

Hedge Brasil Shopping Fundo de Investimento Imobiliário

CNPJ: 08.431.747/0001-06

(Administrator: Hedge Investments Distribuidora
de Títulos e Valores Mobiliários Ltda.

CNPJ: 07.253.654/0001-76

Financial statements December 31, 2023

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil applicable to real estate investment funds)

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Independent auditors' report on the financial statements

To the Shareholders and Management of
Hedge Brasil Shopping Fundo de Investimento Imobiliário
São Paulo - SP

Opinion

We have audited the financial statements of Hedge Brasil Shopping Fundo de Investimento Imobiliário ('Fund'), managed by Hedge Investments Distribuidora de Títulos e Valores Mobiliários Ltda., which comprise the balance sheet as of December 31, 2023, and the respective income statement, and the statements of changes in equity and cash flows for the year then ended, as well as the corresponding explanatory notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Hedge Brasil Shopping Fundo de Investimento Imobiliário as of December 31, 2023, and the financial performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil applicable to real estate investment funds.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the section below titled "Auditor's Responsibilities for the Audit of the Financial Statements". We are independent of the Fund in accordance with the ethical requirements that are relevant outlined in the Professional Code of Ethics for Accountants (*Código de Ética Profissional do Contador*) and the professional standards issued by the Brazilian Federal Accounting Council (*Conselho Federal de Contabilidade*), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair value of investment properties (Note nº 6)

Key audit matter	How our audit addressed this matter
As of December 31, 2023, the Fund holds assets classified as investment properties amounting to R\$ 1,871,455 thousand, which are measured at fair value, determined based on an economic and financial appraisal report prepared by an independent appraiser, that uses, among other factors, relevant data and assumptions, such as projected period, vacancy, discount rate, and capitalization rate. These investments entail a significant risk of material misstatement, as the determination of their fair value involves assumptions and the use of significant judgment, as well as uncertainties regarding their realization. Due to the relevance of the estimates made to measure the fair value of these investments and the impact that potential changes in the data and assumptions in the economic and financial appraisal report, as well as uncertainties regarding their realization, would have on the financial statements taken as a whole, we consider this matter significant in our audit.	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Evaluation, with the assistance of our experts in tangible asset valuation, of the reasonableness and consistency of the data and assumptions used in the preparation of these reports;• Analysis, with the assistance of our experts in tangible asset valuation, of the adequacy of the mathematical calculations included in such appraisal reports; and• Assessment of the disclosures made in the Fund's financial statements.

Based on the evidence obtained through the summarized procedures above, we consider acceptable the criteria used to validate the measurement of investment properties regarding their valuation, as well as the related disclosures, in the context of the financial statements taken as a whole, for the year ended December 31, 2023.

Responsibility of the Fund's management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil applicable to real estate investment funds, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that there a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are



responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide management with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 26, 2024

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

Original report in Portuguese signed by
Rodrigo Cruz Bassi
Accountant CRC 1SP261156/O-7

Hedge Brasil Shopping Fundo de Investimento Imobiliário

CNPJ 08.431.747/0001-06

(Administrator: Hedge Investments Distribuidora de Títulos e Valores Mobiliários Ltda.)

(CNPJ 07.253.654/0001-76)

Balance Sheets of December 31, 2023 and 2022

In thousands of reais, except for unit value of shares

<u>Assets</u>	<u>Note</u>	<u>12/31/2023</u>	<u>% of equity</u>	<u>12/31/2022</u>	<u>% of equity</u>	<u>Liabilities</u>	<u>Note</u>	<u>12/31/2023</u>	<u>% of equity</u>	<u>12/31/2022</u>	<u>% of equity</u>
Current assets		461.070	15,64	67.429	3,04	Current liabilities		321.936	10,92	24.222	1,09
Cash balances		2	-	2	-	Income to be distributed	8	25.461	0,86	14.000	0,63
Non-real estate investments		315.755	10,71	10.297	0,46	Repurchase agreements	4	38.145	1,29	-	-
Shares of investment funds	4	315.755	10,71	10.297	0,46	Income tax on real estate investment fund shares		17.740	0,60	8.944	0,40
Rental receivables	5	29.112	0,99	18.476	0,83	Payables for the acquisition of real estate properties	6	213.206	7,23	-	-
Other receivables		568	0,02	972	0,05	Payables for the acquisition of equity interests	4	25.738	0,87	-	-
Improvements		568	0,02	568	0,03	Provisions and accounts payable		1.646	0,06	1.278	0,06
Sale of real estate investment fund shares to be settled		-	-	404	0,02	Administration fee		1.358	0,05	974	0,04
Real estate investments	4	98.383	3,34	37.681	1,70	Audit		164	0,01	204	0,01
Certificates of real estate receivables - CRI		98.142	3,33	37.681	1,70	Others		124	0,00	100	0,01
Real estate letters of credit - LCI		241	0,01	-	-						
Sundry		17.250	0,59	1	-						
Non-current assets		2.808.052	95,28	2.175.982	98,05	Equity	9	2.947.186	100,00	2.219.189	100,00
Long-term assets		598.924	20,32	650.436	29,31	Paid-up shares		2.563.616	87,84	1.956.671	88,17
Real estate investments		598.924	20,32	650.436	29,31	(-) Share placement expenses		(8.577)	(0,38)	(8.577)	(0,39)
Shares of real estate investment funds - FII	4	598.924	20,32	650.436	29,31	Retained earnings		1.712.232	69,52	1.374.657	61,94
Investments		2.209.128	74,96	1.525.546	68,74	(-) Income distribution		(1.320.085)	(56,98)	(1.103.562)	(49,73)
Equity interests		152.353	5,17	-	-						
Shares of special purpose entities - SPE	4	152.353	5,17	-	-						
Investment properties		2.056.775	69,79	1.525.546	68,74						
Finished real estate properties	6	2.056.775	69,79	1.525.546	68,74						
Total assets		3.269.122	110,92	2.243.411	101,09	Total liabilities and equity		3.269.122	110,92	2.243.411	101,09

The accompanying notes from the administrator are an integral part of these financial statements.

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(CNPJ 07.253.654/0001-76)

Income Statements for the years ended December 31, 2023 and 2022

In thousands of reais, except for unit value of shares

	Note	2023	2022
Composition of the profit for the year			
Investment properties			
Rental income	5	137.790	111.451
Fair value adjustment of investment properties	6	99.722	61.383
Net profit from investment properties		237.512	172.834
Real estate related financial assets			
Income from certificates of real estate receivables - CRI	4	26.495	81.944
Fair value adjustment of certificates of real estate receivables - CRI	4	2.390	(8.038)
Profit on sale of certificates of real estate receivables - CRI	4	805	-
Allowance for losses on certificate of real estate receivables - CRI	4	(20.971)	(71.175)
Income from real estate investment funds - FII		58.469	57.799
Fair value adjustment of real estate investment funds - FII		63.232	9.127
Income tax on shares of real estate investment funds - FII		(6.898)	(1.424)
Profit on sale of real estate investment funds - FII		(578)	108
Income tax on sale of real estate investment fund		(3.612)	(3)
Income from real estate letters of credit - LCI	4	25	-
		119.357	68.338
Other financial assets			
Income from shares of fixed income funds		12.818	1.505
Expense with repurchase agreements	4	(1.138)	-
		11.680	1.505
Other income/expenses			
Administration fee	7 and 14	(12.947)	(11.032)
Costs of real estate credit securitization operation	6	(12.922)	-
Legal consultancy and real estate revaluation	14	(161)	(361)
Audit and custody	14	(925)	(852)
CVM inspection fee	14	(57)	(57)
Other expenses	14	(3.962)	(346)
		(30.974)	(12.648)
Net income for the year		337.575	230.029

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Statements of changes in equity for the years ended December 31, 2023 and 2022

In thousands of reais, except unit value of shares

	Note	Paid-up shares	Share placement expenses	Retained earnings	Income distribution	Total
Balances at December 31, 2021		1.956.671	(8.577)	1.144.628	(949.562)	2.143.160
Net income for the year		-	-	230.029	-	230.029
Profit distribution for the year	8	-	-	-	(154.000)	(154.000)
Balances at December 31, 2022		1.956.671	(8.577)	1.374.657	(1.103.562)	2.219.189
Issuance of shares		606.945				606.945
Net income for the year		-	-	337.575	-	337.575
Profit distribution for the year	8	-	-	-	(216.523)	(216.523)
Balances at December 31, 2023		2.563.616	(8.577)	1.712.232	(1.320.085)	2.947.186

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(Administrator: Hedge Investments Distribuidora de Títulos e Valores Mobiliários Ltda.)

(CNPJ 07.253.654/0001-76)

Statements of cash flows (direct method) for the years ended December 31, 2023 and 2022

In thousands of reais, except unit value of shares

	Note	2023	2022
Cash flows from operating activities			
Rents received		127.154	112.549
Interest received and monetary adjustment of certificates of real estate receivables - CRI	4	4.235	2.396
Income received from real estate investment funds - FII		58.469	57.799
Income received from shares of fixed income investment funds		12.818	1.505
Interest received from real estate letters of credit - LCI	4	25	
Payment of administration fee		(12.564)	(11.001)
Payment of other operating expenses		(5.091)	(1.554)
Payment of finance costs - CRI		(11.626)	-
Payment of real estate expenses		(17.250)	-
Profit on sale - CRI	4	3.025	42
Profit on sale - FII		-	(636)
Income tax on sale of real estate investment funds		(1.715)	(2)
Net cash from operating activities		157.480	161.098
Cash flows from investing activities			
Acquisition of real estate properties for rental	6	(201.360)	(765)
Leasehold improvements	6	(18.236)	(13.647)
Acquisition of shares of special purpose entity - SPE	4	(126.615)	-
Acquisition of shares of real estate investment funds - FII		(38.481)	(43.433)
Sale of shares of real estate investment funds - FII		75.626	44.404
Amortization of shares of real estate investment funds - FII		96.448	-
Subscription of shares of real estate investment funds - FII		(19.052)	-
Acquisition of certificates of real estate receivables - CRI	4	(87.750)	(95.091)
Sale of certificates of real estate receivables - CRI	4	28.748	94.951
Repurchase agreements - CRI	4	37.007	-
Acquisition of real estate letters of credit - LCI	4	(2.475)	-
Sale/maturity/redemption of real estate letters of credit	4	2.234	-
Net cash from investing activities		(253.906)	(13.581)
Cash flows from financing activities			
Issuance of shares	10	606.945	-
Income paid	8	(205.061)	(151.000)
Net cash from financing activities		401.884	(151.000)
Net changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		10.299	13.782
Cash and cash equivalents at the end of the year		315.757	10.299

The accompanying notes from the administrator are an integral part of these financial statements.

Notes to the financial statements

(In thousands of Reais)

1 Reporting entity

Hedge Brasil Shopping Fundo de Investimento Imobiliário (the “Fund”) started its activities on December 27, 2006, as a closed-end condominium, with an indefinite term and intended for investors in general, including individuals and legal entities, institutional investors, residents and domiciled in Brazil or abroad, as well as investment funds.

The Fund is engaged in the acquisition for commercial use of commercial real estate, duly built or subject to renovations, improvements or expansions, through the acquisition of part or all of the real estate, directly or indirectly, by means of the assets provided for in the Fund’s Bylaws, for subsequent sale, rental or lease, including assets and rights related to them, notably Shopping Malls, as long as they meet the Fund’s framework and investment policy.

The Administrator’s risk management policies are in line with the market’s best practices and the guidelines defined by the regulatory agencies. The main risks associated to the Fund are detailed in Note 20.

2 Presentation of the financial statements

The financial statements were prepared in accordance with accounting practices adopted in Brazil applicable to real estate investment funds and with the provisions set out in CVM Instruction 516 and other subsequent amendments, as well as the standards issued by the Brazilian Accounting Pronouncements Committee (CPC), duly approved by the Brazilian Securities and Exchange Commission (CVM).

The financial statements were authorized for issue by management on March 26, 2024.

3 Summary of material accounting policies and measurement criteria

In preparing these financial statements, the Administrator makes estimates and adopts assumptions that affect the reported amounts of assets, liabilities, income and expenses. The use of estimates applies to allowances for expected credit losses, fair value and impairment of assets. Actual results may differ from the estimates.

a. Cash and cash equivalents

Cash and cash equivalents include bank deposits, highly liquid short-term investment funds/fixed income investments that are readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

b. Classification of financial instruments

(i) Recognition date

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

(ii) Initial recognition of financial instruments

The classification of financial instruments on their initial recognition depends on their characteristics and the purpose for which the financial instruments were acquired by the Fund.

All financial instruments are initially recognized at fair value plus transaction costs, except when financial assets and liabilities are recognized at fair value through profit or loss.

(iii) *Classification of financial assets for measurement purposes*

For measurement purposes, financial assets are included in one of the following categories:

Measured at fair value through profit or loss: this category includes financial assets acquired with the purpose of generating result arising from trading.

Measured at amortized cost: this category includes financial assets acquired for the purpose of receiving contractual cash flows and are adjusted by provisions for expected losses.

(iv) *Classification of financial assets for presentation purposes*

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

Cash balances: cash balances.

Non-real estate financial assets: investment fund shares.

Rental income receivable: refers to rental income from investment properties.

Real estate financial assets:

- (i) Certificates of Real Estate Receivables (“CRI”);
- (ii) Real Estate Investment Fund shares;
- (iii) Real Estate Letters of Credit (“LCI”).

c. *Measurement of financial assets and liabilities and recognition of changes in fair value*

In general, financial assets and liabilities are initially recognized at fair value, which is considered equivalent to the transaction price. Financial instruments not measured at fair value through profit or loss are recognized and adjusted by transaction costs. Financial assets are subsequently measured as follows:

(i) *Measurement of financial assets*

Financial assets are measured at fair value, without deducting estimated transaction costs that would eventually be incurred on their disposal, except for those measured at amortized cost, whose value cannot be reliably measured.

The “fair value” of a financial instrument on a certain date is interpreted as the value for which it could be purchased and sold by two knowledgeable parties, acting intentionally and prudently, in an arm’s length transaction. The most common and objective reference for the fair value of a financial instrument is the price that would be paid in an active, transparent, and significant market (“quoted price” or “market price”).

If there is no market price for a certain financial instrument, its fair value is estimated based on valuation techniques normally adopted by the financial market, considering specific characteristics of the instrument and, mainly, the various types of risks associated to it.

Investments in investment fund shares are adjusted daily by the share value disclosed by the respective administrator.

Real Estate Investment Fund shares:

Traded on the B3 S.A. – Brasil, Bolsa, Balcão (“B3”) – Real estate investment fund shares are valued based on their settlement price of the last day they were traded on the Stock Exchange.

Not traded on the B3 S.A.– Brasil, Bolsa, Balcão (“B3”) – Real estate investment fund shares are updated monthly based on the net asset value disclosed by the fund’s administrator responsible for the invested resources.

Certificates of Real Estate Receivables – CRI: recognized at cost of acquisition and adjusted by the respective fair value, obtained through implicit trading yields, which are calculated based on internal models and market assumptions. The change in fair value is recognized in the income statement for the period in which the appreciation or depreciation occurs.

Allowance for losses on certificates of real estate receivables – CRI: the assets in default or significantly impaired are identified and evaluated; the criteria for credit provisions follows the concept of expected loss, which can be defined as a statistical estimate to measure the loss expected to be incurred on a credit asset over a certain period due to credit risk.

Real estate letters of credit (LCI) are recognized at cost of acquisition and adjusted to fair value. The revenues earned from the LCIs are recognized in a specific line item in the income statement.

(ii) *Measurement of financial liabilities*

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

The effective interest rate is the discount rate that corresponds exactly to the initial value of the financial instrument in relation to the total estimated cash flows, of all types, over their remaining useful life. In the case of fixed rate financial instruments, the effective interest rate coincides with the contractual interest rate defined at the contracting date, plus, if applicable, commissions and transactions costs that, due to their nature, are part of their financial return. In the case of floating rate financial instruments, the effective interest rate coincides with the return on all commitments through the following interest renewal reference date.

Repurchase agreements: are transactions with repurchase commitment with maturity at a future date, prior or equal to the maturity of the underlying securities, valued daily at the transaction’s trading yield.

(iii) *Recognition of changes in fair value*

Generally, changes in the carrying amount of financial assets and liabilities for trading are recognized in the statement of profit and loss in their respective origin accounts.

d. Investment properties

Investment properties are recognized at fair value, obtained from valuation reports prepared by professional entities with recognized qualification and formally approved by the Fund's Administrator. The change in fair value of investment properties is recognized in the income statement for the year in which the appreciation or depreciation occurs.

e. Investments in Special Purpose Entities ("SPE")

Investments in SPEs are recognized at cost of acquisition and subsequently accounted for using the equity method, based on the investees' financial information prepared with a maximum two-month lag in relation to the Fund's financial statements, considering that all investments in SPEs have the nature of development for sale, in construction stage.

f. Provisions for contingent assets and liabilities

When preparing its financial statements, the Fund may segregate between:

(i) Provisions: credit balances that cover present obligations (legal or constructive) at the reporting date arising from past events that could cause a loss or disbursement for the Fund, whose occurrence is considered probable and whose nature is considered certain, but whose amount and/or timing is uncertain.

(ii) Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events that are not fully under the Fund's control.

(iii) Contingent assets: assets originated from past events and whose existence depends, and is only confirmed, by the occurrence or non-occurrence of events beyond the Fund's control. They are not recognized in the statement of financial position or in the statement of profit and loss.

g. Recognition of revenues and expenses

Revenues and expenses are recognized on the accrual basis.

h. Critical accounting estimates and judgments

The Fund's Administrator makes accounting estimates and judgments based on assumptions that, in the future, may differ from actual results. Estimates and judgments that, in the Administrator's opinion, may be considered more relevant, and could be subject to variation in the future, resulting in impacts on the Fund's assets and liabilities, are described below:

(i) Fair value of financial instruments: the fair value of financial instruments not quoted in public markets, for example, Stock Exchanges, is measured using valuation techniques, and considering methods and assumptions that are based mainly on market conditions and on available information at the reporting date. The accounting policies described in notes 3(b) and 3(c) present, respectively, detailed information on the "definition and classification of financial instruments" and "measurement of financial assets and liabilities and recognition of changes in fair value".

(ii) Fair value of investment properties: as described in note 3(d), the fair value of income properties is obtained from valuation reports prepared by professional entities with recognized qualification and using valuation techniques, such as projections of future performance of revenue and expense flow discounted to present value. Detailed information on these investment properties can be found in note 6.

4 Financial investments

Financial investments are represented by:

Non-real estate investments

Shares of fixed income funds

	12/31/2023	12/31/2022
Itaú Corp Federal Plus Renda Fixa Curto Prazo Fundo de Investimento em Cotas de Fundos de Investimento	315,755	10,297
	315,755	10,297

Itaú Corp Federal Plus Renda Fixa Curto Prazo Fundo de Investimento em Cotas de Fundos de Investimento is administered by Itaú Unibanco S.A. The shares have no maturity date and can be redeemed at any time (daily liquidity). The profitability is determined by the direct or indirect investment in securities issued by the National Treasury of Brazil and/or the Central Bank of Brazil, at fixed or SELIC (Special System for Settlement and Custody) indexed rates.

Real estate investments

Certificates of Real Estate Receivables (CRI)

The Fund has the following Certificates of Real Estate Receivables:

Security	Securitizer	Maturity	Interest rate p.a. (%)	Monetary adjustment index	Carrying amount at 12/31/2023	Carrying amount at 12/31/2022	
(a) 4ª EM-33	OPEA Securitizadora S.A.	09/27/2031	7	IGP-DI	7,104	5,944	
(b) 4ª EM-55	OPEA Securitizadora S.A.	09/27/2031	7	IGP-DI	3,617	4,202	
(c) 1ª EM -262	OPEA Securitizadora S.A.	09/27/2030	8.5	IPCA	74,308	27,535	
(d) 1ª EM -544	OPEA Securitizadora S.A.	09/27/2030	8.5	IPCA	13,113	-	
Total					98,142	37,681	

- (a) CRI Shopping Goiabeiras - The credits that gave rise to the CRI are derived from the operations of Shopping Goiabeiras, backed by store rental contracts. The collateral of the operation comprises: (i) liens on the real estate, (ii) liens on the shares with resolutive conditions, (iii) fiduciary assignment on credit rights, (iv) reserve fund and (v) liquidity fund. There is no risk rating. In the year ended December 31, 2023, the allowance for losses on the asset amounted to R\$ 19,356 (R\$ 5,939 on December 31, 2022), based on the asset's payment flows.

According to the General Meeting of Opea Securitizadora S.A. held on July 15, 2021, the following matters were approved: (i) the dispatch of a notification by the issuer to the debtor, for the delivery of pending documents listed in the minutes of the aforementioned General Meeting, which are the debtor's obligation, to be complied with within 60 days from receiving the notification; (ii) the suspension until November 26, 2021, when the close-out netting of the CCB and CRI will be ratified or not due to non-compliances expressed in the agenda of such meeting. The suspension of this item was decided due to the Motion for Declaratory Judgment and Review with the 5th Civil Court of Cuiabá-MT, lawsuit 1058513-37.2020.8.11.0041, and the expressed possibility of in-court and/or out-of-court agreement; (iii) the contracting of law firm Lacaz

Martins, Pereira Neto, Gurevich & Schoueri Advogados to protect the interests of the CRI Holders in the lawsuit filed by the Debtor against the Issuer, according to the proposal contained in Annex B, which must report monthly the developments of the lawsuit 1058513-37.2020.8.11.0041, in progress at the 5th Civil Court of Cuiabá-MT; and (iv) the contribution of R\$ 50, according to its respective proportion of participation, for the payment of the CRI maintenance expenses, including the services contracted with the law firm, including attorney fees, deposit, court costs and fees. The amounts contributed by the CRI Holders will be reimbursed by the Separate Estate.

According to the General Meeting of Gaia Securitizadora S.A. held on October 28, 2019, the following matters were approved: (i) the modification of the CCB's interest rate and, consequently, of the CRI's, to establish a new interest rate of 7% p.a.; (ii) the granting of a grace period from November 21, 2019, up to December 21, 2020, for the CCB's payment of principal and interest and, consequently, of a grace period for the CRI's payment of principal and interest from November 27, 2019 up to December 28, 2020; and the extension of the CCB's maturity date to September 21, 2031 and, consequently, of the CRI's to September 27, 2031; (iii) the rescheduling of the CCB's payment of interest and principal from January 2021, in monthly amounts subject only to monetary adjustment based on the IGP-DI, and sufficient for the CRI's full amortization until September 27, 2031; and, consequently, the definition of new schedules for payment of interest and amortization under the CCB's and CRI's terms .

According to the General Meeting of Gaia Securitizadora S.A. held on April 10, 2017, the following were approved: (i) the change in the CCB's amortization flow, and, consequently, of the CRI's, in order to define new maturity dates; (ii) the granting of a grace period from May 14, 2017 to April 21, 2019 for the payment of amortization of the CCB and, consequently, of the CRI; and (iii) the granting of a partial grace period for interest, equivalent to 55% of the CCB interest payments expected to occur, at the same rate annually charged, for the period from April 13, 2017 to April 20, 2020, and consequently for the CRI's interest payment, equivalent to 55%, for the period from April 27, 2017 to April 27, 2020, so that the payments to be made in the period in which the partial grace period of interest applies are equivalent to 45% of the interest expected to occur, accumulating the interest subject to the partial grace period of interest and principal, for payment as from May 21, 2020 for the CCB and, consequently, May 28, 2020 for the CRI, according to the CCB and CRI flows. The approved grace period is conditioned to the investment made during the grace period, by the debtor, of up to R\$ 1,976, in the modernization and improvements of Goiabeiras Shopping, in allowance for new tenants, strategic marketing actions, among other investments, aiming to increase the income generation for Goiabeiras Shopping.

- (b) CRI Shopping Goiabeiras - The credits that gave rise to the CRI are derived from the operations of Shopping Goiabeiras, backed by the rental contracts for the shopping mall stores. The collateral of the operation comprises: (I) liens on the real estate, (ii) liens on the shares; (iii) fiduciary assignment on receivables, (iv) reserve fund and (v) liquidity fund. Rating: AA-, by Liberum Ratings, in April 2013. There was no new risk rating. In the year ended December 31, 2023, the allowance for losses on the asset amounted to R\$ 1,616 (R\$ 4,199 on December 31, 2022), based on the asset payment flows.

According to the General Meeting of Gaia Securitizadora S.A. held on October 28, 2019, the following were approved: (i) the modification of the CCB's interest rate and, consequently, of the CRI's, to establish a new interest rate of 7% p.a.; (ii) the granting of a grace period from November 21, 2019 to December 21, 2020, for the CCB's payment of principal and interest and, consequently, of a grace period for the CRI's payment of principal and interest from November 27, 2019 to December 28, 2020; and the extension of the CCB's maturity date to September 21, 2031 and, consequently, of the CRI's to September 27, 2031; (iii) the rescheduling of the CCB's

payment of interest and principal as from January 2021, in monthly amounts subject only to monetary adjustment based on the IGP-DI, and sufficient for the CRI's full amortization until September 27, 2031; and, consequently, the definition of new schedules for the payment of interest and amortizations under the CCB's and CRI's terms .

According to the General Meeting of Gaia Securitizadora S.A. held on April 10, 2017, the following were approved: (i) the change of the CCB's amortization flow, and, consequently, of the CRI's, in order to define new maturity dates; (ii) the amendment to the transaction documents to provide for the debtor's obligation to pay to investors a premium corresponding to 0.75% of the CCB's outstanding balance on the premium payment date if the debtor requests a renegotiation of the debt, and the premium must be paid by the debtor within 10 days; and (iii) the authorization for the issuer to take all necessary measures, and for the trustee to sign all documents that reflect the correct formalization of such deliberations, including, but not limited to, amending the transaction documents.

- (c) CRI Shopping Sinop - The credits that gave rise to the CRI are derived from debentures. The collateral of the operation comprises: (i) liens on the real estate; (ii) individual's surety, (iii) reserve fund and (iv) property insurance. There is no risk rating.

On August 4, 2023, the Fund disclosed in a Material Fact the acquisition of R\$ 60,078 in CRI, and the credits may be converted into a fraction of Shopping Sinop. That is, the fund acquires part of the Shopping's leverage and has the right to convert it into an interest in the real estate in proportion to the amount of the acquired debt. This conversion option may be exercised starting in 10/01/2026. The operation had a remuneration rate of IPCA+8.5%, the total issued balance is R\$ 99.8 MM and the Fund holds approximately R\$ 83.2 MM being that it already held some a fraction of the CRI. Hence, the fund uses part of the leverage issued to buy JRDM11 of IPCA+8% and CDI+2.40% to buy these CRI that pays IPCA+8.50%, almost neutralizing its leverage cost. According to the material fact, the purpose is not to own the CRI, but to have the right to convert the debt balance into a fraction of the shopping mall, with a cap rate of 9%.

CRI transactions occurred during the years ended December 31, 2023, and 2022 can be demonstrated as follows:

	2023	2022
Opening balance	<u>37,681</u>	<u>37,249</u>
Acquisition of CRI	87,750	95,091
Sale of CRI	(28,748)	(94,993)
Gain on sale of CRI	(3,025)	-
Income from CRI	27,300	81,944
Fair value adjustment of CRI	(18,581)	(79,214)
Interest received and monetary adjustment of CRI	<u>(4,235)</u>	<u>(2,396)</u>
Closing balance	<u>98,142</u>	<u>37,681</u>

Repurchase agreements – CRI

On September 28, 2023, the Fund carried out a Sale with Repurchase Commitment (repurchase agreement) with the following characteristics:

Asset	Maturity	Transaction term	Transaction interest rate	CRI value	Carrying amount at 12/31/2023
CRI Shopping Sinop	09/27/2023	03/28/2025	CDI+0.75% p.a.	37,007	(38,145)
				37,007	(38,145)

In the year ended December 31, 2023, the amount of R\$ 1,138 was recognized as expense with repurchase agreements.

Real Estate Letters of Credit (LCI)

The Fund has the following Real Estate Letters of Credit:

Security	Issuer	Maturity	Interest Coupon	Index	Carrying amount at 12/31/2023	Carrying amount at 12/31/2022
LCI	Banco Inter S.A.	04/23/2025	92%	CDI	241	-
Total					241	-

LCI transactions occurred during the years ended December 31, 2023, and 2022 can be demonstrated as follows:

	2023	2022
Opening balance	-	-
Acquisition of LCI	2,475	-
Sale/Redemption of LCI	(2,234)	-
Income from LCI	25	-
Interest received from LCI	(25)	-
Closing balance	241	-

Real Estate Investment Funds (FII)

The Fund holds FII shares, as follows:

Funds	Ticker	12/31/2023			12/31/2022			
		Quantity	Amount (R\$)	% (*)	Quantity	Amount (R\$)	% (*)	
i	FII Grand Plaza	ABCPI1	922,997	64,434	19.60	922,997	65,690	19.60
ii	Hedge Atrium FII	ATSA11	2,719	150	0.16	2,719	214	0.16
iii	FII BTG Crédito Imobiliário	BTCI11	1,531,665	15,209	1.54	170,185	13,766	1.54
iv	EQI Recebíveis Imobiliários	EQIR11	494,675	4,808	4.53	-	-	-
v	FII General Shopping	FIGS11	157,593	9,646	5.53	156,041	7,863	5.48
vi	Hedge Floripa FII (a)	FLRP11	45,442	90,884	69.66	45,385	72,162	69.57

	Funds	Ticker	12/31/2023			12/31/2022		
			Quantity	Amount (R\$)	% (*)	Quantity	Amount (R\$)	% (*)
vii	FII Via Parque Shop	FVPQ11	347,208	39,582	12.40	347,208	38,193	12.40
viii	Habitat II FII	HABT11	1,852	169	0.02	1,852	167	0.02
ix	CSHG Recebíveis FII	HGCR11	426,840	44,869	2.77	562,768	57,487	3.65
x	Hedge Parque Dom Pedro (a)	HPDP11	2,767,460	243,730	93.79	2,852,897	214,024	98.08
xi	FII Jardim Sul	JRDM11	-	-	-	1,115,377	90,346	44.21
xii	Mauá Capital FII	MCCI11	432,880	40,938	2.55	432,880	38,050	2.55
xiii	FII Parque Dom Pedro	PQDP11	203	395	0.08	203	438	0.08
xiv	Shopping West Plaza FII (a)	WPLZ11	678,616	44,110	66.48	643,616	52,036	63.05
Total			598,924			650,436		

(*) Refers to the shares held by the Fund divided by the total shares issued by the real estate funds.

(a) Operating segment: income properties.

Equity interests

The Fund has interest in special purpose entities – SPE, as follows:

Vértico Bauru Empreendimento Imobiliário Ltda.

On December 31, 2023, the Fund holds 65% of Vértico Bauru Empreendimento Imobiliário Ltda.'s capital ("Investee"), a company not listed on the stock exchange engaged in the economic exploration of the shopping mall Boulevard Shopping Bauru ("Real Estate"), located at Rua Marcondes Salgado, Quadra 11, Chácara das Flores, Bauru-SP, and operation of its own parking lots and garages, including the provision of valet services. The Investee owns an ideal fraction of 100% of the Real Estate.

On October 3, 2023, the Fund disclosed a Material Fact about the signing of a Purchase and Sale Commitment for the acquisition of 43% of the Investee's shares for R\$ 100,614.

On November 13, 2023, the Fund disclosed a Material Fact about the signing of a Purchase and Sale Commitment for the acquisition of an additional 22% of the Investee's shares for R\$ 51,477.

On December 21, 2023, the Fund disclosed a Material Fact, communicating the completion of the purchase of 65% of the Investee's shares for the total amount of R\$ 152,091, of which R\$ 126,615 was paid on that date. The remaining balance of the price corresponding to R\$ 25,738 will be paid within 180 days from the date monetarily adjusted by the Interbank Deposit (CDI) rate. In addition, the seller will be entitled to receive an Earnout, to be paid on February 28, 2025, considering the recurring operating result of the Real Estate for 2024 and a cap rate of 9%.

On December 21, 2023, following the acquisition, the Fund increased the company's capital by 82,573,200 new shares, through the capitalization of capital reserves, maintaining a 65% interest in the asset.

In the year ended December 31, 2023, the Investee's shares are recognized at cost.

5 Rental receivables

Includes rental receivables, past due or not yet due, related to occupied areas.

On December 31, 2023, the Fund has R\$ 29,112 relating to rental receivables (R\$ 18,476 on December 31, 2022).

In the year ended December 31, 2023, the Fund recognized R\$ 137,790 as rental income (R\$ 111,451 in the year ended December 31, 2022).

6 Investment properties

The fair value of investment properties on December 31, 2023, and 2022 is supported by appraisal reports prepared by Cushman & Wakefield, CBRE Consultoria do Brasil Ltda. and Capright Brasil Ltda., supported by the following core estimates:

12/31/2023				
Property	Vacancy %	Discount rate % p.a.	Capitalization rate % p.a.	Analysis period
Shopping Center Penha	4.00	10.00	9.00	10 years
Shopping West Plaza	14.60	10.25	8.25	10 years
Mooça Plaza Shopping	2.00	8.75	7.50	10 years
São Bernardo Plaza Shopping	3.50	9.75	8.75	10 years
Tivoli Shopping Center	1.50	10.00	9.00	10 years
Outlet Novo Hamburgo	2.80	9.25	8.00	10 years
Goiabeiras Shopping	40.00	10.75	8.75	10 years
Santana Parque Shopping	9.8	9.50	8.25	10 years
Suzano Shopping	4.00	9.50	8.25	10 years
Shopping Villa Lobos	3.00	8.75	7.50	10 years
Shopping Praça da Moça	2.10	9.50	8.25	10 years
Franca Shopping	2.00	10.00	8.50	10 years
Capim Dourado Shopping	6.50	10.50	9.50	10 years
Shopping Jardim Sul	2.20	9.00	8.00	10 years
12/31/2022				
Property	Vacancy %	Discount rate % p.a.	Capitalization rate % p.a.	Analysis period
Shopping Center Penha	9.00	10.25	9.25	10 years
Shopping West Plaza	11.38	10.25	8.25	10 years
Mooça Plaza Shopping	1.02	8.75	7.50	10 years
São Bernardo Plaza Shopping	4.00	10.00	9.00	10 years
Tivoli Shopping Center	3.00	10.50	9.25	10 years
Outlet Novo Hamburgo	5.84	9.50	8.00	10 years
Goiabeiras Shopping	33.19	10.75	8.75	10 years
Santana Parque Shopping	13.00	10.00	8.75	10 years
Suzano Shopping	5.00	10.25	9.00	10 years
Shopping Villa Lobos	3.00	8.75	8.00	10 years
Shopping Praça da Moça	7.00	9.50	8.50	10 years
Franca Shopping	3.50	10.25	9.25	10 years

The method adopted for the years 2023 and 2022 was the income approach through discounted cash flow.

Cushman & Wakefield Brasil Ltda is a company headquartered in São Paulo – SP at Praça Prof. José Lannes, 40 - 3º andar, with experience in real estate brokerage, capital markets, research and services for occupiers and corporate investors.

CBRE Consultoria do Brasil Ltda., established in Brazil in 1979, is the market leader in real estate services, in Brazil and worldwide, with offices in São Paulo, Rio de Janeiro, Brasília, Belo Horizonte and Curitiba.

Capright Brasil Ltda. is headquartered in Sao Paulo – SP at Rua Joaquim Floriano, 820, serving a wide range of customers, including pension funds, fund consultancies, real estate investment funds, private debt funds, large corporations, insurance companies, and national and regional financial institutions, in assessment, consultancy and legal support services.

Transactions in the investment properties account occurred throughout the periods is described below:

Property	At	Changes in 2023			At
	12/31/2022			Fair value	12/31/2023
	Fair value	Acquisition	Improvements	adjustment	Fair value
(a) Shopping Center Penha	311,240	-	1,696	26,501	339,437
(b) Tivoli Shopping Center	171,950	-	1,321	9,359	182,630
(c) Mooca Plaza Shopping	182,100	-	286	16,354	198,740
(d) São Bernardo Plaza Shopping	170,426	-	56	17,445	187,927
(e) I Fashion Outlet Novo Hamburgo	108,878	-	1,520	7,006	117,404
(f) Goiabeiras Shopping	33,852	-	2,162	(6,859)	29,155
(g) Shopping West Plaza	203,280	-	5,242	4,558	213,080
(h) Santana Parque Shopping	58,575	-	272	(3,542)	55,305
(i) Suzano Shopping	46,213	-	1,975	5,482	53,670
(j) Shopping Villa Lobos	138,200	-	2,488	7,902	148,590
(k) Shopping Praça da Moça	100,111	-	231	1,929	102,271
(l) Franca Shopping Center	721	-	51	194	966
(m) Shopping Jardim Sul	-	227,951	936	13,393	242,280
(n) Capim Dourado Shopping	-	185,320	-	-	185,320
Total	1,525,546	413,271	18,235	99,722	2,056,775

- (a) **Shopping Center Penha** – Shopping Center Penha is located at Rua Dr. João Ribeiro, 304, Penha de França, São Paulo-SP. The shopping mall was opened in October 1992 and has 29,899 square meters of GLA and 167 stores. The Fund owns 87.5628% of the real estate.
- (b) **Tivoli Shopping Center** - Tivoli Shopping Center is located at Rua Ósmio, 699, Santa Bárbara d'Oeste-SP. The shopping mall was opened in November 1998 and has 24,693 square meters of GLA and 146 stores. The Fund owns 59% of the real estate.
- (c) **Mooca Plaza Shopping** – Mooca Plaza Shopping is located at Rua Capitão Pacheco e Chaves, 313, São Paulo-SP. The shopping mall was opened in November 2011 and has 41,993 square meters of GLA and 215 stores. The Fund owns 20% of the real estate.
- (d) **São Bernardo Plaza Shopping** - São Bernardo Plaza Shopping is located at Avenida Rotary, 624, São Bernardo do Campo-SP. The shopping mall was opened in November 2012 and has 42,772 square meters of GLA and 195 stores. The Fund owns 35% of the real estate.
- (e) **I Fashion Outlet Novo Hamburgo** - I Fashion Outlet Novo Hamburgo is located at Rodovia BR-116 KM 239, Novo Hamburgo-RS. The shopping mall was opened in September 2013 and has 20,056 square meters of GLA and 92 stores. The Fund owns 49% of the real estate.

- (f) **Goiabeiras Shopping** – Goiabeiras Shopping is located at Avenida José Monteiro de Figueiredo, 500, Duque de Caxias, Cuiabá-MT. The shopping mall was opened in 1989 and has 25,815 square meters of GLA and 193 stores. The Fund owns 53.99% of the stores of the real estate.
- (g) **Shopping West Plaza** – Shopping West Plaza is located at Avenida Francisco Matarazzo, S/N, in São Paulo-SP. The shopping mall was opened in May 1991 and has 36,800 square meters of GLA and 172 stores. The Fund owns 70% of the real estate.
- (h) **Santana Parque Shopping** - Santana Parque Shopping is located at Rua Conselheiro Moreira de Barros, 2.780, Santana, São Paulo-SP. The shopping mall was opened in October 2007 and has 26,565 square meters of GLA and 164 stores. The Fund owns 15% of the real estate.
- (i) **Suzano Shopping** - Suzano Shopping is located at Rua Sete de Setembro, 555, Jardim Irai, Suzano-SP. The shopping mall was opened in September 2000 and has 24,038 square meters of GLA and 134 stores. The Fund owns 15% of the real estate.
- (j) **Shopping Villa Lobos** - Shopping Villa Lobos is located at Avenida das Nações Unidas, 4.777, bairro de Alto de Pinheiros, São Paulo-SP. The shopping mall was opened in 2000 and has 28,259 square meters of GLA and 213 stores. The Fund owns 15% of the real estate.
- (k) **Shopping Praça da Moça** - Shopping Praça da Moça is located at Rua Manoel da Nóbrega, 712, centro, Diadema-SP. The shopping mall was opened in May 2009 and has 29,784 square meters of GLA and 141 stores. The Fund owns 23.06% of the real estate.
- (l) **Franca Shopping Center** - Franca Shopping Center is located at Avenida Rio Negro, 1.100, Franca-SP. The shopping mall was opened in October 1993 and has 18,677 square meters of GLA and 96 stores. The Fund owns 0.37% of the real estate.
- (m) **Shopping Jardim Sul** - Shopping Jardim Sul is located at Avenida Giovanni Gronchi, 5.819, São Paulo-SP. The shopping mall was opened in 1990 and has 28,747 square meters of GLA and 171 stores. The Fund owns 40% of the real estate.

The Fund has an obligation associated to the securitization of real estate credits, that constitute a CRI issued by True Securitizadora S.A., consisting of two series remunerated by IPCA+8.00% p.a. and two series remunerated by CDI+2.40%, maturing on 06/27/2033, in the amount of R\$ 213,206.

In the year ended December 31, 2023, the amount of R\$ 12,922 was recognized in the income statement as finance costs with CRI.

On October 3, 2023, the Fund signed a Purchase and Sale Commitment of Real Estate and Other Covenants for the acquisition of 60% of the real estate Shopping Jardim Sul for R\$ 343,831. Once the resolute conditions are met, the Fund will hold up to 100% of Shopping Jardim Sul, and a Material Fact will be disclosed to the market in general with the required information on the Transaction and estimated impacts on the Fund's results.

On December 31, 2023, the Fund has R\$ 167 related to advances for the acquisition of Shopping Jardim Sul.

- (n) **Capim Dourado Shopping** - Capim Dourado Shopping is located at Q. 107 Norte Avenida NS 5, s/n, Palmas-TO. The shopping mall was opened in 2010 and has 38,824.25 square meters of GLA and 153 stores. The Fund owns 60% of the real estate.

All investment properties are insured against risks in amounts considered sufficient by the administration.

7 Charges and administration fee

The Fund pays to the Administrator an administration fee corresponding to 0.6% p.a. on the market value of the Fund's shares, provisioned daily and paid monthly until the 5th business day of each month subsequent to the provision of services.

In the year ended December 31, 2023, R\$ 12,947 (R\$ 11,032 in the year ended December 31, 2022) was recognized as administration fee.

8 Income distribution policy

The Fund distributes to its shareholders at least 95% of the income earned, calculated on a cash basis, based on semi-annual statements of financial position ending June 30 and December 31 of each year. The income earned in a certain period is distributed to shareholders monthly, on the 10th business day of the subsequent month in which the Fund received the resources, as an advance of the income to be distributed for the six-month period.

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

Income distribution	2023	2022
Profit for the year	<u>337,576</u>	<u>230,029</u>
Fair value adjustment of investment properties	(99,722)	(59,259)
Fair value adjustment of CRI	18,581	335
Fair value adjustment of FII	(63,232)	(9,127)
Income tax on real estate investment funds - FII shares	8,796	1,424
Expenses (income) not paid/received	(8,973)	(2,304)
Income from securities to be realized	(21,112)	-
Realized income referring to prior years	<u>33,105</u>	<u>-</u>
(=) Calculation basis	<u>205,008</u>	<u>161,098</u>
Minimum income to be distributed in the year - 95%	194,758	153,043
Income for the year	216,523	154,000
Payment in the year (gross amounts)		
Income related to the prior year	14,000	11,000
Income related to the profit for the year	<u>191,061</u>	<u>140,000</u>
Total paid in the year	<u>205,061</u>	<u>151,000</u>
Balance of income to be distributed for the year	<u>25,461</u>	<u>14,000</u>

9 Equity

Investment shares

On December 31, 2023, equity comprises 12,729,800 paid-up shares (10,000,000 shares on December 31, 2022) with par value of R\$ 231.51862419 each (R\$ 221.91887109 on December 31, 2022), totaling R\$ 2,947,186 (R\$ 2,219,189 on December 31, 2022).

10 Issuance and amortization conditions

Given the fund's manager previous and explicit request, the Administrator may carry out new issuances of shares, irrespective of approval at the General Meeting of shareholders and changes to the Bylaws, guarantying shareholders preference right under the terms of the Fund's Bylaws, in the amount of up to R\$ 2,000,000 (two billion reais), not considering the first seven issuances carried out by the Fund ("Authorized Capital"), being that the value of each new share, as previously requested by the manager, must be fixed, preferably, considering (a) the average value of the Fund's shares on the secondary market, (b) the equity value of the shares, represented by the ratio between the value of the Fund's updated equity value and the number of shares already issued; or also (c) the Fund's expected profitability, and provided that at least 80% of the Fund's equity is invested in real estate listed in Article 8 of the Bylaws at the closing of the month immediately prior to the Administrator's act that decides on the new issuance of shares.

Notwithstanding the above, the General Meeting of shareholders may decide on new share issuances in an amount greater than the Authorized Capital or under different conditions, including, but not limited to, the possibility of partial distribution and the cancellation of unallocated balance after the distribution period, observing the provisions of the applicable bylaw excerpts.

In the year ended December 31, 2023, the Fund issued 2,729,800 shares for a total amount of R\$ 606,945 (there were no issuances in the year ended December 31, 2022).

There is no provision in the Bylaws regarding the amortization of the Fund's shares. The amortization of the Fund's shares must be approved at the General Meeting of Shareholders.

There was no amortization of the Fund's shares during the year.

11 Disclosure of information

The Administrator discloses periodic and specific information regarding the Fund and its activities in accordance with CVM rules: on the Administrator's website and available to shareholders at its headquarters, also sending such information to FundosNet (CVM's and B3's integrated information system).

12 Trading of shares

The Fund's shares are traded on the B3 S.A. under the code HGBS11. The closing price of the share on the last trading day of each month is shown below:

Date	Quote	Date	Quote
01/31/2023	184.00	01/31/2022	166.50
02/28/2023	181.62	02/25/2022	167.59

Date	Quote	Date	Quote
03/31/2023	182.40	03/31/2022	180.49
04/28/2022	197.50	04/29/2022	177.90
05/31/2023	207.71	05/31/2022	179.56
06/30/2023	217.90	06/30/2022	173.24
07/31/2023	225.55	07/29/2022	182.30
08/31/2023	231.42	08/31/2022	215.00
09/29/2023	231.98	09/30/2022	216.00
10/31/2023	228.62	10/31/2022	208.47
11/30/2023	223.21	11/30/2022	190.85
12/29/2023	230.75	12/30/2022	190.14

13 Profitability

The average profitability of the Fund's shares in the year ended December 31, 2023 (calculated considering the result for the year on the weighted average number of paid-up shares) was 14.46% (0.11% in the year ended December 31, 2022).

The average distributed income per share in the year ended December 31, 2023 (calculated considering income for the divided by the weighted average number of paid-up shares existing in the year) was 9.27% (7.09% in the year ended December 31, 2022).

14 Charges debited to the Fund

	<u>2023</u>		<u>2022</u>	
	Amounts	% (*)	Amounts	% (*)
Administration fee	12,947	0.55	11,032	0.51
Audit and custody	925	0.04	852	0.02
Legal consultancy and appraisal services (i)	3,724	0.16	361	0.04
CVM inspection fee	57	-	57	0.01
Other expenses	<u>399</u>	<u>0.02</u>	<u>346</u>	<u>0.02</u>
Total expenses	<u>18,052</u>	<u>0.77</u>	<u>12,648</u>	<u>0.59</u>

(i) The increase in expenses with legal consultancy refers mainly to advisory in the process of executing the CRI Shopping Goiabeiras's collateral, further details in note 4(a).

(*) Percentage calculated on the average monthly equity in the year ended December 31, 2023, in the amount of R\$ 2,334,570 (R\$ 2,172,512 in the year ended December 31, 2022).

15 Taxation

Of the Fund's portfolio

Income and gains earned by the portfolios of real estate investment funds are exempt from income tax (IR) and tax on financial transactions (IOF), except for those arising from financial instruments like fixed-income and variable-income securities or deriving from capital gains earned from the trading of shares of other real estate investment funds.

The exemption from withholding income tax on income earned from investments in shares of real estate investment funds, mortgage letters, certificates of real estate receivables, and real estate letters of credit applies to the fund's portfolio.

Any income tax levied on the fund's financial investments may be offset, proportionally, against the tax due on the fund's income distribution.

Of the Fund shareholders

The income distributed by real estate investment funds is subject to a withholding income tax of 20%, except for:

- (i) income paid to individuals who do not have interest in the fund and/or in the fund's income in a proportion equal to or greater than 10%, provided that the real estate investment fund has its shares traded exclusively on a stock exchange or an organized over-the-counter market and has at least fifty shareholders, who are exempt from withholding income tax; and
- (ii) income paid to foreign investors, in accordance with the rules of the National Monetary Council, who are not residents in jurisdictions considered tax havens, which are subject to a withholding income tax of 15%.

16 Legal claims

Regarding the matter described in note 24, the Fund is a party to a lawsuit related to the request for an arbitration proceeding currently in progress, whose likelihood of success is classified as possible and whose outcome is currently not determinable. In this context, there are no provisions made regarding the matter.

On December 31, 2023, the Fund is defending legal claims representing provisions of R\$ 6 (R\$ 4 on December 31, 2022), these claims are classified by the legal advisors hired by the Fund as described below:

Nature	Number of lawsuits	Total estimated Value (R\$ thousands)	Classification
Civil	1	6	Probable
Civil	10	906	Possible

17 Treasury, bookkeeping and custody services

The Administrator provides controllership, bookkeeping and custody services to the Fund.

18 Related parties

During the years ended December 31, 2023, and 2022, the Fund did not carry out transactions with related parties other than paying the administration fee, as detailed in note 7.

19 Statement of fair value

The Fund adopts the CPC 40 and article 7 of CVM Instruction 516 for financial instruments and investment properties measured at fair value in the statement of financial position; this requires disclosure of fair value measurements by level based on the following fair value measurement hierarchy:

Level 1 - The fair value of financial instruments and investment properties traded in active markets is based on market prices quoted at the reporting date. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 - The fair value of financial instruments and investment properties that are not traded in active markets is determined using valuation techniques. These techniques make maximum use of market inputs and rely as little as possible on entity-specific inputs. If all relevant inputs required for the fair value of an instrument are adopted by the market, the instrument is included in Level 2.

Level 3 - If one or more relevant inputs is not based on data adopted by the market, the instrument will be included in Level 3. The specific valuation techniques used to value financial instruments and investment properties include those described in article 7 of CVM Instruction 516.

The table below presents the Fund's assets and liabilities measured at fair value:

	<u>12/31/2023</u>			
	<u>Consolidated</u>			
Assets	Level 1	Level 2	Level 3	Total
Shares of Investment Funds	-	315,755	-	315,755
Shares of Real Estate Investment Funds	598,924	-	-	598,924
Certificates of Real Estate Receivables (CRI)	-	98,142	-	98,142
Investment properties	-	-	2,056,775	2,056,775
Equity interests - SPE	-	-	152,353	152,353
Total assets	<u>598,924</u>	<u>413,897</u>	<u>2,209,128</u>	<u>3,221,949</u>
	<u>12/31/2022</u>			
	<u>Consolidated</u>			
Assets	Level 1	Level 2	Level 3	Total
Shares of Investment Funds	-	10,297	-	10,297
Shares of Real Estate Investment Funds	650,436	-	-	650,436
Certificates of Real Estate Receivables (CRI)	-	37,681	-	37,681
Investment properties	-	-	1,525,546	1,525,546
Total assets	<u>650,436</u>	<u>47,978</u>	<u>1,525,546</u>	<u>2,223,960</u>

On December 31, 2023, and 2022, the Fund did not have liabilities measured at fair value.

20 Risks associated to the Fund

20.1 Market risks

20.1.1 Credit risk of financial assets of the Fund's portfolio

Public and/or private debt securities, that is, that represent a payment obligation by a public or private institution, that may be part of the Fund's portfolio are subject to the ability of their issuers to honor interest and principal payment commitments. Events that affect the issuers' financial conditions, as well as changes in economic, legal, and political conditions that may impair the

payment capacity may cause significant impacts in terms of prices and liquidity of the issuers' assets. Changes in the perception of the issuers' credit quality, even if not grounded, may have impacts on the prices of securities, also affecting their liquidity.

20.1.2 Relevant macroeconomic factors

Exogenous variables such as the occurrence, in Brazil or abroad, of extraordinary facts or special market situations or, even, of events of a political, economic or financial nature that modify the current order and significantly influence the Brazilian financial and/or capital markets, including changes in interest rates, currency devaluation events and relevant legislative changes, may negatively affect the prices of the assets included in the Fund's portfolio and the share value and may also result in losses to shareholders. The Federal Government frequently intervenes in the Country's economy and occasionally makes significant modifications in its policies and standards, causing the most diverse impacts on the most diverse sectors and segments of the Country's economy. The Fund's activities, its financial situation and results may be significantly impacted by changes in policies or standards that involve or affect factors, such as:

- (a) interest rates;
- (b) foreign exchange controls and restrictions to remittances;
- (c) foreign exchange rate fluctuations;
- (d) inflation;
- (e) liquidity of the domestic financial and capital markets;
- (f) fiscal policy;
- (g) social and political instability; and
- (h) other political, social, and economic events that may occur in Brazil or affect it.

The uncertainty regarding the implementation of changes in policies or standards by the Federal Government that affect these, or other factors may contribute to the economic uncertainty in Brazil and to increasing the Brazilian securities' and real estate markets' volatility. Thus, future events in the Brazilian economy may impair the Fund's activities and its results and may adversely affect the profitability of the shareholders.

The market price of the securities issued in Brazil is influenced, in different degrees, by the economic and market conditions of other countries, including, but not limited to, the United States of America, European countries and emerging economies. The investors' reaction to the events in these other countries may cause an adverse effect on the market price of real estate assets and securities issued in Brazil, reducing investor interest in these assets, which include fund shares. Any event in these other countries may impair the Fund's activities.

No indemnity, fine or penalty of any nature will be due by the Fund or by any person, including the Administrator, if the shareholders suffer any damage or loss resulting from such events.

20.1.3 Risk of change in the legislation applicable to the Fund and/or shareholders

The legislation applicable to the Fund, shareholders and the investments made by the Fund, including, but not limited to, tax laws, foreign exchange laws and laws that regulate foreign investments in shares of investment funds in Brazil, is subject to changes. There may also be interference of government authorities and regulatory bodies in the markets, as well as moratoriums and changes to monetary and exchange rate policies. These events may adversely impact the value of the Fund's shares, as well as the conditions for distribution of income and redemption of shares. The application of existing laws and interpretation of new laws may also impact the Fund's results.

The taxation applicable to the Fund is subject to changes. Thus, the tax risk comprises the risk of losses arising from the creation of new taxes, interpretation different from the current one regarding the levy of any taxes or the revocation of current exemptions, subjecting the Fund or its shareholders to payments not initially foreseen.

20.2 Risks related to the real estate market

20.2.1 Risks of fluctuations in the value of the real estate that make up the Fund's assets

The value of the real estate that make up the Fund's portfolio may increase or decrease according to price fluctuations, market quotations, supply and demand and any assessments carried out in compliance with applicable regulation and/or the Bylaws. In the event of decline in the value of the properties, the Fund's gains arising from the disposal of properties, as well as the trading price of the shares in the secondary market may be adversely affected.

As the Fund's resources are intended mainly for investment in real estate, a factor that must be taken into consideration regarding the Fund's profitability is the economic potential, including in the medium and long term, of the region where the real estate is located. The analysis of the region's economic potential should be based not only on the current economic potential, but should also take into account the evolution of the region's economic potential in the future considering the possibility of economic deterioration, with direct impact on the value of the properties and, consequently, of the shares.

It is characteristic of real estate assets and rents, in particular, that their values vary depending on the behavior of the economy as a whole. Some factors may cause a slowdown in various sectors of the economy, mainly as a result of economic crises, whether originating in other countries or even in Brazil. Effects such as a reduction of the purchasing power and a drop in the flow of foreign trade can have negative consequences on the value of the Target Real estate and its rents.

20.2.2 Risks relating to the most relevant revenues (rental income, changes in rental values charged and termination of rental contracts)

The main risks related to the Fund's most relevant revenues are:

- (i) Regarding rental income: any vacancy and default in the payment of rents will result in the Fund not receiving any income, since rents are its main source of revenue. In addition, in any of these events, the Fund may not be able to pay its commitments on the agreed dates, which would imply the need for shareholders to be called upon to bear the Fund's charges;
- (ii) Concerning the changes in the rental values charged: there is the possibility that the Fund's rental income will not be fully realized, as the bases of the contracts may be renegotiated, causing

changes in the originally agreed amounts. It is also important to highlight that, as provided in article 51 of the Tenancy Law, “In the rental of real estate intended for commerce, the tenant will have the right to renew the contract, for the same term, provided that, cumulatively: I - the contract to be renewed has been executed in writing and has a fixed term; II - the minimum term of the contract to be renewed or the sum of the uninterrupted terms of written contracts is five years; III - the tenant is operating his commerce, in the same sector, for a minimum and uninterrupted term of three years.” Therefore, even if the rental term has ended and it is not in the Fund's interest to renew the contracts, tenants may request the compulsory renewal of the rental contract, as long as the legal requirements are met and the deadline for filing the renewal action is observed. Depending on the rental contracts, if after three years of the contract or previous agreement, there is no agreement between the landlord and tenant on the rental value, a judicial review of the rent may be requested in order to adjust it to the market price. Thus, the rents may vary according to the market conditions at the time of each action for review.

- (iii) In the event of termination of the rental contracts, including by unilateral decision of the tenant, before the expiration of the term established in its rental contract without payment of the compensation due, the Fund's revenues may be compromised, with a negative impact on the shareholder remuneration.

20.2.3 Risk of expropriation

There is the possibility of a partial or total expropriation of the property, by unilateral decision of the public authorities, in order to meet the utility and public interest purposes, which may result in losses to the Fund.

Other restrictions on real estate can also be applied by the Public Authorities, thus making it impossible to use them, such as the protection of the Real Estate itself or the area surrounding it, incidence of pre-emption and/or creation of special zones of cultural preservation, among others.

20.2.4 Risks relating to real estate regulation

The Brazilian real estate sector is subject to extensive regulation and self-regulation issued by various federal, state, and municipal authorities, which affect the activities of acquisition, development, construction, and renovation of real estate. Therefore, the acquisition and exploration of certain real estate by the Fund may be conditioned, without limitation, on obtaining specific licenses, approval from government authorities, limitations related to buildings, zoning rules and consumer protection laws and regulations. Such requirements and regulations currently existing or that may be created may result in increased costs and limit the Fund's business strategy, adversely affecting its activities and, consequently, the profitability of the shareholders. Additionally, there is the possibility of urban zoning laws being changed after the acquisition of a real estate and before the development of the real estate linked to it, which could lead to delays and/or modifications to the initially projected commercial objective. In this case, the Fund's activities and results may be adversely impacted and, consequently, the shareholder's profitability.

20.2.5 Risk of new real estate developments being launched in surrounding areas

The launch of new real estate developments in areas close to those in which the Fund's portfolio Real Estate is located may impact the Fund's ability to rent or renew the rental of spaces under favorable conditions, which may generate a reduction in the Fund's revenue and share profitability.

20.2.6 Risk of investment depreciation

As with any real estate venture, there is a risk of obsolescence of the real estate over time, which may result in the need to carry out construction work and replacement of equipment and maintenance of the real estate.

20.2.7 Risk of vacancy

The retraction in economic growth may lead to a reduction of real estate occupancy. The reduction of the occupancy rate may not only reduce the revenue of an investment fund due to the vacancy of its real estate, but also generate a reduction of rental values.

20.2.8 Risk of accident

In the case of an accident involving the physical integrity of the insured real estate, the amounts obtained through insurance coverage will depend on the payment capacity of the contracted insurance company under the terms of the required policy. The compensation payable by insurers may also be insufficient to repair the damage suffered, subject to the general conditions of the policies.

In the event of an accident involving the physical integrity of uninsured real estate, the Administrator may not recover the loss of the asset. The occurrence of a significant uninsured or non-indemnifiable accident, partially or fully, may have an adverse effect on the Fund's operating results and financial condition.

20.2.9 Risks of extraordinary expenses

The Fund, as owner of the real estate, will eventually be subject to the payment of extraordinary expenses, such as apportionment of works and renovations, painting, decoration, conservation, installation of safety equipment, labor compensation, as well as any other expenses that are not routine maintenance of real estate and condominiums in which they are located. The payment of these expenses could cause a reduction in the Fund's share profitability. Furthermore, the Fund will be subject to expenses and costs arising from legal actions to deal with unpaid rent, lawsuits (eviction, renewal, revision, among others), and any other unpaid expenses by tenants, such as taxes, condominium expenses, costs for renovating or recovering real estate unsuitable for rent after eviction or friendly departure of the tenant.

20.3 Risks related to the Fund

20.3.1 Inexistence of guarantee of risk elimination

Making investments in the Fund subjects the investor to the risks to which the Fund and its portfolio are subject, which may result in losses of the capital invested by shareholders. The Fund does not have guarantees from the Administrator or third parties, any insurance mechanism or coverage by the Deposit Insurance Fund (FGC), for reduction or elimination of the risks to which it is subject and, consequently, to which the shareholders may also be subject. Under adverse market conditions, the efficiency of risk management systems may be reduced. The Fund's eventual asset losses are not limited to the amount of the subscribed capital, in which case shareholders may be called in the future to contribute additional amounts to the Fund in addition to their commitments.

20.3.2 Past performance

When analyzing any information provided in the Prospectus and/or in any of the Fund's advertising material about its past results in any markets, similar investment funds, or any

investments in which the Administrator has in any way participated, the potential shareholders should consider that any results obtained in the past are not indication of future possible results and there is no assurance that similar results will be achieved by the Fund in the future.

20.3.3 Legal risks

The entire architecture of the Fund's financial, economic, and legal model considers a set of rigorous procedures and obligations on both sides stipulated through public or private contracts, using current regulations as guidelines. However, due to the short maturity and the lack of tradition and jurisprudence in the Brazilian capital markets, regarding this type of financial transactions, in atypical or conflicting situations there may be investor losses due to the expenditure of time and resources for the effectiveness of the contractual requirements.

Furthermore, the Fund may become a party to legal claims related to its assets, in particular, but not limited to, in relation to the real estate included in its portfolio, both as plaintiff and as defendant. By way of example, these legal claims could involve any discussions regarding the receipt of compensation in the event of expropriation of real estate, disputes related to non-contracting and/or non-renewal by real estate tenants, of insurance due under the terms of the rental contracts and the obtainment of compensation in the event of accidents involving real estate, among others. Due to the recognized slowness of the Brazilian judicial system, the resolution of any legal claim may not be achieved within a reasonable time, which may result in additional expenses for the Fund, as well as delay or stoppage, even partial, of business development, which would have an impact on its profitability.

The Fund's revenues derive substantially from the receipt of rents, under the terms of each of the rental contracts signed. Therefore, if the Tenancy Law is changed in a manner favorable to tenants (including, for example and without limitation, in relation to alternatives for renewing rental contracts and defining rental values or changing the adjustment periodicity) the Fund may be adversely affected.

20.3.4 Tax risk

Tax risk encompasses the risk of losses resulting from changes in the taxation regime of the Fund or its shareholders, the creation of new taxes or a different interpretation of current legislation on the levy of any taxes or the revocation of current exemptions, subjecting the Fund and its shareholders to new payments not initially foreseen.

Law 9,779, of January 19, 1999, as amended, establishes that real estate investment funds are exempt from taxation on their operating income, provided that (i) they distribute at least 95% of the profits earned, calculated on a cash basis, based on semiannual statement of financial position or trial balance ending June 30 and December 31 of each year; and (ii) invest amounts in real estate developments that do not have as real estate developer, builder or partner, a shareholder who holds, alone or together with people related to him, a percentage greater than 25% of the shares issued by the Fund. The Administrator has no responsibility if it is not successful in maintaining this limit.

Income and net gains from fixed-income or variable-income securities acquired by the Fund will be subject to Withholding Income Tax in accordance with the same rules set out for financial investments of legal entities, under the terms of Law 9,779/99, circumstance that may affect the expected profitability of the Fund's shares. The remuneration produced by Mortgage Letters,

Certificates of Real Estate Receivables and Real Estate Letters of Credit are not subject to this taxation.

The income earned by the Fund, when distributed to shareholders, and the capital gains earned by shareholders on the sale or redemption of shares upon the Fund's termination are subject to withholding income tax at a maximum rate of 20%.

Nevertheless, in accordance with article 3, item III combined with single paragraph, item II, of Law 11.033/04, as amended by Law 11.196/05, the income distributed by the Fund is exempt from withholding income tax and not required for disclosure in individual tax filings provided that shares are admitted to trading on a stock exchanges or on an organized over-the-counter market, exclusively.

The aforementioned legal provision also clarifies that such tax benefit will be granted only in cases where the Fund has at least 50 shareholders and that it will not be granted to the individual shareholder with 10% or more of all the shares issued by the Fund or whose shares entitle it to receive income greater than 10% of the total income earned by the Fund. However, even if the Administrator were interested in creating an organized market for the trading of the Fund's shares, there might be situations in which a single shareholder could pay up a substantial portion of the issuance or even all of the Fund's shares, in which case such shareholder would hold an expressively concentrated position, subjecting the other shareholders to taxation.

20.3.5 Risks relating to the investment in FII Shares

- (i) Regarding profitability: the investment in of Real Estate Investment Fund shares is an investment in variable-income securities, which assumes that the profitability of the shareholder will depend on the result of the assets that make up the Fund's equity. In such case, the income to be distributed to shareholders will depend on the results obtained by the Fund with the rental, or even the assignment to third parties of the rights and credits arising from the rental of the real estate owned by it.
- (ii) Regarding liquidity: As real estate investment funds are an in-development investment modality in the Brazilian market, with insubstantial trading volume and a reduced number of parties interested in purchasing and selling shares, investors may have difficulties in conducting transactions in the secondary market. Therefore, the investor should note that the real estate investment funds are established in the form of closed condominiums, not admitting the redemption of shares, except upon the extinction of the Fund, factor that may impact the liquidity of the shares upon trading in the secondary market. Although the shares are traded on a stock exchange or on an organized over-the-counter market, the investor that acquires the Fund's shares shall be aware that the investment in the Fund consists in a long-term investment.
- (iii) Regarding concentration: According to the Bylaws, there is no restriction on the limit of shares that can be acquired by each shareholder. Therefore, a situation may arise in which a shareholder, or group of shareholders, acquire a substantial portion of the Fund, attaining a concentrated position, thus weakening the position of any minority shareholders. In this case, there is the possibility that deliberations will be taken by the majority shareholders based on their interests, to the detriment of the opinion of the minority shareholders.

20.3.6 *Risks of liquidity of real estate assets included in the Fund's portfolio*

As real estate investment funds, CRI, LCI, LIG and other assets backed by real estate are in-development investment modalities in the Brazilian market, where they do not yet represent a significant financial volume, with a reduced number of people interested in carrying out purchase and sale transactions, investors may have difficulty conducting transactions on the secondary market.

20.3.7 *Risk of real estate administration by third parties*

The administration of the real estate included in the Fund's portfolio may be carried out by specialized companies. This fact may represent a limiting factor for the Fund to implement the real estate administration policies it deems appropriate.

Specialized companies have a certain degree of autonomy to administer real estate, so the actions adopted may eventually affect the conditions of the real estate or the income to be distributed by the Fund to shareholders.

20.4 *Risk management*

20.4.1 *Credit risk*

The Administrator has duly documented rules, procedures, governance structures and operational controls for the acquisition and monitoring of private credit assets; as well as mitigation mechanisms and financial limits to maintain exposure to credit risk at acceptable levels and compatible with the investment policies of each fund.

20.4.2 *Liquidity risk*

The Administrator has policies, procedures, and operational controls for managing the liquidity of the assets in the portfolios, to ensure that the investment funds under its administration are able to honor their obligations without incurring significant losses or affecting their daily operations, as well as the contingency measures to be adopted in the case of situations of extreme illiquidity.

20.4.3 *Market risk*

The Administrator has policies, governance structures and financial limits for managing market risk and pricing the assets in the portfolios. For investment funds composed predominantly of securities traded on a stock exchange environment, the Administrator uses predominantly statistical operational procedures and controls, such as variance-covariance analysis, stress scenario tests and expected shortfall. For investment funds that allocate their amounts predominantly in certain assets through which they participate in real estate, the Administrator uses procedures and operational controls that are predominantly qualitative, based on requesting information and monitoring the management activities of the real estate, and on periodic reevaluations of the assets in relation to their issuance and accounting values.

20.4.4 *Operational Risk*

The Administrator has duly documented rules, procedures, governance structures and operational controls for managing operational risks, which include: mapping the activities and controls used in all areas of the company, in order to improve them and minimize possible risks; constantly monitoring updates to current standards and assessing compliance with all legal and regulatory requirements; control of the legal framework of funds; conducting prior and periodic due diligence on service providers; procedures for controlling customer orders; registration controls,

monitoring and resolution of any operational errors; as well as periodic training for all employees, with the aim of disseminating knowledge regarding the Administrator's internal control structure, the culture of respect for regulations and good faith in the performance of activities.

21 Other services provided by the independent auditors

In compliance with the current regulation, we inform that the Fund hired an independent audit firm only to provide services related to the audit of the financial statements and that firm has not provided any other service to the Fund.

22 Amendments to the Fund's bylaws

In the year ended December 31, 2023, there were no amendments to the bylaws.

23 Events after the reporting period

On December 13, 2023, Law 14,754 was published, changing the rules for taxing income from investments in investment funds in the country. The main changes that impact Real Estate Investment Funds (FII) are related to the minimum number of shareholders required to apply the withholding income tax exemption on distributions of income paid to individuals, increasing from 50 to 100 shareholders, and establishing that individual shareholders who, together with related parties, hold 30% or more of the fund's total shares will not be entitled to said exemption. The Law entered into force on January 1, 2024, and the deadline for adapting these provisions ends June 30, 2024.

On February 8, 2024, the Fund disclosed a Material Fact communicating the completion of the sale of the ideal fraction of 10.625% of I Fashion Outlet Novo Hamburgo, located in Novo Hamburgo-RS. The transaction amount was R\$ 27,465, of which R\$ 17,104 were received on that date and the remaining balance will be paid in two semi-annual installments monetarily adjusted based on the IPCA.

On March 7, 2024, the Fund disclosed a Material Fact communicating the completion of the sale of the ideal fraction of 10% of I Fashion Outlet Novo Hamburgo, located in Novo Hamburgo-RS. The transaction amount was R\$ 24,727, of which R\$ 14,836 were received on that date and the remaining balance will be paid in two semi-annual installments monetarily adjusted based on the IPCA. With this transaction and the operation disclosed in the Material Fact of February 8, 2024, the Fund completed the sale of the ideal fraction of 20.625% of the real estate, as informed in the Material Fact of August 29, 2023, and maintained the 28.375% interest in the shopping mall.

24 Other information

On February 15, 2018, the Fund's Administrator informed the shareholders and the market that the Fund owns part of commercial real estate Shopping Goiabeiras ("Shopping") and also holds ("CRI") issued by GaiaSec – Gaia Securitizadora S.A. ("GaiaSec"), which have as collateral the assignment of part of the rent earned from the economic exploration of the Shopping, as well as the lien of part of the Shopping itself, among other guarantees. The Administrator and GaiaSec have been taking a series of measures to protect the aforementioned credit and property rights for the creditors of the shopping's former owner ("Creditors") who obtained court decisions, still subject to appeal, ordering the pledge of part of the Shopping and its respective rents.

On February 15, 2018, the content of the judgment on the appeals filed by the parties was disclosed, in which the São Paulo Court of Justice only reiterated the decisions previously issued.

To date, the Court's decisions still prevail, pending appeals with the Superior Court of Justice. However, the Administrator communicated that it signed an agreement with the Creditors whereby it was established that, regardless of the outcome of the ongoing legal proceedings: (i) the judicial pledge on part of the Shopping will not affect the fraction owned by the Fund; and (ii) that the rents earned by the remaining part of the Shopping will be used as a priority to pay the monthly amount due to the CRIs. In this context, if during the execution process the Creditors become owners of this remaining part of the Shopping, the Administrator assumed the obligation to purchase this remaining fraction. The value of this purchase obligation varies over time according to the CRI.

Currently, the Fund holds the ideal fraction of 54% of the Shopping's stores, except for 14 stores that are owned by third parties and that are not the subject to the legal proceedings, or the agreement referred to herein. If the acquisition provided for in the agreement actually occurs, the Fund will acquire up to 46% of the Shopping's stores, excluding those owned by third parties, as mentioned above, becoming the full owner of the same stores currently owned by it.

On December 23, 2022, the Brazilian Securities and Exchange Commission (“CVM”) published CVM Resolution 175, which provides on the establishment, operation, and disclosure of information of investment funds, as well as on the provision of services to the funds. The new resolution came into force on October 2, 2023, as set forth by CVM Resolution 181, which also revoked CVM Instruction 472 on the same date. On March 12, 2024, the CVM published CVM Resolution 200, which provides on the extension of the adaptation of real estate investment funds to the new resolution until June 30, 2025. Considering this date, the Fund has not yet been adapted to the new resolution and any effects of the new resolution are being evaluated by management, as well as the measures necessary to adapt the Fund within the term established by said resolution.

* * *

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Maria Cecilia Carrazedo de Andrade
Managing Director