



Interim Financial Statements

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LOG Commercial Properties e Participações S.A.

Interim Financial Statements (ITR)

June 30, 2022

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BALANCE SHEETS AS AT JUNE 31, 2022 AND DECEMBER 31, 2021

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		6/30/22	12/31/21	6/30/22	12/31/21
Assets					
Current assets					
Cash and cash equivalents	3	83,173	207,564	82,728	206,623
Marketable securities	3	250,235	485,911	239,450	332,951
Receivables	4	40,781	61,190	26,887	37,052
Recoverable taxes		23,044	14,252	19,384	11,940
Prepaid expenses		3,487	4,029	1,772	3,303
Other		2,115	2,151	1,154	15,664
Total current assets		402,835	775,097	371,375	607,533
Noncurrent assets					
Marketable securities	3	226,137	203,130	222,291	200,000
Derivative financial instruments	19 (a)	6,569	-	6,569	-
Receivables	4	29,925	23,327	19,619	14,159
Receivables from related parties	18	-	-	5,017	4,748
Prepaid expenses		12,016	12,088	1,624	1,585
Recoverable taxes		43,036	36,909	41,433	35,302
Deferred income tax and social contribution	11 (b)	22,874	7,428	22,874	7,428
Other		10,725	7,764	14,026	8,680
Total long-term realisable		351,282	290,646	333,453	271,902
Investments in subsidiaries and joint ventures	5	319,066	313,663	3,220,962	2,681,877
Investment property	6	4,541,931	3,772,706	1,335,957	1,290,715
Property and equipment	7	11,286	4,927	11,272	4,903
Intangible assets		4,310	2,864	4,310	2,863
Total noncurrent assets		5,227,875	4,384,806	4,905,954	4,252,260
Total assets		5,630,710	5,159,903	5,277,329	4,859,793
Liabilities and equity					
Current liabilities					
Suppliers		12,637	44,604	12,285	20,385
Loans, financing and debentures	8	261,387	214,610	257,904	211,245
Land payables	9	35,168	46,383	9,628	28,966
Derivative financial instruments	19 (a)	27,352	-	27,352	-
Labor and social liabilities		11,719	9,138	8,419	7,568
Tax liabilities		17,127	15,457	8,537	6,723
Barters	10	137,411	70,290	65,542	1,642
Deferred taxes	11 (b)	2,157	2,494	-	-
Lease liability	13	538	219	538	219
Dividend payable	14 (c)	-	87,627	-	87,627
Other		8,082	20,603	1,092	12,158
Total current liabilities		513,578	511,425	391,297	376,533
Noncurrent liabilities					
Loans, financing and debentures	8	1,278,471	1,053,095	1,264,188	1,036,864
Derivative financial instruments	19 (a)	3,815	3,620	3,815	3,620
Barters	10	105,119	160,300	71,977	123,336
Deferred taxes	11 (b)	95,739	77,828	-	-
Land payables	9	-	3,034	-	2,296
Provisions for labor, tax and civil risks	12	2,062	1,991	128	116
Lease liability	13	8,164	4,244	8,164	4,244
Other		4,380	3,624	1,388	1,215
Total noncurrent liabilities		1,497,750	1,307,736	1,349,660	1,171,691
Total liabilities		2,011,328	1,819,161	1,740,957	1,548,224
Equity					
Paid-in capital	14 (a)	2,735,382	2,035,382	2,735,382	2,035,382
Treasury shares		(32,772)	(25,155)	(32,772)	(25,155)
Capital reserves		8,116	6,931	8,116	6,931
Earnings reserve		594,409	1,294,411	594,409	1,294,411
Retained earnings		231,237	-	231,237	-
Equity attributable to Company shareholders		3,536,372	3,311,569	3,536,372	3,311,569
Noncontrolling interests	14 (e)	83,010	29,173	-	-
Total equity		3,619,382	3,340,742	3,536,372	3,311,569
Total liabilities and equity		5,630,710	5,159,903	5,277,329	4,859,793

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

INCOME STATEMENTS FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021

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

	Notes	Consolidated				Individual			
		2022		2021		2022		2021	
		2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half
Net revenue from lease and services provided	15	54,308	95,100	36,962	73,711	21,082	36,117	11,461	22,493
Costs of services provided - condominium management	16	(709)	(1,377)	(506)	(962)	(709)	(1,377)	(506)	(962)
Gross profit		53,599	93,723	36,456	72,749	20,373	34,740	10,955	21,531
Operating income (expenses)									
Selling expenses	16	(3,442)	(6,163)	(3,198)	(5,484)	(2,468)	(4,311)	(1,601)	(3,124)
General and administrative expenses	16	(6,447)	(14,335)	(4,553)	(9,942)	(6,001)	(13,528)	(4,262)	(9,406)
Management compensation	16	(1,719)	(3,345)	(1,384)	(2,578)	(1,719)	(3,345)	(1,384)	(2,578)
Changes in the fair value of investment property	6	103,641	201,929	35,998	151,081	(18,728)	(16,096)	-	53,750
Other operating income (expenses), net	16	(1,043)	(2,436)	12,125	11,288	(838)	(2,030)	(877)	(1,901)
Results from equity interest in investees	5	2,456	4,682	861	2,627	136,028	254,042	62,377	134,341
Income before financial income and taxes		147,045	274,055	76,305	219,741	126,647	249,472	65,208	192,613
Financial income (expenses)									
Financial expenses	17	(66,043)	(74,240)	(9,185)	(14,348)	(65,747)	(73,437)	(8,584)	(14,995)
Financial income	17	21,931	43,685	9,782	15,509	21,376	39,756	9,411	15,087
Income before taxes		102,933	243,500	76,902	220,902	82,276	215,791	66,035	192,705
Income tax and social contribution									
Current		(3,328)	(7,053)	(8,789)	(11,528)	-	-	-	-
Deferred	11	12,243	7,735	10,335	(8,830)	17,513	15,446	11,034	(6,001)
	11	8,915	682	1,546	(20,358)	17,513	15,446	11,034	(6,001)
Net income for the period		111,848	244,182	78,448	200,544	99,789	231,237	77,069	186,704
Net income attributable to:									
Shareholders of the Company		99,789	231,237	77,069	186,704	-	-	-	-
Noncontrolling interests	14 (e)	12,059	12,945	1,379	13,840	-	-	-	-
		111,848	244,182	78,448	200,544	-	-	-	-
Earnings per share (In Reais - R\$):									
Basic	14 (f)	0.98869	2.28900	0.75451	1.82785	0.98869	2.28900	0.75451	1.82785
Diluted	14 (f)	0.98814	2.28610	0.75227	1.82184	0.98814	2.28610	0.75227	1.82184

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021

(In thousands of Brazilian reais - R\$)

	Consolidated				Individual			
	2022		2021		2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half	2 nd quarter	1 st half
Net income for the period	111,848	244,182	78,448	200,544	99,789	231,237	77,069	186,704
Other components of comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	111,848	244,182	78,448	200,544	99,789	231,237	77,069	186,704
Comprehensive income attributable to:								
Shareholders of the Company	99,789	231,237	77,069	186,704				
Noncontrolling interests	12,059	12,945	1,379	13,840				
	111,848	244,182	78,448	200,544				

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

STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021

(In thousands of Brazilian reais - R\$)

	Paid-in capital		Treasury shares	Capital reserves	Earnings reserves		Retained earnings	Equity attributable to Company shareholders (Individual)	Noncontrolling interests	Total (Consolidated)
	Subscript	Share issuance costs		Recognized options granted	Legal	Earnings retention				
BALANCE AT DECEMBER 31, 2020	2,053,976	(18,594)	(295)	4,772	34,183	986,079	-	3,060,121	19,840	3,079,961
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	(10,337)	(10,337)
Disposed to beneficiaries of stock option plan	-	-	3	-	-	-	-	3	-	3
Stock options	-	-	-	1,044	-	-	-	1,044	-	1,044
Income of the period	-	-	-	-	-	-	186,704	186,704	13,840	200,544
BALANCE AT JUNE 30, 2021	2,053,976	(18,594)	(292)	5,816	34,183	986,079	186,704	3,247,872	23,343	3,271,215
BALANCE AT DECEMBER 31, 2021	2,053,976	(18,594)	(25,155)	6,931	52,631	1,241,780	-	3,311,569	29,173	3,340,742
Capital increase	700,000	-	-	-	-	(700,000)	-	-	-	-
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	40,892	40,892
Treasury shares:										
Purchased	-	-	(7,656)	-	-	-	-	(7,656)	-	(7,656)
Disposed to beneficiaries of stock option plan	-	-	39	-	-	(2)	-	37	-	37
Stock options	-	-	-	1,185	-	-	-	1,185	-	1,185
Net income for the period	-	-	-	-	-	-	231,237	231,237	12,945	244,182
BALANCE AT JUNE 30, 2022	2,753,976	(18,594)	(32,772)	8,116	52,631	541,778	231,237	3,536,372	83,010	3,619,382

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

STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2022 AND 2021 - INDIRECT METHOD

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		1 st half of		1 st half of	
		2022	2021	2022	2021
Cash flows from operating activities					
Net Income for the period		244,182	200,544	231,237	186,704
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	614	402	612	399
Results from equity participation	5	(4,682)	(2,627)	(254,042)	(134,341)
Amortization of prepaid expenses		2,371	1,990	1,734	1,591
Allowance for credit risk		(6)	(501)	(119)	(314)
Financial result		38,143	4,803	40,395	6,065
Results on sale of partial equity interest in subsidiary		-	(11,287)	-	-
Deferred taxes		2,128	15,005	(15,446)	6,001
Changes in the fair value of investment property	6	(211,626)	(151,902)	16,096	(53,750)
Stock options	16	1,185	1,044	1,185	1,044
		72,309	57,471	21,652	13,399
(Increase) decrease in operating assets:					
Trade accounts receivable		6,307	968	(2,686)	289
Recoverable taxes		(14,919)	(8,617)	(13,575)	(8,590)
Prepaid expenses		(1,757)	(5,217)	(242)	(4,941)
Other assets		(2,925)	(5,378)	14,774	(7,498)
Increase (decrease) in operating liabilities:					
Suppliers		(31,967)	25,310	(8,100)	946
Labor and social liabilities		2,581	1,212	851	783
Tax liabilities		11,026	(142)	2,450	787
Other liabilities		(11,695)	4,017	(10,881)	818
Income tax and social contribution paid		(9,356)	(6,246)	(558)	(50)
Cash provided by (used in) operating activities		19,604	63,378	3,685	(4,057)
Cash flows from investing activities					
Increase in marketable securities		(384,110)	(490,135)	(296,497)	(384,577)
Decrease in marketable securities		632,659	256,786	399,535	236,058
Increase in / acquisition of investments	0	(4,481)	(12,163)	(256,490)	(29,022)
Dividends received from subsidiaries	5 (c)	3,760	5,078	9,399	141,373
Acquisition of investment properties		(518,976)	(182,174)	(73,064)	(140,365)
Receipt for the sale of subsidiaries / assets		7,510	197,406	7,510	6,125
Receipts from related companies		-	-	-	557
Other		(3,972)	(307)	(3,982)	(314)
Net cash used in investing activities		(267,610)	(225,509)	(213,589)	(170,165)
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		293,014	247,985	293,014	247,985
Amortization of loans, financing and debentures	8 (a)	(61,771)	(128,164)	(60,676)	(127,171)
Interest paid		(45,256)	(11,927)	(43,065)	(10,881)
Lease payments		(207)	(246)	(207)	(246)
Dividend paid	14 (c)	(87,627)	(33,240)	(87,627)	(33,240)
(Payment) receipt on derivative financial instrument		(7,811)	-	(7,811)	-
Disposal (acquisition) of treasury shares	14 (b)	(7,656)	-	(7,656)	-
Proceeds from exercised stock options		37	3	37	3
Contributions from noncontrolling shareholders	14 (e)	40,892	(10,337)	-	-
Net cash (used in) provided by financing activities		123,615	64,074	86,009	76,450
(Decrease) increase in cash and cash equivalents		(124,391)	(98,057)	(123,895)	(97,772)
Cash and cash equivalents					
At the beginning of the period		207,564	453,855	206,623	453,175
At the end of the period		83,173	355,798	82,728	355,403
(Decrease) increase in cash and cash equivalents		(124,391)	(98,057)	(123,895)	(97,772)

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

	Notes	Consolidated		Individual	
		1 st half of		1 st half of	
		2022	2021	2022	2021
Revenue:					
Revenues from lease and services provided		101,410	78,102	40,138	24,868
Other revenue		(1,281)	33,496	405	10
Changes in the fair value of investment property	6	211,627	151,902	(16,096)	53,750
Revenue from construction of own assets		530,615	167,169	71,246	89,395
Allowance for doubtful accounts		6	501	119	314
		842,377	431,170	95,812	168,337
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(446,684)	(154,642)	(74,421)	(87,680)
		(446,684)	(154,642)	(74,421)	(87,680)
Gross value added		395,693	276,528	21,391	80,657
Depreciation	16	(614)	(402)	(612)	(399)
Net wealth created		395,079	276,126	20,779	80,258
Value added received in transfer					
Results from equity interest in investees	5	4,682	2,627	254,042	134,341
Financial income		45,797	16,230	41,685	15,805
		50,479	18,857	295,727	150,146
Total wealth for distribution		445,558	294,983	316,506	230,404
Wealth distributed					
Personnel:					
Salaries and wages		31,224	18,531	17,473	10,481
Benefits		25,092	14,605	14,811	8,304
Benefits		4,789	3,223	2,022	1,782
Severance pay fund (FGTS)		1,343	703	640	395
Taxes and fares:		25,557	41,205	(5,240)	12,387
Federal		23,648	39,433	(6,129)	10,939
State		14	-	13	-
Municipal		1,895	1,772	876	1,448
Lenders and lessors:		144,595	34,703	73,036	20,832
Interest		111,653	23,923	65,541	14,823
Rentals / Leases		32,801	10,738	7,462	6,000
Other		141	42	33	9
Shareholders:		244,182	200,544	231,237	186,704
Retained earnings		231,237	186,704	231,237	186,704
Noncontrolling interests	14 (e)	12,945	13,840	-	-
Wealth distributed		445,558	294,983	316,506	230,404

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

1. General information

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

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

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, 2021.

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, 2021.

2.3 Adoption of new standards

There are no standards and interpretations, which are valid for the annual periods beginning on or after January 1, 2022 which had material effects on the Group's financial statements.

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
<u>Cash and cash equivalents:</u>				
Cash	1	1	1	1
Bank accounts	1,016	2,515	735	1,574
Short-term investments:				
Bank certificates of deposit (CDB)	82,156	205,048	81,992	205,048
Total cash and cash equivalents	83,173	207,564	82,728	206,623

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
<u>Marketable securities:</u>				
Restricted investment funds (i)	473,084	685,911	461,741	532,951
Unrestricted investment funds (ii)	3,071	2,924	-	-
Bank certificates of deposit (CDB) (ii)	217	206	-	-
Total marketable securities	476,372	689,041	461,741	532,951
Current	250,235	485,911	239,450	332,951
Noncurrent	226,137	203,130	222,291	200,000
	476,372	689,041	461,741	532,951

- (i) The Group established restricted investment funds, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to CDI and invest in government and other banks securities, which in turn invest primarily in fixed-income securities.
- (ii) Represents debenture's guarantee.
- (iii) Pledged as collateral for financings.

Short-term investments and marketable securities include interest income earned, equivalent to 115.8% of CDI in Consolidated and 117.4% of CDI in Individual in the six-month period ended June 30, 2022 (142.4% of CDI in Consolidated and 141.6% of CDI in Individual for the same period of 2021).

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Bank certificates of deposit (CDB)	52,181	58,230	51,874	54,057
Securities with repurchase agreement	2,253	32,244	2,235	17,929
Unrestricted investment funds	1,579	33,098	640	13,128
Debentures	48,036	101,678	46,320	65,710
Private bonds	143,396	179,879	136,999	132,983
Public securities:				
Financial Treasury Bills (LFT)	1,612	61,643	906	34,486
National Treasury Notes - B (NTN-B)	222,848	216,387	222,291	213,536
National Treasury Bills (LTN)	1,148	2,712	465	1,076
Others	31	40	11	46
Total	473,084	685,911	461,741	532,951

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

Other information on cash did not significantly change in relation to the information disclosed in Note 3 to the financial statements for the year ended December 31, 2021.

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Rentals	49,283	43,766	16,031	15,365
Sale of equity interest / assets	18,843	26,353	18,843	26,353
Condominium administration	686	457	686	457
Others	11,448	23,501	13,988	12,197
	80,260	94,077	49,548	54,372
Allowance for credit risk	(9,554)	(9,560)	(3,042)	(3,161)
Total	70,706	84,517	46,506	51,211
Current	40,781	61,190	26,887	37,052
Noncurrent	29,925	23,327	19,619	14,159
	70,706	84,517	46,506	51,211

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

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
LOG SJC Sony (Note 18 [6])	13,731	14,797	13,731	14,797
Plaza Mirante Sul	3,612	5,133	3,612	5,133
Cabral (Note 18 [9])	1,500	6,423	1,500	6,423
	18,843	26,353	18,843	26,353
Current	9,927	18,504	9,927	18,504
Noncurrent	8,916	7,849	8,916	7,849
	18,843	26,353	18,843	26,353

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
In due:				
Up to 12 months	37,260	60,603	23,884	37,133
After 12 months	29,925	23,327	19,619	14,159
	67,185	83,930	43,503	51,292
Past due:				
Up to 30 days	1,241	1,058	808	301
31 to 90 days	1,615	138	1,235	89
More than 90 days	10,219	8,951	4,002	2,690
	13,075	10,147	6,045	3,080
Total	80,260	94,077	49,548	54,372

Changes in the allowance for credit risk for the six-month period ended June 30, 2022 and 2021 are as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2022	2021	2022	2021
Opening balance	(9,560)	(9,739)	(3,161)	(3,160)
Additions	(181)	(659)	(68)	(359)
Write-off	187	1,160	187	673
Closing balance	<u>(9,554)</u>	<u>(9,238)</u>	<u>(3,042)</u>	<u>(2,846)</u>

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
12 months	230,221	164,949	63,546	50,733
13 to 24 months	213,594	135,189	55,797	45,820
25 to 36 months	187,192	105,371	45,657	38,549
37 to 48 months	160,953	83,996	37,915	31,128
49 to 60 months	128,957	59,417	26,734	24,354
After 60 months	381,028	64,096	19,163	23,391
Total	<u>1,301,945</u>	<u>613,018</u>	<u>248,812</u>	<u>213,975</u>

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, 2021.

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees		Investment	
			Equity			
	6/30/22	12/31/21	6/30/22	12/31/21	6/30/22	12/31/21
Joint ventures:						
Torino	40.00%	40.00%	456,745	453,078	182,724	181,257
Loteamento Betim (a)	50.00%	50.00%	117,350	109,842	53,796	50,315
LOG SJC Sony	64.97%	64.97%	108,996	108,998	70,815	70,814
Others			1,271	-	566	-
Capitalized interest (b)			-	-	11,165	11,277
Total joint ventures - Consolidated			684,362	671,918	319,066	313,663
Subsidiaries:						
LOG I	100.00%	99.99%	159,652	158,489	159,652	158,473
LOG II	99.99%	99.99%	55,232	54,903	55,226	54,898
LOG Jundiaí	99.99%	99.99%	95,608	94,281	95,598	94,272
LOG Goiânia	100.00%	99.90%	152,001	151,576	152,001	151,424
LOG Hortolândia	99.99%	99.99%	136,658	136,934	136,645	136,920
LOG SJP	100.00%	99.99%	56,038	54,690	56,038	54,685
LOG Juiz de Fora	99.99%	99.99%	110,285	107,891	110,273	107,880
LOG Feira de Santana	99.99%	99.99%	40,299	39,857	40,295	39,853
LOG Fortaleza	100.00%	99.99%	129,837	133,041	129,837	133,028
LOG Via Expressa	100.00%	99.99%	165,741	164,581	165,741	164,565
LOG Viana	100.00%	99.99%	141,120	141,329	141,120	141,315
LOG Londrina	100.00%	99.99%	124,202	120,448	124,202	120,436
LOG Itatiaia	100.00%	99.99%	61,635	61,121	61,635	61,115
LOG Itaitinga I	100.00%	100.00%	340,268	172,030	340,268	172,030
LOG Aracajú	99.99%	99.99%	74,416	73,130	74,409	73,123
LOG Extrema	97.48%	97.48%	5,446	143,074	5,304	139,469
LOG Uberaba	99.00%	99.00%	44,041	43,614	43,601	43,178
LOG Sumaré	99.99%	99.99%	32	27	32	27
LOG SJRP	99.99%	99.99%	24,639	23,680	24,637	23,678
LOG Macaé	99.99%	99.99%	14,066	13,946	14,065	13,945
LOG RP	99.99%	99.99%	57,801	55,900	57,795	55,894
LOG Recife	80.00%	80.00%	414,356	127,836	331,485	102,269
LOG Itapeva	99.99%	99.99%	102,288	53,059	102,278	53,054
LOG Viana II	100.00%	100.00%	122,080	67,430	122,080	67,430
LOG PIB Meli	100.00%	100.00%	185,228	117,206	185,228	117,206
LOG Salvador	100.00%	100.00%	73,794	66,687	73,794	66,687
LOG Maceió	100.00%	100.00%	13,112	11,738	13,112	11,738
LOG Natal	100.00%	100.00%	27,039	8,730	27,039	8,730
LOG Contagem IV	100.00%	100.00%	55,674	9	55,674	9
LOG Teresina	100.00%	100.00%	364	3	364	3
LOG Campo Grande	100.00%	100.00%	386	3	386	3
LOG Brasília	100.00%	0.00%	478	-	478	-
LOG Cuiabá	100.00%	0.00%	552	-	552	-
LOG Joinville	100.00%	0.00%	18	-	18	-
LDI	100.00%	100.00%	796	766	796	766
LE Empreendimentos	99.00%	99.00%	241	112	238	111
Total subsidiaries			2,985,423	2,398,121	2,901,896	2,368,214
Total Individual			3,669,785	3,070,039	3,220,962	2,681,877

- a) Includes unrealized results on investment in the total amount of R\$4.9 million, referring to sale of land by Loteamento Betim to the Company in 2021.
- b) 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 (Note 2.2 (e) to the financial statements for the year ended December 31, 2021).

	Equity interest		Information on investees				Results from equity participation for the			
			Net income (loss) for the				2 nd quarter of		1 st half of	
	6/30/22	6/30/21	2022	2021	2022	2021	2022	2021	2022	2021
Joint ventures:										
Cabral	0.00%	50.00%	-	(7,893)	-	(7,490)	-	(3,946)	-	(3,745)
Torino	40.00%	40.00%	6,925	3,113	13,067	6,187	2,770	1,245	5,227	2,475
Loteamento Betim	50.00%	50.00%	451	8,982	721	9,768	46	4,491	96	4,884
LOG SJC Sony	64.97%	64.97%	(18)	(13)	(32)	(25)	(12)	(8)	(21)	(16)
Others			(1,681)	-	(3,045)	-	(281)	-	(508)	-
Capitalized interest (a)			-	-	-	-	(67)	(921)	(112)	(971)
Total joint ventures - Consolidated			5,677	4,189	10,711	8,440	2,456	861	4,682	2,627
Subsidiaries:										
LOG I	100.00%	99.99%	2,673	2,363	5,129	4,774	2,673	2,363	5,129	4,774
LOG II	99.99%	99.99%	691	628	1,497	1,279	690	628	1,496	1,279
LOG Jundiá	99.99%	99.99%	968	1,101	1,483	2,272	967	1,101	1,482	2,272
LOG Goiânia	100.00%	99.90%	2,491	2,190	4,858	4,331	2,491	2,188	4,858	4,327
LOG Hortolândia	99.99%	99.99%	2,007	2,097	3,917	3,876	2,006	2,097	3,916	3,876
LOG SJP	100.00%	99.99%	709	556	1,343	1,064	709	556	1,343	1,064
LOG Juiz de Fora	99.99%	99.99%	1,964	1,142	3,500	2,091	1,964	1,142	3,499	2,091
LOG Feira de Santana	99.99%	99.99%	570	507	1,090	993	570	507	1,089	993
LOG Fortaleza	100.00%	99.99%	3,844	1,678	5,830	3,310	3,844	1,678	5,830	3,310
LOG Via Expressa	100.00%	99.99%	2,377	2,175	4,460	4,198	2,377	2,175	4,460	4,198
LOG Viana	100.00%	99.99%	1,992	1,907	3,995	4,120	1,992	1,907	3,995	4,120
LOG Londrina	100.00%	99.99%	1,889	1,402	4,531	4,550	1,889	1,402	4,531	4,550
LOG Itatiaia	100.00%	99.99%	486	548	963	827	486	548	963	827
LOG Itaitinga I	100.00%	100.00%	5,421	12,117	101,048	12,117	5,421	12,117	101,048	12,117
LOG Aracajú	99.99%	99.99%	1,068	961	2,137	1,949	1,067	961	2,137	1,949
LOG Extrema	97.48%	90.06%	84	13,249	3,181	15,854	82	11,932	3,096	13,955
LOG Uberaba	99.00%	99.00%	669	603	1,330	1,135	661	597	1,317	1,124
LOG Sumaré	99.99%	99.99%	-	(1)	-	(1)	-	(1)	-	(1)
LOG SJRP	99.99%	99.99%	457	141	814	247	456	141	814	247
LOG Macaé	99.99%	99.99%	(18)	(12)	(32)	(24)	(18)	(12)	(32)	(24)
LOG RP	99.99%	99.99%	970	316	1,742	557	970	316	1,742	557
LOG Recife	80.00%	80.00%	60,284	309	64,325	59,712	48,227	247	51,460	47,770
LOG Itapeva	99.99%	99.99%	1,732	17,942	2,641	17,942	1,732	17,940	2,641	17,940
LOG Viana II	100.00%	0.00%	4,258	-	6,846	-	4,258	-	6,846	-
LOG PIB Meli	100.00%	0.00%	4,843	-	7,728	-	4,843	-	7,728	-
LOG Salvador	100.00%	0.00%	202	-	285	-	202	-	285	-
LOG Maceió	100.00%	0.00%	56	-	108	-	56	-	108	-
LOG Natal	100.00%	0.00%	17,938	-	17,937	-	17,938	-	17,937	-
LOG Contagem IV	100.00%	0.00%	47,612	-	47,611	-	47,612	-	47,611	-
LOG Teresina	100.00%	0.00%	(1)	-	(2)	-	(1)	-	(2)	-
LOG Campo Grande	100.00%	0.00%	(1)	-	(1)	-	(1)	-	(1)	-
LOG Brasília	100.00%	0.00%	(1)	-	(1)	-	(1)	-	(1)	-
LDI	100.00%	100.00%	11	11	22	21	11	11	22	21
LE Empreendimentos	99.00%	99.00%	(21)	(13)	(35)	(25)	(21)	(13)	(35)	(25)
Capitalized interest (a)			-	-	-	-	(22,580)	(1,012)	(37,952)	(1,597)
Total subsidiaries			168,224	63,917	300,280	147,169	133,572	61,516	249,360	131,714
Total Individual			173,901	68,106	310,991	155,609	136,028	62,377	254,042	134,341

(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 (Note 2.2 (e) to the financial statements for the year ended December 31, 2021).

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Torino		Loteamento Betim		LOG SJC Sony	
	6/30/22	12/31/21	6/30/22	12/31/21	6/30/22	12/31/21
Cash and cash equivalents and marketable securities	3,785	6,032	8	111	1	3
Trade receivables	-	-	1,481	1,391	-	-
Inventories	-	-	39,370	35,797	-	-
Other current assets	-	-	43	64	-	1
Total current	3,785	6,032	40,902	37,363	1	4
Trade receivables	-	-	616	1,308	-	-
Inventories	-	-	83,460	81,543	-	-
Investment property	463,276	457,300	-	-	112,700	112,700
Other noncurrent assets	345	385	101	438	-	-
Total noncurrent assets	463,621	457,685	84,177	83,289	112,700	112,700
Total assets	467,406	463,717	125,079	120,652	112,701	112,704
Current liabilities	1,422	1,403	7,729	10,810	-	-
Noncurrent liabilities	9,239	9,236	-	-	3,705	3,706
Equity	456,745	453,078	117,350	109,842	108,996	108,998
Liabilities and equity	467,406	463,717	125,079	120,652	112,701	112,704

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	1 st half of		1 st half of		1 st half of		1 st half of	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenue	-	21	15,659	7,854	2,915	19,136	-	-
Cost of products and services	-	-	-	-	(1,873)	(7,440)	-	-
Other operating expenses	-	(7,157)	(948)	(877)	(34)	(24)	(31)	(24)
Financial income (expenses)	-	175	177	137	(1)	2	(1)	(1)
Changes in the fair value of investment property	-	-	-	-	-	(1,345)	-	-
Income tax and social contribution	-	(529)	(1,821)	(927)	(286)	(561)	-	-
Net income (loss)	-	(7,490)	13,067	6,187	721	9,768	(32)	(25)

- c) Changes in the balances of investments in subsidiaries and joint ventures in the six-month period ended June 30, 2022 and 2021 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity interest in investees	Dividends received	Other	Closing balances
Six month period ended June 30, 2022:							
Joint ventures:							
Torino	4/15	181,257	-	5,227	(3,760)	-	182,724
Loteamento Betim	3/18	50,315	3,385	96	-	-	53,796
LOG SJC Sony	-	70,814	22	(21)	-	-	70,815
Others	-	-	1,074	(508)	-	-	566
Capitalized interest (a)		11,277	-	(112)	-	-	11,165
Total joint ventures - Consolidated		313,663	4,481	4,682	(3,760)	-	319,066
Subsidiaries:							
LOG I	2/09	158,473	(3,343)	5,129	(607)	-	159,652
LOG II	3/11	54,898	(1,010)	1,496	(158)	-	55,226
LOG Jundiaí	4/11	94,272	(52)	1,482	(104)	-	95,598
LOG Goiânia	4/12	151,424	(3,732)	4,858	(549)	-	152,001
LOG Hortolândia	9/12	136,920	(3,696)	3,916	(495)	-	136,645
LOG SJP	4/13	54,685	10	1,343	-	-	56,038
LOG Juiz de Fora	6/13	107,880	(925)	3,499	(181)	-	110,273
LOG Feira de Santana	6/13	39,853	(548)	1,089	(99)	-	40,295
LOG Fortaleza	8/13	133,028	(7,800)	5,830	(1,221)	-	129,837
LOG Via Expressa	11/13	164,565	(2,862)	4,460	(422)	-	165,741
LOG Viana	4/14	141,315	(3,670)	3,995	(520)	-	141,120
LOG Londrina	6/14	120,436	(453)	4,531	(312)	-	124,202
LOG Itatiaia	7/14	61,115	(443)	963	-	-	61,635
LOG Itaitinga I	9/21	172,030	67,687	101,048	(497)	-	340,268
LOG Aracajú	10/18	73,123	(680)	2,137	(171)	-	74,409
LOG Extrema	10/19	139,469	(137,261)	3,096	-	-	5,304
LOG Uberaba	9/20	43,178	(739)	1,317	(155)	-	43,601
LOG Sumaré	-	27	5	-	-	-	32
LOG SJRP	-	23,678	145	814	-	-	24,637
LOG Macaé	-	13,945	152	(32)	-	-	14,065
LOG RP	-	55,894	159	1,742	-	-	57,795
LOG Recife	-	102,269	177,756	51,460	-	-	331,485
LOG Itapeva	-	53,054	46,583	2,641	-	-	102,278
LOG Viana II	-	67,430	47,804	6,846	-	-	122,080
LOG PIB Meli	-	117,206	60,442	7,728	(148)	-	185,228
LOG Salvador	-	66,687	6,822	285	-	-	73,794
LOG Maceió	-	11,738	1,266	108	-	-	13,112
LOG Natal	-	8,730	372	17,937	-	-	27,039
LOG Contagem IV	-	9	8,054	47,611	-	-	55,674
LOG Teresina	-	3	363	(2)	-	-	364
LOG Campo Grande	-	3	384	(1)	-	-	386
LOG Brasília	-	-	479	(1)	-	-	478
LOG Cuiabá	-	-	552	-	-	-	552
LOG Joinville	-	-	18	-	-	-	18
LDI	-	766	8	22	-	-	796
LE Empreendimentos	-	111	162	(35)	-	-	238
Capitalized interest (a)		-	-	(37,952)	-	37,952	-
Total subsidiaries		2,368,214	252,009	249,360	(5,639)	37,952	2,901,896
Total Individual		2,681,877	256,490	254,042	(9,399)	37,952	3,220,962
Six month period ended June 30, 2021:							
Total Consolidated		326,336	12,163	2,627	(5,078)	-	336,048
Total Individual		2,100,584	106,441	134,341	(141,373)	1,597	2,201,590

- a) Refers to capitalized financial charges from loans, financing and debentures, taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivisions (note 2.2 (e) to the financial statements for the year ended December 31, 2021).

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, 2021.

6. Investment property

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Industrial warehouses	4,522,068	3,752,906	1,316,094	1,270,915
Strip malls	19,863	19,800	19,863	19,800
Total	4,541,931	3,772,706	1,335,957	1,290,715

Changes in balances of investment property for the six-month period ended June 30, 2022 and 2021 were as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2022	2021	2022	2021
Opening balance	3,772,706	2,994,470	1,290,715	1,118,706
Additions	516,667	315,689	100,397	267,092
Capitalized interest (Note 8 (d))	40,932	4,365	2,977	2,767
Sale of assets	-	(242,480)	-	-
Transfer of investment properties to SPE	-	-	(42,036)	(123,400)
Changes in fair value (*)	211,626	151,902	(16,096)	53,750
Closing balance	4,541,931	3,223,946	1,335,957	1,318,915

(*) Refers to fair value valuation of LOG Recife, LOG Belém and LOG Itaitinga I (phases I and II), due to the completion of works and start of works in LOG Contagem IV, LOG Natal and LOG Itaitinga I (phase III).

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

	Consolidated		Individual	
	1 st half of		1 st half of	
	2022	2021	2022	2021
Changes in fair value of investment property	218,526	151,902	(16,096)	53,750
Deferred PIS/COFINS	(9,949)	(821)	-	-
Changes in fair value of investment property in	208,577	151,081	(16,096)	53,750

Fair value of the investment properties has been determined at June 30, 2022, as follows:

- Completed projects: the discounted cash flow assumptions described in the financial statements of December 31, 2021 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, 2021 were maintained, increased by the construction cost incurred in the six-month period ended June 30, 2022, 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, 2021 were maintained, increased by the construction costs incurred in the six-month period ended June 30, 2022.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the six-month period ended June 30, 2022, when applicable.

As at June 30, 2022, from the total amount of investment property, R\$1,357,159 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,418,560 as at December 31, 2021).

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, 2021.

7. Property and equipment

Changes in property and equipment for the six-month period ended June 30, 2022 and 2021 are as follows:

Consolidated	Opening balance	Addition	Closing balance
Six month period ended June 30, 2022:			
<u>Cost:</u>			
Right-of-use (*)	4,967	4,446	9,413
Other (**)	2,154	2,314	4,468
Total cost	7,121	6,760	13,881
<u>Accumulated depreciation:</u>			
Right-of-use	855	287	1,142
Other	1,339	114	1,453
Total accumulated depreciation	2,194	401	2,595
Total property and equipment, net	4,927	6,359	11,286
Six month period ended June 30, 2021:			
Total property and equipment, net	4,981	155	5,136

Individual	Opening balance	Addition	Closing balance
Six month period ended June 30, 2022:			
<u>Cost:</u>			
Right-of-use (*)	4,967	4,446	9,413
Other (**)	1,942	2,314	4,256
Total cost	6,909	6,760	13,669
<u>Accumulated depreciation:</u>			
Right-of-use	856	287	1,143
Other	1,150	104	1,254
Total accumulated depreciation	2,006	391	2,397
Total property and equipment, net	4,903	6,369	11,272
Six month period ended June 30, 2021:			
Total property and equipment, net	4,938	165	5,103

(*) Company's office rental agreement.

(**) 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 / IAS 36, was evidenced.

8. Loans, financing and debentures

a) Position

Loans, financing and debentures as at June 30, 2022 and December 31, 2021 are as follows:

Type	6/30/22			12/31/21
	Current	Noncurrent	Total	Total
Individual:				
Debenture - 12 th issue	10,094	45,002	55,096	60,106
Debenture - 14 th issue	61,472	30,000	91,472	121,363
Debenture - 15 th issue (CRI)	7,124	38,500	45,624	49,118
Debenture - 16 th issue (CRI)	20,029	36,364	56,393	64,989
Debenture - 17 th issue	85,201	153,333	238,534	235,266
Debenture - 18 th issue	9,592	250,000	259,592	256,485
Debenture - 19 th issue (CRI) (*)	50,400	424,023	474,423	459,132
Debenture - 20 th issue - 1 ^a series (CRI)	3,885	130,350	134,235	-
Debenture - 20 th issue - 2 ^a series (CRI) (*)	7,905	164,717	172,622	-
(-) Funding cost	(4,475)	(15,783)	(20,258)	(15,299)
Total debentures and CRI - Individual	251,227	1,256,506	1,507,733	1,231,160
Construction financing	6,782	7,823	14,605	17,247
(-) Funding cost	(105)	(141)	(246)	(298)
Total financing - Individual	6,677	7,682	14,359	16,949
Total Individual	257,904	1,264,188	1,522,092	1,248,109
Subsidiaries:				
Construction financing (*)	3,574	14,524	18,098	19,978
(-) Funding cost	(91)	(241)	(332)	(382)
Total financing - Subsidiaries	3,483	14,283	17,766	19,596
Total Consolidated	261,387	1,278,471	1,539,858	1,267,705

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

The main features of the Group's 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 - 12 th issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
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 (CRI)	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16 th issue (CRI)	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17 th issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18 th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	CDI + 2.21%
Debenture - 19 th issue (CRI)	450,000	9/21	Annual	Semiannual	9/25 to 9/28	IPCA + 5.52%	IPCA + 6.07%
Debenture - 20 th issue - 1 ^a série (CRI)	130,350	4/22	Annual	Semiannual	3/26 a 3/27	CDI + 1.10%	CDI + 1.55%
Debenture - 20 th issue - 2 ^a série (CRI)	169,650	4/22	Annual	Semiannual	3/27 a 3/29	IPCA + 6.30%	IPCA + 6.87%
Construction financing	-	9/18	Monthly	Monthly	3/19 to 9/28	TR + 10%	TR + 10.87%
Construction financing	-	12/12	Monthly	Monthly	12/13 to 10/24	CDI + 1.65%	CDI + 1.92%

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

Funding during the six-month period ended June 30, 2022 is as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Debenture - 20 th issue - 1 ^a série	130,350	4/22	Anual	Semestral	3/26 a 3/27	CDI + 1.10%	130,350
Debenture - 20 th issue - 2 ^a série	169,650	4/22	Anual	Semestral	3/27 a 3/29	IPCA + 6.30%	169,650
Total - Individual and Consolidated							300,000

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2022	2021	2022	2021
Opening balance	1,267,705	800,663	1,248,109	775,525
Funding	300,000	250,000	300,000	250,000
Interest expense	101,614	16,609	100,550	15,572
Fair value adjustment	(19,252)	(2,065)	(18,351)	-
Funding cost	(6,986)	(2,015)	(6,986)	(2,015)
Amortization of funding costs	2,129	1,641	2,080	1,585
Repayment of principal	(61,771)	(128,164)	(60,676)	(127,171)
Payment of interest	(43,581)	(11,927)	(42,634)	(10,881)
Closing balance	<u>1,539,858</u>	<u>924,742</u>	<u>1,522,092</u>	<u>902,615</u>

b) Guarantees

The types of guarantees for loans, financing and debentures as at June 30, 2022 are as follows:

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	32,703	385,102	102,017	519,822
No guaranties	-	259,592	781,280	1,040,872
Total (*)	<u>32,703</u>	<u>644,694</u>	<u>883,297</u>	<u>1,560,694</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	
	6/30/22	12/31/21	6/30/22	12/31/21
<u>After the reporting period:</u>				
12 months	266,058	218,227	262,484	214,765
13 to 24 months	234,991	181,294	231,888	178,274
25 to 36 months	199,402	202,486	196,299	199,466
37 tp 48 months	281,111	224,944	278,008	221,924
After 48 months	579,132	456,733	573,917	449,277
Total	<u>1,560,694</u>	<u>1,283,684</u>	<u>1,542,596</u>	<u>1,263,706</u>

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
<u>Financial charges on:</u>				
Loans, financing and debentures	(61,918)	(103,743)	(11,767)	(18,250)
Derivative financial instruments	11,028	15,586	(27)	(38)
Total financial charges	<u>(50,890)</u>	<u>(88,157)</u>	<u>(11,794)</u>	<u>(18,288)</u>
<u>Interest capitalized on:</u>				
Investment property	22,583	40,932	3,005	4,365
Financial charges allocated to profit or loss (Note 17)	<u>(28,307)</u>	<u>(47,225)</u>	<u>(8,789)</u>	<u>(13,923)</u>

	Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial charges on:				
Loans, financing and debentures	(61,358)	(102,630)	(11,228)	(17,157)
Derivative financial instruments	11,028	15,586	(27)	(38)
Total financial charges	(50,330)	(87,044)	(11,255)	(17,195)
Interest capitalized on:				
Investment property	-	2,977	1,993	2,767
Investment (Note 5)	22,580	37,952	1,012	1,597
Financial charges allocated to profit or loss (Note 17)	(27,750)	(46,115)	(8,250)	(12,831)

For the six-month period ended June 30, 2022, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 13.27% p.a. in Consolidated (4.01% p.a. for the same period of 2021).

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, 2021.

9. Land payables

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
CDI	26,429	41,678	889	23,523
IPCA	8,739	7,739	8,739	7,739
Total	35,168	49,417	9,628	31,262
Current	35,168	46,383	9,628	28,966
Noncurrent	-	3,034	-	2,296
Total	35,168	49,417	9,628	31,262

10. Barters

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

Barters' maturity is broken down as follows:

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
After the reporting period:				
12 months	137,411	70,290	65,542	1,642
13 to 24 months	68,120	136,266	36,312	103,787
25 to 36 months	28,357	24,034	27,023	19,549
After 36 months	8,642	-	8,642	-
Total	242,530	230,590	137,519	124,978
Current	137,411	70,290	65,542	1,642
Noncurrent	105,119	160,300	71,977	123,336
Total	242,530	230,590	137,519	124,978

11. Income tax and social contribution

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

	Consolidated			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income (loss) before income tax and social contribution	102,933	243,500	76,902	220,902
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(34,997)	(82,790)	(26,147)	(75,107)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	835	1,592	293	893
Unrecognized tax credit	(7,678)	(12,904)	(344)	(543)
Depreciation of investment property	2,270	4,075	1,598	3,191
Tax basis difference for companies taxes based on deemed income	51,508	92,338	25,714	50,807
Others	(3,023)	(1,629)	432	401
IRPJ and CSLL credit (debit) in profit or loss	8,915	682	1,546	(20,358)

	Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income before income tax and social contribution	82,276	215,791	66,035	192,705
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(27,974)	(73,369)	(22,452)	(65,520)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	53,927	99,278	21,552	46,219
Tax credit not constituted	(7,678)	(12,904)	9,901	9,701
Depreciation of investment properties	2,178	3,890	1,506	3,006
Others	(2,940)	(1,449)	527	593
IRPJ and CSLL credit (debit) in profit or loss	17,513	15,446	11,034	(6,001)

On June 30, 2022, the Company did not recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R\$1,581 (R\$1,581 as of December 31, 2021).

- (b) Deferred tax balances

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Noncurrent assets:				
Income tax and social contribution	22,874	7,428	22,874	7,428
Liabilities:				
Income tax and social contribution	(45,722)	(38,011)	-	-
PIS/COFINS	(52,174)	(42,311)	-	-
	(97,896)	(80,322)	-	-
Current	(2,157)	(2,494)	-	-
Noncurrent	(95,739)	(77,828)	-	-
Total	(97,896)	(80,322)	-	-

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

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	77,658	66,060	77,480	65,773
Capitalized interests written-off (*)	94,746	94,746	94,746	94,746
Temporary differences	714	2,447	713	2,447
	173,118	163,253	172,939	162,966
Reclassified deferred liabilities	(150,244)	(155,825)	(150,065)	(155,538)
Deferred tax assets	22,874	7,428	22,874	7,428
Deferred liabilities:				
Fair value appreciation on investment property	(193,326)	(190,616)	(150,065)	(155,538)
Rental receivables and others	(2,640)	(3,220)	-	-
	(195,966)	(193,836)	(150,065)	(155,538)
Reclassified deferred liabilities	150,244	155,825	150,065	155,538
Deferred tax liabilities	(45,722)	(38,011)	-	-

(*) According to Note 2.2 (e) to the financial statements for the year ended December 31, 2021, 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, 2022, 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, 2022 and 2021 are as follows:

	Consolidated				Individual			
	1 st half of				1 st half of			
	2022		2021		2022		2021	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	163,253	(193,836)	(30,583)	(13,693)	162,966	(155,538)	7,428	16,537
Effect of deferred IRPJ and CSLL recognized in:								
Net income for the period	9,865	(2,130)	7,735	(8,830)	9,973	5,473	15,446	(6,001)
Closing balance	173,118	(195,966)	(22,848)	(22,523)	172,939	(150,065)	22,874	10,536

12. Provisions for labor, tax and civil risks

Changes for the six-month period ended June 30, 2022 and 2021 are as follows:

	Consolidated		Individual	
	1 st half of		1 st half of	
	2022	2021	2022	2021
Opening balance	1,991	1,725	116	108
Additions and inflation adjustments	221	208	58	8
Payments	(47)	(7)	(35)	(4)
Reversals	(103)	(33)	(11)	(9)
Closing balance	2,062	1,893	128	103

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,846 in Consolidated and R\$1,294 in Individual as at June 30, 2022 (R\$4,611 in Consolidated and R\$4,181 in Individual as at December 31, 2021).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2021.

13. Lease

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

As a lessee, the Group identified a rental agreement related to its headquarters. Changes in lease liability for the six-month period ended June 30, 2022 and 2021 are as follows:

	Consolidated and Individual	
	1 st half of	
	2022	2021
Opening balance	4,463	4,374
Additions	2,541	-
Remeasurement	1,905	294
Interest expenses	253	145
Repayment of principal	(207)	(101)
Payment of interest	(253)	(145)
Closing balance	<u>8,702</u>	<u>4,567</u>
Current	538	219
Noncurrent	<u>8,164</u>	<u>4,244</u>
	<u>8,702</u>	<u>4,463</u>

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

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	After 36 months	Total
<u>Consolidated and Individual:</u>					
Lease liability	1,093	1,093	1,093	9,144	12,423
Total	<u>1,093</u>	<u>1,093</u>	<u>1,093</u>	<u>9,144</u>	<u>12,423</u>

Leases representing exemptions in recognition

The Group applies recognition exemptions for short-term leases and leases for which the underlying assets are of low value. These leases essentially include short-term property rental. For these leases, lease expenses are recognized on a straight-line basis, when incurred.

In six-month period ended June 30, 2022, these leases represent R\$5 (zero for the same period of 2021).

Other information on the lease is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2021.

14. Equity

(a) Shares and capital

	Consolidated and Individual	
	6/30/22	12/31/21
Subscribed capital	2,753,976	2,053,976
Number of common shares, without par value (thousand)	102,159	102,159

The Company's authorized capital as at June 30, 2022 is R\$3,700,000 (three billion and seven hundred million reais), three billion as at December 31, 2021, represented exclusively by common shares and each share entitles its holder to one vote in shareholders meeting.

During the six-month period ended June 30, 2022, the Shareholders' Meeting (SM), approved the following capital increases, through partial capitalization of its profit reserve, as follows:

Date of approval	Number of shares	Unit price	Total capital increase	Share capital after capital increase	Total outstanding shares after issuance
	(thousand)	R\$	R\$'000	R\$'000	(thousand)
Six month period ended June 30, 2022:					
4/19/22 - Capitalization of reserves	-	-	700,000	2,753,976	102,159

(b) Treasury shares

On September 9, 2021, the Board of Directors approved for 18 months, starting on September 9, 2021, the Company's Share Buyback program, in the maximum amount of 5.5 million common shares, respecting the legal limits, for being held in treasury, canceled, re-placed on the market, or allocated to the Stock Option Plans.

During the six-month period ended June 30, 2022, 350 thousand shares were acquired in the amount of R\$7,656 through the Company's Share Buyback Program, and 2 thousand shares were transferred to the beneficiaries of the Company's stock option plan, as shown below:

Type	Number (thousand)					Cost in reais (per share) of the acquired shares			Market value (*)
	Opening balance	Acquired	Sold	Transferred	Closing balance	Weighted average	Maximum	Minimum	
1st half of 2022:									
Common shares	1,048	350	-	(2)	1,396	21.90	22.17	21.37	25,505
1st half of 2021:									
Common shares	16	-	-	-	16	-	-	-	508

(*) Market value of shares remaining in treasury as at June 30, 2022 and 2021.

(c) Mandatory minimum dividend payable to shareholders

Fiscal year 2021 dividends, amounting R\$87,627, were approved at the Board of Directors Meeting held on February 8, 2022 and paid on February 21, 2022.

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

(d) Stock option plan

On December 1, 2021, the Company's Board of Directors approved the cancellation of Program 9 of the stock option plan and the issuance of program 10 of the stock option plan, granting to directors and managers 338 thousand options with vesting period of 5 years, with exercise deadline date in December

2028. The stock option fair value is R\$7.51 with, total cost of remuneration of R\$2,517, which will be recognized in the income statement over the vesting period.

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 (*)
2	6/12	22,444	0.73%	Up to 5 year	R\$ 22.36	Officers	8/12	12/22
3	10/13	32,879	1.06%	Up to 5 year	R\$ 30.04	Officers and managers	12/13	12/23
4	11/14	31,835	1.03%	Up to 5 year	R\$ 30.04	Officers and managers	12/14	12/24
5	12/15	27,710	0.90%	Up to 5 year	R\$ 30.04	Officers and managers	12/15	12/25
6	4/18	352,000	11.38%	Up to 5 year	R\$ 22.00	Officers and managers	12/18	12/25
7	9/19	226,251	7.32%	Up to 5 year	R\$ 23.42	Officers and managers	12/19	12/26
8	6/20	653,216	21.12%	Up to 5 and 10 year	R\$ 21.62	Officers and managers	12/20	12/27 and 12/32
10	12/21	338,074	10.93%	Up to 5 year	R\$ 24.17	Officers and managers	12/21	12/28

(*) After each plan's last vesting period, the beneficiary has three additional exercise years. The programs 2 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, 2022 and 2021 and supplemental information thereon:

Program	Number of participants	Changes 1 st half of 2022 (thousand options)				Closing balance
		Opening balance	Granted	Expired / forfeited	Exercised	
2	1	15	-	-	-	15
3	2	21	-	-	-	21
4	2	21	-	-	-	21
5	2	21	-	-	-	21
6	3	267	-	-	-	267
7	14	171	-	(3)	-	168
8	16	637	-	(3)	-	634
10	21	335	-	-	-	335
		<u>1,488</u>	-	<u>(6)</u>	-	<u>1,482</u>
Weighted average price of options		<u>22.83</u>	-	<u>22.46</u>	-	<u>22.83</u>
1 st half of 2021 (thousand options)		<u>1,182</u>	<u>338</u>	<u>(27)</u>	-	<u>1,493</u>
Weighted average price of options		<u>22.44</u>	<u>30.22</u>	<u>22.69</u>	-	<u>24.20</u>

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
2	15	-	-	-
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	53	106	105	0.5
7	26	91	258	1.5
8	64	586	4,167	7.6
10	34	402	1,797	3.6
2022	<u>255</u>	<u>1,185</u>	<u>6,327</u>	<u>6.1</u>
2021	<u>167</u>	<u>1,044</u>	<u>9,884</u>	<u>6.6</u>

As at June 30, 2022, had all options currently granted been exercised, the Company would have issued 1,482 thousand shares, which would represent a 1.43% dilution in relation to the Company's total of 102,159 thousand shares (1.44% at December 31, 2021).

As at June 30, 2022, Stock options granted represents 56.74% of the total approved plan (92.72% December 31, 2021).

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

(e) Noncontrolling interests

	Consolidated	
	1 st half of	
	2022	2021
Opening balance	29,173	19,840
Net contributions (distributions) to noncontrolling shareholders	40,892	(10,337)
Interests in net income for the period	12,945	13,840
Closing balance	83,010	23,343

(f) Earnings per share

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

	Consolidated and Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Basic earnings per share:				
Net income for the period	99,789	231,237	77,069	186,704
Weighted average number of outstanding common (thousand)	100,931	101,021	102,144	102,144
Basic earnings per share - in R\$	0.98869	2.28900	0.75451	1.82785
Diluted earnings per share:				
Net income for the period	99,789	231,237	77,069	186,704
Weighted average number of outstanding common (thousand)	100,931	101,021	102,144	102,144
Dilutive effect of stock options (thousand)	56	128	305	337
Total shares after dilutive effect (thousand)	100,987	101,149	102,449	102,481
Diluted earnings per share - in R\$	0.98814	2.28610	0.75227	1.82184

Other information on equity did not significantly change in relation to the information disclosed in Note 14 to the financial statements for the year ended December 31, 2021.

15. Net revenue

	Consolidated			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Rental revenue	53,875	94,590	37,886	75,615
Revenue from management services	1,757	3,166	1,277	2,487
Revenue from construction services	2,383	3,654	-	-
Taxes on revenue	(3,707)	(6,310)	(2,201)	(4,391)
Net revenue	54,308	95,100	36,962	73,711

	Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Rental revenue	20,568	33,318	11,395	22,381
Revenue from management services	486	3,166	1,277	2,487
Revenue from construction services	2,383	3,654	-	-
Taxes on revenue	(2,355)	(4,021)	(1,211)	(2,375)
Net revenue	21,082	36,117	11,461	22,493

16. Costs and expenses by nature

	Consolidated			
	2022		2021	
	2nd quarter	1st half	2nd quarter	1st half
Costs of services provided - condominium management	(709)	(1,377)	(506)	(962)
Operating income (expenses):				
Salaries, charges and benefits	(4,125)	(9,438)	(2,976)	(6,121)
Outside services	(2,129)	(3,676)	(2,390)	(3,874)
General expenses	(1,438)	(3,221)	(820)	(2,211)
Management compensation	(1,719)	(3,345)	(1,384)	(2,578)
Vacancy expenses	(918)	(1,731)	(431)	(1,039)
Stock options	(593)	(1,185)	(584)	(1,044)
Advertising	(369)	(633)	(345)	(735)
Depreciation and amortization	(317)	(614)	(205)	(402)
Other operating expenses, net	(1,043)	(2,436)	12,125	11,288
	(12,651)	(26,279)	2,990	(6,716)
Classified as:				
Selling expenses	(3,442)	(6,163)	(3,198)	(5,484)
General and administrative expenses	(6,447)	(14,335)	(4,553)	(9,942)
Management compensation	(1,719)	(3,345)	(1,384)	(2,578)
Other operating expenses, net	(1,043)	(2,436)	12,125	11,288
	(12,651)	(26,279)	2,990	(6,716)
	Individual			
	2022		2021	
	2nd quarter	1st half	2nd quarter	1st half
Costs of services provided - condominium management	(709)	(1,377)	(506)	(962)
Operating expenses:				
Salaries, charges and benefits	(4,052)	(9,226)	(2,976)	(6,121)
Outside services	(1,258)	(2,247)	(845)	(1,762)
General expenses	(1,296)	(2,953)	(739)	(2,087)
Management compensation	(1,719)	(3,345)	(1,384)	(2,578)
Vacancy expenses	(585)	(988)	(177)	(389)
Stock options	(593)	(1,185)	(584)	(1,044)
Advertising	(369)	(628)	(338)	(728)
Depreciation and amortization	(316)	(612)	(204)	(399)
Other operating expenses, net	(838)	(2,030)	(877)	(1,901)
	(11,026)	(23,214)	(8,124)	(17,009)
Classified as:				
Selling expenses	(2,468)	(4,311)	(1,601)	(3,124)
General and administrative expenses	(6,001)	(13,528)	(4,262)	(9,406)
Management compensation	(1,719)	(3,345)	(1,384)	(2,578)
Other operating expenses, net	(838)	(2,030)	(877)	(1,901)
	(11,026)	(23,214)	(8,124)	(17,009)

17. Financial expenses and income

	Consolidated			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(28,307)	(47,225)	(8,789)	(13,923)
Mark-to-market derivative financial instruments (includes hedge effect)	(36,782)	(25,123)	6	(79)
Other financial expenses	(954)	(1,892)	(402)	(346)
	(66,043)	(74,240)	(9,185)	(14,348)
Financial income				
Income from short-term investments	22,324	43,760	9,633	14,691
Interest income on loans	73	108	103	163
Other financial income (*)	(466)	(183)	46	655
	21,931	43,685	9,782	15,509
Financial (expenses) income	(44,112)	(30,555)	597	1,161

(*) Includes tax effect in financial income.

	Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(27,750)	(46,115)	(8,250)	(12,831)
Mark-to-market derivative financial instruments	(37,329)	(26,024)	(106)	(2,144)
Other financial expenses	(668)	(1,298)	(228)	(20)
	(65,747)	(73,437)	(8,584)	(14,995)
Financial income				
Income from financial investments	21,711	39,566	9,231	14,264
Interest income on loans	267	455	170	283
Other financial income (*)	(602)	(265)	10	540
	21,376	39,756	9,411	15,087
Financial (expenses) income	(44,371)	(33,681)	827	92

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		6/30/22	12/31/21	6/30/22	12/31/21	6/30/22	12/31/21	6/30/22	12/31/21
Short-term investments and marketable securities									
Other related parties:									
Banco Inter S.A. (Inter)	[1]	454,014	432,391	-	-	454,014	432,391	-	-
Banco Bradesco S.A.	[2]	3,722	3,435	-	-	486	511	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	5,017	4,748	-	-
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	[4]	567	563	-	-	27	24	-	-
Trade receivable from sale of equity interests									
Other related parties:									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	13,731	14,797	-	-	13,731	14,797	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	1,500	6,423	-	-	1,500	6,423	-	-
Loans, financing and debentures									
Other related parties:									
Banco Inter S.A. (Inter)	[1]	-	-	-	51,147	-	-	-	51,147
Banco Bradesco S.A.	[2]	-	-	-	184,119	-	-	-	184,119
Services supplier									
Other related parties:									
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	-	-	-	-
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	50	46	-	-	50	46
Land payables									
Other related parties:									
Banco Inter S.A. (Inter)	[9]	-	-	1,513	10,590	-	-	1,513	10,590

	Consolidated								
	Income				Expense				
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of		
	2022	2021	2022	2021	2022	2021	2022	2021	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	15,119	4,808	27,746	7,752	-	-	-	-
Banco Bradesco S.A.	[2]	163	348	330	545	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	308	276	826	758	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	108	-	345	-	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,793	1,989	3,536	3,221	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	77	50	158	145
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	713	373	1,289	773

	Individual								
	Income				Expense				
	2 nd quarter of		1 st half of		2 nd quarter of		1 st half of		
	2022	2021	2022	2021	2022	2021	2022	2021	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	15,119	4,808	27,746	7,752	-	-	-	-
Banco Bradesco S.A.	[2]	63	319	148	497	-	-	-	-
Intercompany loans									
Investees									
SPEs	[3]	189	68	347	125	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	308	276	826	758	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	108	-	345	-	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	81	73	154	142	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	77	50	158	145
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	278	165	498	338

- [1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the six-month period ended June 30, 2022, short-term investments yielded 124.3% of CDI in Consolidated and Individual (183.0% for the same period of 2021).
- [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 warehouse's lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- [5] In July 2018, the Company sold equity interest in the subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") to MRV MRL CAMP NOU Incorporações e Participações Ltda, a company controlled by MRV Engenharia e Participações S.A. The contract determines payments in two tranches as detailed below:

- I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, updated by INCC index, 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 update by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at June 30, 2022	-	13,731	13,731
Trade receivables as at December 31, 2021	-	14,797	14,797

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

- [6] Refers to lease agreement of part of tenth and nine 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. The contract is valid until February 28, 2035, including extension of the contract, adjustable annually by IPCA index.
- [7] Amounts related to expenses incurred on the provision of administrative services. The agreement provides for the monthly payment of R\$6 per project developed by the Company or its investees at June 30, 2022 (R\$5 at December 31, 2021). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition by the parties.
- [8] Refers to the sale of the Company’s interest in Cabral Investimentos SPE Ltda. (“Cabral”) concluded in December 2021. The agreement establishes the payment of 12 installments of R\$533 each, updated by the INCC index. Revenue refers to outstanding installments’ financial update.
- [9] Refers to the purchase of land from the supplier R&R Negócios e Participações S.A. in the amount of R\$28,231, with an entry of R\$1,000 and 18 monthly and consecutive installments of R\$1,513. The supplier made prepayment of receivables with Banco Inter S.A., which then became the creditor of the transaction.

Compensation of key management personnel

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

	Consolidated and Individual			
	2022		2021	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Short-term benefits granted to management:				
Management compensation	1,719	3,345	1,384	2,578
Profit sharing	791	1,299	346	691
Non-monetary benefits	42	83	40	80
Long-term benefits to management:				
Retirement private plan	27	52	24	48
Share-based compensation:				
Stock option plan	477	955	486	870
	3,056	5,734	2,280	4,267

On April 19, 2022, the Ordinary Shareholders’ Meeting approved the overall management compensation at R\$13,484.

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

19. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at June 30, 2022.

The Company entered non-speculative derivative financial instruments to hedge its exposure to fixed rates and stock price fluctuation. The sole purpose of these transactions is to hedge the risk of 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		6/30/22
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	18,691	18,805	18,839	(34)	(1,549)	(1,583)
Swap (**)	9/21	IPCA + 5.52% / CDI + 1.23%	9/28	450,000	500,176	467,577	24,788	(26,030)	6,569
Swap	4/22	IPCA + 6.30% / CDI + 1.47%	3/29	169,650	177,389	174,689	2,700	(4,933)	(2,233)
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	56,939	80,707	-	(27,351)	(27,351)
							27,454	(59,863)	(24,598)

		Consolidated and Individual
Noncurrent assets		6,569
Current liabilities		27,352
Noncurrent liabilities		3,815
Total liabilities		31,167

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/21
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	19,758	19,885	19,885	-	(609)	(609)
Swap	9/21	IPCA + 5.52% / CDI + 1.23%	9/28	450,000	471,690	459,822	11,868	(12,559)	(691)
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	75,111	75,921	(810)	(1,510)	(2,320)
							11,058	(14,678)	(3,620)

		Consolidated and Individual
Noncurrent liabilities		3,620

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

(**) Derivative fair value includes net payment effect of R\$7,811.

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
2nd quarter of 2022			
Effect in profit or loss			
Swaps with fair value hedge	11,028	(54,959)	(43,931)
Gross effect in profit or loss	11,028	(54,959)	(43,931)
Reducing effect of hedges	-	18,177	18,177
Net effect in profit or loss	11,028	(36,782)	(25,754)
1st half of 2022			
Effect in profit or loss			
Swaps with fair value hedge	15,586	(44,375)	(28,789)
Gross effect in profit or loss	15,586	(44,375)	(28,789)
Reducing effect of hedges	-	19,252	19,252
Net effect in profit or loss	15,586	(25,123)	(9,537)

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
2nd quarter of 2021			
Effect in profit or loss			
Swaps with fair value hedge	(27)	(106)	(133)
Gross effect in profit or loss	(27)	(106)	(133)
Reducing effect of hedges	-	112	112
Net effect in profit or loss	(27)	6	(21)
1st half of 2021			
Effect in profit or loss			
Swaps with fair value hedge	(36)	(2,144)	(2,180)
Gross effect in profit or loss	(36)	(2,144)	(2,180)
Reducing effect of hedges	-	2,065	2,065
Net effect in profit or loss	(36)	(79)	(115)

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

Hedge accounting

The Group formally designated derivative financial instruments (swap types) as hedging instruments and a financings as hedged items, establishing a relationship of economic protection between them, according to the hedge accounting methodology. These designations were classified as fair value hedges, as they reduce the market risk arising from the fair value fluctuations of the respective financing. Thus, both the derivative and financings are being measured at fair value through profit and loss, with the expectation that changes in fair values will compensate each other. The critical terms of the instruments are as follows:

	Hedge Instrument (swap)	Hedge Item
Notional value	25,000	25,000
Contract date	12/18	12/18
Maturity date	8/28	9/28

	Long position	Short position	Debt
Rates	10.5%	108.95% CDI	TR + 10%

	Hedge Instrument (swap)	Hedge Item
Notional value	450,000	450,000
Contract date	9/21	9/21
Maturity date	9/28	9/28

	Long position	Short position	Debt
Rates	IPCA + 5.52%	CDI + 1.23%	IPCA + 5.52%

	Hedge Instrument (swap)	Hedge Item
Notional value	169,650	169,650
Contract date	04/22	04/22
Maturity date	03/29	03/29
	Long position	Short position
Rates	IPCA + 6.30%	CDI + 1.47%
		IPCA + 6.30%

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
	6/30/22		6/30/22	2022
Loans, financing and debentures	18,691	10%	(17,791) (*)	901
Loans, financing and debentures	450,000	IPCA + 5.52%	(474,423)	13,418
Loans, financing and debentures	169,650	IPCA + 6.30%	(172,622)	4,933
	638,341		(664,836)	19,252
(Hedged item)		Long position		
		10%	17,791	(901)
		IPCA + 5.52%	474,146	(13,472)
		IPCA + 6.30%	172,456	(4,933)
			664,393	(19,306)
Derivative financial instrument	18,691			
Derivative financial instrument	450,000			
Derivative financial instrument	169,650			
(Hedge instrument)	638,341	Short position		
		108.95% CDI	(19,374)	(38)
		CDI + 1.23%	(467,577)	-
		CDI + 1.47%	(174,689)	-
			(661,640)	(38)
		Swap net position - Individual	2,753	(19,344)
		Total net position - Consolidated	(662,083)	(92)

(*) Swap hedging relation of 98.78% of the hedged item.

(b) Category of financial instruments

Consolidated	Note	6/30/22		12/31/21	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		71,723	71,723	87,033	87,033
Cash and bank accounts		1,017	1,017	2,516	2,516
Trade receivables	4	70,706	70,706	84,517	84,517
Fair value through profit or loss (mandatorily measured) (*)		565,097	565,097	894,089	894,089
Restricted investment funds	3	473,084	473,084	685,911	685,911
Unrestricted investment funds	3	3,071	3,071	2,924	2,924
Bank certificates of deposit (CDB)		82,373	82,373	205,254	205,254
Derivative financial instruments	19 (a)	6,569	6,569	-	-
Financial liabilities:					
Amortized cost		945,446	831,752	887,079	865,873
Loans, financing and debentures		888,939	775,245	788,595	767,389
Land payables	9	35,168	35,168	49,417	49,417
Trade payables (suppliers)		12,637	12,637	44,604	44,604
Lease	13	8,702	8,702	4,463	4,463
Fair value through profit or loss (Hedge accounting) (*)		650,919	650,919	479,110	479,110
Loans, financing and debentures		650,919	650,919	479,110	479,110
Fair value through profit or loss (mandatorily measured) (*)		31,167	31,167	3,620	3,620
Derivative financial instruments	19 (a)	31,167	31,167	3,620	3,620

(*) 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, 2022 and December 31, 2021.

The table below shows a comparison of the contracted and market rates, at June 30, 2022:

Contractual rate (p.a.)	Current market rate (p.a.)	Maturity dates
Debentures and CRI		
CDI + 1.10% a 2.25%	CDI + 1.12% a 2.32%	03/26 a 12/28
108% a 117% CDI	CDI + 1.12% a 2.08%	11/23 a 03/25
IPCA + 5.52% a 6.30%	IPCA + 5.83% a 6.61%	09/28 a 03/29
Construction financing		
CDI + 1.65%	CDI + 1.65%	10/24
TR + 10.00%	TR + 10.00%	9/28

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

(c) Exposure to interest rates and inflation adjustment indexes

The following analysis was carried out for June 30, 2022, according with that described in Note 19, letter (c), to the financial statements for the year ended December 31, 2021:

Index	Financial asset	Financial liability	Net exposed financial (asset) liability	Effective rate for the 12-month period ended 6/30/22	Estimated annual rate for 2022 (*)	Rates changes for each scenario	Total estimated financial impact
Probable scenario:							
CDI	335,680	(1,634,789)	(1,299,109)	8.64%	13.78%	(i) 5.14%	(66,774)
TR	-	(18,098)	(18,098)	0.60%	1.91%	(i) 1.31%	(237)
IPCA	861,341	(655,784)	205,557	11.89%	8.26%	(ii) -3.62%	(7,441)
							<u>(74,452)</u>
Scenario I:							
CDI	335,680	(1,634,789)	(1,299,109)	8.64%	17.23%	8.59%	(111,593)
TR	-	(18,098)	(18,098)	0.60%	2.39%	1.79%	(324)
IPCA	861,341	(655,784)	205,557	11.89%	6.20%	-5.69%	(11,696)
							<u>(123,613)</u>
Scenario II:							
CDI	335,680	(1,634,789)	(1,299,109)	8.64%	20.67%	12.03%	(156,283)
TR	-	(18,098)	(18,098)	0.60%	2.87%	2.27%	(411)
IPCA	861,341	(655,784)	205,557	11.89%	4.13%	-7.76%	(15,951)
							<u>(172,645)</u>

(i) Data obtained from B3 website.

(ii) Data obtained from Banco Central website.

(*) Effective change for the first six months of 2022 plus a projection for the next six months of 2022.

(d) Capital risk management

As at June 30, 2022 and December 31, 2021, the net debt-to-equity ratio is as follows:

	Consolidated		Individual	
	6/30/22	12/31/21	6/30/22	12/31/21
Loans, financing and debentures	1,539,858	1,267,705	1,522,092	1,248,109
Cash and cash equivalents and marketable securities	(559,545)	(896,605)	(544,469)	(739,574)
Net debt	980,313	371,100	977,623	508,535
Equity	3,619,382	3,340,742	3,536,372	3,311,569
Net debt-to-equity ratio	27.1%	11.1%	27.6%	15.4%

(e) Liquidity and interest rate risk table

The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on June 30, 2022, by maturity, are as follows:

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	After 37 months	Total
<u>Consolidated:</u>					
Floating rates liabilities	372,071	367,610	303,289	1,318,887	2,361,857
Fixed rates liabilities	1,093	1,093	1,093	9,144	12,423
Non-interest bearing liabilities	12,637	-	-	-	12,637
Total	385,801	368,703	304,382	1,328,031	2,386,917
<u>Individual:</u>					
Floating rates liabilities	367,930	363,739	298,984	1,303,975	2,334,628
Fixed rates liabilities	1,093	1,093	1,093	9,144	12,423
Non-interest bearing liabilities	12,285	-	-	-	12,285
Total	381,308	364,832	300,077	1,313,119	2,359,336

(f) Credit risk

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

- i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. The company records allowance for credit risk as mentioned in Note 2.2 (i) to the financial statements for the year ended December 31, 2021.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

Other information on 'Financial instruments and risk management' is not significantly different from the information disclosed in Note 19 to the financial statements for the year ended December 31, 2021.

20. Guarantees

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

21. Noncash transactions

During the six-month period ended June 30, 2022 and 2021, 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		1st half of	
	2022	2021	2022	2021
Interest capitalization	40,932	4,365	40,929	4,364
Right-of-use (remeasurement of CPC 06 (R2)) (note 13)	1,905	294	1,905	294

22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at June 30, 2022, 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.	646,357
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.	1,000
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	68,167
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.	140,544
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.	4,062
Barter insurance	Guarantees the fulfillment of the obligation, by the Company, whether financial (payment of due installments) or delivery of GLA after the completion of the agreed work, to the exchanger.	84,497
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	744

23. Subsequent events

On June 15, 2022, the Board of Directors approved the 21st issue of simple, non-convertible, unsecured debentures, in a single series, with restricted efforts for public distribution, in the amount of R\$400 million, which has the following conditions: final term of single series debentures of 5 years, remuneration of CDI + 1.65% p.a. with semi-annual interest payments and payment of principal in 2 annual installments as of 2026. On July 11, 2022, the aforementioned debentures issuance was concluded.

On July 26, 2022, a Private Instrument of Commitment to Purchase and Sale of Property was signed with CSHG LOGÍSTICA – FUNDO DE INVESTIMENTO IMOBILIÁRIO – FII, for the sale of the property owned by its subsidiary LOG Betim II SPE Ltda. (“LOG Betim II”) and the Share Purchase and Other Agreements, for the sale of its equity interest in Parque Torino Imóveis S.A. (“Torino”), equivalent to 40% of the capital stock. Both sales total R\$424 million and will be settled as follows: 70% in one installment on the closing date of the transaction and 30% in two installments within eighteen months after the closing date. The closing of these operations is subject to the fulfillment of certain precedent market conditions.

24. Approval of the financial statements

These interim financial statements were reviewed by the Fiscal Board and authorized for issue by the Board of Directors on July 27, 2022.