



LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

Publicly-Held Company with Authorized Capital - CVM Code No. 02327-2

CNPJ/ME No. 09.041.168/0001-10

NIRE (State Registration) 31.300.027.261

Av. Professor Mário Werneck, No 621, 10th floor, Zip-code 30455-610

Belo Horizonte – MG

MATERIAL FACT

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A. (“Company”) announces to its shareholders and to the market in general that, pursuant to article 157, paragraph 4, of Law 6,404, dated December 15, 1976, as amended, of the provisions of Securities and Exchange Commission (“CVM”) Instruction No. 565, dated June 15, 2015, as amended, the Company's Board of Directors approved the call of an Extraordinary Shareholders’ Meeting (“AGE”), on the date hereof, to resolve the following: **(i) (a)** the partial spin-off of **LOG MARACANAÚ I SPE LTDA.**, a limited liability company organized and existing in compliance with the laws of Brazil, with its principal place of business in the City of Maracanaú, State of Ceará, at Rodovia Anel Viário, 4.902, Boa Esperança, CEP 61.935-230, enrolled with the CNPJ/ME under No. 14.957.737/0001-01 and NIRE 23201441291, (hereinafter referred to as “SPE Maracanaú I”); and **(b)** the transfer of the spun-off portion of Log Maracanaú (“Spun-off Portion”), pursuant to its respective Appraisal Report of SPE Maracanaú I (as defined below) to the Company (“Partial Spin-Off of SPE Maracanaú I”); **(ii)** the merger into the Company of **LOG RIO SPE LTDA.**, a limited liability company organized and existing in compliance with the laws of Brazil, with its principal place of business in the City of Rio de Janeiro, State of Rio de Janeiro, at Avenida Brasil, 41.432, Campo Grande, CEP 23.078-002, enrolled with the CNPJ/ME under No. 17.358.922/0001-78 and NIRE 33209414887, (hereinafter referred to as “SPE Rio Campo Grande” and, jointly with SPE Maracanaú I, the “SPEs”), pursuant to its respective Appraisal Report of SPE Rio Campo Grande (as defined below) (“Merger of SPE Rio Campo Grande” and, jointly with Partial Spin-Off of SPE Maracanaú I, the “Transactions”); **(iii)** the terms and conditions of the “*Private Instrument of Protocol and Justification of Partial Spin-Off of Log Maracanaú I SPE Ltda. and Merger of Log Rio SPE Ltda. into Log Commercial Properties e Participações S.A.*”, executed on August 13, 2020, by and between the managements of the Company and the SPEs (“Protocol”); **(iv)** the ratification of the hiring of **Ovalle Leão Auditoria e Consultoria Tributária e Contábil Ltda.**, enrolled with the Regional Council of Accounting of Minas Gerais under No. MG 006772/0 and with the CNPJ/ME under No. 08.407.110/0001-10, with its principal office in the City of Belo Horizonte, State of Minas Gerais, at Rua Ignácio Alves Martins, No. 253, Conjunto 207, Buriti, Zip-code 75.110-720 (“Appraiser”), as specialized Company responsible for the preparation of the appraisal reports of the SPEs’ net assets, or portion of the net assets, as applicable, to be merged into the Company, valued at book value (“Appraisal Report of SPE Maracanaú I”, “Appraisal Report of

SPE Rio Campo Grande” and, jointly, “Appraisal Reports”); **(v)** In case of the approval of the resolution (i) above, the approval of the Appraisal Report of SPE Maracanaú I; **(vi)** In case of the approval of the resolution (i) above, the approval of the Appraisal Report of SPE Rio Campo Grande; **(vii)** the re-ratification of the Minutes of the Ordinary and Extraordinary Shareholders' Meeting, held on April 16, 2020 (“AGOE”), to be previewed in the consolidated Company's Bylaws which is its Annex II, the correct text of its article 4, approved through the Minutes of the Ordinary and Extraordinary Shareholders' Meeting, held on October 9, 2019, and which had not been changed through the AGOE, nor any other meeting after October 9, 2019; **(viii)** If the previous matters are approved, the authorization and ratification of all the acts of the Company's managers necessary for the effectiveness of the resolutions proposed and approved by the Company's shareholders at AGE, including the registration or annotation, as the case may be, of the transfer of the property title over the real estate properties belonging to the Spun-Off Portions; and **(ix)** the publication of the minutes of AGE, pursuant to article 130, paragraph 2, of the Law of Corporations, omitting the names of the shareholders.

DESCRIPTION OF THE MAIN BUSINESS ACTIVITIES DEVELOPED BY THE COMPANIES INVOLVED IN THE TRANSACTIONS

COMPANY: The purpose of the Company is the following: (i) management of its own or third-party assets; (ii) provision of services of engineering and construction of residential and/or commercial properties; (iii) merger, construction, sale, lease and related services, including real estate consulting of own or third-party properties, residential and/or commercial; and (iv) interest in other companies as a partner or shareholder.

Below are the SPEs' main activities:

SPE MARACANAÚ I: The purpose of SPE Maracanaú I is the following: real estate development (in Portuguese, *incorporação imobiliária*), construction, marketing, leasing and practice of all related activities, including the administration of own assets, in connection with real estate property located at the highway area Rodovia Anel Viário, nº 4,902, Boa Esperança, municipality of Maracanaú, in the State of Ceará, CEP 61.935- 180, and is also authorized the sale of the rights resulting from the incorporation and negotiate the receivables resulting from the sales.

SPE RIO CAMPO GRANDE: The purpose of SPE Rio Campo Grande is the following: real estate development (in Portuguese, *incorporação imobiliária*), construction, marketing, leasing and practice of all related activities, including the administration of own assets, in connection with real estate property located at Avenida Brasil, nº 41.432, Parte 01; Parte 02, Campo Grande, Rio de Janeiro, in the State of Rio de Janeiro, CEP 23.078-001, and is also authorized the sale of the rights resulting from the incorporation and negotiate the receivables resulting from the sales.

DESCRIPTION, PURPOSE, BENEFITS, COSTS AND RISKS OF THE TRANSACTIONS

The Transactions will not result in any tax benefit (including goodwill) for the Parties.

The costs of performing the Transactions described herein are estimated at approximately three hundred thousand Reais (BRL300,000.00), including expenses with publications, auditors, appraisers, attorneys and other professionals hired to advise on the Transactions.

We understand that there will be no operational, commercial, financial, contractual or technological risks as the result of the Transactions.

STOCK REPLACEMENT RATIO

Within Log's scope: **(i)** the investment account, related to the each SPE, shall be partially or totally replaced with the assets and liabilities of the Spun-off Portions or the net assets of the respective SPE, as the case may be; **(ii)** there shall be no: (1) change to its capital stock, or number of shares; and (2) stock dilution; and **(iii)** due to the fact that the SPEs are wholly controlled, directly or indirectly, by Log, and there is no shareholding substitution relationship, article 264 of the Corporations Act is not applicable, pursuant to Proceeding No. CVM/SEI 19957.011351/2017-21, judged on August 14, 2018.

ASSETS AND LIABILITIES ELEMENTS THAT WILL FORM EACH ASSETS AND LIABILITIES TO BE TRANSFERRED TO LOG

The assets and the liabilities to be transferred to the Company are described in the Appraisal Reports attached to the Protocol (Exhibit I) and to the Management Proposal (Exhibit C).

Assets to be transferred to Log include the ownership of:

- (i) If approved the Partial Spin-Off of SPE Maracanaú I: ideal fraction corresponding to fifty percent (50.00%) of properties enrolled under Nos. 25.286, 25.287, 25.288, 25.289, 25.290, 16.286, 16.822 and 7.395, at the 2nd Real Estate Registry Office of 2nd District of Maracanaú, State of Ceará, as per respective enrollment certificates Exhibited to this Protocol (Exhibit II), belonging to the net assets of SPE Maracanaú I; and
- (ii) If approved the Merger of SPE Rio Campo Grande: the properties enrolled under Nos. 14.395 and 14.396, at the 12^o Real Estate Registry Office of Rio de Janeiro County, State of Rio de Janeiro, as per respective enrollment certificates Exhibited to this Protocol (Exhibit III), belonging to the net assets of SPE Rio Campo Grande.

OTHER APPROVALS

The Transactions has not been, nor will be, subject to the approval of Brazilian or foreign authorities.

RIGHT OF WITHDRAWAL

Under the current legislation, there is no right of withdrawal for the Company's shareholders. Considering that the Company holds, directly and indirectly, all the quotas issued by the SPEs, the decision on the Transactions will take place by unanimous vote.

OTHER RELEVANT INFORMATION

The Transactions will be conducted in accordance with the provisions of article 233, sole paragraph, of the Corporations Act, so that: (i) In connection with the Partial Spin-off of SPE Maracanaú I, (a) Log will only be responsible for the obligations assumed under the Protocol, as a result of the Partial Spin-off; (b) neither Party shall be jointly and severally liable to the other for any obligations assumed by the other Party; and (c) Log will not be liable for any contingency related to the Spun-off Portion, whose triggering event occurs prior to the Partial Spin-off, or any other contingencies related to the activities of the SPE Maracanaú I; and (ii) In connection with the Merger of SPE Rio Campo Grande into Log, it shall lead to the dissolution of the SPE Rio Campo Grande, which shall be succeeded by Log, on a universal basis, so that Log, as the universal successor of the SPE Rio Campo Grande, shall succeed it with respect to all its assets and past, present and future rights and obligations, including with regard to asset and liabilities superveniences, without any continuity solution.

ADDITIONAL INFORMATION

The minutes of the Extraordinary Shareholders' Meeting of the Company are filed at the Company's principal place of business and are available on CVM website (www.cvm.gov.br) and on the Company (<http://ri.logcp.com.br/>).

The Company will keep its shareholders and the market in general informed of the next steps related to the Transactions.

Belo Horizonte, August 13, 2020.

André Luiz de Ávila Vitória

Chief Financial and Investor Relations Officer