

São Paulo, December 12, 2023 – The Real Estate Investment Fund – FII BTG Pactual Corporate Office Fund (“BC Fund”) (B3: BRCR11), the largest corporate office real estate investment fund listed on the Brazilian stock exchange, announces today its results for the third quarter of 2023 (3Q23).

## 3Q23 Highlights

- Lease revenue totaled **R\$58.7 million** in the quarter.
- FFO and adjusted FFO totaled **R\$37.0 million** (R\$1.39/share) in 3Q23.
- Net income totaled **R\$11.5 million** (R\$0.43/share) in the quarter.
- Shareholders’ equity was **R\$2.7 billion** (R\$99.57/share) at the end of 3Q23.
- Total earnings paid out in 3Q23 came to **R\$34.9 million** (R\$1.31/share), as per the policy of monthly distribution of profits calculated on a cash basis.
- In the last 12 and 24 months (base September 2023), shareholder profitability, considering distributed earnings and share value, was **-6.8%** and **-3.9%**, respectively;
- The portfolio’s Gross Leasable Area (GLA) corresponded to **239,814 m<sup>2</sup>** at the end of the quarter, flat from 2Q23.
- Financial vacancy stood at **15.6%** at the end of 3Q23.
- In 3Q23, **12.0%** of the contract portfolio was revised or registered new leases, which led to a nominal decrease of **13.0%** in lease revenue and a **10.2%** drop considering inflation (leasing spread). Same-area contracted revenue in 3Q23 had a nominal increase of **1.2%** over 2Q23.

### Conference Call (Portuguese)

November XX, 2023  
10:00 a.m. (BR)/8:00 a.m. (ET)  
Phone.: +55 11 3181-8565

### Conference Call (English)

November XX, 2023  
11:30 a.m. (BR)/9:30 a.m. (ET)  
Phone.: +1 412 717 9627

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Presentation and further information available at [www.bcfund.com.br](http://www.bcfund.com.br)

## Recent events – 3Q23

### Eldorado

#### New lease agreement

In July, the Fund signed a new lease agreement with a company in the electricity sector for 50% of a floor, corresponding to 1,030 m<sup>2</sup>, at the Eldorado building. It is also worth noting that the Fund's exposure per floor is 49%. We highlight that this new lease has a 5-year term, and the commercial conditions are in line with those practiced for high-quality assets in the region.

### Obligations

Also in July, the Fund renegotiated a 9-month extension on a debt maturity related to the Diamond Tower building. In addition, due to the macroeconomic scenario, we renegotiated the extension of the grace period for interest payment for another 6 months on the first tranche, and for a period of 3 months on the second tranche, resuming interest payments in October. This month, we also extended the debt instrument related to the Cidade Jardim asset for up to three months. With this, we matched the debt maturity with the entry of resources into the Fund from Urbanity's CRI, in the amount of R\$130 million.

### Diamond Tower

#### New lease agreement

In August, the Fund signed a new lease agreement with a company in the automobile sector for one floor, corresponding to 2,051 m<sup>2</sup>, at the Diamond Tower building. We highlight that this new lease has a ten-year term, and the commercial conditions are in line with those practiced for high-quality assets in the region. It is also worth noting that with this new lease, the Manager's internal team managed to occupy the floor that would have been subject to early exit by the former tenant, thereby avoiding the Fund being impacted by said exit.

### Eldorado

#### New lease agreement

In September, the Fund signed a new lease agreement with a company in the insurance sector for 50% of a floor, corresponding to 1,253 m<sup>2</sup>, at the Eldorado building. It is also worth noting that the Fund's exposure per floor is 49%. We highlight that this new lease has a 5-year term, and the commercial conditions are in line with those practiced for high-quality assets in the region.

### Obligations

In September, the Fund received resources from the maturity of Urbanity's CRI, of which it was a creditor, corresponding to a principal amount of R\$130 million. Part of the resources were used to settle obligations linked to the acquisition of Cidade Jardim's CRI, which had an upcoming expiration date.

### LEED Zero Carbon Certification – Eldorado

Also in September, the Eldorado building was awarded the LEED Zero Carbon certificate by the US Green Building Council. The achievement makes Eldorado one of the first Brazilian AAA assets with this seal, which ensures there is zero carbon emissions.

## Subsequent Events

### Diamond Tower

#### New lease agreement

In October, the Fund signed a new lease agreement with a pharmaceutical company for a half floor in the Diamond Tower building. The equivalent BOMA area is 1,026 m<sup>2</sup>. We emphasize that the agreement is valid for 5 years and that its commercial conditions are in line with the latest lease agreements signed for the building, considering that this asset is of high quality. We also highlight that the new lease is due to the efforts of the Manager's internal team, which continues to actively seek the absorption of the vacant area of its portfolio.

### Market – 3Q23 Analysis

The quarter was marked by a slightly lower absorption ratio in the City of São Paulo. Net absorption represented only 556 m<sup>2</sup>, a small number compared to the 33,000 m<sup>2</sup> absorbed in the first half of the year, driven mainly by the Chucri Zaidan region, followed by Faria Lima and Marginal Pinheiros. In Rio de Janeiro, net absorption was negative by 7,589 thousand m<sup>2</sup>, driven by the vacancy of a company in the Oil and Gas sector in the city's central region.

### Notice to the Market – New Transaction

In November, the Fund disclosed a notice to the market about a potential new transaction involving the sale of its direct and indirect stake held in five assets of the portfolio, namely Ed. Brazilian Financial Center, Ed. Burity, Ed. Cidade Jardim, Ed. Transatlântico, and Ed. Volkswagen. The Transaction is priced at R\$755 million, with 70% to be paid in cash and 30% in two equal installments, one in the 12th month and the other in the 24th month. The installments will be corrected based on the CDI rate (100%) and monthly paid by the Buyer to the Fund. We also underscore that to be effective, the transaction still depends on usual conditions precedent for this type of business and that the market will be readily informed about the developments of the process.

### Comments on the Accounting Information

The preparation of the quarterly information is not required by the accounting practices adopted in Brazil applicable to real estate investment funds. In line with the practices of the companies listed on B3 and considering BC Fund's current shareholder base, the financial statements for the third quarter of 2023 were submitted to a limited audit review conducted by EY, pursuant to Brazilian and international standards for the review of interim financial information.

| <i>Financial Highlights (million R\$, unless otherwise indicated)</i> | <b>3Q22</b> | <b>3Q23</b> | <b>Var.</b> | <b>9M22</b> | <b>9M23</b> | <b>Var.</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Lease Revenue   | 56.8        | 58.7        | 3.3%        | 166.7       | 168.5       | 1.0%        |
| Net Income  | 15.3        | 11.5        | (24.7%)     | (29.2)      | 99.4        | n.a.        |
| <i>Net Income per share (R\$ / share)</i>                             | 0.57        | 0.43        | (24.7%)     | (1.10)      | 3.73        | n.a.        |
| Net Income (ex-fair value adj.)                                       | 15.3        | 11.5        | (24.7%)     | 34.5        | 44.3        | 28.7%       |
| <i>Net Income (ex-fair value adj.) / share (R\$ / share)</i>          | 0.57        | 0.43        | (24.7%)     | 1.29        | 1.66        | 28.7%       |
| FFO   | 35.5        | 37.0        | 4.2%        | 114.8       | 107.4       | (6.5%)      |
| <i>FFO / share (R\$ / share)</i>                                      | 1.33        | 1.39        | 4.2%        | 4.31        | 4.03        | (6.5%)      |
| Adjusted FFO  | 35.5        | 37.0        | 4.2%        | 114.8       | 107.4       | (6.5%)      |
| <i>Adj. FFO / share (R\$ / share)</i>                                 | 1.33        | 1.39        | 4.2%        | 4.31        | 4.03        | (6.5%)      |
| Total Distribution  | 37.6        | 34.9        | (7.1%)      | 79.1        | 108.4       | 37.0%       |
| <i>Total Distribution / share (R\$ / share)</i>                       | 1.41        | 1.31        | (7.1%)      | 2.97        | 4.07        | 37.0%       |
| Shareholders Equity   | 2,674.9     | 2,652.4     | (0.8%)      | 2,693.9     | 2,652.4     | (1.5%)      |
| <i>Shareholders Equity / share (R\$ / share)</i>                      | 100.42      | 99.57       | (0.8%)      | 101.13      | 99.57       | (1.5%)      |
| Gross Debt  | 952.3       | 919.7       | (3.4%)      | 933.7       | 919.7       | (1.5%)      |
| Net Debt  | 667.9       | 753.7       | 12.9%       | 630.3       | 753.7       | 19.6%       |
| <b>Operational Highlights</b>   | <b>3Q22</b> | <b>3Q23</b> | <b>Var.</b> | <b>9M22</b> | <b>9M23</b> | <b>Var.</b> |
| Portfolio GLA (m <sup>2</sup> )                                       | 239,814     | 239,814     | 0.0%        | 239,814     | 239,814     | 0.0%        |
| Contracted leasing revenue (R\$ million)                              | 20.3        | 21.4        | 5.1%        | 19.9        | 21.4        | 7.4%        |
| Financial Vacancy (EoP)   | 19.6%       | 15.6%       | (4.0 p.p.)  | 19.4%       | 15.6%       | (3.9 p.p.)  |
| Delinquency   | 0.0%        | 0.0%        | n.a.        | 0.0%        | 0.0%        | n.a.        |
| Same-Area Rent (SAR)  | 0.1%        | -1.2%       | n.a.        | 7.6%        | 0.7%        | (0.9 p.p.)  |
| Leasing Spread  | (1.9%)      | (10.2%)     | (8.3 p.p.)  | (13.5%)     | (8.6%)      | (0.4 p.p.)  |
| <i>% of portfolio (in terms of lease revenue)</i>                     | 7.8%        | 12.0%       | 4.3 p.p.    | 16.9%       | 16.6%       | (0.0 p.p.)  |
| <b>Stock Market Highlights</b>  | <b>3Q22</b> | <b>3Q23</b> | <b>Var.</b> | <b>9M22</b> | <b>9M23</b> | <b>Var.</b> |
| Total Number of Shares  | 26,638,202  | 26,638,202  | 0.0%        | 26,638,202  | 26,638,202  | 0.0%        |
| Market Cap  | 1,859.1     | 1,582.0     | (14.9%)     | 1,859.1     | 1,582.0     | (14.9%)     |
| <i>Share Price - End of period (R\$ / share)</i>                      | 69.79       | 59.39       | (14.9%)     | 69.79       | 59.39       | (14.9%)     |
| <i>Share Price - Average for the period (R\$ / share)</i>             | 62.75       | 65.00       | 3.6%        | 66.01       | 59.94       | (9.2%)      |
| Average Daily Trading Volume (R\$ million)                            | 2.40        | 1.87        | (21.8%)     | 2.08        | 1.64        | (21.4%)     |
| Number of Shareholders  | 154,373     | 154,450     | 0.0%        | 154,373     | 154,450     | 0.0%        |
| <i>Total Individual Investors</i>                                     | 154,031     | 154,146     | 0.1%        | 154,031     | 154,146     | 0.1%        |
| <i>Total Institutional Investors</i>                                  | 342         | 304         | (11.1%)     | 342         | 304         | (11.1%)     |
| <i>% of shares held by Individual Investors</i>                       | 70.8%       | 71.4%       | 0.5 p.p.    | 70.8%       | 71.4%       | 0.5 p.p.    |
| <i>% of shares held by Institutional Investors</i>                    | 29.2%       | 28.6%       | (0.5 p.p.)  | 29.2%       | 28.6%       | (0.5 p.p.)  |

## Comments from the Manager

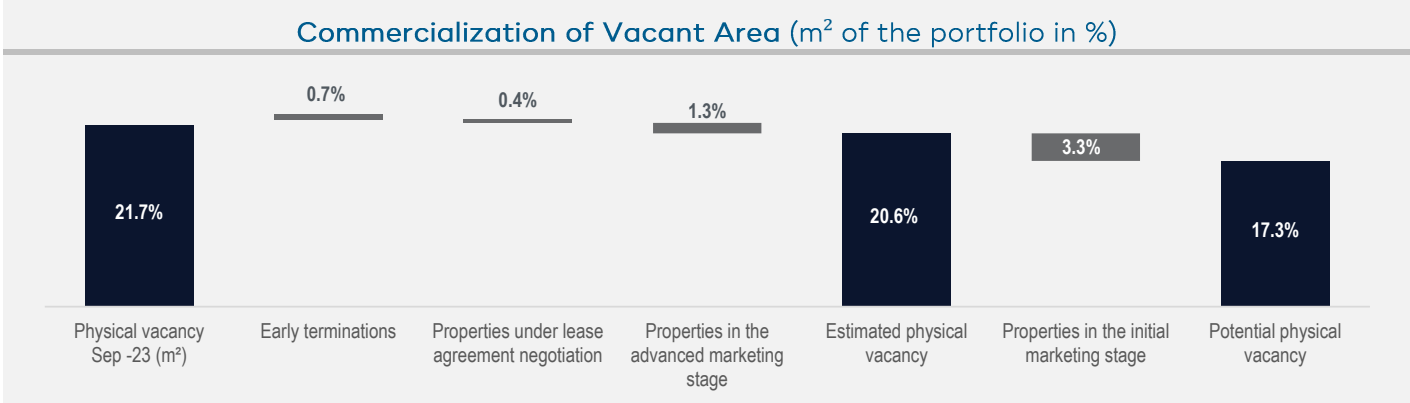
As we stated in previous quarters, in line with our business strategy to effectively recycle the portfolio, we were looking for a more favorable window of opportunity to divest of assets for the benefit of the Fund. It was our idea to look for a market opportunity that would not only bring in capital gains to shareholders linked to the proposal but also a substantial amount of funds, so as to face a significant deleverage process, because as we stated previously, even though reductions in the indexes of our debts are expected in the short/medium term, we also believe that a deleveraging process in the Fund should increase the value of our portfolio. Therefore, we have recently signed a Memorandum of Understanding related to the full sale of the stake held by the Fund in five assets of its portfolio. As we emphasized in the Notice to the Market, we believe that the assets to be sold, i.e. Brazilian Financial Center (BFC), Burity, Cidade Jardim, Transatlântico and Volkswagen, are mature and already have repressed capital gains, since income arising from them has high leasing spreads, considering the base date of entry of each asset into the Fund. Additionally, three of these buildings are class B and, even though having performed positively over adverse periods, they no longer correspond to our desirable investment thesis, which has AAA assets in which we see a potential appreciation of lease revenues based on the professional management of the leasing portfolio. The final structure of the transaction is being designed in a way to get the highest value out of our Fund, for the benefit of our shareholders. As soon as we have finalized the usual conditions precedent for such business model and reached the stage of signing of the definitive documents, we will readily inform the market of the gains and future management outlook for the Fund. We expect the coming year will see greater economic stability, under which new opportunities may arise, further increasing the value of our portfolio.

On the operational side, the first nine months of the year were not only marked by the maintained resumption of office occupancy but also the delivery of new inventories in São Paulo, impacting the performance of the occupancy rate. Thus, looking at the market data for high-quality assets (A and AAA), São Paulo moved up from a vacancy rate of 20.8% in late 2022 to 23.6% in 3Q23. Looking at the Rio de Janeiro market, the variation was virtually insignificant, moving down from 30.9% in late 2022 to 30.8% this quarter. In terms of net absorption, a little over 35 thousand m<sup>2</sup> were absorbed in São Paulo, and nearly 31 thousand m<sup>2</sup> in Rio de Janeiro. Regarding the Fund's portfolio, the reduction throughout the year was 2.2 percentage points, with 9 new leases, virtually one new agreement executed per month. In terms of gross absorption, already considering the ideal fraction of its stake in the assets, the Fund leased approximately 12 thousand m<sup>2</sup>, distributed across 3 assets of the portfolio, with the new GLA mainly concentrated in the assets with higher prices per square meter, positively impacting financial vacancy even further, which declined by 2.8 percentage points throughout the year. Looking at the market leasing prices, we see a positive pressure on the São Paulo market and a slight growth in the Rio de Janeiro market. We, however, have been very successful in transferring, since April, the contractual inflation within our portfolio, with IGP-M, which is responsible for adjusting ¼ of our portfolio, seeing a deflation. However, in the last 12 months, we saw a 0.7% growth in the contracts in force within the same area in the period.

Notes:

Office Marketbeat (Cushman & Wakefield) – Rio de Janeiro and São Paulo Reports – Available on its website.

Regarding the commercialization process, the Fund ended 3Q23 with physical vacancy of 21.7% of the portfolio, lower than that reported at the end of 2Q23, due to the start of new lease terms of new contracts for Diamond Tower and Eldorado. The Fund still has nearly 0.7% of GLA under termination process, with the current tenants completing the notice period. Regarding these spaces, we emphasize that they are being actively commercialized by our internal team. Contrary to this movement, as already announced in our latest monthly report, in October we signed a new lease agreement for the Diamond Tower building, thereby reducing the vacancy of the portfolio. The new agreement is part of the “Properties under lease agreement negotiation” column, which expects a 0.4% drop in the physical vacancy of our portfolio. Approximately 1.3% of the assets are at the advanced commercialization stages, that is, we are still defining commercial conditions for potential leases but have not exchanged lease agreement drafts yet (“Properties at an advanced stage of commercialization”). In this sense, if the properties at the negotiation stage of commercialization and at the advanced stage of commercialization are effectively leased, the Fund’s vacancy rate will drop to 20.6% (“Estimated physical vacancy”). It is also important to mention that 3.3% of the Fund’s properties are in the initial stage of commercialization (“Properties in the initial stage of commercialization”), a number that has been increasing every day given the return of employees to offices, which has been driving companies to resume their office expansion plans. If these Properties in the initial stage of commercialization are also effectively leased, the Fund’s vacancy rate will drop to 17.3% (“Potential physical vacancy”). This scenario is presented below.



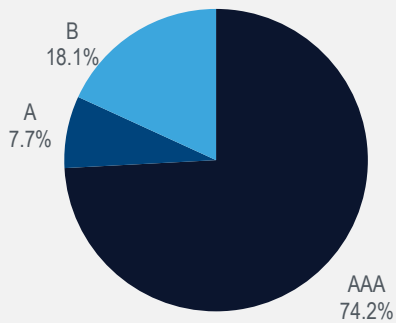
## Operational Performance

### Breakdown of the asset portfolio

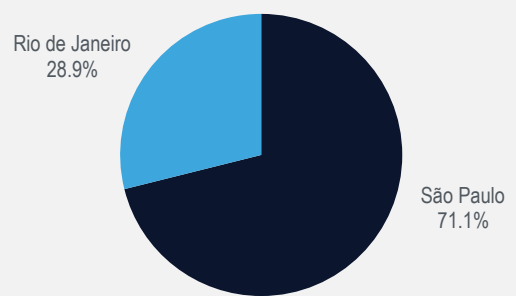
At the end of the quarter, the portfolio's GLA corresponded to 239,814 m<sup>2</sup> (considering CENESP's exposure percentage), in line with the other quarters of 2023.

#### Portfolio assets (based on contracted lease revenue in Sep 2023)

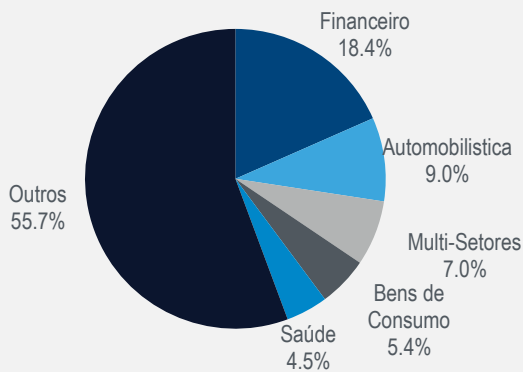
By asset type



By location



By tenant's sector of activity



By tenant concentration

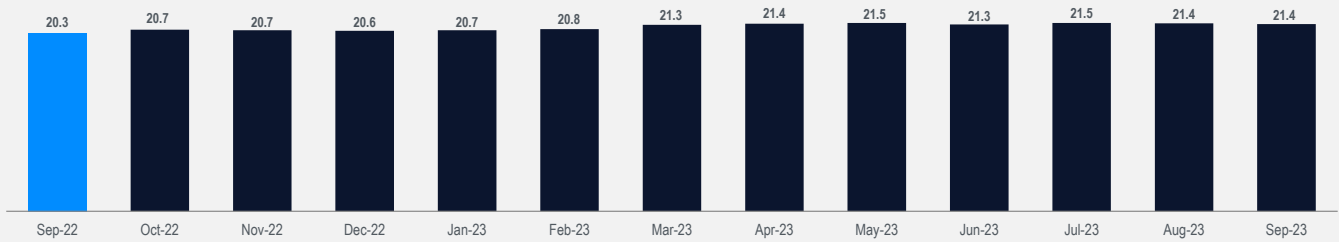
- In September 2023, the Fund's main tenant accounted for approximately 15.0% of contracted lease revenue, being an atypical lease agreement.
- A relevant portion of GLA concentration in Rio de Janeiro is due to the exposure of an atypical lease agreement.
- In September 2023, the Fund had 82 lease agreements.

## Contracted Lease Revenue

In September 2023, the monthly contracted lease revenue was R\$21.4 million, up by 5.1% from September 2022, driven by new leases negotiated by our commercial teams for various assets of our portfolio throughout 2023, especially those with higher added value, such as Eldorado and Diamond Tower.

Contracted lease revenue is a non-accounting measure corresponding to the total value of the lease agreements in effect in the reference month, excluding discounts, grace periods, fines, and other adjustments impacting the book value of the lease revenue.

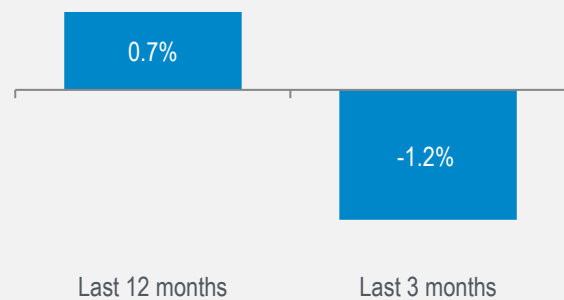
Monthly Evolution of Contracted Lease Revenue (R\$ million)



Same-area rent in 3Q23 had a nominal decrease of 1.2% over 2Q22. Compared to 3Q22, same-area rent increased 0.7%. It is worth mentioning that, in the annual comparison, this increase was mainly due to the successful pass-through of annual inflation provided in the agreements and in line with industry regulations, being offset by the end of the Sucupira building's guarantee minimum income in 4Q22. In the quarter, the impact was due to some renegotiations that will be covered below in the leasing spread.

Same-Area Rent (SAR) is a non-accounting indicator corresponding to the total amount of lease agreements in force in the reference month in a given area that was already leased by the same tenant at the end of the same period the year before or at the end of the previous quarter, excluding discounts, grace periods, fines and other adjustments impacting the book value of lease revenue.

Variation of Same-Area Rent (SAR)



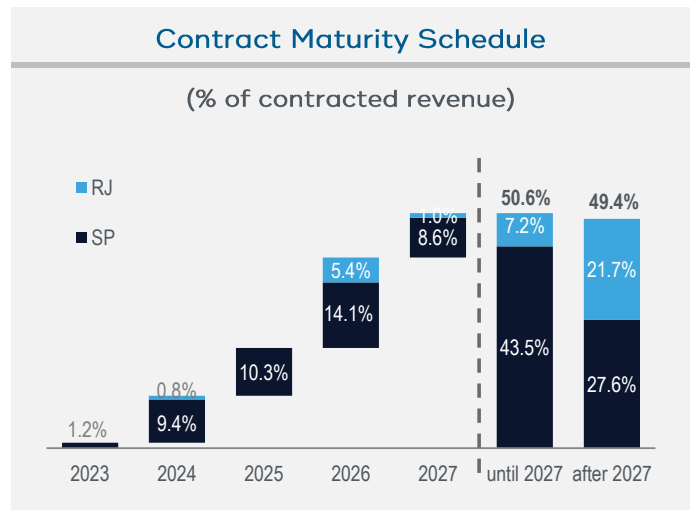
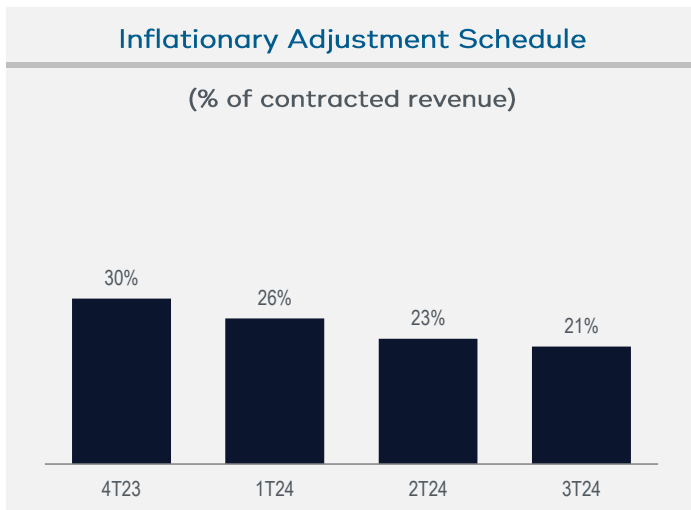
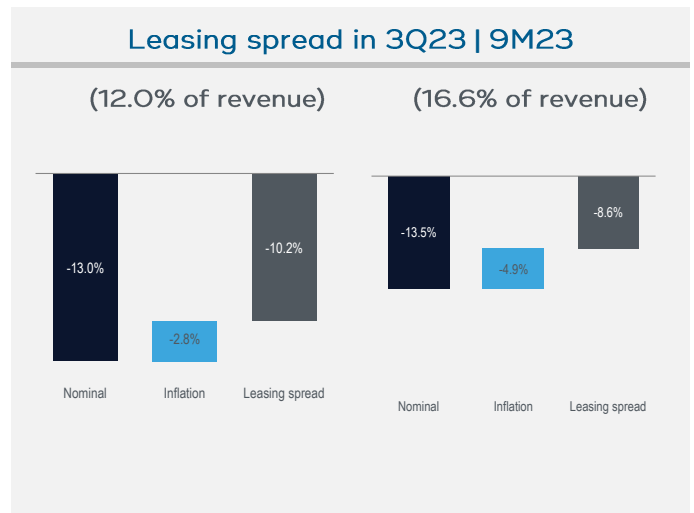
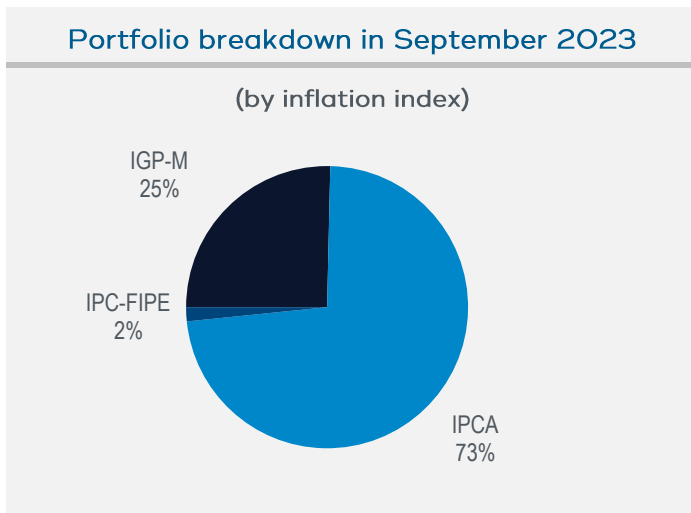


## Renewals and Reviews

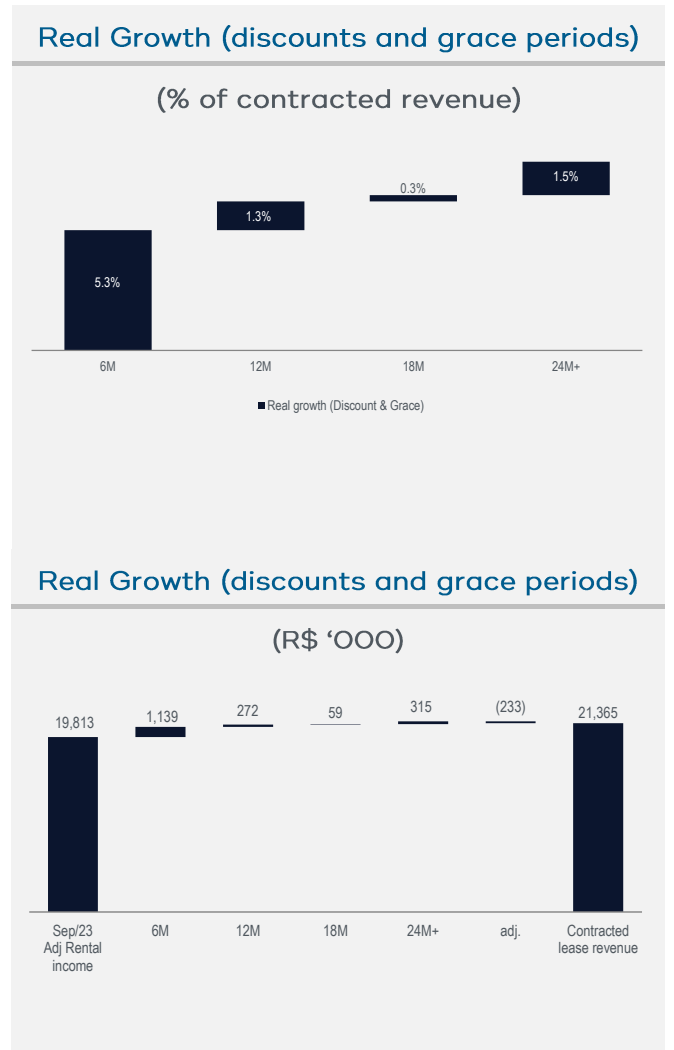
The equivalent of 12.0% of contracted lease revenue was renewed, reviewed, or came from new leases in 3Q23, resulting in a nominal reduction of 13.0%. Excluding the effect of deflation, leasing spread was 10.2%.

The leasing spread was significantly impacted by some reviews in the CEO Office and the Volkswagen buildings, with both adapting contracts to market values after the substantial growth they have seen in recent years. We remind you that the regions where such assets are located are not as core as the rest of the Fund's portfolio, which is experiencing a pro-lessor season.

Only 1.2% of the Fund's contracts mature by the end of 2023, and more than half mature after 2026.



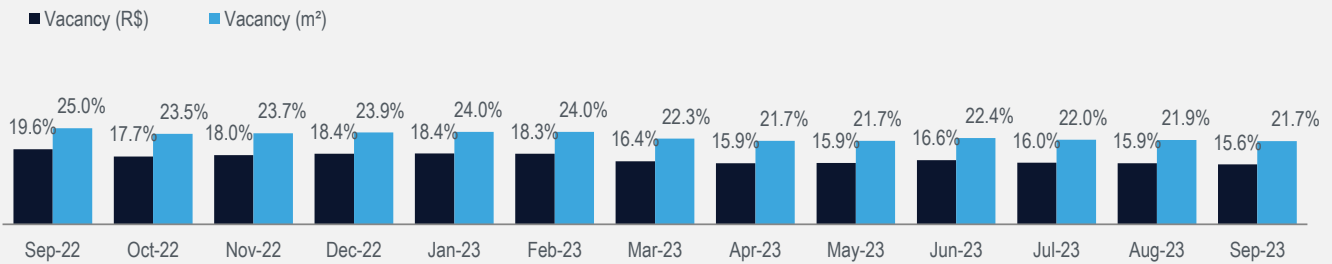
As a result of the new lease agreements and in line with market practices, discounts or grace periods were granted to new tenants. The Fund should be impacted in the coming quarters by the conversion of contracted revenue into lease revenue from newly closed agreements. We estimate that, in the next 6 months, 5.3% of the current contracted revenue will be converted into lease revenue due to the expiration of discounts and grace periods.



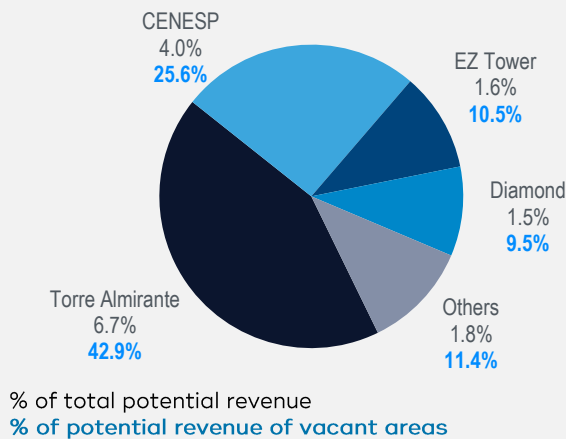
## Vacancy

At the end of 3Q23, financial vacancy was 15.6%, lower than in 2Q23, due to the start of new lease agreements at the Eldorado and the Diamond Tower buildings. At the close of the quarter, vacant areas corresponded to 27,498 m<sup>2</sup> at CENESP, 13,886 m<sup>2</sup> at Torre Almirante, 3,203 m<sup>2</sup> at EZ Towers, 3,077 m<sup>2</sup> at Diamond Tower, 1,600 m<sup>2</sup> at Burity, 1,507 m<sup>2</sup> at Sucupira, 525 m<sup>2</sup> at Transatlântico, 393 m<sup>2</sup> at Eldorado, and 274 m<sup>2</sup> at BFC.

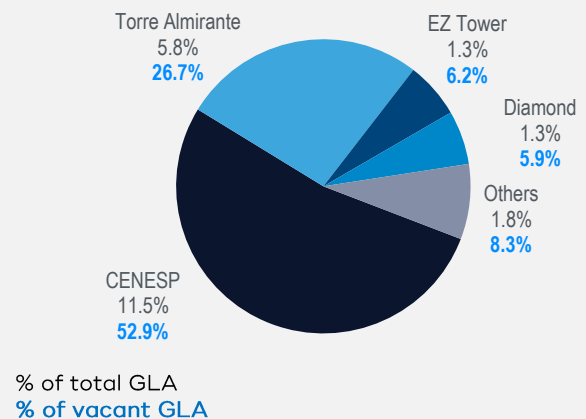
### Physical and Financial Vacancy of the Portfolio



### Breakdown of Financial Vacancy



### Breakdown of Physical Vacancy



## Delinquency

Given the high quality of our portfolio and tenants, the delinquency rate has always been historically low. At the end of 3Q23, provision for doubtful accounts was R\$1.6 million, in line with previous quarters. We highlight that a significant portion of this provision was due to Gafisa's delinquency, as disclosed in a Notice to the Market in December 2018. It is also worth mentioning the maintenance of the high level of the Fund's compliance during the entire pandemic period. Our active management allowed us to anchor the Fund on a high-quality portfolio, in addition to conducting a previous study of potential tenants, analyzing the credit risk of each one and the collaterals offered. Therefore, the portfolio continues with successful agreements with renowned companies.

## Financial Performance

### Revenue

Revenue from investment properties, which includes lease revenue, in addition to fines and interest received in the period, totaled R\$58.7 million in 3Q23 and R\$168.5 million in 9M23. The main events that impacted revenue were:

- The growth of lease revenue, due to the work carried out by our commercial team to lease areas, causing a decline in the vacancy of the portfolio.
- The maturation of the discounts granted in light of the growth seen over time.

#### Lease Revenue (R\$ million) <sup>(1)</sup>



| (in R\$ '000)               | 3Q22    | 3Q23    | Var.   | 9M22     | 9M23    | Var.    |
|-----------------------------|---------|---------|--------|----------|---------|---------|
| Revenue from properties     | 55,299  | 56,285  | 1.8%   | 97,889   | 217,206 | 121.9%  |
| Rental income               | 56,772  | 58,661  | 3.3%   | 166,737  | 168,458 | 1.0%    |
| (-) Provision - receivables | -       | -       | n.a.   | -        | (23)    | n.a.    |
| Fines and interest received | 1,060   | -       | n.a.   | 1,744    | 509     | (70.8%) |
| Adjustment to fair value    | -       | -       | n.a.   | (63,694) | 55,039  | n.a.    |
| Discounts granted           | (2,533) | (2,376) | (6.2%) | (6,898)  | (6,777) | (1.8%)  |

Notes:

(1) No distinction is made between gross and net revenue since there is no taxation on lease revenue nor capital gains on the sale and/or reappraisal of assets.

## Costs and Expenses

| (in R\$ '000)                      | 3Q22           | 3Q23           | Var.           | 9M22            | 9M23            | Var.           |
|------------------------------------|----------------|----------------|----------------|-----------------|-----------------|----------------|
| Cost of Investment properties      | -              | -              | n.a.           | (167)           | -               | n.a.           |
| Cost of sold investment properties | -              | -              | n.a.           | (167)           | -               | (100.0%)       |
| <b>Expenses over Properties</b>    | <b>(5,494)</b> | <b>(4,756)</b> | <b>(13.4%)</b> | <b>(14,297)</b> | <b>(13,607)</b> | <b>(4.8%)</b>  |
| Comissions                         | (1,224)        | (597)          | (51.2%)        | (1,519)         | (1,066)         | (29.8%)        |
| Management of properties expenses  | (58)           | (27)           | (53.4%)        | (86)            | (81)            | (5.8%)         |
| Condominium expenses               | (4,175)        | (4,070)        | (2.5%)         | (12,181)        | (12,168)        | (0.1%)         |
| Maintenance                        | (37)           | (62)           | 67.6%          | (511)           | (292)           | (42.9%)        |
| <b>G&amp;A</b>                     | <b>(9,097)</b> | <b>(7,508)</b> | <b>(17.5%)</b> | <b>(22,547)</b> | <b>(18,478)</b> | <b>(18.0%)</b> |
| Consulting/Management fee          | (4,999)        | (5,155)        | 3.1%           | (15,804)        | (14,256)        | (9.8%)         |
| Administration fee - Fund          | (1,558)        | (1,501)        | (3.7%)         | (4,803)         | (4,384)         | (8.7%)         |
| Property tax expenses              | (1,762)        | (1,227)        | (30.4%)        | (4,996)         | (4,389)         | (12.1%)        |
| Other operating expenses           | (778)          | 375            | n.a.           | 3,056           | 4,551           | 48.9%          |

- Commission expenses are related to (i) brokerage services for the renewal and/or review of lease agreements, (ii) brokerage fees for the commercialization of vacant areas; and (iii) brokerage services for the acquisition and sale of assets.

- Property management expenses are related to property management services and correspond to a percentage of the revenue generated by each property.

- Condominium, repair, maintenance, and conservation expenses are incurred by the Fund to cover such expenses generated by the vacant areas of its portfolio.

- Management expenses refer to BTG Pactual's management services and correspond to 1.5% p.a. of the Fund's market value (currently at a discount, at 1.1% p.a.), in line with the trading price of its shares on B3, which is daily calculated and provisioned and monthly paid.

- The Fund's administration fee refers to BTG Pactual's management services and corresponds to 0.25% p.a. of the Fund's market value, based on the trading price of its shares on B3, which is daily calculated and provisioned and added to the amounts paid to the Fund's bookkeeping agent.

- Tax expenses refer to the municipal, state, and federal taxes incurred by the Fund. Most of which refer to the payment of IPTU (municipal property tax) charged on the portfolio's vacant areas.

- Other operating expenses/income refer to sundry expenses, such as utility bills related to the vacant areas, CVM inspection fees, custody expenses, B3, auditing, asset reappraisals, various taxes, legal advisory services, notary fees, and others.

## Financial Result

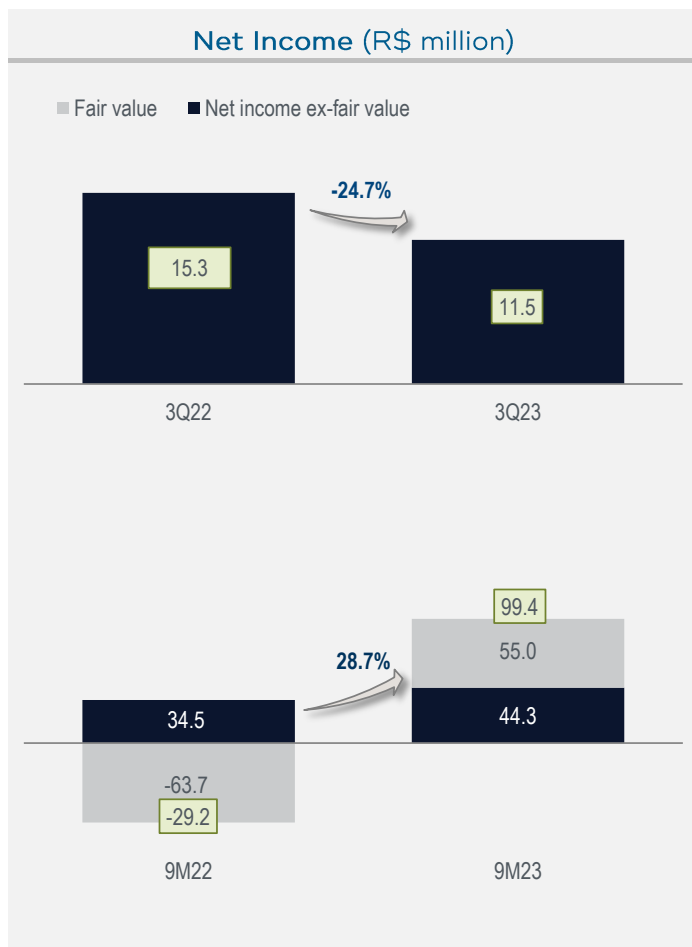
| (in R\$ '000)                                     | 3Q22            | 3Q23            | Var.         | 9M22            | 9M23            | Var.          |
|---|-----------------|-----------------|--------------|-----------------|-----------------|---------------|
| Interest and inflation indexation on liabilities  | (33,121)        | (37,549)        | 13.4%        | (104,644)       | (113,451)       | 8.4%          |
| Interest  | (33,121)        | (37,549)        | 13.4%        | (104,644)       | (113,451)       | 8.4%          |
| Profit from real-estate financial assets          | 6,636           | 3,966           | (40.2%)      | 12,179          | 25,699          | 111.0%        |
| Income from Mortgage Backed Securities (CRIs)     | 4,768           | 4,168           | (12.6%)      | 12,562          | 13,378          | 6.5%          |
| Income from Mortgage Notes (LCIs)                 | -               | -               | n.a.         | -               | -               | n.a.          |
| Income from FII shares                            | 3,411           | (7,787)         | n.a.         | 7,517           | 2,907           | (61.3%)       |
| Gains on sale / MTM - CRI and other FII shares    | (1,543)         | 7,585           | n.a.         | (7,900)         | 9,414           | n.a.          |
| Other financial assets                            | 1,251           | 1,191           | (4.8%)       | 3,276           | 3,299           | 0.7%          |
| Income from fixed-income fund shares              | 1,476           | 1,324           | (10.3%)      | 3,990           | 3,849           | (3.5%)        |
| Expenses from income tax on financial investments | (225)           | (133)           | (40.9%)      | (714)           | (550)           | (23.0%)       |
| <b>Financial income</b>                           | <b>(25,234)</b> | <b>(32,392)</b> | <b>28.4%</b> | <b>(89,189)</b> | <b>(84,453)</b> | <b>(5.3%)</b> |

Interest expenses related to acquisitions and funding totaled R\$37.5 million in 3Q23, 13.4% higher than in the same period of 2022, given the growth of the outstanding balance due to ongoing grace periods during part of the comparison period, in the tranches of Torre Almirante and Diamond Tower.

In 3Q23, financial income declined compared to the same period of 2022, given the reduction in interest this quarter, which impacted the result of Urbanity's CRI held by the Fund, and the lower income from FII shares arising from EZ Towers, given the impact on this asset following the partial exit of an important lessee.

## Net Income

Net income totaled R\$11.5 million in 3Q23 (R\$0.43/share). Net income in 9M23 was equivalent to R\$99.4 million, or R\$3.73 per share, up by 28.7% over 3Q22, driven not only by the accounting effect of the new marking of assets at fair value, but also by the greater recognition of results from shareholders' equity funds, due to the receipt of some installments related to the Brookfield deal, which were scheduled for this year.





## FFO and Adjusted FFO

The Fund's FFO totaled R\$37.0 million in 3Q23, up 4.2% from 3Q22. In 9M23, FFO reached R\$107.4 million, decreasing 6.5% over 9M22. FFO is not a measure recognized by accounting practices adopted in Brazil, and its methodology may vary in comparison with other companies. The main items that influenced FFO this quarter, based on net income, were:

- The result of the fair value adjustment of FII shares;
- The impact of non-recurring events.

The Fund's managers believe that the accounting effects of the monetary restatement of the outstanding balance of the liabilities have no cash effect. Therefore, the managers use adjusted FFO (FFO minus non-cash effects on liabilities) to analyze operating cash flow. In 3Q23, non-cash financial expenses were not relevant, and adjusted FFO also totaled R\$37.0 million, or R\$1.39/share.

| <i>(in R\$ '000, unless otherwise indicated)</i>   | 3Q22   | 3Q23    | Var.    | 9M22     | 9M23     | Var.   |
|--|--------|---------|---------|----------|----------|--------|
| Net income   | 15,287 | 11,514  | (24.7%) | (29,238) | 99,385   | n.a.   |
| (-) Adjustment at fair value                       | -      | -       | n.a.    | 63,694   | (55,039) | n.a.   |
| (-) Gains in the sale of properties                | -      | -       | n.a.    | 167      | -        | n.a.   |
| (-) Gains on sale / MTM - CRI and other FII shares | 1,543  | (7,585) | n.a.    | 7,837    | (9,481)  | n.a.   |
| (+) Non-recurring expenses                         | 18,655 | 33,031  | 77.1%   | 72,381   | 72,552   | 0.2%   |
| (=) FFO  | 35,485 | 36,960  | 4.2%    | 114,841  | 107,417  | (6.5%) |
| FFO / share (R\$ / share)                          | 1.33   | 1.39    | 4.2%    | 4.31     | 4.03     | (6.5%) |
| (+) Non-cash financial expenses                    | -      | -       | n.a.    | -        | -        | n.a.   |
| (=) Adjusted FFO                                   | 35,485 | 36,960  | 4.2%    | 114,841  | 107,417  | (6.5%) |
| Adjusted FFO / share (R\$ / share)                 | 1.33   | 1.39    | 4.2%    | 4.31     | 4.03     | (6.5%) |

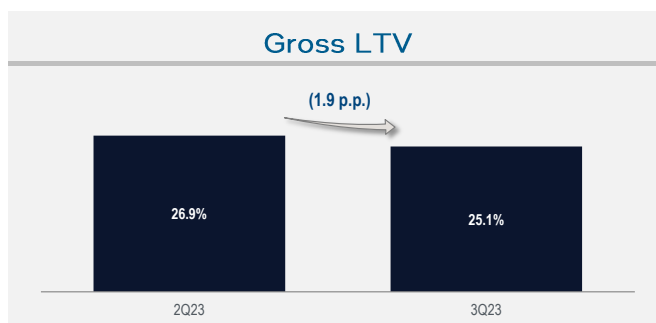
## Liabilities and Cash and Cash Equivalents

Liabilities from acquisition of properties and funding totaled R\$919.7 million at the end of 3Q23, while cash and cash equivalents totaled R\$165.9 million.

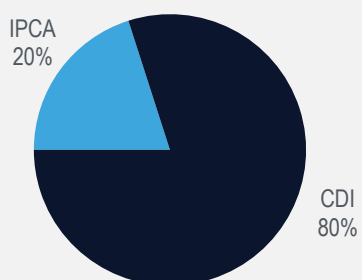
| (in R\$ '000)                                     | Cost              | Orig. Term | Maturity | 3Q22             | 3Q23             |
|---|-------------------|------------|----------|------------------|------------------|
| <b>Liabilities from acquisition of properties</b> |                   |            |          | <b>1,015,669</b> | <b>1,039,677</b> |
| Cidade Jardim                                     | IPCA + 6.55% p.a. | 6 years    | Oct/2023 | 120,000          | 120,000          |
| Diamond Tower                                     | CDI + 2.95% p.a.  | 3 years    | Apr/2024 | 593,145          | 616,816          |
| Torre Almirante                                   | CDI + 2.60% p.a.  | 12 years   | Dec/2033 | 118,471          | 118,374          |
| Torre Almirante                                   | IPCA + 7.10% p.a. | 15 years   | Dec/2036 | 184,053          | 184,487          |
| <b>Liabilities from funding</b>                   |                   |            |          | <b>-</b>         | <b>-</b>         |
| <b>Gross Debt</b>                                 |                   |            |          | <b>1,015,669</b> | <b>1,039,677</b> |
| (-) Cash and Financial investments                |                   |            |          | (179,046)        | (54,257)         |
| (-) Shares of Other FIs (Market)                  |                   |            |          | (104,775)        | (111,681)        |
| <b>Net Debt</b>                                   |                   |            |          | <b>731,848</b>   | <b>873,739</b>   |

In September 2023, leverage remained at levels that are in line with the Fund's best practices, with gross LTV of 25.1% and net LTV of 20.6% (the Fund should maintain its net LTV below 30.0%).

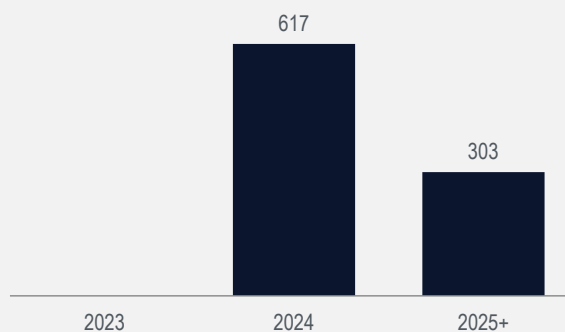
We also emphasize that the obligation related to Cidade Jardim was fully settled, in the amount of R\$120.0 million, this quarter.



### Adjustment Index



### Amortization Schedule (R\$ million)

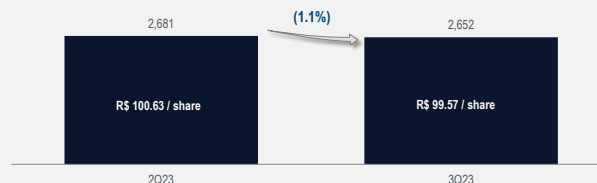


### Equity

Equity totaled R\$2.7 billion in 3Q23, down 1.1% from the previous quarter.

The book value per share increased from R\$100.63/share in June 2023 to R\$99.57/share at the end of September 2023.

### Evolution of Equity (R\$ million)



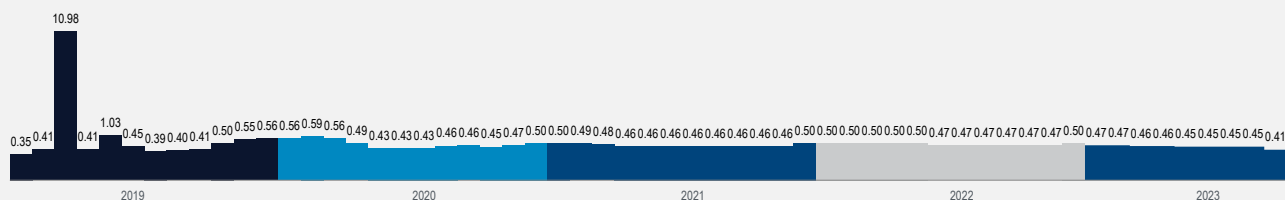
## Payout

In 3Q23, the average amount distributed per share was R\$0.44/share/month, representing a payout ratio of R\$1.31/share in the quarter. The total amount distributed in 3Q22 was R\$37.6 million.

When examining the dividend yield, the Fund reported an annualized return of 8.6% p.a. in September, in line with the corporate real estate industry.

Since May 2016, we have been distributing monthly income based on the weighted moving average of the Fund's Adjusted FFO for the six-month period and adjusting the cash effect in the last month of the current six-month period.

Performance of Monthly Payout and Amortization (R\$/share/month)

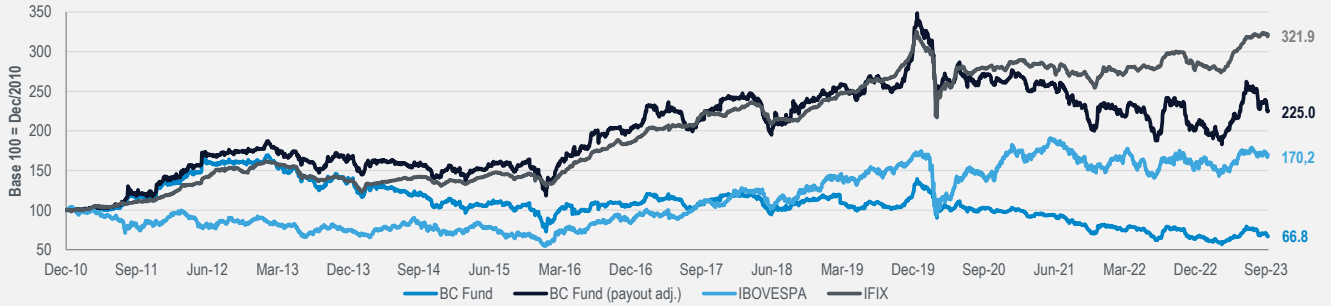


## Capital Markets

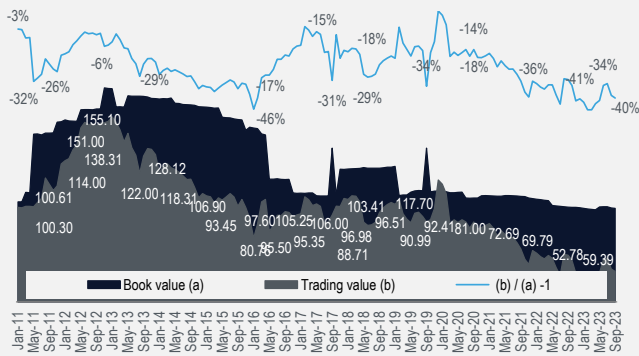
In the last 12 and 24 months (base September 2023), the profitability of BC Fund's shares (BRCR11), considering distributed earnings and the share value, was -6.8% and -3.9%, respectively. In the same periods, the Ibovespa varied 5.9% and 5.0%, respectively.

In the quarter, share profitability was negative by -9.3%, while Ibovespa and IFIX registered a negative variation of 1.3% and a positive variation of 2.0%, respectively.

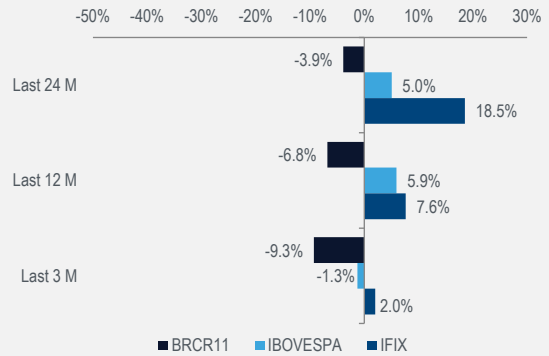
### Share Performance (Base 100 – December 2010)



### Book Value vs. Market Cap.



### Returns in the last 3, 12 and 24 Months (Sept 2023)



The share closing price of R\$59.39 on September 30, 2023 represented:

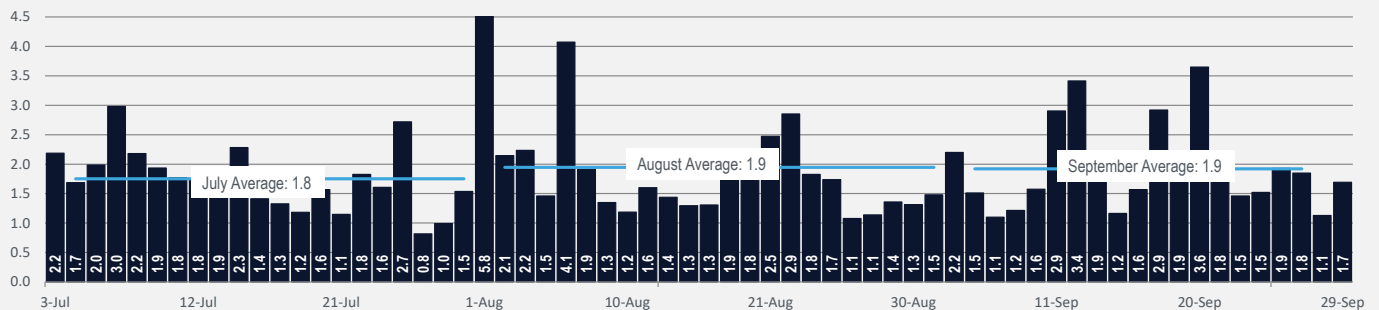
- A 40.4% decrease from the book value per share.
- Distribution of annualized earnings of 8.6% p.a.
- Implied portfolio cap rate of 10.7% (considering contracted revenue in September 2023). Considering potential revenue from vacant areas, the implied cap rate is 13.0%.
- Average GLA of R\$9,740/m<sup>2</sup>.

## Valuation at Market Prices

|                               |                         | Sep-23     | Sep-22     |
|-------------------------------|-------------------------|------------|------------|
| NAV / share                   | [R\$ / share]           | 99.57      | 100.42     |
| Share price                   | [R\$ / share]           | 59.39      | 69.79      |
| Discount to NAV               | [%]                     | (40.4%)    | (30.5%)    |
| Monthly payout                | [R\$ / share]           | 0.41       | 0.47       |
| Monthly profitability         | [% p.m.]                | 0.69%      | 0.67%      |
| Annual profitability (linear) | [% p.a.]                | 8.3%       | 8.1%       |
| Annualized profitability      | [% p.a.]                | 8.6%       | 8.4%       |
| Shares outstanding            | [#]                     | 26,638,202 | 26,638,202 |
| Market cap                    | [R\$ mn]                | 1,582.0    | 1,859.1    |
| Net debt (Cash)               | [R\$ mn]                | 753.7      | 667.9      |
| Minorities stake              | [R\$ mn]                | 58.8       | 56.5       |
| Enterprise Value              | [R\$ mn]                | 2,394.6    | 2,583.5    |
| Contracted lease              | [R\$ mn]                | 21.4       | 20.3       |
| Implied Cap rate              | [%]                     | 10.7%      | 9.2%       |
| Cap rate with vacant areas    | [%]                     | 13.0%      | 11.4%      |
| Portfolio GLA                 | [m <sup>2</sup> ]       | 239,814    | 239,814    |
| Average per m <sup>2</sup>    | [R\$ / m <sup>2</sup> ] | 9,740      | 10,537     |

In 3Q23, BRCR11's average daily trading volume was R\$1.9 million.

## Average Daily Trading Volume on B3 (R\$ million)



# Consolidated Financial Statements

## Consolidated Income Statement

| (R\$ '000)  | 3Q22            | 3Q23            | Var.           | 9M22             | 9M23             | Var.           |
|---|-----------------|-----------------|----------------|------------------|------------------|----------------|
| <b>Investment properties</b>                              | <b>55,299</b>   | <b>56,285</b>   | <b>1.8%</b>    | <b>97,889</b>    | <b>217,206</b>   | <b>121.9%</b>  |
| Rental income   | 56,772          | 58,661          | 3.3%           | 166,737          | 168,458          | 1.0%           |
| (-) Provision for impairment of trade receivables         | -               | -               | n.a.           | -                | (23)             | n.a.           |
| Income from fines and interest received                   | 1,060           | -               | n.a.           | 1,744            | 509              | (70.8%)        |
| Discounts granted   | (2,533)         | (2,376)         | (6.2%)         | (6,898)          | (6,777)          | (1.8%)         |
| Adjustment to fair value                                  | -               | -               | n.a.           | (63,694)         | 55,039           | n.a.           |
| <b>Cost of Investment properties</b>                      | <b>-</b>        | <b>-</b>        | <b>n.a.</b>    | <b>(167)</b>     | <b>-</b>         | <b>n.a.</b>    |
| Cost of sold investment properties                        | -               | -               | n.a.           | (167)            | -                | n.a.           |
| Reversal of adjustment at fair value of sold investment p | -               | -               | n.a.           | -                | -                | n.a.           |
| <b>Interest and inflation indexation on liabilities</b>   | <b>(33,121)</b> | <b>(37,549)</b> | <b>13.4%</b>   | <b>(104,644)</b> | <b>(113,451)</b> | <b>8.4%</b>    |
| Interest on liabilities from acquisition of properties    | (33,121)        | (37,549)        | 13.4%          | (104,644)        | (113,451)        | 8.4%           |
| <b>Expenses over Properties</b>                           | <b>(5,494)</b>  | <b>(4,756)</b>  | <b>(13.4%)</b> | <b>(14,297)</b>  | <b>(13,607)</b>  | <b>(4.8%)</b>  |
| Comissions  | (1,224)         | (597)           | (51.2%)        | (1,519)          | (1,066)          | (29.8%)        |
| Administration fee - property                             | (58)            | (27)            | (53.4%)        | (86)             | (81)             | (5.8%)         |
| Condominium expenses                                      | (4,175)         | (4,070)         | (2.5%)         | (12,181)         | (12,168)         | (0.1%)         |
| Maintenance   | (37)            | (62)            | 67.6%          | (511)            | (292)            | (42.9%)        |
| <b>Profit from investment properties</b>                  | <b>16,684</b>   | <b>13,980</b>   | <b>(16.2%)</b> | <b>(21,219)</b>  | <b>90,148</b>    | <b>n.a.</b>    |
| Income from Mortgage Backed Securities (CRIs)             | 4,768           | 4,168           | n.a.           | 12,562           | 13,378           | 6.5%           |
| Income from FII shares                                    | 3,411           | (7,787)         | n.a.           | 7,517            | 2,907            | (61.3%)        |
| Adjustment to market value of other FII shares            | (1,564)         | 7,563           | n.a.           | (7,900)          | 9,414            | n.a.           |
| Adjustment to fair value (CRI)                            | 21              | 22              | n.a.           | -                | 67               | n.a.           |
| <b>Profit from real-estate financial assets</b>           | <b>6,636</b>    | <b>3,966</b>    | <b>(40.2%)</b> | <b>12,242</b>    | <b>25,766</b>    | <b>110.5%</b>  |
| <b>Profit from real-estate activities</b>                 | <b>23,320</b>   | <b>17,946</b>   | <b>(23.0%)</b> | <b>(8,977)</b>   | <b>115,914</b>   | <b>n.a.</b>    |
| Income from fixed-income fund shares                      | 569             | 569             | 0.0%           | 1,606            | 2,068            | 28.8%          |
| Income from overnight repurchase agreements               | 907             | 755             | (16.8%)        | 2,384            | 1,781            | (25.3%)        |
| Expenses from income tax on financial investments         | (225)           | (133)           | (40.9%)        | (714)            | (550)            | (23.0%)        |
| <b>Other financial assets</b>                             | <b>1,251</b>    | <b>1,191</b>    | <b>(4.8%)</b>  | <b>3,276</b>     | <b>3,299</b>     | <b>0.7%</b>    |
| Management expenses                                       | (4,999)         | (5,155)         | 3.1%           | (15,804)         | (14,256)         | (9.8%)         |
| Administration fee - Fund                                 | (1,558)         | (1,501)         | (3.7%)         | (4,803)          | (4,384)          | (8.7%)         |
| Property tax expenses                                     | (1,762)         | (1,227)         | (30.4%)        | (4,996)          | (4,389)          | (12.1%)        |
| Other operating expenses                                  | (778)           | 375             | n.a.           | 3,056            | 4,551            | 48.9%          |
| <b>Operating income (expenses)</b>                        | <b>(9,097)</b>  | <b>(7,508)</b>  | <b>(17.5%)</b> | <b>(22,547)</b>  | <b>(18,478)</b>  | <b>(18.0%)</b> |
| <b>Profit for the period (before minorities)</b>          | <b>15,474</b>   | <b>11,629</b>   | <b>(24.8%)</b> | <b>(28,248)</b>  | <b>100,735</b>   | <b>n.a.</b>    |
| Minorities' stake   | (187)           | (115)           | (38.5%)        | (990)            | (1,350)          | 36.4%          |
| <b>Net income</b>   | <b>15,287</b>   | <b>11,514</b>   | <b>(24.7%)</b> | <b>(29,238)</b>  | <b>99,385</b>    | <b>n.a.</b>    |
| Number of shares  | 26,638,202      | 26,638,202      | 0.0%           | 26,638,202       | 26,638,202       | 0.0%           |
| Earnings per share - R\$                                  | 0.57            | 3.04            | 430.2%         | (1.10)           | 3.73             | n.a.           |

## Consolidated Balance Sheet

| ASSETS (R\$ '000)                          | 2Q23             | % over<br>Total Assets    | 3Q23             | % over<br>Total Assets    | Var.           |
|--|------------------|---------------------------|------------------|---------------------------|----------------|
| <b>Current assets</b>                      | <b>309,148</b>   | <b>8.1%</b>               | <b>190,910</b>   | <b>5.1%</b>               | <b>(38.2%)</b> |
| Financial investments                      | 175,357          | 4.6%                      | 48,708           | 1.3%                      | (72.2%)        |
| Rentals receivables                        | 48,539           | 1.3%                      | 58,657           | 1.6%                      | 20.8%          |
| Other assets                               | 7,150            | 0.2%                      | 9,115            | 0.2%                      | 27.5%          |
| Receivable on sale of real estate          | 78,102           | 2.0%                      | 74,430           | 2.0%                      | (4.7%)         |
| <b>Non-current assets</b>                  | <b>104,775</b>   | <b>2.7%</b>               | <b>111,681</b>   | <b>3.0%</b>               | <b>6.6%</b>    |
| Financial investments                      | 104,775          | 2.7%                      | 111,681          | 3.0%                      | 6.6%           |
| <b>Investment properties</b>               | <b>3,415,865</b> | <b>89.2%</b>              | <b>3,416,968</b> | <b>91.9%</b>              | <b>0.0%</b>    |
| Buildings                                  | 3,415,865        | 89.2%                     | 3,416,968        | 91.9%                     | 0.0%           |
| <b>TOTAL ASSETS</b>                        | <b>3,829,788</b> | <b>100.0%</b>             | <b>3,719,559</b> | <b>100.0%</b>             | <b>(2.9%)</b>  |
| LIABILITIES AND EQUITY (R\$ '000)          | 2Q23             | % over<br>liabilities and | 3Q23             | % over<br>liabilities and | Var.           |
| <b>Current liabilities</b>                 | <b>811,735</b>   | <b>21.2%</b>              | <b>729,282</b>   | <b>19.6%</b>              | <b>(10.2%)</b> |
| Income to be distributed                   | 15,435           | 0.4%                      | 28,698           | 0.8%                      | 85.9%          |
| Taxes and contributions payable            | 15               | 0.0%                      | 13               | 0.0%                      | (13.3%)        |
| Provisions and trade payable               | 14,629           | 0.4%                      | 14,140           | 0.4%                      | (3.3%)         |
| Liabilities from acquisition of properties | 781,656          | 20.4%                     | 686,431          | 18.5%                     | (12.2%)        |
| <b>Non-current liabilities</b>             | <b>278,619</b>   | <b>7.3%</b>               | <b>279,067</b>   | <b>7.5%</b>               | <b>0.2%</b>    |
| Provisions and trade payable               | 5,998            | 0.2%                      | 5,998            | 0.2%                      | 0.0%           |
| Liabilities from funds in guarantee        | 3,461            | 0.1%                      | 3,566            | 0.1%                      | 3.0%           |
| Liabilities from acquisition of properties | 269,160          | 7.0%                      | 269,503          | 7.2%                      | 0.1%           |
| <b>TOTAL LIABILITIES</b>                   | <b>1,090,354</b> | <b>28.5%</b>              | <b>1,008,349</b> | <b>27.1%</b>              | <b>(7.5%)</b>  |
| <b>Equity</b>                              | <b>2,680,639</b> | <b>70.0%</b>              | <b>2,652,436</b> | <b>71.3%</b>              | <b>(1.1%)</b>  |
| Paid-up shares                             | 2,321,750        | 60.6%                     | 2,321,750        | 62.4%                     | 0.0%           |
| Shares placement expenses                  | (55,682)         | (1.5%)                    | (55,682)         | (1.5%)                    | 0.0%           |
| Reserve for contingencies                  | 8,958            | 0.2%                      | 8,958            | 0.2%                      | 0.0%           |
| Carrying value adjustment to fair value    | 504,252          | 13.2%                     | 504,253          | 13.6%                     | 0.0%           |
| Accumulated profit                         | (98,639)         | (2.6%)                    | (126,843)        | (3.4%)                    | 28.6%          |
| <b>Minority Stake</b>                      | <b>58,795</b>    | <b>1.5%</b>               | <b>58,774</b>    | <b>1.6%</b>               | <b>(0.0%)</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>        | <b>3,829,788</b> | <b>100.0%</b>             | <b>3,719,559</b> | <b>100.0%</b>             | <b>(2.9%)</b>  |



## Consolidated Cash Flow

| (R\$ '000)  | 9M22             | 9M23             | Var %        |
|---|------------------|------------------|--------------|
| Receipt of net rental revenues                                  | 82,969           | 86,205           | 3.9%         |
| Receipt of fines and interest                                   | 1,731            | 500              | (71.1%)      |
| Payment of commissions  | (1,336)          | (937)            | (29.9%)      |
| Payments of consulting expenses                                 | (238)            | (192)            | (19.3%)      |
| Payments of management fee                                      | (14,652)         | (12,986)         | (11.4%)      |
| Payment of legal advice   | (131)            | (479)            | 265.6%       |
| Payments of administration expenses - Fund                      | (3,669)          | (3,282)          | (10.5%)      |
| Payments of administration expenses - Property                  | (86)             | (81)             | (5.8%)       |
| Payment of condominium expenses                                 | (3,929)          | (3,110)          | (20.8%)      |
| Payment of maintenance and repair expenses                      | (482)            | (282)            | (41.5%)      |
| Payment of tax expenses (IR on financial revenues)              | (540)            | (323)            | (40.2%)      |
| General payments  | 2,255            | 1,021            | (54.7%)      |
| <b>Cash flows from operating activities</b>                     | <b>61,892</b>    | <b>66,054</b>    | <b>6.7%</b>  |
| Income from fixed-income fund shares                            | 399              | 490              | 22.8%        |
| Income from overnight repurchase agreements                     | 2,255            | 1,337            | (40.7%)      |
| Acquisition of rental properties (improvements and registration | (997)            | (75)             | (92.5%)      |
| Acquisition of unconsolidated controlled entity                 | (5,413)          | (126,872)        | 2243.8%      |
| Receipt of income from real estate funds invested               | 5,609            | 5,079            | (9.4%)       |
| Income from unconsolidated controlled entity                    | 19,465           | 23,158           | 19.0%        |
| Amortization of mortgage backed securities                      | -                | 130,000          | n.a.         |
| Receipt of mortgage backed securities                           | 12,491           | 14,114           | 13.0%        |
| <b>Cash flows from investing activities</b>                     | <b>33,809</b>    | <b>47,231</b>    | <b>39.7%</b> |
| Payment of interest and monetary restatement over term acqu     | (13,612)         | (23,972)         | 76.1%        |
| Profits distributed   | (116,676)        | (108,417)        | (7.1%)       |
| Income from CCI   | 18,150           | 18,774           | 3.4%         |
| Payment of expenses with fiduciary agen                         | (856)            | (723)            | -16%         |
| <b>Net cash used in financing activities</b>                    | <b>(112,994)</b> | <b>(114,338)</b> | <b>1.2%</b>  |
| <b>Changes in cash and cash equivalents</b>                     | <b>(17,293)</b>  | <b>(1,053)</b>   |              |

## Appendix A – Asset Portfolio



## Appendix B – About the Fund

BC Fund (Fund) is the largest corporate office real estate investment fund listed on the Brazilian stock exchange. Its shares have been traded on B3's organized market since its IPO, in December 2010, under the ticker BRCR11. BC Fund was created in June 2007 and, since then, has excelled in actively managing a portfolio to primarily invest in commercial income properties strategically located in the most important cities in Brazil. The target investment assets include commercial properties or real estate rights in completed properties or those in the final stages of construction.

BC Fund's current portfolio comprises 15 Class AAA and A office buildings located in São Paulo and Rio de Janeiro. The properties are leased to a variety of renowned national and multinational companies such as WeWork, Volkswagen, LinkedIn, and Petrobras, among others. BC Fund seeks, through its equity stake in each asset, to actively participate in the management of its properties to make them more attractive for occupancy by current and future tenants, as well as ensure that they are always renovated and modern. In addition, BC Fund has investments in other assets, such as shares of other Real Estate Investment Funds (FII), Mortgage Notes (LCI), and Mortgage-Backed Securities (CRI), whose earnings are tax-exempt.

BC Fund's active management policy is based on four pillars: (i) the efficient negotiation of lease agreements to market value in the minimum intervals permitted by law; (ii) investments in property expansions, improvements, and retrofits to obtain higher lease revenue and lower vacancy rates; (iii) the efficient recycling of the current property portfolio to increase revenue and generate capital gains; and (iv) positive leverage in the acquisition of new properties and/or shares of other real estate investment funds, ensuring greater flexibility regarding managing cash reserves and maximizing shareholder return.

FII's are structured investment vehicles whose primary purpose is to invest in real estate to promote and develop the industry. One of the main advantages of investing in an FII is the 100% exemption of taxes levied on revenue and income of real estate-backed assets, ensuring potentially higher revenue than companies operating in the same

sector, which are generally subject to revenue tax of 9.25% and a real income tax rate of 34%. Furthermore, FII payouts to individual investors are also tax-exempt, provided that certain legal requirements are met.

Other potential advantages of investing in FII shares rather than in companies operating in the real estate sector or directly investing in properties include: (i) savings from the non-payment of taxes, labor charges and/or executive bonus payments, since FIIs are prohibited from directly hiring employees, (ii) more predictable and constant cash flows since FII revenues are mainly derived from the leasing of their properties, (iii) the predictability of and the ability to pay expenses with service providers, whose compensation is normally established as a percentage of the FII's financial performance, (iv) protected assets, in the sense that the Funds are prohibited from using their portfolio properties as collateral or acting as a co-obligor in any transaction, (v) potentially higher liquidity on stock exchange transactions and a substantially lower and widespread investment through the acquisition of shares; and (vi) greater transparency in addition to a simple information collection process.

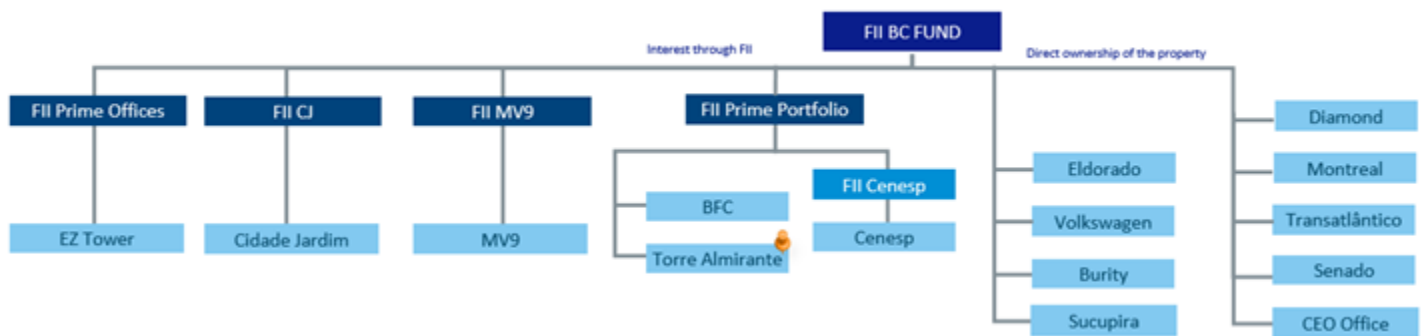
The Fund's monthly payout policy reflects management's strategic decisions, based on the macroeconomic scenario in Brazil and the prospects for the real estate sector. In 2016, when the market signaled falling interest rates, the Fund reduced its cash through capital amortization and changed its monthly distribution policy, previously based on fixed earnings. BC Fund currently pays earnings based on the legal minimum limit, currently at 95% of its six-month result, calculated on a cash basis, under the Fund's regulations and legislation in force.

Although FIIs are prohibited from taking on debt, they can still leverage their assets by buying real estate in installments or assigning future credit receivables. The guarantees offered in these transactions are not binding in relation to the shareholders nor do they result in the creation of any obligation against BC Fund, which is not jointly liable for the solvency of the assigned credit.

BC Fund selects its acquisitions based on the constant monitoring of the corporate office real estate market mainly in Rio de Janeiro and São Paulo, rigorous due diligence of the properties and the ability of the fund administrator and manager (both controlled by Banco BTG Pactual) to prospect and recommend the best investment opportunities. Frequent investments in the mapping of commercial office space supply and demand allow BC Fund to identify real estate acquisition opportunities with substantial appreciation potential. BC Fund's portfolio turnover demonstrates that even in periods of economic uncertainty in the real estate market, as in 2009 and 2010, BC Fund was able to identify and take advantage of good investments, and, as in 2015 and 2016, periods with a lower volume of real estate transactions, the Fund made divestments with significant capital gains to its shareholders. In 2018, with the resumption of the real estate market, the Fund also made divestitures and positive acquisitions for its portfolio. This movement gained traction in 2019 and 2020.

BC Fund stands out in the FII market for its pioneering and innovative characteristics, always maintaining a close relationship with investors and mitigating asymmetries. Among the measures taken in this regard, the most important are the Fundamentals Spreadsheet, updated and made available to the market on its website on a monthly basis, and the creation of the Monitoring Committee, composed of a group of shareholders aligned for the benefit of the Fund and its close relationship with investors, who meet periodically to discuss paths and strategies for the Fund's portfolio.

## BC Fund's Organizational Structure



## Appendix C – Glossary

**GLA – Gross Leasable Area:** Corresponds to the area effectively leased and, therefore, generating revenue. It is used as a basis for calculating the metrics related to the portfolio area.

**BOMA Area:** The main method for measuring area adopted for the sale of space in corporate office buildings. It allows a better comparison between properties' areas, taking into account space that is for the exclusive use of the standalone units as well as that which provides general support for the condominium.

**Cap rate:** Corresponds to the monthly revenue from a property on an annualized basis (12 months) divided by the value of the property.

**CDB:** Certificate of Deposits.

**CRI:** Mortgage-Backed Securities.

**FFO – Funds From Operations:** A non-accounting measure corresponding to net income, minus (plus) the effects of gains (losses) from the sale of investment properties, gains from the fair value of investment properties, and nonrecurring revenues and expenses. FFO is calculated by the Fund's administrators and has no standard definition and thus may not correspond to those of other funds or companies in the same industry.

**Adjusted FFO:** Corresponds to FFO plus non-cash financial expenses from the monetary restatement of debt.

**LCI:** Mortgage Notes.

**Leasing Spread:** The real increase (above inflation) of the lease amount at the close of the period over the lease amount for the same area at the beginning of the period due to contract reviews or new leases.

**LTV – Loan to Value (gross):** Gross debt over total assets minus minority interests.

**LTV – Loan to Value (net):** Gross debt minus cash and cash equivalents over total assets minus cash and cash equivalents.

**IGP-M:** General Market Price Index, calculated and published by the Getúlio Vargas Foundation on a monthly basis.

**IPCA:** Extended National Consumer Price Index, announced by the Brazilian Institute of Geography and Statistics - IBGE on a monthly basis.

**IPO: Initial Public Offering.** The Fund's IPO took place in December 2010.

**Market Cap:** Corresponds to the Fund's value in the secondary market, equivalent to the number of shares multiplied by the closing price of the share on the last business day of the corresponding period.

**Contracted lease revenue:** A non-accounting indicator corresponding to the total amount of lease agreements in force in the reference month, excluding discounts, grace periods, fines and other adjustments impacting the book value of lease revenue.

**Same-Tenant Rent – STR:** A non-accounting indicator corresponding to the total amount of lease agreements in force in the reference month in a given area that was already leased by the same tenant at the end of the same period the year before or at the end of the previous quarter, excluding discounts, grace periods, fines and other adjustments that affect the accounting lease revenue.

**Financial Vacancy:** The estimated percentage representing the potential monthly lease revenue from vacant areas over the portfolio's total monthly lease revenue plus the potential monthly lease revenue from vacant areas.

**Book Value of the Share:** Corresponds to the book value of the Fund's equity divided by the number of outstanding shares.