



Financial Statements

LOG Commercial Properties e Participações S.A.

**Interim Condensed Consolidated and Individual
Financial Statements for the Quarter Ended
March 31, 2021 and Report on Review of
Condensed Interim Financial Statements**



LOG Commercial Properties e Participações S.A.

Interim Condensed Financial Statements (ITR)

March 31, 2021

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Report on review of quarterly information - ITR

To the Shareholders and Officers of

LOG Commercial Properties e Participações S.A.

Belo Horizonte – MG

Introduction

We have reviewed the interim financial information, individual and consolidated, of LOG Commercial Properties e Participações S.A. ("Company"), included in the "Formulário de Informações Trimestrais – ITR" as at March 31, 2021, which comprise the balance sheet as of March 31, 2021 and the related income statements, the comprehensive income statements, the statements of changes in equity and statements of cash flows for the three month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of the interim individual financial information in accordance with CPC 21 (R1) – *Demonstração intermediária*, and the interim consolidated financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information - ITR. Our responsibility is to express a conclusion on these interim individual and consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion about the individual interim financial information



Based on our review, we are not aware of any facts that make us believe that the individual interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of Quarterly Information - ITR., and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion about the consolidated interim financial information

Based on our review, we are not aware of any facts that make us believe that the consolidated interim financial information included in the aforesaid quarterly information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR., and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters - Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added for the three month period ended March 31, 2021, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34. These statements have been subjected to review procedures performed in connection with the review of the quarterly information, in order to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review nothing has come to our attention that causes us to believe that these interim individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual e consolidated interim financial information taken as a whole.

Belo Horizonte, April 28, 2021

KPMG Auditores Independentes
CRC SP-014428/O-6 F-MG

Original report in Portuguese signed by
Felipe Augusto Silva Fernandes
Contador CRC MG-091337/O-5 T-SP

BALANCE SHEETS AS AT MARCH 31, 2021 AND DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		3/31/21	12/31/20	3/31/21	12/31/20
Assets					
Current assets					
Cash and cash equivalents	3	507,359	453,855	507,053	453,175
Marketable securities	3	327,901	287,718	327,543	287,584
Receivables	4	31,456	32,486	16,578	17,633
Recoverable taxes		7,181	6,309	5,579	4,791
Prepaid expenses		5,912	1,556	5,201	785
Other		2,039	1,430	3,991	572
Total current assets		881,848	783,354	865,945	764,540
Noncurrent assets					
Marketable securities	3	103,012	2,991	100,000	-
Derivative financial instruments	19 (a)	1,195	3,243	1,195	3,243
Receivables	4	45,685	44,319	35,307	31,838
Receivables from related parties	18	-	-	4,528	5,044
Prepaid expenses		4,457	4,691	1,745	1,841
Recoverable taxes		26,274	22,827	24,643	21,173
Deferred income tax and social contribution	11 (b)	-	16,537	-	16,537
Other		6,262	5,942	20,968	20,297
Total long-term realisable		186,885	100,550	188,386	99,973
Investments in subsidiaries and joint ventures	5	334,596	326,336	2,164,443	2,100,584
Investment property	6	3,189,117	2,994,470	1,213,520	1,118,706
Property and equipment	7	4,902	4,981	4,864	4,938
Intangible assets		2,439	2,492	2,438	2,492
Total noncurrent assets		3,717,939	3,428,829	3,573,651	3,326,693
Total assets		4,599,787	4,212,183	4,439,596	4,091,233
Liabilities and equity					
Current liabilities					
Suppliers		19,885	15,269	18,945	14,339
Loans, financing and debentures	8	199,369	203,229	196,108	200,003
Land payables	9	26,736	16,630	11,954	16,630
Labor and social liabilities		7,330	5,572	7,114	5,193
Tax liabilities		8,122	8,541	4,347	4,159
Barbers	10	50,943	45,688	50,943	45,688
Deferred taxes	11 (b)	1,457	1,423	-	-
Lease liability	13	214	192	214	192
Dividend payable	14 (c)	33,240	33,240	33,240	33,240
Other		5,897	741	5,636	458
Total current liabilities		353,193	330,525	328,501	319,902
Noncurrent liabilities					
Loans, financing and debentures	8	829,169	597,434	809,708	575,522
Barbers	10	96,559	84,848	96,559	84,848
Deferred taxes	11 (b)	68,231	63,254	498	-
Land payables	9	39,853	45,725	29,263	45,725
Provisions for labor, tax and civil risks	12	1,770	1,725	99	108
Lease liability	13	4,115	4,182	4,115	4,182
Other		4,615	4,529	638	825
Total noncurrent liabilities		1,044,312	801,697	940,880	711,210
Total liabilities		1,397,505	1,132,222	1,269,381	1,031,112
Equity					
Paid-in capital		2,035,382	2,035,382	2,035,382	2,035,382
Treasury shares		(295)	(295)	(295)	(295)
Capital reserves		5,232	4,772	5,232	4,772
Earnings reserve		1,020,262	1,020,262	1,020,262	1,020,262
Retained earnings		109,634	-	109,634	-
Equity attributable to Company shareholders		3,170,215	3,060,121	3,170,215	3,060,121
Noncontrolling interests	14 (e)	32,067	19,840	-	-
Total equity		3,202,282	3,079,961	3,170,215	3,060,121
Total liabilities and equity		4,599,787	4,212,183	4,439,596	4,091,233

The accompanying notes are an integral part of these interim financial statements.

INCOME STATEMENTS FOR THE QUARTERS ENDED MARCH 31, 2021 AND 2020

(In thousands of Brazilian reais - R\$, except earnings per share)

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020
Net revenue from lease and services provided	15	36,749	34,000	11,032	6,979
Costs of services provided - condominium management	16	(456)	(458)	(456)	(458)
Gross profit		36,293	33,542	10,576	6,521
Operating income (expenses)					
Selling expenses	16	(2,286)	(2,402)	(1,523)	(1,556)
General and administrative expenses	16	(5,391)	(4,223)	(5,145)	(3,961)
Management compensation	16	(1,193)	(831)	(1,193)	(831)
Changes in the fair value of investment property	6	115,083	60	53,750	-
Other operating expenses, net	16	(837)	(608)	(1,024)	(82)
Results from equity participation	5	1,766	872	71,963	18,991
Income before financial income and taxes		143,435	26,410	127,404	19,082
Financial income (expenses)					
Financial expenses	17	(5,163)	(10,543)	(6,411)	(6,822)
Financial income	17	5,727	1,473	5,676	1,526
Income before taxes		143,999	17,340	126,669	13,786
Income tax and social contribution					
Current		(2,739)	(2,633)	-	-
Deferred	11	(19,164)	2,780	(17,035)	3,460
	11	(21,903)	147	(17,035)	3,460
Net income for the period		122,096	17,487	109,634	17,246
Net income attributable to:					
Shareholders of the Company		109,634	17,246		
Noncontrolling interests		12,462	241		
		122,096	17,487		
Earnings per share (In Reais - R\$):					
Basic	14 (f)	1.07333	0.16874	1.07333	0.16874
Diluted	14 (f)	1.06960	0.16847	1.06960	0.16847

The accompanying notes are an integral part of these interim financial statements.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED MARCH 31, 2021 AND 2020
(In thousands of Brazilian reais - R\$)

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Net income for the period	122,096	17,487	109,634	17,246
Total comprehensive income for the period	122,096	17,487	109,634	17,246
Comprehensive income attributable to:				
Shareholders of the Company	109,634	17,246		
Noncontrolling interests	12,462	241		
	122,096	17,487		

The accompanying notes are an integral part of these interim financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE QUARTERS ENDED MARCH 31, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Paid-in capital			Capital reserves		Earnings reserves		Retained earnings	Equity attributable to Company shareholders (Individual)	Noncontrolling interests	Total (Consolidated)
	Subscript	Share issuance costs	Treasury shares	Share issuance costs	Recognized options granted	Legal	Earnings retention				
BALANCE AT DECEMBER 31, 2019	2,053,976	(15,904)	-	(2,639)	3,346	27,185	872,993	-	2,938,957	15,266	2,954,223
Capital increase	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(110)	(110)
Stock options	-	-	-	-	153	-	-	-	153	-	153
Treasury shares	-	-	(6,965)	-	-	-	-	-	(6,965)	-	(6,965)
Capital transaction	-	-	-	-	-	-	(2,602)	-	(2,602)	2,602	-
Income of the period	-	-	-	-	-	-	-	17,246	17,246	241	17,487
BALANCE AT MARCH 31, 2020	2,053,976	(15,955)	(6,965)	(2,639)	3,499	27,185	870,391	17,246	2,946,738	17,999	2,964,737
BALANCE AT DECEMBER 31, 2020	2,053,976	(18,594)	(295)	-	4,772	34,183	986,079	-	3,060,121	19,840	3,079,961
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(235)	(235)
Stock options	-	-	-	-	460	-	-	-	460	-	460
Net income for the period	-	-	-	-	-	-	-	109,634	109,634	12,462	122,096
BALANCE AT MARCH 31, 2021	2,053,976	(18,594)	(295)	-	5,232	34,183	986,079	109,634	3,170,215	32,067	3,202,282

The accompanying notes are an integral part of these interim financial statements.

STATEMENTS OF CASH FLOWS FOR THE QUARTERS ENDED MARCH 31, 2021 AND 2020 - INDIRECT METHOD
 (In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020
Cash flows from operating activities					
Net Income for the period		122,096	17,487	109,634	17,246
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	196	179	195	178
Results from equity participation	5	(1,766)	(872)	(71,963)	(18,991)
Amortization of prepaid expenses		316	265	91	35
Allowance for doubtful accounts		(526)	519	(155)	291
Financial result		2,144	9,070	3,509	5,296
Deferred taxes		21,548	(2,690)	17,035	(3,460)
Changes in the fair value of investment property	6	(117,429)	(131)	(53,750)	-
Stock options	16	460	153	460	153
		27,039	23,980	5,056	748
(Increase) decrease in operating assets:					
Trade accounts receivable		(2,941)	(4,555)	(5,390)	(2,089)
Recoverable taxes		(4,319)	(521)	(4,258)	12
Prepaid expenses		(4,438)	(1,354)	(4,411)	(1,209)
Other assets		(929)	5,375	(4,090)	(7,579)
Increase (decrease) in operating liabilities:					
Suppliers		4,616	3,073	8,279	4,448
Labor and social liabilities		1,758	693	1,921	597
Tax liabilities		3,089	4,261	254	43
Other liabilities		5,286	(7,402)	4,981	(1,666)
Income tax and social contribution paid		(3,508)	(4,217)	(50)	-
Net cash provided by (used in) operating activities		25,653	19,333	2,292	(6,695)
Cash flows from investing activities					
Increase in marketable securities		(221,156)	(56,190)	(215,070)	(48,283)
Decrease in marketable securities		83,938	66,368	78,074	58,419
Increase in / acquisition of investments		(7,694)	(2)	(14,647)	(17,428)
Dividends received from subsidiaries	5 (c)	1,200	-	23,336	20,524
Acquisition of investment properties		(54,659)	(26,821)	(48,135)	(4,482)
Receipt for the sale of subsidiaries		3,291	11,790	3,291	11,789
Receipts from related companies		-	-	557	572
Other		(61)	(63)	(65)	(65)
Net cash (used in) provided by investing activities		(195,141)	(4,918)	(172,659)	21,046
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		247,985	-	247,985	-
Amortization of loans, financing and debentures	8 (a)	(19,391)	(19,227)	(18,900)	(18,780)
Interest paid		(5,249)	(15,367)	(4,722)	(14,795)
Lease payments		(118)	(41)	(118)	(41)
Share issuance costs		-	(77)	-	(77)
Acquisition of treasury shares	14 (b)	-	(6,965)	-	(6,965)
Contributions from noncontrolling shareholders	14 (e)	(235)	(110)	-	-
Net cash provided by (used in) financing activities		222,992	(41,787)	224,245	(40,658)
Increase (decrease) in cash and cash equivalents		53,504	(27,372)	53,878	(26,307)
Cash and cash equivalents					
At the beginning of the period		453,855	507,388	453,175	505,869
At the end of the period	3	507,359	480,016	507,053	479,562
Increase (decrease) in cash and cash equivalents		53,504	(27,372)	53,878	(26,307)

The accompanying notes are an integral part of these interim financial statements.

STATEMENTS OF VALUE ADDED FOR THE QUARTERS ENDED MARCH 31, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		1 st quarter of		1 st quarter of	
		2021	2020	2021	2020
Revenue					
Revenues from lease and services provided		38,939	35,731	12,196	7,724
Other revenue		-	54	-	35
Changes in the fair value of investment property	6	117,429	131	53,750	-
Revenue from construction of own assets		50,289	37,944	44,638	6,132
Allowance for doubtful accounts		526	(519)	155	(291)
		207,183	73,341	110,739	13,600
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(46,068)	(35,903)	(43,820)	(8,210)
		(46,068)	(35,903)	(43,820)	(8,210)
Gross value added		161,115	37,438	66,919	5,390
Depreciation	16	(196)	(179)	(195)	(178)
Net wealth created		160,919	37,259	66,724	5,212
Value added received in transfer					
Results from equity participation	5	1,766	872	71,963	18,991
Financial income		5,995	1,650	5,943	1,702
		7,761	2,522	77,906	20,693
Total wealth for distribution		168,680	39,781	144,630	25,905
Wealth distributed					
Personnel:		6,872	4,985	5,414	3,138
Salaries and wages		5,497	4,097	4,318	2,658
Benefits		1,093	717	872	387
Severance pay fund (FGTS)		282	171	224	93
Taxes and fares:		28,797	2,979	20,079	(2,014)
Federal		27,883	2,643	19,363	(2,081)
Municipal		914	336	716	67
Lenders and lessors:		10,915	14,330	9,503	7,535
Interest		6,778	11,953	5,840	7,283
Rentals / Leases		4,118	2,355	3,655	247
Other		19	22	8	5
Shareholders:		122,096	17,487	109,634	17,246
Retained earnings		109,634	17,246	109,634	17,246
Noncontrolling interests		12,462	241	-	-
Wealth distributed		168,680	39,781	144,630	25,905

The accompanying notes are an integral part of these interim financial statements.

1. General information

LOG Commercial Properties e Participações S.A. (“Company”) is a publicly traded corporation listed in B3 S.A (B3), with its head office at 621 Professor Mário Werneck Ave., 10^o floor, Belo Horizonte city, Minas Gerais, with CNPJ (taxpayer identification number) nº 09.041.168/0001-10. The Company was incorporated on June 10, 2008 and is engaged in the following activities: (i) management of own and third party assets; (ii) rendering engineering and construction services for residential and/or commercial properties; (iii) development, construction, rent and related services, including real estate consulting, on own or third-party residential and/or commercial buildings, mainly warehouses; and (iv) holding interests in other entities, either as partner or shareholder.

Projects are developed by LOG Commercial Properties e Participações S.A., its subsidiaries and joint ventures (“Group”), which are primarily engaged in the construction and rent (operating leases) of industrial warehouses and, to a lesser extent: development and sale of industrial lots and management services for its own condominiums. Delivered and managed projects are located in the States of Minas Gerais, São Paulo, Espírito Santo, Paraná, Rio de Janeiro, Goiás, Ceará, Sergipe and Bahia.

The Group maintains strong planning for expansion of its activities and, therefore, keep constant assessment of the financial market aiming at the best opportunities to obtain resources to execute its business plan.

2. Presentation of financial statements, significant accounting policies and new accounting standards

2.1 Presentation of condensed interim financial statements

The Company’s interim financial statements comprise:

- The condensed consolidated financial statements prepared in accordance with CPC 21 (R1) - Demonstração Intermediária (Interim Financial Reporting) and IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board (IASB), identified as Consolidated; and
- The condensed Individual financial statements prepared in accordance with CPC 21 (R1) - Demonstração Intermediária (Interim Financial Reporting), identified as Individual.

The Individual interim financial statements are not considered in conformity with International Financial Reporting Standards (IFRS) because borrowing costs on investees' qualifying assets are capitalized.

Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2020.

2.2 Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

2.3 Adoption of new standards

The following standards and interpretations came into force in the year 2021 and the referred impacts are being evaluated by the Company.

- COVID-19 – Related Rent Concessions (Amendment to IFRS 16)
- Interest rate benchmark reform – Phase II (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

The other standards and interpretations issued and which have not yet come into force are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>Cash and cash equivalents:</u>				
Cash	2	2	1	1
Bank accounts	33,870	815	33,565	611
<u>Short-term investments:</u>				
Bank certificates of deposit (CDB)	473,487	453,038	473,487	452,563
Total cash and cash equivalents	507,359	453,855	507,053	453,175

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>Marketable securities:</u>				
Restricted investment funds (i)	302,626	162,540	302,267	162,406
Unrestricted investment funds (ii)	128,085	127,970	125,276	125,178
Bank certificates of deposit (CDB) (ii)	202	199	-	-
Total marketable securities	430,913	290,709	427,543	287,584
Current	327,901	287,718	327,543	287,584
Noncurrent	103,012	2,991	100,000	-
	430,913	290,709	427,543	287,584

- The Group established restricted investment funds, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to CDI and invest in government and other banks securities, which in turn invest primarily in fixed-income securities.
- Include R\$2,739 pledged as collateral for "plano empresário" program loans, working capital and debentures.
- Pledged as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 143.29% of CDI in Consolidated and 143.38% of CDI in Individual in the three-month period ended March 31, 2021 (11.46% of CDI in Consolidated and 11.43% of CDI in Individual for the same period of 2020).

The Company maintains the balance of cash and cash equivalents for the strategic purpose of being able to meet short-term commitments and maintain adequate liquidity in order to take advantage of investment opportunities in the properties market.

Breakdown of the restricted investment fund's portfolio, proportionately to the units held by the Company and subsidiaries is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Bank certificates of deposit (CDB)	1,532	1,700	1,525	1,700
Securities with repurchase agreement	61,654	18,021	61,603	18,021
Unrestricted investment funds	51,201	51,378	51,154	51,244
Debentures	38,268	22,030	38,189	22,030
Financial treasury bills (LFTs)	126,581	-	126,522	-
Private bonds	20,244	33,162	20,143	33,162
Public securities	3,146	36,249	3,131	36,249
Total	302,626	162,540	302,267	162,406

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 19.

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Rentals	47,948	47,356	15,115	14,939
Sale of equity interest / assets	19,814	22,945	19,814	22,945
Condominium administration	464	220	464	220
Other	18,128	16,023	19,497	14,527
	86,354	86,544	54,890	52,631
Allowance for credit losses	(9,213)	(9,739)	(3,005)	(3,160)
Total	77,141	76,805	51,885	49,471
Current	31,456	32,486	16,578	17,633
Noncurrent	45,685	44,319	35,307	31,838
	77,141	76,805	51,885	49,471

Trade receivables from the sale of equity interest and assets are as follows:

	Consolidated and Individual	
	3/31/21	12/31/20
LOG SJC (Note 18)	19,311	20,502
LOG Sapucaias (Note 6)	1,400	3,500
	20,711	24,002
Adjustment to present value	(897)	(1,057)
Total	19,814	22,945
Current	8,190	10,198
Noncurrent	12,521	13,804
	20,711	24,002

Condominium management refers to the provision of management services for its own condominiums.

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
In due:				
Up to 12 months	31,945	32,517	16,873	17,630
After 12 months	45,685	44,319	35,308	31,838
	77,630	76,836	52,181	49,468
Past due:				
Up to 30 days	154	812	90	674
31 to 90 days	2,595	1,965	1,587	1,110
More than 90 days	5,975	6,931	1,032	1,379
	8,724	9,708	2,709	3,163
Total	86,354	86,544	54,890	52,631

Changes in the allowance for credit losses for the quarters ended March 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	(9,739)	(7,934)	(3,160)	(1,995)
Recognition	(310)	(519)	(240)	(291)
Write-off	836	-	395	-
Closing balance	(9,213)	(8,453)	(3,005)	(2,286)

Future minimum rental receivables under non-cancellable operating leases are as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
12 months	152,724	139,642	40,965	43,367
13 to 24 months	144,788	124,013	49,358	42,659
25 to 36 months	107,931	96,845	37,977	33,555
37 to 48 months	85,999	73,624	30,304	23,336
49 to 60 months	70,295	61,165	26,073	19,358
After 60 months	151,966	151,186	31,153	30,249
Total	713,703	646,475	215,830	192,524

Other information on trade receivables did not significantly change in relation to the information disclosed in Note 4 to the financial statements for the year ended December 31, 2020.

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees				Investment		Results from equity participation for the 1 st quarter of	
			Equity		Net income (loss) for the 1 st quarter of					
	3/31/21	12/31/20	3/31/21	12/31/20	2021	2020	3/31/21	12/31/20	2021	2020
Joint ventures:										
Cabral	50.00%	50.00%	50,651	50,248	403	489	25,067	24,865	201	245
Torino	40.00%	40.00%	413,738	398,496	3,075	1,255	165,521	159,424	1,230	502
Loteamento Betim	50.00%	50.00%	125,440	121,417	786	419	62,720	60,709	393	210
LOG SJC Sony	64.97%	64.97%	106,198	106,198	(12)	(13)	68,997	68,997	(8)	(8)
Capitalized interest (a)			-	-	-	-	12,291	12,341	(50)	(77)
Other			-	-	-	-	-	-	-	-
Total joint ventures - Consolidated			696,027	676,359	4,252	2,150	334,596	326,336	1,766	872
Subsidiaries:										
LOG I	99.99%	99.99%	145,024	144,875	2,411	2,079	145,009	144,861	2,411	2,079
LOG II	99.99%	99.99%	50,205	50,311	651	588	50,200	50,306	651	588
LOG Jundiaí	99.99%	99.99%	94,542	94,302	1,171	1,175	94,533	94,293	1,171	1,172
LOG Goiânia	99.90%	99.90%	152,302	151,846	2,141	1,688	152,150	151,694	2,139	1,686
LOG Hortolândia	99.99%	99.99%	138,986	139,490	1,779	1,393	138,972	139,476	1,779	1,393
LOG SJP	99.99%	99.99%	53,862	53,285	509	414	53,857	53,280	509	414
LOG Juiz de Fora	99.99%	99.99%	113,649	113,037	949	1,545	113,638	113,026	949	1,545
LOG Feira de Santana	99.99%	99.99%	37,667	37,726	486	402	37,663	37,722	486	402
LOG Fortaleza	99.99%	99.99%	126,892	127,155	1,633	3,221	126,879	127,142	1,633	3,220
LOG Via Expressa	99.99%	99.99%	165,203	164,653	2,023	1,969	165,186	164,637	2,023	1,968
LOG Viana	99.99%	99.99%	140,459	139,779	2,213	1,869	140,445	139,765	2,213	1,869
LOG Londrina	99.99%	99.99%	117,084	114,280	3,148	(1,833)	117,072	114,269	3,148	(1,833)
LOG Itatiaia	99.99%	99.99%	61,810	61,789	279	(228)	61,804	61,783	279	(228)
LOG Rio	0.00%	99.99%	-	-	-	1,903	-	-	-	1,903
LOG Aracajú	99.99%	99.99%	73,222	72,232	988	362	73,215	72,225	988	362
LOG BTS Extrema	90.06%	90.06%	203,086	202,840	2,605	2,541	182,899	182,998	2,021	2,301
LOG Uberaba	99.00%	99.00%	38,510	37,157	533	158	38,125	36,785	528	156
LOG Sumaré	99.99%	99.99%	19	19	-	-	19	19	-	-
LOG SJRP	99.99%	99.99%	23,858	23,647	105	257	23,856	23,645	105	257
LOG Macaé	99.99%	99.99%	14,224	14,118	(12)	123	14,223	14,117	(12)	123
LOG RP	99.99%	99.99%	51,693	51,405	241	589	51,688	51,400	241	589
LOG Recife	80.00%	0.00%	59,404	-	59,404	-	47,523	-	47,523	-
LDI	100.00%	100.00%	704	693	9	(15)	704	693	9	(15)
LE Empreendimentos	99.00%	99.00%	189	113	(12)	(12)	187	112	(12)	(12)
Capitalized interest (a)			-	-	-	-	-	-	(585)	(1,820)
Total subsidiaries			1,862,594	1,794,752	83,254	20,188	1,829,847	1,774,248	70,197	18,119
Total Individual			2,558,621	2,471,111	87,506	22,338	2,164,443	2,100,584	71,963	18,991

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision in investees (Note 2.2 (f) to the financial statements for the year ended December 31, 2020).

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	3/31/21	12/31/20	3/31/21	12/31/20	3/31/21	12/31/20	3/31/21	12/31/20
Cash and cash equivalents and marketable securities	12,641	12,301	12,700	14,557	10	210	3	3
Trade receivables	325	342	-	-	8,684	5,609	-	-
Inventories	-	-	-	-	18,596	17,179	-	-
Other current assets	21	16	817	318	129	130	-	-
Total current	12,987	12,659	13,517	14,875	27,419	23,128	3	3
Trade receivables	425	448	-	-	1,901	2,180	-	-
Inventories	-	-	-	-	103,446	100,532	-	-
Investment property	38,482	38,463	411,049	394,000	-	3,367	109,900	109,900
Other noncurrent assets	-	1	442	461	1	-	-	-
Total noncurrent assets	38,907	38,912	411,491	394,461	105,348	106,079	109,900	109,900
Total assets	51,894	51,571	425,008	409,336	132,767	129,207	109,903	109,903
Current liabilities	914	990	1,609	1,187	7,251	7,715	-	-
Noncurrent liabilities	329	333	9,661	9,653	76	75	3,705	3,705
Equity	50,651	50,248	413,738	398,496	125,440	121,417	106,198	106,198
Liabilities and equity	51,894	51,571	425,008	409,336	132,767	129,207	109,903	109,903

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	1 st quarter of		1 st quarter of		1 st quarter of		1 st quarter of	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue	412	370	3,885	1,882	1,526	1,191	-	-
Cost of products and services	-	-	-	-	821	(726)	-	-
Other operating expenses	(8)	163	(416)	(470)	(12)	(13)	(12)	(12)
Financial income (expenses)	62	73	62	82	(2)	(1)	-	(1)
Changes in the fair value of investment property	-	-	-	-	(1,345)	-	-	-
Income tax and social contribution	(63)	(117)	(456)	(239)	(202)	(32)	-	-
Net income (loss)	403	489	3,075	1,255	786	419	(12)	(13)

- c) Changes in the balances of investments in subsidiaries and joint ventures in the quarters ended March 31, 2021 and 2020 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
Quarter ended March 31, 2021:							
Joint ventures:							
Cabral	11/13	24,865	1	201	-	-	25,067
Torino	4/15	159,424	6,067	1,230	(1,200)	-	165,521
Loteamento Betim	3/18	60,709	1,618	393	-	-	62,720
LOG SJC Sony	-	68,997	8	(8)	-	-	68,997
Capitalized interest (a)		12,341	-	(50)	-	-	12,291
Total joint ventures - Consolidated		326,336	7,694	1,766	(1,200)	-	334,596
Subsidiaries:							
LOG I	2/09	144,861	723	2,411	(2,986)	-	145,009
LOG II	3/11	50,306	112	651	(869)	-	50,200
LOG Jundiaí	4/11	94,293	(118)	1,171	(813)	-	94,533
LOG Goiânia	4/12	151,694	377	2,139	(2,060)	-	152,150
LOG Hortolândia	9/12	139,476	470	1,779	(2,753)	-	138,972
LOG SJP	4/13	53,280	68	509	-	-	53,857
LOG Juiz de Fora	6/13	113,026	643	949	(980)	-	113,638
LOG Feira de Santana	6/13	37,722	96	486	(641)	-	37,663
LOG Fortaleza	8/13	127,142	674	1,633	(2,570)	-	126,879
LOG Via Expressa	11/13	164,637	430	2,023	(1,904)	-	165,186
LOG Viana	4/14	139,765	369	2,213	(1,902)	-	140,445
LOG Londrina	6/14	114,269	1,704	3,148	(2,049)	-	117,072
LOG Itatiaia	7/14	61,783	(129)	279	(129)	-	61,804
LOG Aracajú	10/18	72,225	330	988	(328)	-	73,215
LOG BTS Extrema	10/19	182,998	7	2,021	(2,127)	-	182,899
LOG Uberaba	9/20	36,785	837	528	(25)	-	38,125
LOG Sumaré	-	19	-	-	-	-	19
LOG SJRP	-	23,645	106	105	-	-	23,856
LOG Macaé	-	14,117	118	(12)	-	-	14,223
LOG RP	-	51,400	47	241	-	-	51,688
LOG Recife	-	-	-	47,523	-	-	47,523
LDI	-	693	2	9	-	-	704
LE Empreendimentos	-	112	87	(12)	-	-	187
Capitalized interest (a)		-	-	(585)	-	585	-
Total subsidiaries		1,774,248	6,953	70,197	(22,136)	585	1,829,847
Total Individual		2,100,584	14,647	71,963	(23,336)	585	2,164,443
Quarter ended March 31, 2020:							
Total Consolidated		306,253	2	872	-	-	307,127
Total Individual		2,292,547	17,428	18,991	(20,524)	(782)	2,307,660

- a) Adjustment in results from equity participation by the capitalized interest amount during the fiscal year, due to adoption of fair value measurement for investment property (Note 2.2 (f) to the financial statements for the year ended December 31, 2020).

Other information on Interests in subsidiaries and joint ventures did not significantly change from the information disclosed in Note 5 to the financial statements for the year ended December 31, 2020.

6. Investment property

Investment property consists of properties held to generate rental revenue or for appreciation in value (including construction in progress) and are broken down as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Industrial warehouses	3,160,307	2,965,730	1,184,710	1,089,966
Strip malls	28,810	28,740	28,810	28,740
Total	3,189,117	2,994,470	1,213,520	1,118,706

Changes in balances of investment property for the quarters ended March 31, 2021 and 2020 were as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	2,994,470	2,574,135	1,118,706	503,946
Additions	75,859	84,066	69,335	52,254
Capitalized interest (Note 8)	1,359	1,904	774	84
Transfer to non-current assets held for sale	-	-	(29,045)	-
Changes in fair value (*)	117,429	131	53,750	-
Closing balance	3,189,117	2,660,236	1,213,520	556,284

(*) The increase in the quarter refers to the evaluation at fair value of LOG Recife and LOG Belém projects, due to the beginning of its construction in March 2021.

Effects of changes in the fair value of investment property on profit or loss, net of PIS/COFINS deferred taxes are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Changes in fair value of investment property	117,429	131	53,750	-
Deferred PIS/COFINS	(2,346)	(71)	-	-
Changes in fair value of investment property in profit or loss	115,083	60	53,750	-

Fair value of the investment properties has been determined at September 30, 2020, as follows:

- Completed projects: the discounted cash flow assumptions described in the financial statements of December 31, 2020 were maintained, except for cases that suffer significant changes, for which new valuations were performed.
- Projects under construction: the discounted cash flow assumptions described in the financial statements of December 31, 2020 were maintained, increased by the construction cost incurred in the three-month period ended March 31, 2021, except for cases that suffer significant changes, for which new valuations were performed.
- Land purchased: the amounts were assessed, and the fair values determined in the financial statements of December 31, 2020 were maintained, increased by the construction costs incurred in the three-month period ended March 31, 2021.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the three-month period ended March 31, 2021, when applicable.

As at March 31, 2021, from the total amount of investment property, R\$1,907,930 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,611,536 as at December 31, 2020).

Other information on investment property did not significantly change in relation to the information disclosed in Note 6 to the financial statements for the year ended December 31, 2020.

7. Property and equipment

Changes in property and equipment for the quarter ended March 31, 2021 and 2020 are as follows:

	Opening balance	Addition	Closing balance
Consolidated			
Quarter ended March 31, 2021:			
Cost:			
Right-of-use (*)	4,673	2	4,675
Other (**)	1,974	43	2,017
Total cost	<u>6,647</u>	<u>45</u>	<u>6,692</u>
Accumulated depreciation:			
Right-of-use (*)	549	73	622
Other (**)	1,117	51	1,168
Total accumulated depreciation	<u>1,666</u>	<u>124</u>	<u>1,790</u>
Total property and equipment, net	<u>4,981</u>	<u>(79)</u>	<u>4,902</u>
Quarter ended March 31, 2020:			
Total property and equipment, net	<u>4,958</u>	<u>(116)</u>	<u>4,842</u>

	Opening balance	Addition	Closing balance
Individual			
Quarter ended March 31, 2021:			
Cost:			
Right-of-use (*)	4,673	2	4,675
Other (**)	1,762	42	1,804
Total cost	<u>6,435</u>	<u>44</u>	<u>6,479</u>
Accumulated depreciation:			
Right-of-use (*)	550	73	623
Other (**)	947	45	992
Total accumulated depreciation	<u>1,497</u>	<u>118</u>	<u>1,615</u>
Total property and equipment, net	<u>4,938</u>	<u>(74)</u>	<u>4,864</u>
Quarter ended March 31, 2020:			
Total property and equipment, net	<u>4,896</u>	<u>(111)</u>	<u>4,785</u>

(*) Rental agreement for the Company's headquarters (Note 18).

(**) Primarily improvements in third party properties.

At the end of the reporting periods, the Group's management concluded that there were no indications of impairment of its assets with finite useful lives, as none of the loss indicators set out in CPC 01, paragraphs 10 and 12, was evidenced.

8. Loans, financing and debentures

a) Position

Loans, financing and debentures as at March 31, 2021 and December 31, 2020 are as follows:

Type	3/31/21			12/31/20
	Current	Noncurrent	Total	Total
Individual:				
Debenture - 8 th issue	8,378	-	8,378	12,566
Debenture - 10 th issue	21,080	40,770	61,850	61,315
Debenture - 11 th issue	14,749	-	14,749	14,608
Debenture - 12 th issue	10,051	57,501	67,552	70,036
Debenture - 13 th issue	81,511	-	81,511	81,088
Debenture - 14 th issue	31,231	120,000	151,231	150,381
Debenture - 15 th issue	7,043	47,250	54,293	56,043
Debenture - 16 th issue	18,223	54,546	72,769	82,260
Debenture - 17 th issue	167	230,000	230,167	231,365
Debenture - 18 th issue	91	250,000	250,091	-
(-) Funding cost	(2,563)	(5,113)	(7,676)	(6,395)
Total debentures - Individual	189,961	794,954	984,915	753,267
Construction financing	6,251	15,026	21,277	22,659
(-) Funding cost	(104)	(272)	(376)	(401)
Total loans and financing - Individual	6,147	14,754	20,901	22,258
Total Individual	196,108	809,708	1,005,816	775,525
Subsidiaries:				
Construction financing (*)	3,366	19,818	23,184	25,628
(-) Funding cost	(105)	(357)	(462)	(490)
Total loans and financing - Subsidiaries	3,261	19,461	22,722	25,138
Total Consolidated	199,369	829,169	1,028,538	800,663

(*) Measured at fair value through profit or loss, according to hedge accounting methodology, refer to Note 19 (a).

The main features of loans, financing and debentures are as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 8 th issue	60	12/15	Quarterly	Quarterly	11/17 to 8/21	119% CDI	119% CDI + 0.29%
Debenture - 10 th issue	100,000	12/17	Semiannual	Semiannual	12/20 to 12/23	CDI + 1.60%	CDI + 1.77%
Debenture - 11 th issue	51,000	12/17	Semiannual	Semiannual	12/18 to 12/21	CDI + 2.00%	CDI + 2.23%
Debenture - 12 th issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
Debenture - 13 th issue	81,000	7/18	Bullet payment	Semiannual	6/21	108% CDI	108% CDI + 0.87%
Debenture - 14 th issue	15,000	11/18	Semiannual	Semiannual	11/21 to 11/23	117% CDI	117% CDI + 0.26%
Debenture - 15 th issue	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16 th issue	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17 th issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18 th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	CDI + 2.21%
Construction financing	-	9/18	Monthly	Monthly	3/19 to 9/28	TR + 10%	TR + 10.87%
Construction financing	-	12/12	Monthly	Monthly	12/13 to 10/24	CDI + 1.65%	CDI + 1.92%

The debentures issued by the Company are simple, nonconvertible and registered.

Funding during the quarter ended March 31, 2021 is as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Debenture - 18 th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	250,000
Total - Individual and Consolidated							250,000

(*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	800,663	889,805	775,525	866,214
Funding	250,000	-	250,000	-
Interest expense	5,694	11,329	5,169	10,721
Fair value adjustment	(1,951)	2,924	-	-
Funding cost	(2,015)	-	(2,015)	-
Amortization of funding costs	787	807	759	777
Repayment of principal	(19,391)	(19,227)	(18,900)	(18,780)
Payment of interest	(5,249)	(15,298)	(4,722)	(14,726)
Closing balance	1,028,538	870,340	1,005,816	844,206

b) Guarantees

The types of guarantees for loans, financing and debentures as at March 31, 2021 are as follows:

	Consolidated		
	Construction financing	Debentures	Total
Collateral / receivables	44,461	992,591	1,037,052 (*)

(*) Amount of loans, financing and debentures, gross of funding costs.

c) Aging

Aging of loans, financing and debentures by maturity is as follow:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>After the reporting period:</u>				
12 months	199,369	203,229	196,108	200,003
13 to 24 months	199,002	199,335	196,172	196,540
25 to 36 months	282,808	199,719	279,966	196,912
37 to 48 months	200,229	118,598	197,374	115,778
After 48 months	147,130	79,782	136,196	66,292
Total	1,028,538	800,663	1,005,816	775,525

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
<u>Financial charges on:</u>				
Loans, financing and debentures	(6,481)	(12,136)	(5,928)	(11,498)
Derivative financial instruments	(10)	3	(10)	3
Total financial charges	(6,491)	(12,133)	(5,938)	(11,495)
<u>Interest capitalized on:</u>				
Investment property (Note 6)	1,359	1,904	774	84
Investment (Note 5)	-	-	585	1,820
Financial charges allocated to profit or loss (Note 17)	(5,132)	(10,229)	(4,579)	(9,591)

For the quarter ended March 31, 2021, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 3.36% p.a. in Consolidated (3.85% p.a. for the year ended December 31, 2020).

e) Contractual obligations

The 14th public issue of debentures indenture provides for compliance with certain financial ratios covenants, determined and review by the fiduciary agent, as follows:

Description	Required level	Fiscal year
Net debt / Adjusted EBITDA	7 x	2020
	6.5 x	2021
	6 x	2022 onwards

Net debt is: (+) Debt with financial institutions; (+) marketable securities representing debt; (+) leasing; (+/-) derivatives net balance; (-) cash and cash equivalents, public securities, short-term investments and equivalents.

Adjusted EBITDA is: (+/-) Net income / loss; (+/-) financial result; (+) income taxes; (+) depreciation and amortization; (+/-) unusual operations; (+/-) fair value of investments property; (+/-) fair value of associates.

Other information on loans, financing and debentures did not significantly change in relation to the information disclosed in Note 8 to the financial statements for the year ended December 31, 2020.

9. Land payables

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
CDI indexed	56,913	62,355	31,541	62,355
Non-interest bearing (Note 18)	9,676	-	9,676	-
Total	66,589	62,355	41,217	62,355
Current	26,736	16,630	11,954	16,630
Noncurrent	39,853	45,725	29,263	45,725
Total	66,589	62,355	41,217	62,355

Aging of 'Land payables' is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
<u>After the reporting period:</u>				
12 months	26,736	16,630	11,954	16,630
13 to 24 months	28,995	22,677	18,405	22,677
25 to 36 months	10,858	23,048	10,858	23,048
Total	66,589	62,355	41,217	62,355

10. Barters

This balance refers to commitments arising from barter transactions for the acquisition of land in exchange of industrial warehouses. The balances were recorded at fair values at the transactions' dates, measured based on the market price of the land obtained which was supported by internal technical reports. The commitments will be discharged by handing over the completed industrial warehouses and the segregation between current and non-current is made considering the forecast of completion of the construction of the related warehouses.

Barter's maturity is broken down as follows:

	Consolidated and Individual	
	3/31/21	12/31/20
<u>After the reporting period:</u>		
12 months	50,943	45,688
13 to 24 months	31,116	33,387
25 to 36 months	48,985	23,351
After 36 months	16,458	28,110
Total	<u>147,502</u>	<u>130,536</u>
Current	50,943	45,688
Noncurrent	<u>96,559</u>	<u>84,848</u>
	<u>147,502</u>	<u>130,536</u>

11. Income tax and social contribution

- (a) The income tax (IRPJ) and social contribution tax (CSLL) income (expenses) at the statutory tax rate are reconciled as follows:

	Consolidated		Individual	
	1 st quarter of		1st quarter of	
	2021	2020	2021	2020
Income before income tax and social contribution	143,999	17,340	126,669	13,786
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	<u>(48,960)</u>	(5,896)	<u>(43,067)</u>	(4,687)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	600	296	24,666	7,076
Tax credit not constituted	(199)	(619)	(199)	(619)
Depreciation of investment properties	1,593	1,084	1,500	992
Tax basis difference for companies taxes based on deemed income	25,093	4,676	-	-
Other	(30)	606	65	698
IRPJ and CSLL credit (debit) in profit or loss	<u>(21,903)</u>	147	<u>(17,035)</u>	3,460

On March 31, 2021, the Company did not recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R\$1,581 (R\$1,581 as of December 31, 2020).

- (b) Deferred tax balances

Breakdown of deferred tax assets (liabilities) disclosed in the balance sheets is as follows:

	Consolidated		Individual	
	31/3/21	12/31/20	31/3/21	12/31/20
<u>Noncurrent assets:</u>				
Income tax and social contribution	-	16,537	-	16,537
<u>Liabilities:</u>				
Income tax and social contribution	(32,857)	(30,230)	(498)	-
PIS/COFINS	(36,831)	(34,447)	-	-
	<u>(69,688)</u>	<u>(64,677)</u>	<u>(498)</u>	-
Current	(1,457)	(1,423)	-	-
Noncurrent	<u>(68,231)</u>	<u>(63,254)</u>	<u>(498)</u>	-
Total	<u>(69,688)</u>	<u>(64,677)</u>	<u>(498)</u>	-

Breakdown of the deferred income tax and social contribution is as follows:

	Consolidated		Individual	
	31/3/21	12/31/20	31/3/21	12/31/20
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	60,626	60,125	60,188	59,650
Capitalized interests written-off (*)	95,649	95,649	95,649	95,649
Temporary differences	1,224	523	1,224	523
	157,499	156,297	157,061	155,822
Reclassified deferred liabilities	(157,499)	(139,760)	(157,061)	(139,285)
Deferred tax assets	-	16,537	-	16,537
Deferred liabilities:				
Fair value appreciation on investment property	(187,931)	(167,678)	(157,559)	(139,285)
Rental receivables and others	(2,425)	(2,312)	-	-
	(190,356)	(169,990)	(157,559)	(139,285)
Reclassified deferred liabilities	157,499	139,760	157,061	139,285
Deferred tax liabilities	(32,857)	(30,230)	(498)	-

(*) According to Note 2.2 (f) to the financial statements for the year ended December 31, 2020, since financing activities are centrally managed by the Company, interest incurred by the Company on the financing of its investees' qualifying assets are capitalized and presented in the investment line item (Individual financial statements). Since investment properties are measured at fair value, the related costs are allocated to profit or loss by deducting such costs from equity participation calculation (Individual financial statements). In this process, deferred tax assets are recognized, since these amounts will be tax deductible upon realization of the respective investments.

Reclassified deferred tax balances are to offset amounts for presentation purpose. They are related to taxes on income collected by the same tax authority and were individually made by each taxable entity, have the same nature, and will be realized simultaneously.

As at March 31, 2021, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the quarters ended March 31, 2021 and 2020 are as follows:

	Consolidated				Individual			
	1 st quarter of				1 st quarter of			
	2021		2020		2021		2020	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	156,297	(169,990)	(13,693)	67,908	155,822	(139,285)	16,537	99,359
Effect of deferred IRPJ and CSLL recognized in:								
Equity	-	-	-	27	-	-	-	27
Net income for the period	1,202	(20,366)	(19,164)	2,780	1,239	(18,274)	(17,035)	3,460
Closing balance	157,499	(190,356)	(32,857)	70,715	157,061	(157,559)	(498)	102,846

12. Provisions for labor, tax and civil risks

Changes for the quarters ended March 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Opening balance	1,725	1,808	108	318
Additions and inflation adjustments	58	47	4	10
Payments	(5)	(40)	(5)	-
Reversals	(8)	(46)	(8)	-
Closing balance	1,770	1,769	99	328

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,612 in Consolidated and R\$604 in Individual as at March 31, 2021 (R\$2,929 in Consolidated and R\$616 in Individual as at December 31, 2020).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2020.

13. Lease

The Group does not have lease agreements in which it is a financial lessor, classifying all its leases as operating, fully represented by leases of investment properties.

As a lessee, the Group identified a rental agreement related to its headquarters.

Changes in lease liability for the quarters ended March 31, 2021 and 2020 are as follows:

	Consolidated and Individual	
	1 st quarter of	
	2021	2020
Opening balance	4,374	4,265
Remeasurement	2	-
Interest expenses	71	69
Repayment of principal	(47)	(41)
Payment of interest	(71)	(69)
Closing balance	<u>4,329</u>	<u>4,224</u>
Current	214	171
Noncurrent	<u>4,115</u>	<u>4,053</u>
	<u>4,329</u>	<u>4,224</u>

The undiscounted contractual cash flows (gross lease liabilities) represent annual cash-outs, ending February 2035 and are as follow:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<u>Consolidated and Individual:</u>					
Lease liability	1,061	472	472	5,157	7,162
Total	<u>1,061</u>	<u>472</u>	<u>472</u>	<u>5,157</u>	<u>7,162</u>

Leases representing exemptions in recognition

The Group applies recognition exemptions for short-term leases and leases for which the underlying assets are of low value. These leases essentially include short-term property rental. For these leases, lease expenses are recognized on a straight-line basis, when incurred. In quarter ended March 31, 2021, these leases represent R\$2 (R\$6 for the same period of 2020).

Other information on the lease is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2020.

14. Equity

(a) Shares and capital

	Consolidated and Individual	
	3/31/21	12/31/20
Subscribed capital	2,053,976	2,053,976
Number of common shares, without par value (thousand)	102,159	102,159

The Company's authorized capital as at March 31, 2021 is R\$3,000,000 (three billion reais) (R\$2,500,000 as at December 31, 2020), represented exclusively by common shares and each share entitles its holder to one vote in shareholders meeting.

(b) Treasury shares

On March 13, 2020, the Board of Directors approved for 18 months, starting on March 16, 2020, the Company's share buyback program (Repurchase Program), in the maximum amount of 4 million common shares, respecting the legal limits, for being held in treasury, canceled or re-placed on the market, or even allocated to the Stock Option Plans.

During the quarter ended March 31, 2020, 403 thousand shares were acquired in the amount of R\$6,695, through the Company's Repurchase Program, as shown below:

Type	Number (thousand)			Cost in reais (per share) of the acquired shares			Market value (*)
	Opening balance	Acquired	Closing balance	Weighted average	Maximum	Minimum	
1st quarter of 2021:							
Common shares	16	-	16	-	-	-	458
1st quarter of 2020:							
Common shares	-	403	403	17.30	20.99	14.87	8,826

(*) Market value of shares remaining in treasury as at March 31, 2021 and 2020.

(c) Mandatory minimum dividend payable to shareholders

Fiscal year 2020 dividends, amounting R\$33,240, were approved at the Board of Directors Meeting held on March 1st, 2021 and paid on April 1st, 2021.

Fiscal year 2019 dividends, amounting R\$21,423, were approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 16, 2020 and paid on May 29, 2020.

(d) Stock option plan

On June 26, 2020, the Company approved Program 8 of the stock option plan, granting to directors and managers, 253 thousand and 400 thousand options with vesting period of 5 and 10 years, respectively, with exercise deadline date in December 2027 and December 2032, respectively. The stock option fair values are R\$11.83 and R\$12.66 respectively with, total cost of remuneration of R\$7,254, which will be recognized in the income statement over the vesting periods.

The table below shows the main terms and conditions of the stock option programs:

Program	Approval	Quantity	% of total approved in the plan	Vesting	Strike price	Participants	Initial exercise deadline	Exercise deadline (*)
1	6/11	70,000	3.70%	Up to 5 year	R\$ 4.00	Officers	8/11	12/21
2	6/12	22,444	1.19%	Up to 5 year	R\$ 22.36	Officers	8/12	12/22
3	10/13	32,879	1.74%	Up to 5 year	R\$ 30.04	Officers and managers	12/13	12/23
4	11/14	31,835	1.68%	Up to 5 year	R\$ 30.04	Officers and managers	12/14	12/24
5	12/15	27,710	1.46%	Up to 5 year	R\$ 30.04	Officers and managers	12/15	12/25
6	4/18	352,000	18.60%	Up to 5 year	R\$ 22.00	Officers and managers	12/18	12/25
7	9/19	226,251	11.96%	Up to 5 year	R\$ 23.42	Officers and managers	12/19	12/26
8	6/20	653,216	34.52%	Up to 5 and 10 year	R\$ 21.62	Officers and managers	12/20	12/27 and 12/32

(*) After each plan's last vesting period, the beneficiary has three additional exercise years. The programs 1 to 5 had a 3-year extension in exercise deadline date as approved by the Board of Directors.

The tables below show the changes in stock option plan program for the quarters ended March 31, 2021 and 2020 and supplemental information thereon:

Program	Number of participants	Changes 1 st quarter of 2021 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
2	2	15	-	-	-	15
3	3	21	-	-	-	21
4	3	21	-	-	-	21
5	3	21	-	-	-	21
6	4	267	-	-	-	267
7	16	188	-	-	-	188
8	18	649	-	-	-	649
		<u>1,182</u>	-	-	-	<u>1,182</u>
Weighted average price of options		<u>22.44</u>	-	-	-	<u>22.44</u>
1 st quarter of 2020 (thou. options):		<u>729</u>	-	<u>(3)</u>	-	<u>726</u>
Weighted average price of options		<u>22.26</u>	-	<u>23.42</u>	-	<u>22.25</u>

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
2	15	-	-	-
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	40	57	383	1.8
7	19	50	500	2.8
8	33	353	5,811	8.9
2021	<u>170</u>	<u>460</u>	<u>6,694</u>	<u>8.0</u>
2020	<u>197</u>	<u>153</u>	<u>1,693</u>	<u>3.3</u>

As at March 31, 2021, had all options currently granted been exercised, the Company would have issued 1,182 thousand shares, which would represent a 1.14% dilution in relation to the Company's total of 102,159 thousand shares (1.14% at December 31, 2020).

None of the programs requires that the beneficiary pay any amount when the option is granted. As at March 31, 2021 and December 31, 2020, Stock options granted represents 74.85% of the total approved plan.

Under Article 171, Par. 3, of the Brazilian Corporate Law, the Company's shareholders do not have preemptive rights on the exercise of stock options.

(e) Noncontrolling interests

	Consolidated	
	1 st quarter of	
	2021	2020
Opening balance	19,840	15,266
Net contributions (distributions) to noncontrolling shareholders	(235)	(110)
Capital transaction	-	2,602
Interests in net income for the year	12,462	241
Closing balance	32,067	17,999

(f) Earnings per share

Net income and the weighted average number of common shares used to calculate basic and diluted earnings per share are as follows:

	Consolidated and Individual	
	1 st quarter of	
	2021	2020
Basic earnings per share:		
Net income for the period	109,634	17,246
Weighted average number of outstanding common (thousand)	102,144	102,206
Basic earnings per share - in R\$	1.07333	0.16874
Diluted earnings per share:		
Net income for the period	109,634	17,246
Weighted average number of outstanding common (thousand)	102,144	102,206
Dilutive effect of stock options (thousand)	356	163
Total shares after dilutive effect (thousand)	102,500	102,369
Diluted earnings per share - in R\$	1.06960	0.16847

Other information on equity did not significantly change in relation to the information disclosed in Note 14 to the financial statements for the year ended December 31, 2020.

15. Net revenue

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Rental revenue	37,729	34,724	10,986	6,717
Revenue from condominium management service	1,210	1,007	1,210	1,007
Taxes on revenue	(2,190)	(1,731)	(1,164)	(745)
Net revenue	36,749	34,000	11,032	6,979

16. Costs and expenses by nature

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Costs of services provided - condominium management	(456)	(458)	(456)	(458)
Operating expenses:				
Salaries, charges and benefits	(3,146)	(2,532)	(3,146)	(2,532)
Outside services	(1,484)	(1,174)	(916)	(663)
General expenses	(1,393)	(1,157)	(1,349)	(1,123)
Management compensation	(1,193)	(831)	(1,193)	(831)
Vacancy expenses	(608)	(1,016)	(212)	(455)
Stock options	(460)	(153)	(460)	(153)
Advertising	(390)	(414)	(390)	(413)
Depreciation and amortization	(196)	(179)	(195)	(178)
Other	(837)	(608)	(1,024)	(82)
	(9,707)	(8,064)	(8,885)	(6,430)
Classified as:				
Selling expenses	(2,286)	(2,402)	(1,523)	(1,556)
General and administrative expenses	(5,391)	(4,223)	(5,145)	(3,961)
Management compensation	(1,193)	(831)	(1,193)	(831)
Other operating expenses, net	(837)	(608)	(1,024)	(82)
	(9,707)	(8,064)	(8,885)	(6,430)

17. Financial expenses and income

	Consolidated		Individual	
	1 st quarter of		1 st quarter of	
	2021	2020	2021	2020
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(5,132)	(10,229)	(4,579)	(9,591)
Loss on derivative financial instruments	(87)	(179)	(2,038)	2,745
Other financial expenses	56	(135)	206	24
	(5,163)	(10,543)	(6,411)	(6,822)
Financial income				
Income from financial investments	5,058	935	5,033	925
Interest income on intercompany loans	65	-	113	121
Other financial income (*)	604	538	530	480
	5,727	1,473	5,676	1,526
Financial (expenses) income	564	(9,070)	(735)	(5,296)

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

	Consolidated				Individual				
	Asset		Liability		Asset		Liability		
	31/3/21	31/12/20	31/3/21	31/12/20	31/3/21	31/12/20	31/3/21	31/12/20	
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	355,221	314,830	-	-	355,221	314,830	-	-
Banco Bradesco S.A.	[2]	59,841	36,342	-	-	57,031	33,078	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	4,528	5,044	-	-
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	492	457	-	-	-	23	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	40	40	-	-	40	40	-	-
Receivables from shares sale									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[6]	18,414	19,445	-	-	18,414	19,445	-	-
Loans, financing and debentures									
Other related parties									
Banco Inter S.A. (Inter)	[1]	-	-	49,817	50,056	-	-	49,817	50,056
Banco Bradesco S.A.	[2]	-	-	429,433	180,200	-	-	429,433	180,200
Lease liability									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	43	43	-	-	43	43
Land payables									
Joint venture									
Loteamento Betim	[9]	-	-	9,676	-	-	-	9,676	-

	Consolidated				Individual				
	Income		Expense		Income		Expense		
	1 st quarter of		1 st quarter of		1 st quarter of		1 st quarter of		
	2021	2020	2021	2020	2021	2020	2021	2020	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	2,944	(2,849)	-	-	2,944	(2,849)	-	-
Banco Bradesco S.A.	[2]	197	1,325	-	-	178	1,323	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	57	121	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,232	1,316	-	-	69	64	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	121	102	-	-	121	102	-	-
Operating expenses									
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	95	69	-	-	95	69
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	400	392	-	-	173	142
Financial expenses									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	283	599	-	-	283	599
Banco Bradesco S.A.	[2]	-	-	1,109	2,157	-	-	1,109	2,157

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the three-month period ended March 31, 2021, short-term investments yielded 192.49% of CDI in Consolidated and Individual (negative yielded 87.44% for the same period of 2020).

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Inter amounting to R\$4,514 at March 31, 2021 (R\$3,126 at December 31, 2020). The financial income arising on these short-term investments for the quarter ended March 31, 2021 was R\$20 (R\$58 for the same period of 2020).

- [2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Investment Fund for Multisectorial Holdings Plus, a shareholder of the Company.
- [3] Refers to loan between the Company and subsidiary, granted in January 2018. This loan is subject to interest by CDI + 2.25% p.a.
- [4] Refers to the lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- [5] Refers to the lease agreement entered by the Company and MRV Engenharia e Participações S.A., company controlled by the Company's controlling shareholder.
- [6] In July 2018, the Company sold equity interest in the subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") to MRV MRL CAMP NOU Incorporações e Participações Ltda, a company controlled by MRV Engenharia e Participações S.A. The contract determines payments in two tranches as detailed below:
- I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
 - II. R\$25,523 (R\$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at March 31, 2021	-	19,311	19,311
Trade receivables as at December 31, 2020	-	20,502	20,502

In this transaction, an agreement of shares holders was celebrated that started to characterize the joint control on this entity, so far controlled by the Company. The amount of transactions affecting cash flows arising from LOG SJC are not material for separate presentation in the statement of cash flows.

- [7] Refers to lease agreement of part of tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. ("Conedi") and MA Cabaleiro Participações Ltda. ("MA Cabaleiro"). Conedi is a one of the Company's shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder and member of the Company's board. The contract is valid until February 28, 2035, including extension of the contract, adjustable by the General Market Price Index (IGPM).
- [8] Amounts related to expenses incurred on the provision of administrative services. The agreement provides for the monthly payment of R\$4 per project developed by the Company or its investees at March 31, 2021 and December 31, 2020. This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. The agreement is effective for three years, beginning December 2, 2013, automatically extendable for an equal period, if not opposed by any of the parties. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition by the parties.
- [9] Refers to the acquisition of land, fully paid in April 2021.

Compensation of key management personnel

Pursuant to CPC 05 and IAS 24 *Related Party Disclosures*, which addresses related party disclosures, and according to the Company's understanding, key management personnel consist of members of the Board of Directors and officers elected by the Board of Directors in conformity with the Company's bylaws, and their roles and responsibilities comprise decision-making powers and control of the Company's activities.

	Consolidated and Individual	
	1 st quarter of	
	2021	2020
Short-term benefits granted to management:		
Management compensation	1,193	982
Profit sharing	346	321
Non-monetary benefits	40	31
Long-term benefits to management:		
Retirement private plan	24	19
Share-based compensation:		
Stock option plan	385	124
	1,988	1,477

On April 16, 2021, the Ordinary Shareholders' Meeting approved the overall management compensation at R\$9,090.

Besides the benefits above, the Company does not grant any other benefits such as postemployment benefits or severance pay.

19. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at March 31, 2021.

The Company entered non-speculative derivative financial instruments to hedge its exposure to fixed rates. The sole purpose of these transactions is to hedge the risk of rates fluctuation by swapping them. Main conditions and effects are described below:

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		3/31/21
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	21,251	21,387	21,286	101	1,094	1,195
							101	1,094	1,195
									Consolidated and Individual
									Noncurrent assets
									Total
									1,195
									1,195

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/20
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	21,733	21,872	21,761	111	3,132	3,243
							111	3,132	3,243
									Consolidated and Individual
									Noncurrent assets
									Total
									3,243
									3,243

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology. This derivative's notional value is R\$25,000, of which R\$23,695, representing 95%, was designated as a hedge instrument for debt protection, according to the hedge accounting methodology.

	Impact on profit or loss - Consolidated and		
	Gain (loss) on transaction	Mark-to-market	Total
1 st quarter of 2021	(10)	(2,038)	(2,048)
1 st quarter of 2020	3	2,745	2,748

Impacts on profit or loss related to derivatives above are recognized in line item financial charges and financial income, according to their nature.

Hedge accounting

In December 2018, the Group formally designated a derivative financial instrument (swap type) as a hedging instrument and a financing as hedged item, establishing a relationship of economic protection between them, according to the hedge accounting methodology. This designation was classified as a fair value hedge, since it reduces the market risk arising from the fair value fluctuations of the respective financing. In this way, both the derivative and the financing are measured at fair value through profit and loss, with the expectation that changes in fair values will compensate each other. The critical terms of the instruments are as follows:

	Hedge Instrument (swap)		Hedge Item
Notional value	25,000		25,000
Contract date	12/18		12/18
Maturity date	8/28		9/28
	Long position	Short position	Debt
Rates	10.5%	108.95% CDI	TR + 10%

The effects of hedge accounting on balance sheet and the statement of income are as follows:

Fair value hedge	Notional value	Rates	Fair value	Effects on results
	3/31/21		3/31/21	2021
Loans and financing (Hedged item)	21,251	10%	(22,996) (*)	1,951
		Long position 10%	22,996	(1,940)
Derivative financial instrument (Hedge instrument)	21,251	Short position 108.95% CDI	(21,801)	(98)
		Swap net position	1,195	(2,038)
		Total net position	(21,801)	(87)

(*) Swap hedging relation of 99.19% of the hedged item.

(b) Category of financial instruments

Consolidated	Note	31/3/21		31/12/20	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		111,013	111,013	77,622	77,622
Cash and bank accounts	3	33,872	33,872	817	817
Trade receivables	4	77,141	77,141	76,805	76,805
Fair value through profit or loss (mandatorily measured) (*)		905,595	905,595	746,990	746,990
Restricted investment funds	3	302,626	302,626	162,540	162,540
Unrestricted investment funds	3	128,085	128,085	127,970	127,970
Bank certificates of deposit (CDB)	3	473,689	473,689	453,237	453,237
Derivative financial instruments	19 (a)	1,195	1,195	3,243	3,243
Financial liabilities:					
Amortized cost		1,096,157	1,090,018	857,033	849,387
Loans, financing and debentures	8	1,005,354	999,215	775,035	767,389
Land payables	9	66,589	66,589	62,355	62,355
Trade payables (suppliers)		19,885	19,885	15,269	15,269
Lease	13	4,329	4,329	4,374	4,374
Fair value through profit or loss (Hedge accounting) (*)		23,184	23,184	25,628	25,628
Loans, financing and debentures	8	23,184	23,184	25,628	25,628

(*) Financial assets and liabilities recognized at fair value with level 2 measurement, using the discounted cash flows valuation technique.

Fair value of loans, financing, and debentures was estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at March 31, 2021 and December 31, 2020.

The table below shows a comparison of the contracted and market rates, at March 31, 2021:

Contractual rate (p.a.)	Current market rate (p.a)	Maturity dates
Debentures		
CDI + 1.35% to 2.25%	CDI + 0.92% to 3.33%	12/21 to 12/28
108% to 119% CDI	CDI + 0.45% to 1.22%	06/21 and 03/25
Construction financing		
CDI + 1.65%	CDI + 1.65%	10/24
TR + 10.00%	TR + 10.00%	09/28

Management believes that the carrying value of other financial instruments such as cash, banks accounts, short-term investments, marketable securities, trade receivables, and trade payables approximate their fair values because substantially all the balances mature on dates close to the reporting period.

(c) Exposure to interest rates and inflation adjustment indices

The following analysis was carried out for March 31, 2021, according with that described in Note 19, letter (c), to the financial statements for the year ended December 31, 2020:

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 3/31/21	Estimated annual rate for 2021 (*)	Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:							
CDI	804,400	(1,092,032)	(287,632)	2.21%	4.58% (i)	2.37%	(6,817)
TR	-	(23,184)	(23,184)	0.00%	0.01% (i)	0.01%	(2)
IPCA	119,311	-	119,311	6.10%	4.83% (ii)	-1.27%	(1,515)
							(8,334)
Scenario I:							
CDI	804,400	(1,092,032)	(287,632)	2.21%	5.73%	3.52%	(10,125)
TR	-	(23,184)	(23,184)	0.00%	0.01%	0.01%	(2)
IPCA	119,311	-	119,311	6.10%	3.62%	-2.48%	(2,959)
							(13,086)
Scenario II:							
CDI	804,400	(1,092,032)	(287,632)	2.21%	6.87%	4.66%	(13,404)
TR	-	(23,184)	(23,184)	0.00%	0.02%	0.02%	(5)
IPCA	119,311	-	119,311	6.10%	2.42%	-3.68%	(4,391)
							(17,800)

(i) Data obtained on B3 website.

(ii) Data obtained on Banco Central website.

(*) Effective change for the first three months of 2021 plus a projection for the next nine months of 2021.

(d) Capital risk management

As at March 31, 2021 and December 31, 2020, the net debt-to-equity ratio is as follows:

	Consolidated		Individual	
	3/31/21	12/31/20	3/31/21	12/31/20
Loans, financing and debentures	1,028,538	800,663	1,005,816	775,525
Cash and cash equivalents and marketable securities	(938,272)	(744,564)	(934,596)	(740,759)
Net debt	90,266	56,099	71,220	34,766
Equity	3,202,282	3,079,961	3,170,215	3,060,121
Net debt-to-equity ratio	2.8%	1.8%	2.2%	1.1%

The Group is not subject to any external debt requirements, except for the contractual obligations described in Note 8 (e).

(e) Liquidity and interest rate risk table

The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on March 31, 2021, by maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	260,945	285,737	343,248	400,031	1,289,961
Non-interest bearing liabilities	29,561	-	-	-	29,561
Total	290,506	285,737	343,248	400,031	1,319,522
Individual:					
Floating rates liabilities	256,864	281,653	339,500	381,219	1,259,236
Non-interest bearing liabilities	28,621	-	-	-	28,621
Total	285,485	281,653	339,500	381,219	1,287,857

(f) Credit risk

It refers to the risk of a counterparty failing to meet its contractual obligations, leading the Group to incur in financial losses. The Group is exposed to credit risks related to:

- i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. The company records allowance for credit risk as mentioned in Note 2.2 (j) to the financial statements for the year ended December 31, 2020.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

20. Guarantees

Except for the guarantees described in Notes 6 and 8, the Group does not collateralize any of its assets and is not the guarantor of any other types of third-party transactions.

21. Noncash transactions

During the quarters ended March 31, 2021 and 2020, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated and Individual	
	1 st quarter of	
	2021	2020
Interest capitalization	1,359	1,904

22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at March 31, 2021, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightning, theft, and other specific coverage of facilities and assemblies on the insured site.	421,299
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	500
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	34,726
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	145,696
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	2,652
Barter insurance	Guarantees the obligation of delivering GLA to the barterer, by the Company, after the conclusion of the agreed work.	39,500
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	985

23. COVID-19 impacts on quarterly information

In compliance with CVM's Circular Letter No. 02/2020 of March 10, 2020, which deals with the effects of COVID-19 on the Company's financial statements, Management assessed the impacts of the main risks and uncertainties that could affect the quarterly information presented herein, these being:

- Cash equivalents and marketable securities (Note 3): Changes in issuers' ratings may lead to the recognition of impairment adjustments on these assets.
- Trade receivables (Note 4): Materially higher defaults due to longer-term concessions in the rental payments.
- Investment properties – PPIs (Note 6): Changes in fair value of assets.
- Deferred tax asset (Note 11): Changes in the estimated realization of deferred tax assets, based on the forecast of future taxable income.

The Company's management assessed the items listed above and understood that, until the issuance date of this quarterly information, there are no material impacts that could affect them.

24. Approval of the financial statements

These interim financial statements were reviewed by the Fiscal Board and authorized for issue by the Board of Directors on April 28, 2021.