



## **Financial Statements**

### **LOG Commercial Properties e Participações S.A.**

**Interim Consolidated and Individual Financial  
Statements for the Six-month period Ended  
June 30, 2021 and Report on Review of  
Interim Financial Statements**

# LOG Commercial Properties e Participações S.A.

## Interim Financial Statements (ITR)

June 30, 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 June 30, 2021, which comprise the balance sheet as of June 30, 2021 and the related income statements and the comprehensive income statements for the three and six months period then ended and the statements of changes in equity and statements of cash flows for the six months 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 six months period ended June 30, 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 and consolidated interim financial information taken as a whole.

Belo Horizonte, July 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 JUNE 30, 2021 AND DECEMBER 31, 2020

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		6/30/21	12/31/20	6/30/21	12/31/20
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	355,798	453,855	355,403	453,175
Marketable securities	3	430,065	287,718	344,726	287,584
Receivables	4	109,959	32,486	15,668	17,633
Recoverable taxes		9,524	6,309	7,928	4,791
Prepaid expenses		4,962	1,556	4,397	785
Other		2,122	1,430	8,124	572
Total current assets		912,430	783,354	736,246	764,540
<b>Noncurrent assets</b>					
Marketable securities	3	103,031	2,991	100,000	-
Derivative financial instruments	19 (a)	1,061	3,243	1,061	3,243
Receivables	4	36,332	44,319	28,010	31,838
Receivables from related parties	18	-	-	4,581	5,044
Prepaid expenses		3,298	4,691	1,579	1,841
Recoverable taxes		28,229	22,827	26,626	21,173
Deferred income tax and social contribution	11 (b)	10,536	16,537	10,536	16,537
Other		10,628	5,942	27,585	20,297
Total long-term realisable		193,115	100,550	199,978	99,973
Investments in subsidiaries and joint ventures	5	336,048	326,336	2,201,590	2,100,584
Investment property	6	3,223,946	2,994,470	1,318,915	1,118,706
Property and equipment	7	5,136	4,981	5,103	4,938
Intangible assets		2,537	2,492	2,536	2,492
Total noncurrent assets		3,760,782	3,428,829	3,728,122	3,326,693
Total assets		4,673,212	4,212,183	4,464,368	4,091,233
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Suppliers		40,579	15,269	15,285	14,339
Loans, financing and debentures	8	141,524	203,229	138,233	200,003
Land payables	9	80,325	16,630	49,678	16,630
Labor and social liabilities		6,784	5,572	5,976	5,193
Tax liabilities		15,027	8,541	4,864	4,159
Barbers	10	76,729	45,688	63,463	45,688
Deferred taxes	11 (b)	6,842	1,423	-	-
Lease liability	13	212	192	212	192
Dividend payable	14 (c)	-	33,240	-	33,240
Other		1,851	741	1,452	458
Total current liabilities		369,873	330,525	279,163	319,902
<b>Noncurrent liabilities</b>					
Loans, financing and debentures	8	783,218	597,434	764,382	575,522
Barbers	10	156,780	84,848	156,780	84,848
Deferred taxes	11 (b)	64,268	63,254	-	-
Land payables	9	12,571	45,725	11,058	45,725
Provisions for labor, tax and civil risks	12	1,893	1,725	103	108
Lease liability	13	4,355	4,182	4,355	4,182
Other		9,039	4,529	655	825
Total noncurrent liabilities		1,032,124	801,697	937,333	711,210
Total liabilities		1,401,997	1,132,222	1,216,496	1,031,112
<b>Equity</b>					
Paid-in capital		2,035,382	2,035,382	2,035,382	2,035,382
Treasury shares		(292)	(295)	(292)	(295)
Capital reserves		5,816	4,772	5,816	4,772
Earnings reserve		1,020,262	1,020,262	1,020,262	1,020,262
Retained earnings		186,704	-	186,704	-
Equity attributable to Company shareholders		3,247,872	3,060,121	3,247,872	3,060,121
Noncontrolling interests	14 (e)	23,343	19,840	-	-
Total equity		3,271,215	3,079,961	3,247,872	3,060,121
Total liabilities and equity		4,673,212	4,212,183	4,464,368	4,091,233

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

## LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.



INCOME STATEMENTS FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$, except earnings per share)

	Notes	Consolidated				Individual			
		2021		2020		2021		2020	
		2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Net revenue from lease and services provided	15	36,962	73,711	35,046	69,046	11,461	22,493	7,291	14,270
Costs of services provided - condominium management	16	(506)	(962)	(341)	(799)	(506)	(962)	(341)	(799)
<b>Gross profit</b>		<b>36,456</b>	<b>72,749</b>	<b>34,705</b>	<b>68,247</b>	<b>10,955</b>	<b>21,531</b>	<b>6,950</b>	<b>13,471</b>
Operating income (expenses)									
Selling expenses	16	(3,198)	(5,484)	(2,633)	(5,035)	(1,601)	(3,124)	(1,446)	(3,002)
General and administrative expenses	16	(4,553)	(9,942)	(3,847)	(7,919)	(4,262)	(9,406)	(3,574)	(7,384)
Management compensation	16	(1,384)	(2,578)	(1,034)	(2,016)	(1,384)	(2,578)	(1,034)	(2,016)
Changes in the fair value of investment property	6	35,998	151,081	43	103	-	53,750	-	-
Other operating income (expenses), net	16	12,125	11,288	(1,103)	(1,711)	(877)	(1,901)	(1,180)	(1,262)
Results from equity participation	5	861	2,627	490	1,362	62,377	134,341	21,985	40,976
<b>Income before financial income and taxes</b>		<b>76,305</b>	<b>219,741</b>	<b>26,621</b>	<b>53,031</b>	<b>65,208</b>	<b>192,613</b>	<b>21,701</b>	<b>40,783</b>
Financial income (expenses)									
Financial expenses	17	(9,185)	(14,348)	(8,118)	(18,661)	(8,584)	(14,995)	(6,661)	(13,483)
Financial income	17	9,782	15,509	3,990	5,463	9,411	15,087	4,004	5,530
<b>Income before taxes</b>		<b>76,902</b>	<b>220,902</b>	<b>22,493</b>	<b>39,833</b>	<b>66,035</b>	<b>192,705</b>	<b>19,044</b>	<b>32,830</b>
Income tax and social contribution									
Current		(8,789)	(11,528)	(2,436)	(5,069)	-	-	-	-
Deferred	11	10,335	(8,830)	1,900	4,680	11,034	(6,001)	2,658	6,118
	11	1,546	(20,358)	(536)	(389)	11,034	(6,001)	2,658	6,118
<b>Net income for the period</b>		<b>78,448</b>	<b>200,544</b>	<b>21,957</b>	<b>39,444</b>	<b>77,069</b>	<b>186,704</b>	<b>21,702</b>	<b>38,948</b>
Net income attributable to:									
Shareholders of the Company		77,069	186,704	21,702	38,948				
Noncontrolling interests		1,379	13,840	255	496				
		<b>78,448</b>	<b>200,544</b>	<b>21,957</b>	<b>39,444</b>				
Earnings per share (In Reais - R\$):									
Basic	14 (f)	0.75451	1.82785	0.21442	0.38311	0.75451	1.82785	0.21442	0.38311
Diluted	14 (f)	0.75227	1.82184	0.21417	0.38246	0.75227	1.82184	0.21417	0.38246

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Consolidated				Individual			
	2021		2020		2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Net income for the period	<b>78,448</b>	<b>200,544</b>	21,957	39,444	<b>77,069</b>	<b>186,704</b>	21,702	38,948
Other components of comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>78,448</b>	<b>200,544</b>	21,957	39,444	<b>77,069</b>	<b>186,704</b>	21,702	38,948
Comprehensive income attributable to:								
Shareholders of the Company	<b>77,069</b>	<b>186,704</b>	21,702	38,948				
Noncontrolling interests	<b>1,379</b>	<b>13,840</b>	255	496				
	<b>78,448</b>	<b>200,544</b>	21,957	39,444				

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 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				
<b>BALANCE AT DECEMBER 31, 2019</b>	<b>2,053,976</b>	<b>(15,904)</b>	-	<b>(2,639)</b>	<b>3,346</b>	<b>27,185</b>	<b>872,993</b>	-	<b>2,938,957</b>	<b>15,266</b>	<b>2,954,223</b>
Capital increase	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(263)	(263)
Stock options	-	-	-	-	388	-	-	-	388	-	388
Treasury shares	-	-	(18,597)	-	-	-	-	-	(18,597)	-	(18,597)
Capital transaction	-	-	-	-	-	-	(2,602)	-	(2,602)	2,602	-
Income of the year	-	-	-	-	-	-	-	38,948	38,948	496	39,444
<b>BALANCE AT JUNE 30, 2020</b>	<b>2,053,976</b>	<b>(15,955)</b>	<b>(18,597)</b>	<b>(2,639)</b>	<b>3,734</b>	<b>27,185</b>	<b>870,391</b>	<b>38,948</b>	<b>2,957,043</b>	<b>18,101</b>	<b>2,975,144</b>
<b>BALANCE AT DECEMBER 31, 2020</b>	<b>2,053,976</b>	<b>(18,594)</b>	<b>(295)</b>	-	<b>4,772</b>	<b>34,183</b>	<b>986,079</b>	-	<b>3,060,121</b>	<b>19,840</b>	<b>3,079,961</b>
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(10,337)	(10,337)
Stock options	-	-	-	-	1,044	-	-	-	1,044	-	1,044
Treasury shares sold to beneficiaries of stock option plan	-	-	3	-	-	-	-	-	3	-	3
Net income for the period	-	-	-	-	-	-	-	186,704	186,704	13,840	200,544
<b>BALANCE AT JUNE 30, 2021</b>	<b>2,053,976</b>	<b>(18,594)</b>	<b>(292)</b>	-	<b>5,816</b>	<b>34,183</b>	<b>986,079</b>	<b>186,704</b>	<b>3,247,872</b>	<b>23,343</b>	<b>3,271,215</b>

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



STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020 - INDIRECT METHOD  
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		1 <sup>st</sup> half of		1 <sup>st</sup> half of	
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Net Income for the period		200,544	39,444	186,704	38,948
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	402	359	399	357
Results from equity participation	5	(2,627)	(1,362)	(134,341)	(40,976)
Amortization of prepaid expenses		1,990	662	1,591	77
Allowance for credit risk		(501)	715	(314)	370
Financial result		4,803	13,198	6,065	7,953
Results on sale of partial equity interest in subsidiary	6	(11,287)	-	-	-
Deferred taxes		15,005	(4,328)	6,001	(6,118)
Changes in the fair value of investment property	6	(151,902)	(226)	(53,750)	-
Stock options	16	1,044	388	1,044	388
		57,471	48,850	13,399	999
(Increase) decrease in operating assets:					
Trade accounts receivable		968	(12,966)	289	(5,505)
Recoverable taxes		(8,617)	(1,571)	(8,590)	(1,083)
Prepaid expenses		(5,217)	(1,995)	(4,941)	(1,615)
Other assets		(5,378)	5,796	(7,498)	(8,130)
Increase (decrease) in operating liabilities:					
Suppliers		25,310	9,778	946	8,939
Labor and social liabilities		1,212	837	783	557
Tax liabilities		(142)	6,735	787	696
Other liabilities		4,017	(6,884)	818	(1,289)
Income tax and social contribution paid		(6,246)	(5,791)	(50)	-
Cash provided by (used in) operating activities		63,378	42,789	(4,057)	(6,431)
<b>Cash flows from investing activities</b>					
Increase in marketable securities		(490,135)	(128,235)	(384,577)	(118,381)
Decrease in marketable securities		256,786	200,331	236,058	190,632
Increase in / acquisition of investments	5 (c)	(12,163)	(746)	(29,022)	(35,320)
Dividends received from subsidiaries	5 (c)	5,078	-	141,373	38,452
Acquisition of investment properties		(182,174)	(53,450)	(140,365)	(10,539)
Receipt for the sale of subsidiaries / assets		197,406	20,927	6,125	20,925
Receipts from related companies		-	-	557	1,144
Other		(307)	(113)	(314)	(121)
Net cash (used in) provided by investing activities		(225,509)	38,714	(170,165)	86,792
<b>Cash flows from financing activities</b>					
Proceeds from loans, financing and debentures, net		247,985	-	247,985	-
Amortization of loans, financing and debentures	8 (a)	(128,164)	(36,399)	(127,171)	(35,801)
Interest paid		(11,927)	(26,395)	(10,881)	(24,955)
Lease payments		(246)	(63)	(246)	(63)
Dividend paid		(33,240)	(21,423)	(33,240)	(21,423)
Share issuance costs		-	(77)	-	(77)
Disposal (acquisition) of treasury shares		3	(18,597)	3	(18,597)
Contributions from noncontrolling shareholders	14 (e)	(10,337)	(263)	-	-
Net cash provided by (used in) financing activities		64,074	(103,217)	76,450	(100,916)
Decrease in cash and cash equivalents		(98,057)	(21,714)	(97,772)	(20,555)
<b>Cash and cash equivalents</b>					
At the beginning of the period	3	453,855	507,388	453,175	505,869
At the end of the period	3	355,798	485,674	355,403	485,314
Decrease in cash and cash equivalents		(98,057)	(21,714)	(97,772)	(20,555)

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

STATEMENTS OF VALUE ADDED FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		1 <sup>st</sup> half of		1 <sup>st</sup> half of	
		2021	2020	2021	2020
Revenue					
Revenues from lease and services provided		78,102	72,590	24,868	15,791
Other revenue		33,496	929	10	92
Changes in the fair value of investment property	6	151,902	226	53,750	-
Revenue from construction of own assets		167,169	65,596	89,395	13,141
Allowance for doubtful accounts		501	(715)	314	(370)
		<b>431,170</b>	<b>138,626</b>	<b>168,337</b>	<b>28,654</b>
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(154,642)	(63,209)	(87,680)	(18,054)
		<b>(154,642)</b>	<b>(63,209)</b>	<b>(87,680)</b>	<b>(18,054)</b>
Gross value added		<b>276,528</b>	<b>75,417</b>	<b>80,657</b>	<b>10,600</b>
Depreciation	16	(402)	(359)	(399)	(357)
Net wealth created		<b>276,126</b>	<b>75,058</b>	<b>80,258</b>	<b>10,243</b>
Value added received in transfer					
Results from equity participation	5	2,627	1,362	134,341	40,976
Financial income		16,230	5,712	15,805	5,778
		<b>18,857</b>	<b>7,074</b>	<b>150,146</b>	<b>46,754</b>
Total wealth for distribution		<b>294,983</b>	<b>82,132</b>	<b>230,404</b>	<b>56,997</b>
Wealth distributed					
Personnel:		18,531	10,461	10,481	6,655
Salaries and wages		14,605	8,785	8,304	5,733
Benefits		3,223	1,315	1,782	725
Severance pay fund (FGTS)		703	361	395	197
Taxes and fares:		41,205	6,606	12,387	(3,076)
Federal		39,433	6,100	10,939	(3,294)
Municipal		1,772	506	1,448	218
Lenders and lessors:		34,703	25,621	20,832	14,470
Interest		23,923	21,509	14,823	14,078
Rentals / Leases		10,738	4,060	6,000	384
Other		42	52	9	8
Shareholders:		200,544	39,444	186,704	38,948
Retained earnings		186,704	38,948	186,704	38,948
Noncontrolling interests		13,840	496	-	-
Wealth distributed		<b>294,983</b>	<b>82,132</b>	<b>230,404</b>	<b>56,997</b>

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<sup>th</sup> 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.

In May 2021, the Company entered into a Purchase and Sale agreement with the fund “BM II Fundo de Investimento Imobiliário”, for the sale of an asset in the amount of R\$272.7 million (Note 6). The Company continues to assess future disposals, depending on the market conditions.

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.

This interim financial information must be read jointly with the financial statements as of December 31, 2020. 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 had not significant impact on Group's consolidated financial statements when they came into force.

- 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 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	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Cash and cash equivalents:</u>				
Cash	2	2	1	1
Bank accounts	460	815	259	611
Short-term investments:				
Bank certificates of deposit (CDB)	355,336	453,038	355,143	452,563
<b>Total cash and cash equivalents</b>	<b>355,798</b>	<b>453,855</b>	<b>355,403</b>	<b>453,175</b>

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Marketable securities:</u>				
Restricted investment funds (i)	464,195	162,540	378,856	162,406
Unrestricted investment funds (ii)	68,702	127,970	65,870	125,178
Bank certificates of deposit (CDB) (ii)	199	199	-	-
<b>Total marketable securities</b>	<b>533,096</b>	<b>290,709</b>	<b>444,726</b>	<b>287,584</b>
Current	430,065	287,718	344,726	287,584
Noncurrent	103,031	2,991	100,000	-
	<b>533,096</b>	<b>290,709</b>	<b>444,726</b>	<b>287,584</b>

- 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\$2,832 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 142.38% of CDI in Consolidated and 141.56% of CDI in Individual in the six-month period ended June 30, 2021 (32.84% of CDI in Consolidated and 32.78% 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	
	6/30/21	12/31/20	6/30/21	12/31/20
Bank certificates of deposit (CDB)	7,499	1,700	4,892	1,700
Securities with repurchase agreement	20,956	18,021	12,116	18,021
Unrestricted investment funds	19,666	51,378	11,550	51,244
Debentures	97,272	22,030	77,926	22,030
Financial treasury bills (LFTs)	145,290	-	134,341	-
Private bonds	161,142	33,162	131,336	33,162
Public securities	12,370	36,249	6,695	36,249
<b>Total</b>	<b>464,195</b>	<b>162,540</b>	<b>378,856</b>	<b>162,406</b>

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	
	6/30/21	12/31/20	6/30/21	12/31/20
Rentals	42,024	47,356	15,369	14,939
Sale of equity interest / assets	98,546	22,945	17,127	22,945
Condominium administration	450	220	450	220
Other	14,509	16,023	13,578	14,527
	155,529	86,544	46,524	52,631
Allowance for credit risk	(9,238)	(9,739)	(2,846)	(3,160)
<b>Total</b>	<b>146,291</b>	<b>76,805</b>	<b>43,678</b>	<b>49,471</b>
Current	109,959	32,486	15,668	17,633
Noncurrent	36,332	44,319	28,010	31,838
	146,291	76,805	43,678	49,471

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

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

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
LOG SJC (Note 18)	17,877	20,502	17,877	20,502
LOG Sapucaias	-	3,500	-	3,500
LOG Extrema (Note 6)	81,419	-	-	-
	99,296	24,002	17,877	24,002
Adjustment to present value	(750)	(1,057)	(750)	(1,057)
<b>Total</b>	<b>98,546</b>	<b>22,945</b>	<b>17,127</b>	<b>22,945</b>
Current	88,448	10,198	7,029	10,198
Noncurrent	10,848	13,804	10,848	13,804
	99,296	24,002	17,877	24,002

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
In due:				
Up to 12 months	110,214	32,517	15,792	17,630
After 12 months	36,332	44,319	28,010	31,838
	<b>146,546</b>	<b>76,836</b>	<b>43,802</b>	<b>49,468</b>
Past due:				
Up to 30 days	207	812	35	674
31 to 90 days	117	1,965	31	1,110
More than 90 days	8,659	6,931	2,656	1,379
	<b>8,983</b>	<b>9,708</b>	<b>2,722</b>	<b>3,163</b>
Total	<b>155,529</b>	<b>86,544</b>	<b>46,524</b>	<b>52,631</b>

Changes in the allowance for credit losses for the six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	(9,739)	(7,934)	(3,160)	(1,995)
Additions	(659)	(715)	(359)	(370)
Write-off	1,160	-	673	-
Closing balance	<b>(9,238)</b>	<b>(8,649)</b>	<b>(2,846)</b>	<b>(2,365)</b>

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

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
12 months	146,949	139,642	40,326	43,367
13 to 24 months	128,433	124,013	41,456	42,659
25 to 36 months	93,803	96,845	30,802	33,555
37 to 48 months	72,214	73,624	24,597	23,336
49 to 60 months	56,045	61,165	20,620	19,358
Over 60 months	73,228	151,186	24,316	30,249
Total	<b>570,672</b>	<b>646,475</b>	<b>182,117</b>	<b>192,524</b>

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	
			Equity			
	6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20
<u>Joint ventures:</u>						
Cabral	50.00%	50.00%	<b>42,513</b>	50,248	<b>21,119</b>	24,865
Torino	40.00%	40.00%	<b>427,352</b>	398,496	<b>170,967</b>	159,424
Loteamento Betim	50.00%	50.00%	<b>127,187</b>	121,417	<b>63,594</b>	60,709
LOG SJC Sony	64.97%	64.97%	<b>106,198</b>	106,198	<b>68,997</b>	68,997
Capitalized interest (a)			-	-	<b>11,371</b>	12,341
<b>Total joint ventures - Consolidated</b>			<b>703,250</b>	676,359	<b>336,048</b>	326,336
<u>Subsidiaries:</u>						
LOG I	99.99%	99.99%	<b>145,364</b>	144,875	<b>145,349</b>	144,861
LOG II	99.99%	99.99%	<b>50,221</b>	50,311	<b>50,216</b>	50,306
LOG Jundiaí	99.99%	99.99%	<b>94,889</b>	94,302	<b>94,880</b>	94,293
LOG Goiânia	99.90%	99.90%	<b>152,015</b>	151,846	<b>151,863</b>	151,694
LOG Hortolândia	99.99%	99.99%	<b>138,790</b>	139,490	<b>138,776</b>	139,476
LOG SJP	99.99%	99.99%	<b>54,418</b>	53,285	<b>54,413</b>	53,280
LOG Juiz de Fora	99.99%	99.99%	<b>115,098</b>	113,037	<b>115,086</b>	113,026
LOG Feira de Santana	99.99%	99.99%	<b>37,679</b>	37,726	<b>37,675</b>	37,722
LOG Fortaleza	99.99%	99.99%	<b>127,607</b>	127,155	<b>127,594</b>	127,142
LOG Via Expressa	99.99%	99.99%	<b>165,901</b>	164,653	<b>165,884</b>	164,637
LOG Viana	99.99%	99.99%	<b>140,708</b>	139,779	<b>140,694</b>	139,765
LOG Londrina	99.99%	99.99%	<b>117,887</b>	114,280	<b>117,875</b>	114,269
LOG Itatiaia	99.99%	99.99%	<b>62,206</b>	61,789	<b>62,200</b>	61,783
LOG Aracajú	99.99%	99.99%	<b>74,361</b>	72,232	<b>74,354</b>	72,225
LOG BTS Extrema	90.06%	90.06%	<b>114,695</b>	202,840	<b>103,294</b>	182,998
LOG Uberaba	99.00%	99.00%	<b>39,081</b>	37,157	<b>38,690</b>	36,785
LOG Sumaré	99.99%	99.99%	<b>18</b>	19	<b>18</b>	19
LOG SJRP	99.99%	99.99%	<b>24,035</b>	23,647	<b>24,033</b>	23,645
LOG Macaé	99.99%	99.99%	<b>14,242</b>	14,118	<b>14,241</b>	14,117
LOG RP	99.99%	99.99%	<b>52,072</b>	51,405	<b>52,067</b>	51,400
LOG Recife	80.00%	0.00%	<b>59,712</b>	-	<b>47,770</b>	-
LOG Itapeva	99.99%	0.00%	<b>17,942</b>	-	<b>17,940</b>	-
LOG Itaitinga I	100.00%	0.00%	<b>89,536</b>	-	<b>89,536</b>	-
LDI	100.00%	100.00%	<b>716</b>	693	<b>716</b>	693
LE Empreendimentos	99.00%	99.00%	<b>382</b>	113	<b>378</b>	112
<b>Total subsidiaries</b>			<b>1,889,575</b>	1,794,752	<b>1,865,542</b>	1,774,248
<b>Total Individual</b>			<b>2,592,825</b>	2,471,111	<b>2,201,590</b>	2,100,584

	Equity interest		Information on investees				Results from equity participation for the			
			Net income (loss) for the				2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of	
	6/30/21	6/30/20	2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of	
			2021	2020	2021	2020	2021	2020	2021	2020
<b>Joint ventures:</b>										
Cabral	50.00%	50.00%	(7,893)	374	(7,490)	864	(3,946)	187	(3,745)	432
Torino	40.00%	40.00%	3,113	584	6,187	1,839	1,245	234	2,475	736
Loteamento Betim	50.00%	50.00%	8,982	122	9,768	542	4,491	61	4,884	271
LOG SJC Sony	64.97%	64.97%	(13)	33	(25)	20	(8)	21	(16)	13
Capitalized interest (a)			-	-	-	-	(921)	(13)	(971)	(90)
<b>Total joint ventures - Consolidated</b>			<b>4,189</b>	<b>1,113</b>	<b>8,440</b>	<b>3,265</b>	<b>861</b>	<b>490</b>	<b>2,627</b>	<b>1,362</b>
<b>Subsidiaries:</b>										
LOG I	99.99%	99.99%	2,363	2,202	4,774	4,281	2,363	2,202	4,774	4,281
LOG II	99.99%	99.99%	628	500	1,279	1,088	628	500	1,279	1,088
LOG Jundiaí	99.99%	99.99%	1,101	1,131	2,272	2,306	1,101	1,131	2,272	2,306
LOG Goiânia	99.90%	99.90%	2,190	1,603	4,331	3,291	2,188	1,602	4,327	3,288
LOG Hortolândia	99.99%	99.99%	2,097	1,372	3,876	2,765	2,097	1,372	3,876	2,765
LOG SJP	99.99%	99.99%	556	397	1,064	811	556	397	1,064	811
LOG Juiz de Fora	99.99%	99.99%	1,142	1,361	2,091	2,906	1,142	1,361	2,091	2,906
LOG Feira de Santana	99.99%	99.99%	507	391	993	793	507	391	993	793
LOG Fortaleza	99.99%	99.99%	1,678	3,452	3,310	6,674	1,678	3,452	3,310	6,673
LOG Via Expressa	99.99%	99.99%	2,175	1,954	4,198	3,923	2,175	1,954	4,198	3,923
LOG Viana	99.99%	99.99%	1,907	2,150	4,120	4,019	1,907	2,150	4,120	4,019
LOG Londrina	99.99%	99.99%	1,402	439	4,550	(1,394)	1,402	439	4,550	(1,394)
LOG Itatiaia	99.99%	99.99%	548	389	827	161	548	389	827	161
LOG Rio	0.00%	99.99%	-	1,972	-	3,875	-	1,972	-	3,875
LOG Aracajú	99.99%	99.99%	961	406	1,949	768	961	406	1,949	768
LOG BTS Extrema	90.06%	90.06%	13,249	2,570	15,854	5,111	11,932	2,317	13,955	4,614
LOG Uberaba	99.00%	99.00%	603	188	1,135	346	597	186	1,124	343
LOG Sumaré	99.99%	99.99%	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
LOG SJRP	99.99%	99.99%	141	185	247	442	141	185	247	442
LOG Macaé	99.99%	99.99%	(12)	(12)	(24)	111	(12)	(12)	(24)	111
LOG RP	99.99%	99.99%	316	423	557	1,012	316	423	557	1,012
LOG Recife	80.00%	0.00%	309	-	59,712	-	247	-	47,770	-
LOG Itapeva	99.99%	0.00%	17,942	-	17,942	-	17,940	-	17,940	-
LOG Itaitinga I	100.00%	0.00%	12,117	-	12,117	-	12,117	-	12,117	-
LDI	100.00%	100.00%	11	5	21	(13)	11	5	21	(13)
LE Empreendimentos	99.00%	99.00%	(13)	(18)	(25)	(30)	(13)	(18)	(25)	(30)
Capitalized interest (a)			-	-	-	-	(1,012)	(1,308)	(1,597)	(3,127)
<b>Total subsidiaries</b>			<b>63,917</b>	<b>23,059</b>	<b>147,169</b>	<b>43,245</b>	<b>61,516</b>	<b>21,495</b>	<b>131,714</b>	<b>39,614</b>
<b>Total Individual</b>			<b>68,106</b>	<b>24,172</b>	<b>155,609</b>	<b>46,510</b>	<b>62,377</b>	<b>21,985</b>	<b>134,341</b>	<b>40,976</b>

(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	
	6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20
Cash and cash equivalents and marketable securities	13,058	12,301	7,959	14,557	6	210	3	3
Trade receivables	23,034	342	-	-	18,893	5,609	-	-
Inventories	-	-	-	-	25,242	17,179	-	-
Other current assets	15	16	397	318	142	130	1	-
<b>Total current</b>	<b>36,107</b>	<b>12,659</b>	<b>8,356</b>	<b>14,875</b>	<b>44,283</b>	<b>23,128</b>	<b>4</b>	<b>3</b>
Trade receivables	-	448	-	-	1,604	2,180	-	-
Inventories	-	-	-	-	89,822	100,532	-	-
Investment property	8,288	38,463	435,984	394,000	-	3,367	109,900	109,900
Other noncurrent assets	-	1	424	461	-	-	-	-
<b>Total noncurrent assets</b>	<b>8,288</b>	<b>38,912</b>	<b>436,408</b>	<b>394,461</b>	<b>91,426</b>	<b>106,079</b>	<b>109,900</b>	<b>109,900</b>
<b>Total assets</b>	<b>44,395</b>	<b>51,571</b>	<b>444,764</b>	<b>409,336</b>	<b>135,709</b>	<b>129,207</b>	<b>109,904</b>	<b>109,903</b>
Current liabilities	1,992	990	7,748	1,187	8,481	7,715	1	-
Noncurrent liabilities	(110)	333	9,664	9,653	41	75	3,705	3,705
Equity	42,513	50,248	427,352	398,496	127,187	121,417	106,198	106,198
<b>Liabilities and equity</b>	<b>44,395</b>	<b>51,571</b>	<b>444,764</b>	<b>409,336</b>	<b>135,709</b>	<b>129,207</b>	<b>109,904</b>	<b>109,903</b>

	Cabral (*)		Torino		Loteamento Betim (**)		LOG SJC Sony	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of		1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue	21	744	7,854	3,350	19,136	1,504	-	-
Cost of products and services	-	-	-	-	(7,440)	(902)	-	-
Other operating expenses	(7,495)	162	(877)	(1,219)	(24)	(18)	(24)	36
Financial income (expenses)	175	132	137	124	2	(2)	(1)	(1)
Changes in the fair value of investment property	338	-	-	-	(1,345)	-	-	-
Income tax and social contribution	(529)	(174)	(927)	(416)	(561)	(40)	-	(15)
<b>Net income (loss)</b>	<b>(7,490)</b>	<b>864</b>	<b>6,187</b>	<b>1,839</b>	<b>9,768</b>	<b>542</b>	<b>(25)</b>	<b>20</b>

(\*) On June 30, 2021, asset was sold for the amount of R\$22.8 million (cost of R\$29.6 million), of which R\$12.8 million were received in cash and R\$10 million will be received in 20 monthly and consecutive installments of R\$0.5 million each pegged to CDI from August 2021.

(\*\*) On May 12, 2021, land was sold to the Company, for the amount of R\$ 22.4 million which will be paid in single installment, within six months (Note 18 [9]).

- c) Changes in the balances of investments in subsidiaries and joint ventures in the six-month period ended June 30, 2021 and 2020 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
<b>Six month period ended June 30, 2021:</b>							
<b>Joint ventures:</b>							
Cabral	11/13	24,865	(1)	(3,745)	-	-	21,119
Torino	4/15	159,424	11,468	2,475	(2,400)	-	170,967
Loteamento Betim	3/18	60,709	679	4,884	(2,678)	-	63,594
LOG SJC Sony	-	68,997	16	(16)	-	-	68,997
Capitalized interest (a)		12,341	1	(971)	-	-	11,371
<b>Total joint ventures - Consolidated</b>		<b>326,336</b>	<b>12,163</b>	<b>2,627</b>	<b>(5,078)</b>	-	<b>336,048</b>
<b>Subsidiaries:</b>							
LOG I	2/09	144,861	1,937	4,774	(6,223)	-	145,349
LOG II	3/11	50,306	325	1,279	(1,694)	-	50,216
LOG Jundiaí	4/11	94,293	311	2,272	(1,996)	-	94,880
LOG Goiânia	4/12	151,694	1,419	4,327	(5,577)	-	151,863
LOG Hortolândia	9/12	139,476	928	3,876	(5,504)	-	138,776
LOG SJP	4/13	53,280	69	1,064	-	-	54,413
LOG Juiz de Fora	6/13	113,026	1,927	2,091	(1,958)	-	115,086
LOG Feira de Santana	6/13	37,722	187	993	(1,227)	-	37,675
LOG Fortaleza	8/13	127,142	2,017	3,310	(4,875)	-	127,594
LOG Via Expressa	11/13	164,637	887	4,198	(3,838)	-	165,884
LOG Viana	4/14	139,765	989	4,120	(4,180)	-	140,694
LOG Londrina	6/14	114,269	3,268	4,550	(4,212)	-	117,875
LOG Itatiaia	7/14	61,783	(281)	827	(129)	-	62,200
LOG Aracajú	10/18	72,225	927	1,949	(747)	-	74,354
LOG BTS Extrema	10/19	182,998	2	13,955	(93,661)	-	103,294
LOG Uberaba	9/20	36,785	1,255	1,124	(474)	-	38,690
LOG Sumaré	-	19	-	(1)	-	-	18
LOG SJRP	-	23,645	141	247	-	-	24,033
LOG Macaé	-	14,117	148	(24)	-	-	14,241
LOG Recife	-	51,400	110	557	-	-	52,067
LOG Recife	-	-	-	47,770	-	-	47,770
LOG Itapeva	-	-	-	17,940	-	-	17,940
LOG Itaitinga I	-	-	77,419	12,117	-	-	89,536
LDI	-	693	2	21	-	-	716
LE Empreendimentos	-	112	291	(25)	-	-	378
Capitalized interest (a)		-	-	(1,597)	-	1,597	-
<b>Total subsidiaries</b>		<b>1,774,248</b>	<b>94,278</b>	<b>131,714</b>	<b>(136,295)</b>	<b>1,597</b>	<b>1,865,542</b>
<b>Total Individual</b>		<b>2,100,584</b>	<b>106,441</b>	<b>134,341</b>	<b>(141,373)</b>	<b>1,597</b>	<b>2,201,590</b>
<b>Six month period ended June 30, 2020:</b>							
<b>Total Consolidated</b>		<b>306,253</b>	<b>746</b>	<b>1,362</b>	<b>-</b>	<b>9,270</b>	<b>317,631</b>
<b>Total Individual</b>		<b>2,292,547</b>	<b>35,320</b>	<b>40,976</b>	<b>(38,452)</b>	<b>9,795</b>	<b>2,340,186</b>

- 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	
	6/30/21	12/31/20	6/30/21	12/31/20
Industrial warehouses	3,195,064	2,965,730	1,290,033	1,089,966
Strip malls	28,882	28,740	28,882	28,740
<b>Total</b>	<b>3,223,946</b>	<b>2,994,470</b>	<b>1,318,915</b>	<b>1,118,706</b>

Changes in balances of investment property for the six-month period ended June 30, 2021 and 2020 were as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	2,994,470	2,574,135	1,118,706	503,946
Additions	315,689	138,271	267,092	85,819
Capitalized interest (Note 8 (d))	4,365	3,220	2,767	91
Sale of assets	(242,480)	-	-	-
Transfer to SPE (*)	-	-	(123,400)	-
Changes in fair value (**)	151,902	226	53,750	-
<b>Closing balance</b>	<b>3,223,946</b>	<b>2,715,852</b>	<b>1,318,915</b>	<b>589,856</b>

(\*) Refers to investment property transferred LOG Itaitinga I and LOG Recife in the first six months of 2021.

(\*\*) The increase in the six-month period ended June 30, 2021, refers to the evaluation at fair value of LOG Recife, LOG Belém, LOG Itapeva and LOG Itaitinga I projects, whose the mensurated changed from costs to discount cash flow, due to the beginning of its construction during the 1<sup>st</sup> half of 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 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Changes in fair value of investment property	151,902	226	53,750	-
Deferred PIS/COFINS	(821)	(123)	-	-
<b>Changes in fair value of investment property in profit or loss</b>	<b>151,081</b>	<b>103</b>	<b>53,750</b>	<b>-</b>

On May 31, 2021, the Group sold an asset to property fund “BM II Fundo de Investimento Imobiliário” for the amount R\$272.7 million, of which R\$191.3 million were received in cash and R\$81.4 million are scheduled for October 29, 2021. The effects of this transaction are as follow:

	Effect on results
Sales revenue	272,700
Investment property write-off	(242,480)
PIS and COFINS	(5,826)
Others costs	(8,630)
Other operating income (expenses), net	15,764
Income tax and social contribution	(4,477)
<b>Gain on sale of assets</b>	<b>11,287</b>

Fair value of the investment properties has been determined at June 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 six-month period ended June 30, 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 six-month period ended June 30, 2021.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the six-month period ended June 30, 2021, when applicable.

As at June 30, 2021, from the total amount of investment property, R\$1,627,728 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 six-month period ended June 30, 2021 and 2020 are as follows:

	Opening balance	Addition	Closing balance
<b>Consolidated</b>			
<b>Six month period ended June 30, 2021:</b>			
<b>Cost:</b>			
Right-of-use (*)	4,673	294	4,967
Other (**)	1,974	117	2,091
Total cost	6,647	411	7,058
<b>Accumulated depreciation:</b>			
Right-of-use (*)	549	149	698
Other (**)	1,117	107	1,224
Total accumulated depreciation	1,666	256	1,922
Total property and equipment, net	4,981	155	5,136
<b>Six month period ended June 30, 2020:</b>			
Total property and equipment, net	4,958	51	5,009

	Opening balance	Addition	Closing balance
<b>Individual</b>			
<b>Six month period ended June 30, 2021:</b>			
<b>Cost:</b>			
Right-of-use (*)	4,673	294	4,967
Other (**)	1,762	117	1,879
Total cost	6,435	411	6,846
<b>Accumulated depreciation:</b>			
Right-of-use (*)	550	149	699
Other (**)	947	97	1,044
Total accumulated depreciation	1,497	246	1,743
Total property and equipment, net	4,938	165	5,103
<b>Six month period ended June 30, 2020:</b>			
Total property and equipment, net	4,896	61	4,957

(\*) 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 June 30, 2021 and December 31, 2020 are as follows:

Type	6/30/21			12/31/20
	Current	Noncurrent	Total	Total
<u>Individual:</u>				
Debenture - 8 <sup>th</sup> issue	4,202	-	4,202	12,566
Debenture - 10 <sup>th</sup> issue	20,589	30,577	51,166	61,315
Debenture - 11 <sup>th</sup> issue	7,311	-	7,311	14,608
Debenture - 12 <sup>th</sup> issue	10,048	55,001	65,049	70,036
Debenture - 13 <sup>th</sup> issue	-	-	-	81,088
Debenture - 14 <sup>th</sup> issue	60,722	90,000	150,722	150,381
Debenture - 15 <sup>th</sup> issue	7,057	45,500	52,557	56,043
Debenture - 16 <sup>th</sup> issue	18,837	54,546	73,383	82,260
Debenture - 17 <sup>th</sup> issue	2,265	230,000	232,265	231,365
Debenture - 18 <sup>th</sup> issue	3,278	250,000	253,278	-
(-) Funding cost	(2,292)	(4,584)	(6,876)	(6,395)
Total debentures - Individual	<u>132,017</u>	<u>751,040</u>	<u>883,057</u>	<u>753,267</u>
Construction financing	6,320	13,588	19,908	22,659
(-) Funding cost	(104)	(246)	(350)	(401)
Total loans and financing - Individual	<u>6,216</u>	<u>13,342</u>	<u>19,558</u>	<u>22,258</u>
Total Individual	<u>138,233</u>	<u>764,382</u>	<u>902,615</u>	<u>775,525</u>
<u>Subsidiaries:</u>				
Construction financing (*)	3,393	19,168	22,561	25,628
(-) Funding cost	(102)	(332)	(434)	(490)
Total loans and financing - Subsidiaries	<u>3,291</u>	<u>18,836</u>	<u>22,127</u>	<u>25,138</u>
Total Consolidated	<u>141,524</u>	<u>783,218</u>	<u>924,742</u>	<u>800,663</u>

(\*) 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 <sup>th</sup> issue	60	12/15	Quarterly	Quarterly	11/17 to 8/21	119% CDI	119% CDI + 0.29%
Debenture - 10 <sup>th</sup> issue	100,000	12/17	Semiannual	Semiannual	12/20 to 12/23	CDI + 1.60%	CDI + 1.77%
Debenture - 11 <sup>th</sup> issue	51,000	12/17	Semiannual	Semiannual	12/18 to 12/21	CDI + 2.00%	CDI + 2.23%
Debenture - 12 <sup>th</sup> issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
Debenture - 14 <sup>th</sup> issue	15,000	11/18	Semiannual	Semiannual	11/21 to 11/23	117% CDI	117% CDI + 0.26%
Debenture - 15 <sup>th</sup> issue	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16 <sup>th</sup> issue	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17 <sup>th</sup> issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18 <sup>th</sup> 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 six-month period ended June 30, 2021 is as follows:

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

(\*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	800,663	889,805	775,525	866,214
Funding	250,000	-	250,000	-
Interest expense	16,609	19,891	15,572	18,725
Fair value adjustment	(2,065)	3,615	-	-
Funding cost	(2,015)	-	(2,015)	-
Amortization of funding costs	1,641	1,589	1,585	1,530
Repayment of principal	(128,164)	(36,399)	(127,171)	(35,801)
Payment of interest	(11,927)	(26,252)	(10,881)	(24,812)
Closing balance	<b>924,742</b>	<b>852,249</b>	<b>902,615</b>	<b>825,856</b>

b) Guarantees

The types of guarantees for loans, financing and debentures as at June 30, 2021 are as follows:

	Consolidated		
	Construction financing	Debentures	Total
Collateral / receivables	42,469	889,933	932,402 (*)

(\*) 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	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	141,524	203,229	138,233	200,003
13 to 24 months	199,155	199,335	196,290	196,540
25 to 36 months	242,909	199,719	240,032	196,912
37 to 48 months	198,892	118,598	196,001	115,778
After 48 months	142,262	79,782	132,059	66,292
Total	<b>924,742</b>	<b>800,663</b>	<b>902,615</b>	<b>775,525</b>

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<u>Financial charges on:</u>				
Loans, financing and debentures	(11,767)	(18,250)	(9,346)	(21,480)
Derivative financial instruments	(27)	(38)	22	25
Total financial charges	<b>(11,794)</b>	<b>(18,288)</b>	<b>(9,324)</b>	<b>(21,455)</b>
<u>Interest capitalized on:</u>				
Investment property (Note 6)	3,005	4,365	1,316	3,220
Financial charges allocated to profit or loss (Note 17)	<b>(8,789)</b>	<b>(13,923)</b>	<b>(8,008)</b>	<b>(18,235)</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<b>Financial charges on:</b>				
Loans, financing and debentures	(11,228)	(17,157)	(8,759)	(20,255)
Derivative financial instruments	(27)	(38)	22	25
<b>Total financial charges</b>	<b>(11,255)</b>	<b>(17,195)</b>	<b>(8,737)</b>	<b>(20,230)</b>
<b>Interest capitalized on:</b>				
Investment property (Note 6)	1,993	2,767	7	91
Investment (Note 5)	1,012	1,597	1,308	3,127
<b>Financial charges allocated to profit or loss (Note 17)</b>	<b>(8,250)</b>	<b>(12,831)</b>	<b>(7,422)</b>	<b>(17,012)</b>

For the six-month period ended June 30, 2021, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 4.01% p.a. in Consolidated (3.85% p.a. for the year ended December 31, 2020).

e) Contractual obligations

The 14<sup>th</sup> and 18<sup>th</sup> public issue of debentures indenture provides for compliance with certain financial ratios covenants, determined and review by the fiduciary agent, as follows:

Description - 14 <sup>th</sup> issue	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.

Description - 18 <sup>th</sup> issue	Required level	Fiscal year
Gross debt / Investment property	Up to 60%	2021 onwards

Gross debt is: (+) loans, financing and debentures current and noncurrent.

Investment property is: Investment property (+) investments property available for sale (+) noncurrent assets held for sale; (+) lands and real state for sale current and noncurrent.

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	
	6/30/21	12/31/20	6/30/21	12/31/20
CDI	51,872	62,355	30,619	62,355
IPCA	7,739	-	7,739	-
Non-interest bearing	33,285	-	22,378	-
<b>Total</b>	<b>92,896</b>	<b>62,355</b>	<b>60,736</b>	<b>62,355</b>
Current	80,325	16,630	49,678	16,630
Noncurrent	12,571	45,725	11,058	45,725
<b>Total</b>	<b>92,896</b>	<b>62,355</b>	<b>60,736</b>	<b>62,355</b>

Aging of 'Land payables' is as follows:

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	80,325	16,630	49,678	16,630
13 to 24 months	12,571	22,677	11,058	22,677
25 to 36 months	-	23,048	-	23,048
Total	<b>92,896</b>	<b>62,355</b>	<b>60,736</b>	<b>62,355</b>

## 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.

Barters' maturity is broken down as follows:

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	76,729	45,688	63,463	45,688
13 to 24 months	86,300	33,387	86,300	33,387
25 to 36 months	52,765	23,351	52,765	23,351
After 36 months	17,715	28,110	17,715	28,110
Total	<b>233,509</b>	<b>130,536</b>	<b>220,243</b>	<b>130,536</b>
Current	76,729	45,688	63,463	45,688
Noncurrent	156,780	84,848	156,780	84,848
	<b>233,509</b>	<b>130,536</b>	<b>220,243</b>	<b>130,536</b>

## 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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Income (loss) before income tax and social contribution	76,902	220,902	22,493	39,833
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(26,147)	(75,107)	(7,648)	(13,543)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	293	893	167	463
Unrecognized tax credit	(344)	(543)	(444)	(1,063)
Depreciation of investment property	1,598	3,191	1,095	2,178
Tax basis difference for companies taxes based on deemed income	25,714	50,807	5,733	10,409
Other	432	401	561	1,167
IRPJ and CSLL credit (debit) in profit or loss	<b>1,546</b>	<b>(20,358)</b>	<b>(536)</b>	<b>(389)</b>



	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Income before income tax and social contribution	66,035	192,705	19,044	32,830
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(22,452)	(65,520)	(6,475)	(11,162)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	21,552	46,219	7,920	14,995
Tax credit not constituted	9,901	9,701	(444)	(1,063)
Depreciation of investment properties	1,506	3,006	1,002	1,994
Other	527	593	655	1,354
IRPJ and CSLL credit (debit) in profit or loss	11,034	(6,001)	2,658	6,118

On June 30, 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	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Noncurrent assets:</u>				
Income tax and social contribution	10,536	16,537	10,536	16,537
<u>Liabilities:</u>				
Income tax and social contribution	(33,059)	(30,230)	-	-
PIS/COFINS	(38,051)	(34,447)	-	-
	(71,110)	(64,677)	-	-
Current	(6,842)	(1,423)	-	-
Noncurrent	(64,268)	(63,254)	-	-
Total	(71,110)	(64,677)	-	-

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

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
<u>Tax effect on:</u>				
<u>Deferred assets:</u>				
Tax loss carryforwards	66,024	60,125	65,629	59,650
Capitalized interests written-off (*)	93,663	95,649	93,663	95,649
Temporary differences	1,189	523	1,190	523
	160,876	156,297	160,482	155,822
Reclassified deferred liabilities	(150,340)	(139,760)	(149,946)	(139,285)
Deferred tax assets	10,536	16,537	10,536	16,537
<u>Deferred liabilities:</u>				
Fair value appreciation on investment property	(179,031)	(167,678)	(149,946)	(139,285)
Sales of investment property	(2,508)	-	-	-
Rental receivables and others	(1,860)	(2,312)	-	-
	(183,399)	(169,990)	(149,946)	(139,285)
Reclassified deferred liabilities	150,340	139,760	149,946	139,285
Deferred tax liabilities	(33,059)	(30,230)	-	-

(\*) 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 June 30, 2021, the estimated realization of deferred tax assets, based on the forecast of future taxable income, prepared by the Company's Management, is as follows:

	IRPJ and CSLL
	Consolidated and Individual
Expected realization:	
2022	1,840
2023	1,685
2024	398
2025	1,320
2026	227
2027 to 2029	681
2030 to 2031	4,385
<b>Total</b>	<b>10,536</b>

For the purpose of mentioned forecast, the assumptions described in the financial statements December 31, 2020 were maintained.

As at June 30, 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 six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated				Individual			
	1 <sup>st</sup> half of				1 <sup>st</sup> half 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	4,579	(13,409)	(8,830)	4,680	4,660	(10,661)	(6,001)	6,118
<b>Closing balance</b>	<b>160,876</b>	<b>(183,399)</b>	<b>(22,523)</b>	<b>72,615</b>	<b>160,482</b>	<b>(149,946)</b>	<b>10,536</b>	<b>105,504</b>

## 12. Provisions for labor, tax and civil risks

Changes for the six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Opening balance	1,725	1,808	108	318
Additions and inflation adjustments	208	145	8	1
Payments	(7)	(112)	(4)	(39)
Reversals	(33)	(145)	(9)	(69)
<b>Closing balance</b>	<b>1,893</b>	<b>1,696</b>	<b>103</b>	<b>211</b>

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,299 in Consolidated and R\$572 in Individual as at June 30, 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 six-month period ended June 30, 2021 and 2020 are as follows:

	Consolidated and Individual	
	1 <sup>st</sup> quarter of	
	2021	2020
Opening balance	4,374	4,265
Remeasurement	294	286
Interest expenses	145	143
Repayment of principal	(101)	(63)
Payment of interest	(145)	(143)
Closing balance	4,567	4,488
Current	212	209
Noncurrent	4,355	4,279
	4,567	4,488

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	1,273	504	504	5,379	7,660
Total	1,273	504	504	5,379	7,660

### 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.

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	
	6/30/21	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 June 30, 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 six-month period ended June 30, 2020, 985 thousand shares were acquired in the amount of R\$18,597, 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	
<b>1<sup>st</sup> half of 2021:</b>							
Common shares	16	-	16	-	-	-	508
<b>1<sup>st</sup> half of 2020:</b>							
Common shares	-	985	985	18.88	22.18	14.87	32,456

(\*) Market value of shares remaining in treasury as at June 30, 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 1<sup>st</sup>, 2021 and paid on April 1<sup>st</sup>, 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 14, 2021, the Company approved Program 9 of the stock option plan, granting to directors and managers 338 thousand options with vesting period of 5 years, with exercise deadline date in December 2028. The stock option fair value is R\$11.23 with, total cost of remuneration of R\$3,774, which will be recognized in the income statement over the vesting period.

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
9	6/21	338,074	17.87%	Up to 5 year	R\$ 30.22	Officers and managers	12/21	12/28

(\*) 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 six-month period ended June 30, 2021 and 2020 and supplemental information thereon:

Program	Number of participants	Changes 1 <sup>st</sup> half of 2021 (thousand options)				Closing balance
		Opening balance	Granted	Expired / forfeited	Exercised	
2	1	15	-	-	-	15
3	2	21	-	-	-	21
4	2	21	-	-	-	21
5	2	21	-	-	-	21
6	3	267	-	-	-	267
7	14	188	-	(16)	-	172
8	16	649	-	(11)	-	638
9	21	-	338	-	-	338
		<b>1,182</b>	<b>338</b>	<b>(27)</b>	<b>-</b>	<b>1,493</b>
Weighted average price of options		<b>22.44</b>	<b>30.22</b>	<b>22.69</b>	<b>-</b>	<b>24.20</b>
1 <sup>st</sup> quarter of 2020 (thou. options):		<b>729</b>	<b>253</b>	<b>(3)</b>	<b>-</b>	<b>979</b>
Weighted average price of options		<b>22.26</b>	<b>21.62</b>	<b>23.42</b>	<b>-</b>	<b>22.09</b>

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	114	326	1.5
7	17	100	450	2.5
8	32	706	5,458	8.6
9	-	124	3,650	4.6
2021	<b>167</b>	<b>1,044</b>	<b>9,884</b>	<b>6.6</b>
2020	<b>197</b>	<b>388</b>	<b>4,712</b>	<b>4.1</b>

As at June 30, 2021, had all options currently granted been exercised, the Company would have issued 1,493 thousand shares, which would represent a 1.44% 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 June 30, 2021, Stock options granted represents 92.72% of the total approved plan (74.85% December 31, 2020).

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 <sup>st</sup> quarter of	
	2021	2020
Opening balance	<b>19,840</b>	15,266
Net contributions (distributions) to noncontrolling shareholders	<b>(10,337)</b>	(263)
Capital transaction	-	2,602
Interests in net income for the period	<b>13,840</b>	496
Closing balance	<b>23,343</b>	18,101

(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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<b>Basic earnings per share:</b>				
Net income for the period	<b>77,069</b>	<b>186,704</b>	21,702	38,948
Weighted average number of outstanding common (thousand)	<b>102,144</b>	<b>102,144</b>	101,213	101,662
Basic earnings per share - in R\$	<b>0.75451</b>	<b>1.82785</b>	0.21442	0.38311
<b>Diluted earnings per share:</b>				
Net income for the period	<b>77,069</b>	<b>186,704</b>	21,702	38,948
Weighted average number of outstanding common (thousand)	<b>102,144</b>	<b>102,144</b>	101,213	101,662
Dilutive effect of stock options (thousand)	<b>305</b>	<b>337</b>	116	174
Total shares after dilutive effect (thousand)	<b>102,449</b>	<b>102,481</b>	101,329	101,836
Diluted earnings per share - in R\$	<b>0.75227</b>	<b>1.82184</b>	0.21417	0.38246

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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Rental revenue	<b>37,886</b>	<b>75,615</b>	35,839	70,563
Revenue from condominium management service	<b>1,277</b>	<b>2,487</b>	1,021	2,027
Taxes on revenue	<b>(2,201)</b>	<b>(4,391)</b>	(1,814)	(3,544)
Net revenue	<b>36,962</b>	<b>73,711</b>	35,046	69,046

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Rental revenue	<b>11,395</b>	<b>22,381</b>	7,047	13,764
Revenue from condominium management service	<b>1,277</b>	<b>2,487</b>	1,021	2,027
Taxes on revenue	<b>(1,211)</b>	<b>(2,375)</b>	(777)	(1,521)
Net revenue	<b>11,461</b>	<b>22,493</b>	7,291	14,270

## 16. Costs and expenses by nature

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Costs of services provided - condominium management	(506)	(962)	(341)	(799)
Operating income (expenses):				
Salaries, charges and benefits	(2,976)	(6,121)	(2,521)	(4,902)
Outside services	(2,390)	(3,874)	(1,471)	(2,647)
General expenses	(820)	(2,211)	(736)	(1,893)
Management compensation	(1,384)	(2,578)	(1,034)	(2,016)
Vacancy expenses	(431)	(1,039)	(974)	(1,989)
Stock options	(584)	(1,044)	(235)	(388)
Advertising	(345)	(735)	(363)	(776)
Depreciation and amortization	(205)	(402)	(180)	(359)
Other (*)	12,125	11,288	(1,103)	(1,711)
	<b>2,990</b>	<b>(6,716)</b>	<b>(8,617)</b>	<b>(16,681)</b>
Classified as:				
Selling expenses	(3,198)	(5,484)	(2,633)	(5,035)
General and administrative expenses	(4,553)	(9,942)	(3,847)	(7,919)
Management compensation	(1,384)	(2,578)	(1,034)	(2,016)
Other operating expenses, net	12,125	11,288	(1,103)	(1,711)
	<b>2,990</b>	<b>(6,716)</b>	<b>(8,617)</b>	<b>(16,681)</b>

(\*) Includes gain from sold asset of R\$15.8 million, as mentioned in Note 6.

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Costs of services provided - condominium management	(506)	(962)	(341)	(799)
Operating expenses:				
Salaries, charges and benefits	(2,976)	(6,121)	(2,521)	(4,902)
Outside services	(845)	(1,762)	(763)	(1,427)
General expenses	(739)	(2,087)	(601)	(1,723)
Management compensation	(1,384)	(2,578)	(1,034)	(2,016)
Vacancy expenses	(177)	(389)	(369)	(824)
Stock options	(584)	(1,044)	(235)	(388)
Advertising	(338)	(728)	(352)	(765)
Depreciation and amortization	(204)	(399)	(179)	(357)
Other	(877)	(1,901)	(1,180)	(1,262)
	<b>(8,124)</b>	<b>(17,009)</b>	<b>(7,234)</b>	<b>(13,664)</b>
Classified as:				
Selling expenses	(1,601)	(3,124)	(1,446)	(3,002)
General and administrative expenses	(4,262)	(9,406)	(3,574)	(7,384)
Management compensation	(1,384)	(2,578)	(1,034)	(2,016)
Other operating expenses, net	(877)	(1,901)	(1,180)	(1,262)
	<b>(8,124)</b>	<b>(17,009)</b>	<b>(7,234)</b>	<b>(13,664)</b>

## 17. Financial expenses and income

	Consolidated			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<b>Financial expenses</b>				
Interest on loans, financing and debentures (Note 8 (d))	(8,789)	(13,923)	(8,008)	(18,235)
Result on derivative financial instruments	6	(79)	53	(126)
Other financial expenses	(402)	(346)	(163)	(300)
	<b>(9,185)</b>	<b>(14,348)</b>	<b>(8,118)</b>	<b>(18,661)</b>
<b>Financial income</b>				
Income from short-term investments	9,633	14,691	3,527	4,461
Interest income on intercompany loans	103	163	497	497
Other financial income (*)	46	655	(34)	505
	<b>9,782</b>	<b>15,509</b>	<b>3,990</b>	<b>5,463</b>
<b>Financial (expenses) income</b>	<b>597</b>	<b>1,161</b>	<b>(4,128)</b>	<b>(13,198)</b>

	Individual			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
<b>Financial expenses</b>				
Interest on loans, financing and debentures (Note 8 (d))	(8,250)	(12,831)	(7,422)	(17,012)
Result on derivative financial instruments	(106)	(2,144)	744	3,489
Other financial expenses	(228)	(20)	17	40
	<b>(8,584)</b>	<b>(14,995)</b>	<b>(6,661)</b>	<b>(13,483)</b>
<b>Financial income</b>				
Income from financial investments	9,231	14,264	3,501	4,426
Interest income on intercompany loans	170	283	590	711
Other financial income (*)	10	540	(87)	393
	<b>9,411</b>	<b>15,087</b>	<b>4,004</b>	<b>5,530</b>
<b>Financial (expenses) income</b>	<b>827</b>	<b>92</b>	<b>(2,657)</b>	<b>(7,953)</b>

(\*) Includes tax effect in financial income.

## 18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20	6/30/21	12/31/20
<b>Short-term investments and marketable securities</b>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	344,078	314,830	-	-	344,078	314,830	-	-
Banco Bradesco S.A.	[2]	22,276	36,342	-	-	19,252	33,078	-	-
<b>Intercompany receivables</b>									
Investees									
SPEs	[3]	-	-	-	-	4,581	5,044	-	-
<b>Rental receivables</b>									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	493	457	-	-	24	23	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	40	40	-	-	40	40	-	-
<b>Receivables from shares sale</b>									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[6]	17,127	19,445	-	-	17,127	19,445	-	-
<b>Loans, financing and debentures</b>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	-	-	50,492	50,056	-	-	50,492	50,056
Banco Bradesco S.A.	[2]	-	-	435,051	180,200	-	-	435,051	180,200
<b>Lease liability</b>									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	46	43	-	-	46	43
<b>Land payables</b>									
Joint venture									
Loteamento Betim	[9]	-	-	22,378	-	-	-	22,378	-



	Consolidated								
	Income				Expense				
	2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		
	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Financial income</b>									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	4,808	537	7,752	(2,312)	-	-	-	-
Banco Bradesco S.A.	[2]	348	287	545	1,612	-	-	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	-	-	-	-
<b>Rental revenue</b>									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,989	1,297	3,221	2,613	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	121	103	242	205	-	-	-	-
<b>Operating expenses</b>									
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	50	84	145	153
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	-	-	373	392	773	784
<b>Financial expenses</b>									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	500	432	783	1,031
Banco Bradesco S.A.	[2]	-	-	-	-	5,145	1,556	6,254	3,713

	Individual								
	Income				Expense				
	2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		2 <sup>nd</sup> quarter of		1 <sup>st</sup> half of		
	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Financial income</b>									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	4,808	537	7,752	(2,312)	-	-	-	-
Banco Bradesco S.A.	[2]	319	270	497	1,593	-	-	-	-
Intercompany receivables									
Investees									
SPEs	[3]	68	93	125	214	-	-	-	-
<b>Rental revenue</b>									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	73	70	142	134	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	121	103	242	205	-	-	-	-
<b>Operating expenses</b>									
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	50	84	145	153
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	-	-	165	143	338	285
<b>Financial expenses</b>									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	500	432	783	1,031
Banco Bradesco S.A.	[2]	-	-	-	-	5,145	1,556	6,254	3,713

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the six-month period ended June 30, 2021, short-term investments yielded 182.96% of CDI in Consolidated and Individual (32.84% of CDI in Consolidated and Individual for the same period of 2020). The financial expense refers to the 17<sup>th</sup> debenture issue, detailed in Note 8.

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Inter amounting to R\$4,550 at June 30, 2021 (R\$3,126 at December 31, 2020). The financial income arising on these short-term investments for the three and six-month period ended June 30, 2021 was R\$36 and R\$56, respectively (R\$25 and R\$83, respectively, 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. The financial expense refers to the 17<sup>th</sup> debenture issue, detailed in Note 8.

- [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 June 30, 2021	-	17,877	17,877
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 June 30, 2021 and December 31, 2020. This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. 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 on May 12, 2021, with a single installment maturing within six months from the sale date.

#### 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			
	2021		2020	
	2 <sup>nd</sup> quarter	1 <sup>st</sup> half	2 <sup>nd</sup> quarter	1 <sup>st</sup> half
Short-term benefits granted to management:				
Management compensation	1,384	2,578	1,034	2,016
Profit sharing	346	691	321	643
Non-monetary benefits	40	80	35	65
Long-term benefits to management:				
Retirement private plan	24	48	23	42
Share-based compensation:				
Stock option plan	486	870	175	299
	<b>2,280</b>	<b>4,267</b>	<b>1,588</b>	<b>3,065</b>

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 June 30, 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		6/30/21
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	20,768	20,895	20,822	73	988	1,061
							<b>73</b>	<b>988</b>	<b>1,061</b>

	Consolidated and Individual
Noncurrent assets	1,061
<b>Total</b>	<b>1,061</b>

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
							<b>111</b>	<b>3,132</b>	<b>3,243</b>

	Consolidated and Individual
Noncurrent assets	3,243
<b>Total</b>	<b>3,243</b>

(\*) 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 - Individual		
	Gain (loss) on transaction	Mark-to-market	Total
2 <sup>nd</sup> quarter of 2021	(27)	(106)	(133)
1 <sup>st</sup> half of 2021	(38)	(2,144)	(2,182)
2 <sup>nd</sup> quarter of 2020	23	744	767
1 <sup>st</sup> half of 2020	26	3,489	3,515

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
	6/30/21		6/30/21	2021
Loans and financing (Hedged item)	20,768	10%	(22,370) (*)	2,065
		Long position		
		10%	22,370	(2,073)
Derivative financial instrument (Hedge instrument)	20,768	Short position		
		108.95% CDI	(21,309)	(71)
		Swap net position - Individual	1,061	(2,144)
		<b>Total net position - Consolidated</b>	<b>(21,309)</b>	<b>(79)</b>

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

(b) Category of financial instruments

Consolidated	Note	6/30/21		12/31/20	
		Book value	Fair value	Book value	Fair value
<b>Financial assets:</b>					
<b>Amortized cost</b>		<b>146,753</b>	<b>146,753</b>	<b>77,622</b>	<b>77,622</b>
Cash and bank accounts	3	462	462	817	817
Trade receivables	4	146,291	146,291	76,805	76,805
<b>Fair value through profit or loss (mandatorily measured) (*)</b>		<b>889,493</b>	<b>889,493</b>	<b>746,990</b>	<b>746,990</b>
Restricted investment funds	3	464,195	464,195	162,540	162,540
Unrestricted investment funds	3	68,702	68,702	127,970	127,970
Bank certificates of deposit (CDB)	3	355,535	355,535	453,237	453,237
Derivative financial instruments	19 (a)	1,061	1,061	3,243	3,243
<b>Financial liabilities:</b>					
<b>Amortized cost</b>		<b>1,040,223</b>	<b>1,026,024</b>	<b>857,033</b>	<b>849,387</b>
Loans, financing and debentures	8	902,181	887,982	775,035	767,389
Land payables	9	92,896	92,896	62,355	62,355
Trade payables (suppliers)		40,579	40,579	15,269	15,269
Lease	13	4,567	4,567	4,374	4,374
<b>Fair value through profit or loss (Hedge accounting) (*)</b>		<b>22,561</b>	<b>22,561</b>	<b>25,628</b>	<b>25,628</b>
Loans, financing and debentures	8	22,561	22,561	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 June 30, 2021 and December 31, 2020.

The table below shows a comparison of the contracted and market rates, at June 30, 2021:

Contractual rate (p.a.)	Current market rate (p.a.)	Maturity dates
<b>Debentures</b>		
CDI + 1.35% to 2.25%	CDI + 1.14% to 3.50%	12/21 to 12/28
108% to 119% CDI	CDI + 0.69% to 2.71%	06/21 and 03/25
<b>Construction financing</b>		
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 June 30, 2021, according with that described in Note 19, item (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 6/30/21	Estimated annual rate for 2021 (*)	Change in effective rate for the relevant scenario	Total estimated effect
<b>Probable scenario:</b>							
CDI	788,432	(982,481)	(194,049)	2.26%	5.65%	(i) 3.39%	(6,578)
TR	-	(22,561)	(22,561)	0.00%	0.01%	(i) 0.01%	(2)
IPCA	199,296	(7,739)	191,557	8.35%	5.98%	(ii) -2.37%	(4,540)
							<u>(11,120)</u>
<b>Scenario I:</b>							
CDI	788,432	(982,481)	(194,049)	2.26%	7.06%	4.80%	(9,314)
TR	-	(22,561)	(22,561)	0.00%	0.01%	0.01%	(2)
IPCA	199,296	(7,739)	191,557	8.35%	4.49%	-3.86%	(7,394)
							<u>(16,710)</u>
<b>Scenario II:</b>							
CDI	788,432	(982,481)	(194,049)	2.26%	8.48%	6.22%	(12,070)
TR	-	(22,561)	(22,561)	0.00%	0.02%	0.02%	(5)
IPCA	199,296	(7,739)	191,557	8.35%	2.99%	-5.36%	(10,267)
							<u>(22,342)</u>

(i) Data obtained on B3 website.

(ii) Data obtained on Banco Central website.

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

#### (d) Capital risk management

As at June 30, 2021 and December 31, 2020, the net debt-to-equity ratio is as follows:

	Consolidated		Individual	
	6/30/21	12/31/20	6/30/21	12/31/20
Loans, financing and debentures	924,742	800,663	902,615	775,525
Cash and cash equivalents and marketable securities	(888,894)	(744,564)	(800,129)	(740,759)
Net debt	35,848	56,099	102,486	34,766
Equity	3,271,215	3,079,961	3,247,872	3,060,121
Net debt-to-equity ratio	1.1%	1.8%	3.2%	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 June 30, 2021, by maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<b>Consolidated:</b>					
Floating rates liabilities	238,286	273,334	290,078	391,478	1,193,176
Non-interest bearing liabilities	73,864	-	-	-	73,864
Total	<u>312,150</u>	<u>273,334</u>	<u>290,078</u>	<u>391,478</u>	<u>1,267,040</u>
<b>Individual:</b>					
Floating rates liabilities	234,206	269,250	286,330	373,694	1,163,480
Non-interest bearing liabilities	48,570	-	-	-	48,570
Total	<u>282,776</u>	<u>269,250</u>	<u>286,330</u>	<u>373,694</u>	<u>1,212,050</u>

(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 six-month period ended June 30, 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		Individual	
	1 <sup>st</sup> half of		1 <sup>st</sup> half of	
	2021	2020	2021	2020
Interest capitalization	<b>4,365</b>	3,220	<b>4,364</b>	3,218
Right-of-use (remeasurement of CPC 06 (R2)) (Note 7)	<b>294</b>	286	<b>294</b>	286

## 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 June 30, 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.	595,419
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.	45,725
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.	147,144
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.	2,430
Barter insurance	Guarantees the obligation of delivering GLA to the barterer, by the Company, after the conclusion of the agreed work.	62,193
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 Executive Officers on July 28, 2021.