



Financial Statements

LOG Commercial Properties e Participações S.A.

**Interim Condensed Consolidated and Individual
Financial Statements for the Quarter ended
June 30, 2020 and Report on Review of Condensed
Interim Financial Statements**

*(Free translation to English of Financial Statements Originally Issued in
Portuguese)*

LOG Commercial Properties e Participações S.A.

Interim Condensed Financial Statements (ITR)

June 30, 2020

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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, 2020, which comprise the balance sheet as of June 30, 2020 and the related income statements and the comprehensive income statements for the three and six-month period then ended and the statements of changes in equity and statements of cash flows for the six-month period then ended, including the explanatory notes.

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

Scope of review

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



Conclusion about the individual interim financial information

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

Conclusion about the consolidated interim financial information

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

Other matters - Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added for the six-month period ended June 30, 2020, 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 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 29, 2020

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Individual / Balance Sheets – Assets

(In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 6/30/2020	Previous year 12/31/2019
1	Total assets	3,893,655	3,861,059
1.01	Current assets	737,156	850,588
1.01.01	Cash and cash equivalents	485,314	505,869
1.01.03	Receivables	15,843	34,456
1.01.03.01	Trade receivables	15,843	34,456
1.01.06	Recoverable taxes	5,904	4,370
1.01.06.01	Recoverable current taxes	5,904	4,370
1.01.07	Prepaid expenses	1,097	302
1.01.08	Other current assets	228,998	305,591
1.01.08.03	Other	228,998	305,591
1.01.08.03.01	Marketable securities	227,714	303,572
1.01.08.03.02	Other	1,284	2,019
1.02	Noncurrent assets	3,156,499	3,010,471
1.02.01	Long-term assets	219,499	207,069
1.02.01.04	Receivables	30,886	27,640
1.02.01.04.01	Trade receivables	30,886	27,640
1.02.01.07	Deferred taxes	105,504	99,359
1.02.01.07.01	Deferred income tax and social contribution	105,504	99,359
1.02.01.08	Prepaid expenses	1,245	502
1.02.01.09	Receivables from related parties	6,658	7,637
1.02.01.09.02	Receivables from subsidiaries	6,658	7,637
1.02.01.10	Other noncurrent assets	75,206	71,931
1.02.01.10.01	Noncurrent assets available for sale	36,998	36,998
1.02.01.10.03	Derivative	3,585	70
1.02.01.10.04	Recoverable taxes	17,411	17,246
1.02.01.10.05	Other	17,212	17,617
1.02.02	Investments	2,930,042	2,796,493
1.02.02.01	Investments in subsidiaries and joint ventures	2,340,186	2,292,547
1.02.02.01.01	Shareholding in associates	317,631	306,253
1.02.02.01.02	Investments in subsidiaries	2,022,555	1,986,294
1.02.02.02	Investment property	589,856	503,946
1.02.03	Property and equipment	4,957	4,896
1.02.03.01	Property and equipment in use	4,957	4,896
1.02.04	Intangible assets	2,001	2,013
1.02.04.01	Intangible assets	2,001	2,013

Individual / Balance Sheets – Liabilities and Equity
 (In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 6/30/2020	Previous year 12/31/2019
2	Total liabilities	3,893,655	3,861,059
2.01	Current Liabilities	234,226	115,788
2.01.01	Labor and social liabilities	4,252	3,695
2.01.01.01	Social liabilities	774	652
2.01.01.02	Labor liabilities	3,478	3,043
2.01.02	Suppliers	4,129	3,798
2.01.02.01	Domestic trade accounts payable	4,129	3,798
2.01.03	Tax liabilities	3,468	2,895
2.01.03.01	Federal taxes	3,452	2,824
2.01.03.01.01	Income taxes and social contribution	49	49
2.01.03.01.02	Other federal taxes	3,403	2,775
2.01.03.03	Municipal taxes	16	71
2.01.04	Loans and financing	176,742	79,661
2.01.04.01	Loans and financing	6,418	5,968
2.01.04.02	Debentures	170,324	73,693
2.01.05	Other liabilities	45,635	25,739
2.01.05.02	Other	45,635	25,739
2.01.05.02.02	Mandatory minimum dividend payable	-	21,423
2.01.05.02.04	Land payables	17,110	-
2.01.05.02.05	Advances - barters	27,083	1,550
2.01.05.02.06	Lease liability	209	168
2.01.05.02.07	Other	1,233	2,598
2.02	Noncurrent liabilities	702,386	806,314
2.02.01	Loans and financing	649,114	786,553
2.02.01.01	Loans and financing	18,518	21,495
2.02.01.02	Debentures	630,596	765,058
2.02.02	Other liabilities	53,272	19,761
2.02.02.02	Other	53,272	19,761
2.02.02.02.03	Advances - barters	23,794	14,746
2.02.02.02.04	Lease liability	4,279	4,097
2.02.02.02.05	Land payables	24,205	-
2.02.02.02.06	Provisions for labor, tax and civil risks	211	318
2.02.02.02.07	Other	783	600
2.03	Equity	2,957,043	2,938,957
2.03.01	Paid-in capital	2,038,021	2,038,072
2.03.02	Capital reserves	1,095	707
2.03.02.04	Recognized options granted	3,734	3,346
2.03.02.07	Share issuance costs	(2,639)	(2,639)
2.03.04	Earnings reserve	878,979	900,178
2.03.04.01	Legal reserve	27,185	-
2.03.04.05	Retained profit reserve	870,391	-
2.03.04.09	Valuation adjustment	(18,597)	-
2.03.05	Retained earnings/accumulated losses	38,948	-

Individual / Statement of Income
 (In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 6/30/2020	1/01/2019 to 6/30/2019
3.01	Revenue from sales and/or services	14,270	11,087
3.02	Cost of services provided	(799)	(1,028)
3.03	Gross profit	13,471	10,059
3.04	Operating income (expenses)	27,312	25,550
3.04.01	Selling expenses	(3,002)	(2,356)
3.04.02	General and administrative expenses	(9,400)	(7,453)
3.04.04	Other operating incomes	125	71
3.04.04.02	Other operating incomes	125	71
3.04.05	Other operating expenses	(1,387)	(336)
3.04.05.02	Other operating expenses	(1,387)	(336)
3.04.06	Results from equity participation	40,976	35,624
3.05	Income before financial income and taxes	40,783	35,609
3.06	Financial income (expenses)	(7,953)	(13,419)
3.06.01	Financial income	5,530	6,220
3.06.02	Financial expenses	(13,483)	(19,639)
3.07	Income before taxes	32,830	22,190
3.08	Income tax and social contribution	6,118	7,105
3.08.02	Deferred	6,118	7,105
3.09	Net income (loss) from continuing operations	38,948	29,295
3.11	Net income (loss) for the period	38,948	29,295
3.99	Earnings per share (In Reais - R\$):	-	-
3.99.01	Basic	-	-
3.99.01.01	ON	0.38311	0.40789
3.99.02	Diluted	-	-
3.99.02.01	ON	0.38246	0.40715

Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Individual / Statement of Comprehensive Income
(In thousands of Brazilian reais – R\$)

Code	Description	1/01/2020 to 6/30/2020	1/01/2019 to 6/30/2019
4.01	Net income for the period	38,948	29,295
4.02	Other comprehensive income	-	4,734
4.02.01	Effect of change in relative interest in joint ventures	-	4,734
4.03	Comprehensive income for the period	38,948	34,029

Individual / Statement of Cash Flows
 (In thousands of Brazilian reais – R\$)

Code	Description	1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
6.01	Net cash used in operating activities	23,082	35,468
6.01.01	Cash provided by operating activities	999	950
6.01.01.01	Net income for the period	38,948	29,295
6.01.01.02	Depreciation	357	362
6.01.01.03	Amortization of prepaid expenses	(40,976)	(35,624)
6.01.01.04	Financial results	7,953	13,419
6.01.01.05	Deferred taxes	(6,118)	(7,105)
6.01.01.06	Stock options	388	245
6.01.01.07	Amortization of prepaid expenses	77	113
6.01.01.10	Allowance for doubtful accounts	370	245
6.01.02	Changes in assets and liabilities	22,083	34,518
6.01.02.01	(Increase) decrease in trade accounts receivable	(5,505)	(3,559)
6.01.02.02	(Increase) decrease in recoverable taxes	(1,083)	929
6.01.02.03	(Increase) decrease in prepaid expenses	(1,615)	1,301
6.01.02.04	(Increase) decrease in other assets	(8,130)	(6,195)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	557	305
6.01.02.06	Increase (decrease) in taxes, charges and contributions	696	475
6.01.02.07	Increase (decrease) in other liabilities	(1,289)	427
6.01.02.10	Dividends received from subsidiaries	38,452	40,835
6.02	Net cash provided (used) in investing activities	57,279	(246,771)
6.02.01	Increase in / Acquisition of investments	(35,320)	(143,224)
6.02.02	Acquisition of investment properties	(1,600)	(8,800)
6.02.04	Increase in marketable securities	(118,381)	(291,627)
6.02.05	Decrease in marketable securities	190,632	192,914
6.02.06	Receipts from subsidiary sale and purchase cancellation	20,925	2,319
6.02.08	Receipts from subsidiaries	1,144	2,230
6.02.09	Other	(121)	(583)
6.03	Net cash provided (used in) by financing activities	(100,916)	120,264
6.03.01	Loans, financing and debentures	-	98,856
6.03.02	Interest paid	(24,955)	(29,754)
6.03.03	Shareholders' contributions	-	100,201
6.03.04	Share issuance costs	(77)	(3,146)
6.03.08	Dividends paid	(21,423)	(10,328)
6.03.09	Amortization of loans, financing and debentures	(35,801)	(33,382)
6.03.12	(Payment) Receipt on derivative financial instrument	-	(2,183)
6.03.13	Lease payments	(63)	-
6.03.14	Dividends paid	(18,597)	-
6.05	Increase (decrease) in cash and cash equivalents	(20,555)	(91,039)
6.05.01	Cash and cash equivalents at beginning of period	505,869	149,640
6.05.02	Cash and cash equivalents at end of period	485,314	58,601

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 LOG Commercial Properties e Participações S.A.

Individual / Statement of Changes in Equity – 1/1/2020 to 6/30/2020
 (In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company owners
5.01	Opening balance	2,038,072	707	900,178	-	-	2,938,957
5.03	Adjusted opening balance	2,038,072	707	900,178	-	-	2,938,957
5.04	Shareholders capital transaction	(51)	(18,209)	-	-	-	(18,260)
5.04.01	Capital increase	(51)	-	-	-	-	(51)
5.04.05	Stock options	-	(18,597)	-	-	-	(18,597)
5.04.08	Recognized options granted	-	388	-	-	-	388
5.05	Total comprehensive income	-	-	(2,602)	38,948	-	36,346
5.05.01	Net income (loss) for the period	-	-	-	38,948	-	38,948
5.05.02	Other comprehensive income	-	-	(2,602)	-	-	(2,602)
5.05.02.06	Capital transaction	-	-	(2,602)	-	-	(2,602)
5.07	Closing balance	2,038,021	(17,502)	897,576	38,948	-	2,957,043

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 LOG Commercial Properties e Participações S.A.

Individual / Statement of Changes in Equity – 1/1/2019 to 6/30/2019
 (In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company owners
5.01	Opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269
5.03	Adjusted opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269
5.04	Shareholders capital transaction	100,201	(1,831)	-	-	-	98,370
5.04.01	Capital increase	100,201	(2,076)	-	-	-	98,125
5.04.03	Recognized options granted	-	245	-	-	-	245
5.05	Total comprehensive income	-	-	(4,679)	29,295	4,734	29,350
5.05.01	Net income (loss) for the period	-	-	-	29,295	-	29,295
5.05.02	Other comprehensive income	-	-	(4,679)	-	4,734	55
5.05.02.06	Effect of change in relative interest in joint ventures	-	-	(4,679)	-	4,734	55
5.07	Closing balance	1,416,042	(1,747)	831,399	29,295	-	2,274,989

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Individual / Statement of Value Added
 (In thousands of Brazilian reais – R\$)

Code	Description	1/01/2020 to 6/30/2020	1/01/2019 to 6/30/2019
7.01	Revenue	28,654	34,536
7.01.01	Revenues from sales of goods, services and products	15,791	12,287
7.01.02	Other revenue	92	79
7.01.02.01	Other revenue	92	79
7.01.03	Revenue from construction of own assets	13,141	22,415
7.01.04	Allowance for doubtful accounts	(370)	(245)
7.02	Inputs purchased from third parties	(18,054)	(16,569)
7.02.02	Supplies, power, outside services and other items	(18,054)	(16,569)
7.03	Gross value added	10,600	17,967
7.04	Retentions	(357)	(362)
7.04.01	Depreciation, amortization and depletion	(357)	(362)
7.05	Net value added generated	10,243	17,605
7.06	Value added received in transfer	46,754	42,130
7.06.01	Results from equity participation	40,976	35,624
7.06.02	Financial income	5,778	6,506
7.07	Total value added for distribution	56,997	59,735
7.08	Value added distributed	56,997	59,735
7.08.01	Personnel	6,655	5,499
7.08.01.01	Salaries and wages	5,733	4,590
7.08.01.02	Benefits	725	695
7.08.01.03	Severance Pay Fund (FGTS)	197	214
7.08.02	Taxes, charges and contributions	(3,076)	(4,237)
7.08.02.01	Federal	(3,294)	(4,427)
7.08.02.02	State	-	4
7.08.02.03	Municipal	218	186
7.08.03	Debt remuneration	14,470	29,178
7.08.03.01	Interest	14,078	28,785
7.08.03.02	Rentals	384	381
7.08.03.03	Other	8	12
7.08.03.03.01	Leases	-	4
7.08.03.03.02	Other	8	8
7.08.04	Shareholders	38,948	29,295
7.08.04.03	Earnings retained in the period	38,948	29,295

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Balance Sheets – Assets
 (In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter	Previous year
		6/30/2020	12/31/2019
1	Total assets	4,024,787	3,988,727
1.01	Current assets	763,879	872,038
1.01.01	Cash and cash equivalents	485,674	507,388
1.01.03	Receivables	37,274	49,709
1.01.03.01	Trade receivables	37,274	49,709
1.01.06	Recoverable taxes	8,201	6,409
1.01.06.01	Recoverable current taxes	8,201	6,409
1.01.07	Prepaid expenses	2,330	1,489
1.01.08	Other current assets	230,400	307,043
1.01.08.03	Other	230,400	307,043
1.01.08.03.01	Marketable securities	227,912	303,609
1.01.08.03.02	Other	2,488	3,434
1.02	Noncurrent assets	3,260,908	3,116,689
1.02.01	Long-term assets	220,414	229,329
1.02.01.04	Receivables	43,029	38,848
1.02.01.04.01	Trade receivables	43,029	38,848
1.02.01.07	Deferred taxes	105,504	99,359
1.02.01.07.01	Deferred income tax and social contribution	105,504	99,359
1.02.01.08	Prepaid expenses	5,535	5,043
1.02.01.10	Other noncurrent assets	66,346	86,079
1.02.01.10.01	Noncurrent assets available for sale	36,998	36,998
1.02.01.10.03	Marketable securities	2,952	2,936
1.02.01.10.04	Derivative financial instruments	3,585	70
1.02.01.10.05	Recoverable taxes	19,109	28,255
1.02.01.10.06	Other	3,702	17,820
1.02.02	Investments	3,033,483	2,880,388
1.02.02.01	Investments in subsidiaries and joint ventures	317,631	306,253
1.02.02.01.04	Investments in joint ventures	317,631	306,253
1.02.02.02	Investment property	2,715,852	2,574,135
1.02.03	Property and equipment	5,009	4,958
1.02.03.01	Property and equipment in use	5,009	4,958
1.02.04	Intangible assets	2,002	2,014
1.02.04.01	Intangible assets	2,002	2,014

Consolidated / Balance Sheets – Liabilities and Equity
 (In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 6/30/2020	Previous year 12/31/2019
2	Total liabilities	4,024,787	3,988,727
2.01	Current Liabilities	251,635	130,422
2.01.01	Labor and social liabilities	5,006	4,169
2.01.01.01	Social liabilities	1,030	829
2.01.01.02	Labor liabilities	3,976	3,340
2.01.02	Suppliers	9,886	8,501
2.01.02.01	Domestic trade accounts payable	9,886	8,501
2.01.03	Tax liabilities	7,756	6,886
2.01.03.01	Federal taxes	7,741	6,703
2.01.03.01.01	Income taxes and social contribution	2,511	2,955
2.01.03.01.02	Other federal taxes	5,230	3,748
2.01.03.03	Municipal taxes	15	183
2.01.04	Loans and financing	180,107	82,526
2.01.04.01	Loans and financing	9,783	8,833
2.01.04.01.01	Loans and financing in domestic currency	9,783	8,833
2.01.04.02	Debentures	170,324	73,693
2.01.05	Other liabilities	48,880	28,340
2.01.05.02	Other	48,880	28,340
2.01.05.02.02	Mandatory minimum dividend payable	-	21,423
2.01.05.02.04	Land payables	17,110	-
2.01.05.02.05	Advances - barter	27,083	1,550
2.01.05.02.06	Lease liability	209	168
2.01.05.02.07	Deferred taxes	2,407	1,763
2.01.05.02.08	Other	2,071	3,436
2.02	Noncurrent liabilities	798,008	904,082
2.02.01	Loans and financing	672,142	807,279
2.02.01.01	Loans and financing	41,546	42,221
2.02.01.01.01	Loans and financing in domestic currency	41,546	42,221
2.02.01.02	Debentures	630,596	765,058
2.02.02	Other liabilities	125,866	96,803
2.02.02.02	Other	125,866	96,803
2.02.02.02.03	Advances - barter	23,794	14,746
2.02.02.02.04	Deferred taxes	67,609	66,462
2.02.02.02.05	Land payables	24,205	-
2.02.02.02.06	Provisions for labor, tax and civil risks	1,696	1,808
2.02.02.02.07	Lease liability	4,279	4,097
2.02.02.02.08	Other	4,283	9,690
2.03	Equity	2,975,144	2,954,223
2.03.01	Paid-in capital	2,038,021	2,038,072
2.03.02	Capital reserves	(17,502)	707
2.03.02.04	Recognized options granted	3,734	3,346
2.03.02.05	Valuation adjustment	(18,597)	-
2.03.02.07	Recognized options granted	(2,639)	(2,639)
2.03.04	Earnings reserve	897,576	900,178
2.03.04.01	Legal reserve	27,185	27,185
2.03.04.05	Retained profit reserve	870,391	872,993
2.03.05	Retained earnings/accumulated losses	38,948	-
2.03.09	Noncontrolling interests	18,101	15,266

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Income
 (In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 6/30/2020	1/01/2019 to 6/30/2019
3.01	Revenue from sales and/or services	69,046	60,899
3.02	Cost of services provided	(799)	(1,028)
3.03	Gross profit	68,247	59,871
3.04	Operating income (expenses)	(15,216)	(10,622)
3.04.01	Selling expenses	(5,035)	(4,274)
3.04.02	General and administrative expenses	(9,935)	(8,146)
3.04.04	Other operating incomes	1,052	745
3.04.04.01	Changes in the fair value of investment property	103	366
3.04.04.02	Other operating incomes	949	379
3.04.05	Other operating expenses	(2,660)	(1,388)
3.04.05.02	Other operating expenses	(2,660)	(1,388)
3.04.06	Results from equity participation	1,362	2,441
3.05	Income before financial income and taxes	53,031	49,249
3.06	Financial income (expenses)	(13,198)	(19,145)
3.06.01	Financial income	5,463	6,311
3.06.02	Financial expenses	(18,661)	(25,456)
3.07	Income before taxes	39,833	30,104
3.08	Income tax and social contribution	(389)	(578)
3.08.01	Current	(5,069)	(4,468)
3.08.02	Deferred	4,680	3,890
3.09	Net income (loss) from continuing operations	39,444	29,526
3.11	Net income (loss) for the period	39,444	29,526
3.11.01	Attributable to shareholders of the Company	38,948	29,295
3.11.02	Attributable to Non-controlling	496	231
3.99	Earnings per share (In Reais - R\$):	-	-
3.99.01	Basic	-	-
3.99.01.01	ON	0.38311	0.40789
3.99.02	Diluted	-	-
3.99.02.01	ON	0.38246	0.40715

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Comprehensive Income
(In thousands of Brazilian reais – R\$)

Code	Description	1/01/2020 to 6/30/2020	1/01/2019 to 6/30/2019
4.01	Net income for the period	39,444	29,526
4.02	Other comprehensive income	-	4,734
4.02.01	Effect of change in relative interest in joint ventures	-	4,734
4.03	Comprehensive income for the period	39,444	34,260
4.03.01	Attributable to shareholders of the company	38,948	34,029
4.03.02	Non-controlling interests	496	231

Consolidated / Statement of Cash Flows
 (In thousands of Brazilian reais – R\$)

Code	Description	1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
6.01	Net cash used in operating activities	33,011	35,101
6.01.01	Cash provided by operating activities	48,850	44,541
6.01.01.01	Net income for the period	39,444	29,526
6.01.01.02	Depreciation	359	364
6.01.01.03	Amortization of prepaid expenses	(1,362)	(2,441)
6.01.01.04	Financial results	13,198	19,145
6.01.01.05	Deferred taxes	(4,328)	(3,339)
6.01.01.06	Stock options	388	245
6.01.01.07	Amortization of prepaid expenses	662	923
6.01.01.08	Allowance for doubtful accounts	715	918
6.01.01.10	Changes in the fair value of investment property	(226)	(800)
6.01.02	Changes in assets and liabilities	(15,839)	(9,440)
6.01.02.01	(Increase) decrease in trade accounts receivable	(12,966)	(5,256)
6.01.02.02	(Increase) decrease in recoverable taxes	(1,571)	1,298
6.01.02.03	(Increase) decrease in prepaid expenses	(1,995)	(553)
6.01.02.04	(Increase) decrease in other assets	5,796	(6,248)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	837	491
6.01.02.06	Increase (decrease) in taxes, charges and contributions	6,735	4,438
6.01.02.07	Increase (decrease) in other liabilities	(6,884)	290
6.01.02.09	Income tax and social contribution paid	(5,791)	(3,900)
6.02	Net cash provided (used) in investing activities	48,492	(179,541)
6.02.01	Increase in / Acquisition of investments	(746)	(2,027)
6.02.02	Acquisition of investment properties	(43,672)	(82,793)
6.02.04	Increase in marketable securities	(128,235)	(305,735)
6.02.05	Decrease in marketable securities	200,331	209,272
6.02.06	Receipts from subsidiary sale and purchase cancellation	20,927	2,319
6.02.08	Other	(113)	(577)
6.03	Net cash provided (used in) by financing activities	(103,217)	53,172
6.03.01	Loans, financing and debentures	-	100,601
6.03.02	Amortization of loans, financing and debentures	(36,399)	(89,213)
6.03.03	Interest paid	(26,395)	(42,756)
6.03.04	Shareholders' contributions	-	100,201
6.03.05	Share issuance costs	(77)	(3,146)
6.03.08	(Distributions to) Contributions from noncontrolling shareholders	(263)	(4)
6.03.09	Dividends paid	(21,423)	(10,328)
6.03.11	(Payment) Receipt on derivative financial instrument	-	(2,183)
6.03.12	Lease payments	(63)	-
6.03.13	Acquisition of Treasury Shares	(18,597)	-
6.05	Increase (decrease) in cash and cash equivalents	(21,714)	(91,268)
6.05.01	Cash and cash equivalents at beginning of period	507,388	150,488
6.05.02	Cash and cash equivalents at end of period	485,674	59,220

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Changes in Equity – 1/1/2020 to 6/30/2020
 (In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company owners	Non-controlling interest	Total
5.01	Opening balance	2,038,072	707	900,178	-	-	2,938,957	15,266	2,954,223
5.03	Adjusted opening balance	2,038,072	707	900,178	-	-	2,938,957	15,266	2,954,223
5.04	Shareholders capital transaction	(51)	(18,209)	-	-	-	(18,260)	(263)	(18,523)
5.04.01	Capital increase	(51)	-	-	-	-	(51)	-	(51)
5.04.05	Recognized options granted	-	(18,597)	-	-	-	(18,597)	-	(18,597)
5.04.08	Stock options	-	388	-	-	-	388	-	388
5.04.09	Contributions from noncontrolling shareholders	-	-	-	-	-	-	(263)	(263)
5.05	Total comprehensive income	-	-	(2,602)	38,948	-	36,346	3,098	39,444
5.05.01	Net income (loss) for the period	-	-	-	38,948	-	38,948	496	39,444
5.05.02	Other comprehensive income	-	-	(2,602)	-	-	(2,602)	2,602	-
5.05.02.06	Capital transaction	-	-	-	-	-	(2,602)	2,602	-
5.07	Closing balance	2,038,021	(17,502)	897,576	38,948	-	2,957,043	18,101	2,975,144

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Changes in Equity – 1/1/2019 to 6/30/2019
 (In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company owners	Non-controlling interest	Total
5.01	Opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269	12,354	2,159,623
5.03	Adjusted opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269	12,354	2,159,623
5.04	Shareholders capital transaction	100,201	(1,831)	-	-	-	98,370	(4)	98,366
5.04.01	Capital increase	100,201	(2,076)	-	-	-	98,125	-	98,125
5.04.03	Recognized options granted	-	245	-	-	-	245	-	245
5.04.10	Net contributions from (distribution to) noncontrolling shareholders	-	-	-	-	-	-	(4)	(4)
5.05	Total comprehensive income	-	-	(4,679)	29,295	4,734	29,350	231	29,581
5.05.01	Net income (loss) for the period	-	-	-	29,295	-	29,295	231	29,526
5.05.02	Other comprehensive income	-	-	(4,679)	-	4,734	55	-	55
5.05.02.06	Effect of change in relative interest in joint ventures	-	-	(4,679)	-	4,734	55	-	55
5.07	Closing balance	1,416,042	(1,77)	831,399	29,295	-	2,274,989	12,581	2,287,570

(Convenience Translation into English from the Original Previously Issued in Portuguese)
 Quarterly information - ITR – 6/30/2020 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Value Added
 (In thousands of Brazilian reais – R\$)

Code	Description	1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
7.01	Revenue	138,626	169,768
7.01.01	Revenues from sales of goods, services and products	72,590	64,475
7.01.02	Other revenue	1,155	1,084
7.01.02.01	Other revenue	929	284
7.01.02.02	Changes in the fair value of investment property	226	800
7.01.03	Revenue from construction of own assets	65,596	105,127
7.01.04	Allowance for doubtful accounts	(715)	(918)
7.02	Inputs purchased from third parties	(63,209)	(90,568)
7.02.02	Supplies, power, outside services and other items	(63,209)	(90,568)
7.03	Gross value added	75,417	79,200
7.04	Retentions	(359)	(364)
7.04.01	Depreciation, amortization and depletion	(359)	(364)
7.05	Net value added generated	75,058	78,836
7.06	Value added received in transfer	7,074	9,046
7.06.01	Results from equity participation	1,362	2,441
7.06.02	Financial income	5,712	6,605
7.07	Total value added for distribution	82,132	87,882
7.08	Value added distributed	82,132	87,882
7.08.01	Personnel	10,461	8,602
7.08.01.01	Salaries and wages	8,785	6,917
7.08.01.02	Benefits	1,315	1,332
7.08.01.03	Severance Pay Fund (FGTS)	361	353
7.08.02	Taxes, charges and contributions	6,606	7,776
7.08.02.01	Federal	6,100	7,582
7.08.02.02	State	-	6
7.08.02.03	Municipal	506	188
7.08.03	Debt remuneration	25,621	41,978
7.08.03.01	Interest	21,509	38,093
7.08.03.02	Rentals	4,060	3,828
7.08.03.03	Other	52	57
7.08.03.03.01	Leases	-	5
7.08.03.03.02	Other	52	52
7.08.04	Shareholders	39,444	29,526
7.08.04.03	Earnings retained in the period	38,948	29,295
7.08.04.04	Profit attributable to non-controlling interests	496	231



1. General information

LOG Commercial Properties e Participações S.A. ("Company") is a publicly traded corporation listed in B3 S.A (B3) under ticker LOGG3, with its head office at 621 Professor Mário Werneck Ave., 10th 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, lease 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 lease (operating leases) of industrial warehouses and development and sale of industrial lots. On January 1st, 2019, the Company began providing management services for its own condominiums, previously outsourced to companies operating in that business. 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 2019, capital increases in the total amount of R\$738,135 were made in the Company, through the issuance of 32,930 thousand new common shares, registered, book-entry and with no par value.

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

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

2.1 Presentation of condensed interim financial statements

The Company's interim financial statements comprise:

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

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

Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2019.

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, 2019.

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.

- Amendment to references to conceptual framework in IFRS standards
- Definition of a business (Amendments to CPC 15 - IFRS 3)
- Definition of material (Amendments to CPC 26 - IAS 1 e CPC 23 - IAS 8)
- IFRS 17 Insurance contracts

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Cash and cash equivalents:				
Cash	9	8	4	4
Bank accounts	441	1,612	190	97
Short-term investments:				
Bank certificates of deposit (CDB)	485,224	306,090	485,120	306,090
Unrestricted investment funds	-	199,678	-	199,678
Total cash and cash equivalents	485,674	507,388	485,314	505,869

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Marketable securities:				
Restricted investment funds (i)	65,151	45,516	64,953	45,479
Unrestricted investment funds (ii)	165,514	170,720	162,761	167,982
Bank certificates of deposit (CDB) (ii)	199	90,309	-	90,111
Total marketable securities	230,864	306,545	227,714	303,572
Current	227,912	303,609	227,714	303,572
Noncurrent	2,952	2,936	-	-
	230,864	306,545	227,714	303,572

- The Group established a restricted investment fund, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established fund is highly liquid and aim at yielding interest equivalent to CDI. The fund invests in government and other banks securities and in others unrestricted investment funds, which in turn invest primarily in fixed-income securities.
- Include R\$2,739 pledged as collateral for "Plano empresario" program loans, working capital and debentures.
- Include R\$200 given as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 32.84% of CDI in Consolidated and 32.78% of CDI in Individual in the six-month period ended June 30, 2020 (102.64% of CDI in Consolidated and 102.72% of CDI in Individual for the same period of 2019).

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	
	6/30/20	12/31/19	6/30/20	12/31/19
Bank certificates of deposit (CDB)	-	266	-	266
Securities with repurchase agreement	344	1,346	342	1,344
Unrestricted investment funds	48,899	40,483	48,711	40,450
Debentures	10,291	175	10,291	175
Financial treasury bills	5,554	3,057	5,546	3,055
Public securities	63	189	63	189
Total	65,151	45,516	64,953	45,479

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 18.

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Rentals	49,912	41,674	11,452	9,291
Sale of partial equity interest	22,909	43,317	22,909	43,317
Condominium administration	407	361	407	361
Other	15,724	11,139	14,326	11,122
	88,952	96,491	49,094	64,091
Allowance for credit risk	(8,649)	(7,934)	(2,365)	(1,995)
Total	80,303	88,557	46,729	62,096
Current	37,274	49,709	15,843	34,456
Noncurrent	43,029	38,848	30,886	27,640
	80,303	88,557	46,729	62,096

Trade receivables from the sale of equity interest is as follows:

	Consolidated and Individual	
	6/30/20	12/31/19
LOG SJC (Note 17)	24,338	29,760
LOG Curitiba (Note 5 (a))	-	15,398
	24,338	45,158
Adjustment to present value	(1,429)	(1,841)
Total	22,909	43,317
Current	7,767	26,016
Noncurrent	16,571	19,142
	24,338	45,158

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

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
In due:				
Up to 12 months	34,143	48,000	15,016	33,787
After 13 months	43,029	38,848	30,886	27,640
	77,172	86,848	45,902	61,427
Past due:				
Up to 30 days	1,157	379	278	117
31 to 90 days	3,281	1,921	1,124	757
More than 90 days	7,342	7,343	1,790	1,790
	11,780	9,643	3,192	2,664
Total	88,952	96,491	49,094	64,091

Changes in the allowance for credit risk for the six-month period ended June 30, 2020 and 2019 are as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2020	2019	2020	2019
Opening balance	(7,934)	(6,326)	(1,995)	(1,150)
Recognition	(715)	(948)	(370)	(275)
Write-off	-	30	-	30
Closing balance	(8,649)	(7,244)	(2,365)	(1,395)

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

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
12 months	136,935	130,110	29,223	25,037
13 to 24 months	115,765	94,386	28,375	16,339
25 to 36 months	102,562	80,537	23,387	11,962
37 to 48 months	72,926	67,740	12,728	10,094
49 to 60 months	60,947	52,638	7,627	4,100
After 60 months	174,253	182,339	17,391	8,720
Total	663,388	607,750	118,731	76,252

The Company assessed the credit risk of the counterparty of its trade receivable as described in Note 18.

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, 2019.

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees		Investment	
			Equity			
	6/30/20	12/31/19	6/30/20	12/31/19	6/30/20	12/31/19
Joint ventures:						
Cabral	50.00%	50.00%	51,324	50,460	25,403	24,971
Torino	40.00%	40.00%	381,523	372,484	152,635	151,498
Loteamento Betim	50.00%	50.00%	116,849	97,081	58,425	48,541
LOG SJC Sony	64.97%	64.97%	105,383	105,359	68,467	68,452
Capitalized interest (a)			-	-	12,701	12,791
Total joint ventures -						
Consolidated			655,079	625,384	317,631	306,253
Subsidiaries:						
LOG I	99.99%	99.99%	145,136	145,277	145,122	145,262
LOG II	99.99%	99.99%	52,023	51,803	52,018	51,798
LOG Jundiaí	99.99%	99.99%	95,208	95,246	95,198	95,236
LOG Goiânia	99.90%	99.90%	154,518	150,419	154,363	150,269
LOG Hortolândia	99.99%	99.99%	139,159	139,615	139,145	139,601
LOG SJP	100.00%	99.99%	50,116	49,135	50,116	49,130
LOG Juiz de Fora	99.99%	99.99%	118,972	107,536	118,960	107,525
LOG Feira de Santana	99.99%	99.99%	37,759	37,618	37,755	37,614
LOG Fortaleza	99.99%	99.99%	243,049	242,682	243,025	242,658
LOG Via Expressa	99.99%	99.99%	165,089	163,765	165,072	163,749
LOG Viana	99.99%	99.99%	140,798	137,799	140,784	137,785
LOG Londrina	99.99%	99.99%	111,124	111,897	111,113	111,886
LOG Itatiaia	99.99%	99.99%	66,259	66,907	66,252	66,900
LOG Rio	99.99%	99.99%	156,709	151,320	156,693	151,305
LOG Aracajú	99.99%	99.99%	72,131	71,325	72,124	71,318
LOG BTS Extrema	90.06%	91.50%	182,097	179,859	163,997	164,571
LOG Sumaré	99.99%	99.99%	20	20	20	20
LOG SJRP	99.99%	99.99%	24,170	23,498	24,168	23,496
LOG Macaé	99.99%	99.99%	14,162	13,912	14,161	13,911
LOG RP	99.99%	99.99%	52,347	51,198	52,342	51,193
LOG Uberaba	99.00%	99.00%	19,619	10,620	19,423	10,514
LDI	100.00%	100.00%	529	454	529	454
LE Empreendimentos	99.00%	99.00%	177	100	175	99
Total subsidiaries			2,041,171	2,002,005	2,022,555	1,986,294
Total Individual			2,696,250	2,627,389	2,340,186	2,292,547

	Information on investees				Results from equity participation for the			
	Net income (loss) for the							
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
	2020	2019	2020	2019	2020	2019	2020	2019
Joint ventures:								
Cabral	374	1,234	864	2,078	187	617	432	1,039
Torino	584	1,548	1,839	2,874	234	619	736	1,178
Loteamento Betim	122	(115)	542	1,085	61	(58)	271	542
LOG SJC Sony	33	(12)	20	(86)	21	(11)	13	(76)
Capitalized interest (a)	-	-	-	-	(13)	(36)	(90)	(187)
Other	-	-	-	-	-	-	-	(55)
Total joint ventures -	1,113	2,655	3,265	5,951	490	1,131	1,362	2,441
Consolidated								
Subsidiaries:								
LOG I	2,202	2,926	4,281	5,686	2,202	2,926	4,281	5,685
LOG II	500	543	1,088	1,051	500	543	1,088	1,051
LOG Jundiaí	1,131	921	2,306	1,896	1,131	921	2,306	1,896
LOG Goiânia	1,603	2,762	3,291	5,565	1,602	2,759	3,288	5,559
LOG Hortolândia	1,372	1,332	2,765	2,696	1,372	1,332	2,765	2,696
LOG SJP	397	321	811	668	397	321	811	668
LOG Juiz de Fora	1,361	371	2,906	944	1,361	371	2,906	944
LOG Feira de Santana	391	401	793	(1,002)	391	401	793	(1,002)
LOG Fortaleza	3,452	2,789	6,674	4,136	3,452	2,789	6,673	4,136
LOG Via Expressa	1,954	625	3,923	1,415	1,954	625	3,923	1,415
LOG Viana	2,150	3,016	4,019	5,716	2,150	3,016	4,019	5,715
LOG Londrina	439	1,379	(1,394)	2,541	439	1,379	(1,394)	2,541
LOG Itatiaia	389	206	161	740	389	206	161	740
LOG Rio	1,972	1,981	3,875	3,762	1,972	1,981	3,875	3,762
LOG Aracajú	406	898	768	2,128	406	898	768	2,128
LOG BTS Extrema	2,570	1,492	5,111	2,652	2,317	1,365	4,614	2,427
LOG Sumaré	(1)	-	(1)	-	(1)	-	(1)	-
LOG SJRP	185	302	442	580	185	302	442	580
LOG Macaé	(12)	415	111	553	(12)	415	111	553
LOG RP	423	687	1,012	1,354	423	687	1,012	1,354
LOG Curitiba (b)	-	831	-	1,127	-	831	-	1,127
LOG Uberaba	188	169	346	333	186	168	343	330
LDI	5	3	(13)	6	5	3	(13)	6
LE Empreendimentos	(18)	(18)	(30)	(46)	(18)	(18)	(30)	(46)
Capitalized interest (a)	-	-	-	-	(1,308)	(5,113)	(3,127)	(11,082)
Total subsidiaries	23,059	24,352	43,245	44,501	21,495	19,108	39,614	33,183
Total Individual	24,172	27,007	46,510	50,452	21,985	20,239	40,976	35,624

(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, 2019).

(b) Sale of SPE LOG Curitiba shares as described below.

On July 17, 2019, the Company and LDI LOG Desenvolvimento Imobiliário Ltda. entered into an agreement to sell the entire equity interest in subsidiary LOG Curitiba I SPE Ltda. (LOG Curitiba), which owns a land located in the same city, for R\$30,800, to be received in 12 equal and consecutive installments, the first on the signatures contract date and the rest in subsequent months. This operation generated a loss of R\$22,895, of which R\$21,100 was recorded under the caption "Changes in the fair value of investment property", arising from the remeasurement of the fair value of the subsidiary's assets before sale, and R\$1,795 related to the sale commission, recorded in "Other operating income (expenses), net".

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	6/30/20	12/31/19	6/30/20	12/31/19	6/30/20	12/31/19	6/30/20	12/31/19
Cash and cash equivalents and marketable securities	10,607	9,971	4,709	10,173	365	86	48	3
Trade receivables	280	193	83	-	1,255	1,938	-	-
Inventories	-	-	-	-	18,708	27,847	-	-
Other current assets	6	8	504	300	128	133	-	-
Total current	10,893	10,172	5,296	10,473	20,456	30,004	48	3
Trade receivables	493	539	-	-	2,566	2,616	-	-
Inventories	-	-	-	-	98,668	81,738	-	-
Investment property	41,397	41,626	386,852	373,100	-	-	109,001	109,000
Other noncurrent assets	-	1,444	485	472	-	-	-	-
Total noncurrent assets	41,890	43,609	387,337	373,572	101,234	84,354	109,001	109,000
Total assets	52,783	53,781	392,633	384,045	121,690	114,358	109,049	109,003
Current liabilities	1,005	2,860	755	1,178	4,743	1,508	22	-
Noncurrent liabilities	454	461	10,355	10,383	98	15,769	3,644	3,644
Equity	51,324	50,460	381,523	372,484	116,849	97,081	105,383	105,359
Liabilities and equity	52,783	53,781	392,633	384,045	121,690	114,358	109,049	109,003

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	1 st half of		1 st half of		1 st half of		1 st half of	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenue	744	2,317	3,350	4,041	1,504	3,797	-	-
Cost of products and services	-	-	-	-	(902)	(2,581)	-	-
Other operating expenses	162	(278)	(1,219)	(815)	(18)	(30)	36	(85)
Financial income (expenses)	132	265	124	143	(2)	3	(1)	(1)
Income tax and social contribution	(174)	(226)	(416)	(495)	(40)	(104)	(15)	-
Net income (loss)	864	2,078	1,839	2,874	542	1,085	20	(86)

c) Changes in the balances of investments in subsidiaries and joint ventures in the six-month period ended June 30, 2020 and 2019 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
Six-month period ended June 30, 2020:							
Joint ventures:							
Cabral	11/13	24,971	-	432	-	-	25,403
Torino	4/15	151,498	401	736	-	-	152,635
Loteamento Betim	3/18	48,541	343	271	-	9,270	58,425
LOG SJC Sony	-	68,452	2	13	-	-	68,467
Capitalized interest (a)		12,791	-	(90)	-	-	12,701
Total joint ventures - Consolidated		306,253	746	1,362	-	9,270	317,631
Subsidiaries:							
LOG I	2/09	145,262	1,994	4,281	(6,415)	-	145,122
LOG II	3/11	51,798	152	1,088	(1,020)	-	52,018
LOG Jundiaí	4/11	95,236	354	2,306	(2,698)	-	95,198
LOG Goiânia	4/12	150,269	3,927	3,288	(3,121)	-	154,363
LOG Hortolândia	9/12	139,601	529	2,765	(3,750)	-	139,145
LOG SJP	4/13	49,130	175	811	-	-	50,116
LOG Juiz de Fora	6/13	107,525	8,529	2,906	-	-	118,960
LOG Feira de Santana	6/13	37,614	207	793	(859)	-	37,755
LOG Fortaleza	8/13	242,658	686	6,673	(6,992)	-	243,025
LOG Via Expressa	11/13	163,749	727	3,923	(3,327)	-	165,072
LOG Viana	4/14	137,785	2,553	4,019	(3,573)	-	140,784
LOG Londrina	6/14	111,886	2,041	(1,394)	(1,420)	-	111,113
LOG Itatiaia	7/14	66,900	298	161	(1,107)	-	66,252
LOG Rio	2/17	151,305	2,595	3,875	(1,082)	-	156,693
LOG Aracajú	10/18	71,318	540	768	(502)	-	72,124
LOG BTS Extrema (b)	10/19	164,571	-	4,614	(2,586)	(2,602)	163,997
LOG Sumaré	-	20	1	(1)	-	-	20
LOG SJRP	-	23,496	230	442	-	-	24,168
LOG Macaé	-	13,911	139	111	-	-	14,161
LOG RP	-	51,193	137	1,012	-	-	52,342
LOG Uberaba	-	10,514	8,566	343	-	-	19,423
LDI	-	454	88	(13)	-	-	529
LE Empreendimentos	-	99	106	(30)	-	-	175
Capitalized interest (a)		-	-	(3,127)	-	3,127	-
Total subsidiaries		1,986,294	34,574	39,614	(38,452)	525	2,022,555
Total Individual		2,292,547	35,320	40,976	(38,452)	9,795	2,340,186
Six-month period ended June 30, 2019:							
Total Consolidated		342,794	2,027	2,441	-	4,057	351,319
Total Individual		2,257,123	107,425	35,624	(40,835)	15,139	2,374,476

- 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, 2019).
- b) Other, refer to equity transaction regarding change in ownership interest according to investee's bylaws.

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, 2019.

6. Investment property

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

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Industrial warehouses	2,678,012	2,536,495	552,016	466,306
Strip malls	37,840	37,640	37,840	37,640
Total	2,715,852	2,574,135	589,856	503,946

Changes in balances of investment property for the six-month period ended June 30, 2020 and 2019 were as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2020	2019	2020	2019
Opening balance	2,574,135	2,485,297	503,946	445,780
Additions	138,271	97,431	85,819	4,070
Capitalized interest (Note 8)	3,220	14,349	91	2,242
Changes in fair value	226	800	-	-
Closing balance	2,715,852	2,597,877	589,856	452,092

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

	Consolidated		Individual	
	1 st half of		1 st half of	
	2020	2019	2020	2019
Changes in fair value of investment property	226	800	-	-
Deferred PIS/COFINS	(123)	(434)	-	-
Changes in fair value of investment property in profit or loss	103	366	-	-

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, 2019 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, 2019 were maintained, increased by the construction cost incurred in the six-month period ended June 30, 2020, 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, 2019 were maintained, increased by the construction costs incurred in the six-month period ended June 30, 2020.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the six-month period ended June 30, 2020, when applicable.

See Note 22 for management's assessments and conclusions regarding the potential effects of COVID-19.

Significant changes in the discount and divestment rates considered for fair value calculation of completed and under construction projects, could cause significant changes in the fair value of investment properties.

As at June 30, 2020, from the total amount of investment property, R\$1,857,632 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,835,263 as at December 31, 2019).

Non-current assets held for sale

In the third quarter of 2019, the Group transferred investment properties to the line item "Non-current assets held for sale", in view of the intention to sell these assets to "LOG CP Inter Fundo de Investimento Imobiliário". On December 18, 2019, the group sold part of these assets to the referred fund for R\$165 million, received in full in cash, remaining R\$36,998 classified in this line item. The Company continues to evaluate future disposals of the assets classified in this caption.

The fair value measurement of Non-current assets held for sale follows the same assumptions as the fair value measurement of investment properties.

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, 2019.

7. Property and equipment

Changes in property and equipment for the six-month period ended June 30, 2020 and 2019 are as follows:

	Opening balance	Adoption CPC 06 (R2) / IFRS 16	Addition	Closing balance
Consolidated				
Six-month period ended June 30, 2020:				
Cost:				
Right-of-use (*)	4,387	-	286	4,673
Other (**)	1,760	-	-	1,760
Total cost	6,147	-	286	6,433
Accumulated depreciation:				
Right-of-use (*)	243	-	151	394
Other (**)	946	-	84	1,030
Total accumulated depreciation	1,189	-	235	1,424
Total property and equipment, net	4,958	-	51	5,009
Six-month period ended June 30, 2019:				
Total property and equipment, net	970	3,676	140	4,786

	Opening balance	Adoption CPC 06 (R2) / IFRS 16	Addition	Closing balance
Individual				
Six-month period ended June 30, 2020:				
Cost:				
Right-of-use (*)	4,387	-	286	4,673
Other (**)	1,548	-	-	1,548
Total cost	5,935	-	286	6,221
Accumulated depreciation:				
Right-of-use (*)	243	-	151	394
Other (**)	796	-	74	870
Total accumulated depreciation	1,039	-	225	1,264
Total property and equipment, net	4,896	-	61	4,957
Six-month period ended June 30, 2019:				
Total property and equipment, net	888	3,676	151	4,715

(*) Rental agreement for the Company's headquarters (Note 17).
(**) 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) Loans, financing and debentures

Loans, financing and debentures as at June 30, 2020 and December 31, 2019 are as follows:

Type	6/30/20			12/31/19
	Current	Noncurrent	Total	Total
<u>Individual:</u>				
Debenture - 8 th issue	16,803	4,173	20,976	29,463
Debenture - 10 th issue	21,778	53,929	75,707	75,820
Debenture - 11 th issue	14,638	7,286	21,924	29,277
Debenture - 12 th issue	10,038	65,001	75,039	80,063
Debenture - 13 th issue	81,099	-	81,099	81,165
Debenture - 14 th issue	538	150,000	150,538	150,929
Debenture - 15 th issue	7,033	52,500	59,533	63,056
Debenture - 16 th issue	18,984	72,727	91,711	104,882
Debenture - 17 th issue	2,217	230,000	232,217	233,391
(-) Funding cost	(2,804)	(5,020)	(7,824)	(9,296)
Total debentures - Individual	170,324	630,596	800,920	838,750
Construction financing	6,522	18,868	25,390	27,977
(-) Funding cost	(104)	(350)	(454)	(513)
Total loans and financing - Individual	6,418	18,518	24,936	27,464
Total Individual	176,742	649,114	825,856	866,214
<u>Subsidiaries:</u>				
Construction financing (*)	3,477	23,463	26,940	24,196
(-) Funding cost	(112)	(435)	(547)	(605)
Total loans and financing - Subsidiaries	3,365	23,028	26,393	23,591
Total Consolidated	180,107	672,142	852,249	889,805

(*) Measured at fair value through profit or loss, according to hedge accounting methodology, refer to Note 18 (a).

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

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

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2020	2019	2020	2019
Opening balance	889,805	940,313	866,214	770,502
Funding	-	101,854	-	100,051
Interest expense	19,891	36,452	18,725	31,007
Ajuste ao valor justo	3,615	-	-	-
Funding cost	-	(1,253)	-	(1,195)
Amortization of funding costs	1,589	2,759	1,530	1,651
Repayment of principal	(36,399)	(89,213)	(35,801)	(33,382)
Payment of interest	(26,252)	(42,602)	(24,812)	(29,600)
Closing balance	<u>852,249</u>	<u>948,310</u>	<u>825,856</u>	<u>839,034</u>

b) Guarantees

The types of guarantees for loans, financing and debentures as at June 30, 2020 are as follows:

	Consolidated		
	Construction financing	Debentures	Total
Collateral /receivables	<u>52,330</u>	<u>808,744</u>	<u>861,074</u> (*)

(*) 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	
	6/30/20	12/31/19	6/30/20	12/31/19
<u>After the reporting period:</u>				
12 months	180,107	82,526	176,742	79,661
13 to 24 months	134,769	194,518	132,102	191,879
25 to 36 months	200,414	208,797	197,736	206,158
37 to 48 months	160,265	209,151	157,567	206,500
After 48 months	176,694	194,813	161,709	182,016
Total	<u>852,249</u>	<u>889,805</u>	<u>825,856</u>	<u>866,214</u>

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
<u>Financial charges on:</u>				
Loans, financing and debentures	(9,346)	(21,480)	(19,639)	(39,211)
Derivative financial instruments	22	25	(59)	(445)
Total financial charges	<u>(9,324)</u>	<u>(21,455)</u>	<u>(19,698)</u>	<u>(39,656)</u>
<u>Interest capitalized on:</u>				
Investment property (Note 6)	1,316	3,220	6,599	14,349
Financial charges allocated to profit or loss (Note 16)	<u>(8,008)</u>	<u>(18,235)</u>	<u>(13,099)</u>	<u>(25,307)</u>

	Individual			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial charges on:				
Loans, financing and debentures	(8,759)	(20,255)	(17,039)	(32,658)
Derivative financial instruments	22	25	(59)	(445)
Total financial charges	(8,737)	(20,230)	(17,098)	(33,103)
Interest capitalized on:				
Investment property (Note 6)	7	91	1,065	2,242
Investment (Note 5)	1,308	3,127	5,113	11,082
Financial charges allocated to profit or loss (Note 16)	(7,422)	(17,012)	(10,920)	(19,779)

For the six-month period ended June 30, 2020, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 4.75% p.a. (8.39% p.a. for the same period of 2019).

e) Contractual obligations

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

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

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

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

As at June 30, 2020, the Company is in compliance with all covenants of the loan, financing and debenture agreements.

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, 2019.

9. Advances - barter

This balance refers to commitments arising from barter transactions under which the Group acquired land in exchange of industrial warehouses or ownership interest in the projects. The balances were recorded at fair values at the transaction dates, measured based on the sales price of the land obtained which was supported by technical reports. The commitments will be discharged by handing over the completed industrial warehouses.

10. 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			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income (loss) before income tax and social contribution	22,493	39,833	14,852	30,104
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(7,648)	(13,543)	(5,050)	(10,235)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	167	463	385	830
Unrecognized tax credit	(444)	(1,063)	(1,738)	(3,768)
Depreciation of investment property	1,095	2,178	1,371	2,725
Tax basis difference for companies taxes based on deemed income	5,733	10,409	6,575	10,060
Other	561	1,167	59	(190)
IRPJ and CSLL credit (debit) in profit or loss	(536)	(389)	1,602	(578)

	Individual			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income (loss) before income tax and social contribution	19,044	32,830	12,138	22,190
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(6,475)	(11,162)	(4,127)	(7,545)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	7,920	14,995	8,620	15,880
Unrecognized tax credit	(444)	(1,063)	(1,738)	(3,768)
Depreciation of investment property	1,002	1,994	862	1,709
Other	655	1,354	570	829
IRPJ and CSLL credit (debit) in profit or loss	2,658	6,118	4,187	7,105

On June 30, 2020, the Company did not to recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R\$1,581 (R\$5,251 as of December 31, 2019).

- (b) Deferred tax balances

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

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Noncurrent assets:				
Income tax and social contribution	105,504	99,359	105,504	99,359
Liabilities:				
Income tax and social contribution	(32,889)	(31,451)	-	-
PIS/COFINS	(37,127)	(36,774)	-	-
	(70,016)	(68,225)	-	-
Current	(2,407)	(1,763)	-	-
Noncurrent	(67,609)	(66,462)	-	-
Total	(70,016)	(68,225)	-	-

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

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	73,262	60,876	72,735	59,697
Capitalized interests written-off (*)	99,691	99,691	99,691	99,691
Temporary differences	216	7,109	216	7,109
	173,169	167,676	172,642	166,497
Reclassified deferred liabilities	(67,665)	(68,317)	(67,138)	(67,138)
Deferred tax assets	105,504	99,359	105,504	99,359
Deferred liabilities:				
Fair value appreciation on investment property	(97,616)	(97,513)	(67,138)	(67,138)
Rental receivables and others	(2,938)	(2,255)	-	-
	(100,554)	(99,768)	(67,138)	(67,138)
Reclassified deferred liabilities	67,665	68,317	67,138	67,138
Deferred tax liabilities	(32,889)	(31,451)	-	-

(*) According to Note 2.2 (f) to the financial statements for the year ended December 31, 2019, 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, 2020, 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	Individual
Expected realization:		
2020	3,359	3,359
2021	3,517	3,517
2022	3,292	3,292
2023	5,154	5,154
2024	3,590	3,590
2025 to 2027	13,925	13,925
2028 to 2029	72,667	72,667
Total	105,504	105,504

For the purpose of mentioned forecast, the assumptions described in the financial statements of December 31, 2019 were maintained.

As at June 30, 2020, 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, 2020 and 2019 are as follows:

	Consolidated				Individual			
	1 st half of				1 st half of			
	2020		2019		2020		2019	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	167,676	(99,768)	67,908	97,786	166,497	(67,138)	99,359	125,769
Effect of deferred IRPJ and CSLL recognized in:								
Equity	27	-	27	1,070	27	-	27	1,070
Net income for the period	5,466	(786)	4,680	3,890	6,118	-	6,118	7,105
Closing balance	<u>173,169</u>	<u>(100,554)</u>	<u>72,615</u>	<u>102,746</u>	<u>172,642</u>	<u>(67,138)</u>	<u>105,504</u>	<u>133,944</u>

Other information on the income tax and social contribution is not significantly different from the information disclosed in Note 10 to the financial statements for the year ended December 31, 2019.

11. Provisions for labor, tax and civil risks

Changes for the six-month period ended June 30, 2020 and 2019 are as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2020	2019	2020	2019
Opening balance	1,808	2,098	318	425
Additions and inflation adjustments	145	279	1	102
Payments	(112)	(296)	(39)	(128)
Reversals	(145)	(371)	(69)	(98)
Closing balance	<u>1,696</u>	<u>1,710</u>	<u>211</u>	<u>301</u>

The lawsuits assessed as possible losses by the legal counsel amounted to R\$4,756 in Consolidated and R\$188 in Individual as at June 30, 2020 (R\$5,672 in Consolidated and R\$286 in Individual as at December 31, 2019).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 11 to the financial statements for the year ended December 31, 2019.

12. 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, 2020 and 2019 are as follows:

	Consolidated and Individual	
	1 st half of	
	2020	2019
Opening balance	4,265	-
Initial adoption of CPC 06 (R2) / IFRS 16	-	3,676
Remeasurement	286	331
Interest expenses	143	154
Repayment of principal	(63)	(58)
Payment of interest	(143)	(154)
Closing balance	<u>4,488</u>	<u>3,949</u>
Current	209	123
Noncurrent	<u>4,279</u>	<u>3,826</u>
	<u>4,488</u>	<u>3,949</u>

The undiscounted contractual cash flows (gross lease liabilities) represent annual cash-outs of R\$472, ending February 2035.

Leases representing exemptions in recognition

The Group applies recognition exemptions for short-term leases and leases for which the underlying assets are of low value. These leases essentially include short-term property rental. For these leases, lease expenses are recognized on a straight-line basis, when incurred. In six-month period ended June 30, 2020, these leases represent R\$31 (R\$14 for the same period of 2019).

Other information on the lease is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2019.

13. Equity

(a) Shares and capital

	Consolidated and Individual	
	6/30/20	6/30/19
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, 2020 and 2019 is R\$2,500,000, represented exclusively by common shares and each share entitles its holder to one vote in shareholders meeting.

On March 20, 2019, the Board of Directors approved the capital increase in the amount of R\$100,201, through the issuance of 4,555 registered, book-entry common shares with no par value, as shown below. The issue of the shares generated expenses in the amount of R\$2,989 (R\$1,973 net of tax effects), recorded in Equity under caption "Capital reserves – share issuance cost".

Date of approval	Description	Number of shares	Total outstanding shares after issuance	Unit price	Total capital increase	Share capital after capital increase
		(thousand)	(thousand)	R\$	R\$'000	R\$'000
Six-month period ended June 30, 2019:						
3/20/19	Issue of new shares	4,555	73,784	22.00	100,201	1,416,042

(b) Mandatory minimum dividend payable to shareholders

Fiscal year 2019 dividends, amounting R\$21,423, were paid in May 29, 2020, as proposed by the Management sent to the Ordinary General Meeting to be held on April 16, 2020, when dividends will be approved.

Fiscal year 2018 dividends, amounting to R\$10,328, were approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 30, 2019 and paid on June 12, 2019.

(c) Stock option plan

In April 16, 2020, was approved at the Ordinary and Extraordinary Shareholders' Meeting the amendment to the Company's Stock Option Plan, increasing the quantity of options in 1,000,000 (one million), from 892,000 to 1,892,000 options.

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	45,000	2.38%	Up to 5 year	R\$ 1.00	Officers	8/11	12/21
2	6/12	22,444	1.19%	Up to 5 year	R\$ 5.59	Officers	8/12	12/22
3	10/13	27,710	1.46%	Up to 5 year	R\$ 7.51	Officers and managers	12/13	12/23
4	11/14	27,710	1.46%	Up to 5 year	R\$ 7.51	Officers and managers	12/14	12/24
5	12/15	27,710	1.46%	Up to 5 year	R\$ 7.51	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	253,216	13.38%	Up to 5 year	R\$ 21.62	Officers and managers	12/20	12/27

(*) After each plan's last vesting, 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, 2020 and 2019 and supplemental information thereon:

Program	Number of participants	Changes in 1 st half of 2020 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
1	1	45	-	-	-	45
2	2	22	-	-	-	22
3	3	28	-	-	-	28
4	3	28	-	-	-	28
5	3	28	-	-	-	28
6	4	352	-	-	-	352
7	16	226	-	(3)	-	223
8	18	-	253	-	-	253
		729	253	(3)	-	979
Weighted average price of options		22.26	21.62	23.42	-	22.09
1 st half of 2019 (thou. options):		528	-	-	-	528
Weighted average price of options		20.89	-	-	-	20.89

Program	Number of vested shares (thou.)	Compensation cost for the year	Unrecognized compensation cost	Remaining compensation cost period (in years)
1	45	-	-	-
2	22	-	-	-
3	28	-	-	-
4	28	-	-	-
5	28	-	-	-
6	35	166	746	2.5
7	11	140	794	3.6
8	-	82	3,172	4.6
2020	197	388	4,712	4.1
2019	146	245	1,147	4.1

(d) 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.

In the six-month period ended June 30, 2020, 985 thousand shares in the amount of R\$18,597 were acquired through the Company's Repurchase Program (nil in the same period of 2019) as shown below:

Type	Number (thousand)				Cost in reais (per share) of the acquired shares			Market value (*)
	Opening balance	Acquired	Transferred	Closing balance	Weighted average	Maximum	Minimum	
1st half of 2020:								
Common shares	-	985	-	985	18.88	22.18	14.87	32,456

(*) Market value of shares remaining in treasury as at June 30, 2020.

(e) 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			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Basic earnings per share:				
Net income for the period	21,702	38,948	16,325	29,295
Weighted average number of outstanding common (thousand)	101,213	101,662	73,784	71,821
Basic earnings per share - in R\$	0.21442	0.38311	0.22125	0.40789
Diluted earnings per share:				
Net income for the period	21,702	38,948	16,325	29,295
Weighted average number of outstanding common (thousand)	101,213	101,662	73,784	71,821
Dilutive effect of stock options (thousand)	116	174	131	131
Total shares after dilutive effect (thousand)	101,329	101,836	73,915	71,952
Diluted earnings per share - in R\$	0.21417	0.38246	0.22086	0.40715

Other information on equity did not significantly change in relation to the information disclosed in Note 13 to the financial statements for the year ended December 31, 2019.

14. Net revenue

	Consolidated			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Lease revenue	35,839	70,563	31,805	62,614
Revenue from condominium management service	1,021	2,027	908	1,861
Taxes on revenue	(1,814)	(3,544)	(1,799)	(3,576)
Net revenue	35,046	69,046	30,914	60,899

	Individual			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Lease revenue	7,047	13,764	5,018	10,426
Revenue from condominium management service	1,021	2,027	908	1,861
Taxes on revenue	(777)	(1,521)	(583)	(1,200)
Net revenue	7,291	14,270	5,343	11,087

15. Costs and expenses by nature

	Consolidated			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Costs of services provided - condominium management	(341)	(799)	(564)	(1,028)
Operating expenses:				
Depreciation and amortization	(180)	(359)	(186)	(364)
Advertising	(363)	(776)	(335)	(620)
Salaries, charges and benefits	(2,521)	(4,902)	(2,194)	(4,088)
Management compensation	(1,034)	(2,016)	(870)	(1,252)
Outside services	(1,471)	(2,647)	(1,246)	(2,699)
General expenses	(736)	(1,893)	(1,034)	(1,659)
Stock options	(235)	(388)	(122)	(245)
Vacancy expenses	(974)	(1,989)	(749)	(1,493)
Other	(1,103)	(1,711)	(463)	(1,009)
	(8,617)	(16,681)	(7,199)	(13,429)
Classified as:				
Selling expenses	(2,633)	(5,035)	(2,236)	(4,274)
General and administrative expenses	(3,847)	(7,919)	(3,629)	(6,894)
Management compensation	(1,034)	(2,016)	(870)	(1,252)
Other operating expenses, net	(1,103)	(1,711)	(464)	(1,009)
	(8,617)	(16,681)	(7,199)	(13,429)

	Individual			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Costs of services provided - condominium management	(341)	(799)	(564)	(1,028)
Operating expenses:				
Depreciation and amortization	(179)	(357)	(183)	(362)
Advertising	(352)	(765)	(335)	(619)
Salaries, charges and benefits	(2,521)	(4,902)	(2,193)	(4,086)
Management compensation	(1,034)	(2,016)	(870)	(1,252)
Outside services	(763)	(1,427)	(537)	(1,241)
General expenses	(601)	(1,723)	(902)	(1,447)
Stock options	(235)	(388)	(122)	(245)
Vacancy expenses	(369)	(824)	(253)	(557)
Other	(1,180)	(1,262)	(202)	(265)
	(7,234)	(13,664)	(5,597)	(10,074)
Classified as:				
Selling expenses	(1,446)	(3,002)	(1,213)	(2,356)
General and administrative expenses	(3,574)	(7,384)	(3,312)	(6,201)
Management compensation	(1,034)	(2,016)	(870)	(1,252)
Other operating expenses, net	(1,180)	(1,262)	(202)	(265)
	(7,234)	(13,664)	(5,597)	(10,074)

16. Financial expenses and income

	Consolidated			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(8,008)	(18,235)	(13,099)	(25,307)
Loss on derivative financial instruments	53	(126)	45	316
Other financial expenses	(163)	(300)	(241)	(465)
	(8,118)	(18,661)	(13,295)	(25,456)
Financial income				
Income from short-term investments	3,527	4,461	3,352	5,551
Interest income on intercompany loans	497	497	-	-
Income on derivative financial instruments	-	-	2	25
Inflation adjustments	(51)	517	234	-
Other financial income (*)	17	(12)	108	735
	3,990	5,463	3,696	6,311
Financial (expenses) income	(4,128)	(13,198)	(9,599)	(19,145)

	Individual			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(7,422)	(17,012)	(10,920)	(19,779)
Loss on derivative financial instruments	744	3,489	45	316
Other financial expenses	17	40	(82)	(176)
	(6,661)	(13,483)	(10,957)	(19,639)
Financial income				
Income from short-term investments	3,501	4,426	3,284	5,384
Interest income on intercompany loans	590	711	229	450
Income on derivative financial instruments	-	-	2	25
Inflation adjustments	(51)	517	234	-
Other financial income (*)	(36)	(124)	(75)	361
	4,004	5,530	3,674	6,220
Financial (expenses) income	(2,657)	(7,953)	(7,283)	(13,419)

(*) Includes tax effect in financial income.

17. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		6/30/20	12/31/19	6/30/20	12/31/19	6/30/20	12/31/19	6/30/20	12/31/19
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	290,273	328,915	-	-	290,273	328,915	-	-
Banco Bradesco S.A.	[2]	35,696	158,794	-	-	32,840	156,055	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	6,658	7,637	-	-
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,285	427	-	-	69	21	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	34	34	-	-	34	34	-	-
Receivables from shares sale									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[6]	22,909	27,919	-	-	22,909	27,919	-	-
Loans, financing and debentures									
Other related parties									
Banco Inter S.A. (Inter)	[1]	-	-	49,743	50,409	-	-	49,743	50,409
Banco Bradesco S.A.	[2]	-	-	180,229	181,472	-	-	180,229	181,472
Lease liability									
Other related parties									
Conedí Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	14	41	-	-	14	41

	Consolidated								
	Income				Expense				
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of		
	2020	2019	2020	2019	2020	2019	2020	2019	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	537	876	(2,312)	1,705	-	-	-	-
Banco Bradesco S.A.	[2]	287	-	1,612	-	-	-	-	-
Lease revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,297	874	2,613	1,676	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	103	-	205	-	-	-	-	-
Operating expenses									
General and administrative expenses									
Other related parties									
Cone di Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	84	80	153	154
MRV Engenharia e Participações S.A.	[8]	-	-	-	-	392	434	784	867
Financial expenses									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	432	-	1,031	-
Banco Bradesco S.A.	[2]	-	-	-	-	1,556	-	3,713	-
Brokerage fee:									
Banco Inter S.A. (Inter)	[9]	-	-	-	-	-	-	-	980

	Individual								
	Income				Expense				
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of		
	2020	2019	2020	2019	2020	2019	2020	2019	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	537	876	(2,312)	1,705	-	-	-	-
Banco Bradesco S.A.	[2]	270	-	1,593	-	-	-	-	-
Intercompany receivables									
Investees									
SPEs									
	[3]	93	229	214	450	-	-	-	-
Lease revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	70	64	134	142	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	103	-	205	-	-	-	-	-
Operating expenses									
General and administrative expenses									
Other related parties									
Cone di Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	84	80	153	154
MRV Engenharia e Participações S.A.	[8]	-	-	-	-	143	153	285	306
Financial expenses									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	432	-	1,031	-
Banco Bradesco S.A.	[2]	-	-	-	-	1,556	-	3,713	-
Brokerage fee:									
Banco Inter S.A. (Inter)	[9]	-	-	-	-	-	-	-	980

- [1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In June 30, 2020, short-term investments yielded 32.84% of CDI in Consolidated and Individual (109.19% for the same period of 2019).

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Inter amounting to R\$1,547 at June 30, 2020 (R\$5,560 at December 31, 2019). The financial income arising on these short-term investments for the three and six-month period ended June 30, 2020 was R\$25 and R\$83, respectively (R\$198 and R\$100 for the same period of 2019, respectively).

- [2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Investment Fund for Multisectorial Holdings Plus, a shareholder of the Company.
- [3] Refers to loan between the Company and subsidiary, granted in January 2018. This loan is subject to interest by CDI + 2.25% p.a.
- [4] Refers to the lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- [5] Refers to the lease agreement entered by the Company and MRV Engenharia e Participações S.A., company controlled by the Company's controlling shareholder.

[6] In July 2018, the Company sold equity interest in the subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. (“LOG SJC Sony”) for MRV MRL CAMP NOU Incorporações e Participações Ltda, a company controlled by MRV Engenharia e Participações S.A. The contract determines payments in two tranches as detailed below:

- I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
- II. R\$25,523 (R\$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at March 31, 2020	1,436	22,902	24,338
Trade receivables as at December 31, 2019	4,237	25,523	29,760

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 relevant 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, 2020 and December 31, 2019. This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. The agreement is effective for three years, beginning December 2, 2013, automatically extendable for an equal period, if not opposed by any of the parties. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition by the parties.
- [9] Refers to services related to coordination, placement and distribution of CRI (Certificates of real estate receivables), under best efforts modality, backed by the Company’s 16th issue of debentures.

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 consists 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			
	2020		2019	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Short-term benefits granted to management:				
Management compensation	1,034	2,016	1,044	1,502
Profit sharing	321	643	187	315
Non-monetary benefits	35	65	22	41
Long-term benefits to management:				
Retirement private plan	23	42	20	34
Share-based compensation:				
Stock option plan	175	299	112	225
	1,588	3,065	1,385	2,117

On April 16, 2020, the Ordinary and Extraordinary Shareholders' Meeting approved the overall management compensation at R\$8,016.

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

18. 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, 2020.

The Company entered non-speculative derivative financial instruments to hedge its exposure to interbank deposit rate (CDI) fluctuation or 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		6/30/20
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	22,645	22,783	22,681	102	3,483	3,585
							102	3,483	3,585
								Consolidated and Individual	
								Noncurrent assets	3,585
								Total	3,585

(*) 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.

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/19
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	23,517	23,661	23,585	76	(6)	70
							76	(6)	70
								Consolidated and Individual	
								Noncurrent assets	70
								Total	70

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

Impact on profit or loss – Consolidated and Individual			
	Gain (loss) on transaction	Mark-to-market	Total (*)
2 nd quarter of 2020	23	744	767
1 st half of 2020	26	3,489	3,515
2 nd quarter of 2019	(59)	47	(12)
1 st half of 2019	(445)	341	(104)

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
			Debt
Notional value	25,000		25,000
Contract date	12/18		12/18
Maturity date	8/28		9/28
	Long position		Short position
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
	6/30/20		6/30/20	2020
Loans and financing (Hedged item)	22,645	10%	(26,730) (*)	3,946
		Long position 10% (**)	26,730	(3,946)
Derivative financial instrument (Hedge instrument)	22,645	Short position 108.95% CDI	(23,145)	464
		Swap net position	3,585	(3,482)
		Total net position	(23,145)	464

(*) Swap hedging relation of 99.22% of the hedged item.

(**) In order to reduce volatility in results, the Company opted for hedge accounting, and in this way, measured the short position of the hedging instrument by the mark-to-market rate of the hedged item.

(b) Category of financial instruments

Consolidated	Note	6/30/20		12/31/19	
		Carrying	Fair value	Carrying	Fair value
Financial assets:					
Amortized cost		80,753	80,753	90,177	90,177
Cash and bank accounts	3	450	450	1,620	1,620
Trade receivables	4	80,303	80,303	88,557	88,557
Fair value through profit or loss (mandatorily measured) (*)		719,673	719,673	812,383	812,383
Restricted investment funds	3	65,151	65,151	45,516	45,516
Unrestricted investment funds	3	165,514	165,514	370,398	370,398
Bank certificates of deposit (CDB)	3	485,423	485,423	396,399	396,399
Derivative financial instruments	18 (a)	3,585	3,585	70	70
Financial liabilities:					
Amortized cost		880,998	880,640	878,375	833,184
Loans, financing and debentures	8	825,309	824,951	865,609	820,418
Land payables		41,315	41,315	-	-
Trade payables (suppliers)		9,886	9,886	8,501	8,501
Lease	12	4,488	4,488	4,265	4,265
Fair value through profit or loss (Hedge accounting) (*)		26,940	26,940	24,196	24,196
Loans, financing and debentures	8	26,940	26,940	24,196	24,196

(*) 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, 2020 and December 31, 2019.

The table below shows a comparison of the contracted and market rates, at June 30, 2020:

Contractual rate (p.a.)	Current market rate (p.a.)	Maturity dates
Debentures		
CDI + 1.35% to 2.25%	CDI + 0.75% to 0.89%	12/21 to 12/28
108% to 119% CDI	CDI + 0.75% to 0.89%	06/21 and 03/25
Construction financing		
CDI + 1.65%	CDI + 1.65%	10/24
TR + 10.00%	TR + 10.00%	09/28

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

(c) Exposure to interest rates and inflation adjustment indices

The analysis below as at June 30, 2020, has been prepared in accordance to Note 18 (c), to the financial statements for the year ended December 31, 2019:

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 6/30/20	Estimated annual rate for 2020 (*)	Change in effective rate for the relevant scenario	Total estimated effect
<u>Probable scenario:</u>							
CDI	726,124	(885,004)	(158,880)	4.59%	2.07% (i)	-2.52%	4,004
IGPM	-	(13,084)	(13,084)	7.31%	6.43% (ii)	-0.88%	115
TR	-	(26,940)	(26,940)	0.00%	0.01% (i)	0.01%	(3)
IPCA	24,338	-	24,338	2.13%	1.70% (ii)	-0.43%	(105)
							<u>4,011</u>
<u>Scenario I:</u>							
CDI	726,124	(885,004)	(158,880)	4.59%	2.59%	-2.00%	3,178
IGPM	-	(13,084)	(13,084)	7.31%	8.04%	0.73%	(96)
TR	-	(26,940)	(26,940)	0.00%	0.01%	0.01%	(3)
IPCA	24,338	-	24,338	2.13%	1.28%	-0.85%	(207)
							<u>2,872</u>
<u>Scenario II:</u>							
CDI	726,124	(885,004)	(158,880)	4.59%	3.11%	-1.48%	2,351
IGPM	-	(13,084)	(13,084)	7.31%	9.65%	2.34%	(306)
TR	-	(26,940)	(26,940)	0.00%	0.02%	0.02%	(5)
IPCA	24,338	-	24,338	2.13%	0.85%	-1.28%	(312)
							<u>1,728</u>

(i) Data obtained on B3 site.

(ii) Data obtained on Banco Central do Brasil site.

(*) Effective change for the first six months of 2020 plus a projection for the next six months of 2020

(d) Capital risk management

As at June 30, 2020 and December 31, 2019, the debt-to-equity ratio is as follows:

	Consolidated		Individual	
	6/30/20	12/31/19	6/30/20	12/31/19
Loans, financing and debentures	852,249	889,805	825,856	866,214
Cash and cash equivalents and marketable securities	(716,538)	(813,933)	(713,028)	(809,441)
Net debt	135,711	75,872	112,828	56,773
Equity	2,975,144	2,954,223	2,957,043	2,938,957
Net debt-to-equity ratio	4.6%	2.6%	3.8%	1.9%

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 undiscounted cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations, based on the future estimated indices at June 30, 2020 through their due date, are as follows.

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<u>Consolidated:</u>					
Floating rates liabilities	220,477	178,100	230,568	371,762	1,000,907
Non-interest bearing liabilities	9,886	-	-	-	9,886
Total	230,363	178,100	230,568	371,762	1,010,793
<u>Individual:</u>					
Floating rates liabilities	216,396	174,016	226,479	350,202	967,093
Non-interest bearing liabilities	4,129	-	-	-	4,129
Total	220,525	174,016	226,479	350,202	971,222

(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 has the policy of only negotiating with counterparties with creditworthiness and obtaining adequate guarantees, when appropriate, to mitigate the risk of financial loss due to default.

19. 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.

20. Noncash transactions

During the six-month period ended June 30, 2020 and 2019, 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 st half of		1 st half of	
	2020	2019	2020	2019
Interest capitalization	3,220	14,349	3,218	13,324
Right-of-use (Initial adoption of CPC 06 (R2)) (Note 7)	286	3,676	286	3,676
Unpaid capital contributions in joint venture	-	4,002	-	4,002

21. 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, 2020, 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.	135,937
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
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	1,350
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	21,557
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	145,511
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.	367
Barter insurance	Guarantees the obligation of delivering GLA to the barterer, by the Company, after the conclusion of the agreed work.	16,500
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	330

22. 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 interim 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 lease payments.
- Investment properties - PPIs (Note 6): Changes in fair value of assets.
- Deferred tax asset (Note 10): Changes in the estimated realization of deferred tax assets, based on the forecast of future taxable income.

The Company's management assessed the items above and understood that, until the issuance date of this quarterly information, there are no material impacts that could affect them. With respect to PPIs, the management reassessed each of the assumptions used for June 30, 2020, both for discounted cash flows and for the fair value of land and verified that these are adequate for this reporting date and that the effects of COVID-19 are temporary, due to the value outlook for the Company assets in the long-term, that is, short-term fluctuations do not affect the value of assets in the long-term.

23. Approval of the financial statements

These interim financial statements were analyzed by the Fiscal Board and authorized for issue by the Board of Directors on July 29, 2020.