

São Paulo, March 4, 2020 – The Real Estate Investment Fund – FII BTG Pactual Corporate Office Fund (“BC Fund”) (B3: BRCR11), the largest corporate office real estate investment fund listed on the Brazilian stock exchange, announces today its results for the fourth quarter of 2019 (4Q19) and the full-year results for 2019.

4Q19 and 2019 Highlights

- Leasing revenue totaled **R\$35.3 million** in the quarter.
- In 4Q19, FFO and adjusted FFO totaled **R\$27.0 million** (R\$1.18/share). In 2019, FFO and adjusted FFO totaled **R\$97.6 million** (R\$4.26/share).
- Net income totaled **R\$37.8 million** in 4Q19 and **R\$116.8 million** in 2019. Excluding the effects from the reappraisal of the portfolio, net income was **R\$32.5 million** (R\$1.42/share) and a net loss of **R\$2.9 million** (– R\$0.13/share) was recorded for the same respective periods.
- Shareholders’ equity at the end of 4Q19 was **R\$2.5 billion** (R\$110.64/share).
- Total earnings paid out in 2019 was **R\$316.1 million** (R\$13.79/share), in accordance with the policy of monthly distribution of profits calculated on a cash basis.
- In the last 12 and 24 months (base December/2019), shareholders’ profitability, considering distributed earnings and share value, was **+34.4%** and **+37.0%**, respectively.
- At the end of the quarter, the portfolio’s Gross Leasable Area (GLA) corresponded to **184,450 m²**, increasing by 4.3% over 3Q19 due to the acquisition of standalone units at the Torre Sucupira building in November.
- Financial vacancy stood at **8.0%** at the end of the fourth quarter of 2019.
- In 2019, 24.5% of the contract portfolio was reviewed or registered new leases, which led to a nominal reduction of **22.8%** in leasing revenues and a 26.8% drop considering inflation (leasing spread). Same tenant contracted revenue in 2019 had a nominal increase of **0.5%** compared to 2018.
- In 4Q19, the Fund concluded its sixth Shares issued, in the amount of **R\$339.8 million**, with the settlement of 3,693,665 new shares, totaling 22,918,202 outstanding shares. It is important to note that the numbers of shares as of 4Q19 and the total number of shares in 2019 already consider this new share base.

Conference Call (Portuguese)	Conference Call (English)	Investor Relations
March 5, 2020	March 5, 2020	email: contato@bcfund.com.br
10:00 a.m. (BR)/ 8:00 a.m. (ET)	11:30 a.m. (BR)/ 9:30 a.m. (ET)	Phone: +55 11 3383 2000
Phone: +55 11 3127 4971	Phone: +1 929 378 3440	
Presentation and further information available at www.bcfund.com.br		

Recent events – 4Q19

6th Share Issue

Preemptive rights, leftover and additional shares

In November, we concluded the public distribution, with restricted placement efforts, of the Fund's 6th issue of shares. In all, 3,693,665 New Shares were distributed totaling R\$339,817,180.00, being R\$330,324,460.95 net of distribution costs. Please note that a portion of the proceeds was used as payment for the acquisition da the Torre Sucupira property and a significant portion of the remaining amount was used to settle the long-term installment due for the Senado building.

Cenesp

Termination of half-floor lease agreement

At the beginning of October, we received a notice from a tenant requesting the early termination of a lease agreement of half a floor, or 1,422 m², of the Cenesp building. Should the termination occur, the Fund will be entitled to receive an early termination fine. We also emphasize that our team is still negotiating with said tenant and is still engaged in commercializing the area.

Torre Sucupira

In November, the Fund signed a Private Contract for Deed of standalone units of the Torre Sucupira building. The value of the transaction will be R\$122,085,000.00, at a cap rate of 7.41%.

Semiannual asset reappraisal

In December, the Fund concluded the semiannual reappraisal of its portfolio. The result of this reappraisal, which impacts the financial statements for the month of November, generated an increase in value of R\$86.5 million, corresponding to a 4.5% increase in relation to the previous asset reappraisal.

Events after the reporting period

BFC

Signing of a one-floor lease agreement

In January, one of our tenants at BFC leased an additional floor. The new contract has a 10-year term and was signed with contractual terms that are in line with the region's leasing market, which is already offering favorable conditions for property owners.

Ed. Senado

Payment of a long-term installment

In February, we paid an installment for the Senado building, according to the payment schedule provided in the Material Fact released on August 14, 2018. The amount of R\$152.7 million was paid in-full, without monetary restatements, and corresponded to 46% of the transaction amount of this asset.

Comments on the financial information

The preparation of the interim financial information is not required by the accounting practices adopted in Brazil applicable to real estate investment funds. In line with the practices of the companies listed on B3 and considering BC Fund's current shareholder base, the financial statements for the fourth quarter of 2019 were submitted to a limited audit review by PricewaterhouseCoopers pursuant to Brazilian and international standards for the review of interim financial information.

<i>Financial Highlights (million R\$, unless otherwise indicated)</i>	4Q18	4Q19	Var.	2018	2019	Var.
Lease Revenue	41.0	35.3	(14.0%)	163.7	121.7	(25.7%)
Net Income	37.8	119.0	215.0%	111.1	116.8	5.1%
Net Income per share (R\$ / share)	1.96	5.19	164.3%	5.78	5.10	(11.8%)
Net Income (ex-fair value adj.)	30.4	32.5	6.7%	93.7	(2.9)	n.a.
Net Income (ex-fair value adj.) / share (R\$ / share)	1.58	1.42	(10.5%)	4.87	(0.13)	n.a.
FFO	23.3	27.0	15.7%	84.1	97.6	16.0%
FFO / share (R\$ / share)	1.21	1.18	(2.9%)	4.38	4.26	(2.7%)
Adjusted FFO	23.3	27.0	15.7%	84.1	97.6	16.0%
Adj. FFO / share (R\$ / share)	1.21	1.18	(2.9%)	4.38	4.26	(2.7%)
Total Distribution	20.2	31.0	53.6%	83.9	316.1	276.5%
Total Distribution / share (R\$ / share)	1.05	1.35	28.8%	4.37	13.79	215.8%
Shareholders Equity	2,421.0	2,535.6	4.7%	2,421.0	2,535.6	4.7%
Shareholders Equity / share (R\$ / share)	125.93	110.64	(12.1%)	125.93	110.64	(12.1%)
Gross Debt	426.3	120.0	(71.9%)	426.3	120.0	(71.9%)
Net Debt	63.0	(410.6)	n.a.	63.0	(410.6)	n.a.
Operational Highlights	4Q18	4Q19	Var.	2018	2019	Var.
Portfolio GLA (m2)	229,426	184,450	(19.6%)	229,426	184,450	(19.6%)
Contracted leasing revenue (R\$ million)	13.8	13.3	(4.1%)	13.8	13.3	(4.1%)
Financial Vacancy (EoP)	28.9%	8.0%	(20.9 p.p.)	28.9%	8.0%	(20.9 p.p.)
Delinquency	(0.0%)	0.1%	n.a.	(0.0%)	0.1%	n.a.
Same-Area Rent (SAR)	3.0%	0.9%	(0.7 p.p.)	3.0%	0.9%	(0.7 p.p.)
Leasing Spread	0.7%	(14.0%)	n.a.	(20.8%)	(26.8%)	0.3 p.p.
% of portfolio (in terms of lease revenue)	0.0%	4.1%	n.a.	12.6%	24.5%	0.9 p.p.
Stock Market Highlights	4Q18	4Q19	Var.	2018	2019	Var.
Total Number of Shares	19,224,537	22,918,202	19.2%	19,224,537	22,918,202	19.2%
Market Cap	1,988.0	2,697.5	35.7%	1,988.0	2,697.5	35.7%
Share Price - End of period (R\$ / share)	103.41	117.70	13.8%	103.41	117.70	13.8%
Share Price - Average for the period (R\$ / share)	99.04	98.44	(0.6%)	98.20	96.83	(1.4%)
Average Daily Trading Volume (R\$ million)	2.64	8.00	203.3%	2.92	4.50	53.9%
Number of Shareholders	41,538	84,942	104.5%	41,538	84,942	104.5%
Total Individual Investors	41,331	84,591	104.7%	41,331	84,591	104.7%
Total Institutional Investors	207	351	69.6%	207	351	69.6%
% of shares held by Individual Investors	79.6%	69.9%	(9.7 p.p.)	79.6%	69.9%	(9.7 p.p.)
% of shares held by Institutional Investors	20.4%	30.1%	9.7 p.p.	20.4%	30.1%	9.7 p.p.

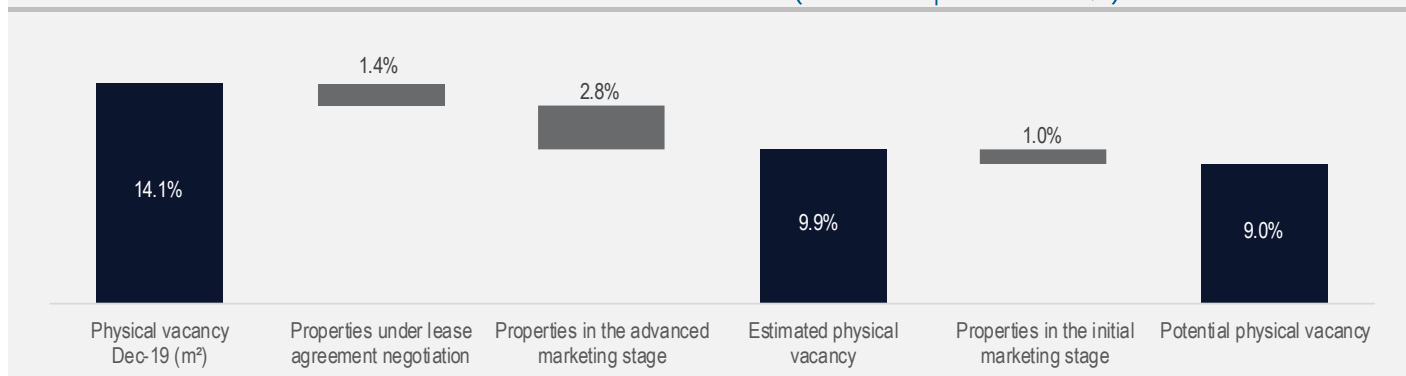
Management Comments

In 2019, we concluded the recycling of our asset portfolio, an effort that was initiated at the end of 2018, and our M&A team also originated and completed three important transactions aimed at diversifying the portfolio and improving the Fund's performance indexes, consequently generating more value to shareholders. We also highlight the sale of selected and mature assets in the portfolio, generating significant capital gain to shareholders with a gross profit distribution of R\$10.57/share after the cash settlement in March and a payment of approximately R\$0.60/share in May. We also note that future income will be calculated and distributed to shareholders as soon as they have been settled, in accordance with the disclosed payment schedule. It is also important to emphasize that we are experiencing improved and more stable political and economic scenarios, with a significant recovery in the real estate market, and thus we believe that opportunities will continue to appear. In view of this, we do not rule out the possibility of issuing new shares in the short/medium term for acquiring well located assets with potential rental growth aimed at increasing the monthly income distributed to shareholders.

In terms of leases, we continued absorbing our remaining premium areas to shareholders during the last quarter. We ended 4Q19 with a 100% occupancy rate of the Eldorado building and a new lease agreement for an additional floor at the BFC building. The BFC building has received high demand for visits and advanced commercial efforts are underway, which should revert to new lease contracts in the coming months. As for the Cenesp building, our asset with the highest commercial challenge, we realized that the end of the fly-to-quality movement and the first signs of the fly-to-price movement resulted in a considerable increase in visits by potential tenants. Additionally, some of the current tenants who had returned leased areas during the economic crisis have demonstrated an inclination to lease new areas as the country's macroeconomic scenario improves. Amidst this context, we ended the year with a financial vacancy of 8.0%, the lowest result since January/15 and with prospects of reducing even further.

The Fund ended the fourth quarter of 2019 with a physical vacancy of 14.1% of the portfolio, lower than in 3Q19 due to new lease agreements in the Eldorado and BFC buildings. In December, 1.4% of the Fund's properties were in the process of exchanging advanced lease agreement drafts ("Properties at the negotiation stage of commercialization") and 2.8% of the assets in advanced commercialization stages, that is, still not ready to exchange lease agreement drafts, but already defining the commercial conditions for a potential lease ("Properties at an advanced stage of commercialization"). In this sense, considering properties at the negotiation stage of commercialization and at the advanced stage of commercialization, the Fund's vacancy rate would drop to 9.9% ("Estimated physical vacancy"). It should also be mentioned that 1.0% of the Fund's properties are in the initial stage of commercialization ("Properties in the initial stage of commercialization"). If these Properties in the initial stage of commercialization are also effectively leased, the Fund's vacancy rate would drop to 9.0% ("Potential physical vacancy"). This scenario is presented below.

Commercialization of vacant area (m² of the portfolio in %)



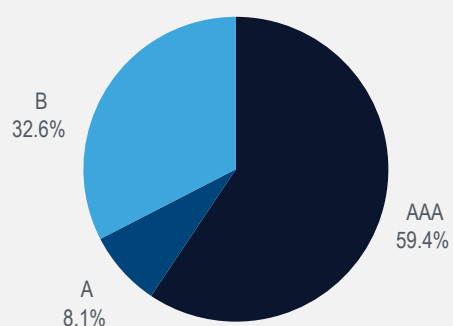
Operational performance

Breakdown of the asset portfolio

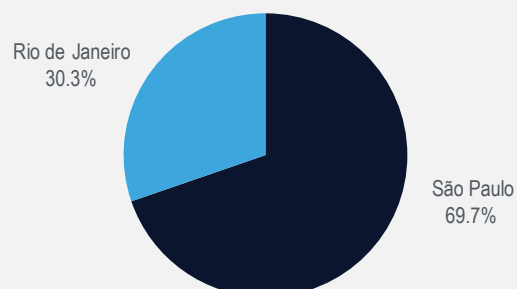
At the end of the quarter, the portfolio's GLA corresponded to 184,450 m², increasing by 4.3% compared to 3Q19 due to the acquisition of standalone units at the Torre Sucupira building in November.

Asset portfolio (based on contracted leasing revenue in Dec/2019)

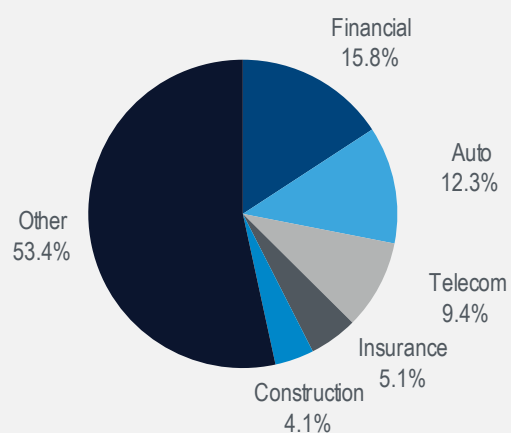
By asset type



By location



By tenants' sector of activity



By tenant concentration

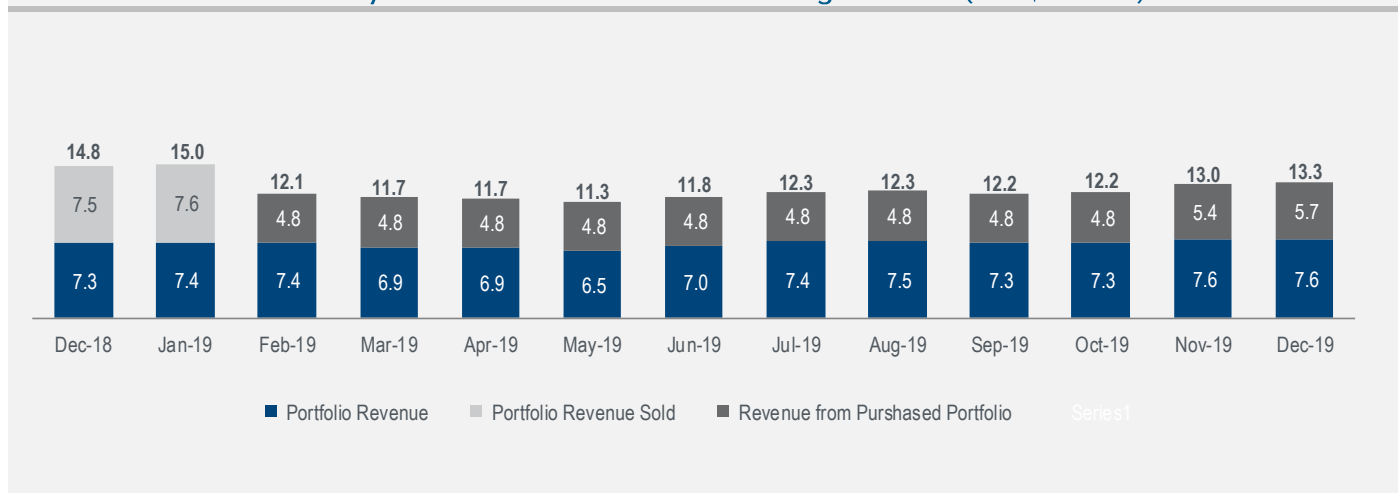
- In December 2019, the Fund's main tenant accounted for approximately 19.8% of contracted leasing revenue, with an atypical lease agreement.
- A relevant portion of GLA concentration in Rio de Janeiro is due to the exposure of an atypical lease agreement.
- In December 2019, the Fund had 60 lease agreements.

Contracted Leasing Revenue

The monthly contracted leasing revenue totaled R\$13.3 million in December 2019, down by 10.2% compared to December 2018, mainly due to the reduction in the Fund's GLA resulting from the Brookfield transaction in February.

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

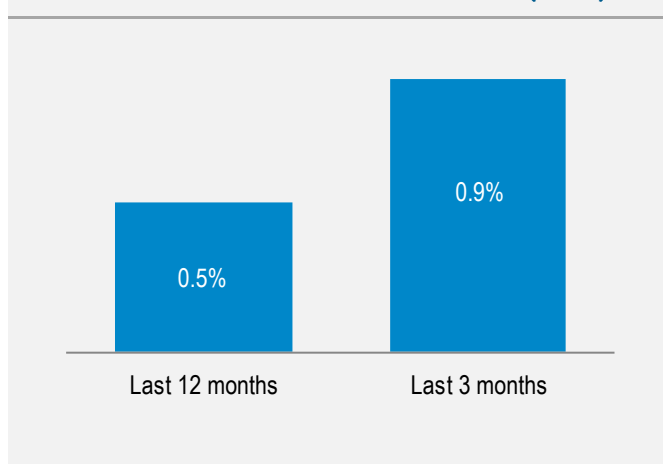
Monthly evolution of contracted leasing revenue (in R\$ million)



In 4Q19, same tenant contracted revenue registered a nominal increase of 0.5% YoY in 4Q18. Compared to 3Q19, same tenant contracted revenue increased by 0.9%.

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

Variation of Same Tenant Rent (STR)

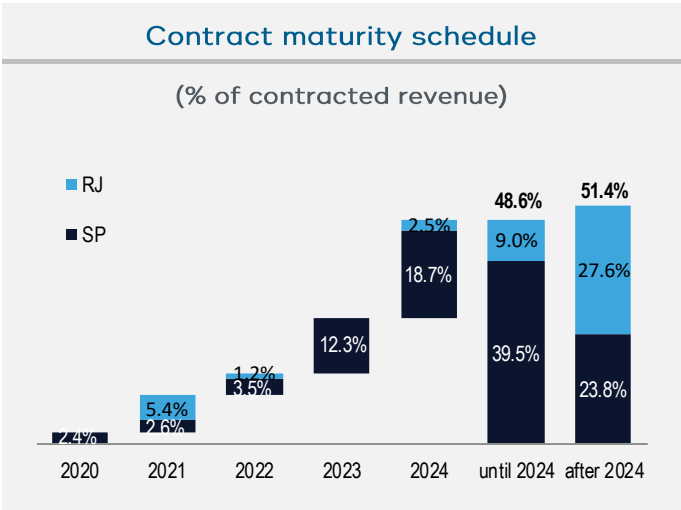
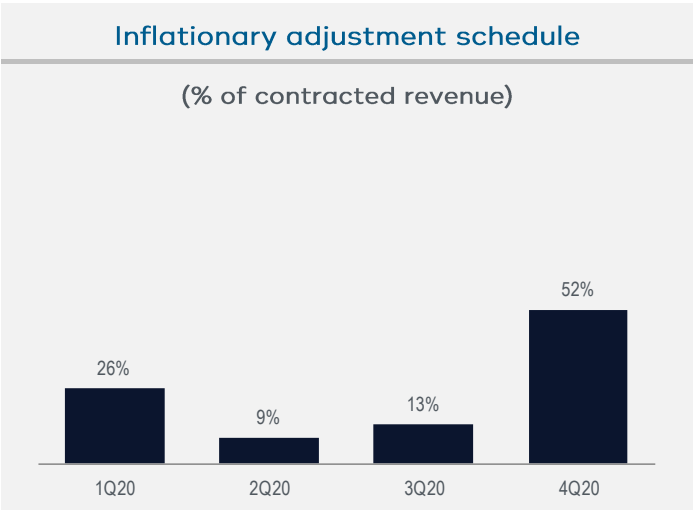
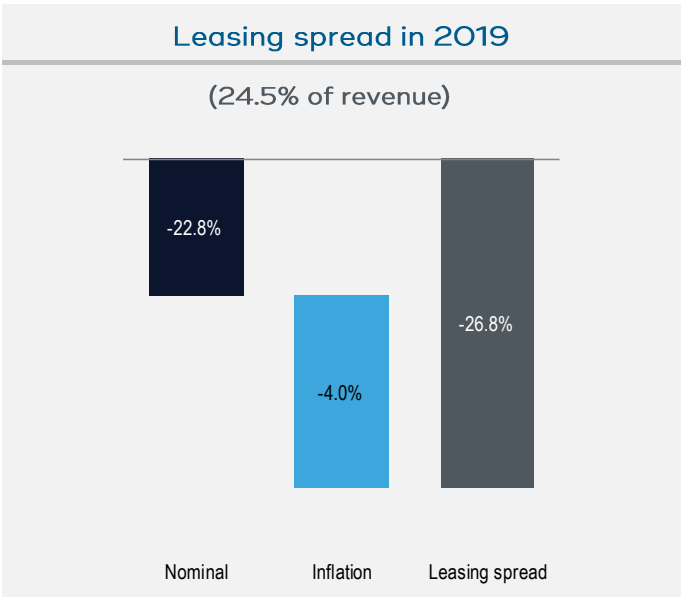
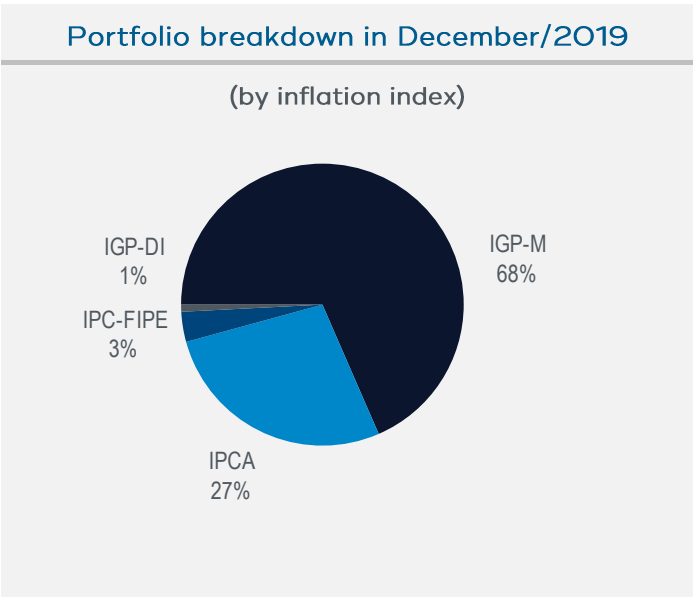


Renewals and Reviews

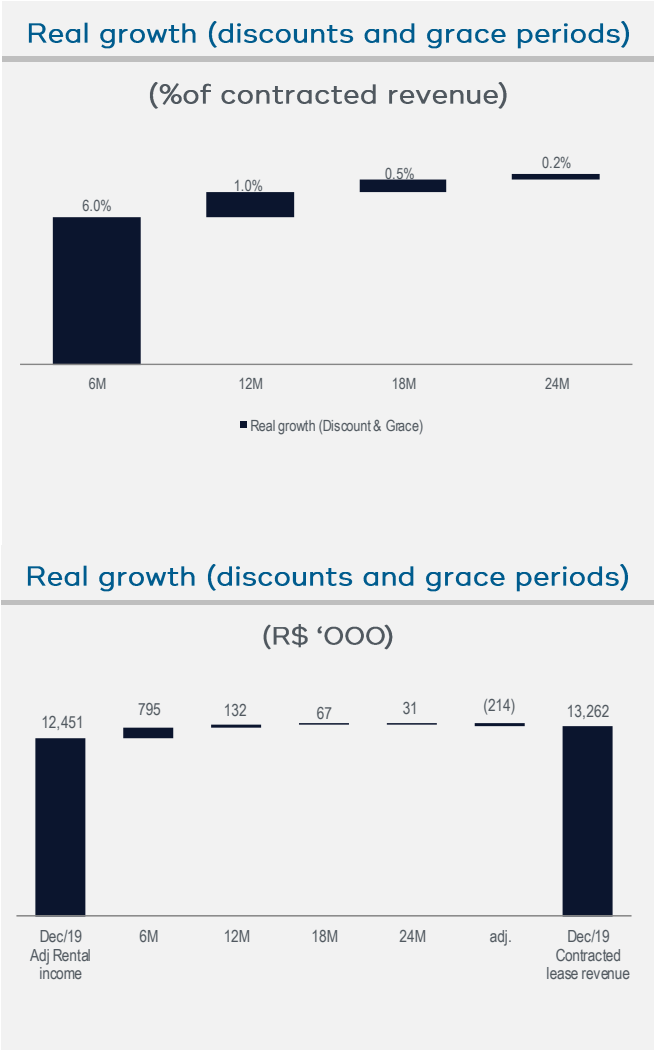
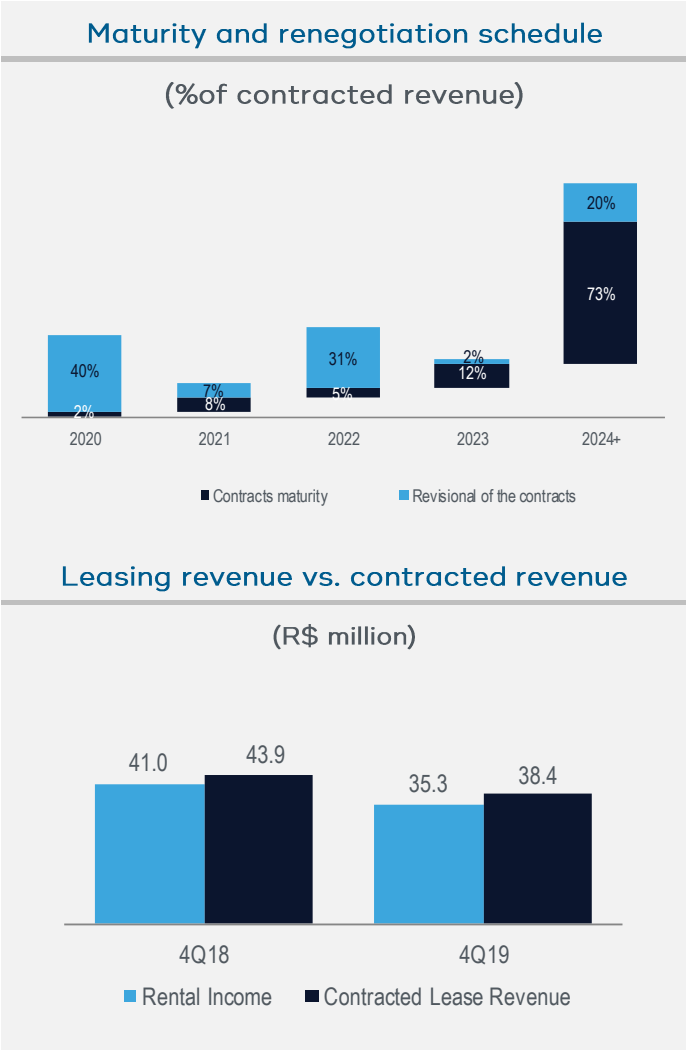
The equivalent of 24.5% of contracted leasing revenues were renewed, reviewed or came from new leases in 2019, resulting in a nominal reduction of 22.8%. resulting in a nominal reduction of -26.8%.

Leasing spread was mainly impacted by the renegotiation of tenant agreements at the Cenesp building and new lease agreements replacing contracts that were outdated for the current market conditions for the region.

Only 2.0% of the Fund’s agreements matured by the end of 2019 and 5.7% by the end of 2020.



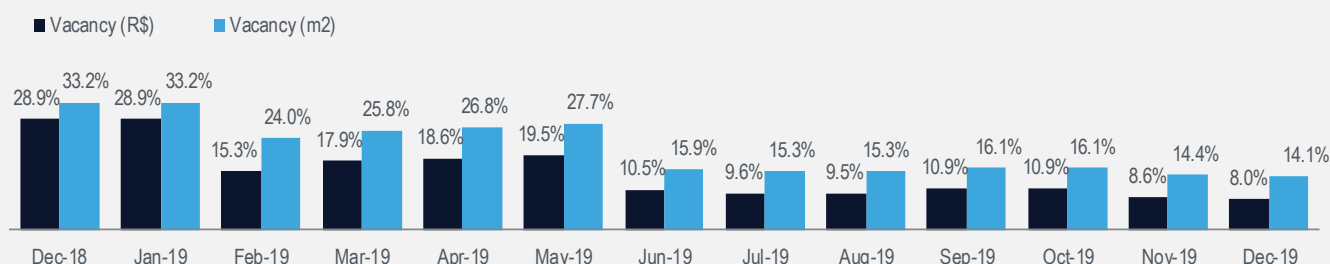
As a result of the new leases and in line with market practices, discounts or grace periods were granted to new tenants. The Fund should be impacted in the coming quarters by the conversion of contracted revenue into leasing revenue from newly closed agreements and it is estimated that, in the next 6 months, 6.0% of the current contracted revenue will be converted into leasing revenue due to the expiration of such discounts and grace periods.



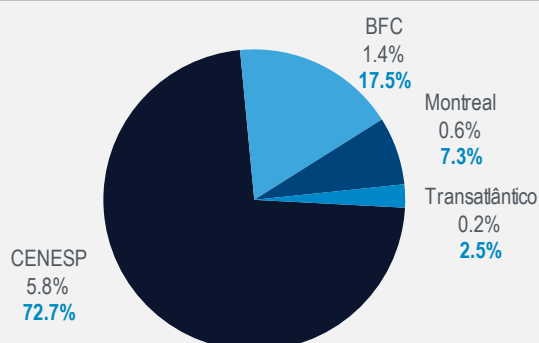
Vacancy

Financial vacancy was 8.0% at the end of 2019, lower than in 3Q19 due to the entry of new tenants at the Eldorado and BFC buildings. At the end of the quarter, the vacant areas corresponded to 21,874m² at Cenesp, 1,938m² at BFC, 1,938m² at Eldorado, 1,753m² at Montreal and 525m² at Transatlântico.

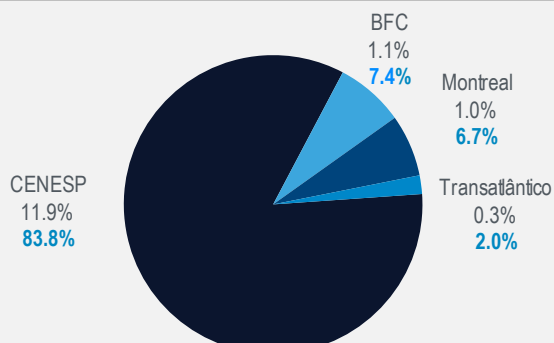
Portfolio's physical and financial vacancy



Breakdown of financial vacancy



Breakdown of physical vacancy



Delinquency

Given the high quality of our portfolio and tenants, the delinquency rate has always been historically low. However, at the end 4Q19, provisions for doubtful accounts remained at R\$5.5 million for yet another quarter, most of which refers to a tenant who disagrees with the amounts for the contract renewal, with this difference in rent amount as default. We reiterate that the Fund has been taking the necessary measures to refund this amount in the contract renewal.

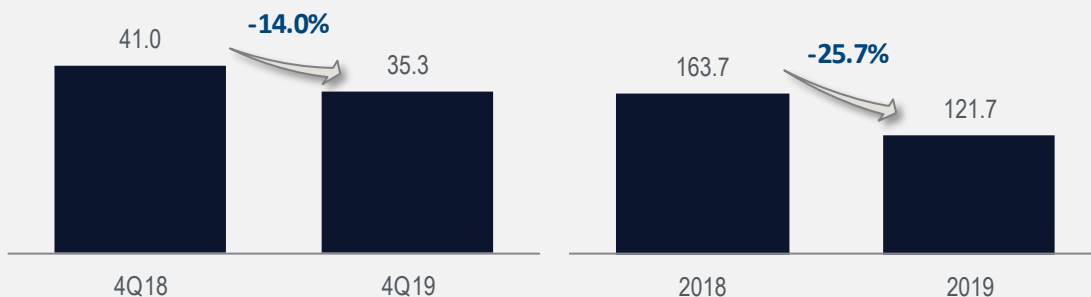
Financial Performance

Revenue

Revenue from investment properties, which includes leasing revenues, in addition to fines and interest received in the period, totaled R\$121.3 million in 4Q19 and R\$1,590.5 million in 2019. The main events that impacted revenue were:

- The decrease in leasing revenue, as a result of the reduction in the portfolio GLA after the acquisition and sale of assets in February;
- The semiannual reappraisal of the portfolio's assets, in May and November, which generated a positive effect in 2019 (R\$119.7 million).

Leasing revenue (R\$ million) ⁽¹⁾



(in R\$ '000)	4Q18	4Q19	Var.	2018	2019	Var.
Revenue from properties	47,381	121,325	156.1%	176,791	1,590,531	799.7%
Rental income	41,012	35,290	(14.0%)	163,706	121,651	(25.7%)
(-) Provision - receivables	8	(18)	n.a.	(2,867)	633	n.a.
Fines and interest received	157	47	(70.1%)	1,901	1,084	(43.0%)
Adjustment to fair value	7,331	86,500	1079.9%	17,458	119,737	585.9%
Sale of property	-	-	n.a.	-	1,349,036	n.a.
Discounts granted	(1,127)	(494)	(56.2%)	(3,407)	(1,610)	(52.7%)

Note:

(1) No distinction is made between gross and net revenue, since there is no taxation on leasing revenue or on capital gains on the sale and/or reappraisal of assets.

Costs and Expenses

(in R\$ '000)	4Q18	4Q19	Var.	2018	2019	Var.
Cost of Investment properties	-	-	n.a.	-	(1,454,734)	n.a.
Cost of sold investment properties	-	-	n.a.	-	(980,574)	n.a.
Reversal of adjustment at fair value of sold investment properties	-	-	n.a.	-	(474,160)	n.a.
Expenses over Properties	(3,914)	(2,429)	(37.9%)	(19,623)	(11,838)	(39.7%)
Comissions	(95)	(373)	292.6%	(1,744)	(932)	(46.6%)
Management of properties expenses	(24)	(90)	275.0%	(228)	(252)	10.5%
Condominium expenses	(3,448)	(1,153)	(66.6%)	(16,708)	(9,043)	(45.9%)
Maintenance	(347)	(813)	134.3%	(943)	(1,611)	70.8%
G&A	(9,332)	(6,422)	(31.2%)	(36,261)	(18,278)	(49.6%)
Consulting/Management fee	(5,658)	(6,166)	9.0%	(22,467)	(22,699)	1.0%
Administration fee - Fund	(1,345)	(1,607)	19.5%	(5,076)	(6,050)	19.2%
Property tax expenses	5,721	(679)	n.a.	-	(2,925)	n.a.
Other operating expenses	(8,050)	2,030	n.a.	(8,718)	13,396	n.a.

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

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

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

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

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

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

- Other operating expenses/revenues are related to sundry expenses, such as utility bills related to the vacant areas, CVM inspection fees, custody expenses, B3, auditing, revaluation of assets, various taxes, legal advice services, notary fees and others.

Financial Result

(in R\$ '000)	4Q18	4Q19	Var.	2018	2019	Var.
Interest and inflation indexation on liabilities	(9,349)	(2,725)	(70.9%)	(37,401)	(21,833)	(41.6%)
Interest	(9,349)	(2,725)	(70.9%)	(37,401)	(21,833)	(41.6%)
Profit from real-estate financial assets	5,808	9,870	69.9%	21,564	30,788	42.8%
Income from Mortgage Backed Securities (CRIs)	2,527	2,133	(15.6%)	10,460	9,622	(8.0%)
Income from Mortgage Notes (LCIs)	1,439	-	n.a.	6,586	1,118	(83.0%)
Income from FII shares	1,852	927	(49.9%)	4,725	4,079	(13.7%)
Gains on sale / MTM - CRI and other FII shares	(10)	6,810	n.a.	(207)	15,969	n.a.
Other financial assets	605	1,578	160.8%	1,656	5,647	241.0%
Income from fixed-income fund shares	782	2,079	165.9%	2,088	6,948	232.8%
Expenses from income tax on financial investments	(177)	(501)	183.1%	(432)	(1,301)	201.2%
Financial income	(2,936)	8,723	n.a.	(14,181)	14,602	n.a.

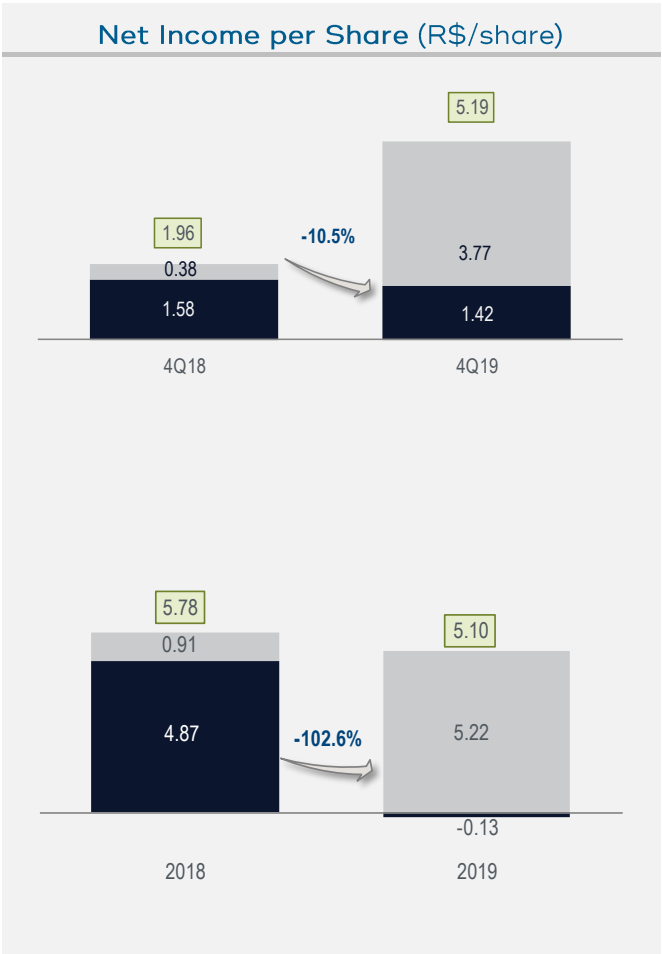
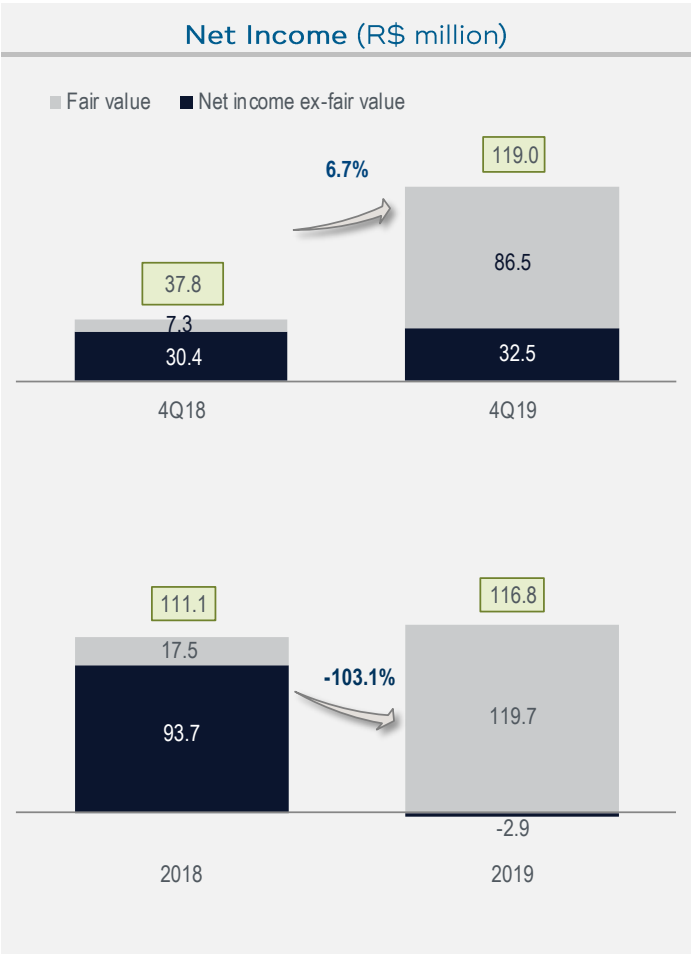
Interest expenses related to funding and acquisitions totaled R\$2.7 million in 4Q19, 70.9% lower than the same period in 2019, due to the pre-payment of liabilities related to the Eldorado and BFC buildings.

In 4Q19, financial revenues increased by 69.9% over the same period in 2018, mainly due to the market adjustments of FII shares.

Net Income

Net income totaled R\$119.0 million (R\$5.19/share) in 4Q19, a growth that is mainly explained by the reappraisal of assets carried out in November 2019. Excluding the effects from the reappraisal, net income in the quarter was R\$32.5 million (R\$1.42/share).

In 2019, net income totaled R\$116.8 million, or R\$5.10/share. Excluding the effects from the two reappraisals done in 2019, the adjusted net income in 2019 was 103.1% lower than in 2018, totaling a negative amount (net loss) of R\$2.9 million, or -R\$0.13/share.



FFO and Adjusted FFO

The Fund's FFO totaled R\$97.6 million in 2019, an increase of 16.0% compared to 2018. FFO is not a measure recognized by accounting practices adopted in Brazil and its methodology may vary in comparison with other companies. The main items that influenced FFO this quarter, based on net income, were:

- The semiannual reappraisal of assets;
- Results from the sale of assets;

The Fund's Management believes that the accounting effect of the monetary restatement of liabilities has no cash effect. Therefore, for the analysis of cash flow of operations, managers use adjusted FFO (FFO minus non-cash effects on liabilities). In 4Q19, non-cash financial expenses were not relevant and adjusted FFO totaled R\$27.0 million, or R\$1.18/share, 15.7% higher than the same period in 2018.

<i>(in R\$ '000, unless otherwise indicated)</i>	4Q18	4Q19	Var.	2018	2019	Var.
Net income	37,774	118,997	215.0%	111,141	116,847	5.1%
(-) Adjustment at fair value	(7,331)	(86,500)	1079.9%	(17,458)	(119,737)	585.9%
(-) Gains in the sale of properties	-	-	n.a.	-	105,698	n.a.
(-) Gains on sale / MTM - CRI and other FII shares	(3,665)	(6,828)	86.3%	662	(15,999)	n.a.
(+) Non-recurring expenses	(3,490)	1,284	n.a.	(10,197)	10,769	n.a.
(=) FFO	23,288	26,953	15.7%	84,148	97,578	16.0%
FFO / share (R\$ / share)	1.21	1.18	(2.9%)	4.38	4.26	(2.7%)
(+) Non-cash financial expenses	-	-	n.a.	-	-	n.a.
(=) Adjusted FFO	23,288	26,953	15.7%	84,148	97,578	16.0%
Adjusted FFO / share (R\$ / share)	1.21	1.18	(2.9%)	4.38	4.26	(2.7%)

Debt and Cash

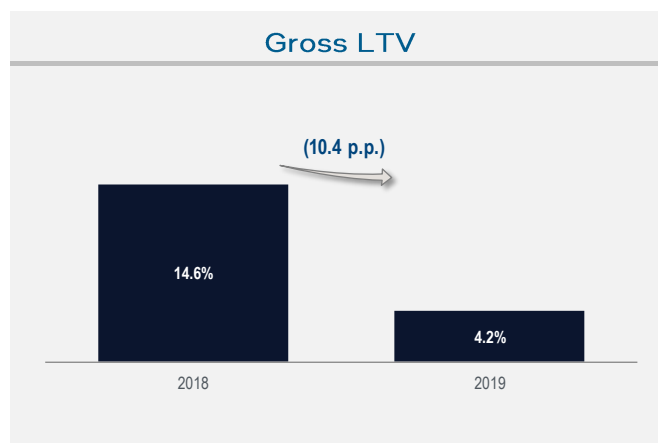
Liabilities from acquisition of properties and fundraising totaled R\$120.0 million at the end of 4Q19, while cash and cash equivalents totaled R\$339.0 million.

(in R\$ '000)	Cost	Orig. Term	Maturity	3Q19	4Q19
Liabilities from acquisition of properties				120,000	120,000
Cidade Jardim	IPCA + 6,55% p.a.	6 years	Jul/2023	120,000	120,000
Liabilities from funding				-	-
Gross Debt				120,000	120,000
(-) Cash and Financial investments				(276,486)	(461,242)
(-) Shares of Other FIs (Market)				(62,524)	(69,337)
Net Debt				(219,010)	(410,579)

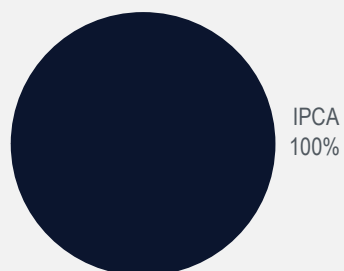
Leverage remained at a comfortable level in December 2019, with gross LTV of 4.2% and net LTV of -14.4% (the Fund must maintain its net LTV below 30.0%).

All the Fund's liabilities are adjusted by fixed rates tied to the IPCA index.

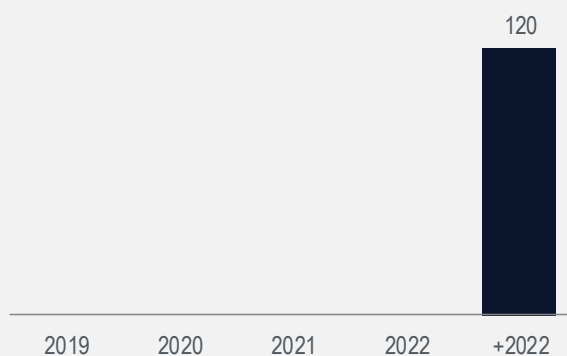
It is worth noting that with the conclusion of the asset purchase and sale transaction with Brookfield, The Fund also hired a new debt instrument for the acquisition of the Cidade Jardim building, with principal payment only upon maturity, in July 2023.



Adjustment index



Amortization schedule (R\$ million)

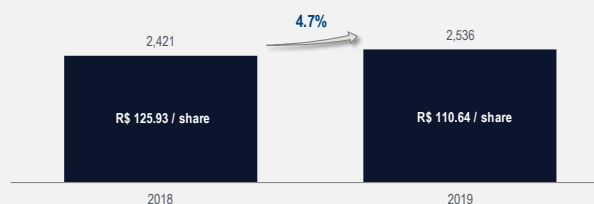


Shareholders' equity

Shareholders' equity totaled R\$2.5 billion in 4Q19, increasing by 4.7% YoY in 4Q18.

The book value per share dropped from R\$125.93/share in December 2018 to R\$110.64/share at the end of December 2019.

Evolution of shareholders' equity (R\$ million)

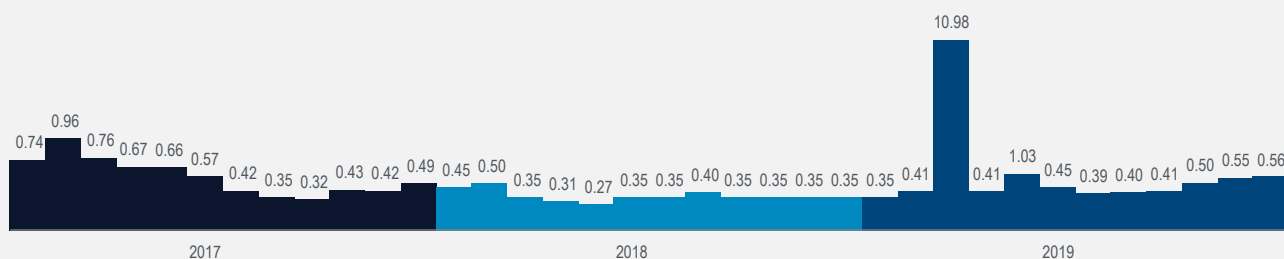


Payout

In 2019, the average amount distributed per share was R\$1.15/share/month, representing a payout ratio by the Fund of R\$13.79/share during the year. The total amount distributed in the period was R\$361.1 million.

It is also worth noting that in May 2016 the Fund distributed earnings and amortized shares in the total amount of R\$400 million. After this payout, the Fund, pursuant to its regulations, began to pay out at least 95% of its earnings calculated on a cash basis. In order to mitigate the volatility inherent to this regime, which may suffer significant impacts from late payments, fines and non-recurring expenses, vis-a-vis the distribution previously conducted by the Fund corresponding to R\$1.01/share, we are distributing monthly income based on the weighted moving average of the Fund's Adjusted FFO for the six-month period and adjusting the cash effect in the last month of the current six-month period.

Monthly payout and amortization evolution (R\$/share/month)

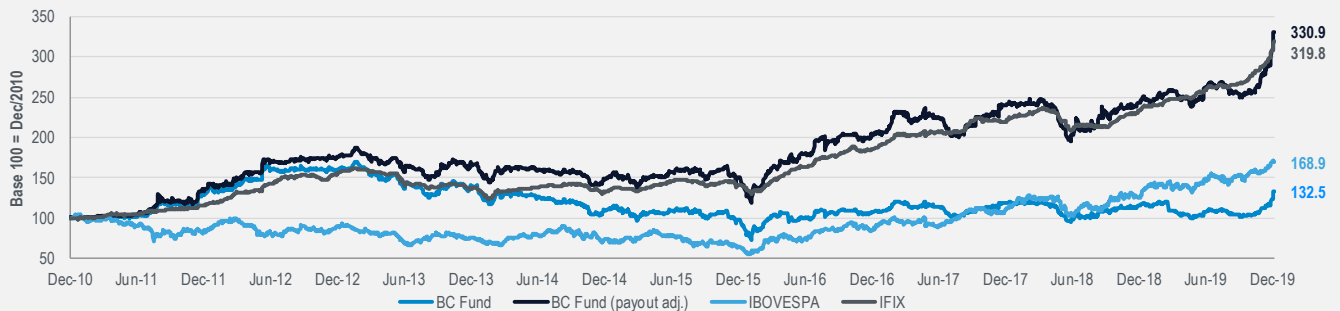


Capital Markets

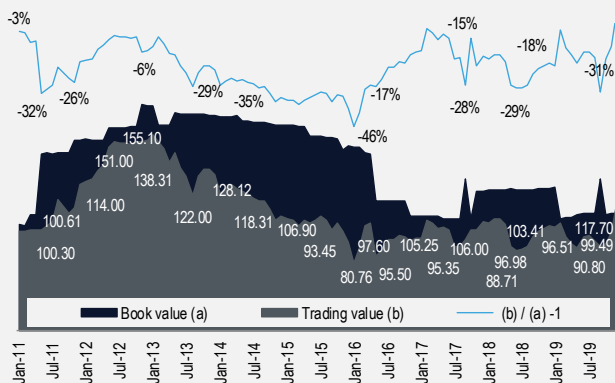
In the last 12 and 24 months (base of December/2019), the profitability of BC Fund's shares (BRCR11), considering distributed earnings and the share value, was 34.4% and 37.0%, respectively. In the same periods, the IFIX varied by 36.0% and 43.6%, respectively.

In the quarter, share profitability was negative by 31.8%, while Ibovespa and IFIX varied by 10.4% and 19.1%, respectively.

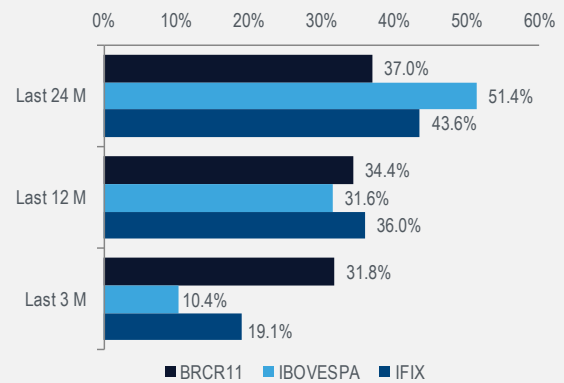
Share performance (Base 100 – December/2010)



Book value vs. Market value



Returns in the last 3, 12 and 24 months (Dec/19)



The share's closing price of R\$117.70 on December 30, 2019 represented:

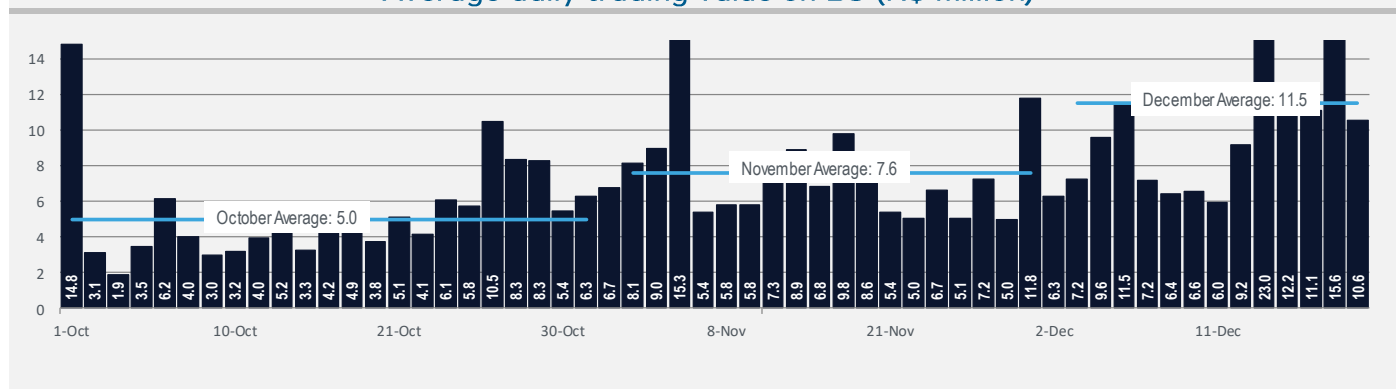
- A 6.4% increase over the book value per share.
- Distribution of annualized earnings of 5.9% p.a.
- Implied portfolio cap rate of 6.8% (considering contracted revenue in Dec/19). Considering potential revenue from vacant areas, the implied cap rate is 7.4%.
- Average GLA of R\$12,734/m².

Valuation at market prices

		Dec-19	Dec-18
NAV / share	[R\$ / share]	110.64	125.93
Share price	[R\$ / share]	117.70	103.41
Discount to NAV	[%]	6.4%	(17.9%)
Monthly payout	[R\$ / share]	0.56	0.35
Monthly profitability	[% p.m.]	0.48%	0.34%
Annual profitability (linear)	[% p.a.]	5.7%	4.1%
Annualized profitability	[% p.a.]	5.9%	4.1%
Shares outstanding	[#]	22,918,202	19,224,537
Market cap	[R\$ mn]	2,697.5	1,988.0
Net debt (Cash)	[R\$ mn]	(410.6)	63.0
Minorities stake	[R\$ mn]	61.8	60.9
Enterprise Value	[R\$ mn]	2,348.7	2,111.9
Contracted lease	[R\$ mn]	13.3	13.8
Implied Cap rate	[%]	6.8%	7.9%
Cap rate with vacant areas	[%]	7.4%	11.1%
Portfolio GLA	[m2]	184,450	229,426
Average per m2	[R\$ / m2]	12,734	9,205

In the fourth quarter of 2019, BRCR11's average daily traded volume was R\$8.0 million.

Average daily trading value on B3 (R\$ million)



Consolidated Financial Statements

Consolidated Income Statement

(R\$ '000)	4Q18	4Q19	Var.	2018	2019	Var.
Investment properties	47,381	121,325	156.1%	176,791	1,590,531	799.7%
Rental income	41,012	35,290	(14.0%)	163,706	121,651	(25.7%)
(-) Provision for impairment of trade receivables	8	(18)	n.a.	(2,867)	633	n.a.
Income from fines and interest received	157	47	(70.1%)	1,901	1,084	(43.0%)
Revenue from the sale of investment property	-	-	n.a.	-	1,349,036	n.a.
Discounts granted	(1,127)	(494)	(56.2%)	(3,407)	(1,610)	(52.7%)
Adjustment to fair value	7,331	86,500	1079.9%	17,458	119,737	585.9%
Cost of Investment properties	-	-	n.a.	-	(1,454,734)	n.a.
Cost of sold investment properties	-	-	n.a.	-	(980,574)	n.a.
Reversal of adjustment at fair value of sold investment properties	-	-	n.a.	-	(474,160)	n.a.
Interest and inflation indexation on liabilities	(9,349)	(2,725)	(70.9%)	(37,401)	(21,833)	(41.6%)
Interest on liabilities from acquisition of properties	(9,349)	(2,725)	(70.9%)	(37,401)	(21,833)	(41.6%)
Expenses over Properties	(3,914)	(2,429)	(37.9%)	(19,623)	(11,838)	(39.7%)
Commissions	(95)	(373)	292.6%	(1,744)	(932)	(46.6%)
Administration fee - property	(24)	(90)	275.0%	(228)	(252)	10.5%
Condominium expenses	(3,448)	(1,153)	(66.6%)	(16,708)	(9,043)	(45.9%)
Maintenance	(347)	(813)	134.3%	(943)	(1,611)	70.8%
Profit from investment properties	34,118	116,171	240.5%	119,767	102,126	(14.7%)
Income from Mortgage Backed Securities (CRIs)	2,527	2,133	n.a.	10,460	9,622	(8.0%)
Income from Mortgage Notes (LCI)	1,439	-	n.a.	6,586	1,118	(83.0%)
Income from FII shares	1,852	927	(49.9%)	4,725	4,079	(13.7%)
Adjustment to market value of other FII shares	(10)	6,810	n.a.	(207)	15,969	n.a.
Adjustment to fair value (CRI)	3,675	18	n.a.	-	30	n.a.
Profit from real-estate financial assets	9,483	9,888	4.3%	21,109	30,818	46.0%
Profit from real-estate activities	43,601	126,059	189.1%	140,876	132,944	(5.6%)
Income from fixed-income fund shares	782	2,079	165.9%	2,088	6,948	232.8%
Expenses from income tax on financial investments	(177)	(501)	183.1%	(432)	(1,301)	201.2%
Other financial assets	605	1,578	160.8%	1,656	5,647	241.0%
Management expenses	(5,658)	(6,166)	9.0%	(22,467)	(22,699)	1.0%
Administration fee - Fund	(1,345)	(1,607)	19.5%	(5,076)	(6,050)	19.2%
Property tax expenses	5,721	(679)	n.a.	-	(2,925)	n.a.
Other operating expenses	(8,050)	2,030	n.a.	(8,718)	13,396	n.a.
Operating income (expenses)	(9,332)	(6,422)	(31.2%)	(36,261)	(18,278)	(49.6%)
Profit for the period (before minorities)	34,874	121,215	247.6%	106,271	120,313	13.2%
Minorities' stake	2,900	(2,218)	n.a.	4,870	(3,466)	n.a.
Net income	37,774	118,997	215.0%	111,141	116,847	5.1%
Number of shares	19,224,537	22,918,202	19.2%	19,224,537	22,918,202	19.2%
Earnings per share - R\$	1.96	5.19	164.3%	5.78	5.10	(11.8%)

Consolidated Balance Sheet

ASSETS (R\$ '000)	2018	% over Total Assets	2019	% over Total Assets	Var.
Current assets	336,133	11.2%	702,137	24.1%	108.9%
Financial investments	292,508	9.8%	462,204	15.8%	58.0%
Rentals receivables	34,809	1.2%	23,049	0.8%	(33.8%)
Other assets	8,816	0.3%	2,534	0.1%	(71.3%)
Receivable on sale of real estate	-	0.0%	214,350	7.3%	n.a.
Non-current assets	70,363	2.3%	69,337	2.4%	(1.5%)
Financial investments	70,363	2.3%	69,337	2.4%	(1.5%)
Investment properties	2,587,684	86.4%	2,145,371	73.6%	(17.1%)
Buildings	2,587,684	86.4%	2,145,371	73.6%	(17.1%)
TOTAL ASSETS	2,994,180	100.0%	2,916,845	100.0%	(2.6%)
LIABILITIES AND EQUITY (R\$ '000)	2018	% over liabilities and	2019	% over liabilities and	Var.
Current liabilities	274,257	9.2%	202,842	7.0%	(26.0%)
Income to be distributed	16,947	0.6%	27,004	0.9%	59.3%
Taxes and contributions payable	4	0.0%	10	0.0%	150.0%
Provisions and trade payable	37,263	1.2%	15,430	0.5%	(58.6%)
Liabilities from acquisition of properties	220,043	7.3%	160,398	5.5%	(27.1%)
Non-current liabilities	237,981	7.9%	116,553	4.0%	(51.0%)
Provisions and trade payable	20,907	0.7%	81	0.0%	(99.6%)
Liabilities from funds in guarantee	8,331	0.3%	3,496	0.1%	(58.0%)
Liabilities from acquisition of properties	208,743	7.0%	112,976	3.9%	(45.9%)
TOTAL LIABILITIES	512,238	17.1%	319,395	11.0%	(37.6%)
Equity	2,421,012	80.9%	2,535,613	86.9%	4.7%
Paid-up shares	1,659,669	55.4%	1,999,486	68.5%	20.5%
Shares placement expenses	(38,806)	(1.3%)	(48,058)	(1.6%)	23.8%
Reserve for contingencies	16,755	0.6%	9,154	0.3%	(45.4%)
Carrying value adjustment to fair value	639,105	21.3%	508,371	17.4%	(20.5%)
Accumulated profit	144,289	4.8%	66,660	2.3%	(53.8%)
Minority Stake	60,930	2.0%	61,837	2.1%	1.5%
TOTAL LIABILITIES AND EQUITY	2,994,180	100.0%	2,916,845	100.0%	(2.6%)

Consolidated Cash Flow

(R\$ '000)	2018	2019	Var %
Receipt of net rental revenues	78,342	95,344	21.7%
Receipt of fines and interest	584	410	(29.8%)
Receipt of demobilization	-	-	n.a.
Payment of commissions	(1,358)	(732)	(46.1%)
Payment/Reimbursement of IPTU	(1,188)	(177)	(85.1%)
Payments of consulting expenses	(813)	(564)	(30.6%)
Payments of management fee	(20,962)	(20,677)	(1.4%)
Payment of legal advice	(362)	(1,276)	252.5%
Payments of administration expenses - Fund	(3,497)	(4,617)	32.0%
Payments of administration expenses - Property	(300)	(242)	(19.3%)
Payment of condominium expenses	(2,513)	(1,253)	(50.1%)
Payment of maintenance and repair expenses	(922)	(1,562)	69.4%
Payment of tax expenses (IR on financial revenues)	(102)	(846)	729.4%
General payments	(2,357)	1,635	n.a.
Cash flows from operating activities	44,552	65,443	46.9%
Application for fund units fixed income and debenture	536	4,881	810.6%
Amortization of unconsolidated controlled entity	-	282,303	n.a.
Acquisition of rental properties (improvements and registration costs)	(32)	(386,002)	1206156.3%
Sale of rental properties	15,000	537,200	3481.3%
Acquisition of LCI	23,896	-	n.a.
Redemption of LCI	-	97,822	n.a.
Acquisition of CRI	-	701	n.a.
Acquisition of unconsolidated controlled entity	(9,251)	(254,075)	2646.5%
Acquisition/Sale of FII shares	5,963	10,171	70.6%
Receipt of income from real estate funds invested	4,318	3,843	(11.0%)
Income from unconsolidated controlled entity	33,755	84,562	150.5%
Property improvements	(124)	(140)	12.9%
Amortization of mortgage backed securities	10,356	9,731	(6.0%)
Cash flows from investing activities	84,417	390,997	363.2%
Payment of interest and monetary restatement over term acquisition	(18,264)	(9,349)	(48.8%)
Payment of principal for liabilities from acquisition of properties	(22,993)	(189,140)	722.6%
Profits distributed	(83,927)	(316,071)	276.6%
Income Tax Withheld at Source (IRRF) paid	-	6	n.a.
Income from CCI	-	25,198	n.a.
Payment for CCI	-	(25,432)	n.a.
Net cash used in financing activities	(125,184)	(184,180)	47.1%
Changes in cash and cash equivalents	3,785	272,260	

Annex A – Asset Portfolio



Eldorado
São Paulo - SP
Area: 22.246 m²



BFC
São Paulo - SP
Area: 10.657 m²



Senado
Rio de Janeiro - RJ
Area: 19.262 m²



Cidade Jardim
São Paulo - SP
Area: 7.458 m²



Cenesp
São Paulo - SP
Area: 64.480 m²



Volkswagen
São Paulo - SP
Area: 12.560 m²



Burity
São Paulo - SP
Area: 10.550 m²



Transatlântico
São Paulo - SP
Area: 4.208 m²



Montreal
Rio de Janeiro - RJ
Area: 6.439 m²



MV9
Rio de Janeiro - RJ
Area: 15.174 m²



CEO Office
Rio de Janeiro - RJ
Area: 4.782 m²



Sucupira
São Paulo - SP
Area: 7.534 m²

Annex B – About the Fund

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

BC Fund's current portfolio comprises of 12 Grade AAA and A-class office buildings located in São Paulo and Rio de Janeiro, leased to a variety of renowned national and multinational companies such as WeWork, Volkswagen, LinkedIn, Petrobras, among others. BC Fund seeks, through its equity stake in each asset, to actively participate in the management of its properties, in order to make them more attractive for occupancy by current and future tenants, as well as ensure they are updated and modern. In addition, BC Fund has investments in other assets, such as shares of other Real Estate Investment Funds (FII), Mortgage Notes (LCI) and Mortgage-Backed Securities (CRI), whose earnings are tax-exempt.

BC Fund's active management policy is based on four pillars: (i) the efficient renegotiation of lease agreements to market value in the minimum intervals permitted by law; (ii) investments in property expansions, improvements and retrofits in order to obtain higher leasing revenue and lower vacancy rates; (iii) the efficient recycling of the portfolio in order to increase revenue and generate capital gains; and (iv) positive leverage in the acquisition of new properties

and/or shares of other real estate investment funds, ensuring greater flexibility in regard to managing cash reserves and maximizing shareholder returns.

FII's are structured investment vehicles whose primary purpose is to invest in the real estate sector in order to foment and develop the sector. One of the main advantages of investing in an FII is 100% exemption from revenue and income taxes on real estate backed assets, ensuring potentially higher revenue than companies operating in the same sector, which are generally subject to revenue tax of 9.25% and a real income tax rate of 34%. Furthermore, FII payouts to individual investors are also tax exempt, provided certain legal requirements are met.

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

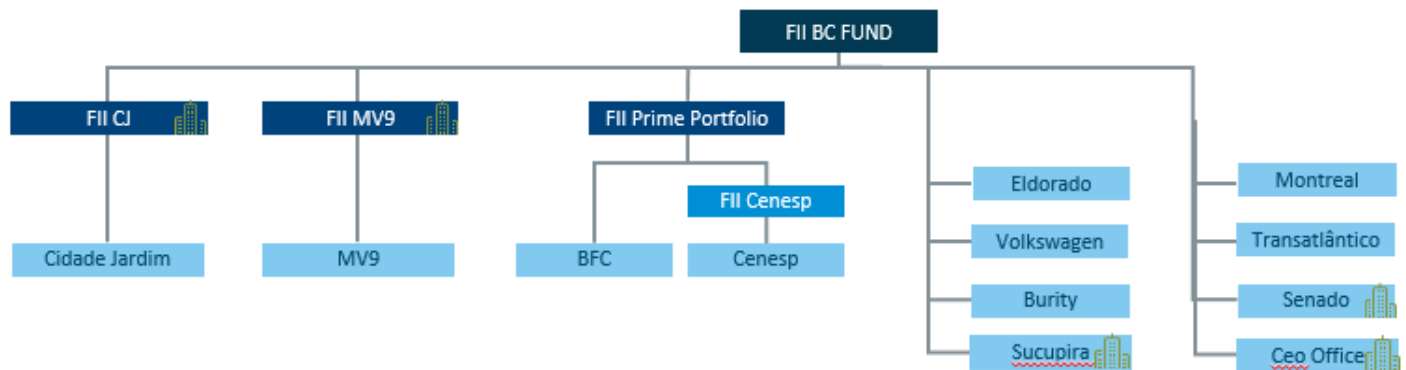
The Fund's monthly payout policy reflects management's strategic decisions, based on the macroeconomic scenario in Brazil and the prospects for the real estate sector. In 2016, when the market signaled falling interest rates, the Fund reduced its cash through capital amortization and changed its monthly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

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

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

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

BC Fund's Organizational Structure



Annex C – Glossary

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

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

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

CDB: *Certificado de Depósito Bancário* (Certificate of Deposit).

CRI: *Certificado de Recebíveis Imobiliários* (Mortgage-Backed Securities).

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

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

LCI: *Letra de Crédito Imobiliário* (Mortgage Notes).

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

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

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

IGP-M: *Índice Geral de Preços de Mercado*: General Market Price Index, calculated and published by Fundação Getulio Vargas on a monthly basis.

IPCA: *Índice Nacional de Preços ao Consumidor Amplo*: Broad Consumer Price Index, announced by the IBGE (Brazilian Institute of Geography and Statistics) on a monthly basis.

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

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

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

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

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

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