

20Q

21



Earnings
Release

log

Belo Horizonte, July 28, 2021

Log Commercial Properties e Participações S.A. (“Log” or “Company”) (“B3:LOGG3”), one of the largest developers and leasing companies of class A logistics warehouses in Brazil, announces its results for the second quarter of 2021 (“2Q21”). The **following financial information**, unless otherwise stated, is presented in thousands of reais (R\$ thousand) and has been prepared and presented in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Earnings Conference Call

Thursday, July 29, 2021
10:00 am (Brasilia) / 9:00 am (New York)
Simultaneous translation
Conference Call Password: LOGCP

Dial-in Phone Numbers

Participants in Brazil
+55 11 3181-8565 / +55 11 4090 1621

Participants in other countries

1 412 717 9627 / 1 844 204 8942 (Toll Free) / 44 20 3795 9972 (London)

Replay | Portuguese or English

+55 11 3193-1012
PT Password: 4567989#
EN Password: 5484983#



Scan the
QR Code
and watch the
quarter
highlights.

HIGHLIGHTS

R\$78.4mi

Net Profit 2Q21

R\$76.5mi

EBITDA 2Q21

R\$888.9mi

Cash Jun/21

2.05%

Stabilized Vacancy Jun/21

415,385m²

Total Gross Absorption 1H21

R\$36.0mi

Value Creation 2Q21
NEW ASSETS DEVELOPED

0.4%

Accumulated Net Default
LAST 12 MONTHS

10

Projects under Construction

R\$ 3.2bi

Investment Properties Jun/21

2Q21

Driven by e-commerce, We Are Now Todos Por 1.5



7 Demand for Built to Suit projects grows

We signed a **BTS contract of 95.7 thousand m²** of GLA in the Betim Industrial Park (PIB) for the e-commerce activity with the start of works scheduled for 3Q21. This BTS was not included in the scope of Todos Por 1.4, so, we revised our growth plan and now we are **Todos Por 1.5**. The Plan's commitment and speed are reflected in more than 400,000 m² of GLA under construction and the delivery of more than 700,000 m² of GLA by the end of 2022. **We will almost double the Company's asset portfolio in 18 months!**

7 More asset recycling

On a recurring basis, we are demonstrating that Log's value generation cycle begins with the development of new assets. In 2Q21 there was a positive impact of **R\$ 36.0 millions** on the operating profit due to the value generated in new assets. Accelerating the portfolio recycling strategy and, in line with the objective of monetizing mature assets, generating greater value for shareholders, in 2Q21 we concluded the sale of the asset **BTS Extrema (90% Log) for R\$ 272.7 MM**, totaling 76.9 thousand m² of GLA which represents R\$3,547 per GLA. We highlight that the sale was made with a **44% gross margin** on the amount invested.

In addition, the fact that the buyer is an independent channel highlights the **market attractiveness by Log's assets**.

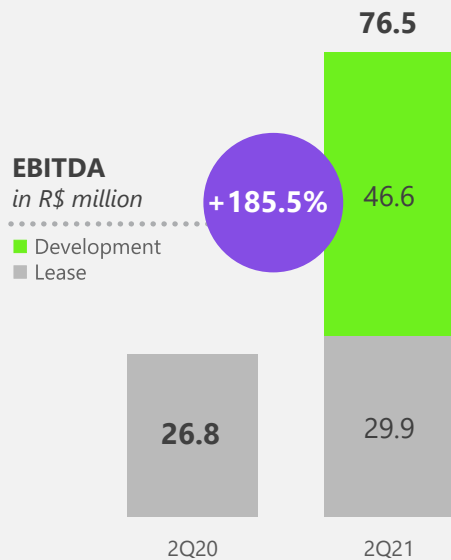
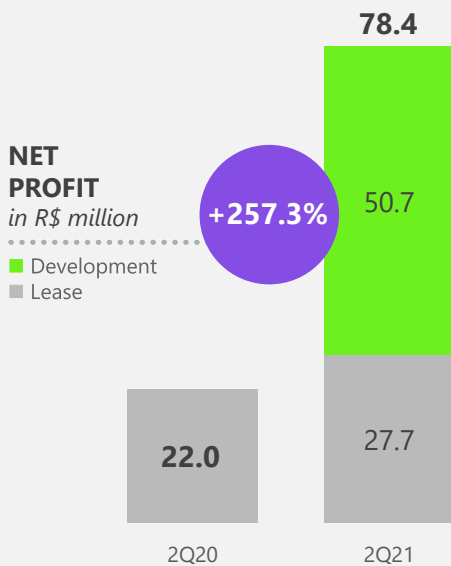
It is important to highlight the recurrence of asset recycling: in the last 18 months, we have recycled (%Log) **154.7 thousand m²** of GLA, resulting in **R\$ 520.4 MM** with **average gross margin of approximately 44%**.

7 New commercial activity record

Presenting the Company's best commercial moment, 1H21 was the strongest period in history, with a gross absorption of **415.4 thousand m² of GLA** (93% of the total for the entire year of 2020), surpassing by almost **2x the previous record** presented in 1H20. It is important to note that **92%** of the gross absorption was outside the RJ/SP axis, with **84%** for clients with e-commerce services and **69%** being for clients with **exclusive services to e-commerce**. Another point that deserves to be highlighted is the **pre-lease** level, 63% of the gross absorption was from works in progress in 5 cities and 4 states. Only **Log's internal team** was responsible for closing **89% of the leased GLA**. The stabilized vacancy reported is also a record, closing 1H21 at **2.05%**, proving the high quality of Log's portfolio of assets and clients.

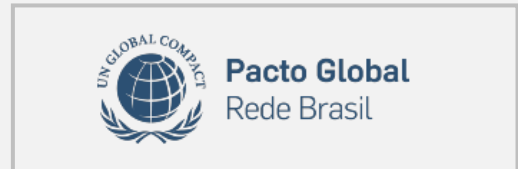
7 Resilience of our business model

We achieved a **net profit of R\$ 78.4 MM and an EBITDA of R\$ 76.5 MM**, which represents a growth of 257.3% and 185.5%, respectively, in relation to the same period of the previous year.



7 Sustainability Report

We disclose our Sustainability Report in accordance with the **Global Reporting Initiative (GRI)** international standards that represent the best practices for reporting the economic, environmental and social impacts of businesses. Moreover, assuming the commitment to the Sustainable Development Goals, we communicate that we adhered to the **UN Global Compact**, the **largest corporate sustainability initiative in the world**, strengthening principles based on human rights, labor, environment and anti-corruption. With that, we became the **first company in the "Malls & Properties" sector** to join the Brazilian Global Compact Network.



7 Standard and Poor's Rating

We make public our **AA+** rating with the agency **Standard and Poor's**, which highlights our solid fundamentals and reinforces our **high credit quality**.

Business Performance

1.1 DEMAND IDENTIFICATION

Log puts into practice its management intelligence to analyze and map the market, identifying demands and business opportunities across the country for the most varied segments.

We are present in 37 cities, 17 states and in all regions of Brazil.

Our geographic diversification strategy, combined with our modular warehouses and class A BTS business model, is evidenced by the high level of occupancy of our assets.

Reinforcing our commitment to the **"Todos por 1.5" plan**, 77% of the land for completion are already part of our portfolio and, in 2Q21, we added another 4 land plots and 217,000 m² GLA to the landbank, **totaling 1,150,7 thousand m² of GLA** until now.



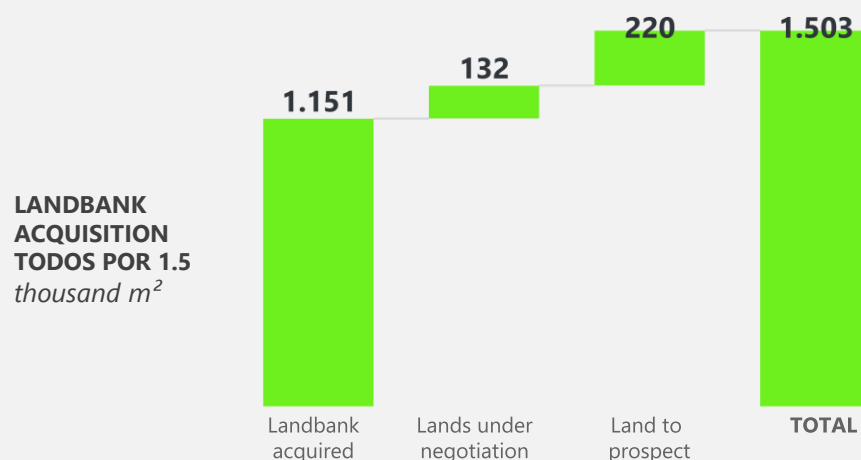
North
7 **62,465m² GLA**
3.0%

South
7 **167,985m² GLA**
7.9%

Midwest
7 **172,743m² GLA**
8.2%

Northeast
7 **455,332m² GLA**
21.5%

Southeast
7 **1,254,851m² GLA**
59.4%



TODOS 1.5
LOG POR 2020
2024
1,5 MILHÃO DE ABL ENTREGUE

KEY DEMAND DRIVERS

Flight to Quality

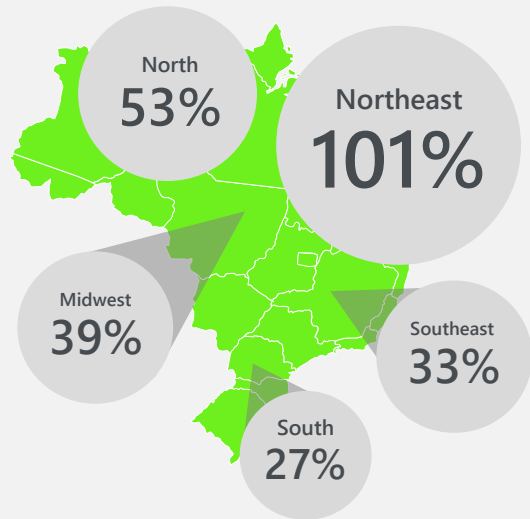
The movement known as Flight to Quality is the increase in demand for more modern warehouses, an important catalyst for growth. It is estimated that the logistics warehouse market in Brazil has approximately 172 million m². **There is a huge potential market for Log** since the supply of high-end logistics parks represents only about 15% of the

total market offer. Tenants have been looking for infrastructure more suited to their needs and Log has become the specialized solution for Class A warehouses and the **largest player with national capillarity**.

E-commerce in Brazil

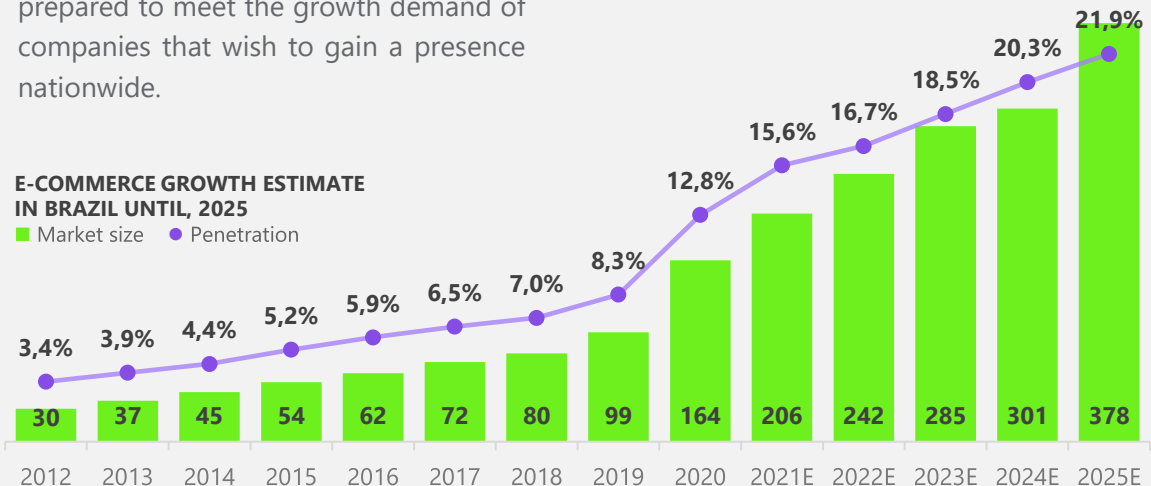
In Brazil, e-commerce reached the historic mark of more than R\$ 87 billion in sales in 2020¹, and the average growth expectation for this segment, from 2019 to 2025, is 25%². Moreover, the expansion of electronic commerce has been greater in other regions of the country than in the Southeast, **which meets our main objective: to promote the democratization of e-commerce, expanding this segment throughout Brazil**. With our unique business model, we are the Company that is best prepared to meet the growth demand of companies that wish to gain a presence nationwide.

% E-COMMERCE GROWTH IN BRAZIL, IN 2020



E-COMMERCE GROWTH ESTIMATE IN BRAZIL UNTIL, 2025

■ Market size ● Penetration



¹Ebit I Nielsen WebShoppers 43

²Morgan Stanley Estimates

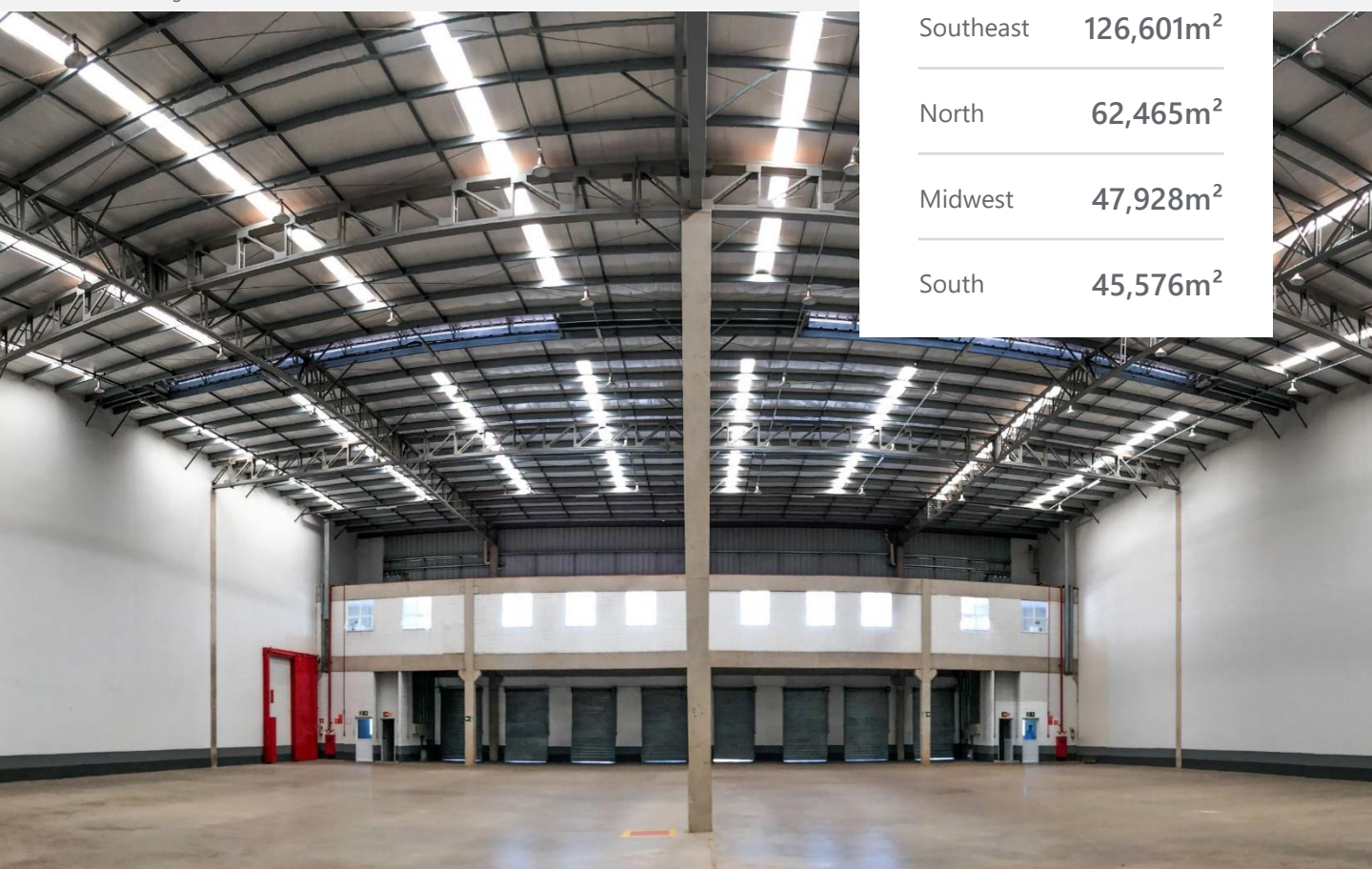


1.2 ASSET DEVELOPMENT

Demonstrating our constant construction capacity and cost and term efficiency in any region of the country, we forecast the production of more than 400 thousand m² of GLA by the end of 2021. More than **900 employees** work in **10 construction sites** in progress from north to south of the country.

<i>In m²</i>	Jun/20	Mar/21	Jun/21
Delivered	894,420	892,397	851,975
Under construction	72,290	291,601	421,580
Under development	671,310	796,791	839,821
Log Portfolio	1,638,0210	1,980,789	2,113,376

Log Sumaré SP



Click and see the **development of the works**



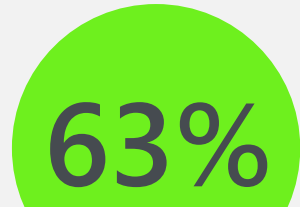
10
PROJECTS
IN PROGRESS

Northeast	139,010m ²
Southeast	126,601m ²
North	62,465m ²
Midwest	47,928m ²
South	45,576m ²

ONE STOP SHOP

1.3 LEASES

Log is the only greenfield logistics asset development company present in all regions of the country, which makes it a **one stop shop solution for clients looking to expand operations geographically.**



63%
of the portfolio is composed of clients linked to the growth of e-commerce.

CLIENTS BY SEGMENT*
Total GLA

89%

of the signed contracts were completed by the Log team in 1H21

61%

of the new leases were made to Log clients in 1H21

82%

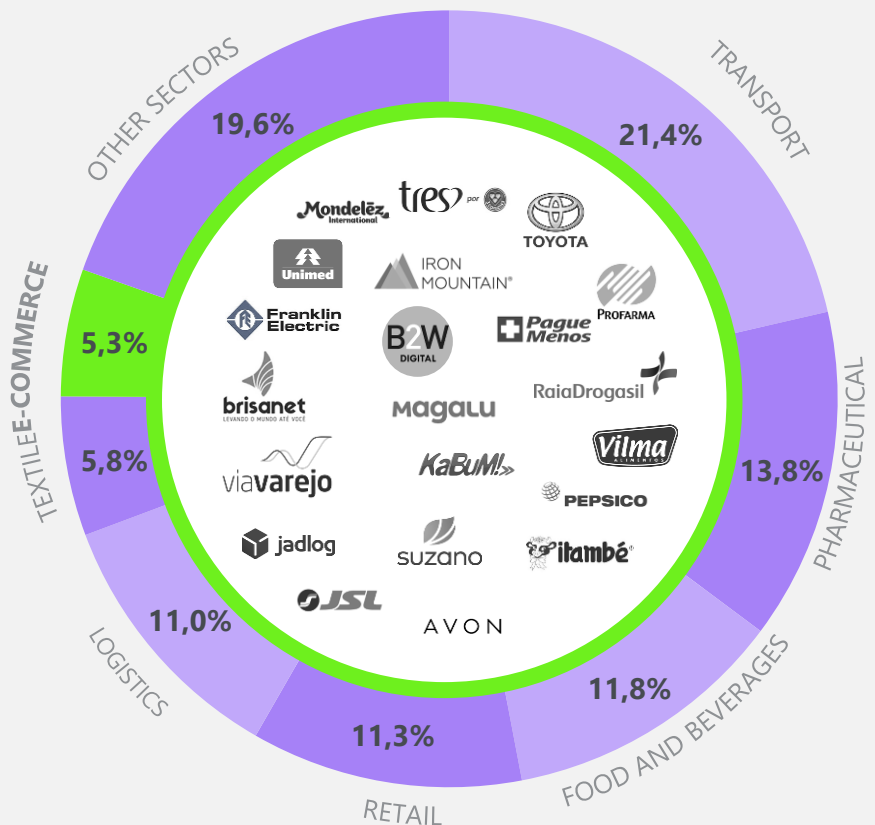
of the total contracts to be renewed were renewed in 1H21

2.05%

of stabilized vacancy in Jun/21

246

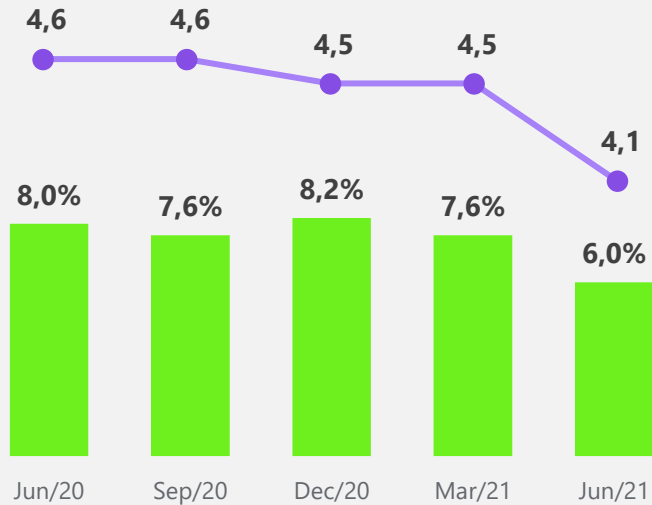
active contracts Jun/21



*The logos presented are only part of the portfolio of Log clients that authorized the use of it. We emphasize the quality of our clients and highlight that **all major national and international e-commerce platforms are Log clients.**

CLIENTS CONCENTRATION

- Share of the largest clients/gross revenue %
- Average occupied GLA/contract (in thousand m² GLA)



We maintained our low portfolio risk, resulting in an average GLA per contract of 4.1 thousand m². The largest clients represents **6.0% of gross revenue and 7.1% of GLA**.

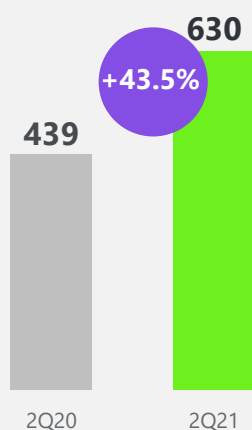
CONTRACT EXPIRATION SCHEDULE

	PER REVENUE	PER GLA
Up to 12 months	22.1%	19.0%
13 to 24 months	16.5%	19.2%
25 to 36 months	22.1%	21.5%
37 to 48 months	11.3%	11.3%
Over 48 months	28.0%	29.0%

At the end of 2Q21, the average term of current contracts is **98 months**.

GROSS ABSORPTION

in thousand m² of Total GLA
Last 12 months

**WAREHOUSE VACANCY % Log**

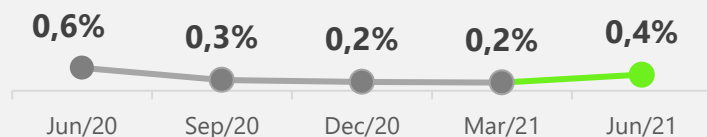
	Jun/20	Dec/20	Jun/21
Stabilized	4.5%	3.0%	2.1%
Warehouse Vacancy	4.5%	3.1%	2.1%
Brazil¹	17%	14%	11%

¹Source: Colliers

In the last 12 months, we reached record numbers of gross absorption and percentage of pre-leased warehouses, in addition to the lowest historical rates of stabilized vacancy and default.

ACCUMULATED NET DEFAULT

Last 12 months

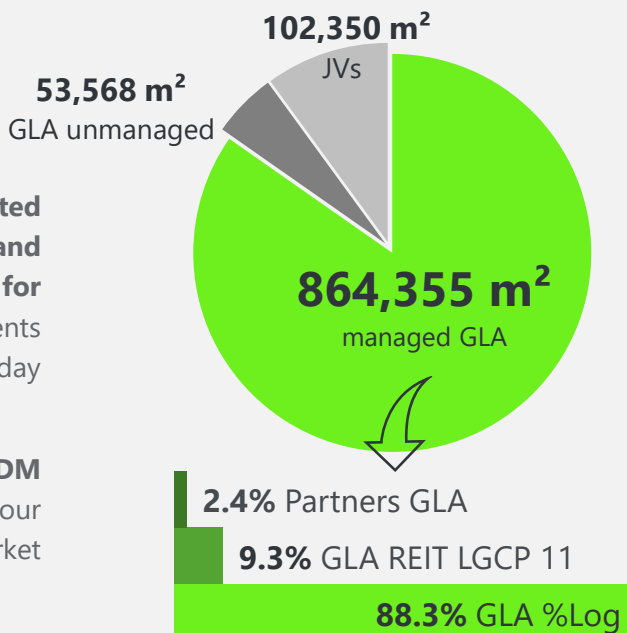


LOG ADM

1.4 ASSET MANAGEMENT

We offer a **complete and integrated solution in the management and administration of condominiums for our tenants**, providing the best clients experience in their day-to-day operations.

Formed by our internal team, **Log ADM** carries out greater conservation of our assets and applies the best market practices in our condominiums.



83%

of the managed GLA are supplied with renewable energy source

NPS

classification: Quality Zone

864,4

thousand m² of managed GLA

19%

reduction in energy cost with free market contracts

368

own and third-party employees

Log Betim Via Expressa MG





Log Contagem II MG

1.5 CAPITAL STRUCTURE

We ended another quarter with solid performance indicators and a comfortable cash position in relation to the obligations assumed for the coming years.

In 2Q21, we concluded the sale of the asset BTS Extrema (90% Log) for R\$ 272.7 MM, reinforcing our cash position, which reached R\$ 888.9 MM.

We recorded a net debt of only R\$35.8 MM in Jun/21. Our current average nominal cost of debt is low, CDI+1.3%.

The Company remains on the lookout for new opportunities to lengthen this debt profile, following up on the interest rate scenario with the prospect of generating free cash flow for investments.

1.6 REAL ESTATE
CONSULTING | LGCP11 REIT

R\$270mi

Equity

10,092

Shareholders

0.61%

Yield *JUNE/21*

80,5 thousand

m² GLA

0%

Default

7.3%

ANNUALIZED Yield

2,73mi

Shares

0%

Vacancy

R\$0.54

Income per share
JUNE/21

5

Projects in 5 states

58

Clients

16

Areas of expertise

LGCP11 REIT

Asset / Location	Class	% Active	Acquisition	m ² GLA	Conclusion	Clients
Contagem I <i>Contagem, MG</i>	A	30.00%	12/19/2019	17,526	Feb/11	9
Goiania <i>Goiania, GO</i>	A	30.00%	12/19/2019	23,464	Dec/19	28
Viana <i>Viana, ES</i>	A	35.00%	12/19/2019	21,345	Sep/14	9
Rio Campo Grande <i>Rio de Janeiro, RJ</i>	A	22.10%	12/01/2020	11,753	Mar/20	7
Gaioli <i>Guarulhos, SP</i>	A	19.80%	12/01/2020	6,532	Mar/12	5

2 Financial Performance

2.1 NET REVENUE

Net revenue grew compared to the same period last year, due to: i) new project deliveries, ii) new leases reducing the vacancy rate and iii) contractual adjustments. The growth of the area delivered generates greater revenue for the administration of condominiums. It is important to mention that in the period there was a sale of assets and if it had not occurred, the growth in net revenue would have been 20.9%. The table below highlights the breakdown of revenue from leases recognized by billing and the linearization adjustment:

NET REVENUE in R\$ thousand

	2Q21	2Q20	Chg. %
Revenue from Leases	37.886	35.839	5,7%
(-) Taxes	(2.045)	(1.688)	-21,1%
Revenue from Leases	1.277	1.021	25,1%
(-) Taxes	(156)	(126)	-23,8%
Total	36.962	35.046	5,5%

GROSS LEASING REVENUE in R\$ thousand

	2Q21	2Q20	Chg. %
Revenue from leases	36.907	33.458	10,3%
Straight-lining revenue	979	2.381	-58,9%
Total	37.886	35.839	5,7%

2.2 DEPRECIATION AND COST

In accordance with current accounting pronouncements, with regard to the attribution of Operating Results from New Assets Development to investment properties, the cost of accounting depreciation of investment properties shown in the statement of profit or loss until 2Q14 no longer exists, and the adjustment is made solely and exclusively through the change in the Operating Results from New Assets Development of such assets.

The effects of any valuation or devaluation of properties are reflected in the line item "Change in Operating Results from New Assets Development of investment properties. However, from a tax point of view, the depreciation calculation has not changed. Therefore, for tax calculation purposes, the depreciation calculation remains in accordance with the rules established by the Federal Revenue Service. In the statement of profit or loss, the existing depreciation refers to the Company's physical/administrative structure, such as furniture, equipment and others.

2.3 COST OF SERVICES

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Net Revenue	1.121	895	25,3%
Cost of Services	(506)	(341)	48,4%
Total	615	554	11,01%

The cost represents the expenses with the administration of Log ADM condominiums.

2.4 OPERATING INCOME (EXPENSES)

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Administrative expenses	(5.937)	(4.881)	21,6%
Selling expenses	(3.198)	(2.633)	21,5%
Other expenses/revenues	12.125	(1.103)	1.199,4%
Total	2.990	(8.617)	134,7%

Other income for the period mainly refers to the impacts of the sale of the asset BTS Extrema.

2.5 SHARE OF PROFIT (LOSS) OF SUBSIDIARIES

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Cabral	(3.946)	187	-2.210,2%
Parque Torino	1.245	234	432,1%
SPE Betim	3.570	48	7.337,5%
SPE SJC	(8)	21	-138,1%
Total	861	490	75,7%

The annual variation observed in Parque Torino refers to new project deliveries, in addition to the development of leases, reducing the vacancy rate. We sold the asset Strip Mall Cabral in line with the strategy of divesting non-core assets. The positive variation at Betim Industrial Park refers to evolution of projects.

2.6 FINANCE INCOME (COSTS)

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Financial expenses	(9.185)	(8.118)	13,1%
Financial revenues	9.782	3.990	145,2%
Total	597	(4.128)	114,5%

The average debt balance was approximately R\$130 million higher in 2Q21 compared to 2Q20, which, together with the increase in the CDI, explains the increase in finance costs in the period.

Finance income increased due to the greater appreciation of financial investments.

2.7 TAXES

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Current	(8.789)	(2.436)	260,8%
Deferred	10.335	1.900	443,9%
Total	1.546	(536)	-388,4%

The variation in deferred tax is due to the sale of the asset BTS Extrema. The increase in deferred tax is mainly due to the Operating Profit (Loss) from the Development of New Assets captured during the second quarter of 2021 and the sale of the asset BTS Extrema.

<i>in R\$ thousand</i>	2Q21	2Q20	Chg. %
Deferred from Operation	2.112	1.943	8,7%
Deferred from Operating Results of New Assets Development	8.223	(43)	19.223,3%
Total	10.335	1.900	443,95%

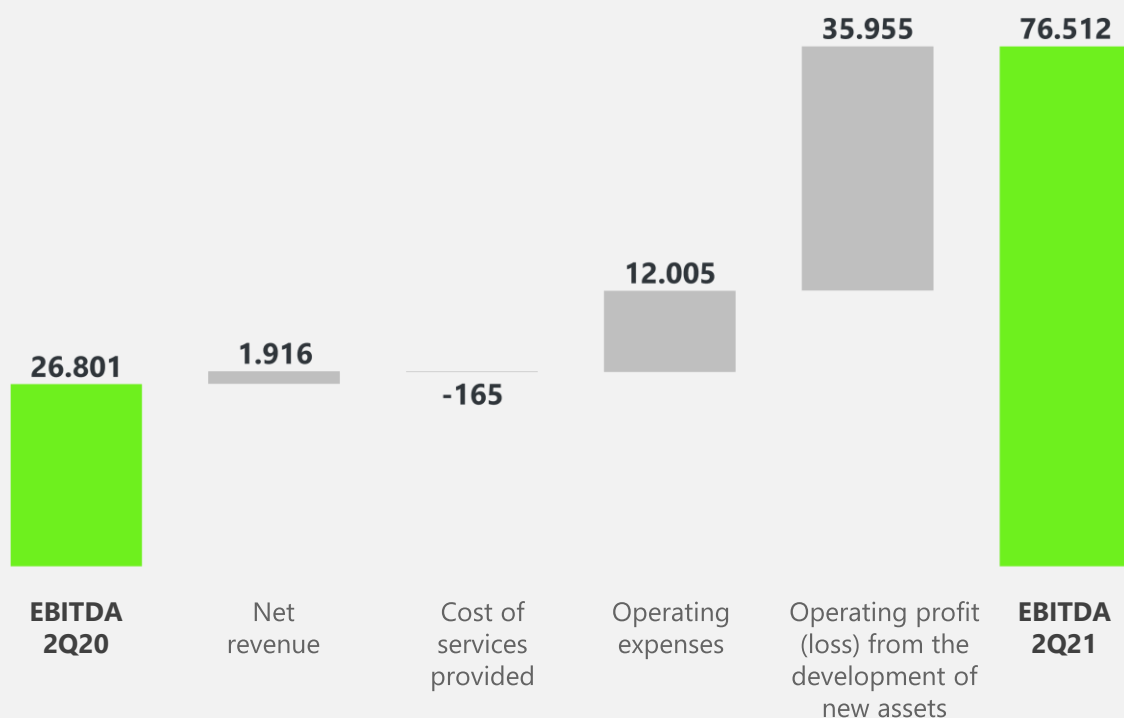
The table on the side shows the composition of deferred income tax and social contribution, segregated between the impact arising from the operation and the Operating Profit (Loss) from the Development of New Assets.

Log Viana ES



2.8 EBITDA and EBITDA FOR LEASING ACTIVITIES *IN R\$ THOUSAND*

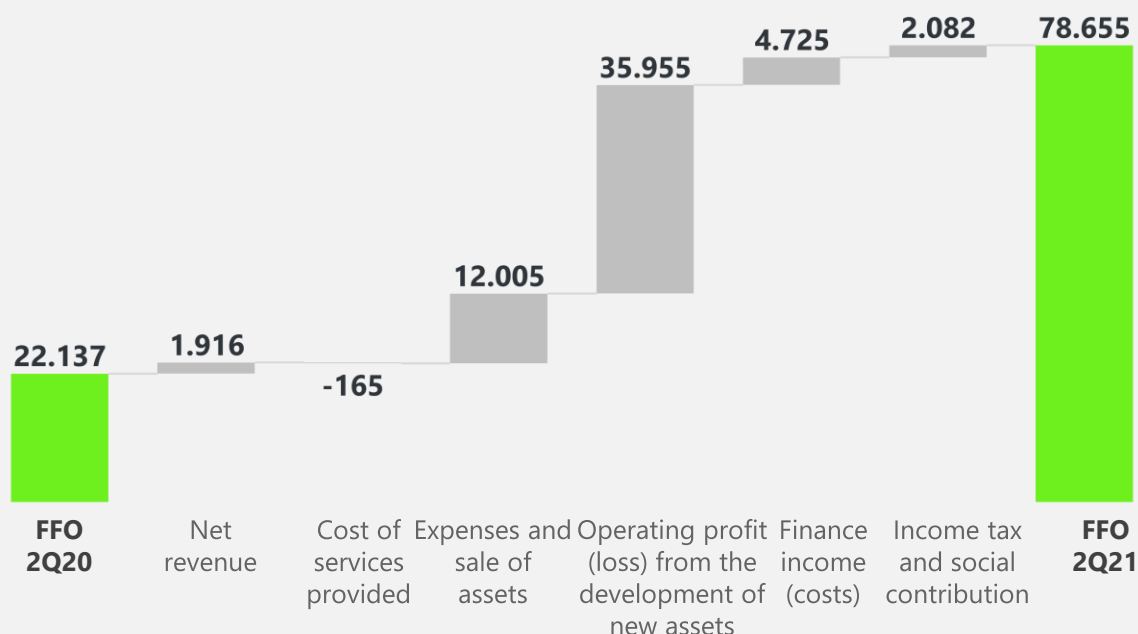
	2Q21	2Q20	Chg. %
(=) Net Profit/Loss	78.448	21.957	257,28%
(+) Income Tax and Social Contribution	(1.546)	536	388,4%
(+) Finance Income (Costs)	(597)	4.128	114,5%
(+) Depreciation	206	180	14,4%
EBITDA	76.512	26.801	185,5%
EBITDA Margin	207,0%	76,5%	130,5 p.p.
Operating Profit (Loss) from the Development of New Assets	(35.998)	-	-
Sale Extrema BTS	(11.860)	-	-
Sale Cabral	4.154	-	-
Sale Betim Subdivision	(4.491)	-	-
Donations	-	1.150	-100,0%
Others	1.621	(30)	5503,3%
EBITDA for Leasing Activities	29.938	27.921	7,22%
EBITDA Margin for Leasing Activities	81,0%	79,7%	1,3 p.p.



2.9 FFO (FUNDS FROM OPERATIONS)

IN R\$ THOUSAND

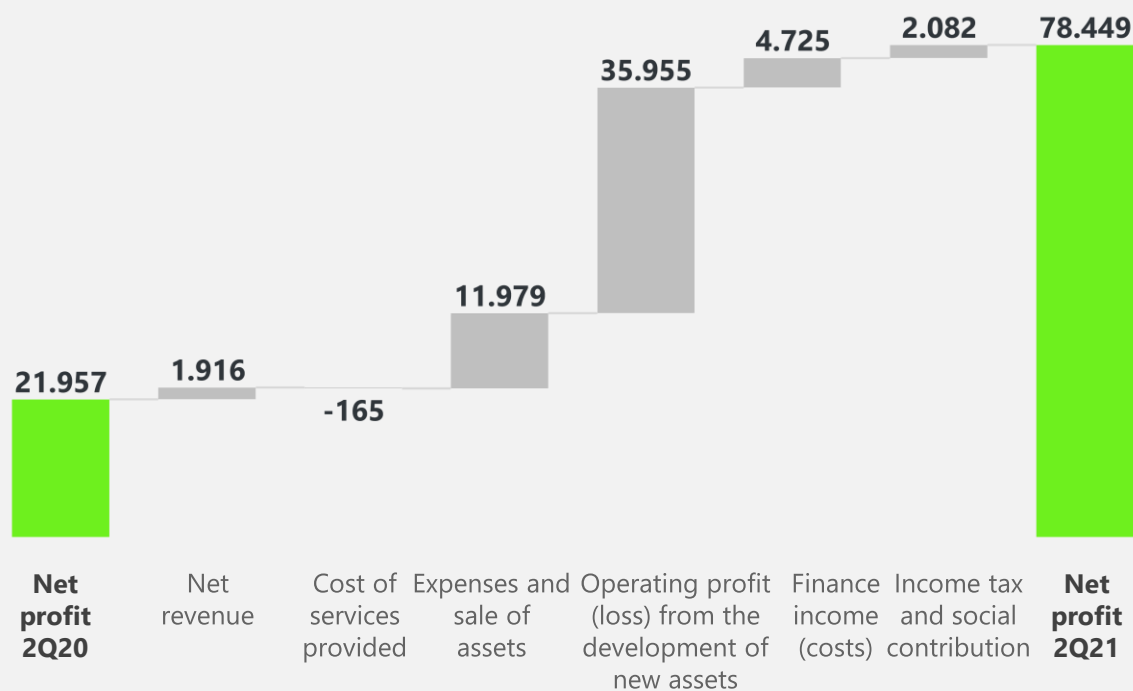
	2Q21	2Q20	Chg. %
(=) Net Profit/Loss	78.448	21.957	257,28%
(+) Depreciation	206	180	14,44%
FFO	78.654	22.137	255,31%
FFO Margin	212,8%	63,2%	149,6 p.p.
Operating Profit (Loss) from the Development of New Assets	(35.998)	-	-
Deferred Income Tax/Social Contribution from the Operating Profit (Loss) from the Development of New Assets	(8.223)	-	-
Sale Extrema BTS	(11.860)	-	-
Deferred Income Tax/Social Contribution Sale Extreme BTS	4.477	-	-
Sale Cabral	4.154	-	-
Sale Betim Subdivision	(4.491)	-	-
Donations	-	1.150	-100,0%
Others	1.198	64	1.771,9%
FFO for Leasing Activities	27.912	23.351	19,53%
FFO Margin for Leasing Activities	75,5%	66,6%	8,9 p.p.



2.10 NET PROFIT

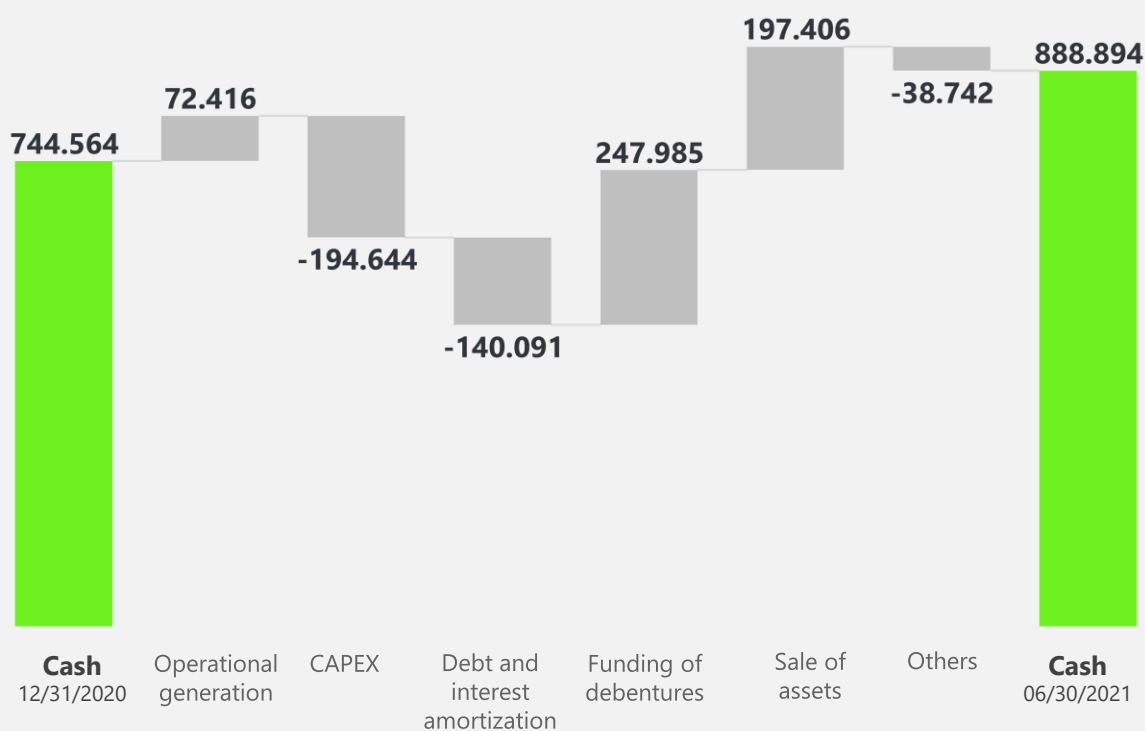
IN R\$ THOUSAND

	2Q21	2Q20	Chg. %
Net Profit/Loss	78.448	21.957	257,28%
Net Margin	212,2%	62,7%	149,5 p.p.
Net Profit/Loss	78.448	21.957	257,28%
Operating Profit (Loss) from the Development of New Assets	(35.998)	-	-
Deferred Income Tax and Social Contribution from Operating Profit (Loss) from the Development of New Assets	(8.223)	-	-
Sale Extrema BTS	(11.860)	-	-
Deferred Income Tax/Social Contribution Sale Extreme BTS	4.477	-	-
Sale Cabral	4.154	-	-
Sale Betim Subdivision	(4.491)	-	-
Donations	-	1.150	-100,0%
Others	1.198	64	1771,9%
Net Profit for Leasing Activities	27.706	23.171	19,57%
EBITDA Margin for Leasing Activities	75,0%	66,1%	8,9 p.p.



2.11 CASH, CASH EQUIVALENTS AND SECURITIES (TVM) IN R\$ THOUSAND

	06/30/2021	12/31/2020	Chg. %
Cash and cash equivalentes	355.798	453.855	-21,6%
Marketable securities – Current	430.065	287.718	49,5%
Marketable securities - Non-Current	103.031	2.991	3.344,7%
Total	888.894	744.564	19,38%



Log Contagem | MG





Log Contagem III MG

2.12 TRADE RECEIVABLES *IN R\$ THOUSAND*

	06/30/2021	12/31/2020	Chg. %
Warehouse and Retail leases	32.786	37.617	-12,8%
Sale of Land	98.546	22.945	329,5%
Condominium management	450	220	104,5%
Others	14.509	16.023	-9,4%
Total	146.291	76.805	90,5%

2.13 INVESTMENT PROPERTIES - PPI *IN R\$ THOUSAND*

	06/30/2021	12/31/2020	Chg. %
Land	365.756	280.766	30,3%
100% completed projects	2.184.333	2.172.324	0,6%
Ongoing projects	673.857	541.380	24,5%
Total	3.223.946	2.994.470	7,7%

2.14 LOANS, FINANCING AND DEBENTURES

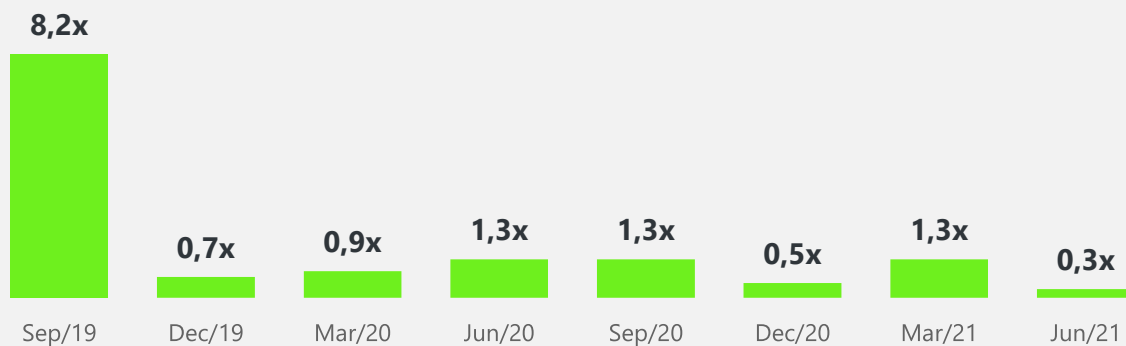
IN R\$ THOUSAND

	MATURITY	COST*	06/30/2021	12/31/2020
Construction financing	Dec/13 to Oct/24	CDI + 1.92%	19.907	22.659
Construction financing	Dec/13 to Sep/28	TR + 10.87%**	22.562	25.628
8 th issuance of Debentures	Nov/17 to Aug/21	119% CDI + 0.29% p.a.	4.201	12.566
10 th issuance of Debentures	Dec/20 to Dec/23	CDI + 1.77%	51.166	61.315
11 th issuance of Debentures	Dec/18 to Dec/21	CDI + 2.23%	7.311	14.607
12 th issuance of Debentures	Jan/18 to Dec/27	CDI + 2.42%	65.051	70.036
13 th issuance of Debentures	Jun/21 to Jun/21	108% CDI + 0.87% p.a.	0	81.088
14 th issuance of Debentures	Nov/21 to Nov/23	117% CDI + 0.26% p.a.	150.722	150.381
15 th issuance of Debentures	Jan/19 to Dec/28	CDI + 1.71%	52.557	56.043
16 th issuance of Debentures	Mar/20 to Mar/25	108% CDI + 0.34% p.a.	73.383	82.261
17 th issuance of Debentures	Sep/19 to Sep/24	116.5% CDI + 0.18% p.a.	232.265	231.365
18 th issuance of Debentures	Mar/24 to Mar/26	CDI + 2,21%	253.278	0
(-) Debt issuance cost			(7.661)	(7.286)
Total			924.742	800.663

*Effective cost: considers the cost of the contractual debt + other funding costs (fees, legal advisors, fiduciary and/or securitization agent - in the case of debentures, notary public etc.) and debt maintenance.

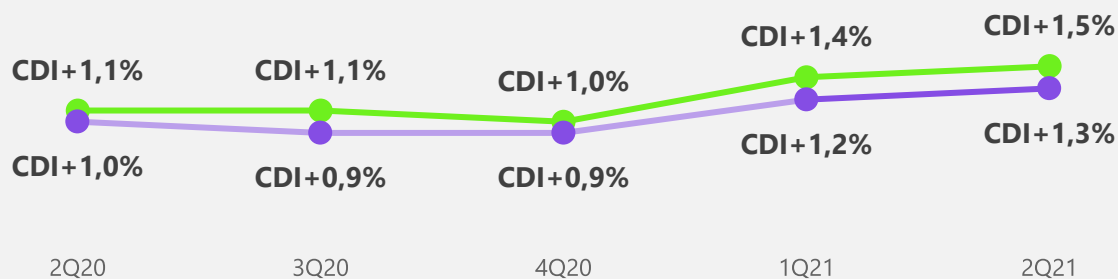
**Construction financing with a hedge of 108.95% of CDI since the beginning of the operation.

**NET DEBT / EBITDA
FOR LEASING ACTIVITIES LAST 12 MONTHS**



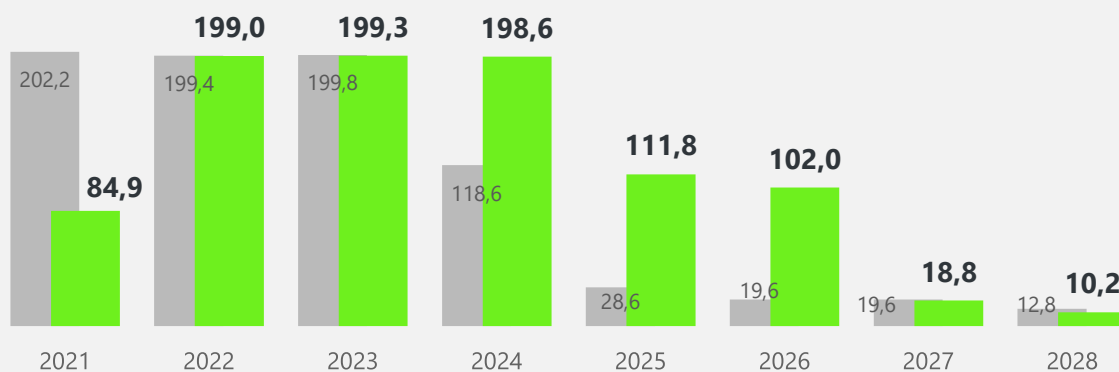
COST OF DEBT

● Face cost ● Effective cost



DEBT AMORTIZATION SCHEDULE

IN R\$ MILLION ● 12/31/2020 ● 06/30/2021

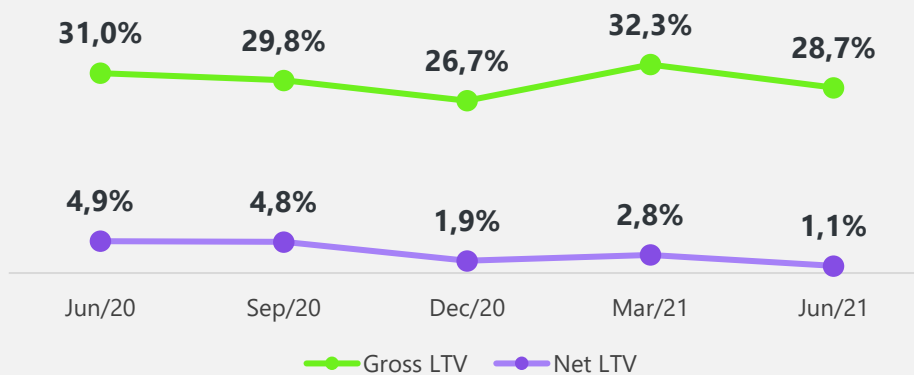




2.15 DEBT INDICATORS *IN R\$ THOUSAND*

	06/30/2021	12/31/2020	Chg. %
(+) Loans and financing	924.742	800.663	15,5%
(-) Cash and cash equivalents	888.894	744.564	19,4%
(=) Net Debt	35.848	56.099	-36,1%
(=) Shareholder's Equity	3.271.215	3.079.961	6,2%
(=) Net Debt/Equity	1,1%	1,8%	-0,7 p.p.

2.16 LOAN TO VALUE



3 Capital Market

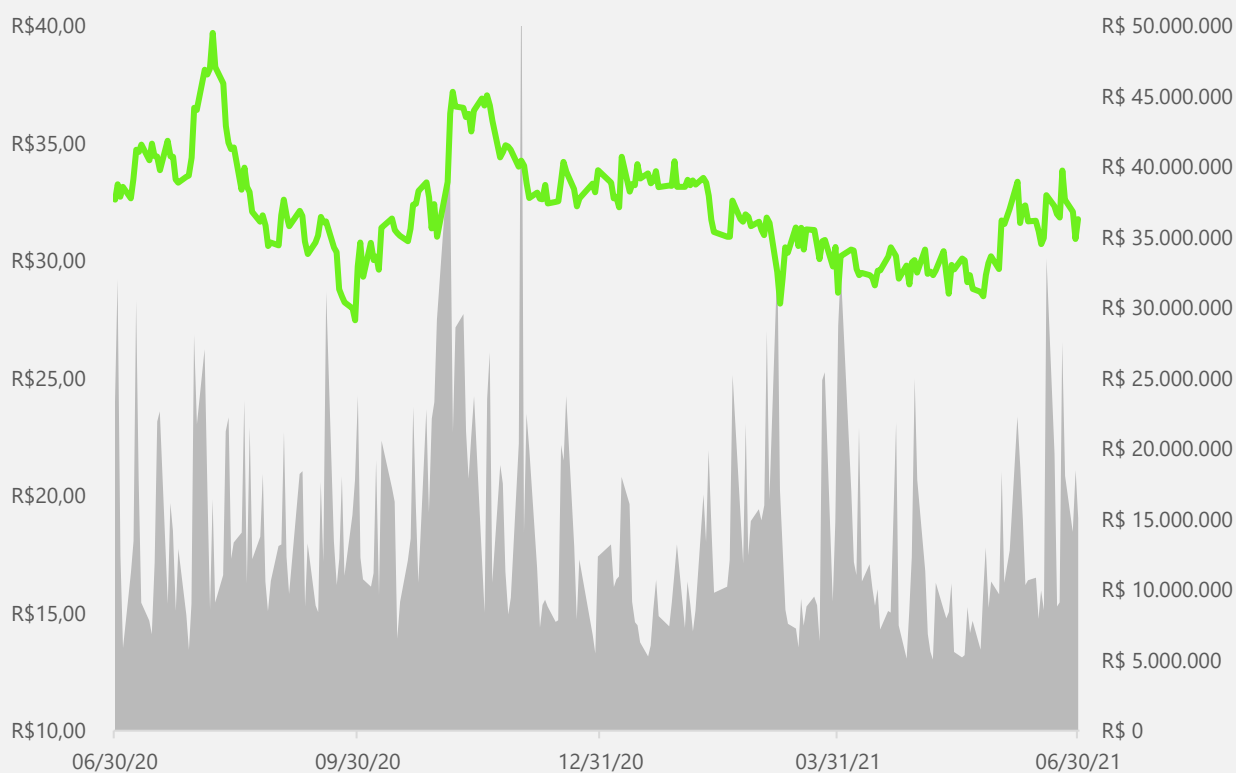
R\$3.2 bi **R\$13 MM**

Market Cap

ADTV 30 *Base Date: 06/30/2021*

DAILY TRADING VOLUME LAST 12 MONTHS LOGG3 share price R\$

■ Volume Traded ● Share Price



4 ESG: Sustainability Report

In July 2021, we launched our Sustainability Report, base year 2020, following the GRI Standards – the main international reference for this type of report. The report presents in detail our positioning and commitment to advancing in processes and actions that are increasingly aligned with current and future sustainability assumptions. Access Log's sustainability page.

[↗ SUSTAINABILITY PAGE](#)

4.1 STRATEGIC MATERIALITY: OUR ESG PILLARS

In order to define Log's ESG priorities, we consulted our main internal and external stakeholders, who helped us to identify the relevant points for advancing sustainable development based on our business model.

The expansion of the Brazilian warehouses and condominiums logistics capacity already reflects one of our contributions to the sustainability and development of Brazilian regions that still lack these structures.

In a way, we are enabling the democratization of access to products and services in regions that did not have a logistical supply structure. But we want to go beyond that. We defined 3 ESG pillars to guide our actions towards sustainability.

Log's ESG Strategic Action Pillars

LOG ENVIRONMENTAL

- 7 Sustainable Construction
- 7 Operations Environmental Impacts Management
- 7 Innovation

LOG SOCIAL

- 7 Social Responsibility
- 7 Innovation

LOG GOVERNANCE

- 7 Ethics/Compliance/ Transparency
- 7 Risk Management
- 7 Innovation

4.2 GLOBAL COMPACT | SDG HUB

In July 2021, our adhesion to the **Brazilian UN Global Compact Network**, the world's largest network of companies in favor of sustainability, as well as the first steps of the participation in the **Minas Gerais SDG HUB, 1st regional Global Compact Hub in the world**, were formalized. Moreover, based on our business model and strategic materiality, we defined the **priority SDGs for Log's operations**, which are the focus of our greatest contribution to achieving the global sustainable development goals.



The TODOS POR 1.5 plan and the possibility of increasing the Brazilian logistics infrastructure and support for the expansion of industrial and service consumer markets.



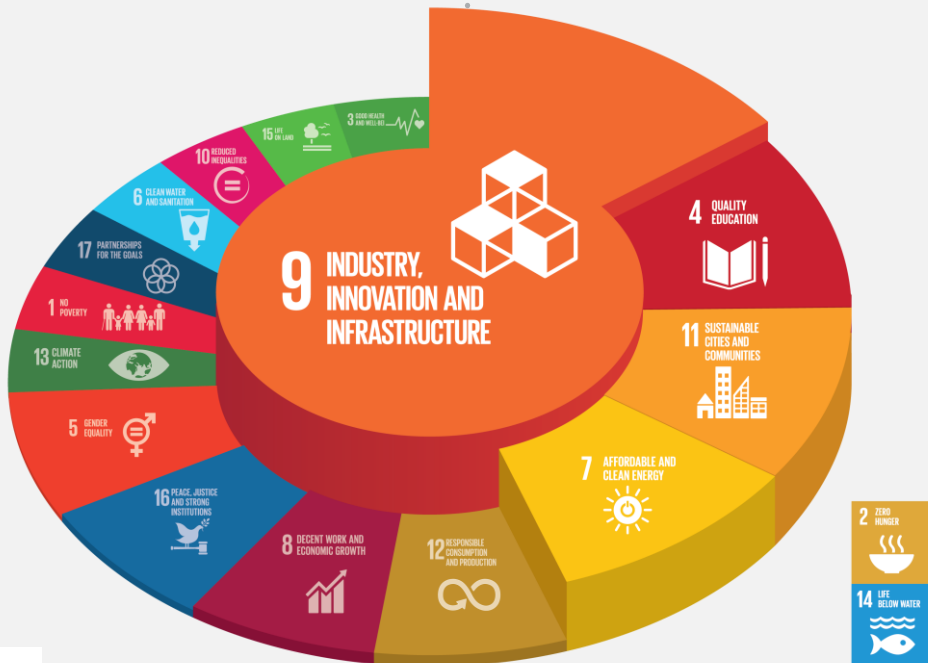
Socio-economic development of our projects' areas of influence, through the expansion of the Log Social Program to develop actions aimed at education with neighboring communities and project employees.



Improvement of the cities where we operate by contributing to urban and road quality in the regions neighboring our projects.



Reduction of environmental impacts through the purchase of energy on the free market (renewable energy) and the possibility of installing self-generating energy systems in new projects.



Discover our report and see the main strategies and initiatives that demonstrate our commitment to sustainable development.

5 Financial Statements

5.1 STATEMENT OF PROFIT OR LOSS FOR THE YEAR *IN R\$ THOUSAND*

	2Q21	2Q20	Chg. %
NET REVENUE	36.962	35.046	5,5%
COST OF SERVICES	(506)	(341)	48,4%
GROSS PROFIT	36.456	34.705	5,0%
OPERATING EXPENSES	39.849	(8.084)	593,0%
Selling expenses	(3.198)	(2.633)	21,5%
General & Administrative expenses	(5.937)	(4.881)	21,6%
Other operatin expenses, net	12.125	(1.103)	1.199,4%
Investment Property Operating Results from New Assets Development Variation	35.998	43	83.616,3%
Equity in subsidiaries and JV's	861	490	75,7%
OPERATING INCOME BEFORE FINACIAL RESULTS	76.305	26.621	186,6%
FINANCIAL RESULTS	597	(4.128)	114,5%
Financial expenses	(9.185)	(8.118)	13,1%
Financial income	9.782	3.990	145,2%
INCOME/ LOSS BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	76.902	22.493	241,9%
INCOME TAX AND SOCIAL CONTRIBUTION	1.546	(537)	387,9%
Current	(8.789)	(2.436)	260,8%
Deferred	10.335	1.900	443,9%
NET INCOME/LOSS	78.448	21.957	257,3%
PROFIT/LOSS ATRIBUTABLE TO			
Shareholder's of the company	77.069	21.702	255,1%
Non-controlling interests	1.379	255	440,4%

5.2 BALANCE SHEET *IN R\$ THOUSAND*

ASSETS	06/30/2021	12/31/2020	Chg. %	LIABILITIES & SHAREHOLDER'S EQUITY	06/30/2021	12/31/2020	Chg. %
CURRENT ASSETS	912.430	783.354	16,5%	CURRENT LIABILITIES	369.873	330.525	11,9%
Cash and cash equivalents	355.798	453.855	-21,6%	Accounts Payable	40.579	15.269	165,8%
Marketable securities	430.065	287.718	49,5%	Loans and financing	141.524	203.229	-30,4%
Accounts receivable	109.959	32.486	238,5%	Salaries, payroll taxes and benefits	6.784	5.572	21,8%
Recoverable taxes	9.524	6.309	51,0%	Taxes and contributions	15.027	8.541	75,9%
Deferred selling expenses	4.962	1.556	218,9%	Accounts payable for land acquisition	80.325	16.630	383,0%
Other assets	2.122	1.430	48,4%	Advances from clients - Swap	76.729	45.688	67,9%
				Deferred Taxes	6.842	1.423	380,8%
				Lease liability	212	192	10,4%
				Payable Dividends	-	33.240	-100,0%
				Others	1.851	741	149,8%
NON-CURRENT ASSETS	3.760.782	3.428.829	9,7%	NON-CURRENT LIABILITIES	1.032.124	801.697	28,7%
Marketable securities	103.031	2.991	3.344,7%	Lease liability	4.355	4.182	4,1%
Derivative financial instruments	1.061	3.243	-67,3%	Loans and financing	783.218	597.434	31,1%
Accounts receivable	36.332	44.319	-18,0%	Accounts payable for land acquisition	12.571	45.725	-72,5%
Anticipated expenses	3.298	4.691	-29,7%	Advances from clients - Swap	156.780	84.848	84,8%
Taxes recoverable	28.229	22.827	23,7%	Deferred taxes	64.268	63.254	1,6%
Deferred income tax and social contribution	10.536	16.537	-36,3%	Others	10.931	6.254	74,8%
Others	10.628	5.942	78,9%				
Investment joint ventures	336.048	326.336	3,0%	SHAREHOLDER'S EQUITY	3.271.215	3.079.961	6,2%
Investment properties	3.223.946	2.994.470	7,7%	Equity atributable to the shareholder's of the company	3.247.872	3.060.121	6,1%
Fixed assets	5.136	4.981	3,1%	Non-controlling interest	23.343	19.840	17,7%
Intangible	2.537	2.492	1,8%				
TOTAL ASSETS	4.673.212	4.212.183	10,9%	TOTAL LIABILITIES & SHAREHOLDER'S EQUITY	4.673.212	4.212.183	10,9%

5.3 CONSOLIDATED STATEMENT OF CASH FLOWS *IN R\$ THOUSAND*

	1H21	1H20	Chg. %
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income for the year	200.544	39.444	408,4%
Adjustments to reconcile net income to net cash generated by (used in) operating activities:	(143.073)	9.406	-1.621,1%
Decrease (increase) in operating assets	(18.244)	(10.736)	69,9%
Increase (decrease) in operating liabilities	30.397	10.466	190,4%
Income tax and social contribution paid	(6.246)	(5.791)	7,9%
Net cash provided in operating activities	63.378	42.789	48,1%
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in / acquisition of investments	(12.163)	(746)	1.530,4%
Decrease (Increase) in marketable securities	(490.135)	(128.235)	282,2%
Increase (Decrease) in marketable securities	256.786	200.331	28,2%
Receipt for sale of subsidiaries	5.078	-	-
Advances to related companies	197.406	20.927	843,3%
Acquisition of investment property	(182.174)	(53.450)	240,8%
Other	(307)	(113)	171,7%
Net cash (used in) provided by investing activities	(225.509)	38.714	-682,5%
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans, financing and debentures, net	247.985	-	-
Amortization of loans, financing and debentures	(128.164)	(36.399)	252,1%
Interest paid	(11.927)	(26.395)	54,8%
Lease payments	(246)	(63)	290,5%
Share issuance costs	-	(77)	100,0%
Acquisitions of shares in treasury	-	(18.597)	100,0%
Sales of shares in treasury	3	-	-
Dividends paid	(33.240)	(21.423)	55,2%
(Distributions to) contributions from noncontrolling shareholders	(10.337)	(263)	3.830,4%
Net cash provided by financing activities	64.074	(103.217)	162,1%
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98.057)	(21.714)	351,6%
CASH AND CASH EQUIVALENTS			
At the beginning of the year	453.855	507.388	-10,6%
At the end of the year	355.798	485.674	-26,7%

Glossary

GLA (Total): gross leasable area, corresponds to the sum of the areas available for lease.

GLA % LOG GLA referring to Log's participation in the projects.

Approved GLA: total areas with approved project and all other licenses, including areas already delivered.

GLA Delivered: areas delivered for lease.

GLA FII: GLA sold to FII LGCP11.

GLA Partners: GLA corresponding to the percentage that Log's partners have in the projects (excluding the GLA from FII LGCP11).

Gross Absorption: refers to the occupation occurred within the analyzed period. Includes areas subject to new lease contracts and contract renewals.

Net Absorption: real increase or decrease in occupied space between periods. Sum of areas subject to new lease contracts, contract renewals (referring to current year maturities) and returns occurred in the period.

Contract Backlog: remaining amount to be received by the contract term.

EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization): net profit plus expenses with income tax and social contribution, finance income (costs) and depreciation.

EBITDA for Leasing Activities: considers through EBITDA, additions or reductions for items that we understand are not part of the result of our Leasing Activities, such as sales of assets, or that do not affect our cash generation, such as the Operating Results from New Assets Development of investment property and the Operating Results from New Assets Development of investment property in joint ventures.

ESG: "Environmental, Social and Corporate Governance". Refers to the three central factors in measuring the sustainability and social impact of an investment in a company or business.

FFO (Funds From Operations): net profit before depreciation.

FFO for Leasing Activities: considers, through FFO, additions or reductions to eliminate the effects of gains or losses on the disposal of assets, such as, for example, events with gains on the sale

of properties and on Operating Results from New Assets Development adjustments and other "non-cash" effects.

FII: Real Estate Investment Fund.

FII LGCP11: the LOGCP Inter fund (LGCP11) is a real estate fund that focuses on profiting from real estate leaseings for the logistics and industry sector. Established in August 2019, the fund is managed by Banco Inter.

Greenfield: development of new logistics warehouse projects since the beginning of the work.

Net Default in 12 months: calculated by the remaining % of the balance of maturities accumulated in the last 12 months subtracted from the amount of revenue in the same period.

Joint Venture - JVs: joint business, in which two or more parties have joint control.

Loan to Value: index (%) resulting from dividing gross or net debt by the Operating Results from New Assets Development of investment properties.

EBITDA Margin: EBITDA divided by net operating revenue.

EBITDA Margin for Leasing Activities: EBITDA for leasing Activities divided by net operating revenue.

FFO Margin: FFO divided by net operating revenue.

FFO Margin for Leasing Activities: FFO for leasing Activities divided by net operating revenue.

Potential Portfolio % Log: total GLA held by the Company, in its different stages of development, that is, it includes the GLA of projects approved, under approval and delivered.

Vacancy: GLA available for lease.

Vacancy of the Stabilized Portfolio: GLA available for lease from the portfolio of properties that reach 90% occupancy or one year or more of operation, whichever comes first.

Yield on Cost (YoC): annualized potential revenue from assets (considering 100% occupancy) divided by the CAPEX of their respective projects.

Modular
Warehouses
100% Class A



Scan the QR
Code and have a
virtual tour.



93

warehouses
built

+1mi

m² of GLA
delivered

+1.5mi

m² of GLA
until 2024

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