CUSHMAN & WAKEFIELD

APPRAISAL REPORT

PREPARED FOR: GAZIT BRASIL.

USE: Internal use, except for presentation to the external accounting auditors of the contractor.

PURPOSE: Internal decision-making process and accounting entry.

PROPERTY: Shopping Morumbi Town, Avenida Giovanni Gronchi, 5,930, – Vila Andrade - São Paulo / SP.

DATE: December 31st, 2020.

Cushman & Wakefield Brasil
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São Paulo, December 31st, 2020.

GAZIT BRASIL LTDA
Mr. Sergio Koffes
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Av. Olimpíadas, 66 – 4th floor – Vila Olímpia – São Paulo
skoffes@gazitbrasil.com

Valuation Report for Shopping Morumbi Town, Located at 5,930 Giovanni Gronchi Avenue, Vila Andrade, City and State of São Paulo.

Dear,

In response to your request, Cushman & Wakefield has the pleasure to present the report of the "free market value" for the purchase/sale of the Property in question, with the purpose of internal decision-making process and accounting entry, which is located at 5,930 Giovanni Gronchi Avenue, Vila Andrade, City and State of São Paulo.

This report was prepared based on the market available data and the data provided by the Contractor, in accordance with the provisions of the NBR. 14653-1/2001 and NBR 14653-4/2004, from the A.B.N.T. – Brazilian Association of Technical Standards.

This report was prepared for registration purposes with the CVM (Brazilian Securities Commission) seeking the appraisal to determine the market value for purchase / sale of real estate assets in reference to the real estate investment fund, complying with CVM Instruction No. 472/08.

This real property appraisal report is exclusively for internal use of the Contractor, its affiliates, controlled or controlling companies, officers, directors, partners, members, shareholders, legal counsels, managers, employees, external auditors and consultants which are involved with the Property. No part of it may be published or disclosed to third parties without the formal, written consent of the issuer, Cushman & Wakefield. The source must always be cited when reproducing any of the data contained, under penalty of applicable civil and criminal penalties for violating copyright law. Furthermore, in the event that any of the Contractor is requested or required by law, legal process or any regulatory, governmental, or quasi-governmental administrative authority to disclose this real property appraisal report, Contractor will promptly notify Cushman & Wakefield so that it can take the legal measures applicable.

We appreciate the opportunity and remain at your entire disposal for any clarifications that may be necessary.

Regards,

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Mauricio Itagyba, CREA, MRICS, RICS
Registered Valuer
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Cushman & Wakefield, Brazil

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Executive Summary

DATE OF THE APPRAISAL:		December 31st, 2020.	
DATE OF THE INSPECTION:		October 26th, 2020.	
TIPO DE PROPRIEDADE:		Shopping Center.	
1	OBJECTIVE:	Determine the “free market value” for the purchase/sale of the property in question.	
2	APPROACH:	Direct Income Capitalization approach based on a Discounted Cash Flow.	
3	ADDRESS:	5,930, Avenida Presidente Giovanni Gronchi, Vila Andrade, city of São Paulo, state of São Paulo.	
	• Access:	The property has its main accesses through the streets Nelson Gama de Oliveira, Castelhano, Alexandre Benois and Giovanni Gronchi avenue, among other secondary access ways.	
	• Neighborhood:	Mixed (commercial and residential).	
	• Transportation:	By road (public transportation or private car).	
	• Public Utilities:	Electricity, roads, mass transport, telephone, solid waste collection, drinking water, sewage collection, rainwater collection, gas, post office, road cleaning and conservation.	
4	DESCRIPTION OF THE PROPERTY:		
	• Site:	Topography:	Flat.
		Shape:	Irregular.
		Area:	22,840.00 sqm (informed by the client).
	• Constructions:	Description:	Shopping Center Regional.
		Apparent age:	2 years.
		Remaining Lifetime:	58 years.
		Total Built Area:	92,913.33 sqm (informed by the client).
		Gross Leasable Area – **AS IS (Current Area):**	31,499.65 sqm (rent roll provided by the client).
		Gross Leasable Area – **AS BUILT (Future Expansion):**	4,833.27 sqm (rent roll provided by the client)
		Parking:	1,563 parking spaces.

NOTE: As client request, we considered an Expansion starting in January/2021.

5 SCENARIO USED – **AS IS (CURRENT OPERATION)**:

• Period Of Analysis:	10 years.	
• Minimum Rent:	R$ 9,423,534.00.	In the 1st year.
• Annual Growth Rents (Real):	The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.	
• Discounts	(R$ 200,000.00)	In the 1st year.
	(R$ 100,000.00)	In the 2nd year.
	(R$ 0.00)	In the 3rd year onwards during the projected cash flow.
• Turnover Rent:	R$ 2,400,000.00	In the 1st year.
	R$ 2,800,000.00	In the 2nd year onwards during the projected cash flow.
• Mall Income & Merchandising:	R$ 3,300,000.00	In the 1st year.
	R$ 3,650,000.00	In the 2nd year.
	R$ 4,000,000.00	In the 3rd year onwards during the projected cash flow.
• Key Money:	R$ 450,000.00	In the 1st year.
	R$ 500,000.00	In the 2nd year.
	R$ 700,000.00	In the 3rd year onwards during the projected cash flow.
• Car Parking Revenues (Net):	R$ 4,250,000.00	In the 1st year.
	R$ 4,500,000.00	In the 2nd year.
	R$ 5,000,000.00	In the 3rd year.
	R$ 5,500,000.00	In the 4th year onwards during the projected cash flow.
• Other Revenues:	R$ 75,000.00	In the 1st year.
	R$ 100,000.00	In the 2nd year onwards during the projected cash flow.

• General Vacancy:	5.00%	In the 1st year.	Over minimum rent (excluding anchor stores, mega stores movie theater and entertainment).
	4.00%	In the 2nd year.	
	3.00%	In the 3rd year.	
	2.50%	In the 4th year.	
	2.00%	In the 5th year.	
	1.50%.	In the 6th year and beyond.	

• Collection Loss:	7.00%	In the 1st year.	Over minimum rent (excluding anchor stores, mega stores movie theater and entertainment).
	5.00%	In the 2nd year.	
	3.50%	In the 3rd year.	
	3.00%	In the 4th year.	
	2.50%	In the 5th year.	
	2.00%	In the 6th year and beyond.	
• NRE - Service Charge:	(R$ 936,700.00)		In the 1st year.
	(R$ 749,400.00)		In the 2nd year.
	(R$ 562,000.00)		In the 3rd year.
	(R$ 468,400.00)		In the 4th year onwards during the projected cash flow.
• Promotion Fund	(R$ 155,000.00).		Per year.
• Other Non-Recoverable Expenses:	(R$ 1,500,000.00)		In the 1st year.
	(R$ 1,250,000.00)		In the 2nd year.
	(R$ 1,000,000.00)		In the 3rd year.
	(R$ 750,000.00)		In the 4th year onwards during the projected cash flow.
• Maintenance and Repairs:	1.50%		Over effective gross revenue from January/2023 onwards.
• CAPEX:	(R$ 3,461,559.00)		In the 1st year.
	(R$ 0.00).		In the 2nd year onwards during the projected cash flow.
• Allowance NBA	(R$ 2,250,000.00)		In the 1st year.
	(R$ 0.00).		In the 2nd year onwards during the projected cash flow.
• Concession NBA	(R$ 1,100,000.04)		From the 1st to the 2nd year.
	(R$ 0.00)		In the 3rd year onwards during the projected cash flow.
• Forecast Average Inflation:	Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.		
• Discount Rate:	11.08%.		Per Year.
• Capitalization Rate:	7.25%.		Per Year.
• Property's Salle Commission	2.50%.		Over net operating income of the 11th year

MARKET VALUE OF THE SHOPPING – AS IS (CURRENT OPERATION):

R$ 320,497,200.00 (THREE HUNDRED TWENTY MILLION, FOUR HUNDRED AND NINETY-SEVEN THOUSAND AND TWO HUNDRED REAIS).

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6 SCENARIO USED – **AS BUILT (FUTURE EXPANSION)**:

• Period Of Analysis:	10 years.	
• Minimum Rent:	R$ 156,513.00	In the 1st year.
• Annual Growth Rents (Real):	2.00% in the 2nd year, onwards during the projected cash flow.	
• Discounts:	(R$ 1,195.02)	In the 1st year.
	(R$ 26,195.04)	In the 2nd year.
	(R$ 62,500.02)	In the 3rd year.
	(R$ 87,499.98)	In the 4th year.
	(R$ 100,000.00)	In the 5th year onwards during the projected cash flow.
• Turnover Rent:	R$ 28,680.00	In the 1st year.
	R$ 75,082.02	In the 2nd year.
	R$ 115,302.54	In the 3rd year.
	R$ 157,918.02	In the 4th year.
	R$ 214,017.48	In the 5th year.
	R$ 250,000.00	In the 6th year onwards during the projected cash flow.
• Mall Income & Merchandising:	R$ 31,667.52	In the 1st year.
	R$ 82,903.02	In the 2nd year.
	R$ 127,313.00	In the 3rd year.
	R$ 174,367.50	In the 4th year.
	R$ 223,290.00	In the 5th year.
	R$ 250,000.00	In the 6th year onwards during the projected cash flow.
• Key Money:	R$ 0.00	In the 1st to 4th year.
	R$ 722,494.02	In the 5th year.
	R$ 486,929.04	In the 6th year.
	R$ 223,971.96	In the 7th year.
	R$ 100,000.00	In the 8th year onwards during the projected cash flow.
• Car Parking Revenues (Net):	R$ 62,040.00	In the 1st year.
	R$ 174,178.02	In the 2nd year.
	R$ 278,647.02	In the 3rd year.
	R$ 381,635.00	In the 4th year.
	R$ 665,126.00	In the 5th year.
	R$ 900,000.00	In the 6th year onwards during the projected cash flow.

• Other Revenues:	R$ 2,390.00		In the 1st year.
	R$ 6,257.00		In the 2nd year.
	R$ 9,608.52		In the 3rd year.
	R$ 13,159.50		In the 4th year.
	R$ 22,917.00		In the 5th year.
	R$ 40,499.04		In the 6th year.
	R$ 50,000.00		In the 7th year onwards during the projected cash flow.
• General Vacancy:	0.00%	From 1st to 4th year.	Over minimum rent (excluding anchor stores, mega stores movie theater and entertainment).
	15.00%	In the 5th year.	
	25.00%	In the 6th year.	
	15.00%	In the 7th year.	
	7.50%	In the 8th year.	
	5.00%	In the 9th year and beyond.	
• Collection Loss:	0.00%	From 1st to 4th year.	Over minimum rent (excluding anchor stores, mega stores movie theater and entertainment).
	2.25%	In the 5th year.	
	3.75%	In the 6th year.	
	2.75%	In the 7th year.	
	2.25%	In the 8th year.	
	2.00%	In the 9th year and beyond.	
• NRE – Service Charge:	(R$ 0.00).		In the 1st to 4th year.
	(R$ 81,750.00)		In the 5th year.
	(R$ 136,250.00)		In the 6th year.
	(R$ 104,500.00)		In the 7th year.
	(R$ 100,000.00)		In the 8th year onwards during the projected cash flow.
• Promotion Fund:	(R$ 30,000.00)		In the 1st year.
	(R$ 55,000.00)		In the 2nd year.
	(R$ 50,000.00)		In the 3rd year to 5th year.
	(R$ 30,000.00)		In the 6th year onwards during the projected cash flow.
• Other Non-Recoverable Expenses:	(R$ 7,170.00)		In the 1st year.
	(R$ 14,903.52)		In the 2nd year.
	(R$ 19,217.04)		In the 3rd year.
	(R$ 43,983.54)		In the 4th year.
	(R$ 65,000.00)		In the 5th year onwards during the projected cash flow.

• Maintenance & Repairs:	1.50%	Over effective gross revenue from January/2024 onwards.
• CAPEX - Expansion:	(R$ 1,168,950.00)	In the 1st year.
	(R$ 2,550,540.00)	In the 2nd year.
	(R$ 3,250,422.00)	In the 3rd year.
	(R$ 9,868,830.00)	In the 4th year.
	(R$ 7,999,998.00)	In the 5th year.
	(R$ 0.00)	In the 6th year onwards during the projected cash flow.
• Forecast Average Inflation:	Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.	
• Discount Rate:	12.08%.	Discount Rate:
• Capitalization Rate:	7.25%.	Capitalization Rate:
• Property's Salle Commission	2.50%.	Over net operating income of the 11th year.

MARKET VALUE OF THE SHOPPING – AS BUILT (FUTURE EXPANSION):

R$ 22,110,300.00 (TWENTY-TWO MILLION, ONE HUNDRED AND TEN THOUSAND, THREE HUNDRED REAIS).

Note:

1 - This appraisal report complies with the requirements of CVM Instruction # 472/08;

2 - Cushman & Wakefield Negócios Imobiliários Ltda does not maintain working relationship of subordination or with controlled companies or controlled by the administrator;

3 - Cushman & Wakefield Negócios Imobiliários Ltda does not own any shares of the Morumbi Town Shopping;

4 - The projected cash flow starts on January 1st, 2021;

5 - Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy;

6 - As requested by the client, we did not consider the taxation of PIS / COFINS (3.65% of EGR) in the discounted cash flow;

7- As requested by the client, we considered a satelization project starting in January 2022. For this project, we assumed the expenses and revenues according to the client projections;

8 - As requested by the client, we considered in this study the performance projection of the shopping center and the expansion (phase 2) scheduled for January 2021, which comprises 4,833.27 sqm;

9 – As informed by the client, there are no projections for rent discounts in the operation (as is).

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Executive Summary - Adjacent Site

Date of the Appraisal:	December 31st, 2020.	
Date of the Inspection:	October 26th, 2020.	
Type of Property:	Land.	
Objective:	Determine the free market value for the purchase/sale of the property.	
Approach:	Sale Comparison Approach.	
Address:	Giovanni Gronchi Avenue, 5930, Vila Andrade, City and State of São Paulo.	
Access:	Chapada Velha and Castelhano st.	
Neighborhood:	Mixed (commercial and residential)	
Transportation:	By road (public transportation or private car).	
Public Utilities:	Power, roads, mass transport, telephone, solid waste collection, drinking water, cabling for data, TV and communication networks, sewage collection, rainwater collection, postal services, road cleaning and conservation.	
Description of the Properties:		
Land:	Topography:	Flat.
	Shape:	Regular.
	Area:	2,265.88 sqm (information provided by the client).
Zoning:		
Zone:	ZC - Zona de Centralidade	
Use:	Comercial.	
Coverage Ratio:	70%	
Plot Ratio:	Maximum: 2.00	

MARKET VALUE TO BUY/SELL OF THE ADJACENT SITE:

R$ 7,205,500.00 (SEVEN MILLION, TWO HUNDRED AND FIVE THOUSAND, FIVE HUNDRED REAIS).

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OBJECTIVE

PROPERTY IN ANALYSIS

SOURCE: SITE OF SHOPPING

In response to your request, this report is to determine the “free market value” for the purchase/sale, with the purpose of internal decision-making process and accounting entry.

The recipient of the appraisal report is the Contractor, Gazit Brazil.

This Appraisal Report shall be solely and exclusively for the internal use of the Contracting Company, except for the presentation of the physical route of the report to its external accounting auditors and business partners in the evaluated property. The publication or disclosure of this Appraisal Report shall not be permitted without the formal written authorization of the issuing company, Cushman & Wakefield, and in the case of eventual permission, shall be made in its entirety, and in no case shall the disclosure or publication partial. Still in the reproduction of any information, the source should always be cited, under the civil and criminal penalties imposed by the violation of copyright.

Note: This complete appraisal report is intended exclusively for the uses described herein.

APPROACH

The approach used for this appraisal consisted of an analysis of the physical characteristics of the property and of information collected in the market. This information was processed to determine the final value of the property. This methodology complies with Brazilian Standards Association (ABNT - Associação Brasileira de Normas Técnicas) NBRs 14,653-1/2001, 14.653-4/2002 and 14.653-2/2011.

Below we describe the normal appraisal procedures employed to assess the value of an asset, its fruits and rights, as well as the method used to determine feasibility indicators, as required by applicable standards:

METHODS TO IDENTIFY THE VALUE OF AN ASSET, ITS FRUITS AND RIGHTS

SALE/LEASE COMPARISON APPROACH

This approach calculates the market value of an asset by adjusting the attributes of comparable elements in a sample.

RESIDUAL APPROACH

This approach uses a feasibility study to establish the market value of an asset based on its highest and best use, using a hypothetical development of comparable characteristics to those of the asset in question, and the situation of the market of which it is part, using different feasible scenarios for the construction and sale of the product.

REPLACEMENT COST APPROACH

This approach calculates the value of an asset as the sum of the value of its components. If the object of the appraisal is to determine the market value, then factors related to the sale must also be taken into consideration.

DIRECT CAPITALIZATION APPROACH

This approach establishes the value of on asset based on the present capitalization of the net revenue expected from the property under feasible scenarios.

METHODS TO IDENTIFY THE COST OF AN ASSET

SALE/LEASE COMPARISON APPROACH

This approach establishes the cost of an asset by adjusting the attributes of a comparable set of properties in a sample.

REPLACEMENT COST APPROACH

This approach identifies the cost of an asset or of its parts using summary or analytical budgets based on the quantity of services included and their respective direct and indirect costs.

METHODS TO IDENTIFY FEASIBILITY INDICATORS OF THE ECONOMIC USE OF A DEVELOPMENT

The usual appraisal procedures to determine feasibility indicators for the economic use of a given development are based on its projected cash flow, from which are obtained decision-making indicators based on the net present value and internal rate of return, among others.

CRITERIA USED

An appreciation of the basic methodology available shows that all methods are generically comparable. All of the methodologies are based on a comparison of elements, be they sale or offer values, lease fees, revenue rates or even the efficient use of available land.

Shopping malls are a financial real estate enterprise designed to generate sustainable and relatively stable revenue over their lifetime. Each Shopping Mall is designed bearing a few factors in mind:

- The primary and secondary areas (location of the described demand);
- Location;
- Project characteristics (mall, power center, regional, theme, etc.);
- Size (GLA);
- Anchor stores (type);
- Shop mix; and
- Layout, etc.

TECHNICAL DEFINITIONS

"Free Market Value" is understood to be the most likely value for which an asset would be willingly and knowingly negotiated on a reference date under prevailing market conditions for the sale/purchase or lease of said asset.

For the purposes of the present appraisal, the market value was taken to be equivalent to the enterprise economic value, represented by the present value of future cash flows and the residual value, discounted using discount rates compatible with the future phase of the enterprise. This technical approach is recommended given that the market for equity in enterprises such as this one normally uses this concept to analyze value.

APPLICATION OF THE METHODOLOGY

The applicable methodology is basically a function of the nature of the asset being appraised, the purpose of the valuation and the availability, quality and quantity of the information collected in the market.

The appraisal process is concluded by analyzing the results of the different approaches to value used. When more than one approach is used, each one is judged based on its applicability and reliability, as well as the quantity and quality of the information available. Thus, the final value of the property may be based on one approach alone or on a correlation of some or all of them.

Thus, each shopping mall will have a unique configuration of variables. In this particular case, we opted to use the **"Income Capitalization Approach"** using a **"Discounted Cash Flow"** to determine the free market value for the sale of the property. To segregation the value between construction and land, we choose the "**Replacement Cost Approach**". For the adjacent land value, we choose the **"Sale Comparison Approach"**.

VALUATION SPECIFICATIONS

The specifications of any valuation are related to the effort of the valuation engineer, the market and the information available. The objective of having the client define an initial desired level of foundation is to determine the effort to be used in the valuation, but this does not guarantee that significant levels of foundation can be reached. Accuracy, on the other hand, depends exclusively on the characteristics of the market and the sample, and therefore cannot be set in principle.

According to item 10 of NBR 14653-4, a report must meet Level I, II or III requirements as to its fundamentals, where 1 point is awarded for level I items, 2 points for level II items and 3 points for level III items. The overall classification is the sum of the scores obtained on all items.

Based on these criteria, the current effort is classified as "**Level II**" regarding the fundamentals of valuation, and as “**Level II**" regarding feasibility indicators, as per A.B.N.T. standards. We stress that the foundation of any appraisal is directly related to the information that can be extracted from the market and therefore does not depend exclusively on the will of the valuation engineer and/or the party who contracted the valuation service.

TABLE 4 – IDENTIFICATION OF VALUE AND FEASIBILITY INDEXES

ITEM	ACTIVITY	RESULT	POINTS
7.5.1.1	Operational analysis of development	Large, with operational elements properly explained.	3
7.5.1.2	Analysis of historical data of development (*)	Based on analysis of the stochastic process for the key variables, in a minimum period of 36 months.	3
7.5.1.3	Sector analysis and market diagnosis	Of the conjecture.	2
7.5.1.4	Discount Rate	Justified	2
7.5.1.5	Choice of model	Deterministic associated to scenarios	2
7.5.1.5.1	Basic structure of cash flow	Complete	3
7.5.1.5.2	Grounded scenarios	1 at least	1
7.5.1.5.3	Sensitivity analysis	Simulation with detection of elasticity per variable.	2
7.5.1.5.4	Risk analysis	Justified risk	2
(*) Only for development in operation		SUM	20

TABLE 5 - FRAMEWORK OF VALUATION REGARDING ITS LEVEL OF GROUNDING			
(TO DETERMINE THE VALUE)			
LEVELS	III	II	I
Minimum points	More or equal to 22	from 13 to 21	from 7 to 12
Restrictions	Maximum of 3 items in lower levels, allowed maximum of one item in Level I.	Maximum of 4 items in lower levels or not covered.	Minimum of 7 items covered.
REGARDING GROUNDING TO DETERMINE THE VALUE, THE VALUATION WAS FRAMED AS:			II
(FOR FEASIBILITY INDEXES)			
LEVELS	III	II	I
Minimum points	More or equal to 18	from 11 to 17	from 5 to 10
Restrictions	Maximum of 4 items in lower levels, allowed maximum of one item in Level I.	Maximum of 4 items in lower levels or not covered.	Minimum of 5 items covered.
REGARDING GROUNDING FOR FEASIBILITY INDEXES, THE VALUATION WAS FRAMED AS:			II

THE VACANT LOT NEXT TO MORUMBI TOWN SHOPPING –COMPARISON DIRECT MARKET DATA METHOD

Based on these criteria, the current effort is classified as "**Level II**" regarding the fundamentals of valuation, and as “**Level III**" regarding feasibility indicators, as per A.B.N.T. standards. We stress that the foundation of any appraisal is directly related to the information that can be extracted from the market and therefore does not depend exclusively on the will of the valuation engineer and/or the party who contracted the valuation service.

TABLE 3 - JUSTIFICATION LEVEL FOR USE IN CASE OF TREATMENT BY FACTORS (ABNT NBR 14653-2:2011)

ITEM	DESCRIPTION	GRADE			SCORE
		III	II	I	
1	Characterization of the study property	Complete as to all the factors analyzed	Complete as to the factors used in the treatment	Adoption paradigm situation	2
2	Minimum amount of market data used effectively	12	5	3	2
3	Identification of market data	Presentation of information on all the features of the data analyzed, with photo and features observed by the author of the report	Presentation of information on all the features of the data analyzed	Presentation of information on all the features of the data corresponding to the factors used	2
4	Allowable adjustment range for the set of factors	0.80 to 1.25	0.50 to 2.00	0.40 to 2.50	2
	* In the case of using less than five market dimensions, the permissible adjustment range from 0.80 to 1.25, with a smaller number of market data, a less heterogeneous sample.				
				SUM	8

TABLE 4 - BACKGROUND OF THE SECOND REPORT YOUR REASONING LEVEL FOR IMPROPER USE OF FACTORS IN TREATMENT			
GRADE	III	II	I
MINIMUM POINTS	10	6	4
Required items	Items 2 and 4 in Level III, with the other at least in Level II	Items 2 and 4 in Level II and the other at least in Level I	all at least Level I
AS FOR THE REASONING LEVEL, THE REPORT IS CLASSIFIED AS:			GRADE II

TABLE 5 - PRECISION LEVEL IN CASE OF USING LINEAR REGRESSION MODELS OR TREATMENT BY FACTORS			
DESCRIPTION	GRADE		
	III	II	I
Range of the confidence interval of 80% around the central tendency estimate	<=30%	<=40%	<=50%
CONFIDENCE INTERVAL	26.52%		
AS PRECISION LEVEL, THE REPORT IS CLASSIFIED. AS:			GRADE III

ASSUMPTIONS AND "DISCLAIMERS"

"Report" refers to this complete report of real estate appraisal and conclusions described herein, to which these assumptions and "disclaimers" refer.

"Property" refers to the object of this report.

"Cushman & Wakefield" refers to Cushman & Wakefield Real Estate Business Ltd. Company issuing this full report of real estate appraisal.

"Appraiser (s)" refers to the employee (s) of the Cushman & Wakefield who prepared and signed this report.

"Hirer" refers to the requesting addressee of this report.

The work leading up to this report was based on the following assumptions and conditions:

- The information contained in the report or on which it is based were obtained from surveys of parties that the appraiser assumed to be reliable and accurate. The hirer and / or administration of the enterprise may have provided some of this information. Both the appraiser as the C&W cannot be held responsible for the accuracy or completeness of such information, including the accuracy of estimates, views, dimensions, sketches, exhibitions and factual issues. Any authorized user of the report is bound to bring to the attention of Cushman & Wakefield any inaccuracies or errors that he believes exist in this report;
- The areas of land and / or the built area were based on information provided by the hirer and / or the administration of the project, as mentioned in this report and has not been measured "in situ" by the appraiser;
- The documents were not analyzed from the legal point of view, so we do not assume responsibility for any legal description or any issues that are of a legal nature or require legal experience or expertise as well as a real estate appraiser;
- Studies and structural framework analysis for existing buildings and their foundations have not been conducted;
- Likewise, we did not test or calibrate any type of equipment or facilities existing on the property and required for proper operation, but assumed all to be in perfect running order;
- The physical conditions of the improvements considered by the report are based on visual inspection performed by the appraiser. Cushman & Wakefield assumes no responsibility for the strength of structural components or the operating condition of mechanical equipment, plumbing or electrical components;
- To value calculation purposes, we consider that the property does not have any alienated title and any charge record or due to the same liability lawsuit;
- Value feedbacks are founded only to the date indicated on or from the report. From this date changes in external factors and market or own property could significantly affect the conclusions of the report;
- We stress that the values determined in our appraisal are based on Appraisal Engineering methodology, procedures and criteria, and are not intended as exact figures but rather as the most likely amount for which the property would be willingly and knowingly traded on a particular reference date, given the prevailing market conditions;

- The Appraisal Report will be intended for public use. In the publication, dissemination or reproduction of any information from this study the source should always be cited, failing which the hirer be liable civilly and criminally violated by copyright. The publication or disclosure shall be made in its entirety, is not allowed under any circumstances to transfer or partial publication;
- Unless agreed the appraiser should not be called to testify in any court or administrative proceedings on the property or evaluation;
- The Report assumes (a) the responsible ownership and property from competent management, (b) there are no hidden conditions or not apparent from the property, underground or structures that makes the property more or less valuable (assumes no liability for such conditions or organize engineering studies that may be needed to discover them), (c) full compliance with all applicable federal, state, local and applicable zoning unless the breach has been named, defined and considered in the report, and (d) all necessary permits, certificates of occupancy and other governmental permits have been or may be obtained and renewed for any use that is based on the value of opinion contained in this report;
- The gross profit potential provided in the report, if any, may have been based on location summaries provided by the owner or third parties. The report does not assume any responsibility for the authenticity or completeness of the location information provided by third parties. Cushman & Wakefield recommends a legal advice concerning the interpretation of the rental rules and contractual rights of the parties;
- Provisions of future revenues and expenses, if any, are not predictions of the future. Rather, they are the best views of the appraiser based on his / her knowledge of current market thinking on future income and expenses. The appraiser and the Cushman & Wakefield offer no warranty or representation that these forecasts will materialize. The housing market is in constant fluctuation and change. It is not for the appraiser to predict or in any way guarantee the conditions for a future real estate market, the appraiser can only reflect what the investment community, from the reporting date, provides for the future in terms of rental rates, expenses and supply and demand;
- Studies and environmental reports and soil contamination are not part of the scope of this work;
- Unless otherwise stated in the report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located in or on the property was not considered in the calculation of its value. These materials may adversely affect the value of the property. The appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental specialist should be consulted to determine the impact of these issues in the opinion of value;
- Unless otherwise stated, we did not get a soil analysis report. However, we assume that the soil load bearing capacity is sufficient to support the existing structure (s) and / or proposed. There was no evidence of the contrary during our inspection of the property. The drainage appears to be adequate;
- Unless otherwise stated, we have not received any report and do not know of any easements, encroachments, or restrictions that may negatively affect the use of the property. However, we recommend a research to determine if any adverse condition exists;
- Unless otherwise stated, it was not provided a survey of the swamp areas, swamp or spring. If engineering data in the future reveal the presence of these regulated areas, this could affect the value of the property. We recommend a research by a professional engineer with experience in this field;
- Unless otherwise specified, do not inspect the roof or made a detailed inspection of mechanical systems. The appraisers are not qualified to give an opinion on the suitability or condition of these components. We recommend hiring an expert in this field, if detailed information is required;

- If, with the prior approval of Cushman & Wakefield, the report is submitted to a lender or investor, that party should consider this report only as a factor in its overall investment decision, together with its independent investment considerations and underwriting criteria. Cushman & Wakefield points out that this lender or investor should understand all the extraordinary and hypothetical conditions and assumptions and limiting conditions incorporated into this report;
- All descriptive information of the property and equipment were provided by the customer and / or the administration of the project and have not been verified "in situ", we consider true as their characteristics and quantities;
- For the calculations of the values we consider that the areas reported by the client and / or the enterprise administration are legitimate, and which meet the current reality of the property;
- The assessment was considered sales charge on assets to 2.5% of net operating income of the 11th year of the projected cash flow that serves as the basis for calculating the perpetuity;
- We did not have access to the lease agreement for all of the mall shops to validate them. We used the amounts listed in the rent roll provided by the client. We took these to be true and accurate;
- Due diligence over the rent roll through spreadsheet received by the property management is not part of the scope of this assignment;
- Compliance with valuation standards: The methodology and procedure adopted by CW are compliant with the Brazilian Standards for property appraisal – NBR 14653 of ABNT-, as well as those set by the RICS (Royal Institution of Chartered Surveyors) of United Kingdom and by IVSC (International Valuation Standards Committee), which are internationally recognized and utilized for property appraisal and related matters. Particularly for this assignment we will observe the IAS 40 (Investment Property) and IFRS 13;
- Intended use: The main objective of C&W in this work is to provide assessment services to determine market value of properties mentioned in the previous item for sale and purchase accounting effect / as well as for preparation of IFRS financial statements of entities that directly or indirectly hold the appraised properties;
- When using this Report parties do agree that the link to use all Assumptions and Disclaimers, as well Hypothetical and Special Conditions contained herein;
- **This appraisal report complies with the requirements of CVM Instruction # 472/08;**
- **Cushman & Wakefield Negócios Imobiliários Ltda does not maintain working relationship of subordination or with controlled companies or controlled by the administrator;**
- **Cushman & Wakefield Negócios Imobiliários Ltda does not own any shares of the Morumbi Town Shopping;**
- **The projected cash flow starts on January 1st, 2021;**
- **Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.**
- **As requested by the client, we did not consider the taxation of PIS / COFINS (3.65% of EGR) in the discounted cash flow;**
- **As requested by the client, we considered a satelization project starting in January 2022. For this project, we assumed the expenses and revenues according to the client projections;**
- **As requested by the client, we considered in this study the performance projection of the shopping center and the expansion (phase 2) scheduled for January 2021, which comprises 4,833.27 sqm;**
- **As informed by the client, there are no projections for rent discounts in the operation (as is).**

LOCATION

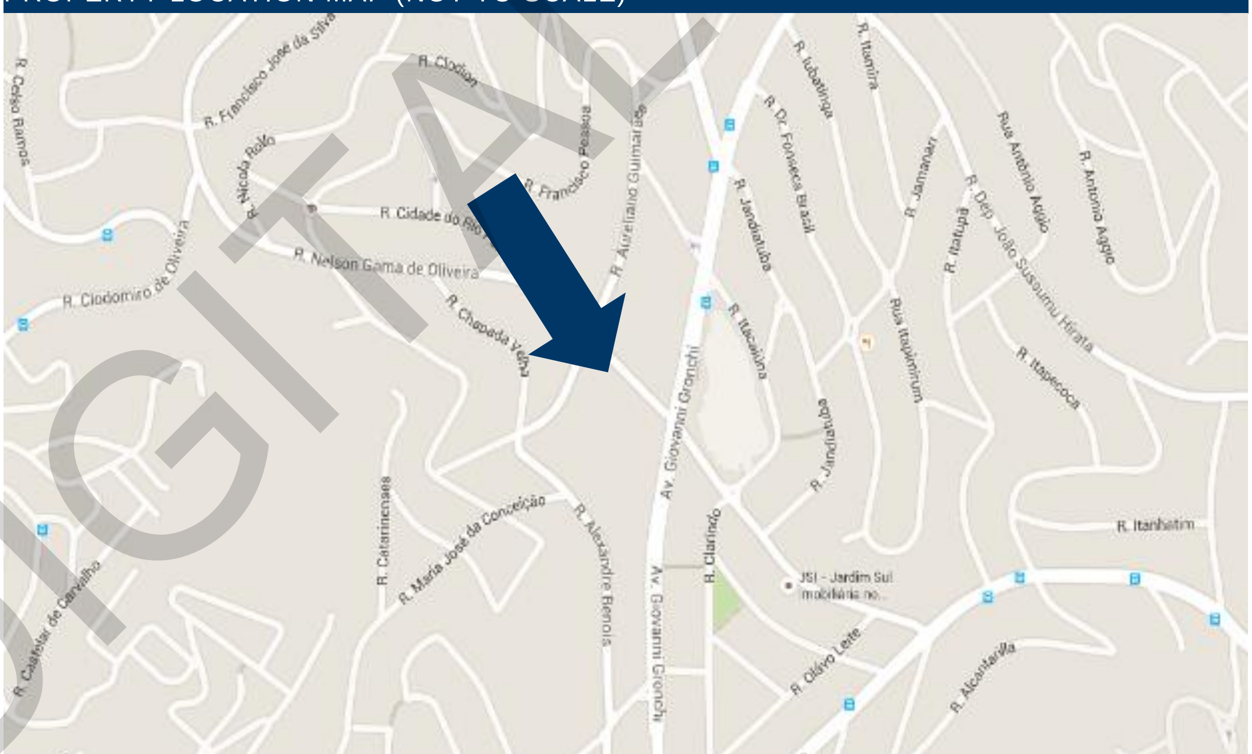
SITUATION

The property is located at 5,930 Avenida Giovanni Gronchi, in the city of São Paulo, state of São Paulo.

As reference points, below is the distance between the study property and other landmarks:

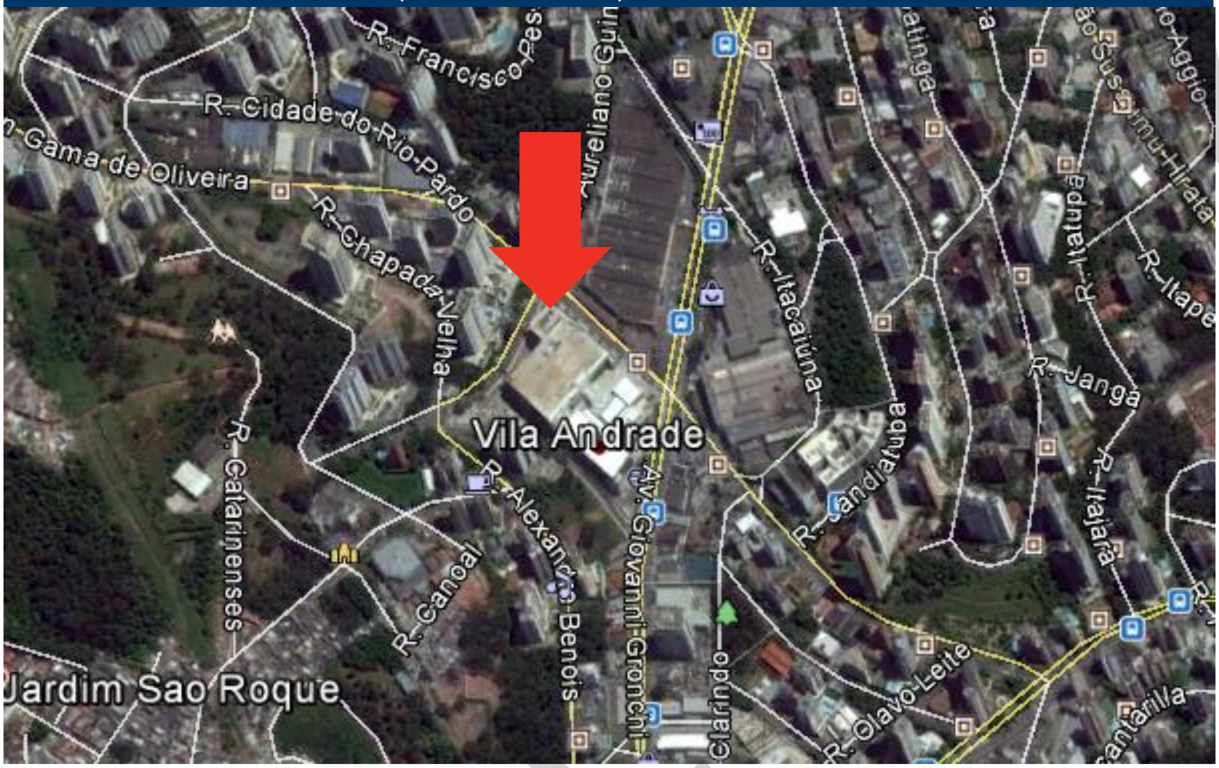
- In front of Shopping Jardim Sul, São Paulo, SP;
- 1.5 kilometers from the Colégio Visconde de Porto Seguro, São Paulo, SP;
- 1.8 kilometers from the Parque Burle Marx, São Paulo, SP;
- 2.6 kilometers from the Centro Empresarial of São Paulo, São Paulo, SP;
- 3.6 kilometers from the Transamérica Expo Center, São Paulo, SP;
- 5.0 kilometers from the Morumbi Stadium;
- 5.4 kilometers from the Albert Einstein Hospital, São Paulo, SP;
- 11.9 kilometers from Congonhas Airport, São Paulo, SP;
- 17.8 kilometers from the São Paulo City Hall, São Paulo, SP; and
- 41.8 kilometers from GRU International Airport, Guarulhos, SP.

PROPERTY LOCATION MAP (NOT TO SCALE)



SOURCE: GOOGLE MAPS EDITADO POR CUSHMAN & WAKEFIELD

PROPERTY LOCATION MAP (NOT TO SCALE)



SOURCE: GOOGLE MAPS EDITED BY CUSHMAN & WAKEFIELD

NEIGHBORHOOD OCCUPATION

The study property is located in an area of mixed occupancy, with multiple family, residential buildings and commercial buildings. There are also local trade and service establishments of normally average to high and standard.

Also, there are commercial establishments and hospitals, as well as subway station nearby.

PUBLIC SERVICES AND UTILITIES

The neighborhood has all of the utilities available in the city, such as power, roads, mass transport, telephone, solid waste collection, drinking water, sewage collection, rainwater collection, mail and road cleaning and conservation.

Giovanni Gronchi Avenue, in the portion where the property is located, is a two-way road with two lanes on each way. Lanes are marked, and the road is in good condition. The traffic load is high; the road is paved, with curbs, gutters, sidewalks and rainwater drainage systems.

TRANSPORTATION

In terms of public transportation, the property is served by regular bus lines that connect the neighborhood to downtown and other parts of the city.

Giovanni Gronchi Avenue connects the neighborhood to João Dias Avenue and Marginal Pinheiros and a number of other roads that connect to the downtown area.

Congonhas Airport, in the city of São Paulo, is about 11.9 kilometers from the study property, a 32 minutes ride out of rush hour. GRU International Airport in Guarulhos is about 41.8 km away, and it takes about 1hr 17 minutes to reach by car, out of rush hour.

DESCRIPTION OF THE PROPERTY

The Regional Shopping Mall located in São Paulo, inaugurated in October 2016 and Expansion in January 2021.

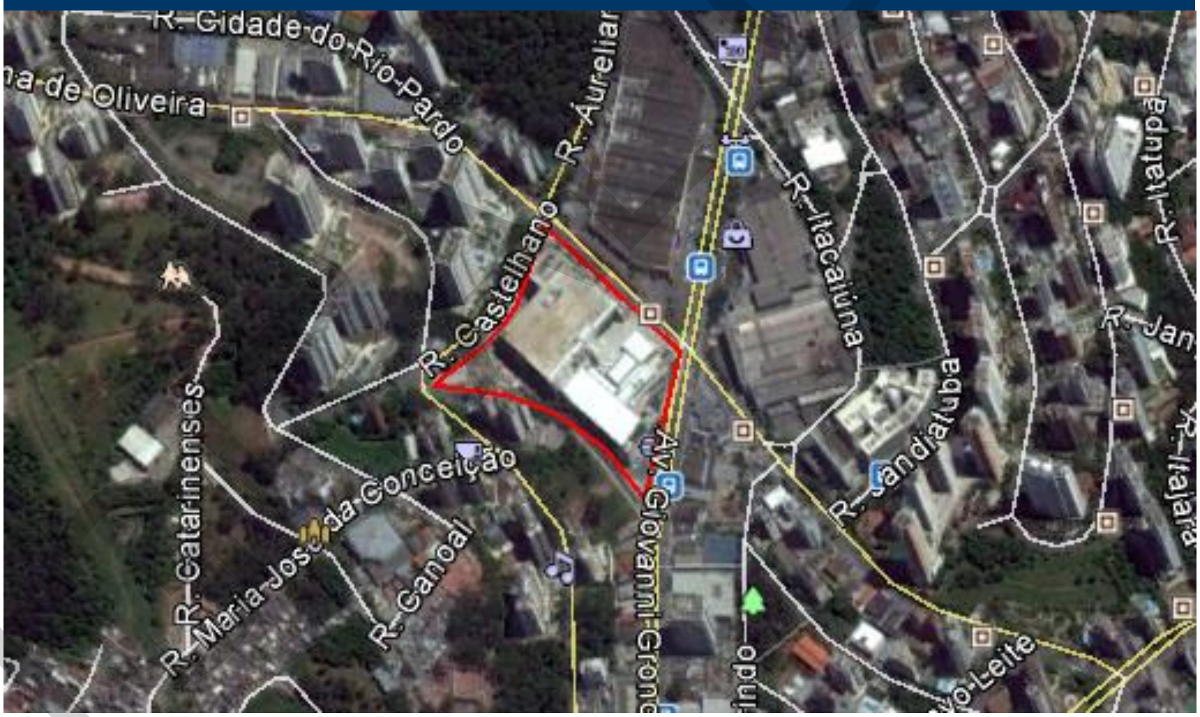
The project has a total built area of 92,913.33 sqm and the "tenant mix" includes stores like: Cinesystem, Tok Stok, Renner, Bio Ritmo, Ri-Happy, Tok & Stok, Polo Wear / Planet Girls and Hipermercado Zaffari.

LAND

Below are the main characteristics of the land where the shopping mall was built:

- Topography: Flat;
- Shape: Irregular;
- Size: 22,840.00 sqm.

APPROXIMATE LIMITS OF THE PROPERTY



SOURCE: GOOGLE EARTH EDITED BY CUSHMAN & WAKEFIELD

Note: The plot area was supplied by client and/or development administration and was not checked “in loco”.

BUILDINGS AND IMPROVEMENTS

It is a Regional Shopping Center, with main characteristics as described below:

SUMMARY OF EXISTING IMPROVEMENTS	
ITENS	CHARACTERISTICS
Structure:	Mix (Steel Frame and Concrete).
Facade:	Concrete panel, laminated skin glass, aluminum panels, vegetable and aluminum brise.
Sash Window:	Aluminum.
Glass:	Laminated glass.
Air Conditioning:	03 Cooling towers, 03 chillers with capacity of 450 TR's. 13 Conditioners type Fan Coil. 24 Hydroid Clubs. 12 Splits.
Fire Protection System:	Emergency lighting, sprinklers, audible alarm, fire hydrants, fire extinguishers, emergency generator, smoke detectors. Smoke control.
Common Circulation:	05 Schindler brand elevators, fitting 32 people. 02 Schindler brand elevators, fitting 28 people. 01 Schindler brand panoramic elevator, fitting 11 people. 02 Schindler brand lift elevator, fitting 28 people. 08 Schindler brand escalators located inside the mall. 02 Schindler brand crawlers located inside the mall.
Electrical Installations:	02 transformers with capacity of 1250 KVA each. 02 gas generators with capacity of 500 KVA each. 01 diesel generator with capacity of 500 KVA.
Parking:	1,585 parking spaces.
Lighting:	Powered and natural.
State of Repair:	New.
Age:	2 year.
Estimated Useful Life:	60 years.
Remaining Life:	58 years.

SOURCE: SHOPPING MORUMBI TOWN ADMINISTRATION; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

The internal areas are finished as follows:

MAIN FINISHING				
ENVIRONMENT	FLOORING	WALL	CEILING	HEIGHT
Administration:	Vinyl flooring.	Plaster and Paint.	Lining.	2.30 m
Mall:	Granite.	Glass, plaster and paint.	Gypsum Liner.	Basement: 2.30 m Mall: 4.50 m Parking Lot: 3.20 m
Restrooms:	Porcelain.	Porcelain.	Gypsum Liner.	2.30 m

SOURCE: SHOPPING MORUMBI TOWN ADMINISTRATION

AREA CHART

The shopping has the following chart area:

AREA DISTRIBUTION	
AREAS	AREA (SQM)
Plot Area (sqm):	22,840.00 sqm
Built Area (sqm):	92,913.33 sqm
Gross Leasable Area (sqm):	Current Operation: 31,499.65 sqm Expansion: 4,833.27 sqm Total GLA: 36,332.92 sqm

SOURCE: SHOPPING MORUMBI TOWN ADMINISTRATION; GAZIT BRAZIL

SCENARIO AS IS (CURRENT OPERATION)

TABLE OF GLA (GROSS LEASABLE AREA)

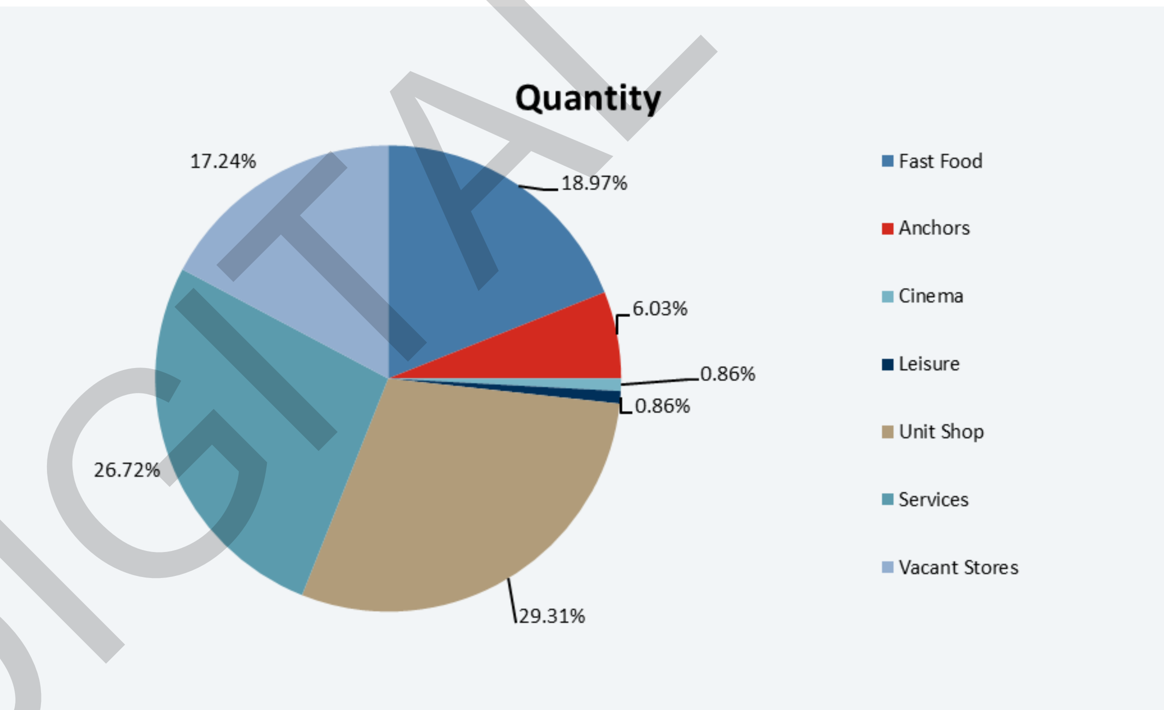
Shopping Morumbi Town GLA is split as shown in the following table and chart:

GLA CHART

SEGMENT	NUMBER	GLA (SQM)
Fast Food	22	1,174.75
Anchors	7	16,116.85
Cinema	1	4,471.57
Leisure	1	392.87
Unit Shop	34	3,585.93
Services	31	4,029.99
Vacant Stores	20	1,727.69
TOTAL	116	31,499.65

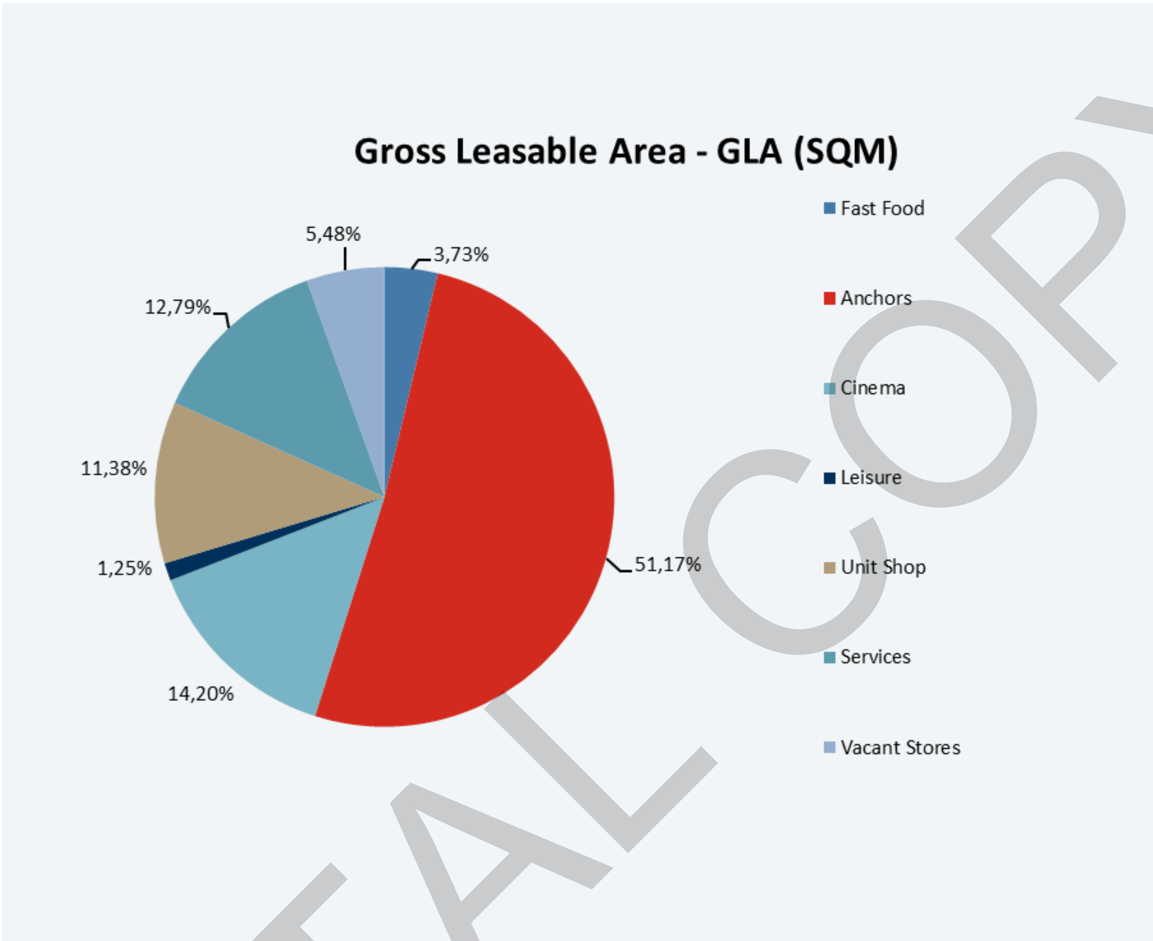
SOURCE: SHOPPING MORUMBI TOWN; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

MALL SHOP SEGMENT BREAKDOWN – IN NUMBER OF TENANT



SOURCE: SHOPPING MORUMBI TOWN, CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

SHOP SEGMENT SHARE OF SHOPPING CENTER IN GLA



SOURCE: SHOPPING MORUMBI TOWN, CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

PARKING

Shopping Morumbi Town parking lot can be reached from Nelson Gama de Oliveira Street and Giovanni Gronchi avenue. There are 1,563.00 parking spaces.

SCENARIO AS BUILT (FUTURE EXPANSION)

TABLE OF GLA (GROSS LEASABLE AREA)

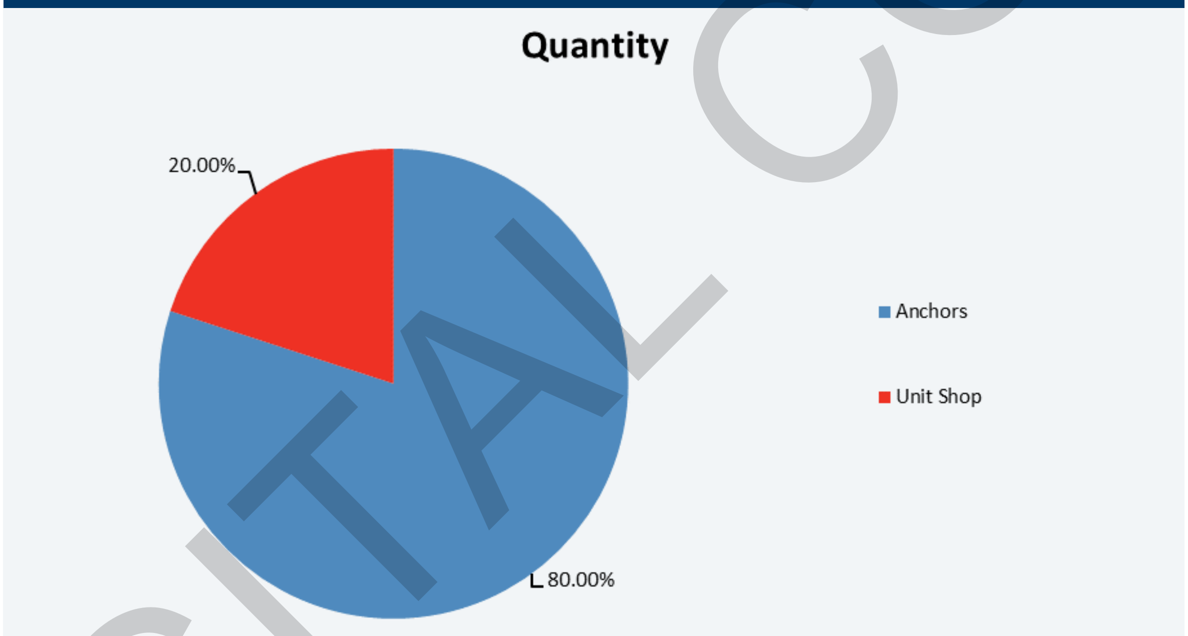
Shopping Morumbi Town Expansion GLA is split as shown in the following table and chart:

GLA CHART

SEGMENT	NUMBER	GLA (SQM)
Anchors	4	2,313.27
Unit Shop	1	2,520.00
TOTAL	5.00	4,833.27

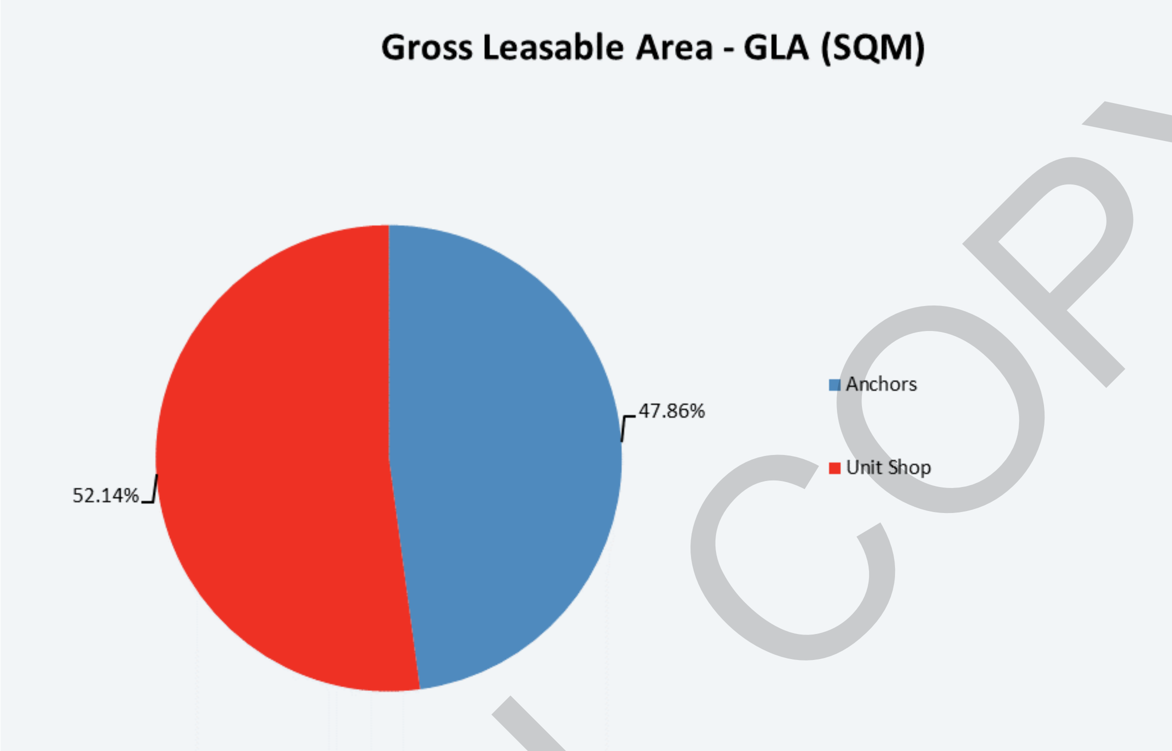
SOURCE: SHOPPING MORUMBI TOWN; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

MALL SHOP SEGMENT BREAKDOWN – IN NUMBER OF TENANT



SOURCE: SHOPPING MORUMBI TOWN, CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

SHOP SEGMENT SHARE OF SHOPPING CENTER IN GLA



SOURCE: SHOPPING MORUMBI TOWN, CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

THE VACANT LAND NEXT TO MORUMBI TOWN SHOPPING

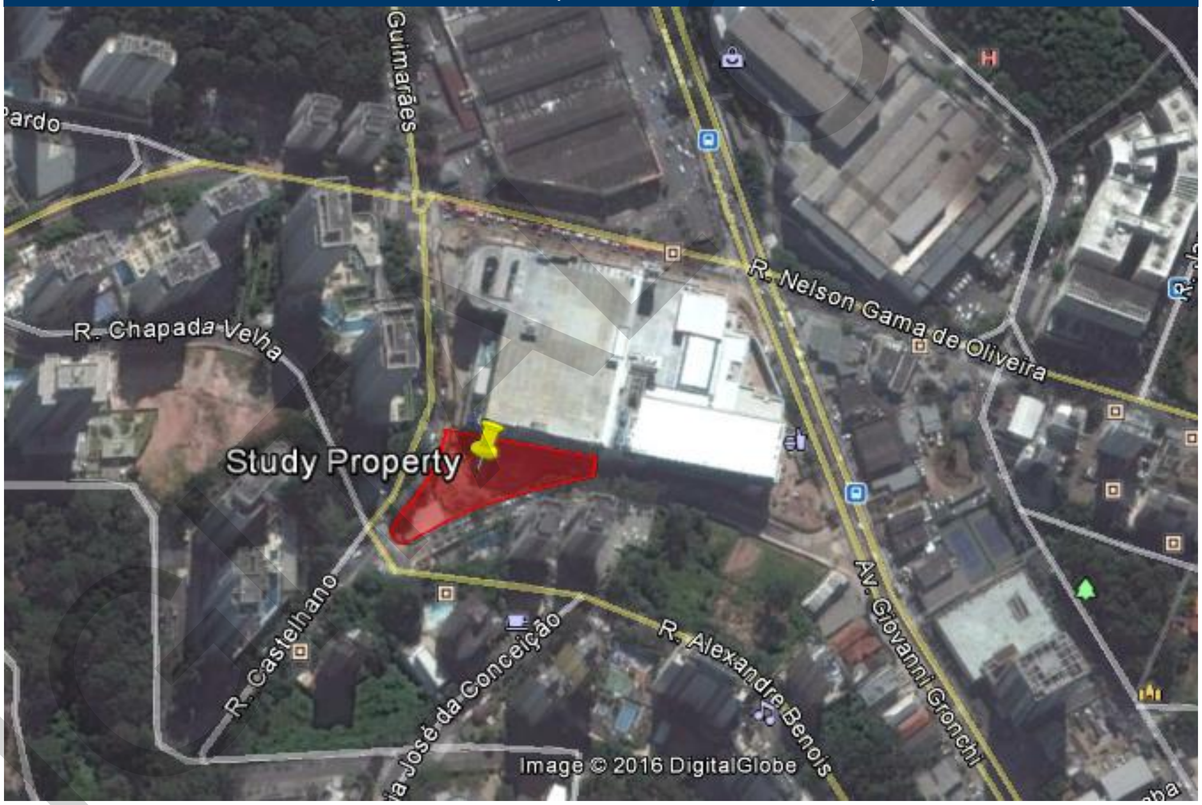
Chapada Velha st x Castelhana st, Vila Andrade, City and State of São Paulo.

LAND

The vacant lot next to Morumbi Town Shopping can be described as follows:

- Topography: Flat;
- Shape: Regular;
- Area: 2,265.88 square meters (provided by the client)

APPROXIMATE LIMITS OF PROPERTY (RED DIAGONAL LINES)



Source: Google Earth edited by Cushman & Wakefield

Note: The size of the land was provided by the client and/or mall administration, it was not checked on-site.

DOCUMENTATION, TAXES AND FEES

REGISTRATION OF PROPERTY

According to the documentation provided the property under study is registered in the 11th Registry Office of the Property of São Paulo, under Registration No. 249,715, with the following description:

- Registration No. 249,715: Property located at Avenida Giovanni Gronchi, 5.930, Vila Andrade, state of São Paulo, with 22,840.00 sqm of land area and 31,746.79 sqm of constructed area, being the owner the Morumbi Town I Real Estate Investment Fund, Dated on October 24th, 2016.

Note: As informed by the customer, the Shopping Center deployment occupies 20,574.12 square meters of land area.

Note: We also noted that the registration does not have the endorsement of the Shopping Center construction.

URBAN PROPERTY TAX – IPTU

The property IPTU 2020 was provided:

- Registration n° 169,201,0001-1: located at Avenida Giovanni Gronchi, 5.930, Vila Andrade, São Paulo.
- Area: 22,840.00 sqm of land area and 35,365 sqm of constructed area.

OTHER

It was provided excel files with the list of stores (rent roll), with its respective discounts, vacancy history, default and DREs.

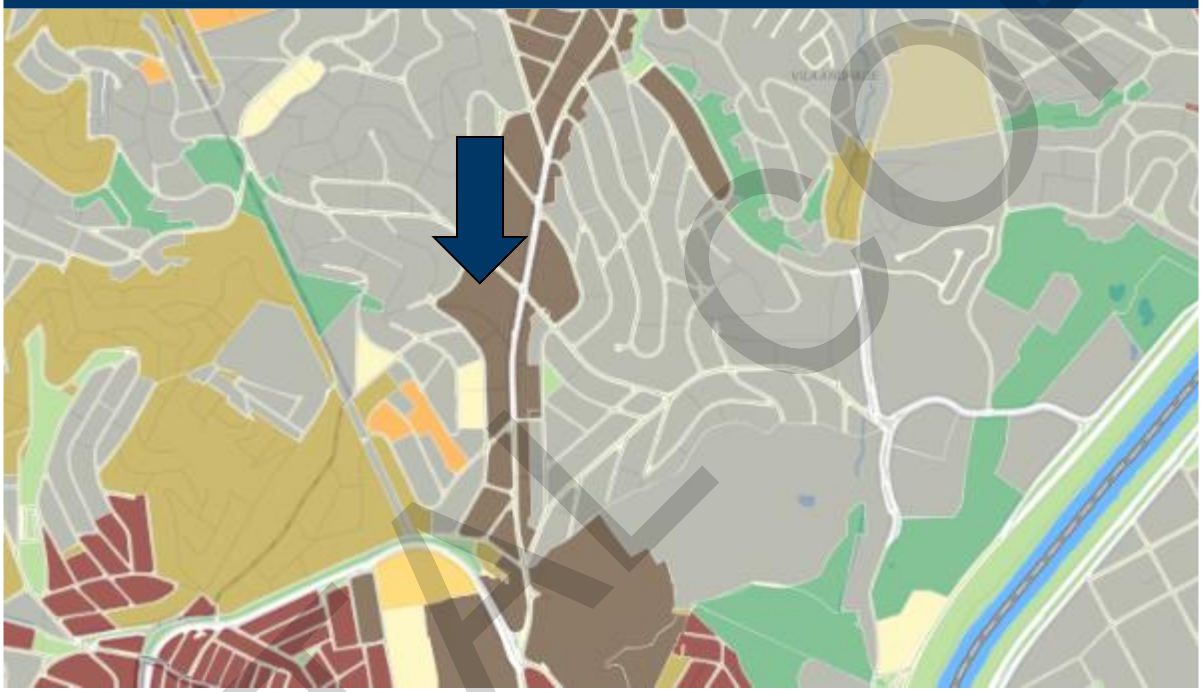
Note: For purposes of calculating the value, we are considering that the property has not sold any title and not on any register of charges due to action or responsibility thereof.

URBAN PLANNING

The provisions on zoning, division, use and occupancy of lands in the city of São Paulo are set forth in Law nº 16.402, dated March 22nd, 2016.

According to this law, the property is in perimeter of Zona Centralidade / ZC. It must, therefore, comply with the use criteria and occupation normally permitted in these segments.

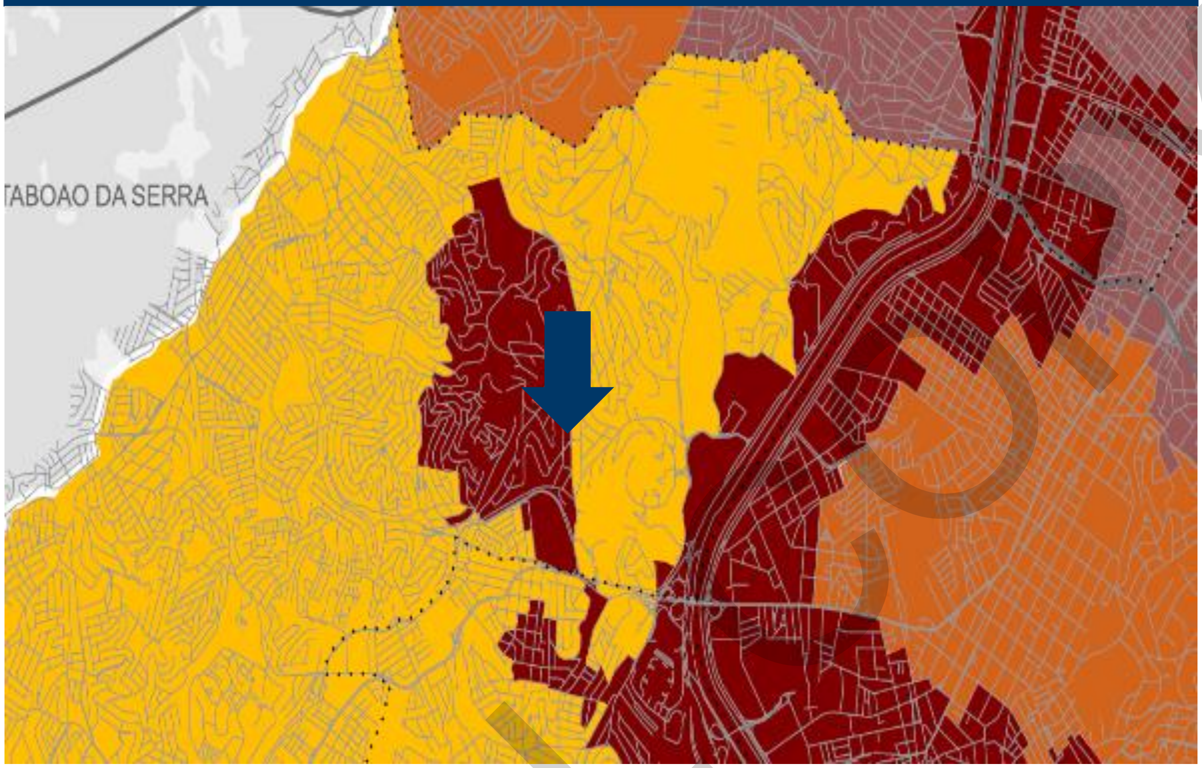
APPROXIMATE LOCATION OF THE PROPERTY ON A ZONING MAP



SOURCE: SÃO PAULO CITY HALL

In addition, according to the law, the property is in perimeter macroarea of Estruturação Metropolitana.

APPROXIMATE LOCATION OF THE PROPERTY ON A ZONING MAP



SOURCE: SÃO PAULO CITY HALL

RESTRICTIONS REGARDING USE

City, state and federal restrictions that generally apply to property and land use include the following:

- Restrictions regarding use;
- Restrictions regarding occupancy;
- Restrictions regarding building height; and
- Restrictions regarding computable and non-computable areas.

Restrictions on use have to do with the activities that may exist in a given area. In other words, if the property may be used for residential, commercial, industrial or other activities.

Restrictions on occupancy have to do with physical issues such as setbacks from the street and neighbors, maximum built area, how much of the land can be built on, height limits, size of lot, minimum percent area taken up by streets, green and institutional areas, etc.).

Restrictions on height define how high buildings in a given neighborhood may be and are specific for each zone.

Computable and non-computable areas have to do with the sum of all areas in a given building. The gross area is the total built-up area, which is split into computable area, which is the area that goes into calculating the plot ratio (PR), and non-computable area, which is the sum of all areas that do not go into calculating the plot ratio.

Occupancy restrictions are based on two following classical concepts:

- Coverage ratio: this is the ratio between the building footprint (area occupied by the horizontal projection) and the site area;
- Plot ratio: this is the ratio between the computable gross floor area allowed for that property and the total area of the site;
- Height limitation: this is the maximum height allowed for buildings according to applicable law and zoning restrictions for its location; and

Computable and non-computable areas: loosely speaking computable area is the built area; however, some built areas do not go into this calculation.

RESTRICTIONS RELATED TO MACROÁREA DE ESTRUTURAÇÃO METROPOLITANA. / ZONA CENTRALIDADE - ZC

RATIOS:

- Coverage Ratio: 0.70.
- Plot Ratio: 2.00 (maximum).

Note: For information on coverage ratio, plot ratio and limit high, we suggest the customer to carry out formal consultation with relevant agencies.

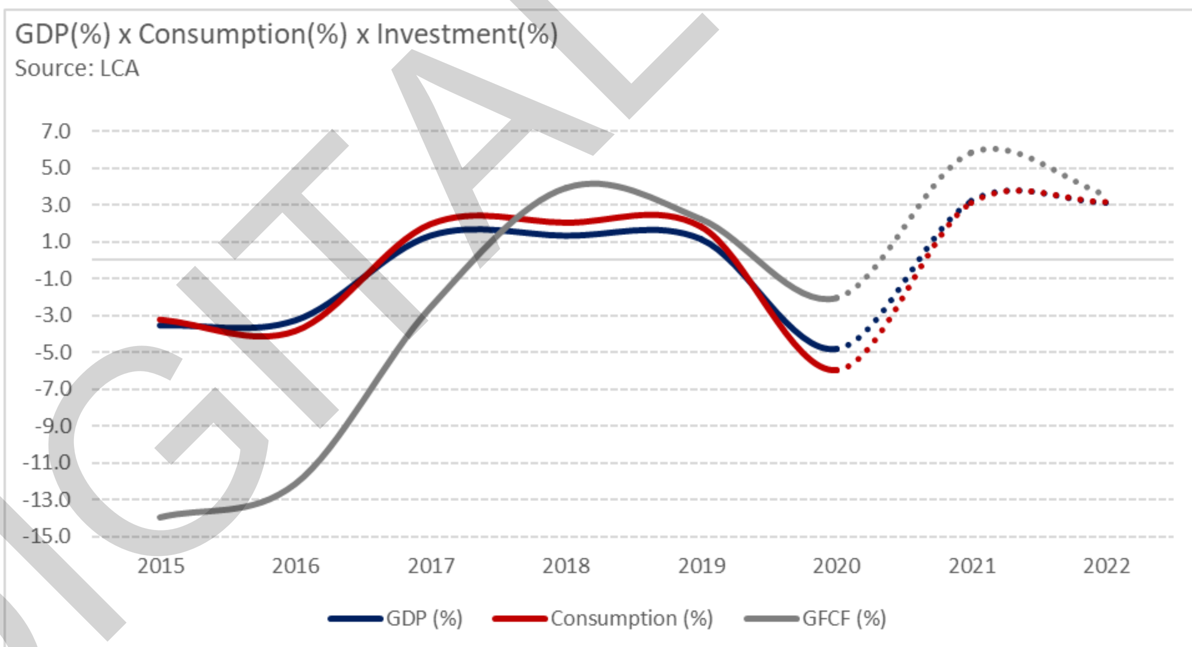
BRAZIL OVERVIEW

ECONOMIC SCENARIO

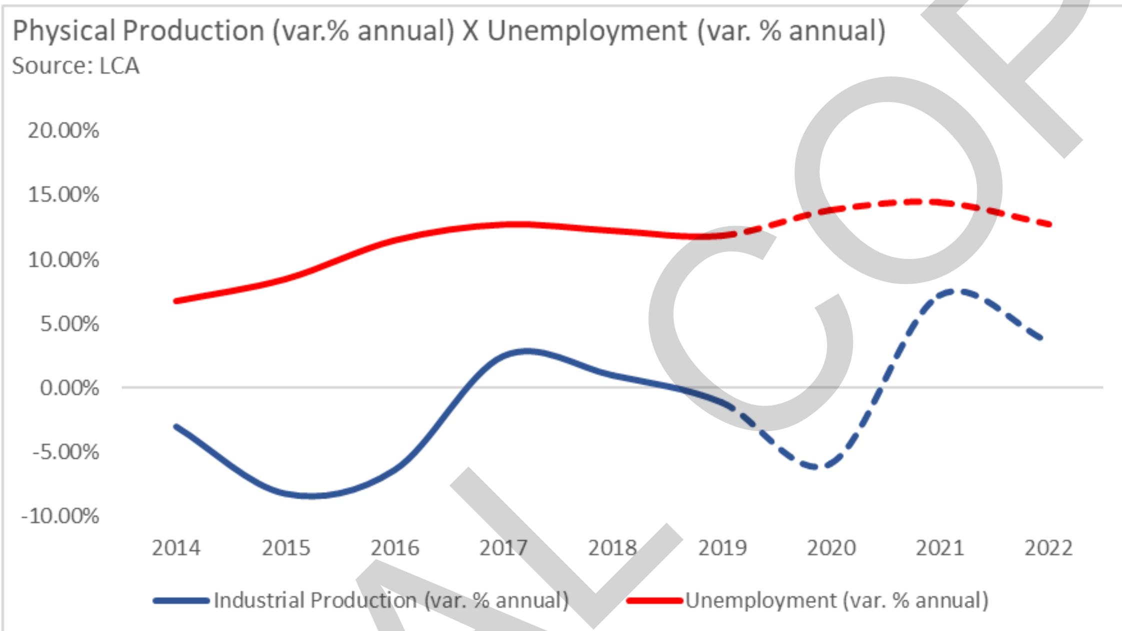
Unlike the first quarter of 2020 that felt the effects of the health crisis caused by the new coronavirus only in the last fortnight, the second quarter faced the worst phase of the pandemic throughout its period. Given this scenario, the Gross Domestic Product decreased 9.7% in the second quarter compared to the previous period, while in the first half of 2020 there was a reduction of 5.9% concerning the same period in 2019.

However, despite the adverse scenario in the first two quarters, throughout the third quarter, business and consumer expectations indicate an accelerated recovery. The Consumer Confidence Index calculated by FGV in September had already recovered 70% compared to April, which had been the worst level in the series. And the Industrial Entrepreneur Confidence Index and the Trade Confidence Index, recovered by 56% and 64% respectively concerning the same period.

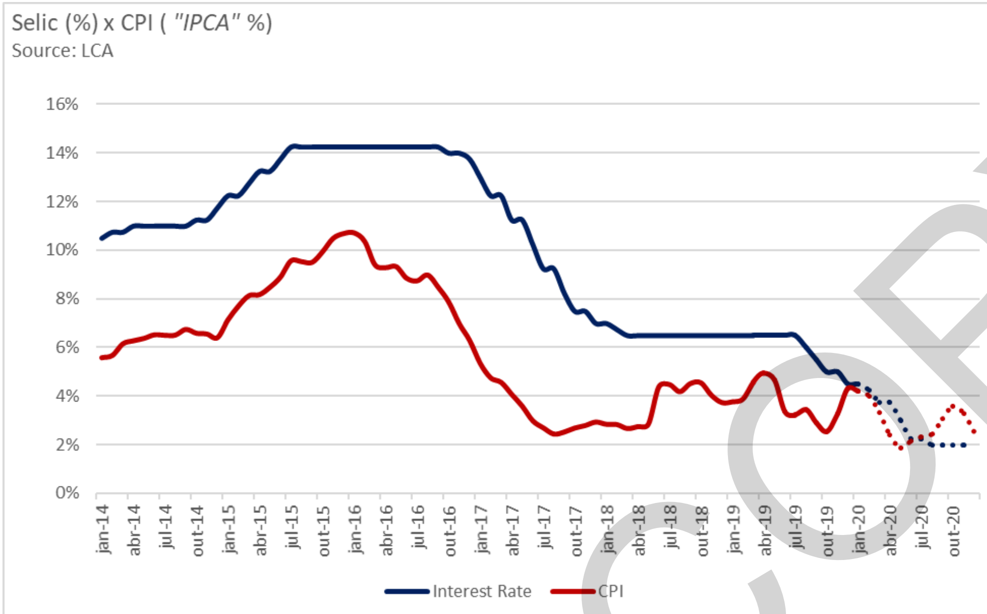
In the other hand the Brazilian stock market, between January and August, raised approximately US $ 12 billion involving 47 offers of new shares, representing a 33% growth in financial volume concerning the entire year of 2019. Real estate investments, in turn, despite having presented a 30% reduction in the number of transactions between January and September concerning the same period of the previous year, presented an increase of 7.7% in the financial volume, indicating an increase of investor appetite for premium assets and with lower risks.



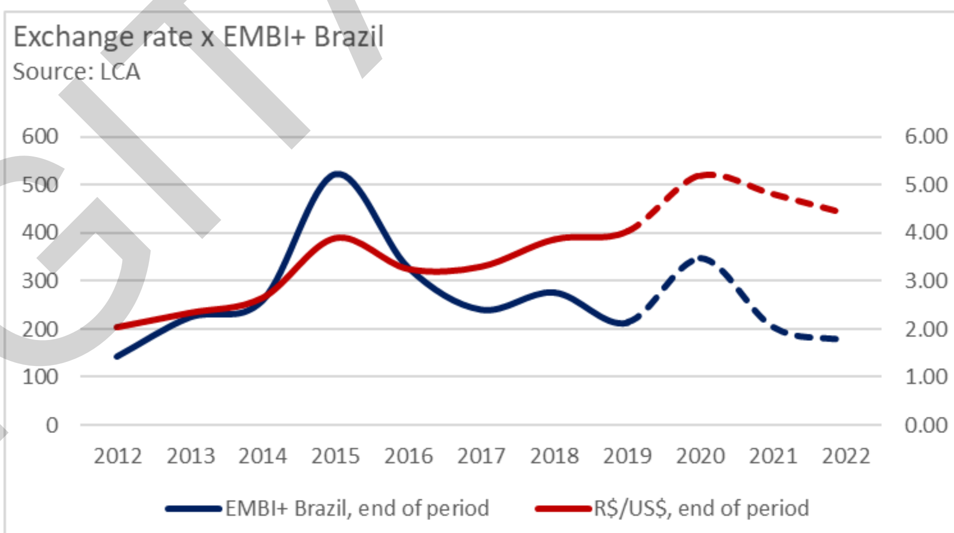
The Gross Domestic Product, which in 2019 had already been less than expected by the market, due to the impacts caused by the Brazilian political instability and the trade war between the USA and China, which is Brazil's largest trading partner. At the beginning of 2020, was forecasted a growth of 2.3%, however, the health crisis caused by the new coronavirus caused the projection to be revised to -4.8%. As well as all other macroeconomic indicators that have also been negatively revised.



Unemployment, which at the end of 2019 had registered a rate of 11.87%, was negatively revised to 13.80% in 2020, is the highest rate in the historical series started in 2012. Notwithstanding the Physical Production of General Industry, which has already presented in 2019 a retraction of -1.1%, should suffer another strong retraction of -5.93% in 2020.



Given the adverse scenario caused by the COVID-19 pandemic, the central bank reduced the Selic rate by 250 bps since the beginning of the year, reaching a level of 2% per year. In line with other countries such as the USA and the United Kingdom, which also opted to increase monetary stimulus to minimize the effects of the health crisis. However, even with the basic interest rate at the lowest historical level, household consumption as a percentage of GDP should decrease by approximately 6% in 2020, and consequently, the IPCA, projected for 2020 is 2.54%, below the Central Bank's target. 4%, with deviations of up to 150 bp up or down.



In this scenario of strong global economic deterioration, Brazil has been recording a record of capital flight to more solid economies, between January and August the Central Bank recorded a net outflow of US $ 15.2 billion, a record level since 1982. As a result of this search for investments with less risk, the Brazilian Real depreciated against the USD, projections for the end of 2020 are R$ 5.20. This devaluation of the Brazilian Real is accompanied by an increase in the country risk (EMBI +), which should end the year with 347 points, compared to 214 at the end of 2019.

FORECAST

Source: Cushman and Wakefield and LCA (08/10/2020)

Brasil	2015	2016	2017	2018	2019	2020	2021	2022
PIB TOTAL (var, %)	-3.5	-3.3	1.3	1.3	1.1	-4.82	3.20	3.08
Taxa de Desemprego, %	8.51	11.5	12.73	12.26	11.87	13.80	14.46	12.76
PMC Restrita (Volume, %)	-4.3	-6.3	2.1	2.3	1.9	0.06	3.06	2.82
PIM-PF (var, %)	-8.2	-6.4	2.5	1	-1.1	-5.93	7.20	3.55
IPCA, %	10.67	6.29	2.95	3.75	4.31	2.54	3.21	3.07
IGP-M, %	10.54	7.17	-0.52	7.54	7.3	18.67	4.22	4.21
IPA-M, % (60%)	11.19	7.63	-2.54	9.42	9.09	25.27	4.42	3.68
IPC-M, % (30%)	10.23	6.26	3.13	4.12	3.79	3.51	3.62	3.55
INCC-M, % (10%)	7.22	6.34	4.03	3.97	4.13	7.74	5.07	5.66
Selic, final de período %	14.25	13.75	7	6.5	4.5	2.00	2.50	4.25
R$/US$ (final de período)	3.9	3.26	3.31	3.87	4.03	5.20	4.80	4.40
EMBI+ Brazil (final de período)	523	328	240	276	214	347	203	177

This report was elaborated by Cushman & Wakefield with data from LCA Consulting.

THE SHOPPING CENTER MARKET

MAIN SHOPPING MALL TRANSACTIONS

The most recent shopping mall sale and/or equity transactions in Brazil for which there is publicly available data are:

- October 14th, 2020 – The Vinci Partners Group announced the conclusion of the acquisition process of a 17.26% steak of the Ribeirão Shopping. The total value of the acquisition, according to the announcement, was R$ 150.6 million.
- September 29th, 2020 – The Vinci Partners Group announced the conclusion of the acquisition process of 98.5% of the Praia da Costa mall, located in Vila Velha, Espírito Santo. The transaction was R$ 194 million.
- February 14th, 2020 –The BR Malls Group announces a 38.4% increase in it's the share of Shopping Piracicaba for the amount of R$ 202.3 million, now having a total of 75.3% of the GLA in the Shopping Piracicaba.
- February 5th, 2020 – Vinci Shopping Centers acquires 7.32% of fraction of Shopping ABC, for R$ 52 million. With this acquisition, the Fund now has stakes in 13 shopping centers, totalizing more than 105 thousand sqm of gross leasable area.
- February 3rd, 2020 – The BR Malls Group announces the purchase of an ideal fraction of 5.0% of Shopping Vila Lobos' total GLA for the amount of R$ 48.3 million. With the purchase, BR Malls now has 63.4% of the project's total GLA.
- January 31st, 2020 – The Hedge Brasil Shopping FII acquired 15% of Shopping Villa Lobos, in a transaction with a volume of approximately R$ 145 million.
- January 21st, 2020 – Multiplan announces the completion of the acquisition of a 50.10% stake in Diamond Mall from the former owner Clube Atlético Mineiro, a transaction that was disclosed in September 2017.
- January 9th, 2020 – HIS Malls completes the acquisition of 100% of the shares of REC Via Verde S.A., a company that owns 96.67% of Via Verde Shopping, in the city of Rio Branco, Acre, for the amount of approximately R$ 225 million.
- January 7th, 2020 – Iguatemi announces the acquisition of 47% of Maiojama Participações for R$ 123 million. With the acquisition, Iguatemi now holds a direct and indirect total interest of 42.58% in the Iguatemi Porto Alegre, Praia de Belas Shopping Center and Shopping Iguatemi Caxias.
- January 3rd, 2020 - XP Malls completes the acquisition of 94% of the quotas of IRB Internacional FII for the amount of R$ 308 million, therefore, acquiring 18.71% of Internacional Shopping in Guarulhos.
- December 10th, 2019 – Hedge Brasil Shopping FII purchased 25% of Shopping West Plaza, a transaction with a volume of R$ 72.5 million.
- December 9th, 2019 - Hedge Brasil Shopping FII acquired 45% of Shopping West Plaza, a transaction with a volume of R$ 130.5 million.
- December 9th, 2019 - Multiplan announces the exercise of the preemptive right of buying 2.19% of the GLA of Ribeirão Shopping, located in Ribeirão Preto, for the amount of R$ 28.7 million.
- November 28th, 2019 – The Iguatemi group announces the acquisition of 20% of the Praia Belas Shopping Center and 15% of the Esplanada Shopping Center, with a value of R$ 260 million.

- November 19th, 2019 – Multiplan announces that it has bought of 12% interest in Parkshopping, located in Brasilia, for R$ 225 million. Parkshopping has 4,045 parking spaces and has 53,400 sqm of GLA spread over 3 floors.
- November 14th, 2019 – HBR Realty sold to Hedge Brasil Shopping FII a 15% stake in Suzano Shopping, a transaction of R $ 46,500,000.00.
- November 6th, 2019 – Malls Brasil Plural informs the acquisition of a fraction corresponding to 25.00% of Suzano Shopping, which is located in the city of Suzano, São Paulo, for R$ 77.5 million. Suzano Shopping has 19,583 sqm of GLA and 1,900 parking spaces.
- October 25th, 2019 – Malls Brasil Plural announces the acquisition of an ideal corresponding to 18.0524% of Shopping Barra, which is located in Salvador, Bahia, for R $ 116 million. Shopping Barra has 50,589 sqm of GLA and receives approximately 1.5 million customers per month.
- October 8th, 2019 – Vinci Shopping Centers announces the purchase of 100% of Prudenshopping, located in Presidente Prudente, state of São Paulo, for R$ 199 million. With the acquisition, the fund will have a stake in 11 shopping malls, totaling approximately 95,000 sqm of GLA.
- September 16th, 2019 – Vinci Shopping Centers sells 6.67076% of Shopping Tacaruna for R$ 42.1 million. After the sale, the fund remains with 10.0% of the mall.
- September 13th, 2019 – HSI Malls concludes the acquisition of 93.5% of the shares of REC Saphyr, 61.8% owner of Super Shopping Osasco for R$ 88.9 million, and now holds 67,085 sqm of owned GLA.
- August 9th, 2019 – XP Malls celebrates the purchase of a fraction of 10.0% of Plaza Sul Shopping, located in the city of São Paulo, for R $ 55, 29 million reais. Opened in April 1994, the mall currently has 207 operations, including restaurants, anchors and cinema.
- August 2nd, 2019 – BR Malls sells its stake in Ilha Plaza, Casa & Gourmet Shopping, Shopping Plaza Macaé, Londrina Norte Shopping, Osasco Plaza Shopping, Shopping Contagem and Capim Dourado malls to BTG Pactual, for R $ 696.4 million.

THE SECURITIES MARKET

TRADED SHOPPING MALL COMPANIES - REGULAR STOCK

Shopping mall specialization continues to result in new formats and strategies that parallel market performance.

This type of growth aims to fight for consumer attention, and a diversity of measures have been taken to revitalize the shopping mall industry.

The groups active in shopping malls work alone or in association with administrators and developers. Currently the main shopping mall groups are Multiplan, BR Malls, JHSF, Iguatemi, Aliansce-Sonae and General Shopping.

While other groups also have shopping malls in their portfolios, largely these are more investment managers, with less influence on the day-to-day operation of the malls they have invested.

SHOPPING CENTERS – RIF

RIFs (Real Estate Investment Funds) have been widely used to securitize shopping mall projects. The first was Shopping Pátio Higienópolis, partially purchased by a RIF in 1999. Recently such funds have become more important, as interest rates and the returns on traditional investments are lower.

The following table shows some shopping centers with RIFs registered with the securities and exchange committee (CVM) as of October 2020.

RIF'S REGISTERED AT CVM		
	FUND'S NAME	EQUITY VALUE (R$)
1	HEDGE BRASIL SHOPPING FUNDO DE INVESTIMENTO IMOBILIÁRIO	2,259,202,549.96
2	FII SHOPPING PARQUE D PEDRO	2,048,873,888.95
3	XP MALLS FUNDO DE INVESTIMENTO IMOBILIÁRIO FII	2,034,555,661.63
4	VINCI SHOPPING CENTERS FUNDO DE INVESTIMENTO IMOBILIÁRIO - FII	1,657,085,478.44
5	HSI MALLS FUNDO DE INVESTIMENTO IMOBILIÁRIO	1,557,925,627.43
6	FII ANCAR IC	1,567,696,480.19
7	FUNDO DE INVESTIMENTO IMOBILIÁRIO GRAND PLAZA SHOPPING	1,073,678,206.51
8	FII ELDORADO	916,614,549.11
9	FII PARQUE DOM PEDRO SHOPPING CENTER	830,883,815.84
10	MALLS BRASIL PLURAL FUNDO DE INVESTIMENTO IMOBILIÁRIO	802,691,974.00
11	FUNDO DE INVESTIMENTO IMOBILIÁRIO VIA PARQUE SHOPPING - FII	597,566,107.39
12	FUNDO DE INVESTIMENTO IMOBILIÁRIO SHOPPING PÁTIO HIGIENOPOLIS	479,275,317.76
13	FUNDO DE INVESTIMENTO IMOBILIARIO SHOPPING LIGHT	291,658,031.99
14	GENERAL SHOPPING ATIVO E RENDA FUNDO DE INVESTIMENTO IMOBILIÁRIO	279,671,538.97
15	HEDGE SHOPPING PARQUE DOM PEDRO FUNDO DE INVESTIMENTO IMOBILIÁRIO	278,683,970.44
16	FII PATEO MOINHOS DE VENTO	268,829,496.28
17	IPS PB - FUNDO DE INVESTIMENTO IMOBILIÁRIO – FII	266,044,421.97
18	FII SHOPPING JARDIM SUL	229,147,723.80
19	LA SHOPPING CENTERS FUNDO DE INVESTIMENTO IMOBILIARIO	210,479,679.79
20	FUNDO DE INVESTIMENTO IMOBILIÁRIO VOTORANTIM SHOPPING	207,316,464.59
21	HEDGE ATRIUM SHOPPING SANTO ANDRÉ FUNDO DE INVESTIMENTO IMOBILIÁRIO	189,258,865.44
22	FUNDO DE INVESTIMENTO IMOBILIÁRIO POLO SHOPPING INDAIATUBA	156,468,144.95
23	FUNDO DE INVESTIMENTO IMOBILIÁRIO CENTRO TEXTIL INTERNACIONAL	137,797,460.51

SOURCE: RIF REPORTS; (*) CVM – BASE DATE OCTOBER 2020

A traditional marketing tool often associated with an initial offer of quotas in the Real Estate Investment Fund is to include a minimum guaranteed yield for a specific period. As some assets are just starting to mature, securitization companies take over the risk for the initial years so that, there will be no real loss for investors. This offers the advantage of faster share distribution and the capital is recovered as if the project were operational.

MARKET ANALYSIS

The expertise of the entrepreneur shopping centers in Brazil is a market differentiator for the growing development of this sector in the country. The results maintain a continuous rise due to increasing trends over the past few years. Since the mid-nineties, Brazilian shopping centers have been reviewing their layouts, adopting new configurations that help drive up demand and consumption, using new models created for this segment in Brazil.

Currently, Brazil has 584 shopping centers, employing over 1.1 million people. The current Gross Leasable Area (GLA) in the country is approximately 16.91 million sqm.

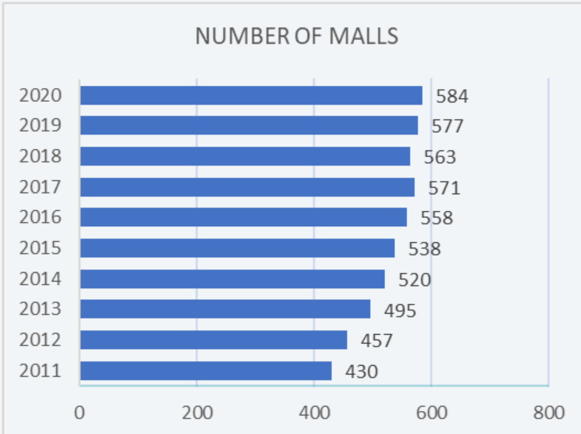
SECTOR NUMBERS

According to ABRASCE (Brazilian Association of Shopping Centers), the current status of the National Market Shopping Center is as follows (base date in December 2020):

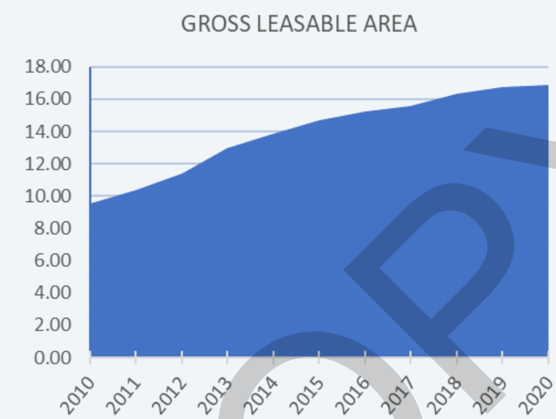
SECTOR NUMBERS	
ITEM	STATISTICS
Total of Malls	584
GLA (Millions of sqm)	16.912
Parking Spots	979,397
Total of Stores	105,592
Anchor Stores	3.5%
Megastores	4.3%
Unit Shops	62.0%
Leisure	1.4%
Food	14.9%
Service Stores	8.6%
Movie Theater Rooms	2,900
Jobs Created	1,102,171
Revenue in 2019 (BRL Billion)	192.84
Flow of People (Million/month)	502

SOURCE: ABRASCE (MONTH OF REFERENCE: DECEMBER/2020)

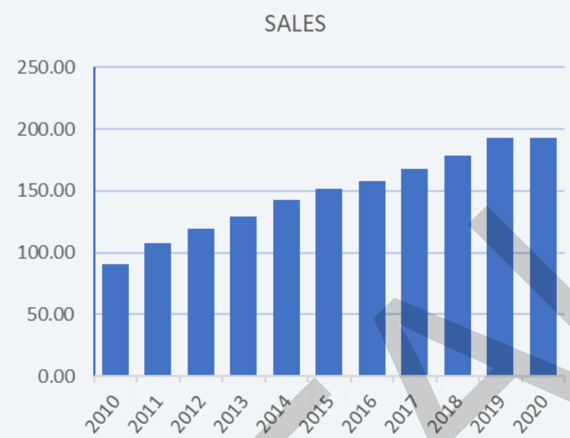
The graphs below illustrate the annual evolution of the segment according to the number of projects and Total Gross Leasable Area (GLA), between 2010 and 2020.



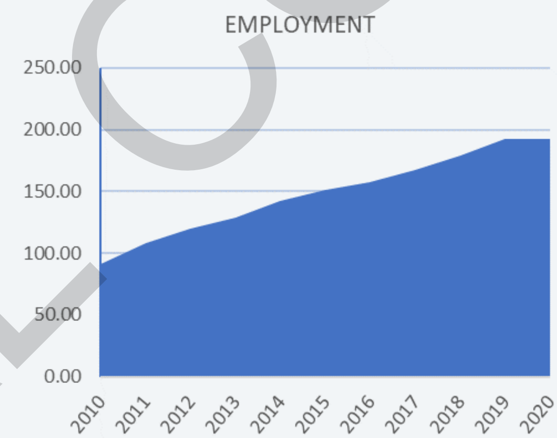
SOURCE: ABRASCE



SOURCE: ABRASCE



SOURCE: ABRASCE

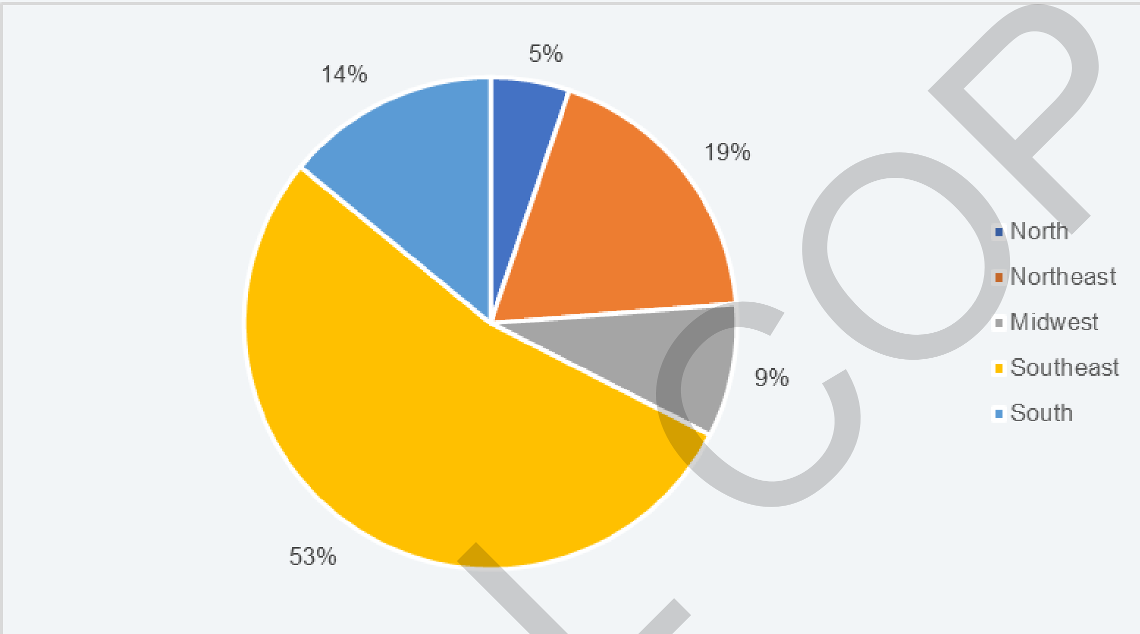


SOURCE: ABRASCE

SOUTHEAST REGION

According to ABRASCE, the Southeast Region contains 53.46% of the total Brazil GLA, as shown in the following chart:

GLA DISTRIBUTION BY REGION (%)



SOURCE: ABRASCE (MONTH OF REFERENCE: DECEMBER / 2020)

The Southeast Region retail market has 302 shopping centers representing 9,040,688.00 sqm. of GLA.

COMPETITORS

As the local market available, the closest competitor is:

- Shopping Jardim Sul – Located in front of Shopping Morumbi Town – Inaugurated on June 1990, with built area of 95,380.00 sqm and land area of 95,499 sqm, is located at Avenida Giovanni Gronchi, 5.819. It has 188 stores, distributed in a GLA of 28,972.54 sqm and a total of 1,660 parking spaces.

  SOURCE: ABRASCE (CENSO BRASILEIRO DE SHOPPING CENTERS); OFICIAL WEBSITE OF SHOPPING JARDIM SUL; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

- Shopping SP Market – Located approximately 3.40 km from of Shopping Morumbi Town – Inaugurated on September of 1994, with built area of 173,447.00 sqm on a land area of 163,995.00 sqm, is located at Avenida das Nações Unidas, 22.540. It has 234 stores, distributed in a GLA of 67,340.88 sqm and a total of 3,054 parking spaces.

  SOURCE: ABRASCE (CENSO BRASILEIRO DE SHOPPING CENTERS); OFICIAL WEB SHOPPING SP MARKET; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

- Shopping Campo Limpo – located approximately 3.50 km from of Shopping Morumbi Town – Inaugurated on November 2005, with built area of 64,000.00 sqm on a land area of 33,706.00 sqm, is located at Estrada do Campo Limpo, 459. It has 135 stores, distributed in a GLA of 22,300.00 sqm and a total of 1,098 parking spaces.

  SOURCE: ABRASCE (CENSO BRASILEIRO DE SHOPPING CENTERS); OFICIAL WEBSITE OF SHOPPING CAMPO LIMPO; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY.

- Shopping Butantã – located approximately 5.50 km from of Shopping Morumbi Town – Inaugurated on May 1994, with built area of 116,208.00 sqm on a land area of 57,761.00 sqm, is located at Avenida Professor Francisco Morato, 2.718. It has 194 stores, distributed in a GLA of 30,494.00 sqm and a total of 3,571 parking spaces.

  FONTE: CENSO BRASILEIRO DE SHOPPING CENTERS - ABRASCE; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

- Morumbi Shopping – located approximately 6.80 km from of Shopping Morumbi Town – Inaugurated on May 1982, with built area of 207,712.00 sqm on a land area of 56,475.00 sqm, is located at Avenida Roque Petroni Junior, 1.089. It has 406 stores, distributed in a GLA of 55,087.00 sqm and a total of 3,571 parking spaces.

  FONTE: CENSO BRASILEIRO DE SHOPPING CENTERS - ABRASCE; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

- Market Place Shopping Center – located approximately 6.80 km from of Shopping Morumbi Town – Inaugurated on September 1995, with built area of 93,978.00 sqm on a land area of 26,940.00 sqm, is located at Avenida Doutor Chucri Zaidan, 920. It has 150 stores, distributed in a GLA of 26,940.00 sqm and a total of 2,000 parking spaces.

  FONTE: CENSO BRASILEIRO DE SHOPPING CENTERS - ABRASCE; CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

NEW INVENTORY

According to information obtained from the ABRASCE website, in 2020, 7 shopping centers were opened in the of 2020, as shown in the following table:

SHOPPING CENTERS OPENED IN 2020				
Shopping	CITY	UF	GLA (sqm)	OPENING
Parque Shopping Bahia	Lauro de Freitas	BA	84,000.00	March
América Shopping	Goiânia	GO	22,264.00	April
Shopping Serra Talhada	Serra Talhada	PE	8,561.00	July
Catalão Shopping	Catalão	GO	10,000.00	August
Outlet Premium Grande SP	São Paulo	SP	16,601.00	November
Cidade Jardim Shops	São Paulo	SP	6,000.00	December
Liv Mall	João Pessoa	PB	7,000.00	December
TOTAL	7		154,426.00	

SOURCE: ABRASCE (MONTH OF REFERENCE: DECEMBER/2020)

RISKS

There are a number of factors that may affect the success of a shopping mall business. These aspects can be related to the project and layout, its operation, management, fund rising and/or the socio-economic characteristics of its location and target market. Some of these factors include:

- Governmental requirements;
- Competition with new commerce models, such as e-commerce;
- Increase in supply of malls, causing increase in competition;
- Location;

Project and layout and how it favors the public and operation;

- Operation and management:
- Condominium charges;
- Promotion of shopping mall;
- Default rates etc; and
- Lease agreement negotiations.

Regarding the above factors, we found no direct risks for the subject property, but it is dependent on the National Economic Market, as the object of sale of the Shopping Center operation of tenants includes a specific market.

VALUATION PROCESS

APPROACH

The Approach used for this appraisal was the (i) Income Capitalization Approach based on a Discounted Cash Flow, which estimates the present value of a property at an appropriate discount rate. To segregation the value between construction and land, we choose the Replacement Cost Approach. To determine the sale of the land (adjacent site) we adopted the (ii) Sales Comparison Approach.

ANALYSIS MODEL

In this appraisal, we used the "Income Capitalization Approach" using a "Discounted Cash Flow" to determine the free market value for the sale of the property. Model over the enterprise life cycle, which may be defined as the period of time during which the shopping center will be in operation. Projections are usually split into two parts:

- An explicit period, meaning a future period that is closer in time and thus easier to predict, normally 10 years; and
- A Residual Value, equivalent to the remaining period in the lifetime of the asset. At this point, the future long-term cash flow is replaced with a single equivalent value at the end of the projected period (residual value).

The analytical model consists of calculating enterprise earnings before taxes. To determine the market value of the property we projected its cash flow over a ten-year period.

BASIC ASSUMPTIONS

In the valuation of Shopping, we adopted a number of basic premises to guide our analyses and arrive at a conclusion regarding the market value for this property. We assumed that 10 years is a sufficient and realistic period to determine the sale value of this type of property. Although this type of asset has a longer lifetime, an investment analysis is more significant if limited to a period of time that is considerably shorter than its actual economic lifetime, yet sufficiently long for a potential investor.

The revenues and expenses an investor would incur in will vary over the period of time analyzed. The parameters that guide projections of future net operating income were based on information provided by the client and current practices in the Brazilian shopping mall industry. Below are the main premises:

- We have assumed that there will be no major changes in the country’s economic scenario over the projection period;
- The valuation was conducted based on the information provided by the Contractor. The assumptions employed consider the parameters indicated by the Contractor, adjusted by Cushman & Wakefield to fall within market parameters where needed;
- The review acknowledged that no outstanding debts of competence from previous months of liability of owners, which, if raised through specific audit should be discounted from the arbitrated values in this report;

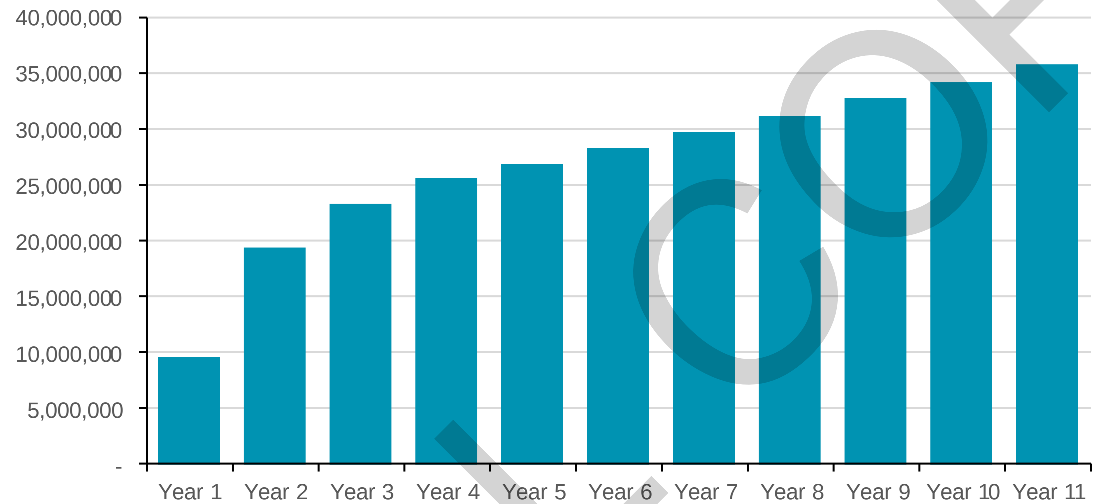
- This real property appraisal report is exclusively for internal use of the Contractor, its affiliates, controlled or controlling companies, officers, directors, partners, members, shareholders, legal counsels, managers, employees, external auditors and consultants which are involved with the Property. No part of it may be published or disclosed to third parties without the formal, written consent of the issuer, Cushman & Wakefield. The source must always be cited when reproducing any of the data contained, under penalty of applicable civil and criminal penalties for violating copyright law. Furthermore, in the event that any of the Contractor is requested or required by law, legal process or any regulatory or governmental or quasi-governmental administrative authority to disclose this real property appraisal report, Contractor will promptly notify Cushman & Wakefield so that it can take the legal measures applicable;
- Cushman & Wakefield, has no employment or any other type of subordinate link to the companies that control or are controlled by the administrator;
- We did not have access to all lease agreements from shopping stores for validation. We consider to be true all the data supplied by the Contractor in regard to the rent roll and other lease-specific and property-specific data;
- The shopping mall's sales potential was defined based on the future projections presented, adapted to C&W's analytical approach;
- We classify the mix of stores according to criteria defined by Cushman & Wakefield, using as reference the group's activity box lease provided by the Contractor;
- We assume the mall will be operated by experts who will manage it professionally, taking full advantage of the market potential, thus generating operating results that will provide a return on the capital invested;
- The appraisal considers a sales commission of 2.50% on the net operating income in the 11th year of the projected cash flow, which serves as the basis for calculating the perpetuity;
- We stress that the relationship between Cushman & Wakefield and Contractor does not in any way affect the independence and the objectivity of this work. We also certify that we have no present or future interest in the Property under analysis in this report, and that neither the fees nor any other costs related to the execution of this appraisal do in any way depend on our Opinion of Value about the Property as described here;
- We are not aware of any conflict of interests that could influence this work;
- In the calculation of the sale / purchase value of the Property in reference, only the GLA (gross leasable areas) was considered, according to the item "description of the property";
- **The projected cash flow starts on January 1st, 2021;**
- **Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy;**
- **As requested by the client, we considered a satelization project starting in January 2022. For this project, we assumed the expenses and revenues according to the client projections;**
- **As client request, we do not consider the discounted cash flow taxation of PIS / COFINS (3.65% of EGR), Property Management Fee and Leasing & Commissions;**
- **As client request, we considered in this study the performance projection of the shopping and the expansion (phase 2), which comprises 4,833.27 sqm and inauguration scheduled for January 2021;**
- **As informed by the client, there are no projections for rent discounts in the operation (as is);**
- It is important to point out that this report is comprised of estimates and projections made by Cushman & Wakefield using an economic-financial analysis model and information provided by current mall management, in addition to market surveys carried out by our technical team regarding the future performance of the study property. These statements, estimates and projections significantly reflect premises and judgments regarding future performance, including assumptions of the operating plan, economic scenario and other premises on which the projected results depend;
- Cushman & Wakefield Negócios Imobiliários Ltda. has no employment or any other type of subordinate link to the companies that control or are controlled by the Fund Administrator.

SCENARIO USED – **AS IS (CURRENT OPERATION)**

PERIOD OF ANALYSIS

We used a 10-year period starting in January 2021 to assess the value of the shopping center, and a monthly distribution to better reflect performance. These predict all contracts, renewals, discounts and adjustments shop-by-shop, month by month.

CASH FLOW BEFORE DEBT SERVICE & TAXES

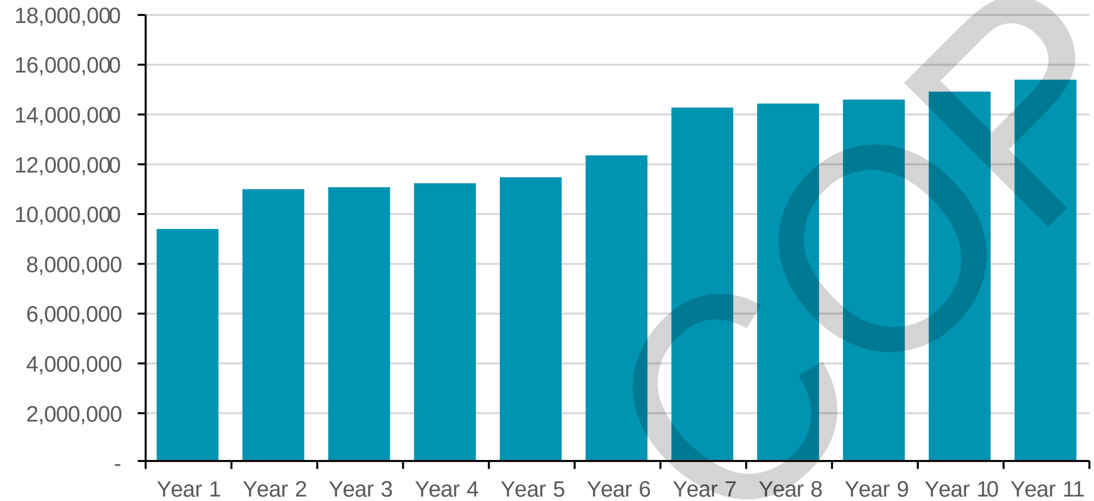


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MINIMUM RENT

Lease Revenue expected is R$ 9,423,534.00 for the 1st year. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

MINIMUM RENT



SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

DISCOUNTS

We designed the amount of (R$ 200,000.00) for the line of "Rent Discounts" in the 1st year, (R$ 100,000.00) for the 2nd year and R$ 0.00 for the 3rd year onwards during the projected cash flow period. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

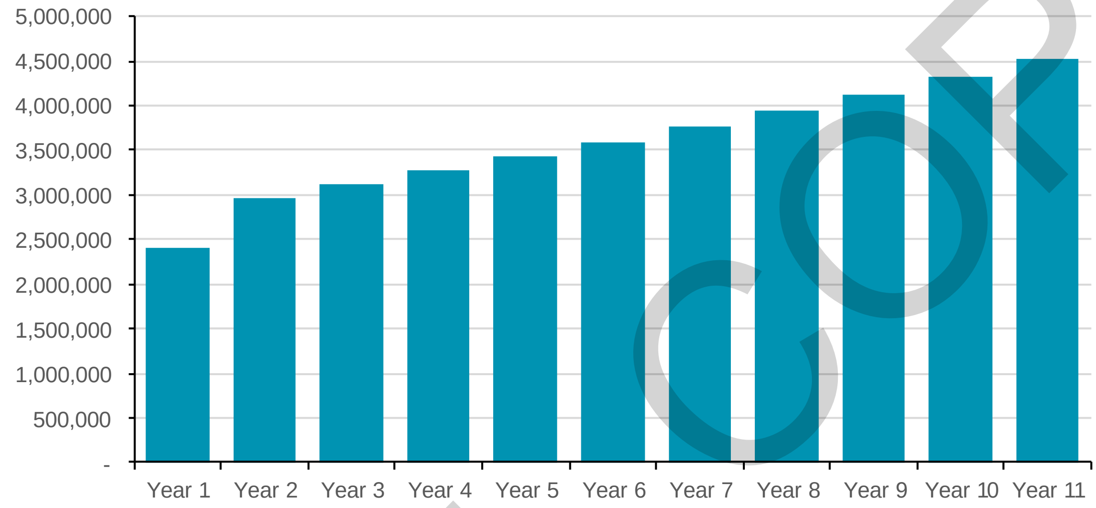
DISCOUNTS

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

TURNOVER RENT

We projected R$ 2,400,000.00 in the 1st year and R$ 2,800,000.00 in the 2nd year onwards during the projected cash flow. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

TURNOVER RENT

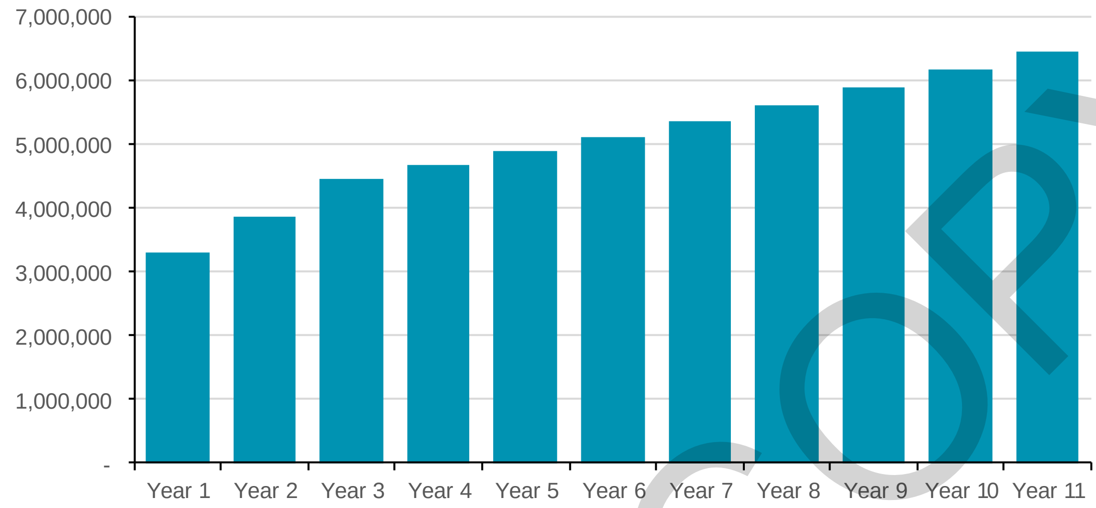


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MALL INCOME & MERCHANDISING

We designed the amount of R$ 3,300,000.00 in the 1st year, R$ 3,650,000.00 in the 2nd year and R$ 4,000,000.00 in the 3rd year onwards during the projected cash flow period. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

MALL INCOME & MERCHANDISING

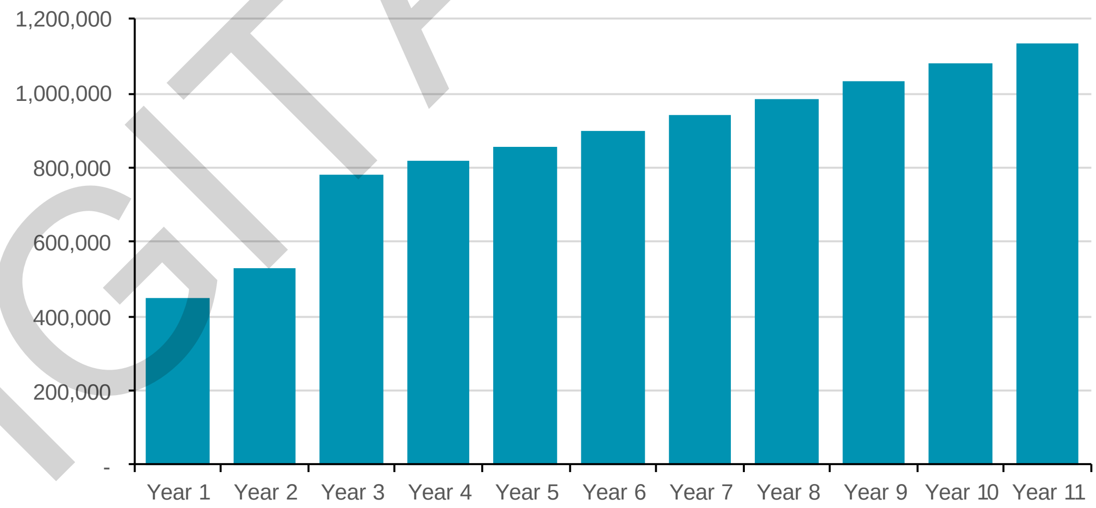


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

KEY MONEY

We estimate the receipt of key money from the lease agreements, as well as with the renewal of contracts, when applicable, in R$ 450,000.00 for the 1st year, R$ 500,000.00 for the 2nd year and R$ 700,000.00 for the 3rd year onwards. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

KEY MONEY

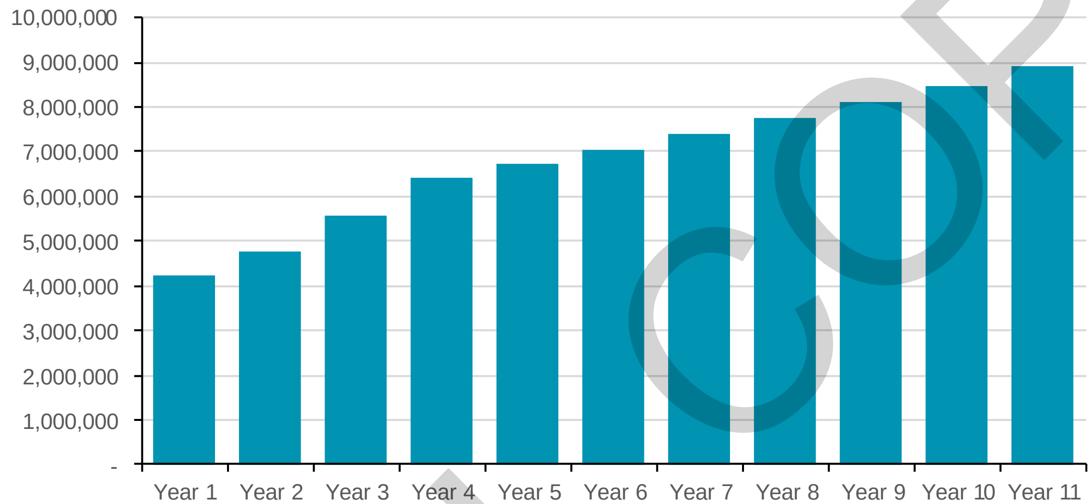


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

CAR PARKING REVENUES (NET)

Expected revenue from parking is R$ 4,250,000.00 for the 1st year, R$ 4,500,000.00 for the 2nd year, R$ 5,000,000.00 for the 3rd year and R$ 5,500,000.00 for the 4th year onwards. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

CAR PARKING REVENUES (NET)

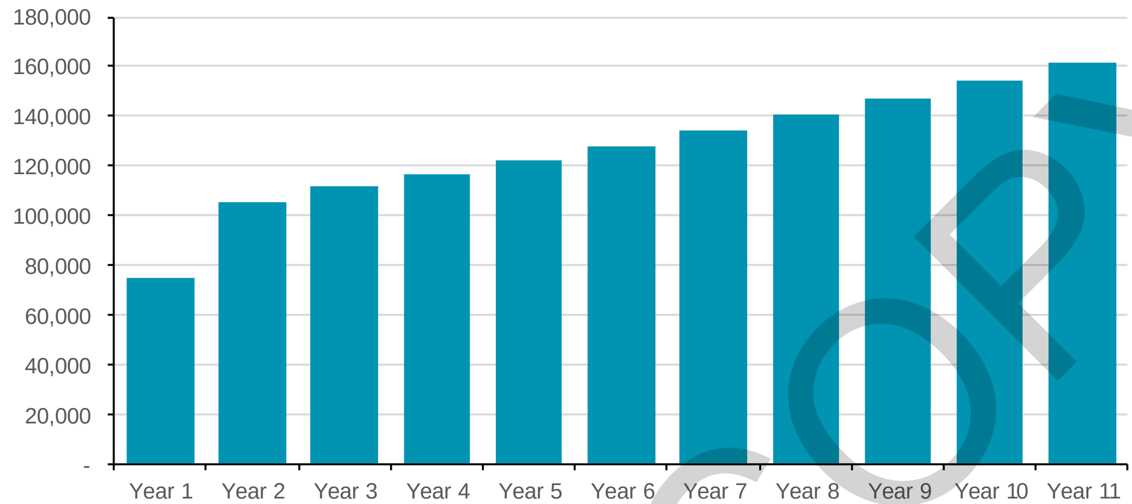


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

OTHER REVENUES

Other revenues were estimated in R$ 75,000.00 in the 1st year and R$ 100,000.00 in the 2nd year onwards during the projected cash flow. The real growth comprises 2.00% in the 2nd year to the 3rd year and 1.50% per year for the 4th year onwards during the projected cash flow.

OTHER REVENUES

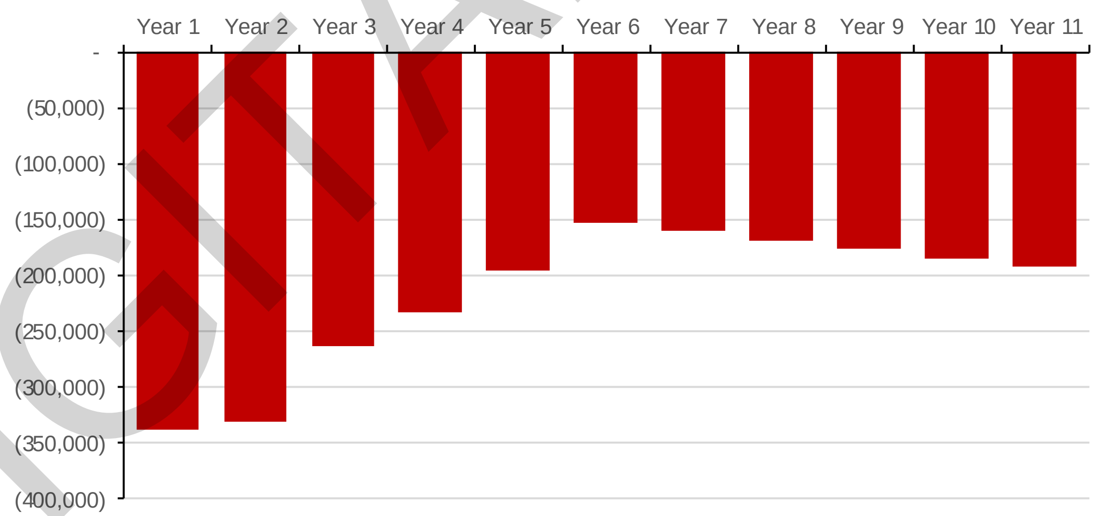


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

GENERAL VACANCY

We considered a financial vacancy level of rent revenue (excluding anchor, cinema and leisure) equivalent to 5.00% for the 1st year, 4.00% for the 2nd year, 3.00% for the 3rd year, 2.50% for the 4th year, 2,00% for the 5th year and 1.50% for the 6th year onwards of the discounted cash flow period.

GENERAL VACANCY

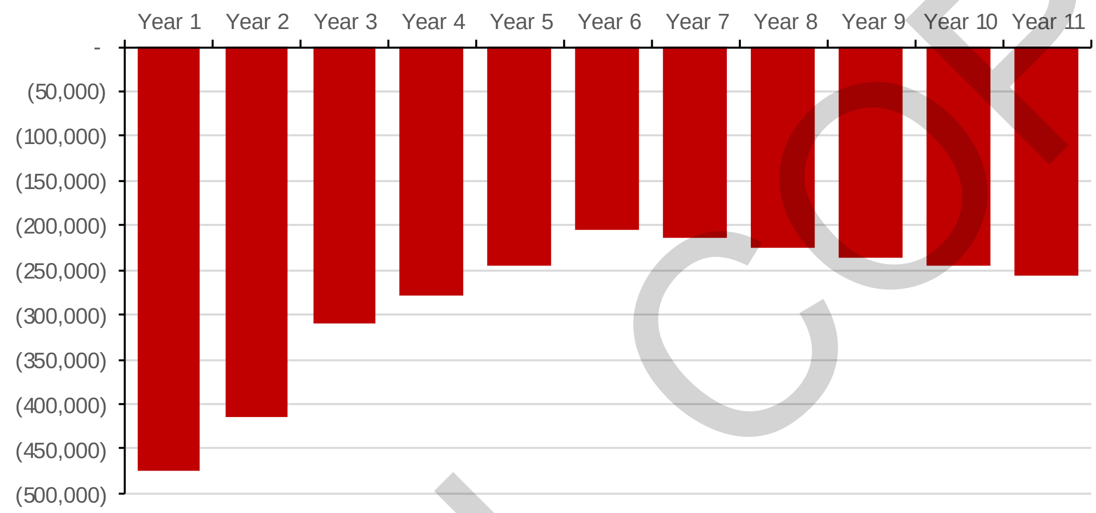


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

COLLECTION LOSS

We took into account an irrecoverable default level as percentage of rent revenue (excluding anchor, cinema and leisure) equivalent to 7.00% for the 1st year, 5.00% for the 2nd year, 3.50% for the 3rd year, 3.00% for the 4th year, 2.50% for the 5th year and 2.00% for the 6th year onwards of the discounted cash flow period.

COLLECTION LOSS

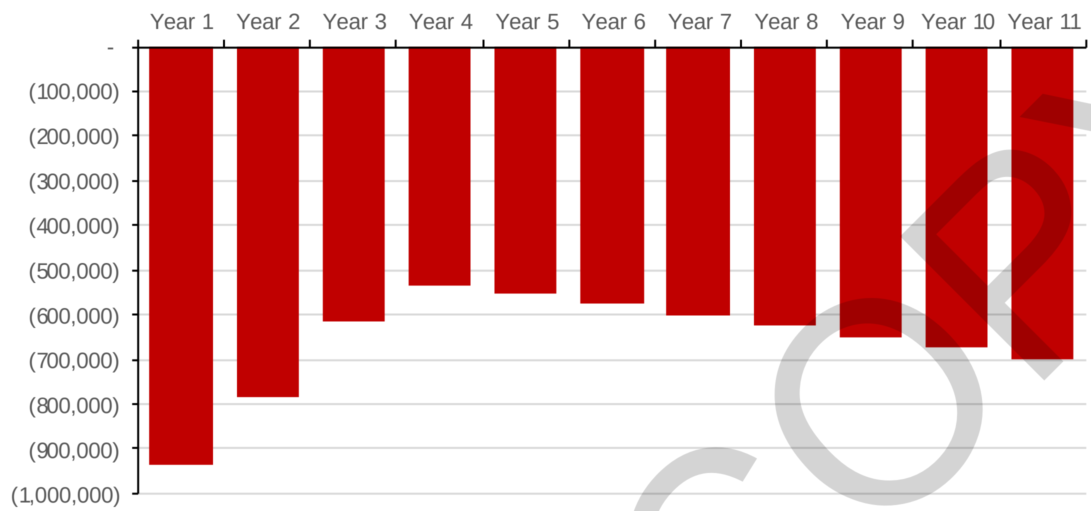


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

NRE SERVICE CHARGE

Regarding charges for vacant stores (Service Charge), we projected the amount of (R$ 936,700.00) for the 1st year, (R$ 749,400.00) for the 2nd year, (R$ 562,000.00) for the 3rd year and (R$ 468,400.00) for the 4th year onwards of the discounted cash flow period. The real growth comprises 1.00% in the 2nd year to the 3rd year and 0.75% per year for the 4th year onwards during the projected cash flow.

NRE SERVICE CHARGE



SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

PROMOTION FUND

We projected the amount of (R$ 155,000.00) per year, during the projected cash flow. The real growth comprises 1.00% in the 2nd year to the 3rd year and 0.75% per year for the 4th year onwards during the projected cash flow.

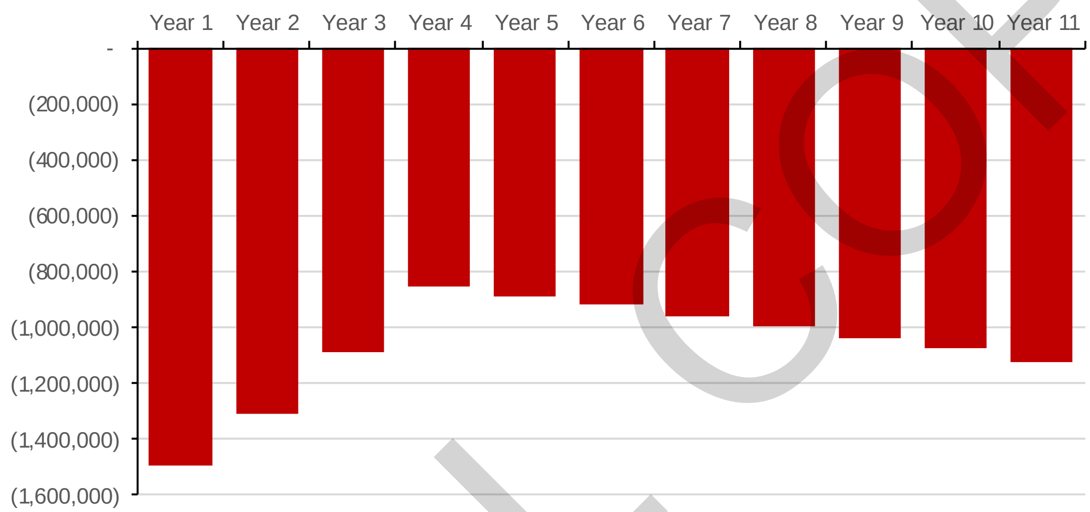
PROMOTION FUND

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

OTHER NON-RECOVERABLE EXPENSES

The other non-recoverable expenses were scaled to the projection value of (R$ 1,500,000.00) in the 1st year, (R$ 1,250,000.00) in the 2nd year, (R$ 1,000,000.00) in the 3rd year and (R$ 750,000.00) in the 4th year onwards during the projected cash flow. This item was considered not all expenses identified in previous section. The real growth comprises 1.00% in the 2nd year to the 3rd year and 0.75% per year for the 4th year onwards during the projected cash flow.

OTHER NON-RECOVERABLE EXPENSES

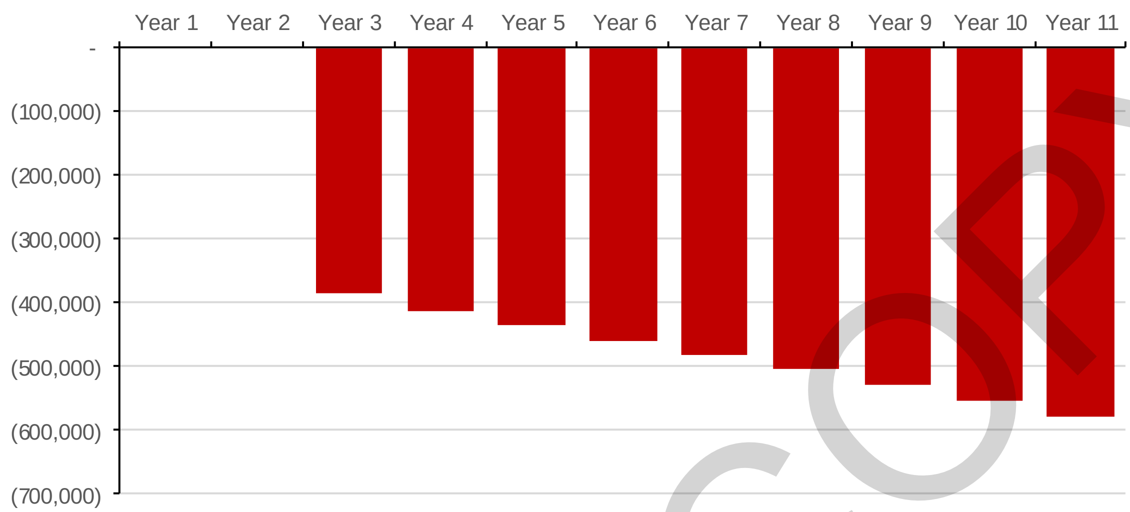


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MAINTENANCE & REPAIRS

In order to support established growth projections and ensure the market share of the Shopping Center towards its competitors, we projected the reinvestment, that is, an asset reposition fund. For this expense (not operational), we considered 1.50% over effective gross revenue from January/2023 onwards during the projected cash flow.

MAINTENANCE & REPAIRS



SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

CAPEX

We projected the CAPEX in (R$ 3,461,559.00) for the 1st year and R$ 0.00 for the 2nd year onwards.

CAPEX

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

ALLOWANCE - NBA

We projected the ALLOWANCE - NBA in (R$ 2,250,000.00) for the 1st year and R$ 0.00 for the 2nd year onwards.

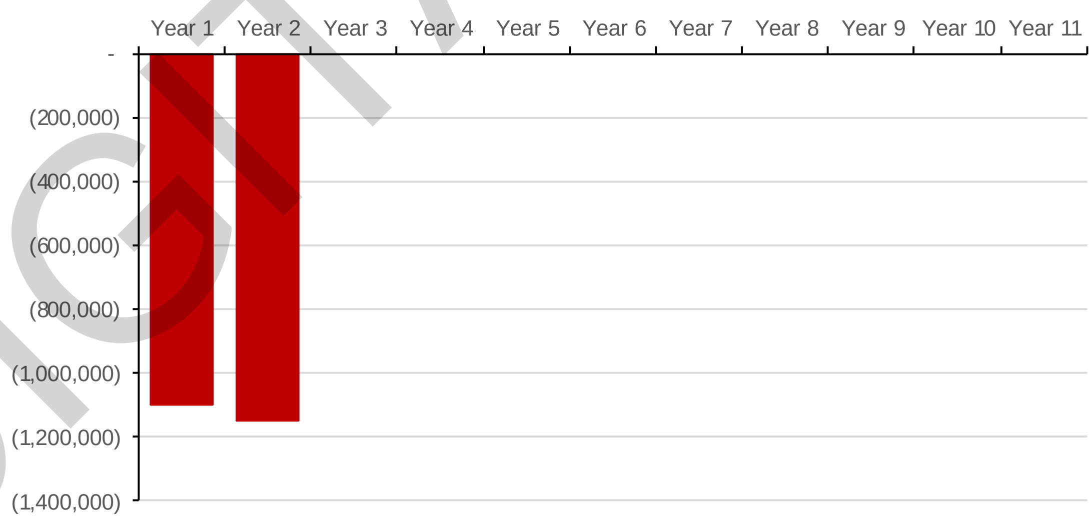
ALLOWANCE - NBA

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

CONCESSION - NBA

We projected the CONCESSION - NBA in (R$ 1,100,000.04) for the 1st year to the 2nd year and R$ 0.00 for the 3rd year onwards.

CONCESSION - NBA



SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

INFLATION

Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.

DISCOUNT RATE

This is the rate used to discount the 10-year operational cash flow to calculate the present value of the property, and reflects the risk profile regarding the:

External environment: the current situation of the real estate market in Brazil and in the area of influence, as well as the economic fundamentals of the country;

Internal environment: the operating conditions and performance of the shopping center itself, and the equity structure of its investors.

The discount rate, also known as weighted average cost of capital (WACC), is equivalent to the Opportunity Cost of the Company and consists of Equity Capital and Debt Capital.

"The opportunity cost of capital, or simply the cost of capital is the return shareholders expect for investing in the company" (Ross, 669).

Considering the current Brazilian and global economic scenarios, in addition to the specific risk analysis for the enterprise, we estimated a nominal discount rate of 11.08% per year. For the exhaustion period, the capitalization rate for calculating the residual value is 7.25% per year.

Below is a breakdown of the rates used:

BREAKDOWN OF THE RATES		
COMPONENTS	OPERATION	EXHAUSTION
Risk Free Rate (*)	3.23%	3.23%
Enterprise Risk Spread	4.52%	4.02%
Inflation (Average)	3.33%	0.00%

SOURCE: (*) TREASURY DIRECT PROFITABILITY (IPCA+ 2035 - NTN-B PRINCIPAL 150535) – POSITION 12/30/2020

The "spread" risk of the development consists of specific variables of malls market. The composition of the "spread" were considered components such as location, market competition, a segment of the operation, social and economic status of the consumer market, composition of tenant mix, the administrator of the operation performance, dominance of gross leasable area and the operating performance history.

VARIANCE ANALYSIS TO ACCOUNT FOR CHANGES IN THE EXPECTED SCENARIO

The variance analysis was performed using a number of scenarios that in turn are based in simulating changes in the discount rate and yield at exhaustion, thus showing a range of possible results given these alternative hypotheses. If we project these changes in the more significant variables, we obtain the following variations for the Economic Value of the property.

SENSITIVITY ANALYSIS

CAP RATE (%)	DISCOUNT RATE (%) 10,08%	10,58%	11,08%	11,58%	12,08%
6,25%	373,691,498	360,528,960	347,951,555	335,929,844	324,436,013
6,75%	357,551,983	345,104,540	333,207,533	321,833,350	310,955,902
7,25%	343,638,608	331,807,627	320,497,169	309,681,200	299,335,117
7,75%	331,520,507	320,226,444	309,426,852	299,097,069	289,213,788
8,25%	320,871,267	310,049,041	299,698,392	289,795,863	280,319,286

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

The market value for purchase / sale of Shopping Morumbi Town (Scenario AS IS), according to projected scenarios, is between R$ 280.32 million to R$ 373.69 million.

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ICP Brasil
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SCENARIO USED – **AS BUILT (FUTURE EXPANSION)**

PERIOD OF ANALYSIS

We used a 10-year period starting in January 2021 to assess the value of the shopping center, and a monthly distribution to better reflect performance. These predict all contracts, renewals, discounts and adjustments shop-by-shop, month by month.

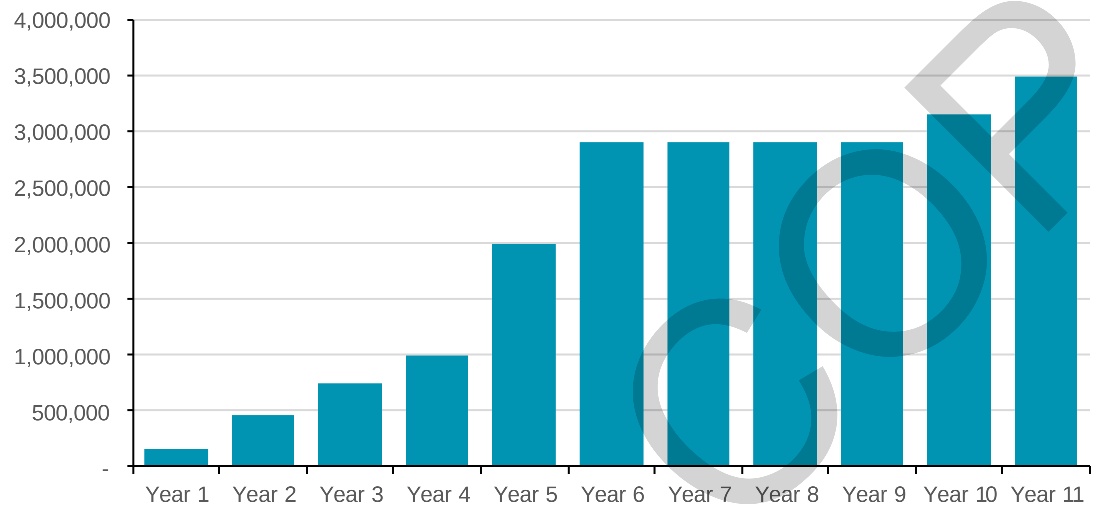
CASH FLOW BEFORE DEBT SERVICE & TAXES

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MINIMUM RENT

Lease Revenue expected is R$ 156,513.00 for the 1st year. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

MINIMUM RENT

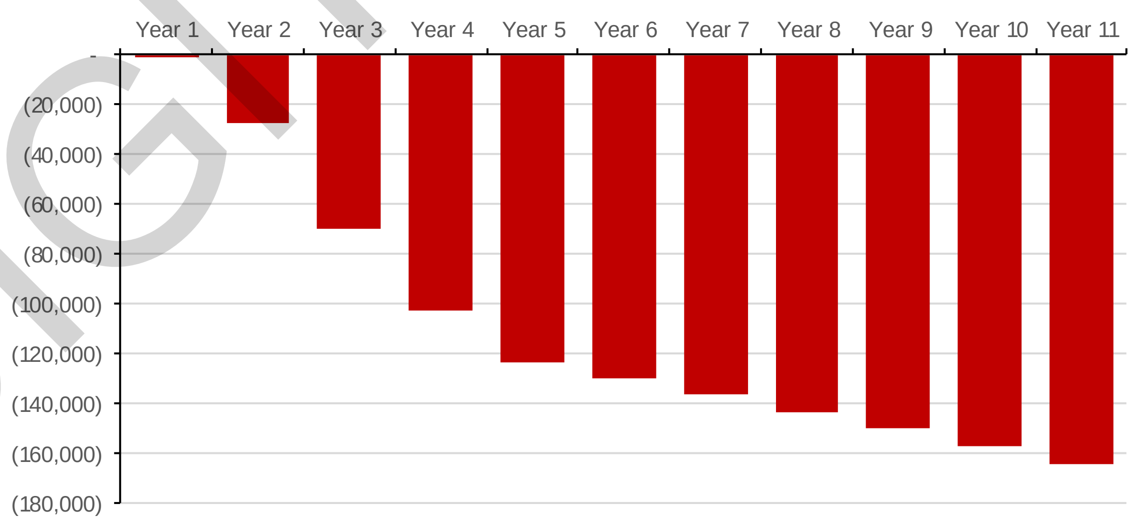


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

DISCOUNTS

We designed the amount of (R$ 1,195.02) for the line of “Rent Discounts” in the 1st year, (R$ 26,195.04) for the 2nd year, (R$ 62,500.02) for the 3rd year, (R$ 87,500.00) for the 4th year and (R$ 100,000.00) for the 5th year onwards during the projected cash flow period. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

DISCOUNTS

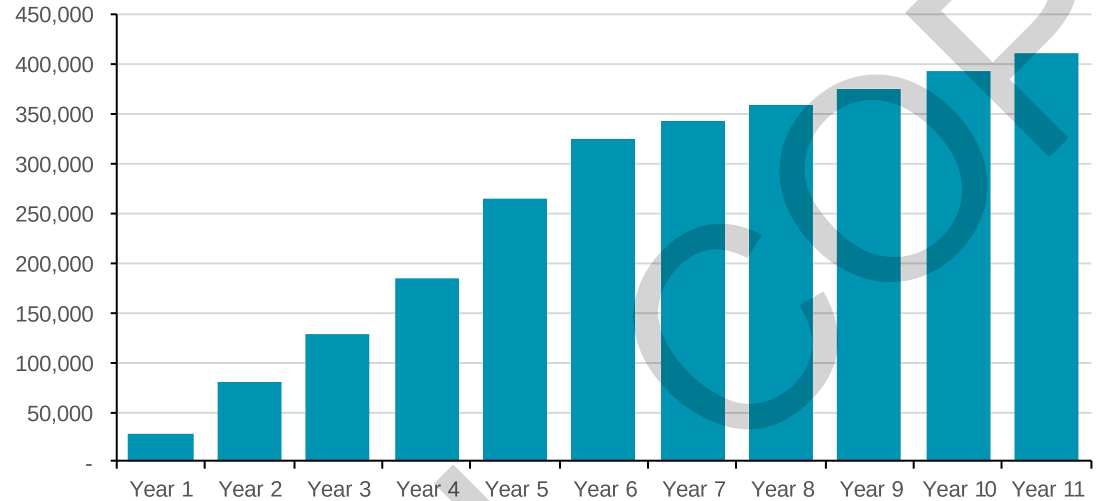


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

TURNOVER RENT

We projected R$ 28,680.00 for the 1st year, R$ 75,082.02 for the 2nd year, R$ 115,302.54 for the 3rd year, R$ 157,918.02 for the 4th year, R$ 214,017.48 for the 5th year and R$ 250,000.00 for the 6th year onwards during the projected cash flow. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

TURNOVER RENT

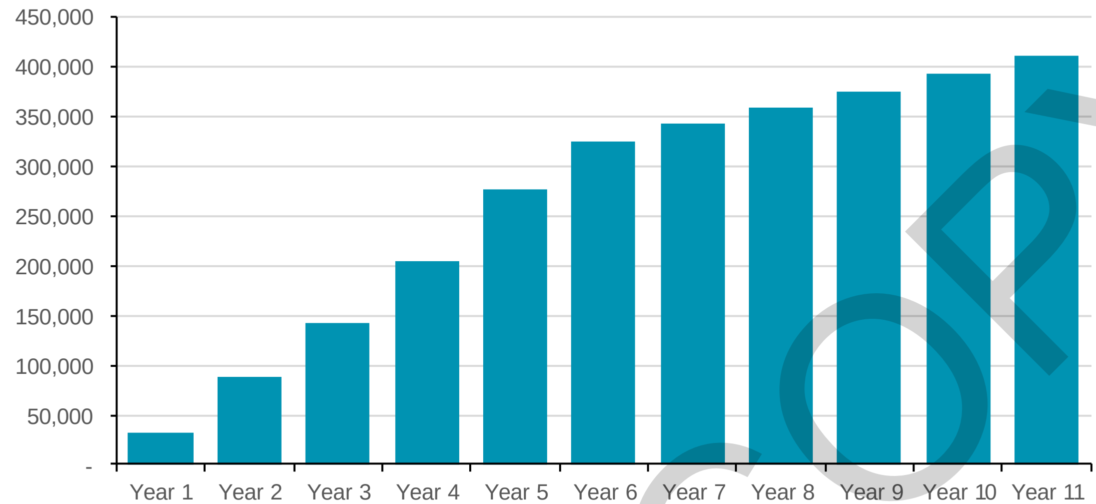


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MALL INCOME & MERCHANDISING

We designed the amount of R$ 31,667.52 for the 1st year, R$ 82,903.02 for the 2nd year, R$ 127,313.00 for the 3rd year, R$ 174,367.50 for the 4th year, R$ 223,290.00 for the 5th year and R$ 250,000.00 for the 6th year onwards during the projected cash flow period. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

MALL INCOME & MERCHANDISING

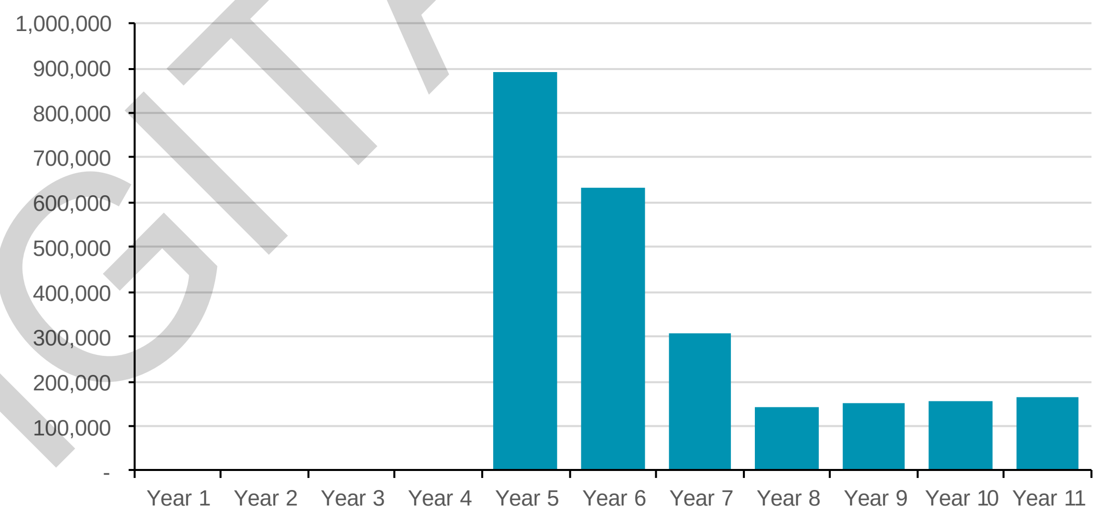


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

KEY MONEY

We estimate the revenue of key money from the lease agreements, as well as with the renewal of contracts, when applicable, in R$ 0.00 for the 1st to 4th year, R$ 722,494.02 for the 5th year, R$ 486,929.04 for the 6th year, R$ 223,971.96 for the 7th year and R$ 100,000.00 for the 8th year onwards during the projected cash flow The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

KEY MONEY

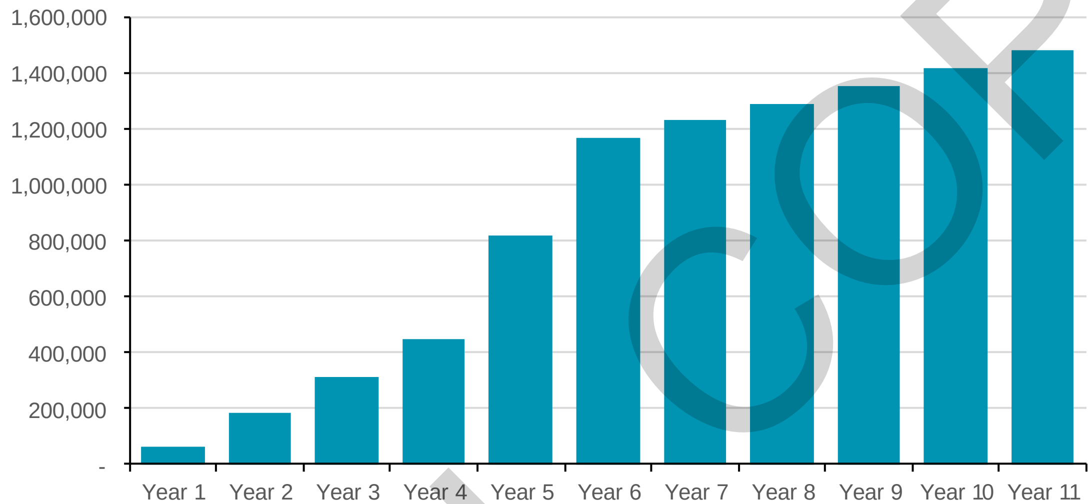


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

CAR PARKING REVENUES (NET)

Expected revenue from parking is R$ 62,040.00 for the 1st year, R$ 174,178.02 for the 2nd year, R$ 278,647.02 for the 3rd year, R$ 381,635.00 for the 4th year, R$ 665,126.00 for the 5th year and R$ 900,000.00 for the 6th year onwards during the projected cash flow period. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

CAR PARKING REVENUES (NET)

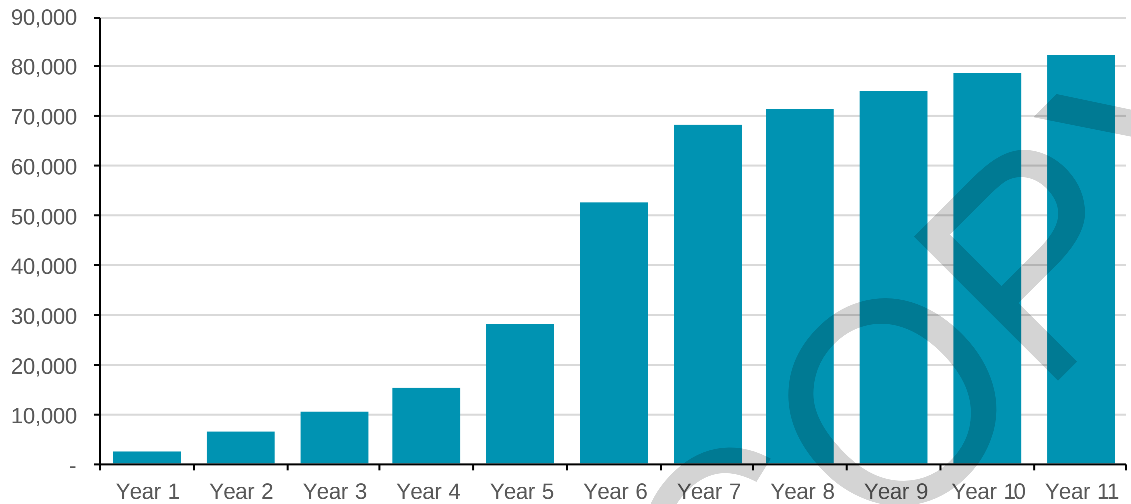


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

OTHER REVENUES

Other revenues were estimated in R$ 2,390.00 for the 1st year, R$ 6,257.00 for the 2nd year, R$ 9,608.52 for the 3rd year, R$ 13,159.50 for the 4th year, R$ 22,917.00 for the 5th year, R$ 40,499.04 for the 6th year and R$ 50,000.00 for the 7th year onwards during the projected cash flow. The real growth comprises 2.00% in the 2nd year onwards during the projected cash flow.

OTHER REVENUES

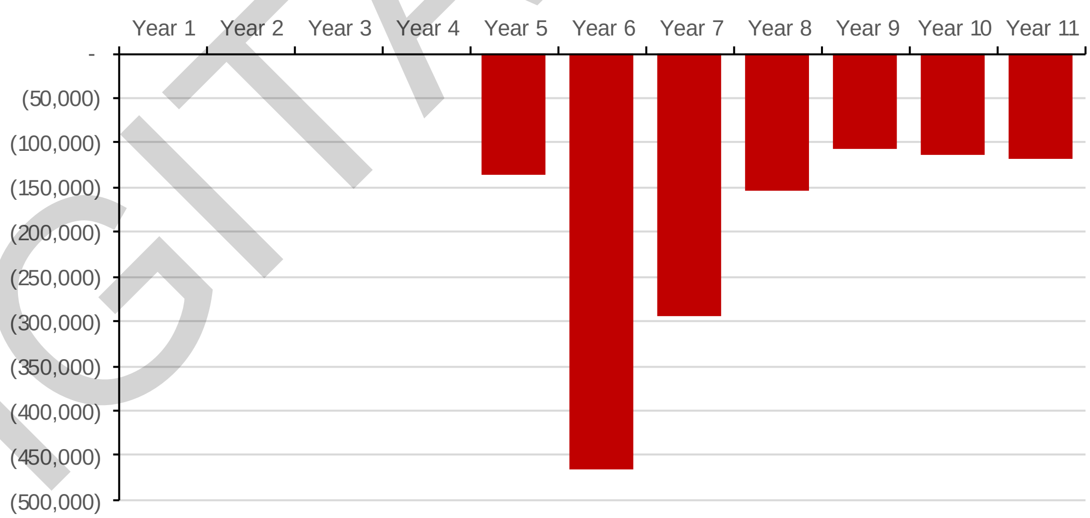


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

GENERAL VACANCY

We considered a financial vacancy level of rent revenue (excluding anchor, cinema and leisure) equivalent to 0.00% from the 1st to 4th year, 15.00% in the 5th year, 25.00% for the 6th year, 15.00% for the 7th year, 7.50% for the 8th year and 5.00% for the 9th year onwards of the discounted cash flow period.

GENERAL VACANCY

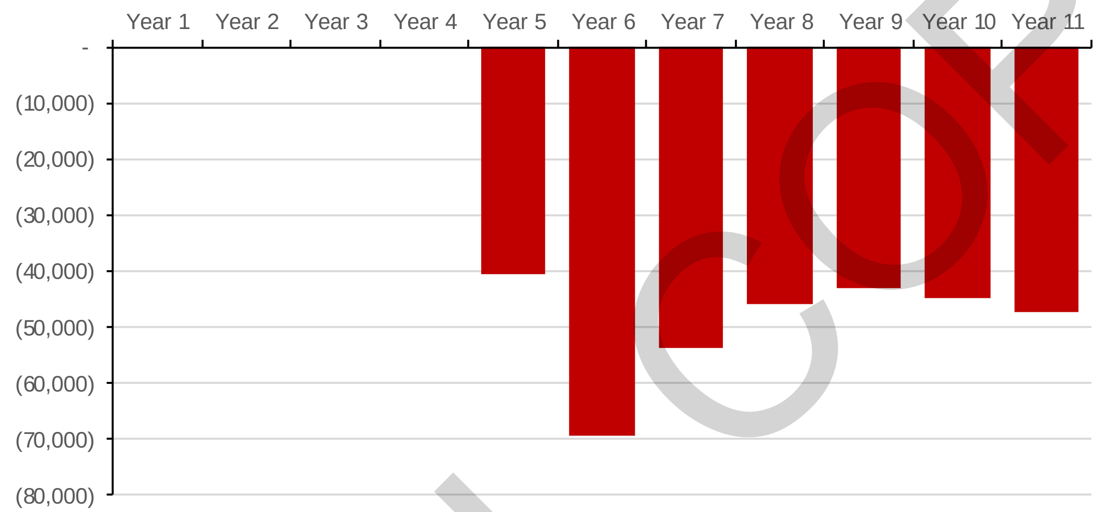


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

COLLECTION LOSS

We took into account an irrecoverable default level as percentage of rent revenue (excluding anchor, cinema and leisure) equivalent to 0.00% from the 1st to 4th year, 2.25% for the 5th year, 3.75% for the 6th year, 2.75% for the 7th year, 2.25% for the 8th year and 2.00% for the 9th year onwards of the discounted cash flow period.

COLLECTION LOSS

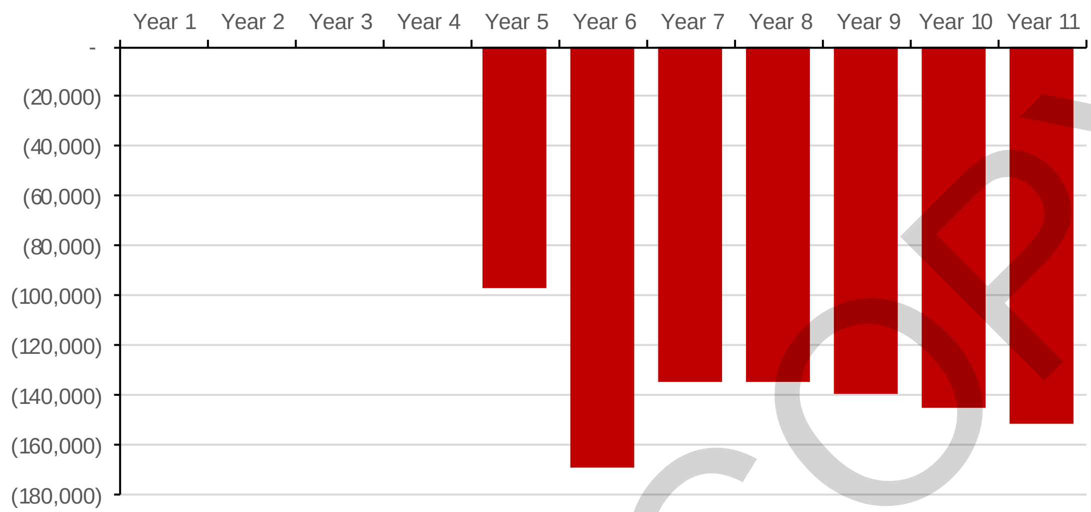


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

NRE SERVICE CHARGE

Regarding charges for vacant stores (Service Charge), we projected the amount of R$ 0.00 for the 1st to 4th year, (R$ 81,750.00) for the 5th year, (R$ 136,250.00) for the 6th year, (R$ 104,500.00) for the 7th year and (R$ 100,000.00) for the 8th year onwards of the discounted cash flow period. The real growth comprises 1.00% in the 2nd year onwards during the projected cash flow.

NRE SERVICE CHARGE

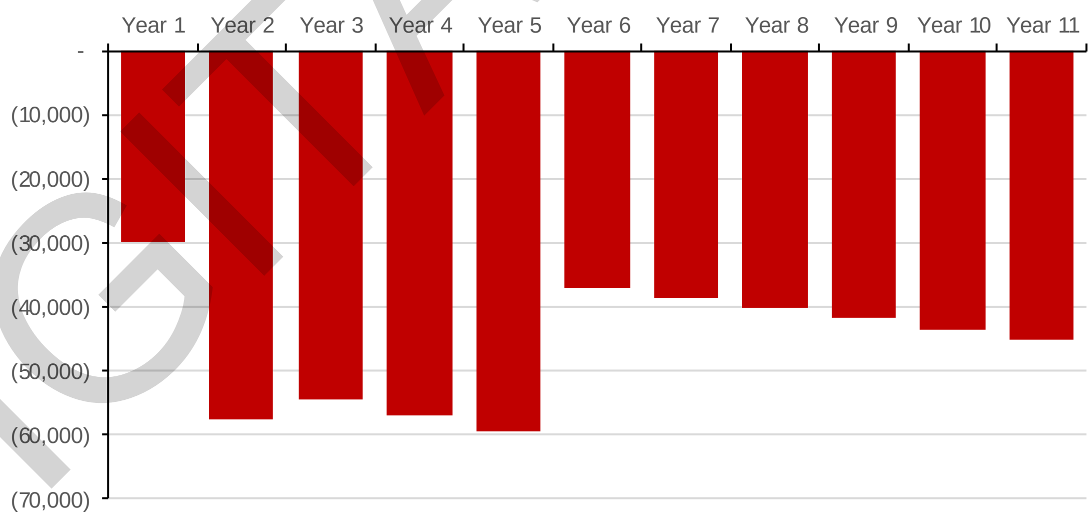


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

PROMOTION FUND

We projected the amount of (R$ 30,000.00) for the 1st year, (R$ 55,000.00) for the 2nd year, (R$ 50,000.00) for the 3rd year to 5th year and (R$ 30,000.00) for the 6th year onwards during the projected cash flow. The real growth comprises 1.00% in the 2nd year onwards during the projected cash flow.

PROMOTION FUND

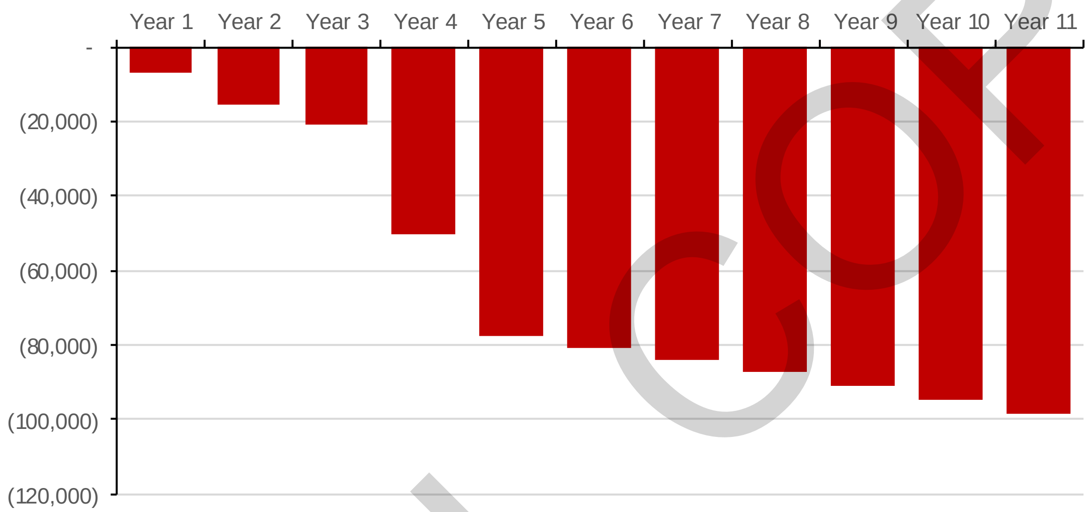


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

OTHER NON-REIMBURSABLE EXPENSES

The other non-reimbursable expenses were scaled to the projection value of (R$ 7,170.00) for the 1st year, (R$ 14,903.52) for the 2nd year, (R$ 19,217.04) for the 3rd year, (R$ 43,983.54) for the 4th year and (R$ 65,000.00) for the 5th year onwards during the projected cash flow. The real growth comprises 1.00% in the 2nd year onwards during the projected cash flow.

OTHER NON-REIMBURSABLE EXPENSES

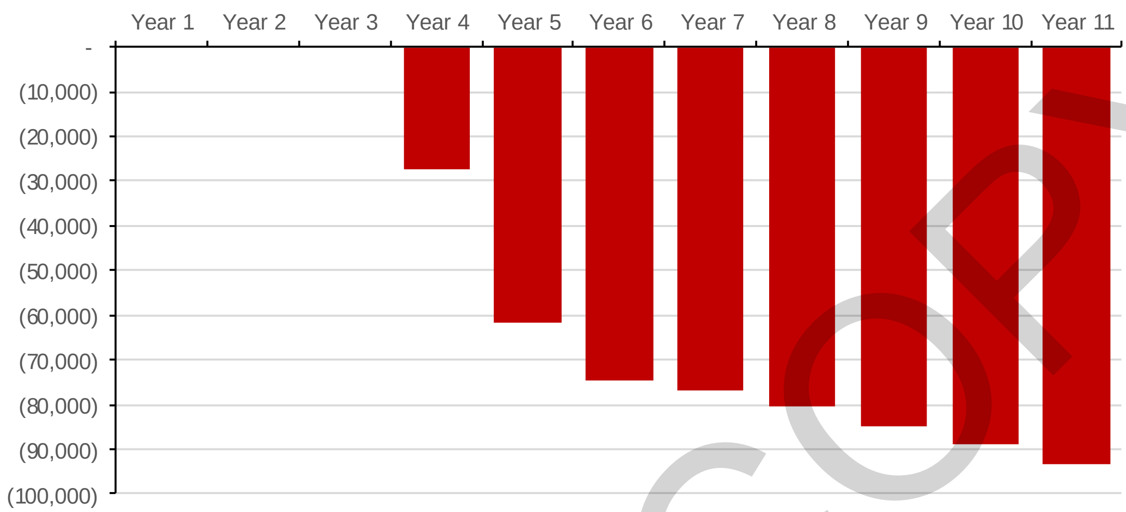


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

MAINTENANCE & REPAIRS

In order to support established growth projections and ensure the market share of the Shopping Center towards its competitors, we projected the reinvestment, that is, an asset reposition fund. For this expense (not operational), we considered 1.5% over effective gross revenue from January/2024 onwards during the projected cash flow.

MAINTENANCE & REPAIRS

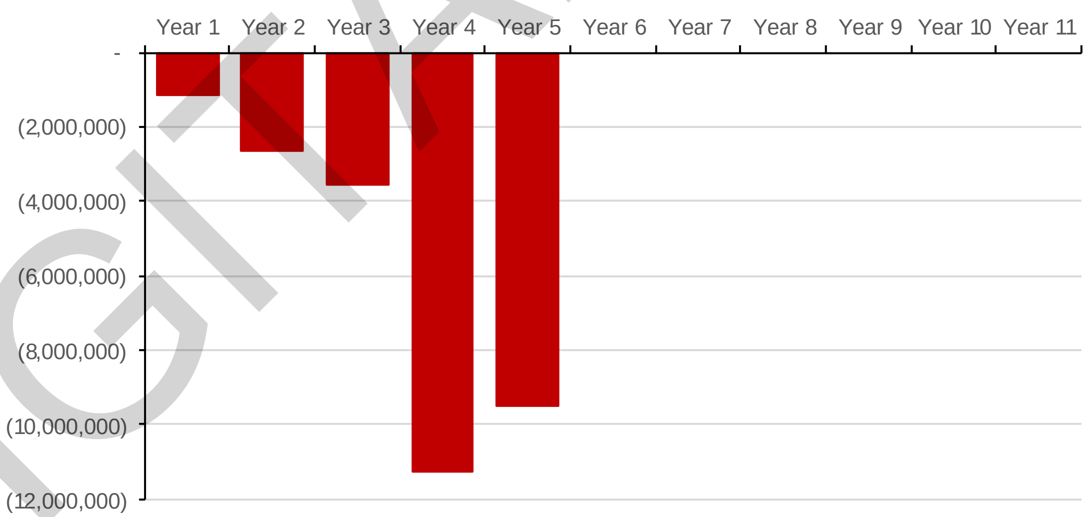


SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

CAPEX - EXPANSION

We projected the CAPEX due to expansion in (R$ 1,168,950.00) for the 1st year, (R$ 2,550,540.00) for the 2nd year, (R$ 3,250,422.00) for the 3rd year, (R$ 9,868,830.00) for the 4th year, (R$ 7,999,998.00) for the 5th year, R$ 0.00 for the 6th year onwards.

CAPEX – EXPANSION



SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

INFLATION

Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.

DISCOUNT RATE

This is the rate used to discount the 10-year operational cash flow to calculate the present value of the property, and reflects the risk profile regarding the:

External environment: the current situation of the real estate market in Brazil and in the area of influence, as well as the economic fundamentals of the country;

Internal environment: the operating conditions and performance of the shopping center itself, and the equity structure of its investors.

The discount rate, also known as weighted average cost of capital (WACC), is equivalent to the Opportunity Cost of the Company and consists of Equity Capital and Debt Capital.

"The opportunity cost of capital, or simply the cost of capital is the return shareholders expect for investing in the company" (Ross, 669).

Considering the current Brazilian and global economic scenarios, in addition to the specific risk analysis for the enterprise, we estimated a nominal discount rate of 12.08% per year. For the exhaustion period, the capitalization rate for calculating the residual value is 7.25% per year.

Below is a breakdown of the rates used:

BREAKDOWN OF THE RATES		
COMPONENTS	OPERATION	EXHAUSTION
Risk Free Rate (*)	3.23%	3.23%
Enterprise Risk Spread	5.52%	4.02%
Inflation (Average)	3.33%	0.00%

SOURCE: (*) TREASURY DIRECT PROFITABILITY (IPCA+ 2035 - NTN-B PRINCIPAL 150535) – POSITION 12/30/2020

The "spread" risk of the development consists of specific variables of malls market. The composition of the "spread" were considered components such as location, market competition, a segment of the operation, social and economic status of the consumer market, composition of tenant mix, the administrator of the operation performance, dominance of gross leasable area and the operating performance history.

VARIANCE ANALYSIS TO ACCOUNT FOR CHANGES IN THE EXPECTED SCENARIO

The variance analysis was performed using a number of scenarios that in turn are based in simulating changes in the discount rate and yield at exhaustion, thus showing a range of possible results given these alternative hypotheses. If we project these changes in the more significant variables, we obtain the following variations for the Economic Value of the property.

SENSITIVITY ANALYSIS

	DISCOUNT RATE (%)				
CAP RATE (%)	11,08%	11,58%	12,08%	12,58%	13,08%
6,25%	29,272,489	27,688,442	26,182,703	24,751,193	23,390,060
6,75%	26,880,427	25,401,435	23,995,698	22,659,401	21,388,941
7,25%	24,818,306	23,429,877	22,110,349	20,856,132	19,663,838
7,75%	23,022,264	21,712,714	20,468,270	19,285,542	18,161,329
8,25%	21,443,924	20,203,692	19,025,232	17,905,327	16,840,942

SOURCE: CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

The market value for purchase / sale of Shopping Morumbi Town (Scenario AS BUILT), according to projected scenarios, is between R$ 16.84 million to R$ 29.27 million.

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SEGREGATION OF VALUE - REPLACEMENT COST APPROACH

As defined in article 8.2.1 of ABNT NBR 1463-1:2001, the Cost Approach calculates the value of an asset as the sum of the value of its components. If the object of the appraisal is to determine the market value, then factors related to the sale must also be taken into consideration.

The Replacement Cost Approach is based on the concept that a well-informed buyer would not pay more for a property than it would cost to reproduce a similar facility for the same use. Depreciation is applied to the cost to reproduce buildings and improvements, bearing in mind physical and functional elements, facility lifetimes and state of repair. This approach is particularly suited to properties with relatively new buildings and betterments that make better use of the site they are on, or where the property includes unique or specialized facilities, as well as when similar properties for sale and/or lease are in very short supply.

The value calculated using the cost approach is also used to separate the value of the land from the value of the buildings and other betterments. The percent assigned to the land and buildings in the cost approach is used when segregating the property's market economic value.

If there is a difference between the values calculated using the cost approach and the market value, one may decide if the value of the buildings will be used, choosing the best of a range of likely uses.

LAND VALUE – SALE COMPARISON APPROACH

For each of the comparative elements of real estate offers in the region, homogenization factors were used to adjust them to the characteristics of the assessed property. To smooth properties unit values, we use the following factors:

SUPPLY FACTOR:

The presumed discount factor after negotiation of the initial offer.

TOPOGRAPHY FACTOR:

Factor used to adjust topography of comparison with topography of valuated property.

ZONING FACTOR:

A factor that takes into consideration utilization as it relates to the zone and the potential for construction where the study property and the elements of comparison are located.

LOCATION FACTOR:

This factor is used to adjust for physical characteristics such as location, socioeconomic level, commercial factors, ease of access, etc.

AREA FACTOR:

This factor adjusts for the size, as the larger the area the lower the unit price, and vice versa.

We present below the results of calculations to determine the value of the land:

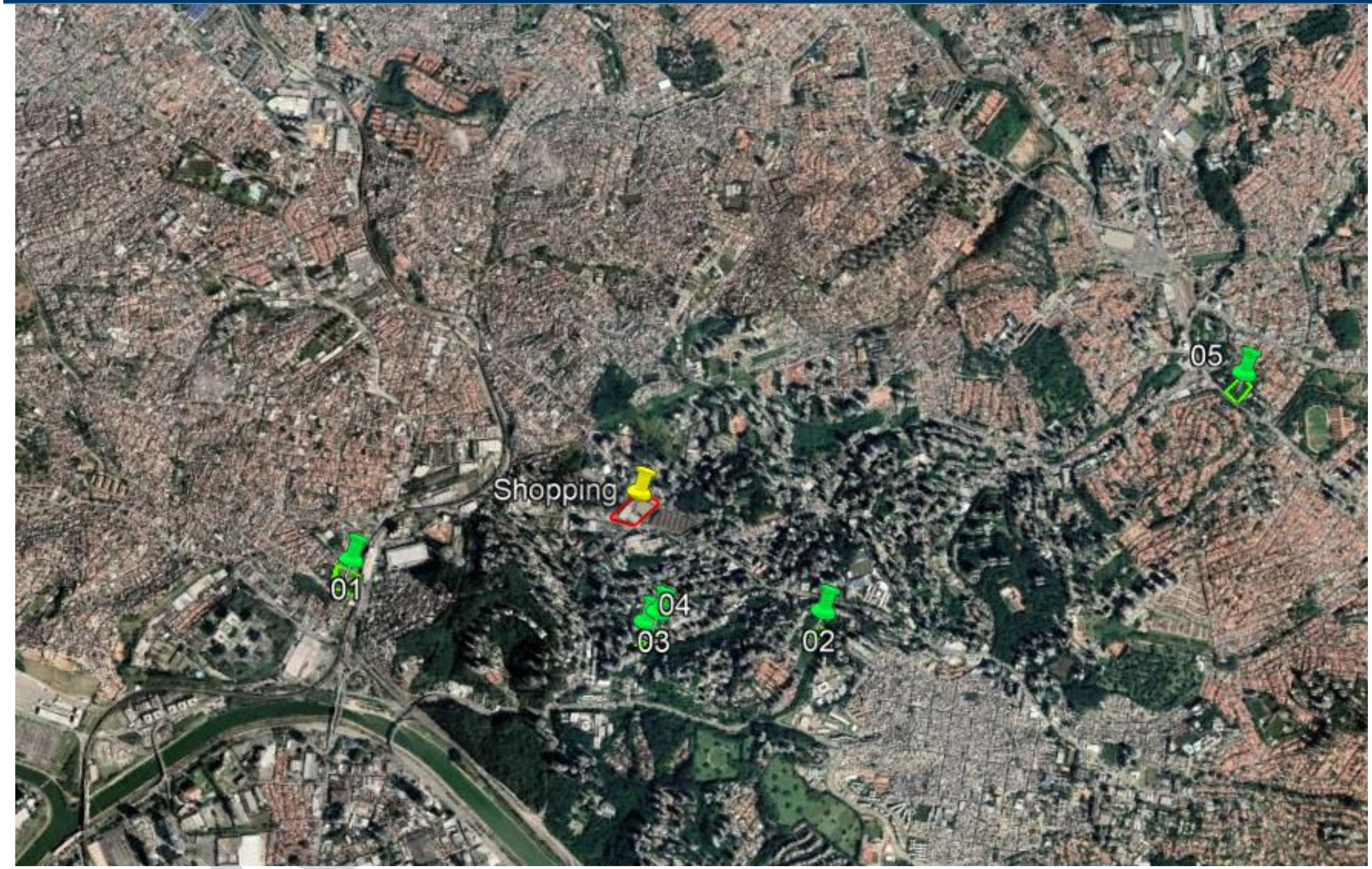
PARAMETERS	
Average Unit Price (R$/m²)	2,694.67
Area (m²):	22,840.00 (provided by the client)
SALE MARKET VALUE (R$):	61,546,000.00

The next page contains the results of the survey and list the comparison elements used and how the sample was processed to determine the sale value of land tracts in the region.

GENERAL CHARACTERISTICS OF COMPARABLES AND SUBJECT PROPERTY									
Nº	ADDRESS	LAND AREA (SQM)	CONSTRUCTION VALUE (R$/SQM)	BUILT AREA (SQM)	ROSS – HEIDECK DEPRECIATION	ASKING PRICE (R$)	UNIT VALUE (R$/SQM)	INFORMER	PHONE
STUDY PROPERTY									
-	Av. Giovanni Gronchi, 5930 - Vila Andrade, São Paulo	22,840.00	0.00	0.00	-	-	-	Cushman & Wakefield	(11) 5501-5464
COMPARABLES									
1	(-) - Avenida, João Dias, Santo Amaro, São Paulo / SP	13,167.00	0.00	0.00	1.00	70,000,000.00	5,316.32	Palazzo Imóveis	(11) 98119-4709
2	(-) - Rua, Frederico Guarnion, Morumbi, São Paulo / SP	2,520.00	0.00	0.00	1.00	5,950,000.00	2,361.11	CDO Imobiliária	(11) 94019-5134
3	(-) - Rua, Itapecoca, São Paulo / SP	2,032.00	0.00	0.00	1.00	6,750,000.00	3,321.85	Corretor	(11) 94981-6788
4	(-) - Rua, Itapecoca, São Paulo / SP	1,050.00	0.00	0.00	1.00	2,310,000.00	2,200.00	Imob. Viver Morumbi	(11) 4118-2828
5	(-) - Rua, Alfredo Mendes da Silva, 248, São Paulo / SP	9,120.00	0.00	0.00	1.00	32,832,000.00	3,600.00	Coelho da Fonseca	(11) 3169-8000

ADJUSTMENT OF ELEMENTS FOR SALE											
Nº	ADDRESS	OFFER	CORNER	TOPOGRAPHY	DEEPNESS	FRONT	ZONNING	LOC.	AREA	VALUE HOMO. (R$/SQM)	VALUE SANIT. (R$/SQM)
STUDY PROPERTY											
_	Av. Giovanni Gronchi, 5930 - Vila Andrade, São Paulo	1.00	1.15	1.00	1.00	1.00	1.00	1.00	1.00	_	_
COMPARABLES											
1	(-) - Avenida, João Dias, Santo Amaro, São Paulo / SP	0.80	1.10	1.06	1.00	1.00	0.71	0.94	0.93	2,936.77	2,936.77
2	(-) - Rua, Frederico Guarnion, Morumbi, São Paulo / SP	0.80	1.00	1.19	1.00	1.00	1.00	1.13	0.76	2,328.96	2,328.96
3	(-) - Rua, Itapecoca, São Paulo / SP	0.80	1.00	1.00	1.00	1.00	1.00	1.13	0.74	2,716.87	2,716.87
4	(-) - Rua, Itapecoca, São Paulo / SP	0.80	1.00	1.19	1.00	1.00	1.00	1.13	0.68	2,031.54	2,031.54
5	(-) - Rua, Alfredo Mendes da Silva, 248, São Paulo / SP	0.80	1.50	1.00	1.00	1.00	1.00	1.21	1.21	3,459.19	3,459.19
									AVERAGE =	2,694.67	2,694.67

APPROXIMATE LOCATION OF SAMPLES



SOURCE: GOOGLE EARTH, EDITED BY CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

TREATMENT OF SAMPLES	
Unit Price (R$/sqm):	3,372.66
HOMOGENIZATION	
Upper Limit (+30%):	3,503.07
Lower Limit (-30%):	1,886.27
Confidence Interval	30.00%
Number of Elements:	5
Average Unit Homogenate (R$/sqm):	2,694.67
SANITATION	
Upper Limit:	3,072.89
Lower Limit:	2,316.44
Amplitude of the confidence interval:	28%
Standard Deviation:	551.61
Distr. "t" Student:	1.53
Coefficient (Deviation/MAs):	20%
Number of elements after sanitation:	5
Average Unit Sanitized (R$/sqm):	2,694.67
FORMATION OF VALUES	
Unit Average (R$/sqm):	2,694.67
Area (sqm):	22,840.00
MARKET VALUE FOR SALE(R$):	61,546,000.00

DETERMINATION CONSTRUCTION VALUE

To determine the value of the buildings we used studies with the cost of similar, but not identical buildings of similar size and use as those in the projected development. To the cost to build we added the cost of foundations, urban development, utility hookups, builder compensation and other costs normally associated with such an enterprise.

In this case, we used the unit cost of construction table, developed by our technical team working with builders and based on specialized publications, and data from unions and regional boards to come up with the following values.

To take into account exterior obsolescence, we applied a depreciation factor to the unit cost to build. A detailed explanation of this method is described below.

DEPRECIATION CRITERIA

Depreciation is the difference between the cost of new construction and the current value of a building. Depreciation describes the loss of value in three basic categories: (1) physical deterioration; (2) functional obsolescence and (3) obsolescence of the exterior. Physical deterioration is the result of wear and tear and of the environmental factors acting on the building, which reduce its value.

Functional obsolescence is the decrease in value resulting from architectural factors that affect current utilization. This may be caused by changes over time that render parts of the structure, materials used or architectural design obsolete by current standards.

External obsolescence is due to effects that, while adversely affecting its value, are not strictly related to the property itself. This includes changing use and occupancy regulations and unfavorable economic scenarios.

ROSS-HEIDECKE PHYSICAL DEPRECIATION CRITERIA

The Ross-Heidecke methodology was developed to calculate physical depreciation as a result of building age and conservation. In practice, age is estimated as a percentage obtained by dividing the apparent age of a property by the economic lifetime estimated for that type of construction.

The state of repair is determined following a site visit, using the following table:

ROSS-HEIDECKE CRITERIA FOR STATE OF REPAIR			
a	New	e	Simple repairs
b	Between new and fair	f	Simple to major repairs
c	Fair	g	Major repairs
d	Between fair and simple repairs	h	Between major repairs and no value

CALCULATION OF REPLACEMENT COST

Based on criteria presented previously, we calculated the following values:

AS IS (CURRENT OPERATION)

LAND – BUILDING VALUE

ADDRESS	LAND AREA (SQM)	AVERAGE UNIT (R$/SQM)	TOTAL VALUE (R$)
Avenida Giovanni Gronchi, 5930, Vila Andrade – São Paulo / SP	22,840.00	2,694.67	61,546,180.00

BUILDINGS

NAME	TOTAL AREA (SQM)	UNIT COST (R$/SQM)	APPARENT AGE (YEARS)	CONSERVATION	LIFETIME (YEARS)	REMAINING LIFE (YEARS)	DEPRETIATION.	COST IF NEW (R$)	DEPRECIATED COST (R$)
Gross Leasable Area	31,499.65	6,000.00	2	a	60	58	0.986	188,997,900.00	186,393,928.93
SUBTOTAL	31,499.65							188,997,900.00	186,393,900.00

TOTAL REPLACEMENT COST (R$)	247,940,100.00
Marketing Factor	1,00
SALE MARKET VALUE (R$)	247,940,100.00
Property, value per built sqm	7,871 /sqm
Property, value per area sqm	10,856 /sqm

AS BUILT (FUTURE EXPANSION)

LAND – BUILDING VALUE

ADDRESS	LAND AREA (SQM)	AVERAGE UNIT (R$/SQM)	TOTAL VALUE (R$)
Avenida Giovanni Gronchi, 5930, Vila Andrade – São Paulo / SP	22,840.00	2,694.67	61,546,180.00

BUILDINGS

NAME	TOTAL AREA (SQM)	UNIT COST (R$/SQM)	APPARENT AGE (YEARS)	CONSERVATION	LIFETIME (YEARS)	REMAINING LIFE (YEARS)	DEPRETIATION.	COST IF NEW (R$)	DEPRECIATED COST (R$)
Gross Leasable Area – AS IS	31,499.65	6,000.00	2	A	60	58	0.986	188,997,900.00	186,393,928.93
Gross Leasable Area – AS BUILT	4,833.27	6,000.00	0	A	60	60	1.000	28,999,620.00	28,999,620.00
SUBTOTAL	35,908.87							217,997,520.00	215,393,500.00

TOTAL REPLACEMENT COST (R$)	276,939,700.00
Marketing Factor	1.00
SALE MARKET VALUE (R$)	276,939,700.00
Property, value per built sqm	7,622 /sqm
Property, value per area sqm	12,125 /sqm

FOR THE PURPOSES OF ASSET RE-VALUATION

To calculate the book value, we used the areas in Determination of the Land Value, separating the value of the land from that on the buildings in the following proportion:

AS IS (CURRENT OPERATION)	AREA (SQM)	UNIT (R$/SQM)	REPLACEMENT (R$)	(%)	DISCOUNTED CASH FLOW (R$)
LAND	22,840.00	2,694.67	R$ 61,546,180	24.82%	R$ 79,557,000
CONSTRUCTION	31,499.65	5,917.33	R$ 186,393,900	75.18%	R$ 240,940,200
TOTAL			**R$ 247,940,080**	**100.00%**	**R$ 320,497,200**
USEFUL LIFE		60 years			
AGE		02 years			
CONSERVATION		New (a)			
REMAINING LIFE		58 years			

SOURCE: CUSHMAN & WAKEFIELD. – VALUATION & ADVISORY

AS BUILT (FUTURE EXPANSION)	AREA (SQM)	UNIT (R$/SQM)	REPLACEMENT (R$)	(%)	DISCOUNTED CASH FLOW (R$)
LAND	22,840.00	2,694.67	R$ 61,546,180	22.22%	R$ 76,140,000
CONSTRUCTION	36,332.92	5,928.33	R$ 215,393,500	77.78%	R$ 266,467,500
TOTAL			**R$ 276,939,680**	**100.00%**	**R$ 342,607,500**
USEFUL LIFE **AS IS**		60 years.			
USEFUL LIFE **AS BUILT**		60 years.			
AGE **AS IS**		2 years.			
AGE **AS BUILT**		0 years.			
CONSERVATION **AS IS**		New (a).			
CONSERVATION **AS BUILT**		New (a).			
REMAINING LIFE **AS IS**		58 years.			
REMAINING LIFE **AS BUILT**		60 years.			

SOURCE: CUSHMAN & WAKEFIELD. – VALUATION & ADVISORY

LAND NEXT TO THE SHOPPING CENTER - SALE/LEASE COMPARISON APPROACH

The calculation and analyses of market values are based on the physical characteristics of the study property and its location within its region.

According to applicable standards, when planning a survey, the objective is to make up a representative sample of market information on properties that are as similar as possible to the study property using all available evidence.

Comparison elements were collected in a survey of the property market using newspaper classifieds, broker contacts, local property agents, owners and other industry players. The standards require that elements for comparison must have the following points of equivalence.

- Equivalent Situation: Preference will be given to properties that share the geo-socio-economic situation, are in the same neighborhood and zoned the same.
- Equivalent in Time: whenever possible, comparison elements must refer to the same period in time as the valuation.
- Equivalent Characteristics: Whenever possible, the properties used for comparison purposes must be similar to the study property in terms of their situation, extent of use, physical characteristics, suitability to their environment, utilization, etc.

Any one of the following data handling procedures may be used. Selection is normally a function of the volume of data and the quality of the information available. The following procedures:

- Factor Handling: data smoothing using study-based factors and criteria for subsequent statistical analysis of a homogeneous data set.
- Scientific methodology: empirical evidence treated using scientific methods resulting in a validated model of market behavior.
- Based on the survey, we found the existence of land supply, which allowed us to use the "Comparison Direct Market Data Method" to define the market value of the property under study,

DETERMINATION OF THE LAND VALUE

As defined in article 8.2.1. of ABNT NBR 14653-1:2001, the Direct Market Data Method identifies the market value of the property through a technical treatment on the attributes of comparable elements included in the sample.

The Direct Market Data Method uses purchase/sale offers of similar properties in the surrounding region. These offers are adjusted so as to blend their differences due to location, area, age, etc.; The calculation is based on a usual comparative unit, such as, for example, the price per square meter. Adjustments are applied to the chosen comparison unit and then it is used to form the ultimate total value. The reliability of this method depends on (i) the availability of rental and sale supply for similar properties (ii) information check (iii) the degree of comparability between offers (iv) lack of factors related to legal, environmental and soil aspects, which might affect the property value opinion.

To homogenize properties' unit values, we use the following factors:

- Offer Factor: The presumed discount factor after negotiation of the initial offer
- Corner Factor: Factor that takes into consideration the position of property in the block, with adjustment of 10% if the property is or is not on the corner and 5% if it has two frontages.
- Topography Factor: Factor used to adjust topography of comparison with topography of valuated property.
- Location Factor: This factor is used to adjust for physical characteristics such as location, socioeconomic level, commercial factors, ease of access, etc.
- Area Factor: This factor adjusts for the size, as the larger the area the lower the unit price, and vice versa.
- Depreciation factor: To consider the obsolescence function of property comparatives valued at a factor of depreciation was applied Ross-Heidecke criteria. A detailed explanation of the depreciation criterion is presented below.

DEPRECIATION CRITERION

Depreciation is the difference between the cost of new building and its current value. Depreciation includes loss of value in three basic categories: (1) physical deterioration; (2) functional obsolescence and (3) obsolescence of the exterior.

Physical deterioration results from the use and environment effects on the structure, reducing its value.

Functional obsolescence is the depreciation effect over the value due to its architectural appropriateness that affects its current usage. This may be caused by changes over the years that make some structure, material and architectural aspects obsolete compared to current standards.

External obsolescence is the adverse effect on value due to influences not related to the property. These include changing use and occupancy and unfavorable economic scenarios.

ROSS-HEIDECKE PHYSICAL DEPRECIATION

The Ross-Heidecke depreciation criterion was created to take into consideration physical depreciation due to age and conservation of the building. In reality, the building age is estimated in terms of percentage dividing apparent age by estimate economic life for the type of building.

Afterwards, by means of technical inspection on site, we determine the conservation status according to the table below:

ROSS-HEIDECKE CRITERIA FOR STATE OF REPAIR			
a	New	e	Simple repair
b	between new and regular	f	Between simple and significant repairs
c	Fair	g	Major repairs
d	Between fair and simple repairs	h	Between major repairs and no value

The following are the results of the calculations used in determining land value:

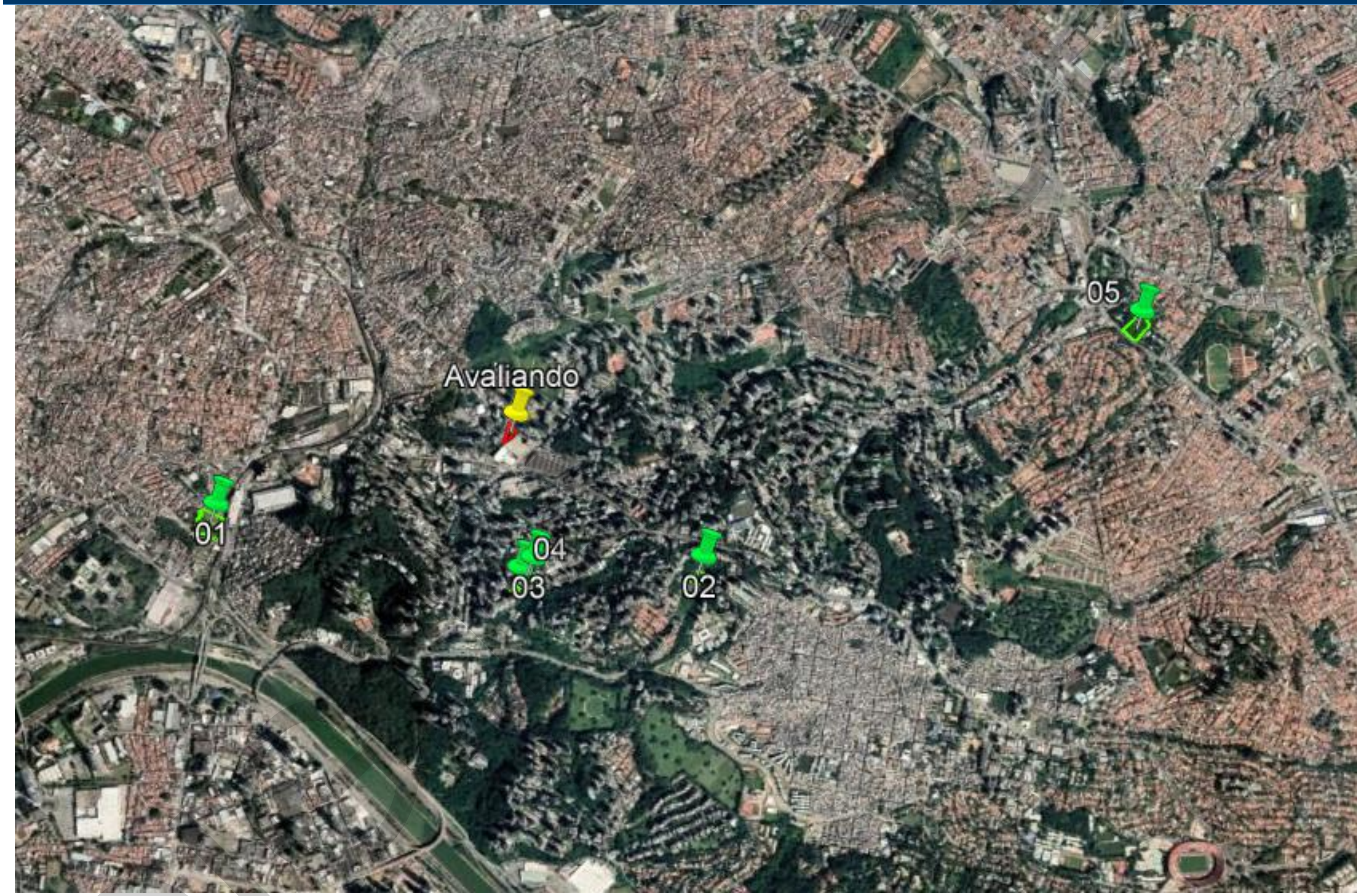
VALUE DETERMINATION	
Average Unit Price (R$/Sqm):	3,179.99
Area (sqm):	2,265.88
SALE MARKET VALUE (R$):	7,205,464.70

The next page contains the results of the survey and list the comparison elements used and how the sample was processed to determine the sale value of land tracts in the region.

GENERAL CHARACTERISTICS OF COMPARABLES AND SUBJECT PROPERTY									
Nº	ADDRESS	LAND AREA (SQM)	CONSTRUCTION VALUE (R$/SQM)	BUILT AREA (SQM)	ROSS – HEIDECK DEPRECIATION	ASKING PRICE (R$)	UNIT VALUE (R$/SQM)	INFORMER	PHONE
STUDY PROPERTY									
-	Av. Giovanni Gronchi, 5930 - Vila Andrade, São Paulo	2,265.88	0.00	0.00	-	-	-	Cushman & Wakefield	(11) 5501-5464
COMPARABLES									
1	(-) - Avenida, João Dias, Santo Amaro, São Paulo / SP	13,167.00	0.00	0.00	1.00	70,000,000.00	5,316.32	Palazzo Imóveis	(11) 98119-4709
2	(-) - Rua, Frederico Guarnion, Morumbi, São Paulo / SP	2,520.00	0.00	0.00	1.00	5,950,000.00	2,361.11	CDO Imobiliária	(11) 94019-5134
3	(-) - Rua, Itapecoca, São Paulo / SP	2,032.00	0.00	0.00	1.00	6,750,000.00	3,321.85	Corretor	(11) 94981-6788
4	(-) - Rua, Itapecoca, São Paulo / SP	1,050.00	0.00	0.00	1.00	2,310,000.00	2,200.00	Imob. Viver Morumbi	(11) 4118-2828
5	(-) - Rua, Alfredo Mendes da Silva, 248, São Paulo / SP	9,120.00	0.00	0.00	1.00	32,832,000.00	3,600.00	Coelho da Fonseca	(11) 3169-8000

ADJUSTMENT OF ELEMENTS FOR SALE											
Nº	ADDRESS	OFFER	CORNER	TOPOGRAPHY	DEEPNESS	FRONT	ZONNING	LOC.	AREA	VALUE HOMO. (R$/SQM)	VALUE SANIT. (R$/SQM)
STUDY PROPERTY											
_	Av. Giovanni Gronchi, 5930 - Vila Andrade, São Paulo	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	_	_
COMPARABLES											
1	(-) - Avenida, João Dias, Santo Amaro, São Paulo / SP	0.80	1.10	1.06	1.00	1.00	0.71	0.94	1.25	3,879.51	3,879.51
2	(-) - Rua, Frederico Guarnion, Morumbi, São Paulo / SP	0.80	1.00	1.19	1.00	1.00	1.00	1.13	1.03	2,645.84	2,645.84
3	(-) - Rua, Itapecoca, São Paulo / SP	0.80	1.00	1.00	1.00	1.00	1.00	1.13	0.97	3,073.28	3,073.28
4	(-) - Rua, Itapecoca, São Paulo / SP	0.80	1.00	1.19	1.00	1.00	1.00	1.13	0.91	2,256.57	2,256.57
5	(-) - Rua, Alfredo Mendes da Silva, 248, São Paulo / SP	0.80	1.50	1.00	1.00	1.00	1.00	1.21	1.19	4,044.72	4,044.72
									AVERAGE =	3,179.99	3,179.99

APPROXIMATE LOCATION OF SAMPLES



SOURCE: GOOGLE EARTH, EDITED BY CUSHMAN & WAKEFIELD – VALUATION & ADVISORY

TREATMENT OF SAMPLES	
Unit Price (R$/sqm):	3,179.99
HOMOGENIZATION	
Upper Limit (+30%):	4,133.98
Lower Limit (-30%):	2,225.99
Confidence Interval	30%
Number of Elements:	5
Average Unit Homogenate (R$/sqm):	3,179.99
SANITATION	
Upper Limit:	3,709.61
Lower Limit:	2,650.36
Amplitude of the confidence interval:	33%
Standard Deviation:	772.42
Distr. "t" Student:	1.53
Coefficient (Deviation/MAs):	0.24
Number of elements after sanitation:	5
Average Unit Sanitized (R$/sqm):	3,179.99
FORMATION OF VALUES	
Unit Average (R$/sqm):	3,179.99
Area (sqm):	2,265.88
MARKET VALUE FOR SALE(R$):	7,205,464.70

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CPF: 13036512896
Signing Time: 15/01/2021 | 16:00:05 PST
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FINAL VALUATION CONCLUSION

Considering the physical characteristics, the real estate industry in the region where the property is located, as well as the risks and premises presented herein, we conclude that on December 31st, 2020, the market value for the purchase/sale of Morumbi Town Shopping and the land next to the shopping, located at **5,930 Avenida Giovanni Gronchi – Vila Andrade, São Paulo/SP**, was:

MARKET VALUE FOR SALE (AS IS – CURRENT OPERATION):

R$ 320,497,200.00

(THREE HUNDRED TWENTY MILLION, FOUR HUNDRED AND NINETY-SEVEN THOUSAND AND TWO HUNDRED REAIS)

MARKET VALUE FOR SALE (AS BUILT – FUTURE EXPANSION):

R$ 22,110,300.00

(TWENTY-TWO MILLION, ONE HUNDRED AND TEN THOUSAND, THREE HUNDRED REAIS)

- This appraisal report complies with the requirements of CVM Instruction # 472/08;
- Cushman & Wakefield Negócios Imobiliários Ltda does not maintain working relationship of subordination or with controlled companies or controlled by the administrator;
- Cushman & Wakefield Negócios Imobiliários Ltda does own any shares of the Morumbi Town Shopping;
- The projected cash flow starts on January 1st, 2021;
- Discounted cash flow calculations use as inflation 0.00% in 2021, 3.75% in 2022, 3.50% in 2023 and 3.25% in 2024. For the years beyond 2024, we used the same rate by analogy.
- As client request, we do not consider the discounted cash flow taxation of PIS / COFINS (3.65% of EGR), Property Management Fee and Leasing & Commissions;
- As requested by the client, we considered a satelization project starting in January 2022. For this project, we assumed the expenses and revenues according to the client projections;
- As client request, we considered in this study the performance projection of the shopping and the expansion (2nd phase), which comprises 4,833.27 sqm and inauguration scheduled for January 2021;
- As informed by the client, there are no projections for rent discounts in the operation (as is).

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Naiá Ribeiro
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Naiá Ribeiro
Consultant, Valuation & Advisory
Cushman & Wakefield, Brazil

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Alan Constantino
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Alan Constantino
Coordinator, Valuation & Advisory
Cushman & Wakefield, Brazil

DocuSigned by:
Mauricio Itagyba
Signed By: MAURICIO PEDROSO ITAGYBA:13036512896
CPF: 13036512896
Signing Time: 15/01/2021 | 16:00:12 PST
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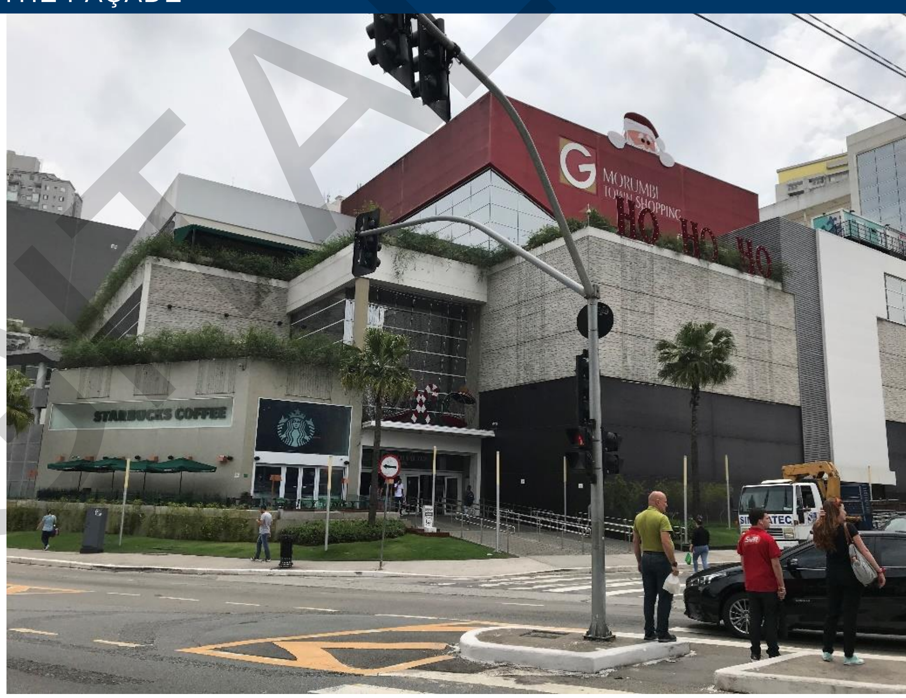
Mauricio Itagyba, CREA, MRICS, RICS
Registered Valuer
CREA n° 5061069994
Senior Manager, Valuation & Advisory
Cushman & Wakefield, Brazil

ATTACHMENT I - PHOTOGRAFIC REPORT

ASPECTS OF GIOVANNI GRONCHI AVENUE

VIEW OF THE FAÇADE



ASPECTS OF THE MALL

ASPECTS OF THE MALL

ASPECTS OF THE MALL

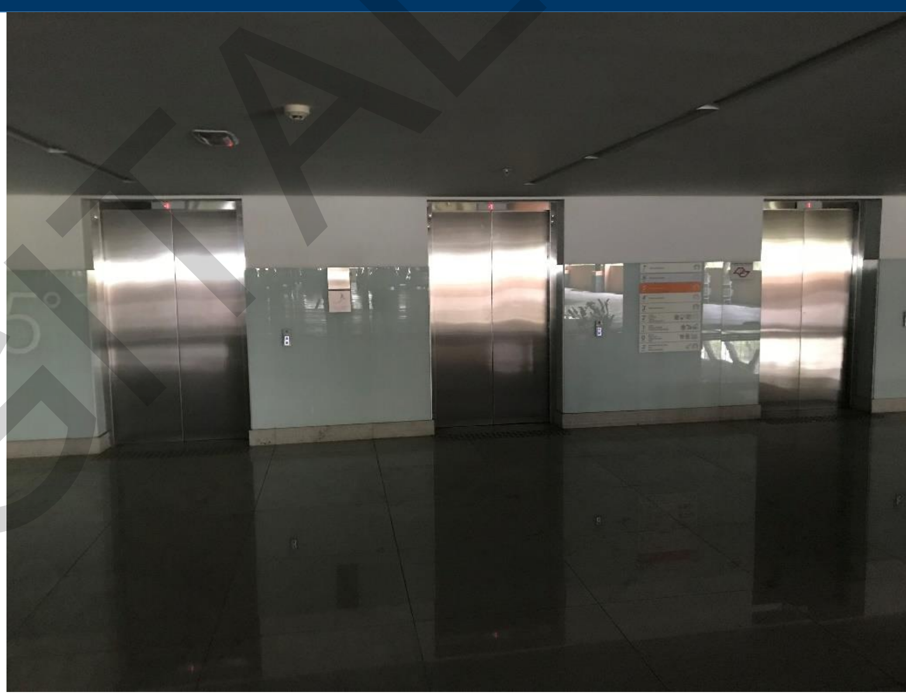
ASPECTS OF THE CINEMA

ASPECTS OF THE FOOD COURT

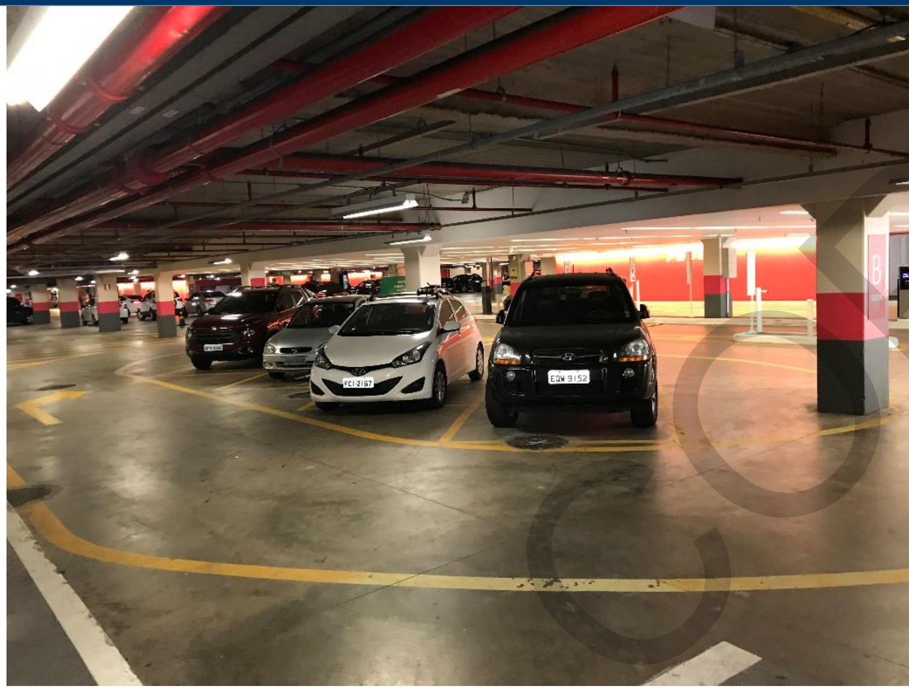
ASPECTS OF THE FOOD COURT

ASPECTS OF THE ESCALATORS

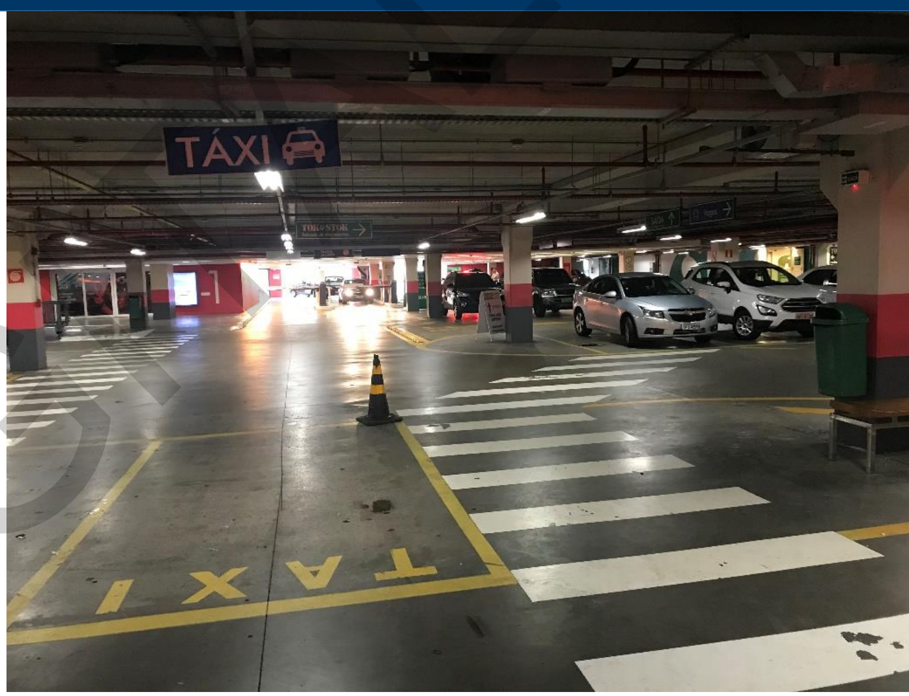
ASPECTS OF THE ELEVATORS



VIEW OF THE COVERED PARKING LOT



ASPECTS OF THE PARKING LOT



VIEW OF THE GENERATOR

ASPECTS OF SUBSTATION

ATTACHMENT II – ANNUAL CASH FLOW

ATTACHMENT II – ANNUAL CASH FLOW

SCENARIO AS IS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
For the Years Ending	dec-2021	dec-2022	dec-2023	dec-2024	dec-2025	dec-2026	dec-2027	dec-2028	dec-2029	dec-2030	dec-2031	Total
Rental Revenue												
Scheduled Base Rent	9,423,534	10,959,996	11,096,125	11,267,733	11,446,255	12,349,509	14,297,939	14,420,066	14,626,356	14,894,724	15,378,843	140,161,081
CPI Increases	113,971	506,627	1,074,214	1,556,967	2,016,354	1,766,719	566,833	1,144,115	1,665,937	2,159,262	2,433,513	15,004,511
Total Rental Revenue	9,537,505	11,466,622	12,170,339	12,824,700	13,462,608	14,116,229	14,864,772	15,564,182	16,292,294	17,053,986	17,812,355	155,165,592
Other Revenue												
Discounts	-200,000	-105,750	0	0	0	0	0	0	0	0	0	-305,750
Turnover Rent	2,400,000	2,961,000	3,123,855	3,272,238	3,427,669	3,590,484	3,761,032	3,939,681	4,126,816	4,322,839	4,528,174	39,453,788
Mall Income & Merchandising	3,300,000	3,859,875	4,462,650	4,674,626	4,896,671	5,129,262	5,372,902	5,628,115	5,895,451	6,175,485	6,468,820	55,863,857
Key Money	450,000	528,750	780,964	818,060	856,917	897,621	940,258	984,920	1,031,704	1,080,710	1,132,044	9,501,947
Car Parking Revenues (Net)	4,250,000	4,758,750	5,578,313	6,427,611	6,732,922	7,052,736	7,387,741	7,738,659	8,106,245	8,491,291	8,894,628	75,418,894
Other Revenues	75,000	105,750	111,566	116,866	122,417	128,232	134,323	140,703	147,386	154,387	161,721	1,398,350
Total Other Revenue	10,275,000	12,108,375	14,057,348	15,309,400	16,036,596	16,798,335	17,596,255	18,432,078	19,307,601	20,224,712	21,185,386	181,331,086
Potential Gross Revenue	19,812,505	23,574,997	26,227,686	28,134,100	29,499,204	30,914,563	32,461,027	33,996,259	35,599,895	37,278,698	38,997,742	336,496,678
Vacancy & Credit Loss												
General Vacancy	-339,495	-331,712	-264,760	-232,903	-195,748	-153,494	-161,032	-168,581	-176,421	-184,618	-192,612	-2,401,378
Collection Loss	-475,292	-414,640	-308,887	-279,484	-244,685	-204,659	-214,710	-224,775	-235,228	-246,158	-256,816	-3,105,335
Total Vacancy & Credit Loss	-814,787	-746,351	-573,647	-512,387	-440,432	-358,154	-375,742	-393,357	-411,650	-430,776	-449,429	-5,506,713
Effective Gross Revenue	18,997,718	22,828,646	25,654,039	27,621,712	29,058,772	30,556,410	32,085,285	33,602,903	35,188,245	36,847,922	38,548,313	330,989,965
Operating Expenses												
NRE - Service Charge	936,700	784,997	615,186	533,237	554,567	576,749	599,819	623,812	648,765	674,715	701,704	7,250,252
Promotion Fund	155,000	162,363	169,669	176,456	183,514	190,854	198,489	206,428	214,685	223,273	232,203	2,112,933
Other Non-Recoverable Expenses	1,500,000	1,309,375	1,094,638	853,817	887,970	923,489	960,428	998,845	1,038,799	1,080,351	1,123,565	11,771,278
Total Operating Expenses	2,591,700	2,256,734	1,879,493	1,563,510	1,626,051	1,691,093	1,758,736	1,829,086	1,902,249	1,978,339	2,057,473	21,134,463
Net Operating Income	16,406,018	20,571,912	23,774,547	26,058,202	27,432,722	28,865,317	30,326,549	31,773,817	33,285,996	34,869,583	36,490,840	309,855,502
Capital Expenditures												
Maintenance	0	0	384,811	414,326	435,882	458,346	481,279	504,044	527,824	552,719	578,225	4,337,454
CAPEX	3,461,559	0	0	0	0	0	0	0	0	0	0	3,461,559
Allowance NBA	2,250,000	0	0	0	0	0	0	0	0	0	0	2,250,000
Outorga NBA	1,100,000	1,152,250	0	0	0	0	0	0	0	0	0	2,252,250
Total Capital Expenditures	6,811,559	1,152,250	384,811	414,326	435,882	458,346	481,279	504,044	527,824	552,719	578,225	12,301,263
Total Leasing & Capital Costs	6,811,559	1,152,250	384,811	414,326	435,882	458,346	481,279	504,044	527,824	552,719	578,225	12,301,263
Cash Flow Before Debt Service	9,594,459	19,419,662	23,389,736	25,643,877	26,996,840	28,406,971	29,845,269	31,269,773	32,758,173	34,316,864	35,912,615	297,554,239

ATTACHMENT II – ANNUAL CASH FLOW

SCENARIO AS BUILT	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	
For the Years Ending	dec-2021	dec-2022	dec-2023	dec-2024	dec-2025	dec-2026	dec-2027	dec-2028	dec-2029	dec-2030	dec-2031	Total
Rental Revenue												
Scheduled Base Rent	156,513	465,001	757,294	991,713	1,993,013	2,900,213	2,900,213	2,900,213	2,900,213	3,148,089	3,496,824	22,609,301
CPI Increases	0	8,804	34,662	76,636	132,724	244,325	405,378	566,420	731,085	658,445	493,885	3,352,362
Total Rental Revenue	156,513	473,805	791,956	1,068,349	2,125,737	3,144,539	3,305,591	3,466,633	3,631,298	3,806,535	3,990,708	25,961,663
Other Revenue												
Discounts	-1,195	-27,701	-69,729	-102,746	-123,588	-130,077	-136,906	-143,409	-150,220	-157,356	-164,830	-1,207,756
Turnover Rent	28,680	79,399	128,639	185,433	264,500	325,191	342,264	358,522	375,551	393,390	412,076	2,893,646
Mall Income & Merchandising	31,668	87,670	142,038	204,748	275,960	325,191	342,264	358,522	375,551	393,390	412,076	2,949,079
Key Money	0	0	0	0	892,917	633,381	306,630	143,409	150,220	157,356	164,830	2,448,744
Car Parking Revenues (Net)	62,040	184,193	310,876	448,129	822,017	1,170,689	1,232,151	1,290,678	1,351,985	1,416,204	1,483,474	9,772,436
Other Revenues	2,390	6,617	10,720	15,452	28,323	52,680	68,453	71,704	75,110	78,678	82,415	492,542
Total Other Revenue	123,582	330,178	522,544	751,017	2,160,130	2,377,056	2,154,856	2,079,425	2,178,198	2,281,662	2,390,041	17,348,690
Potential Gross Revenue	280,095	803,983	1,314,500	1,819,366	4,285,867	5,521,595	5,460,447	5,546,058	5,809,496	6,088,197	6,380,749	43,310,353
Vacancy & Credit Loss												
General Vacancy	0	0	0	0	-136,080	-465,507	-293,609	-153,957	-107,513	-112,757	-118,251	-1,387,674
Collection Loss	0	0	0	0	-40,824	-69,469	-53,709	-46,068	-43,005	-45,103	-47,300	-345,478
Total Vacancy & Credit Loss	0	0	0	0	-176,904	-534,976	-347,318	-200,025	-150,518	-157,860	-165,551	-1,733,153
Effective Gross Revenue	280,095	803,983	1,314,500	1,819,366	4,108,963	4,986,619	5,113,129	5,346,033	5,658,978	5,930,337	6,215,198	41,577,200
Operating Expenses												
NRE - Service Charge	0	0	0	0	97,255	168,980	135,111	134,465	139,843	145,437	151,254	972,344
Promotion Fund	30,000	57,613	54,732	57,058	59,483	37,207	38,788	40,339	41,953	43,631	45,376	506,180
Other Non-Recoverable Expenses	7,170	15,611	21,036	50,192	77,328	80,614	84,040	87,402	90,898	94,534	98,315	707,141
Total Operating Expenses	37,170	73,224	75,768	107,250	234,065	286,801	257,939	262,206	272,694	283,602	294,946	2,185,665
Net Operating Income	242,925	730,759	1,238,732	1,712,116	3,874,898	4,699,818	4,855,190	5,083,828	5,386,283	5,646,735	5,920,252	39,391,535
Capital Expenditures												
Maintenance & Repairs	0	0	0	27,290	61,634	74,799	76,697	80,191	84,885	88,955	93,228	587,679
CAPEX - Expansion	1,168,950	2,671,691	3,558,034	11,261,910	9,517,269	0	0	0	0	0	0	28,177,853
Total Capital Expenditures	1,168,950	2,671,691	3,558,034	11,289,201	9,578,903	74,799	76,697	80,191	84,885	88,955	93,228	28,765,532
Total Leasing & Capital Costs	1,168,950	2,671,691	3,558,034	11,289,201	9,578,903	74,799	76,697	80,191	84,885	88,955	93,228	28,765,532
Cash Flow Before Debt Service	-926,025	-1,940,932	-2,319,302	-9,577,085	-5,704,005	4,625,019	4,778,493	5,003,637	5,301,399	5,557,780	5,827,024	10,626,003

ATTACHMENT III – DOCUMENTATION PROVIDED