

CASE: REAL ESTATE PROPERTY DEVELOPMENT

IGUATEMI ESPLANADA: THRIVING MULTI-USE COMPLEX DEVELOPED THROUGH M&A AND GREENFIELD OPERATIONS

In 2007, after the company's IPO, we identified an **excellent opportunity in Sorocaba for the development of a multi-use complex, through an M&A followed by the development of a greenfield project.**

Sorocaba is a city known for being an **economic and industrial hub** in the interior of São Paulo and stands out for its proximity to the capital. The **Campolim** region, the neighborhood where the Iguatemi Esplanada mall is located, was developing with corporate buildings and showed growing socio-economic data, such as concentration of AB class and qualified demand.

In the first M&A, in 2007, Iguatemi acquired a 29.73% stake in **Shopping Center Esplanada**, which opened in 1991. In addition to its **consistent operating results** at the time, the mall had the advantage of being located **next to land with a strong appeal for greenfield developments.**

Between 2008 and 2010, the Company increased its stake in the asset by 8.26%, and acquired two adjoining plots of land totaling 95,000 sqm for the development of a new project, a mall with 40,400 sqm of GLA, as well

as four multi-use towers. In 2013, the new mall was inaugurated and connected to the old development via walkways, making it a single complex with 68,482 sqm of retail GLA.

The complex currently features **one commercial tower in operation, Iguatemi Business**, with 15,300 sqm of private area and is a benchmark for the city in terms of design and operation. **Three other projects are being developed in the complex, for corporate and residential use, and should contribute to the mall's qualified flow.** JK Offices, by Real Estate Developer Julio e Kalil, is under construction, while the other two projects, by Developer Patriani, are in the design and legal approval phase. **The total EBITDA generated from the sale of ideal fractions of land for the development of these projects was R\$53.4 million.**

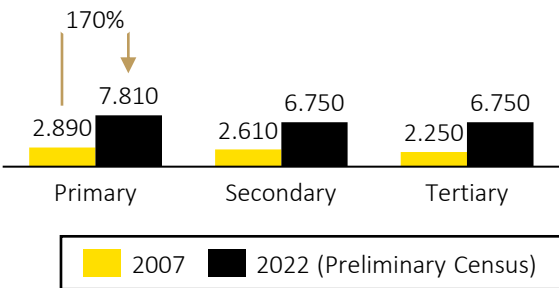
The complex's consolidation and the densification created by it have had a **positive influence on the socio-economic indicators** of the surrounding area, with the primary area of influence (5 minutes away) showing greater growth in average income and in total number of households.



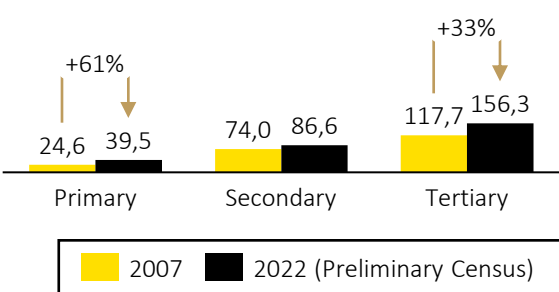
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QUALIFIED SURROUNDINGS WITH REAL ESTATE MARKET DEVELOPMENT

Average income per area of influence (R\$)

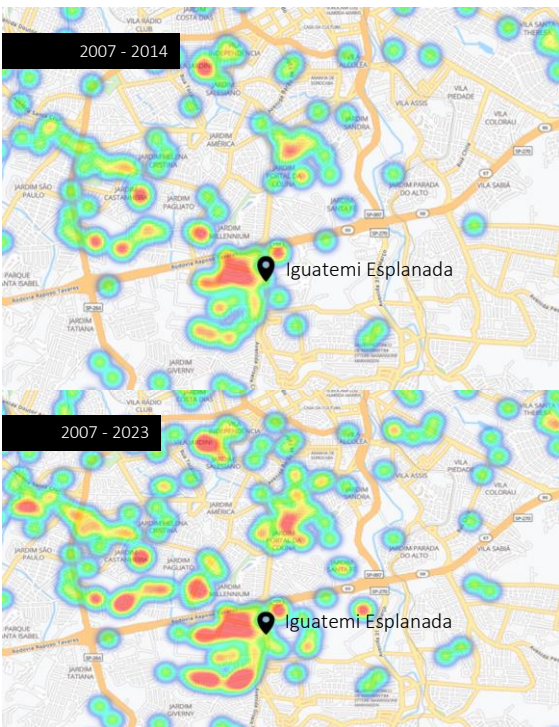


Total households per area of influence (thousand)



Residential densification in Sorocaba and Votorantim

Since 2007, the mall has been one of the main anchors for residential launches in the region.

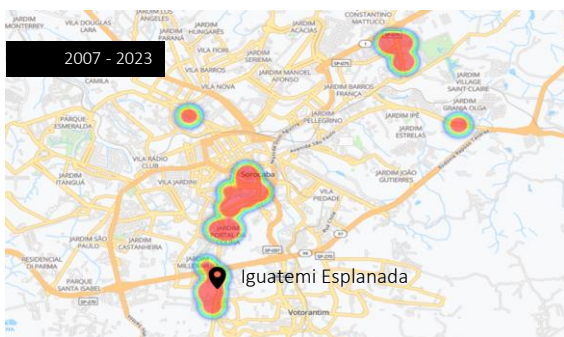


The next few years will be promising for the development of Iguatemi Esplanada's surroundings. Between 2024 and 2026, more than 1,200 new residential units are expected to be delivered in the asset's **primary area of influence**. In the **tertiary area of influence**, this number rises to 10,700. Given that Sorocaba has an average of 2.4 inhabitants/household (preliminary 2022 Census), a **population increase of around 25,000 people** is expected over the next four years in the tertiary area of influence.

It should be noted that some of the residential units under construction are deemed **high standard** units, with apartments exceeding 100sqm of private area, which will have a **positive impact on the region's consumption potential**.

Other densities in Sorocaba and Votorantim

There is a **concentration of commercial units (offices)** launched in the Campolim region, consolidating the surrounding area as a **work hub**.



This qualified densification **creates demand for other urban facilities** to be installed in the area – currently, a **Red House International School** unit is being built next to Iguatemi Esplanada.