



Interim Financial Statements
LOG Commercial Properties e
Participações S.A.

Interim Consolidated and Parent Company
Financial Statements as of
June 30, 2023 and Report on Review of
Interim Financial Statements

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

LOG Commercial Properties e Participações S.A.

Interim Financial Statements (ITR)

June 30, 2023

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A free translation from Portuguese into English of Independent Auditor's Review Report on individual quarterly information prepared in Brazilian currency in accordance with NBC TG 21 applicable to the preparation of Quarterly Information Form (ITR) and on consolidated quarterly information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Independent auditor's review report fon quarterly information

Shareholders, Board of Directors and Officers of
LOG Commercial Properties e Participações S.A.
Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of LOG Commercial Properties e Participações S.A. for the quarter ended June 30, 2023, comprising the statement of financial position as of June 30, 2023 and the related statements of profit or loss and of comprehensive income, for the three and six-month periods then ended and the changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The above mentioned quarterly information include the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2023, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Belo Horizonte (MG), August 03, 2023.

ERNST & YOUNG
Auditores Independentes S.S. Ltda.
CRC-SP015199/O

Bruno Costa Oliveira
Contador CRC-BA031359/O

STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2023 AND DECEMBER 31, 2022

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		6/30/23	12/31/22	6/30/23	12/31/22
Assets					
Current assets					
Cash and cash equivalents	3	464.267	297.733	442.215	295.841
Marketable securities	3	184.197	206.592	174.032	190.271
Receivables	4	118.601	112.887	72.813	54.455
Recoverable taxes		39.695	25.810	29.926	23.681
Prepaid expenses		2.916	3.046	1.976	1.188
Derivative financial instruments	19 (a)	9.999	-	9.999	-
Other assets		2.169	2.229	1.003	1.031
		821.844	648.297	731.964	566.467
Noncurrent assets held for sale	6	165.000	-	106.620	-
Total current assets		986.844	648.297	838.584	566.467
Noncurrent assets					
Marketable securities	3	233.537	226.773	229.844	222.783
Derivative financial instruments	19 (a)	62.672	1.270	62.672	1.270
Receivables	4	417.384	107.316	96.331	55.710
Receivables from related parties	18	-	-	-	5.361
Prepaid expenses		5.913	13.258	1.112	1.507
Recoverable taxes		42.133	43.464	38.243	41.883
Deferred income tax and social contribution	11 (b)	69.623	47.871	69.623	47.871
Other assets		17.126	14.458	22.191	17.610
Total long-term realisable		848.388	454.410	520.016	393.995
Investments in subsidiaries and joint ventures	5	153.148	148.084	3.628.669	3.335.020
Investment property	6	4.216.155	4.878.721	1.059.040	1.285.418
Property and equipment	7	17.015	15.416	16.989	15.408
Intangible assets		7.163	5.678	7.163	5.678
Total noncurrent assets		5.241.869	5.502.309	5.231.877	5.035.519
Total assets		6.228.713	6.150.606	6.070.461	5.601.986
Liabilities and equity					
Current liabilities					
Suppliers		33.556	43.365	8.360	6.830
Loans, financing and debentures	8	262.088	181.379	258.358	177.770
Land payables	9	3.000	8.813	3.000	-
Advances from customers		16.913	5.787	10.682	-
Derivative financial instruments	19 (a)	-	39.135	-	39.135
Labor and social liabilities		13.187	13.714	8.790	10.721
Tax liabilities		28.950	19.222	13.579	11.611
Barbers	10	49.427	61.994	-	1.686
Deferred taxes	11 (b)	5.133	5.806	416	416
Lease liability	13	757	614	698	556
Dividend payable	14 (c)	-	91.692	-	91.692
Intercompany payables	18	-	-	246.352	-
Other liabilities		5.005	8.208	329	633
Total current liabilities		418.016	479.729	550.564	341.050
Noncurrent liabilities					
Loans, financing and debentures	8	1.790.783	1.592.705	1.777.562	1.579.253
Derivative financial instruments	19 (a)	341	6.906	341	6.906
Barbers	10	99.113	134.712	68.538	66.853
Deferred taxes	11 (b)	139.110	109.116	6.442	832
Land payables	9	10.000	13.000	10.000	13.000
Advances from customers		-	42.841	-	-
Provisions for labor, tax and civil risks	12	2.889	2.345	188	144
Lease liability	13	106.218	101.101	9.193	7.881
Other liabilities		16.350	4.313	3.520	1.414
Total noncurrent liabilities		2.164.804	2.007.039	1.875.784	1.676.283
Total liabilities		2.582.820	2.486.768	2.426.348	2.017.333
Equity					
Paid-in capital		2.735.382	2.735.382	2.735.382	2.735.382
Treasury shares		(53.057)	(51.552)	(53.057)	(51.552)
Capital reserves		11.285	9.970	11.285	9.970
Earnings reserve		880.267	890.853	880.267	890.853
Retained earnings		70.236	-	70.236	-
Equity attributable to Company shareholders		3.644.113	3.584.653	3.644.113	3.584.653
Noncontrolling interests	14 (e)	1.780	79.185	-	-
Total equity		3.645.893	3.663.838	3.644.113	3.584.653
Total liabilities and equity		6.228.713	6.150.606	6.070.461	5.601.986

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

STATEMENTS OF PROFIT OR LOSS FOR THE THREE AND SIX MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

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

	Notes	Consolidated				Parent Company			
		2023		2022		2023		2022	
		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	57.424	124.436	54.308	95.100	20.758	40.925	21.082	36.117
Costs of services provided - condominium management	16	(863)	(1.751)	(709)	(1.377)	(863)	(1.751)	(709)	(1.377)
Gross profit		56.561	122.685	53.599	93.723	19.895	39.174	20.373	34.740
Operating income (expenses)									
Selling expenses	16	(2.834)	(5.279)	(3.442)	(6.163)	(1.729)	(3.268)	(2.468)	(4.311)
General and administrative expenses	16	(9.138)	(17.794)	(6.447)	(14.335)	(7.816)	(15.349)	(6.001)	(13.528)
Management compensation	16	(1.809)	(3.619)	(1.719)	(3.345)	(1.809)	(3.619)	(1.719)	(3.345)
Changes in the fair value of investment property	6	115.443	116.192	103.641	201.929	(4.211)	(4.211)	(18.728)	(16.096)
Other operating income (expenses), net	16	(89.378)	(91.888)	(1.043)	(2.436)	(27.993)	(28.572)	(838)	(2.030)
Results from equity interest in investees	5	659	2.565	2.456	4.682	61.516	95.444	136.028	254.042
Income before financial income and taxes		69.504	122.862	147.045	274.055	37.853	79.599	126.647	249.472
Financial income (expenses)									
Financial expenses	17	(23.153)	(69.609)	(66.043)	(74.240)	(19.691)	(60.990)	(65.747)	(73.437)
Financial income	17	15.350	35.705	21.931	43.685	10.940	29.875	21.376	39.756
Income before taxes		61.701	88.958	102.933	243.500	29.102	48.484	82.276	215.791
Income tax and social contribution									
Current		(20.798)	(29.159)	(3.328)	(7.053)	-	-	-	-
Deferred	11	3.096	13.288	12.243	7.735	13.647	21.752	17.513	15.446
	11	(17.702)	(15.871)	8.915	682	13.647	21.752	17.513	15.446
Net income for the period		43.999	73.087	111.848	244.182	42.749	70.236	99.789	231.237
Net income attributable to:									
Shareholders of the Company		42.749	70.236	99.789	231.237				
Noncontrolling interests	14 (e)	1.250	2.851	12.059	12.945				
		43.999	73.087	111.848	244.182				
Earnings per share (In Reais - R\$):									
Basic	14 (f)	0,42796	0,70313	0,98869	2,28900	0,42796	0,70313	0,98869	2,28900
Diluted	14 (f)	0,42791	0,70313	0,98814	2,28610	0,42791	0,70313	0,98814	2,28610

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, 2023 AND 2022

(In thousands of Brazilian reais - R\$)

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	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	43.999	73.087	111.848	244.182	42.749	70.236	99.789	231.237
Other components of comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	43.999	73.087	111.848	244.182	42.749	70.236	99.789	231.237
Comprehensive income attributable to:								
Shareholders of the Company	42.749	70.236	99.789	231.237				
Noncontrolling interests	1.250	2.851	12.059	12.945				
	43.999	73.087	111.848	244.182				

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, 2023 AND 2022

(In thousands of Brazilian reais - R\$)

	Paid-in capital		Treasury shares	Capital reserves		Earnings reserves		Retained earnings	Equity attributable to Company shareholders (Parent Company)	Noncontrolling interests	Total (Consolidated)
	Subscript	Share issuance costs		Share issuance costs	Recognized options granted	Legal	Earnings retention				
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)	-	-	-	-
Share issuance cost reclassification	-	-	-	-	-	-	-	-	-	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
Income of 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
BALANCE AT DECEMBER 31, 2022	2.753.976	(18.594)	(51.552)	-	9.970	71.935	818.918	-	3.584.653	79.185	3.663.838
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(528)	(528)
Treasury shares:											
Purchased	-	-	(2.568)	-	-	-	-	-	(2.568)	-	(2.568)
Sold	-	-	1.063	-	-	-	(231)	-	832	-	832
Stock options	-	-	-	-	1.315	-	-	-	1.315	-	1.315
Capital transaction	-	-	-	-	-	-	(10.355)	-	(10.355)	(79.728)	(90.083)
Net income for the period	-	-	-	-	-	-	-	70.236	70.236	2.851	73.087
BALANCE AT JUNE 30, 2023	2.753.976	(18.594)	(53.057)	-	11.285	71.935	808.332	70.236	3.644.113	1.780	3.645.893

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

STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022 - INDIRECT METHOD
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		1 st half of		1 st half of	
		2023	2022	2023	2022
Cash flows from operating activities					
Net Income for the period		73.087	244.182	70.236	231.237
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	1.825	614	866	612
Results from equity participation	5	(2.565)	(4.682)	(95.444)	(254.042)
Amortization of prepaid expenses		1.335	2.371	312	1.734
Allowance for expected credit loss		466	(6)	6	(119)
Financial result		47.885	38.143	42.409	40.395
Results on sale of partial equity interest in subsidiary		86.385	-	27.701	-
Deferred taxes		(15.350)	2.128	(21.994)	(15.446)
Changes in the fair value of investment property	6	(115.829)	(211.626)	4.211	16.096
Stock options	16	1.315	1.185	1.315	1.185
		78.554	72.309	29.618	21.652
(Increase) decrease in operating assets:					
Trade accounts receivable		24.428	6.307	3.165	(2.686)
Recoverable taxes		(12.554)	(14.919)	(2.605)	(13.575)
Prepaid expenses		6.140	(1.757)	(705)	(242)
Other assets		(2.608)	(2.925)	(4.553)	14.774
Increase (decrease) in operating liabilities:					
Suppliers		(9.809)	(31.967)	1.530	(8.100)
Labor and social liabilities		(527)	2.581	(1.931)	851
Tax liabilities		19.189	11.026	(3.670)	2.450
Intercompany payables		-	-	246.352	-
Other liabilities		(16.349)	(11.695)	(6.543)	(10.881)
Income tax and social contribution paid		(28.619)	(9.356)	-	(558)
Cash provided by operating activities		57.845	19.604	260.658	3.685
Cash flows from investing activities					
Increase in marketable securities		(426.776)	(384.110)	(356.924)	(296.497)
Decrease in marketable securities		461.434	632.659	383.457	399.535
Increase in / acquisition of investments		(2.499)	(4.481)	(276.507)	(256.490)
Dividends received from subsidiaries	5 (c)	-	3.760	111.798	9.399
Aquisition of investment properties		(286.370)	(518.976)	(5.915)	(73.064)
Receipt for the sale of subsidiaries / assets		405.583	7.510	62.182	7.510
Receipts from related companies		-	-	5.401	-
Other		(3.132)	(3.972)	(2.155)	(3.982)
Net cash provided by (used in) investing activities		148.240	(267.610)	(78.663)	(213.589)
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		242.011	293.014	242.011	293.014
Amortization of loans, financing and debentures	8 (a)	(21.770)	(61.771)	(20.541)	(60.676)
Interest paid		(101.766)	(45.256)	(99.593)	(43.065)
Lease payments		(323)	(207)	(323)	(207)
Dividend paid	14 (c)	(91.692)	(87.627)	(91.692)	(87.627)
(Payment) receipt on derivative financial instrument		(63.747)	(7.811)	(63.747)	(7.811)
Disposal (acquisition) of treasury shares	14 (b)	(1.736)	(7.656)	(1.736)	(7.656)
Proceeds from exercised stock options		-	37	-	37
Contributions from noncontrolling shareholders	14 (e)	(528)	40.892	-	-
Net cash (used in) provided by financing activities		(39.551)	123.615	(35.621)	86.009
Increase (decrease) in cash and cash equivalents		166.534	(124.391)	146.374	(123.895)
Cash and cash equivalents					
At the beginning of the period		297.733	207.564	295.841	206.623
At the end of the period		464.267	83.173	442.215	82.728
Increase (decrease) in cash and cash equivalents		166.534	(124.391)	146.374	(123.895)

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

STATEMENTS OF ADDED VALUE FOR THE SIX MONTHS PERIODS ENDED JUNE 30, 2023 AND 2022

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		1 st half of		1 st half of	
		2023	2022	2023	2022
Revenue:					
Revenues from lease and services provided	6	131.966	101.410	45.280	40.138
Other revenue		(44.341)	(1.280)	(5.708)	405
Changes in the fair value of investment property		115.829	211.626	(4.211)	(16.096)
Revenue from construction of own assets		322.385	530.615	5.424	71.246
Allowance for expected credit loss		(466)	6	(6)	119
		525.373	842.377	40.779	95.812
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(239.900)	(446.684)	(24.800)	(74.421)
		(239.900)	(446.684)	(24.800)	(74.421)
Gross added value		285.473	395.693	15.979	21.391
Depreciation	16	(1.825)	(614)	(866)	(612)
Net wealth created		283.648	395.079	15.113	20.779
Added value received in transfer					
Results from equity interest in investees	5	2.565	4.682	95.444	254.042
Financial income		37.092	45.797	31.243	41.685
		39.657	50.479	126.687	295.727
Total wealth for distribution		323.305	445.558	141.800	316.506
Wealth distributed					
Personnel:					
		31.438	31.224	15.680	17.473
Salaries and wages		24.724	25.092	12.870	14.811
Benefits		5.399	4.789	2.240	2.022
Severance pay fund (FGTS)		1.315	1.343	570	640
Taxes and fares:					
		77.975	25.557	(743)	(5.240)
Federal		76.310	23.648	(1.038)	(6.129)
State		-	14	-	13
Municipal		1.665	1.895	295	876
Lenders and lessors:					
		140.805	144.595	56.627	73.036
Interest		109.533	111.653	55.111	65.541
Rentals / Leases		31.080	32.801	1.464	7.462
Other		192	141	52	33
Shareholders:					
		73.087	244.182	70.236	231.237
Retained earnings		70.236	231.237	70.236	231.237
Noncontrolling interests	14 (e)	2.851	12.945	-	-
Wealth distributed		323.305	445.558	141.800	316.506

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

LOG Commercial Properties e Participações S.A.

Notes to the Interim Condensed Financial Statements

June 30, 2023

In thousands of Brazilian reais - R\$, except if otherwise stated.

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., 10th floor, Belo Horizonte city, Minas Gerais, by CNPJ (taxpayer identification number) 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, Pará, Sergipe, Bahia, Alagoas 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 Parent Company financial statements prepared in accordance with CPC 21 (R1) - Demonstração Intermediária (Interim Financial Reporting), identified as Parent Company.

The Parent Company 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, 2022.

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, 2022.

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, 2023 which had material effects on the Group's financial statements.

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Cash and cash equivalents:				
Cash	11	1	11	1
Bank accounts	1,215	3,173	630	1,281
Short-term investments:				
Bank certificates of deposit (CDB)	247,052	185,190	235,448	185,190
Unrestricted investment funds	206,126	79,356	206,126	79,356
Securities with repurchase agreement backed by debentures	9,863	30,013	-	30,013
Total cash and cash equivalents	464,267	297,733	442,215	295,841

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Marketable securities:				
Restricted investment funds (i)	414,293	429,877	403,876	413,054
Investment funds (ii)	3,441	3,257	-	-
Bank certificates of deposit (CDB) (iii)	-	231	-	-
Total marketable securities	417,734	433,365	403,876	413,054
Current	184,197	206,592	174,032	190,271
Noncurrent	233,537	226,773	229,844	222,783
	417,734	433,365	403,876	413,054

(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 guarantee for the 12th debenture.

(iii) Pledged as collateral for financings.

Short-term investments and marketable securities yielded interest equivalent to 90.3% of CDI in Consolidated and 90.1% of CDI in Parent Company in the six-month period ended June 30, 2023 (115.8% of CDI in Consolidated and 117.4 of CDI in Parent Company for the same period of 2022).

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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Bank certificates of deposit (CDB)	3,815	2,928	3,546	2,325
Securities with repurchase agreement	-	561	-	446
Investment funds	9,884	9,846	9,186	7,820
Debentures	25,309	30,868	23,816	27,536
Private bonds	64,817	139,832	60,906	132,862
Public securities:				
Financial Treasury Bills (LFT)	33,851	9,160	32,167	7,666
National Treasury Notes - B (NTN-B)	230,096	223,284	229,844	222,783
National Treasury Bills (LTN)	29,849	8,613	27,742	6,841
Others	16,672	4,785	16,669	4,775
Total	414,293	429,877	403,876	413,054

The Company assessed the credit risk of the counterparty of its financial investments as described in Note 19. Other information on cash and market table securities did not significantly change in relation to the information disclosed in Note 3 to the financial statements for the year ended December 31, 2022.

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Rentals	61,395	59,686	18,404	20,154
Sale of equity interest / assets	470,500	155,615	136,978	80,319
Condominium administration	738	868	738	868
Others (*)	14,512	14,728	16,306	12,100
	547,145	230,897	172,426	113,441
Allowance for expected credit loss	(11,160)	(10,694)	(3,282)	(3,276)
Total	535,985	220,203	169,144	110,165
Current	118,601	112,887	72,813	54,455
Noncurrent	417,384	107,316	96,331	55,710
	535,985	220,203	169,144	110,165

(*) Others refers substantially to accounts receivable from partners in projects.

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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
SPE LOG SJC Sony (Note 18 [5])	14,326	13,970	14,326	13,970
Plaza Mirante Sul	-	1,853	-	1,853
SPE LOG PIB Meli (*)	37,973	75,296	-	-
Plaza Top Life	9,785	11,568	9,785	11,568
Torino	53,757	52,928	53,757	52,928
LOG Goiânia II (Note 6)	59,110	-	59,110	-
SPE LOG Recife (Note 6)	170,867	-	-	-
SPE LOG Itaitinga I (Note 6)	124,682	-	-	-
	470,500	155,615	136,978	80,319
Current	86,762	80,708	60,104	43,047
Noncurrent	383,738	74,907	76,874	37,272
	470,500	155,615	136,978	80,319

(*) In March 2023, the Company partially sold this receivable to Banco Inter (Note 18 [10]). In this operation, a security in the total amount of R\$38,500 was derecognised, with the net amount of R\$36,326 received in cash by the Company. The difference between the book value of the derecognized security and the amount of consideration received was recognized in profit or loss under "Financial expenses" in the amount of R\$2,174. The Company derecognized the title of the statement of financial position according to item 3.2.12 of CPC 48 / IFRS 9 – Financial instruments.

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

The table below shows the aging list of trade receivables:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
In due:				
Up to 12 months	118,079	112,531	71,807	52,606
After 12 months	417,384	107,316	96,331	55,710
	535,463	219,847	168,138	108,316
Past due:				
Up to 30 days	1,262	549	562	209
31 to 90 days	1,257	928	707	357
More than 90 days	9,163	9,573	3,019	4,559
	11,682	11,050	4,288	5,125
Total	547,145	230,897	172,426	113,441

Changes in the allowance for expected credit loss for the six-month period ended June 30, 2023 and 2022 are as follows, carried out on the balances of trade receivable from rentals:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	(10,694)	(9,560)	(3,276)	(3,161)
Additions	(589)	(181)	(129)	(68)
Write-off	123	187	123	187
Closing balance	<u>(11,160)</u>	<u>(9,554)</u>	<u>(3,282)</u>	<u>(3,042)</u>

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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
12 months	216,639	248,899	58,661	66,735
13 to 24 months	210,736	223,341	47,757	55,221
25 to 36 months	173,927	193,233	40,345	45,558
37 to 48 months	146,434	162,224	29,631	36,660
49 to 36 months	105,352	121,680	10,373	14,693
After 60 months	273,172	290,208	14,205	16,836
Total	<u>1,126,260</u>	<u>1,239,586</u>	<u>200,972</u>	<u>235,702</u>

Other information on cash did not significantly change in relation to the information disclosed in Note 4 to the financial statements for the year ended December 31, 2022.

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees		Investment	
	6/30/23	12/31/22	Equity		6/30/23	12/31/22
			6/30/23	12/31/22		
Joint ventures:						
Loteamento Betim	50.00%	50.00%	142,704	131,979	71,352	65,989
LOG SJC Sony	64.97%	64.97%	109,170	109,179	70,928	70,934
Others			1,609	(71)	261	252
Capitalized interest (a)			-	-	10,607	10,909
Total joint ventures - Consolidated			253,483	241,087	153,148	148,084
Subsidiaries:						
LOG I	100.00%	100.00%	159,867	158,931	159,867	158,931
LOG II	100.00%	100.00%	59,867	59,593	59,867	59,593
LOG Jundiaí	100.00%	100.00%	95,555	95,790	95,555	95,790
LOG Goiânia	100.00%	100.00%	158,182	157,654	158,182	157,654
LOG Hortolândia	100.00%	100.00%	136,047	135,750	136,047	135,750
LOG SJP	100.00%	100.00%	53,420	62,318	53,420	62,318
LOG Juiz de Fora	100.00%	100.00%	111,896	109,912	111,896	109,912
LOG Feira de Santana	100.00%	100.00%	41,122	41,230	41,122	41,230
LOG Fortaleza	100.00%	100.00%	149,635	149,874	149,635	149,874
LOG Via Expressa	100.00%	100.00%	176,784	176,474	176,784	176,474
LOG Viana	100.00%	100.00%	137,676	136,536	137,676	136,536
LOG Londrina	100.00%	100.00%	129,424	130,026	129,424	130,026
LOG Itaitiaia	100.00%	100.00%	64,804	64,358	64,804	64,358
LOG Aracajú	100.00%	100.00%	78,247	78,043	78,247	78,043
LOG Extrema	97.48%	97.48%	1,659	637	1,617	621
LOG Uberaba	100.00%	100.00%	45,821	45,509	45,821	45,509
LOG Itaitinga I	100.00%	100.00%	228,901	361,871	228,901	361,871
LOG Recife	100.00%	81.50%	295,400	428,876	295,400	349,701
LOG Itapeva	100.00%	100.00%	110,813	108,956	110,813	108,956
LOG PIB Meli	100.00%	100.00%	35,307	69,465	35,307	69,465
LOG Salvador	100.00%	100.00%	228,104	148,438	228,104	148,438
LOG Maceió	100.00%	100.00%	82,323	28,439	82,323	28,439
LOG Sumaré	100.00%	100.00%	33	33	33	33
LOG SJRP	100.00%	100.00%	23,916	23,683	23,916	23,683
LOG Macaé	100.00%	100.00%	14,257	14,140	14,257	14,140
LOG RP	100.00%	100.00%	60,063	56,436	60,063	56,436
LOG Viana II	100.00%	100.00%	189,116	166,289	189,116	166,289
LOG Natal	100.00%	100.00%	39,127	31,159	39,127	31,159
LOG Contagem IV	100.00%	100.00%	108,177	85,432	108,177	85,432
LOG Teresina	100.00%	100.00%	-	11	-	11
LOG Campo Grande	100.00%	100.00%	29,350	11,748	29,350	11,748
LOG Brasília	100.00%	100.00%	89,349	58,663	89,349	58,663
LOG Cuiabá	100.00%	100.00%	822	760	822	760
LOG Joinville	100.00%	100.00%	1,092	986	1,092	986
LOG Itaitinga II	100.00%	100.00%	180,741	20,192	180,741	20,192
LOG Goiânia III	100.00%	100.00%	934	56	934	56
LOG Betim III	100.00%	100.00%	1	2	1	2
LOG Gravataí II	100.00%	100.00%	-	2	-	2
LOG São Bernardo do Campo	100.00%	100.00%	67,699	4,210	67,699	4,210
LOG Contagem V	100.00%	0.00%	2	-	2	-
LDI	100.00%	100.00%	1,260	1,232	1,260	1,232
LE Empreendimentos	98.08%	99.00%	90,508	42,841	88,770	42,413
Total subsidiaries			3,477,301	3,266,555	3,475,521	3,186,936
Total Parent Company			3,730,784	3,507,642	3,628,669	3,335,020

(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, 2022).

	Equity interest		Information on investees				Results from equity participation for the			
			Net income (loss) for the							
			2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
	6/30/23	6/30/22	2023	2022	2023	2022	2023	2022	2023	2022
Joint ventures:										
Torino	0.00%	40.00%	-	6,925	-	13,067	-	2,770	-	5,227
Loteamento Betim	50.00%	50.00%	1,944	451	6,165	721	972	46	3,083	96
LOG SJC Sony	64.97%	64.97%	(19)	(18)	(37)	(32)	(12)	(12)	(24)	(21)
Others			(909)	(1,681)	(1,147)	(3,045)	(153)	(281)	(192)	(508)
Capitalized interest (a)			-	-	-	-	(148)	(67)	(302)	(112)
Total joint ventures - Consolidated			1,016	5,677	4,981	10,711	659	2,456	2,565	4,682
Subsidiaries:										
LOG I	100.00%	100.00%	2,751	2,673	5,436	5,129	2,751	2,673	5,436	5,129
LOG II	100.00%	99.99%	809	691	1,567	1,497	809	690	1,567	1,496
LOG Jundiá	100.00%	99.99%	1,166	968	2,112	1,483	1,166	967	2,112	1,482
LOG Goiânia	100.00%	100.00%	2,610	2,491	5,078	4,858	2,610	2,491	5,078	4,858
LOG Hortolândia	100.00%	99.99%	1,862	2,007	4,027	3,917	1,862	2,006	4,027	3,916
LOG SJP	100.00%	100.00%	(2,743)	709	(2,232)	1,343	(2,743)	709	(2,232)	1,343
LOG Juiz de Fora	100.00%	99.99%	2,058	1,964	4,011	3,500	2,058	1,964	4,011	3,499
LOG Feira de Santana	100.00%	99.99%	495	570	1,049	1,090	495	570	1,049	1,089
LOG Fortaleza	100.00%	100.00%	2,070	3,844	4,029	5,830	2,070	3,844	4,029	5,830
LOG Via Expressa	100.00%	99.99%	2,197	2,377	4,383	4,460	2,197	2,377	4,383	4,460
LOG Viana	100.00%	99.99%	2,297	1,992	4,581	3,995	2,297	1,992	4,581	3,995
LOG Londrina	100.00%	99.99%	906	1,889	1,993	4,531	906	1,889	1,993	4,531
LOG Itatiaia	100.00%	99.99%	893	486	1,608	963	893	486	1,608	963
LOG Aracajú	100.00%	99.99%	1,098	1,068	2,253	2,137	1,098	1,067	2,253	2,137
LOG Extrema	97.48%	97.48%	(17)	84	1,022	3,181	(17)	82	996	3,096
LOG Uberaba	100.00%	99.00%	510	669	1,233	1,330	510	661	1,233	1,317
LOG Itaitinga I	100.00%	100.00%	(40,151)	5,421	(36,051)	101,048	(40,151)	5,421	(36,051)	101,048
LOG Recife	100.00%	80.00%	(29,166)	60,284	(22,239)	64,325	(29,166)	48,227	(22,239)	51,460
LOG Itapeva	100.00%	99.99%	1,602	1,732	3,213	2,641	1,602	1,732	3,213	2,641
LOG PIB Meli	100.00%	100.00%	(946)	4,843	(5,314)	7,728	(946)	4,843	(5,314)	7,728
LOG Salvador	100.00%	100.00%	6,696	202	11,772	285	6,696	202	11,772	285
LOG Maceió	100.00%	100.00%	(472)	56	989	108	(472)	56	989	108
LOG Sumaré	100.00%	99.99%	1	-	-	-	1	-	-	-
LOG SJRP	100.00%	99.99%	(19)	457	(37)	814	(19)	456	(37)	814
LOG Macaé	100.00%	99.99%	(19)	(18)	(37)	(32)	(19)	(18)	(37)	(32)
LOG RP	100.00%	99.99%	1,000	970	2,039	1,742	1,000	970	2,039	1,742
LOG Viana II	100.00%	100.00%	1,661	4,258	11,837	6,846	1,661	4,258	11,837	6,846
LOG Natal	100.00%	100.00%	732	17,938	1,346	17,937	732	17,938	1,346	17,937
LOG Contagem IV	100.00%	100.00%	2,308	47,612	4,450	47,611	2,308	47,612	4,450	47,611
LOG Teresina	100.00%	100.00%	(25)	(1)	(61)	(2)	(25)	(1)	(61)	(2)
LOG Campo Grande	100.00%	100.00%	17,410	(1)	17,392	(1)	17,410	(1)	17,392	(1)
LOG Brasília	100.00%	100.00%	449	(1)	380	(1)	449	(1)	380	(1)
LOG Cuiabá	100.00%	100.00%	(20)	-	(38)	-	(20)	-	(38)	-
LOG Joinville	100.00%	100.00%	(19)	-	(36)	-	(19)	-	(36)	-
LOG Itaitinga II	100.00%	0.00%	4,450	-	7,753	-	4,450	-	7,753	-
LOG Goiânia III	100.00%	0.00%	(1)	-	(1)	-	(1)	-	(1)	-
LOG Betim III	100.00%	100.00%	(1)	-	(1)	-	(1)	-	(1)	-
LOG Gravataí II	100.00%	100.00%	(1)	-	(1)	-	(1)	-	(1)	-
LOG São Bernardo do Campo	100.00%	0.00%	60,179	-	60,179	-	60,179	-	60,179	-
LOG Contagem V	100.00%	0.00%	(1)	-	(1)	-	(1)	-	(1)	-
LDI	100.00%	100.00%	15	11	28	22	15	11	28	22
LE Empreendimentos	98.08%	99.00%	38,134	(21)	37,770	(35)	37,402	(21)	37,045	(35)
Capitalized interest (a)			-	-	-	-	(21,169)	(22,580)	(43,851)	(37,952)
Total subsidiaries			82,758	168,224	137,481	300,280	60,857	133,572	92,879	249,360
Total Parent Company			83,774	173,901	142,462	310,991	61,516	136,028	95,444	254,042

(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, 2022).

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Loteamento Betim		LOG SJC Sony	
	6/30/23	12/31/22	6/30/23	12/31/22
Cash and cash equivalents and marketable securities	1,039	8	3	3
Trade receivables	4,503	1,853	-	-
Inventories	39,867	41,841	-	-
Other current assets	11	30	-	-
Total current	45,420	43,732	3	3
Trade receivables	3,793	1,271	-	-
Inventories	97,072	90,681	-	-
Investment property	-	-	113,100	113,100
Other noncurrent assets	25	-	-	-
Total noncurrent assets	100,890	91,952	113,100	113,100
Total assets	146,310	135,684	113,103	113,103
Current liabilities	3,420	3,682	13	5
Noncurrent liabilities	186	23	3,920	3,919
Equity	142,704	131,979	109,170	109,179
Liabilities and equity	146,310	135,684	113,103	113,103

	Torino		Loteamento Betim		LOG SJC Sony	
	1 st half of		1 st half of		1 st half of	
	2023	2022	2023	2022	2023	2022
Operating revenue	-	15,659	11,071	2,915	-	-
Cost of products and services	-	-	(4,563)	(1,873)	-	-
Other operating expenses	-	(948)	(14)	(34)	(36)	(31)
Financial income (expenses)	-	177	25	(1)	(1)	(1)
Income tax and social contribution	-	(1,821)	(354)	(286)	-	-
Net income (loss)	-	13,067	6,165	721	(37)	(32)

- c) Changes in the balances of investments in subsidiaries and joint ventures in the six-month period ended June 30, 2023 and 2022 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity interest in investees	Dividends received	Other	Closing balances
<u>Six month period ended June 30, 2023:</u>							
<u>Joint ventures:</u>							
Loteamento Betim	3/18	65,989	2,280	3,083	-	-	71,352
LOG SJC Sony	-	70,934	18	(24)	-	-	70,928
Others	-	252	201	(192)	-	-	261
Capitalized interest (a)		10,909	-	(302)	-	-	10,607
Total joint ventures - Consolidated		148,084	2,499	2,565	-	-	153,148
<u>Subsidiaries:</u>							
LOG I	2/09	158,931	2,003	5,436	(6,503)	-	159,867
LOG II	3/11	59,593	587	1,567	(1,880)	-	59,867
LOG Jundiaí	4/11	95,790	669	2,112	(3,016)	-	95,555
LOG Goiânia	4/12	157,654	1,443	5,078	(5,993)	-	158,182
LOG Hortolândia	9/12	135,750	1,399	4,027	(5,129)	-	136,047
LOG SJP	4/13	62,318	107	(2,232)	(6,773)	-	53,420
LOG Juiz de Fora	6/13	109,912	993	4,011	(3,020)	-	111,896
LOG Feira de Santana	6/13	41,230	314	1,049	(1,471)	-	41,122
LOG Fortaleza	8/13	149,874	3,047	4,029	(7,315)	-	149,635
LOG Via Expressa	11/13	176,474	1,320	4,383	(5,393)	-	176,784
LOG Viana	4/14	136,536	449	4,581	(3,890)	-	137,676
LOG Londrina	6/14	130,026	1,201	1,993	(3,796)	-	129,424
LOG Itatiaia	7/14	64,358	764	1,608	(1,926)	-	64,804
LOG Aracajú	10/18	78,043	736	2,253	(2,785)	-	78,247
LOG Extrema	10/19	621	-	996	-	-	1,617
LOG Uberaba	9/20	45,509	876	1,233	(1,797)	-	45,821
LOG Itaitinga I	9/21	361,871	(86,649)	(36,051)	(10,270)	-	228,901
LOG Recife (b)	5/22	349,701	10,469	(22,239)	(32,871)	(9,660)	295,400
LOG Itapeva	8/22	108,956	1,554	3,213	(2,910)	-	110,813
LOG PIB Meli	8/22	69,465	(28,844)	(5,314)	-	-	35,307
LOG Salvador	6/23	148,438	68,143	11,772	(249)	-	228,104
LOG Maceió	6/23	28,439	54,453	989	(1,558)	-	82,323
LOG Sumaré	-	33	-	-	-	-	33
LOG SJRP	-	23,683	270	(37)	-	-	23,916
LOG Macaé	-	14,140	154	(37)	-	-	14,257
LOG RP	-	56,436	1,588	2,039	-	-	60,063
LOG Viana II	4/23	166,289	13,808	11,837	(2,818)	-	189,116
LOG Natal	-	31,159	6,622	1,346	-	-	39,127
LOG Contagem IV	-	85,432	18,303	4,450	(8)	-	108,177
LOG Teresina	-	11	50	(61)	-	-	-
LOG Campo Grande	-	11,748	210	17,392	-	-	29,350
LOG Brasília	-	58,663	30,491	380	(185)	-	89,349
LOG Cuiabá	-	760	100	(38)	-	-	822
LOG Joinville	-	986	142	(36)	-	-	1,092
LOG Itaitinga II	-	20,192	153,038	7,753	(242)	-	180,741
LOG Goiânia III	-	56	879	(1)	-	-	934
LOG Betim III	-	2	-	(1)	-	-	1
LOG Gravataí II	-	2	(1)	(1)	-	-	-
LOG São Bernardo do Campo	-	4,210	3,310	60,179	-	-	67,699
LOG Contagem V	-	-	3	(1)	-	-	2
LDI	-	1,232	-	28	-	-	1,260
LE Empreendimentos	-	42,413	10,007	37,045	-	(695)	88,770
Capitalized interest (a)		-	-	(43,851)	-	43,851	-
Total subsidiaries		3,186,936	274,008	92,879	(111,798)	33,496	3,475,521
Total Parent Company		3,335,020	276,507	95,444	(111,798)	33,496	3,628,669
<u>Six month period ended June 30, 2022:</u>							
Total Consolidated		313,663	4,481	4,682	(3,760)	-	319,066
Total Parent Company		2,681,877	256,490	254,042	(9,399)	37,952	3,220,962

(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, 2022).

(b) Others refers to the effects of the partial spin-off of this investee for the purpose of the subsequent sale of its investment property, as presented in Note 6.

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, 2022.

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		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Industrial warehouses	4,214,037	4,876,661	1,056,922	1,283,358
Strip malls	2,118	2,060	2,118	2,060
Total	4,216,155	4,878,721	1,059,040	1,285,418

Changes in balances of investment property for the six-month period ended June 30, 2023 and 2022 were as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	4,878,721	3,772,706	1,285,418	1,290,715
Additions	231,899	516,667	5,914	100,397
Right-of-use of land (*)	(957)	-	-	-
Capitalized interest (Note 8 (d))	43,852	40,932	-	2,977
Sale of assets	(796,167)	-	(121,461)	-
Transfer for noncurrent assets available for sale	(165,000)	-	(106,620)	-
Write-off due to spin-off in subsidiary	(92,022)	-	-	-
Transfer of investment properties to SPE	-	-	-	(42,036)
Changes in fair value	115,829	211,626	(4,211)	(16,096)
Closing balance	4,216,155	4,541,931	1,059,040	1,335,957

(*) Right-of-use of land in LOG Brasília, LOG Barreiro I and LOG Barreiro IV, which will be amortized using the straight-line basis and remeasured at each reporting date, see Note 13.

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

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Changes in fair value of investment property	115,829	211,626	(4,211)	(16,096)
Deferred PIS/COFINS	363	(9,697)	-	-
Changes in fair value of investment property in profit or loss	116,192	201,929	(4,211)	(16,096)

Fair value of the investment properties has been determined at June 30, 2023, as follows:

- Completed projects: the discounted cash flow assumptions described in the financial statements of December 31, 2022 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, 2022 were maintained, increased by the construction cost incurred in the six-month period ended June 30, 2023 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, 2022 were maintained, increased by the construction costs incurred in the six-month period ended June 30, 2023.

- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the six-month period ended June 30, 2023, when applicable.

Sale of assets

On June 1st, 2023, the Group sold assets to property fund “BTG Pactual LOGCP Fundo de Investimento Imobiliário - FII”, as shown below:

	Effect on results			
	LOG Goiânia II	SPE LOG Itaitinga I	SPE LOG Recife	Total
Sales revenue and other related revenue (*)	124,332	262,360	423,734	810,426
Investment property write-off	(121,461)	(272,827)	(401,879)	(796,167)
PIS and COFINS	(11,501)	(12,567)	(19,645)	(43,713)
Others costs and income	(19,071)	(14,371)	(23,489)	(56,931)
Other operating income (expenses), net	(27,701)	(37,405)	(21,279)	(86,385)
PIS e COFINS (Fair Value)	-	2,451	3,910	6,361
Income tax and social contribution	9,396	(7,090)	(15,784)	(13,478)
Gain on sale of assets	(18,305)	(42,044)	(33,153)	(93,502)

(*) Assets sales revenue for the amount of R\$746.3 million, plus IPCA update for unpaid installments, with R\$366.7 million received in cash and the remaining amount to be received after 15 and 26 months. Other related revenue refers to the reimbursement received from the lessee in the amount of R\$64.1 million for improvements made to the assets, which was decisive for the pricing of the sold assets.

Noncurrent assets held for sale

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	-	-	-	-
Transfer of investment property	165,000	-	106,620	-
Closing balance	165,000	-	106,620	-

In the second quarter of 2023, the Group transferred assets of SPE LOG Gravataí and assets of the Company to the line item “Noncurrent assets held for sale”, in view of the intention to sell these assets to “Golgi Fundo de Investimento Imobiliário - FII”. The Company continues to evaluate future disposals of the assets classified in this caption.

As at June 30, 2023, from the total amount of investment property, R\$1,300,839 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,247,461 as at December 31, 2022).

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, 2022.

7. Property and equipment

Changes in property and equipment for the six-month period ended June 30, 2023 and 2022 are as follows:

Consolidated	Opening balance	Addition	Closing balance
Six month period ended June 30, 2023:			
Cost:			
Right-of-use (*)	9,413	1,777	11,190
Other	8,984	404	9,388
Total cost	18,397	2,181	20,578
Accumulated depreciation:			
Right-of-use	1,449	438	1,887
Other	1,532	144	1,676
Total accumulated depreciation	2,981	582	3,563
Total property and equipment, net	15,416	1,599	17,015
Six month period ended June 30, 2022:			
Total property and equipment, net	4,927	6,359	11,286

(*) Company's office rental agreements.

Parent Company	Opening balance	Addition	Closing balance
Six month period ended June 30, 2023:			
Cost:			
Right-of-use (*)	9,413	1,777	11,190
Other	8,779	382	9,161
Total cost	18,192	2,159	20,351
Accumulated depreciation:			
Right-of-use	1,450	438	1,888
Other	1,334	140	1,474
Total accumulated depreciation	2,784	578	3,362
Total property and equipment, net	15,408	1,581	16,989
Six month period ended June 30, 2022:			
Total property and equipment, net	4,903	6,369	11,272

(*) Company's office rental agreements.

8. Loans, financing and debentures

a) Position

Loans, financing and debentures as at June 30, 2023 and December 31, 2022 are as follows:

Type	6/30/23			12/31/22
	Current	Noncurrent	Total	Total
Parent Company:				
Debenture - 12 th issue	10,107	35,003	45,110	50,121
Debenture - 15 th issue (CRI)	7,107	31,500	38,607	42,118
Debenture - 16 th issue (CRI)	19,543	18,182	37,725	47,182
Debenture - 17 th issue	82,865	76,667	159,532	159,532
Debenture - 18 th issue	93,808	166,666	260,474	260,474
Debenture - 19 th issue (CRI) (*)	8,260	505,065	513,325	470,353
Debenture - 20 th issue - 1 st series (CRI)	5,501	130,350	135,851	135,851
Debenture - 20 th issue - 2 nd series (CRI) (*)	3,343	180,719	184,062	171,396
Debenture - 21 st issue	27,475	400,001	427,476	428,321
Debenture - 22 nd issue (CRI)	431	250,000	250,431	-
(-) Funding cost	(6,629)	(18,855)	(25,484)	(20,046)
Total debentures and CRI - Parent Company	251,811	1,775,298	2,027,109	1,745,302
Construction financing	6,652	2,300	8,952	11,914
(-) Funding cost	(105)	(36)	(141)	(193)
Total financing - Parent Company	6,547	2,264	8,811	11,721
Total Parent Company	258,358	1,777,562	2,035,920	1,757,023
Subsidiaries:				
Construction financing (*)	3,808	13,384	17,192	17,346
(-) Funding cost	(78)	(163)	(241)	(285)
Total financing - Subsidiaries	3,730	13,221	16,951	17,061
Total Consolidated	262,088	1,790,783	2,052,871	1,774,084

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

The main features of the Company'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 - 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 st series (CRI)	130,350	4/22	Annual	Semiannual	3/26 to 3/27	CDI + 1.10%	CDI + 1.55%
Debenture - 20 th issue - 2 nd series (CRI)	169,650	4/22	Annual	Semiannual	3/27 to 3/29	IPCA + 6.30%	IPCA + 6.87%
Debenture - 21 st issue	400,000	7/22	Annual	Semiannual	7/26 to 7/27	CDI + 1.65%	CDI + 1.79%
Debenture - 22 nd issue (CRI)	250,000	6/23	Annual	Quarterly	6/26 to 6/28	CDI + 1.70%	CDI + 2.55%
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, 2023 is as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Debenture - 22 nd issue (CRI)	250,000	6/23	Annual	Quarterly	6/26 to 6/28	CDI + 1.70%	250,000
Total - Consolidated and Parent Company							250,000

Changes in loans, financing and debentures were as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	1,774,084	1,267,705	1,757,023	1,248,109
Funding	250,000	300,000	250,000	300,000
Interest expense	124,455	101,614	123,435	100,550
Fair value adjustment	31,564	(19,252)	30,660	(18,351)
Funding cost	(7,989)	(6,986)	(7,989)	(6,986)
Amortization of funding costs	2,647	2,129	2,603	2,080
Repayment of principal	(21,770)	(61,771)	(20,541)	(60,676)
Payment of interest	(100,120)	(43,581)	(99,271)	(42,634)
Closing balance	2,052,871	1,539,858	2,035,920	1,522,092

b) Guarantees

The types of guarantees for loans, financing and debentures as at June 30, 2023 are as follows:

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	26,144	204,642	326,763	557,549
No guaranties	-	687,950	833,238	1,521,188
Total (*)	26,144	892,592	1,160,001	2,078,737

(*) Amount of loans, financing and debentures, gross of funding costs.

c) Aging

Aging of loans, financing and debentures by maturity is as follow:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
<u>After the reporting period:</u>				
12 months	268,900	186,353	265,092	182,659
13 to 24 months	200,792	203,141	197,482	199,936
25 to 36 months	380,222	236,168	376,911	232,963
37 to 48 months	553,439	492,253	550,128	489,048
After 48 months	675,384	676,693	671,932	672,656
Total	2,078,737	1,794,608	2,061,545	1,777,262

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
<u>Financial charges on:</u>				
Loans, financing and debentures	(62,528)	(127,102)	(61,918)	(103,743)
Derivative financial instruments	29	(601)	11,028	15,586
Total financial charges	(62,499)	(127,703)	(50,890)	(88,157)
<u>Interest capitalized on:</u>				
Investment property	21,169	43,852	22,583	40,932
Financial charges allocated to profit or loss (Note 17)	(41,330)	(83,851)	(28,307)	(47,225)

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial charges on:				
Loans, financing and debentures	(62,006)	(126,038)	(61,358)	(102,630)
Derivative financial instruments	29	(601)	11,029	15,586
Total financial charges	(61,977)	(126,639)	(50,329)	(87,044)
Interest capitalized on:				
Investment property (Note 6)	-	-	-	2,977
Investment (Note 5)	21,169	43,851	22,580	37,952
Financial charges allocated to profit or loss (Note 17)	(40,808)	(82,788)	(27,749)	(46,115)

For the six-month period ended June 30, 2023, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 15.7% p.a. in Consolidated (13.27% p.a. for the same period of 2022).

e) Contractual obligations

The 18th, 19th, 20th, 21st and 22nd public issue of debentures and the CRI indenture provides for compliance with certain financial ratios covenants, determined and review quarterly and annually by the fiduciary agent, as follows:

Description - 18 th , 19 th , 20 th , 21 st and 22 nd issue	Required level	Fiscal year
Gross debt / Investment property	Up to 60%	2021 onwards

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

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

On June 30, 2023, the Company was in compliance with the restrictive clauses of its loan, financing and debenture agreements.

Other contractual commitments:

The Company is subject to certain contractual requirements that must be complied throughout the debt period, such as: providing information requested within contractual deadlines; do not perform operations that are not in accordance with its corporate purpose, in compliance with the statutory, legal and regulatory provisions in force; obtaining the mandatory project issuance, according to its defined policies; complying with the payments provided for in the agreements; ensuring compliance with all laws, rules and regulations in any jurisdiction in which conducts businesses or have assets; keeping licenses valid for the business operation; honoring the guarantees provided in the agreements; providing information on material acts and facts that may affect its financial condition or ability to fulfill its obligations; proving the allocation of funds raised in the projects described in the agreements; items related to discontinuation of activities, bankruptcy or insolvency; guarantee completeness of data provided to financial agents; not to transfer rights on contracts without the consent of financial agents; not to have significant changes in statutory structure, without observance of the respective laws, and in the stock control, among others. Failure to comply with the mentioned covenants could result in early maturity of the agreements.

9. Land payables

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
CDI	-	8,813	-	-
IPCA	13,000	13,000	13,000	13,000
Total	13,000	21,813	13,000	13,000
Current	3,000	8,813	3,000	-
Noncurrent	10,000	13,000	10,000	13,000
Total	13,000	21,813	13,000	13,000

Aging of 'Land payables' is as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
<u>After the reporting period:</u>				
12 months	3,000	8,813	3,000	-
13 to 24 months	8,000	6,333	8,000	6,333
After 24 months	2,000	6,667	2,000	6,667
Total	13,000	21,813	13,000	13,000

10. Barter

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.

Barter's maturity is broken down as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
<u>After the reporting period:</u>				
12 months	49,427	61,994	-	1,686
13 to 24 months	11,802	94,315	-	37,853
25 to 36 months	7,296	29,261	3,701	17,864
After 36 months	80,015	11,136	64,837	11,136
Total	148,540	196,706	68,538	68,539
Current	49,427	61,994	-	1,686
Noncurrent	99,113	134,712	68,538	66,853
	148,540	196,706	68,538	68,539

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			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income (loss) before income tax and social contribution	61,701	88,958	102,933	243,500
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(20,978)	(30,246)	(34,997)	(82,790)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	274	975	835	1,592
Unrecognized tax credit	(7,197)	(14,909)	(7,678)	(12,904)
Depreciation of investment property	2,002	4,079	2,270	4,075
Tax basis difference for companies taxes based on deemed income	7,621	22,623	51,508	92,338
Others	576	1,607	(3,023)	(1,629)
IRPJ and CSLL credit (debit) in profit or loss	(17,702)	(15,871)	8,915	682

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Income before income tax and social contribution	29,102	48,484	82,276	215,791
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(9,895)	(16,485)	(27,974)	(73,369)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	28,113	47,360	53,927	99,278
Tax credit not constituted	(7,197)	(14,909)	(7,678)	(12,904)
Depreciation of investment properties	2,002	4,079	2,178	3,890
Others	624	1,707	(2,940)	(1,449)
IRPJ and CSLL credit (debit) in profit or loss	13,647	21,752	17,513	15,446

On June 30, 2023, there is no tax credit related to tax loss carryforwards of subsidiaries not constituted (R\$1,581 as of December 31, 2022).

- (b) Deferred tax balances

Breakdown of deferred tax assets (liabilities) disclosed in the statements of financial position is as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Noncurrent assets:				
Income tax and social contribution	69,623	47,871	69,623	47,871
Liabilities:				
Income tax and social contribution	(60,932)	(53,216)	-	-
PIS/COFINS	(83,311)	(61,706)	(6,858)	(1,248)
	(144,243)	(114,922)	(6,858)	(1,248)
Current	(5,133)	(5,806)	(416)	(416)
Noncurrent	(139,110)	(109,116)	(6,442)	(832)
Total	(144,243)	(114,922)	(6,858)	(1,248)

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

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	143,751	96,152	143,726	95,901
Capitalized interests written-off (*)	105,043	111,773	105,043	111,773
Temporary differences	(22,872)	7,187	(24,492)	7,187
	225,922	215,112	224,277	214,861
Reclassified deferred liabilities	(156,299)	(167,241)	(154,654)	(166,990)
Deferred tax assets	69,623	47,871	69,623	47,871
Deferred liabilities:				
Fair value appreciation on investment property	(201,244)	(214,633)	(154,654)	(166,990)
Rental receivables and others	(2,460)	(3,430)	-	-
Sale of assets	(13,527)	(2,394)	-	-
	(217,231)	(220,457)	(154,654)	(166,990)
Reclassified deferred liabilities	156,299	167,241	154,654	166,990
Deferred tax liabilities	(60,932)	(53,216)	-	-

(*) According to Note 2.2 (e) to the financial statements for the year ended December 31, 2022, 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 (Parent Company 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 (Parent Company 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, 2023, 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, 2023 and 2022 are as follows:

	Consolidated				Parent Company			
	1 st half of				1 st half of			
	2023		2022		2023		2022	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	215,112	(220,457)	(5,345)	(30,583)	214,861	(166,990)	47,871	7,428
Effect on deferred IRPJ and CSLL from:								
Spin-off in subsidiary	-	748	748	-	-	-	-	-
Net income for the period	10,810	2,478	13,288	7,735	9,416	12,336	21,752	15,446
Closing balance	225,922	(217,231)	8,691	(22,848)	224,277	(154,654)	69,623	22,874

12. Provisions for labor, tax and civil risks

Changes for the six-month period ended June 30, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	2,345	1,991	144	116
Additions and inflation adjustments	660	221	116	58
Payments	(104)	(47)	(66)	(35)
Reversals	(12)	(103)	(6)	(11)
Closing balance	2,889	2,062	188	128

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,986 in Consolidated and R\$1,242 in Parent Company as at June 30, 2023 (R\$1,286 in Consolidated and R\$913 in Parent Company as at December 31, 2022).

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, 2022.

13. Lease

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

As a lessee, the Group identified leases contracts, referring to the rental of its offices and land for LOG Brasília and LE Empreendimentos (phases 1 and 4).

Changes in lease liability for the six-month period ended June 30, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Opening balance	101,715	4,463	8,437	4,463
Additions	-	2,541	-	2,541
Remeasurement	1,777	1,905	1,777	1,905
Interest expenses	4,128	253	322	253
Repayment of principal	(323)	(207)	(323)	(207)
Payment of interest	(322)	(253)	(322)	(253)
Closing balance	106,975	8,702	9,891	8,702
Current	757	538	698	538
Noncurrent	106,218	8,164	9,193	8,164
	106,975	8,702	9,891	8,702

The undiscounted contractual cash flows (gross lease liabilities) represent annual cash-outs, ending December 2073 and are as follow:

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	After 36 months	Total
<u>Consolidated:</u>					
Lease liability	3,495	8,410	9,053	425,565	446,523
Total	3,495	8,410	9,053	425,565	446,523
<u>Parent Company:</u>					
Lease liability	1,324	1,324	1,324	9,764	13,736
Total	1,324	1,324	1,324	9,764	13,736

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 and vehicle rentals. For these leases, lease expenses are recognized on a straight-line basis, when incurred.

In six-month period ended June 30, 2023, these leases represent R\$43 in Consolidated and R\$42 in Parent Company (R\$5 for the same period of 2022).

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, 2022.

14. Equity

(a) Shares and capital

	Consolidated and Parent Company	
	6/30/23	12/31/22
Subscribed capital	2,753,976	2,753,976
Number of common shares, without par value (thousand)	102,159	102,159

The Company's authorized capital as at June 30, 2023 and December 31, 2022 is R\$3,700,000 (three billion and seven hundred million reais), represented exclusively by common shares and each share entitles its holder to one vote in shareholders meeting.

(b) Treasury shares

On February 8, 2023, the Board of Directors approved for 18 months, starting on February 8, 2023, the Company's Share Buyback program, in the maximum amount of 5.9 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, 2023, 126 thousand shares were acquired in the amount of R\$2,568 through the Company's Share Buyback Program and 47 thousand shares were sold in the amount of R\$ 832, 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	
1 st half of 2023:									
Common shares	2,252	126	(47)	-	2,331	20.36	23.71	15.01	54,522
1 st half of 2022:									
Common shares	1,048	350	-	(2)	1,396	21.90	22.17	21.37	25,505
(*) Market value of shares remaining in treasury as at June 30, 2023 and 2022.									

(*) Market value of shares remaining in treasury as at June 30, 2023 and 2022.

(c) Mandatory minimum dividend payable to shareholders

Fiscal year 2022 dividends, amounting R\$91.692, were approved at the Board of Directors Meeting held on February 8, 2023 and paid on February 23, 2023.

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.

(d) Stock option plan

The table below shows the main terms and conditions of the stock option programs:

Program	Approval	Maximum quantity	% of total approved in the plan	Vesting	Strike price	Participants	Initial exercise deadline	Exercise deadline (*)
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
11	7/22	401,761	12.99%	Up to 5 year	R\$ 18.99	Officers and managers	12/22	12/29

(*) After the last vesting of each plan, the beneficiary has three additional exercise years. The programs 3 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, 2023 and 2022 and supplemental information thereon:

Program	Number of participants	Changes 1 st half of 2023 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
3	2	21	-	-	-	21
4	2	21	-	-	-	21
5	2	21	-	-	-	21
6	3	267	-	-	-	267
7	13	168	-	-	-	168
8	15	634	-	-	-	634
10	19	335	-	(3)	-	332
11	16	402	-	(6)	-	396
		<u>1,869</u>	<u>-</u>	<u>(9)</u>	<u>-</u>	<u>1,860</u>
Weighted average price of exercised options		<u>22.01</u>	<u>-</u>	<u>20.50</u>	<u>-</u>	<u>22.01</u>
1 st half of 2022 (thousand options)		<u>1,488</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>1,482</u>
Weighted average price of options		<u>22.83</u>	<u>-</u>	<u>22.46</u>	<u>-</u>	<u>22.83</u>

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	267	-	-	-
7	34	84	84	0.6
8	96	514	3,067	6.6
10	67	286	1,108	2.6
11	40	431	2,011	3.6
1st half of 2023	<u>567</u>	<u>1,315</u>	<u>6,270</u>	<u>4.8</u>
1st half of 2022	<u>255</u>	<u>1,185</u>	<u>6,327</u>	<u>6.1</u>

As at June 30, 2023, had all options currently granted been exercised, the Company would have issued 1,860 thousand shares, which would represent a 1.79% dilution in relation to the Company's total of 102,159 thousand shares (1.80% at December 31, 2022).

As at June 30, 2023 and December 31, 2022 Stock options granted represents 69.73% of the total approved plan.

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	
	2023	2022
Opening balance	79,185	29,173
Net contributions (distributions) to noncontrolling shareholders	(847)	40,892
Capital transaction (a)	(79,409)	-
Interests in net income for the period	2,851	12,945
Closing balance	<u>1,780</u>	<u>83,010</u>

(a) Effect of the partial spin-off of SPE Recife as mentioned in note 5 (c).

(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 Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Basic earnings per share:				
Net income for the period	42,749	70,236	99,789	231,237
Weighted average number of outstanding common (thousand)	99,890	99,891	100,931	101,021
Basic earnings per share - in R\$	0.42796	0.70313	0.98869	2.28900
Diluted earnings per share:				
Net income for the period	42,749	70,236	99,789	231,237
Weighted average number of outstanding common (thousand)	99,890	99,891	100,931	101,021
Dilutive effect of stock options (thousand)	13	-	56	128
Total shares after dilutive effect (thousand)	99,903	99,891	100,987	101,149
Diluted earnings per share - in R\$	0.42791	0.70313	0.98814	2.28610

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, 2022.

15. Net revenue

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Rental revenue	57,702	124,218	53,875	94,590
Revenue from condominium management services	3,388	5,747	1,757	3,166
Revenue from other services	-	2,001	2,383	3,654
Taxes on revenue	(3,666)	(7,530)	(3,707)	(6,310)
Net revenue	57,424	124,436	54,308	95,100

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Rental revenue	19,593	39,532	20,568	33,318
Revenue from condominium management services	3,388	5,747	486	3,166
Revenue from other services	-	-	2,383	3,654
Taxes on revenue	(2,223)	(4,354)	(2,355)	(4,021)
Net revenue	20,758	40,925	21,082	36,117

As at June 30, 2023, the Company has one Client whose net revenue individually represented 15.87% of the total, which is R\$18,508 (R\$4,814 representing 13.33% as at June 30, 2022).

16. Costs and expenses by nature

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Costs of services provided - condominium management	(863)	(1,751)	(709)	(1,377)
Operating income (expenses):				
Salaries, charges and benefits	(4,541)	(9,260)	(4,125)	(9,438)
Outside services	(2,835)	(5,538)	(2,129)	(3,676)
General expenses	(2,126)	(3,322)	(1,438)	(3,221)
Management compensation	(1,809)	(3,619)	(1,719)	(3,345)
Vacancy expenses	(564)	(1,312)	(918)	(1,731)
Stock options	(657)	(1,315)	(593)	(1,185)
Advertising	(329)	(501)	(369)	(633)
Depreciation and amortization	(920)	(1,825)	(317)	(614)
Other operating expenses, net:				
Sale of assets (*)	(86,385)	(86,385)	-	-
Others	(2,993)	(5,503)	(1,043)	(2,436)
	(103,159)	(118,580)	(12,651)	(26,279)
Classified as:				
Selling expenses	(2,834)	(5,279)	(3,442)	(6,163)
General and administrative expenses	(9,138)	(17,794)	(6,447)	(14,335)
Management compensation	(1,809)	(3,619)	(1,719)	(3,345)
Other operating expenses, net	(89,378)	(91,888)	(1,043)	(2,436)
	(103,159)	(118,580)	(12,651)	(26,279)

(*) See Note 6.

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Costs of services provided - condominium management	(863)	(1,751)	(709)	(1,377)
Operating expenses:				
Salaries, charges and benefits	(4,414)	(9,111)	(4,052)	(9,226)
Outside services	(1,641)	(3,300)	(1,258)	(2,247)
General expenses	(1,889)	(3,156)	(1,296)	(2,953)
Management compensation	(1,809)	(3,619)	(1,719)	(3,345)
Vacancy expenses	(174)	(368)	(585)	(988)
Stock options	(657)	(1,315)	(593)	(1,185)
Advertising	(329)	(501)	(369)	(628)
Depreciation and amortization	(441)	(866)	(316)	(612)
Other operating expenses, net:				
Sale of assets (*)	(27,701)	(27,701)	-	-
Others	(292)	(871)	(838)	(2,030)
	(39,347)	(50,808)	(11,026)	(23,214)
Classified as:				
Selling expenses	(1,729)	(3,268)	(2,468)	(4,311)
General and administrative expenses	(7,816)	(15,349)	(6,001)	(13,528)
Management compensation	(1,809)	(3,619)	(1,719)	(3,345)
Other operating expenses, net	(27,993)	(28,572)	(838)	(2,030)
	(39,347)	(50,808)	(11,026)	(23,214)

(*) See Note 6.

17. Financial expenses and income

	Consolidated			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(41,330)	(83,851)	(28,307)	(47,225)
Mark-to-market derivative financial instruments (includes hedge effect)	21,207	22,391	(36,782)	(25,123)
Other financial expenses	(3,030)	(8,149)	(954)	(1,892)
	(23,153)	(69,609)	(66,043)	(74,240)
Financial income				
Income from short-term investments	12,046	30,210	22,324	43,760
Interest income on loans	390	519	73	108
Other financial income (*)	2,914	4,976	(466)	(183)
	15,350	35,705	21,931	43,685
Financial (expenses) income	(7,803)	(33,904)	(44,112)	(30,555)

(*) Includes tax effect in financial income.

	Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(40,808)	(82,788)	(27,750)	(46,115)
Mark-to-market derivative financial instruments	21,858	23,295	(37,329)	(26,024)
Other financial expenses	(741)	(1,497)	(668)	(1,298)
	(19,691)	(60,990)	(65,747)	(73,437)
Financial income				
Income from financial investments	9,144	26,720	21,711	39,566
Interest income on loans	404	574	267	455
Other financial income (*)	1,392	2,581	(602)	(265)
	10,940	29,875	21,376	39,756
Financial (expenses) income	(8,751)	(31,115)	(44,371)	(33,681)

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Parent Company			
		Asset		Liability		Asset		Liability	
		6/30/23	12/31/22	6/30/23	12/31/22	6/30/23	12/31/22	6/30/23	12/31/22
<u>Short-term investments and marketable securities</u>									
Other related parties:									
Banco Inter S.A. (Inter)	[1]	288,281	348,125	-	-	266,768	348,125	-	-
Banco Bradesco S.A.	[2]	136,900	21,851	-	-	133,459	18,594	-	-
<u>Intercompany receivables</u>									
Investees									
SPEs	[3]	-	-	-	-	-	5,361	-	-
<u>Rental receivables</u>									
Other related parties:									
Patrus Transportes Urgentes Ltda.	[4]	596	578	-	-	26	27	-	-
<u>Trade receivable from sale of equity interests</u>									
Other related parties:									
MRV MRL Camp Nou Incorporações e Participações	[5]	14,326	13,970	-	-	14,326	13,970	-	-
<u>Services supplier</u>									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro	[6]	-	-	81	58	-	-	81	58
<u>Intercompany payables</u>									
Investees									
SPEs	[11]	-	-	-	-	-	-	246,352	-

		Consolidated							
		Income				Expense			
		2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
		2023	2022	2023	2022	2023	2022	2023	2022
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	7,352	15,119	17,555	27,746	-	-	-	-
Banco Bradesco S.A.	[2]	571	163	1,096	330	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	111	308	409	826	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	-	108	-	345	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,863	1,793	3,629	3,536	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	258	77	510	158
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	1,009	713	1,949	1,289
Other operating expenses, net									
Other related parties									
Banco Inter S.A. (Inter)	[9]	74	40	151	125	-	-	-	-
Financial expenses									
Other related parties									
Banco Inter S.A. (Inter)	[10]	-	-	-	-	-	-	2,174	-

		Parent Company							
		Income				Expense			
		2 nd quarter of		1 st half of		2 nd quarter of		1 st half of	
		2023	2022	2023	2022	2023	2022	2023	2022
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	5,327	15,119	15,492	27,746	-	-	-	-
Banco Bradesco S.A.	[2]	459	63	880	148	-	-	-	-
Intercompany loans									
Investees									
SPEs	[3]	14	189	51	347	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	111	308	409	826	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	-	108	-	345	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	83	81	83	154	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	258	77	510	158
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	1,009	278	1,949	498
Other operating expenses, net									
Other related parties									
Banco Inter S.A. (Inter)	[9]	74	40	151	125	-	-	-	-

- [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, 2023, short-term investments yielded 85.4% of CDI in Consolidated and Parent Company (124.3% for the same period of 2022).
- [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 Fundo de Investimento em Participações Multisetorial Plus, a shareholder of the Company. In the six-month period ended June 30, 2023, short-term investments yielded 103.1% of CDI in Consolidated and Parent Company (104.1% for the same period of 2022).
- [3] Refers to loan between the Company and subsidiary, granted in January 2018, subject to interest by CDI + 2.25% p.a. This loan was paid in full in April 2023.
- [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. In February 2023, an amendment was signed rescheduling the payment for six installments of R\$250 from July to December 2023 and twenty installments of R\$480 from January 2024 to August 2025.

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, 2023	-	14,326	14,326
Trade receivables as at December 31, 2022	-	13,970	13,970

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 ninth and tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. ("Conedi") and MA Cabaleiro Participações Ltda. ("MA Cabaleiro"). Conedi is a one of the Company's shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder. The contract is valid until February 28, 2035, including extension of the contract, adjustable annually by IPCA index. On June 30, 2023, the agreement establishes a total monthly payment (gross of taxes) of R\$81 (R\$77 on December 31, 2022). The amounts shown in the table above are segregated between administrative and financial expenses when registered.
- [7] Amounts related to expenses incurred on the provision of administrative services. The agreement establishes a monthly payment of R\$339 on June 30, 2023 (R\$254 on December 31, 2022). This amount is updated every six months according to the volume of service provided by MRV and, annually, by the IPCA. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition between the parties.
- [8] Refers to the sale of the Company's interest in Cabral Investimentos SPE Ltda. ("Cabral") concluded in December 2021. The agreement established the payment of monthly installments of R\$533 each, updated by the INCC and was fully paid in September 2022. The revenue refers to the aforementioned correction.
- [9] It refers to "preference premium" paid to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company's suppliers discounted by them. In these operations, the original conditions and economic substance carried out with the respective suppliers are maintained. As at June 30, 2023, the consolidated balance held on these transactions amounts to R\$1,360.
- [10] It refers to the financial discount generated by the anticipation of receivable security made in the 1st quarter of 2023.
- [11] Amounts received from the SPEs LOG Itaitinga I and LOG Recife, arising from the sale of their assets, as mentioned in note 6. These balances were eliminated in the consolidation process and will be offset upon distribution of the respective profits or capital reduction of these companies.

Compensation of key management personnel

Pursuant to CPC 05 and IAS 24, 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 Parent Company			
	2023		2022	
	2 nd quarter	1 st half	2 nd quarter	1 st half
Short-term benefits granted to management:				
Management compensation	1,809	3,619	1,719	3,345
Profit sharing	620	1,336	791	1,299
Non-monetary benefits	49	94	42	83
Long-term benefits to management:				
Retirement private plan	29	58	27	52
Share-based compensation:				
Stock option plan	509	1,015	477	955
	3,016	6,122	3,056	5,734

On April 19, 2023, 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

(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, 2023.

The Company entered 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		6/30/23
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap [1]	11/18	10.5% / 108.95% CDI	8/28	16,398	16,493	16,534	(41)	(300)	(341)
Swap [2]	9/21	IPCA + 5.52% / CDI + 1.23%	9/28	450,000	520,540	469,171	7,402	(7,213)	44,156
Swap [3]	4/22	IPCA + 6.30% / CDI + 1.47%	3/29	169,650	185,375	176,802	(3,958)	(1,443)	7,130
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	-	-	(38,136)	-	-
Swap	1/23	LOGG3 (*) / CDI + 1.84%	5/24 to 8/24	46,312	71,051	48,767	-	21,385	21,385
							(34,733)	12,429	72,330

[1] 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.

[2] Derivative fair value includes net payment effect of R\$43,967.

[3] Derivative fair value includes net payment effect of R\$12,531.

(*) The closing share price on June 30, 2023 was R\$23.39/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R\$9.88/share, it would represent an estimated additional loss of R\$40,118 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R\$29.25/share, would represent an approximate gain of R\$17,396.

Consolidated and Parent Company	
Current assets	9,999
Noncurrent assets	62,672
Total assets	72,671
Noncurrent liabilities	341

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
2nd quarter of 2023			
Effect in profit or loss			
Swaps with fair value hedge	29	19,191	19,220
Swaps with no hedge	-	21,045	21,045
Gross effect in profit or loss	29	40,236	40,265
Reducing effect of hedges	-	(19,029)	(19,029)
Net effect in profit or loss	29	21,207	21,236
1st half of 2023			
Effect in profit or loss			
Swaps with fair value hedge	(601)	31,571	30,970
Swaps with no hedge	-	22,384	22,384
Gross effect in profit or loss	(601)	53,955	53,354
Reducing effect of hedges	-	(31,564)	(31,564)
Net effect in profit or loss	(601)	22,391	21,790

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/22
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap	11/18	10.5% / 108.95% CDI	8/28	17,573	17,681	17,730	(49)	(1,298)	(1,347)
Swap	9/21	IPCA + 5.52% / CDI + 1.23%	9/28	450,000	502,125	469,171	7,705	(31,684)	1,270
Swap	4/22	IPCA + 6.30% / CDI + 1.47%	3/29	169,650	178,788	176,802	(3,652)	(7,545)	(5,559)
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	50,731	86,801	-	(39,135)	(39,135)
							4,004	(79,662)	(44,771)
Consolidated and Parent Company									
Noncurrent assets									1,270
Current liabilities									39,135
Noncurrent liabilities									6,906
Total liabilities									46,041

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)
Swaps with no hedge	-	-	-
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)
Swaps with no hedge	-	-	-
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)

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 following are critical terms and effects on the statement of financial position and income statement:

Fair value hedge	Hiring	Maturity	Notional value	Rates	Fair value	Effects on results	Fair value	Effects on results
					6/30/23	1 st half of 2023	12/31/22	1 st half of 2022
Construction financing	11/18	8/28	25,000	10%	(16,536) (*)	(904)	(16,847)	901
CRI - 19 th debentures issue	9/21	9/28	450,000	IPCA + 5.52%	(513,325)	(24,558)	(470,353)	13,418
CRI - 20 th debentures issue - 2 nd series	4/22	3/29	169,650	IPCA + 6.30%	(184,062)	(6,102)	(171,396)	4,933
Loans, financing and debentures			644,650		(713,923)	(31,564)	(658,596)	19,252
(Hedged item)								
Long position								
Swap	11/18	8/28	25,000	10%	16,536	904	16,847	(901)
Swap	9/21	9/28	450,000	IPCA + 5.52%	513,327	24,469	470,441	(13,472)
Swap	4/22	3/29	169,650	IPCA + 6.30%	183,932	6,102	171,243	(4,933)
Derivative financial instrument			644,650		713,795	31,475	658,531	(19,306)
(Hedge instrument)								
Short position								
					(16,877)	96	(18,194)	(38)
					(469,171)	-	(469,171)	-
					(176,802)	-	(176,802)	-
					(662,850)	96	(664,167)	(38)
Swap net position					50,945	31,571	(5,636)	(19,344)
Total net position					(662,978)	7	(664,232)	(92)

(*) Swap hedging relation of 96.18% of the hedged item.

(b) Category of financial instruments

Consolidated	Note	6/30/23		12/31/22	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		537,211	537,211	223,377	223,377
Cash and bank accounts		1,226	1,226	3,174	3,174
Trade receivables	4	535,985	535,985	220,203	220,203
Fair value through prof it or loss (mandatorily measured) (*)		943,583	943,583	699,181	699,181
Restricted investment funds	3	414,293	414,293	429,877	429,877
Unrestricted investment funds		209,567	209,567	82,613	82,613
Bank certificates of deposit (CDB)		247,052	247,052	185,421	185,421
Derivative financial instruments	19 (a)	72,671	72,671	1,270	1,270
Financial liabilities:					
Amortized cost		1,491,823	1,491,649	1,281,882	1,278,849
Loans, financing and debentures		1,338,292	1,338,118	1,114,989	1,111,956
Land payables	9	13,000	13,000	21,813	21,813
Trade payables (suppliers)		33,556	33,556	43,365	43,365
Lease	13	106,975	106,975	101,715	101,715
Fair value through prof it or loss (Hedge accounting) (*)		714,579	714,579	659,095	659,095
Loans, financing and debentures		714,579	714,579	659,095	659,095
Fair value through prof it or loss (mandatorily measured) (*)		341	341	46,041	46,041
Derivative financial instruments	19 (a)	341	341	46,041	46,041

(*) 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, 2023 and December 31, 2022.

The table below shows a comparison of the contracted and market rates, at June 30, 2023:

Contractual rate (p.a.)	Current market rate (p.a.)	Maturity dates
Debentures and CRI		
CDI + 1.10% to 2.25%	CDI + 1.44% to 1.85%	3/26 to 12/28
108% to 116.50% CDI	CDI + 1.44% to 1.85%	9/24 to 3/25
IPCA + 5.52% to 6.30%	IPCA + 6.19% to 6.83%	9/28 to 3/29
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, 2023, according with that described in Note 19, letter (c), to the financial statements for the year ended December 31, 2022:

Index	Financial asset	Financial liability	Net exposed financial (asset) liability	Effective rate for the 12-month period ended 06/30/2023	Estimated annual rate for 2023 (*)	Rates changes for each scenario	Total estimated financial impact
Probable scenario:							
CDI/Selic	620,830	(2,120,986)	(1,500,156)	13.49%	12.86%	(i) -0.63%	9,451
TR	-	(17,192)	(17,192)	2.08%	1.60%	(i) -0.48%	83
IPCA	1,310,461	(710,387)	600,074	3.16%	5.08%	(ii) 1.91%	11,461
							<u>20,995</u>
Scenario I:							
CDI/Selic	620,830	(2,120,986)	(1,500,156)	13.49%	16.08%	2.59%	(38,854)
TR	-	(17,192)	(17,192)	2.08%	2.00%	-0.08%	14
IPCA	1,310,461	(710,387)	600,074	3.16%	3.81%	0.65%	3,900
							<u>(34,940)</u>
Scenario II:							
CDI/Selic	620,830	(2,120,986)	(1,500,156)	13.49%	19.29%	5.80%	(87,009)
TR	-	(17,192)	(17,192)	2.08%	2.40%	0.32%	(55)
IPCA	1,310,461	(710,387)	600,074	3.16%	2.54%	-0.62%	(3,720)
							<u>(90,784)</u>

(i) Data obtained from B3 website.

(ii) Data obtained from Banco Central website.

(*) Effective change for the first six months of 2023 plus a projection for the next six months of 2023.

(d) Capital risk management

As at June 30, 2023 and December 2022, the indebtedness is as follows:

	Consolidated		Parent Company	
	6/30/23	12/31/22	6/30/23	12/31/22
Loans, financing and debentures	2,052,871	1,774,084	2,035,920	1,757,023
Cash and cash equivalents and marketable securities	(882,001)	(731,098)	(846,091)	(708,895)
Net debt	1,170,870	1,042,986	1,189,829	1,048,128
Equity	3,645,892	3,663,838	3,644,112	3,584,653
Net debt-to-equity ratio	32.1%	28.5%	32.7%	29.2%

The Group is not subject to any external debt requirements, except for the contractual obligations described in Note 8 (e).

(e) Liquidity and interest rate risk table

The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on June 30, 2023, by maturity, are as follows:

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	Over 3 years	Total
<u>Consolidated:</u>					
Floating rates liabilities	429,084	388,006	539,137	1,475,619	2,831,846
Fixed rates liabilities	3,495	8,410	9,053	425,565	446,523
Non-interest bearing liabilities	38,561	16,350	-	-	54,911
Total	471,140	412,766	548,190	1,901,184	3,333,280
<u>Parent Company:</u>					
Floating rates liabilities	425,209	383,717	534,812	1,465,451	2,809,189
Fixed rates liabilities	1,324	1,324	1,324	9,764	13,736
Non-interest bearing liabilities	255,041	3,520	-	-	258,561
Total	681,574	388,561	536,136	1,475,215	3,081,486

Liquidity risk

The Executive Board of Finance is responsible for the management of the liquidity risk and periodically reviews the cash flow projections, using stress scenarios and assesses the possible funding requirements, maintaining a balanced debt profile, in line with the equity structure and the indebtedness to be maintained by the Group.

(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 expected credit loss as mentioned in Note 2.2 (i) to the financial statements for the year ended December 31, 2022.
- 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, 2022.

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, 2023 and 2022, 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		Parent Company	
	1 st half of		1 st half of	
	2023	2022	2023	2022
Interest capitalization (note 8 (d))	43,852	40,932	43,851	40,929
Right-of-use (remeasurement of CPC 06 (R2)) (note 13)	1,777	1,905	1,777	1,905

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, 2023, 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.	932,055
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.	52,410
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.	139,448
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.	77,889
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	744

23. Subsequent events

On July 5, 2023, the Board of Directors approved the sale of part of the assets of the Company and its subsidiaries LOG Contagem I, LOG Viana I, LOG Goiânia I and LOG Gaiolli, totaling R\$103,580 to LOGCP Inter Fundo de Investimento Imobiliário managed by Inter Distribuidora de Títulos e Valores Mobiliários Ltda.

In July 2023, the Company paid in advance:

- 12th issue of debentures, in the amount of R\$45,163, with monthly maturity up to December 2027, subject to the contractual rate of CDI + 2.25%. p.a. and,
- Construction financing in the amount of R\$17,217, with monthly maturity through September 2028, subject to a contractual rate of TR + 10%. p.a. and its respective swap in the amount of R\$329, which

matured in August 2028, subject to the contractual rate, asset position 10.5% and liability position 108.95% CDI.

On July 18, 2023, the Company, after overcoming the conditions precedent, concluded the sale of assets from SPE LOG Gravataí and the Company's assets to Golgi Fundo de Investimento Imobiliário - FII, in the amount of R\$165,000, which on June 30, 2023, was recorded under caption 'Noncurrent assets held for sale'.

On August 1st, 2023, the Company signed with BTG Pactual LOGCP Fundo de Investimento Imobiliário a Commitment for the Sale and Purchase of Real Estate and other agreements, which regulates the acquisitions, jointly, of the assets of its subsidiaries LOG Aracajú and LOG Londrina, totaling R\$207 million, with installments received in cash in the amount of R\$105 million and other installments to be received in 13 and 24 months, updated by the IPCA.

24. Approval of the financial statements

These interim financial statements were reviewed by the Fiscal Board and authorized for issuance by the Board of Directors on August 3, 2023.