase in April, one month ago. And the phases three and four are under construction. Phase three is 100% pre-rented for the same customer of phase two.

And phase four is a little bit delayed in terms of construction. We had expected, since the market has a lot of demand, we had anticipated the beginning of the construction work. And so we are going to deliver this in the first half of next year. I think this is the smaller of the phases and the idea is to work with the pricing of it, because it is a smaller warehouse and we have a very good occupancy in the other phases.

And now I am going to hand the floor over to Hector.

Hector Leitão:

Thank you for your presence here in our conference call and let's talk about the performance of our properties. We grew 7.7% in the NOI regarding the last year and we are comparing here the same basis, excluding the effect of the enterprises sold last year.

Looking at malls, we had an NOI of 17 million, a growth of 5.6%. In offices, the quarter was flat, the growth was lower. And in warehouses, as Thiago just mentioned, we are going to see an increase in this NOI index due to the deliveries and the maturity of the contracts.

In malls, because of Easter, we are sure going to see a more robust growth in the next quarters, because the sales increase in April and rent is going to follow this.

Well, now let's talk about our results. Of course, we have a decrease due to the sales. EBITDA closing 32 million, a fall, a drop of 26%. And adjusting EBITDA, we see a drop in the index reaching 20 million. This is due to the seasonality, so, the level of EBITDA is going to improve, especially to malls.

Net income, we closed at 18.7 million. So, excluding the effect of the sales, there was a decrease of 9.2% regarding next year. And here we had a fall in the EBITDA, but there was an increase in the financial results due to a more balanced balance sheet due to the net cash.

And now the FFO, we closed at 22.4 million in this quarter, a growth of 52%. And the adjusted FFO, we exclude the effects of the sale, EBITDA had a fall of 32.5% compared to last year.

The gross debt, we closed the quarter at 877 million. When we consider the receivables, we have 1.09 billion in the quarter of availability, it is a net cash of 132 in the quarter. Compared to the last quarter it is a significant improvement.

And now looking at the indebtedness proforma, we have this amortization schedule, very comfortable for the next three years, including the remaining of 25. And we are going to have the needs for refinancing only in 28. So, we want to gain flexibility in the deals and we want to have an adequate debt profile with an interesting cost.

To the right side, we see that the IPCA is the main indexer of our debt. And the remaining is the CDI and the average cost is 90% of CDI due to the debt in IPCA. So, the flow is very comfortable with a very interesting cost.

And now I would like to open for the Q&A session.

Guilherme Ferraz:

Hello, Thiago, Hector. Good morning. I have two questions. The first one is related to the portfolio of the Company, as I see, it is around Rio-São Paulo access. You were closing the Goiás last year, and now you are working on this access, Rio-São Paulo. So, what about the idea of the Company? Do you intend to continue in this region, only Rio-São Paulo, or do you see the possibility of expanding to other regions in the country?

And the second question is regarding the capital that was anticipated paying the 12th debenture. By my calculations, this creates a very robust cash, around 250 millions, together with Brasílio Machado. I do not know if it is right. Do you have a plan for this cash? Do you want to anticipate a debt, or do you want to invest in something? Do you have plans for it?

Thiago Muramatsu:

Thank you for your question, Guilherme. Well, to answer the first one, we strategically have really left all the other regions to focus in São Paulo and Rio. So, to invest in other regions, we would have to have a very specific opportunity. But the idea when focusing in Rio and São Paulo is due to logistics. We really do not have any plans right now to invest in areas outside São Paulo-Rio.

Regarding the second question, yes, your calculation is right. We still have some cash coming from Brasílio Machado, but it is not that relevant. We have been looking and trying to pursue opportunities for investments.

Regarding that anticipation, since we have a relative debt cost, this is not the plan right now. And we have just done the prepayment and we are still evaluating the possibilities for using the capital that we have today.

So, we still do not have an answer regarding this but since 2021, 2020, we try to look at what works better for our shareholders, looking at the market opportunities, opportunities for investment. So, we are paying attention to all the possibilities and we will define alongside with the manager, with the management, with the board, what would be the destination of the capital. But so far, we do not have a decision.

Guilherme Ferraz:

Yes, so it is not just investing just by investing's sake. It is when you have opportunities that are good. This is what you mean?

Thiago Muramatsu:

Yes, this is the idea. The idea is to have a good credit line to make use of the good opportunities.

Eduardo Sauma Filho, Conceito:

Good morning, Thiago. Good morning, Hector. My question is a quick one. I would like to know, I remember the last time that we talked, maybe you did not have time, but I would like to know if there was some kind of evolution regarding Cidade São Paulo. And I would like also to congratulate you for the results.

Thiago Muramatsu:

Well, regarding Cidade São Paulo, we still did not have an evolution. We have had conversations, but nothing that we could say that we have an answer case regarding what we are going to do and when we are going to do things there.

And regarding the ITM, well, it is a more complex asset. So, it is more difficult to find an alternative. We have four fronts open there to try to find a solution. We are thinking about incorporation, change of usage, rental, sales, but it is kind of a delicate issue.

So, we are working on it and as soon as we have something that makes sense for us, for our partners, we are going to disclose it for everybody.

Operator:

The Q&A session has ended. We would like now to pass the floor over to Mr. Thiago Muramatsu for his final comments.

Thiago Muramatsu:

I would like to thank again everyone. I think we were able to give you visibility about what we have done. The questions were also important.

And regarding the operation of our assets, we were kind of pessimists before, but reality has shown a better outlook. And if you have any questions, doubts, you can send them to us. Thank you again and have a nice day.

Operator:

This conference call of SYN has ended. Thank you for your participation and have a nice day.

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