



Fundo Imobiliário BTG Pactual Corporate Office Fund



FII BTG Pactual Corporate Office Fund

BRCR11

Monthly Report – December 2021



Overview

Fund's Purpose and Profile

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BC Fund is one of Brazil's largest real estate investment funds listed in the Brazilian stock market. The Fund was created in June 2007 and has, ever since, actively managed its portfolio with the main purpose of investing in corporate towers, generating income in Brazil, which are strategically located in major commercial centers, by purchasing office buildings or real estate rights.

BC Fund's active management policy is based on four pillars:

- (i) efficient negotiation of lease agreements;
- (ii) investment in expanding and improving properties;
- (iii) efficient portfolio recycling;
- (iv) positive leverage to acquire new properties and/or other FII's shares.

Main Features

Corporate Taxpayer's:

08.924.783/0001-23

Fund's IPO:

2012

Administrator:

BTG Pactual Serviços Financeiros S.A. DTVM

Administrator Fee:

0.25% p.a. on the market cap

Manager:

BTG Pactual Gestora de Recursos LTDA

Management Fee:

1.10% p.a. on the market cap as a discount (after September 9, 2022, the rate will return to 1.50%)

Number of Emissions:

7

Quantity of Quotas:

26.638.202

Trading Tickers:

BRCR11

Deadline:

Undetermined

Target Public:

Investor in general

KPI Summary

Market Cap (R\$ billion) 1.94	Market Cap (R\$/share) 72.69	Equity Value ² (R\$ billion) 2.83	Equity Value ² (R\$/share) 106.18	Monthly Earning ³ (R\$/share) ³ 0.50	Dividend Yield (12 months) 8.6%
ADTV ¹ (R\$ million/day) 1.97	Shareholders 132,543	Financial Vacancy 14.4%	Physical Vacancy 23.0%	Assets 14	A/AAA 78.7%

Latest News

Acquisition of AAA Portfolio

This month, in line with the recovery of the Rio de Janeiro market, FII Prime concluded the acquisition of 60% (sixty percent) of the Torre Almirante Building, corresponding to a BOMA area of approximately 25,087 m² and, consequently, the ideal fraction that allows us to have operational/commercial control of the asset. The acquisition totaled R\$384 million, of which R\$245 million was carried out via securitization and the remaining balance, in the amount of R\$139 million, was discounted from the installment due by Brookfield with the sale of the asset in February 2019. For more information on the transaction and the acquisition structure, please read our Material Fact released on December 22, 2021, which is available on our website.

Semiannual Reappraisal

This month, following our commitment to more transparency and visibility to our shareholders, we concluded the semi-annual portfolio reappraisal. Always remembering that in May and November the Fund performs the appraisal of its portfolio, and the evaluation process is conducted by an independent expert. The result of this evaluation, which impacted the financial statements for November, generated a decrease of R\$29.3 million in the value of assets. Thus, the Fund's net equity reached R\$2.83 billion or R\$106.18/share.

Latest News – Continued

Termination of Lease Agreement

This month, the Fund received a partial early termination notice for the return of half a floor from a tenant who currently occupies three and a half floors at EZ Tower. Our commercial team continues to negotiate new terms with the tenant to avoid the return of the leased space. However, if the space is effectively returned, the tenant must comply with all contractual provisions, such as the prior notice and a contractual penalty for early termination. Finally, it is important to highlight that visits continue to increase in the region and the asset also has guaranteed income from the seller until October 2022.

Shareholder Return

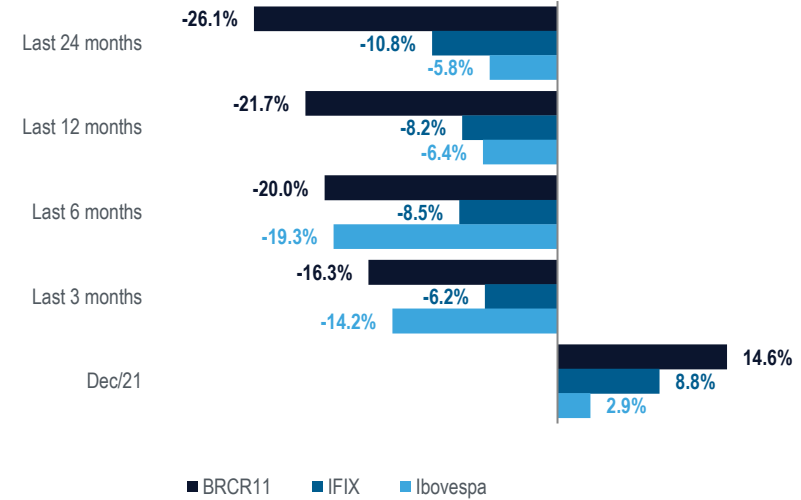
The total return for shareholders last month, considering the distributed income and the share value, was a positive 14.6%, while the Ibovespa increased by 2.9%. The average daily liquidity on the stock exchange (BRCR11) was R\$2.0 million in the period, and the share price in the secondary market closed the month at R\$72.69 per share. Based on the last return for shareholders, the annualized dividend yield comes to 8.6%.

Market Indicators

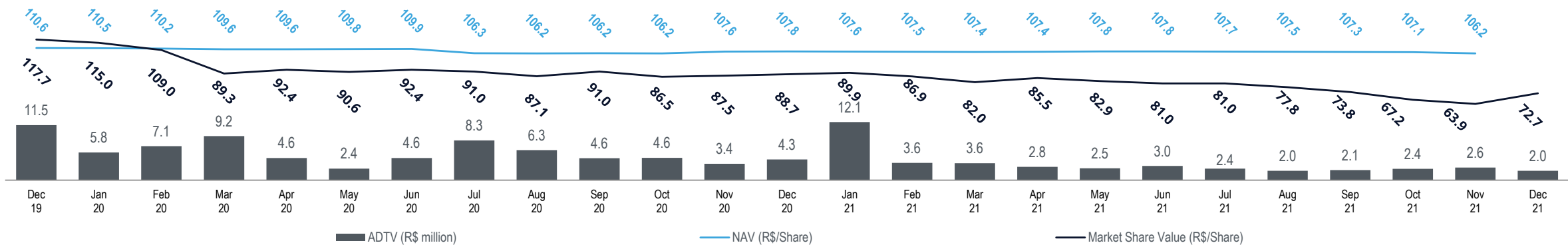
B3's Performance

		NAV	Market
Adjusted Closing Share's Market Value*	[R\$/share]	106.18	72.69
Discount to NAV	[%]	0.0%	-31.5%
Dividend per share	[R\$/share]	0.50	0.50
Monthly profitability	[%]	0.5%	0.7%
Annual profitability (compound)	[%]	5.8%	8.6%
Shares outstanding	[# mn]	26.6	26.6
Market cap	[R\$ mn]	2,828.5	1,936.3
(+) Net debt (Cash)	[R\$ mn]	328.2	328.2
(+) Minorities stake	[R\$ mn]	56.1	56.1
Implicit value of Real Estate assets	[R\$ mn]	3,212.8	2,320.6
Contracted lease revenue	[R\$ mn]	18.3	18.3
Implicit Cap rate	[%]	6.5%	9.0%
A dj. Cap rate (incl. vacant areas)	[%]	7.6%	10.6%
Portfolio GLA	[th m ²]	228.9	228.9
Average per m ²	[R\$/m ²]	14,036	10,139
Total Volume Traded in the month	[R\$ mn]		414
Average Daily Trading Volume in the month	[R\$ mn]		2.0
% of Fund Traded in the month	[%]	#	18%
% of Fund Traded in the last 12 months	[%]	#	32.3%
Variation from previous month closing	[%]	#	13.8%
Return for Shareholder (including distribution)	[%]	#	14.6%

Return for Shareholders⁴



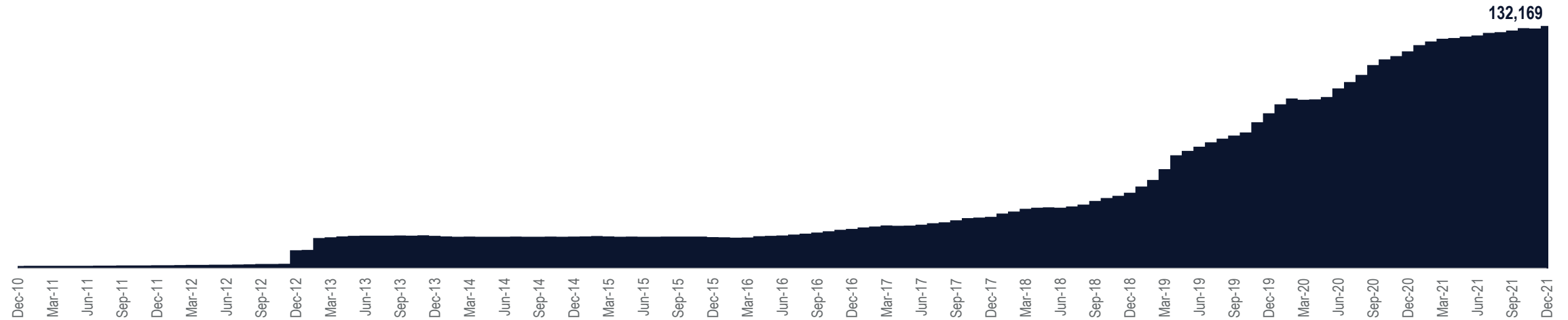
Evolution of the Share Price and Average Daily Trading Volume



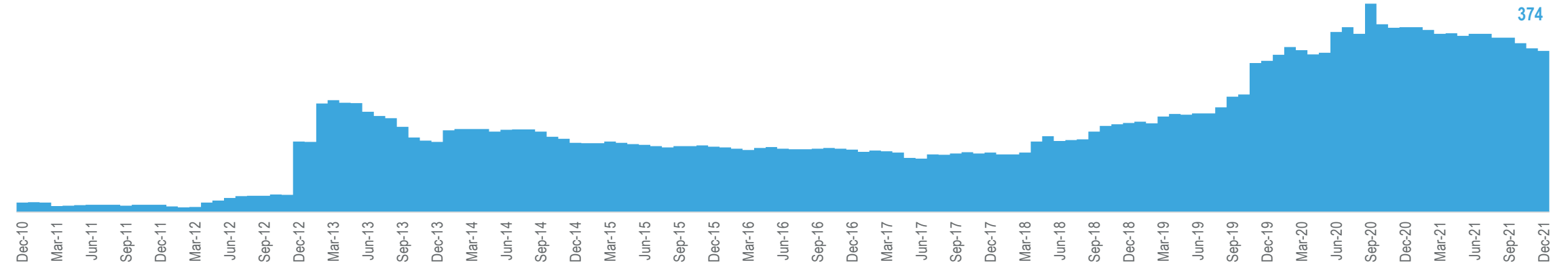
Note: (4) Considers share appreciation in the period (closing value on the last day of the month M / closing value on the last day of the month M-1) + Yield received by shareholders in the period

Evolution of the Number of Shareholders

Individuals



Legal Entities



Individuals currently hold 71% of the Fund's share base, while companies hold 29% of the shares

Financial and Operational Performance

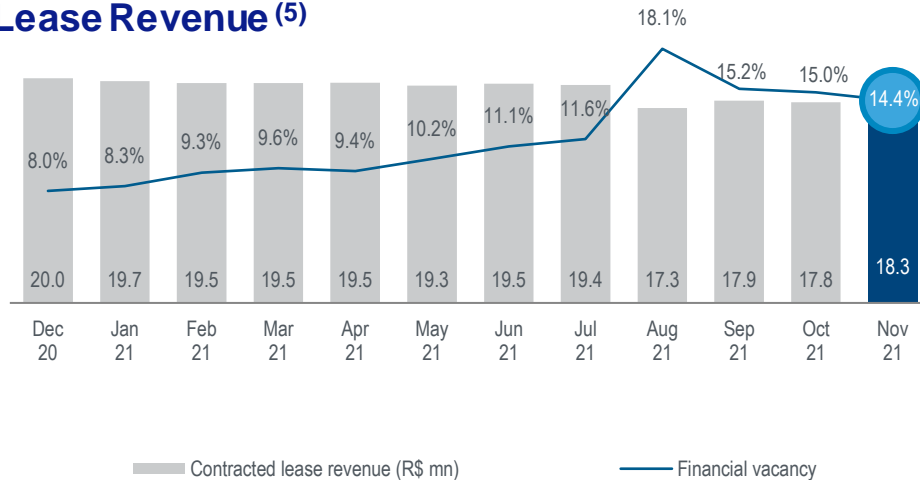
In November 2021, the financial vacancy of the portfolio accounted for 14.4% of potential lease revenue, and 23.0% of total GLA in m², lower than the previous month due to the new leases in the BFC building.

At the end of November 2021, vacancy totaled 36,537 m² in the CENESP building; 11,281 m² in the Diamond Tower building; 1,971 m² in the Eldorado building; 1,507 m² in the Sucupira building; 525 m² in the EZ Towers building; and 274 m² in the BFC building.

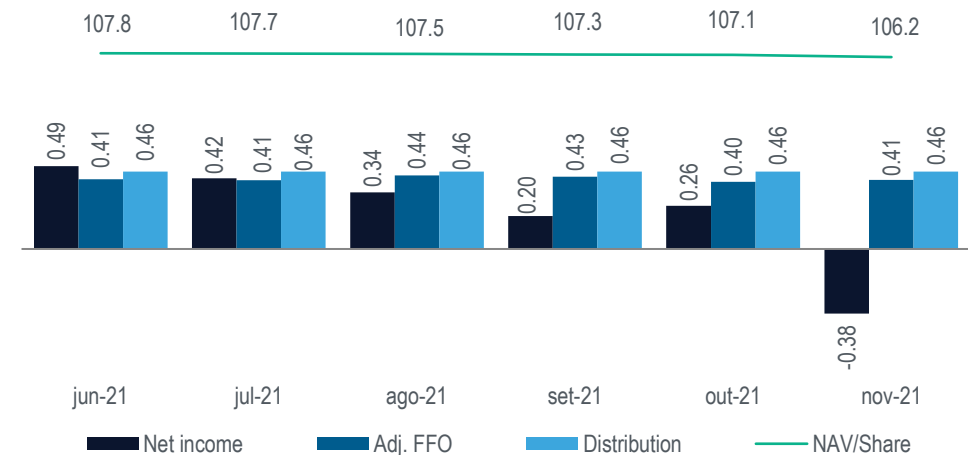
Over the next three months, 37.8% of the contract portfolio will be adjusted for inflation, while 0.1% of the contracts will be under renewal in this period.

Net income per share was negative by R\$0.38 in November 2021. Adjusted FFO(4) was R\$0.41/share, and the amount distributed as a return for shareholders totaled R\$0.46/share.

Evolution of the Financial Vacancy and Contracted Lease Revenue ⁽⁵⁾



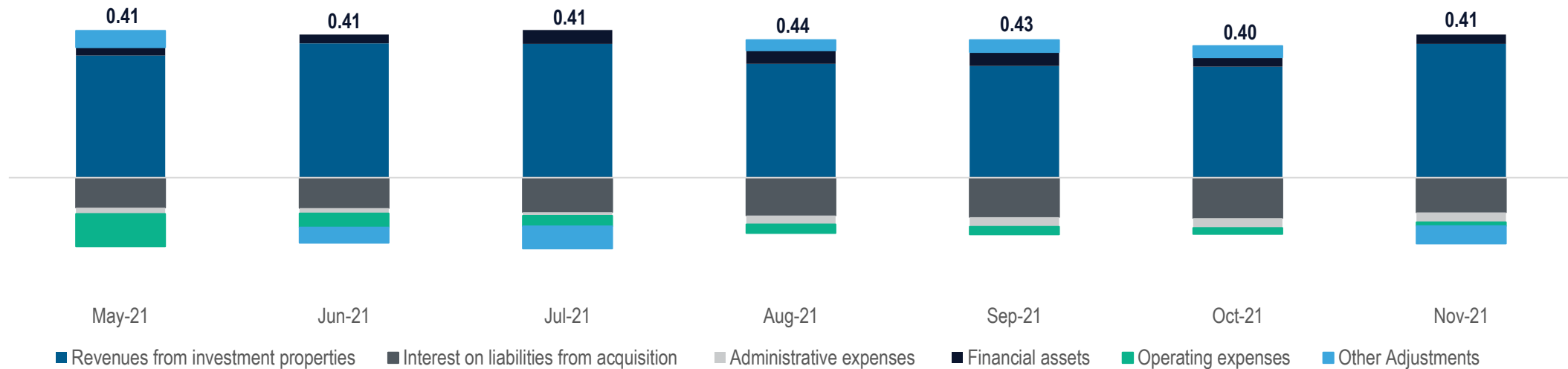
Result Indicators (R\$/Share) ⁽⁶⁾⁽⁷⁾



Note: (5) A non-accounting measure 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 leasing revenue. (6) FFO is a non-accounting measure that corresponds to net income, excluding (adding) the effects of gains (losses) on the sale of investment properties, fair value gains from investment properties, non-recurring income and expenses, and non-cash financial expenses; (7) Managerial monthly amounts adjusted based on the result of the quarterly auditing process.

FFO Composition

FFO⁶ is a non-accounting indicator which indicates the cash flow from operations, based on the Net Income from assets. It includes the real estate and financial revenues, deducting interest, administrative, and operational expenses; and it also excludes non-recurring revenues and expenses. In November, the Fund's FFO totaled R\$0.41/share



Notes: (6) FFO is a non-accounting metric that corresponds to net income, excluding (adding) the effects of gains (losses) on the sale of investment properties, fair value gains from investment properties, non-recurring income and expenses, and non-cash financial expenses; Since August, the accounting effect of the interest expenses of the Diamond Tower was excluded, given the current deficiency;

Informações Financeiras

Consolidated Income

(R\$ thousand)	Oct21	Nov 21	Last 12 months
Lease Revenue	15,836	19,235	215,123
Provision for impairment of trade receivables	-	-	835
Other Revenues from Properties	(165)	(456)	3,381
Adjustment to Fair Value	-	(29,252)	(17,882)
Financial Expenses of Properties	(5,713)	(4,909)	(54,052)
Administrative Expenses of Properties	(1,371)	(1,383)	(11,489)
Results from Properties	8,587	(16,765)	135,916
Revenues from CRI, LCI and other FII Shares	1,155	1,160	14,929
Adj. to Fair Value of CRI, LCI and other FII Shares	(2,149)	5,479	(11,507)
Other Financial Assets	155	150	1,115
Fund's Operating Income (Expenses)	(889)	(532)	(26,696)
Minority Interest ⁽⁸⁾	(62)	315	2,509
Net Income	6,797	(10,193)	116,266
Adjusted FFO	10,612	10,912	134,528
Adjusted FFO / share (R\$/Share)	0.40	0.41	5.05
Distribution to Shareholders	12,254	12,254	150,485

Balance Sheet

(R\$ thousand)	Nov 21	% of Assets
Assets	3,594,575	100.0%
Properties	3,019,949	84.0%
LCI	-	0.0%
CRI	130,370	3.6%
Other FII Shares	115,511	3.2%
Lease Receivable	63,127	1.8%
Fixed Income	35,246	1.0%
Other Assets	230,372	6.4%
Liabilities	709,950	19.8%
Income to be Distributed	30,043	0.8%
Liabilities from Acquisition of Properties	656,294	18.3%
Other Liabilities	23,613	0.7%
Equity	2,828,514	78.7%
Minority Interest⁽³⁾	56,111	1.6%
Total Liabilities and Equity	3,594,575	100.0%

Portfolio

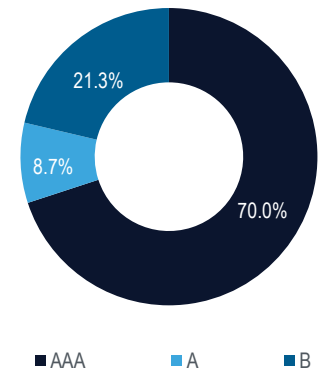


Asset	Class	Location	Acquisition	Fund Ownership	GLA (m ²)	Vacancy (m ²)	Lease (R\$ '000)	R\$/m ²	% of Potential Revenue ⁽⁹⁾	Main Tenants ⁽⁷⁾
BFC	A	São Paulo	Mar-10	23%	9,984	2.7%	1,269	130.6	6.3%	Grupo Pan, Itaú, WeWork
Burity	B	São Paulo	Apr-11	100%	10,550	0.0%	839	79.6	3.8%	Banco GMAC, Grupo Pan
CENESP ⁹	B	São Paulo	Jul-08	31%	64,480	56.7%	979	35.0	10.7%	Ernst & Young, Fidelity, BB
CEO Office	AAA	R. de Janeiro	Feb-19	27%	4,782	0.0%	443	92.6	2.1%	Tim
Cidade Jardim	AAA	São Paulo	Feb-19	50%	7,458	0.0%	1,431	191.8	6.9%	Aqua, Banco ABC, Felsberg, Patria
Diamond Tower	AAA	São Paulo	Jul-20	100%	36,918	30.6%	2,934	114.5	21.0%	Samsung, Cargill
Eldorado	AAA	São Paulo	Apr-09	34%	22,246	8.9%	3,054	150.6	14.9%	ACE Seguradora, Anbima, LinkedIn, Via Varejo
EZ Towers - B	AAA	São Paulo	Oct-20	16%	7,520	7.8%	954	126.9	4.0%	UnitedHealth, Marsh
Montreal	A	R. de Janeiro	Dec-07	100%	6,439	0.0%	326	50.6	1.6%	Estácio, Patrys
MV9	B	R. de Janeiro	Feb-19	100%	15,174	0.0%	759	50.0	4.0%	INPI
Senado	AAA	R. de Janeiro	Feb-19	20%	19,035	0.0%	3,028	159.1	14.5%	Petrobras
Sucupira	AAA	São Paulo	Nov -19	21%	7,534	20.0%	969	147.2	3.7%	Sanofi
Transatlântico	B	São Paulo	Mar-08	28%	4,208	12.5%	210	57.0	1.0%	Mattel, Rockwell
Volkswagen	B	São Paulo	Jan-08	100%	12,560	0.0%	1,117	89.0	5.4%	Volkswagen
Total					228,888	23.0%	18,311	103.1	100.0%	

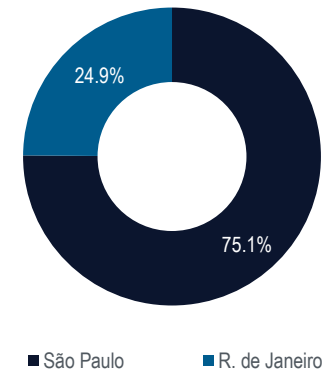
Notes: (9) Considers total assets; (10) Considers the EZ Tower building's monthly guaranteed minimum income (RMG) and the Sucupira building's supplementary guaranteed income; (11) Considers the potential market revenue for each asset determined by the Fund's half-yearly portfolio property revaluation conducted by Cushman & Wakefield in November 2021; (12) Considers tenants based on the contracted leasing revenue. Reference date: November 2021.

Portfolio

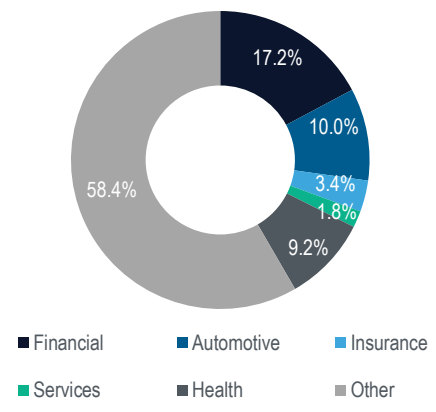
Revenue by Asset Class
(% Total Contracted Revenue)¹⁰



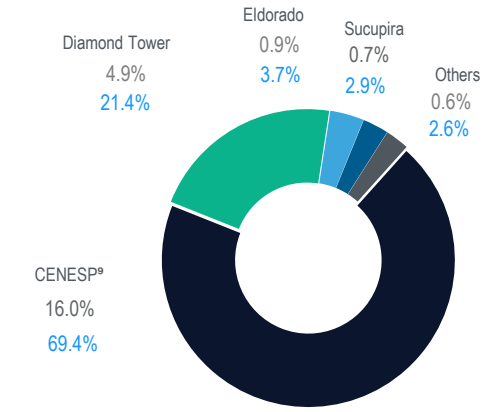
Revenue by Region
(% Total Contracted Revenue)¹⁰



Revenue by Sector
(% Total Contracted Revenue)¹⁰



Breakdown - Vacancy by Asset
(% al Gross Leasable Area)

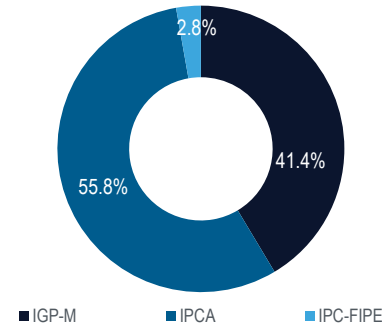


Note: Base date November 2021

Portfolio

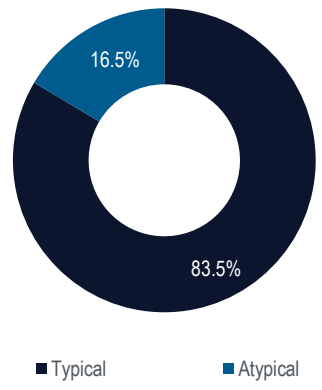
Readjustment Rates

(% Total Contracted Revenue)¹⁰



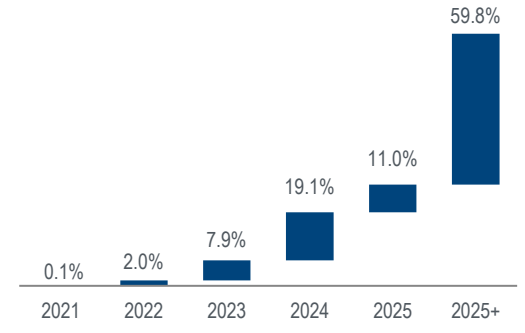
Type of Agreements

(% Total Contracted Revenue)¹⁰



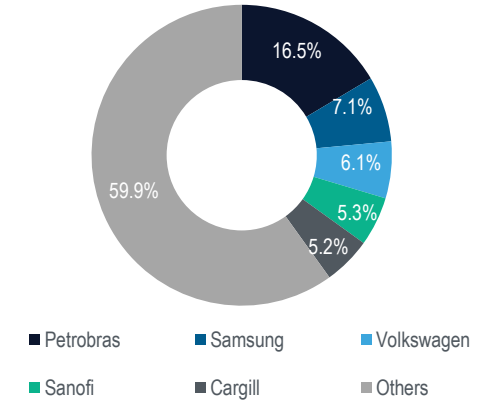
Maturity Schedule

(% Total Contracted Revenue)¹⁰



Main Tenants

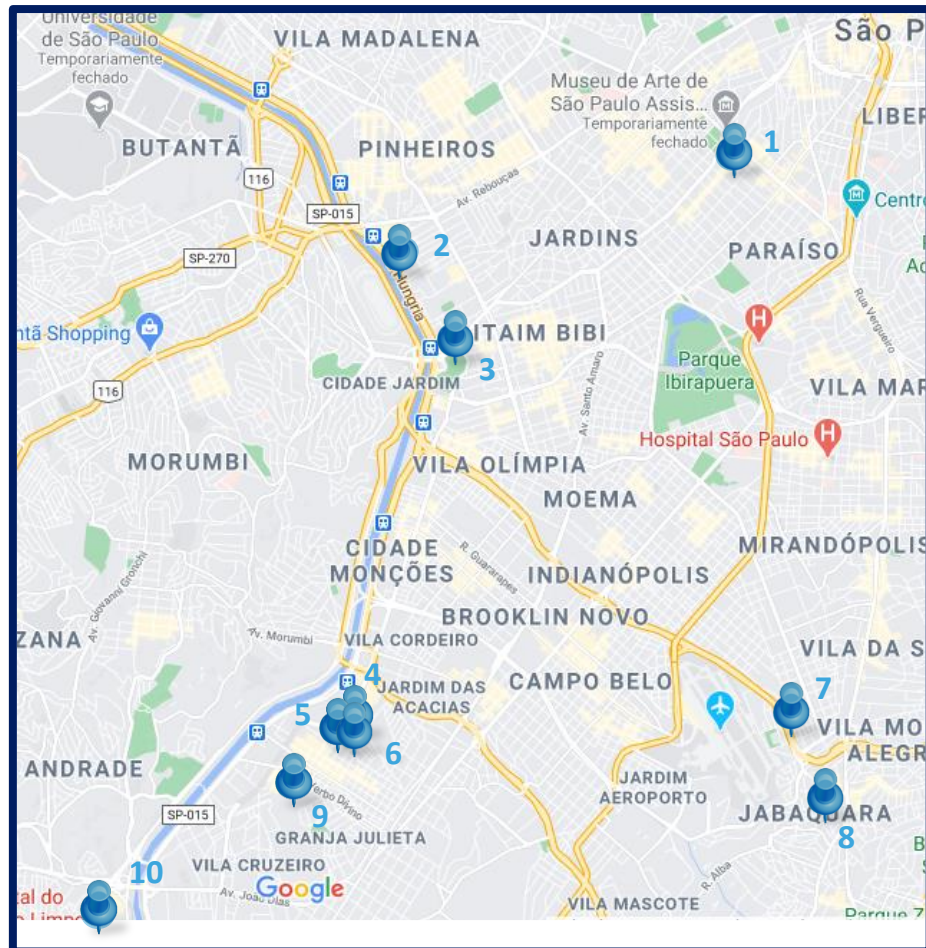
(% Total Contracted Revenue)¹⁰



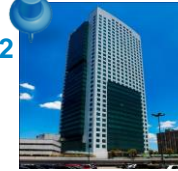
Note: Base date November 2021

Geographical Portfolio Presentation

São Paulo



BFC
Class: A
GLA: 9,984 m²
Occupancy: 97.3%



Eldorado
Class: AAA
GLA: 22,248 m²
Occupancy: 91.1%



Cidade Jardim
Class: AAA
GLA: 9,984 m²
Occupancy: 100%



Diamond Tower
Class: AAA
GLA: 36,198 m²
Occupancy: 69.4%



Sucupira
Class: AAA
GLA: 7,534 m²
Occupancy: 80.0%



EZ Towers (B)
Class: AAA
GLA: 7,520 m²
Occupancy: 92.2%



Burity
Class: B
GLA: 10,550 m²
Occupancy: 100%



Volkswagen
Class: B
GLA: 12,560 m²
Occupancy: 100%



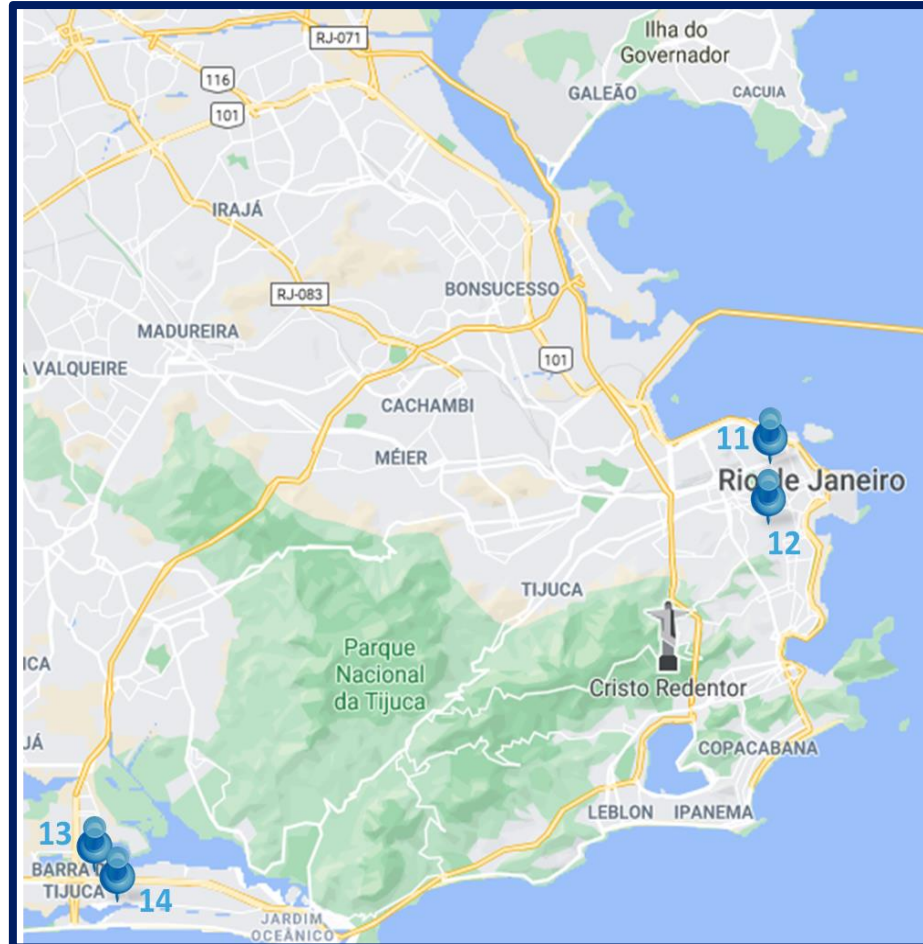
Transatlântico
Class: B
GLA: 4,208 m²
Occupancy: 87.5%



Cenesp
Class: B
GLA: 64,480 m²
Occupancy: 43.3%

Geographical Portfolio Presentation

Rio de Janeiro



11

MV9

Class: B
GLA: 15,174 m²
Occupancy: 100%



12

Senado

Class: AAA
GLA: 19,035 m²
Occupancy: 100%



13

CEO Office

Class: AAA
GLA: 4,782 m²
Occupancy: 100%

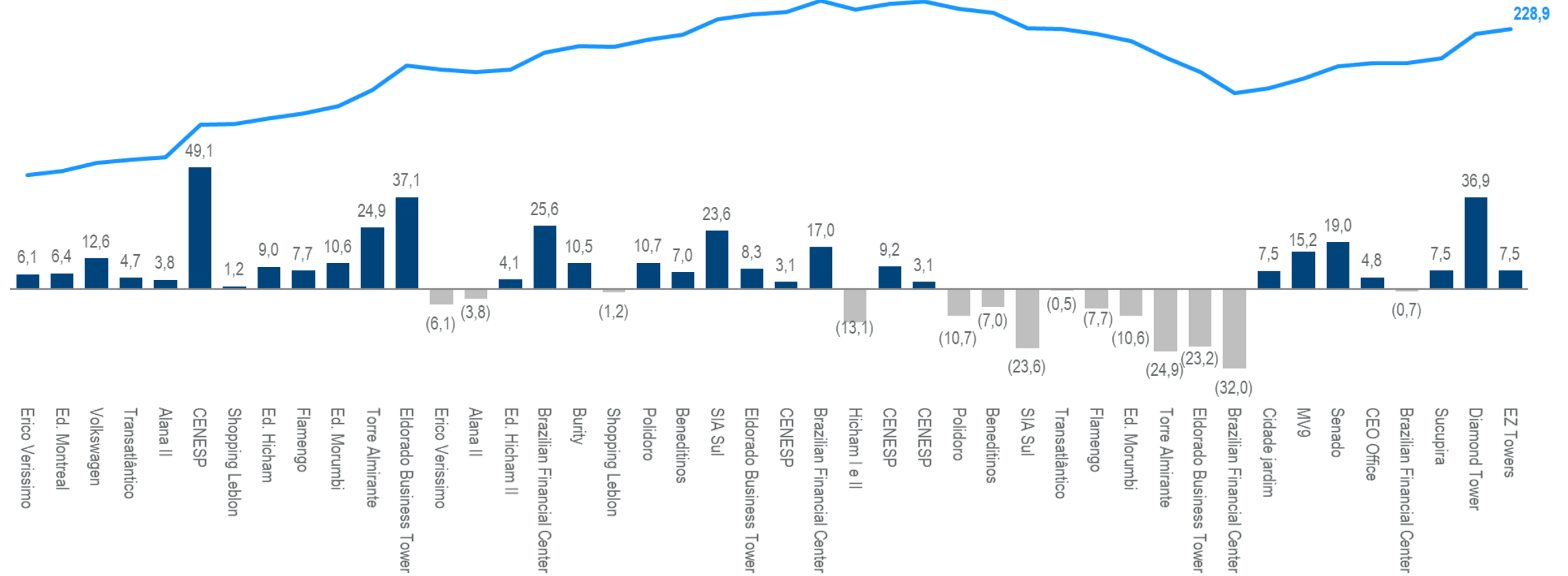


14

Montreal

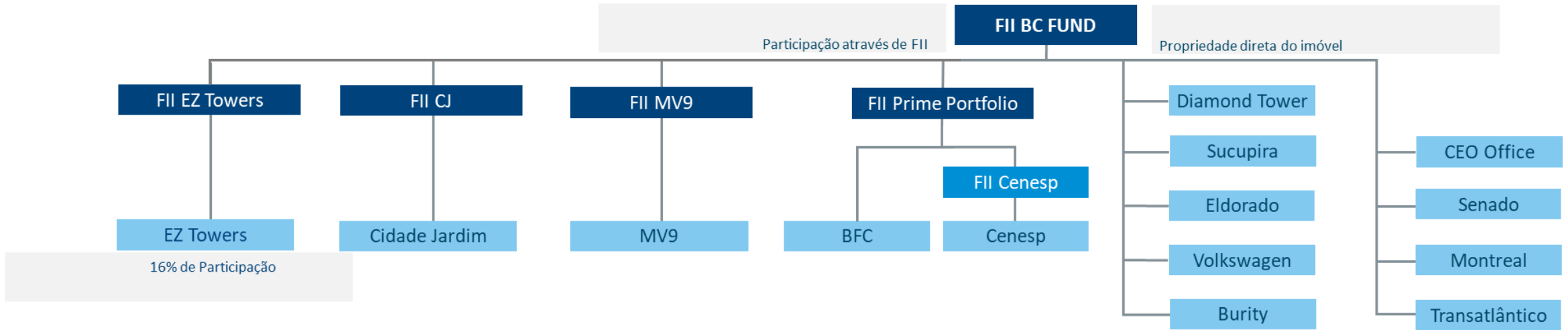
Class: A
GLA: 6,439 m²
Occupancy: 100%

Investments / Divestments Timeline



Note: Bars correspond to invested or divested GLA.
Base date: November 2021

Fund's Organizational Structure



Disclaimer

Investment funds are not guaranteed by the fund manager, portfolio manager, any insurance mechanism or by the Credit Guarantee Fund - FGC. The past yield does not guarantee future yield. We recommend carefully reading the prospectus and the investment fund's investor rules when investing your funds. Investors must be ready to accept risks inherent in the different markets in which the investment funds operate and, thus, possible variations in the invested equity. The Administrator is not responsible for errors or omissions in this material, as well as for the use of the information herein. In addition, the Administrator is not responsible for investor decisions on the subject in this material or for the act or fact of professionals and specialists consulted.

The management of all the Funds invested by the BC Fund is performed by its internal team, thus generating greater synergy for the portfolio





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