



## **Financial Statements**

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

**Interim Consolidated and Individual Financial  
Statements for Nine-month period Ended September  
30, 2021 and Report on Review of Quarterly  
Information**

# LOG Commercial Properties e Participações S.A.

## Interim Financial Statements (ITR)

September 30, 2021

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## Report on review of quarterly information - ITR

To the Shareholders and Officers of  
**LOG Commercial Properties e Participações S.A.**  
Belo Horizonte – MG

### Introduction

We have reviewed the interim financial information, individual and consolidated, of LOG Commercial Properties e Participações S.A. ("Company"), included in the "Formulário de Informações Trimestrais – ITR" as at September 30, 2021, which comprise the balance sheet as of September 30, 2021 and the related income statements and the comprehensive income statements for the three and nine-month period then ended and the statements of changes in equity and statements of cash flows for the nine-month period then ended, including the explanatory notes.

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

### Scope of review

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



### **Conclusion about the individual interim financial information**

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

### **Conclusion about the consolidated interim financial information**

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

### **Other matters - Statements of value added**

The interim financial information referred to above includes the individual and consolidated statements of value added for the nine-month period ended September 30, 2021, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34. These statements have been subjected to review procedures performed in connection with the review of the quarterly information, in order to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review nothing has come to our attention that causes us to believe that these interim individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual e consolidated interim financial information taken as a whole.

Belo Horizonte, October 27, 2021

KPMG Auditores Independentes  
CRC SP-014428/O-6 F-MG

*Original report in Portuguese signed by*  
Poliana Silveira Rodrigues  
Accountant CRC MG-089473/O-0

BALANCE SHEETS AS AT SEPTEMBER 30, 2021 AND DECEMBER 31, 2020  
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		9/30/21	12/31/20	9/30/21	12/31/20
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	364,186	453,855	363,728	453,175
Marketable securities	3	524,031	287,718	456,951	287,584
Receivables	4	131,128	32,486	36,040	17,633
Recoverable taxes		10,504	6,309	8,773	4,791
Prepaid expenses		4,232	1,556	3,688	785
Other		2,078	1,430	12,469	572
Total current assets		1,036,159	783,354	881,649	764,540
<b>Noncurrent assets</b>					
Marketable securities	3	203,077	2,991	200,000	-
Derivative financial instruments	19 (a)	153	3,243	153	3,243
Receivables	4	38,707	44,319	28,304	31,838
Receivables from related parties	18	-	-	4,651	5,044
Prepaid expenses		5,406	4,691	1,263	1,841
Recoverable taxes		32,700	22,827	31,096	21,173
Deferred income tax and social contribution	11 (b)	11,412	16,537	11,412	16,537
Other		6,827	5,942	27,495	20,297
Total long-term realisable		298,282	100,550	304,374	99,973
Investments in subsidiaries and joint ventures	5	345,149	326,336	2,390,204	2,100,584
Investment property	6	3,475,902	2,994,470	1,330,747	1,118,706
Property and equipment	7	5,013	4,981	4,985	4,938
Intangible assets		2,619	2,492	2,619	2,492
Total noncurrent assets		4,126,965	3,428,829	4,032,929	3,326,693
Total assets		5,163,124	4,212,183	4,914,578	4,091,233
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Suppliers		41,957	15,269	24,309	14,339
Loans, financing and debentures	8	210,722	203,229	207,394	200,003
Land payables	9	69,623	16,630	26,970	16,630
Labor and social liabilities		9,287	5,572	8,089	5,193
Tax liabilities		9,931	8,541	5,241	4,159
Barbers	10	118,903	45,688	79,884	45,688
Deferred taxes	11 (b)	7,037	1,423	-	-
Lease liability	13	215	192	215	192
Dividend payable	14 (c)	-	33,240	-	33,240
Other		3,334	741	1,494	458
Total current liabilities		471,009	330,525	353,596	319,902
<b>Noncurrent liabilities</b>					
Loans, financing and debentures	8	1,131,250	597,434	1,114,338	575,522
Derivative financial instruments	19 (a)	1,860	-	1,860	-
Barbers	10	127,135	84,848	117,765	84,848
Deferred taxes	11 (b)	69,463	63,254	-	-
Land payables	9	7,340	45,725	7,340	45,725
Provisions for labor, tax and civil risks	12	2,054	1,725	111	108
Lease liability	13	4,300	4,182	4,300	4,182
Other		6,074	4,529	1,148	825
Total noncurrent liabilities		1,349,476	801,697	1,246,862	711,210
Total liabilities		1,820,485	1,132,222	1,600,458	1,031,112
<b>Equity</b>					
Paid-in capital		2,035,382	2,035,382	2,035,382	2,035,382
Treasury shares		(29,618)	(295)	(29,618)	(295)
Capital reserves		6,648	4,772	6,648	4,772
Earnings reserve		1,020,346	1,020,262	1,020,346	1,020,262
Retained earnings		281,362	-	281,362	-
Equity attributable to Company shareholders		3,314,120	3,060,121	3,314,120	3,060,121
Noncontrolling interests	14 (e)	28,519	19,840	-	-
Total equity		3,342,639	3,079,961	3,314,120	3,060,121
Total liabilities and equity		5,163,124	4,212,183	4,914,578	4,091,233

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

## INCOME STATEMENTS FOR THE THREE AND NINE MONTHS PERIODS ENDED ON SEPTEMBER 30, 2021 AND 2020

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

	Notes	Consolidated				Individual			
		2021		2020		2021		2020	
		3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months
Net revenue from lease and services provided	15	37,005	110,715	36,138	105,184	11,930	34,423	8,157	22,427
Costs of services provided - condominium management	16	(584)	(1,546)	(446)	(1,245)	(584)	(1,546)	(446)	(1,245)
<b>Gross profit</b>		<b>36,421</b>	<b>109,169</b>	<b>35,692</b>	<b>103,939</b>	<b>11,346</b>	<b>32,877</b>	<b>7,711</b>	<b>21,182</b>
Operating income (expenses)									
Selling expenses	16	(2,784)	(8,268)	(2,633)	(7,668)	(2,296)	(5,420)	(1,667)	(4,670)
General and administrative expenses	16	(4,872)	(14,815)	(4,660)	(12,579)	(4,605)	(14,012)	(4,388)	(11,772)
Management compensation	16	(1,607)	(4,184)	(1,120)	(3,136)	(1,607)	(4,184)	(1,120)	(3,136)
Changes in the fair value of investment property	6	67,375	218,456	122,796	122,899	-	53,750	116,893	116,893
Other operating income (expenses), net	16	(882)	10,407	(3,034)	(4,745)	323	(1,578)	(2,808)	(4,070)
Results from equity participation	5	2,258	4,885	436	1,798	89,211	223,552	29,205	70,181
<b>Income before financial income and taxes</b>		<b>95,909</b>	<b>315,650</b>	<b>147,477</b>	<b>200,508</b>	<b>92,372</b>	<b>284,985</b>	<b>143,826</b>	<b>184,608</b>
Financial income (expenses)									
Financial expenses	17	(10,961)	(25,309)	(5,947)	(24,608)	(11,642)	(26,637)	(6,071)	(19,554)
Financial income	17	14,315	29,824	4,897	10,360	13,052	28,139	4,862	10,392
<b>Income before taxes</b>		<b>99,263</b>	<b>320,165</b>	<b>146,427</b>	<b>186,260</b>	<b>93,782</b>	<b>286,487</b>	<b>142,617</b>	<b>175,446</b>
Income tax and social contribution									
Current		(2,732)	(14,260)	(3,016)	(8,086)	-	-	-	-
Deferred	11	(1,833)	(10,662)	(77,169)	(72,489)	876	(5,125)	(76,623)	(70,505)
	11	(4,565)	(24,922)	(80,185)	(80,575)	876	(5,125)	(76,623)	(70,505)
<b>Net income for the period</b>		<b>94,698</b>	<b>295,243</b>	<b>66,242</b>	<b>105,685</b>	<b>94,658</b>	<b>281,362</b>	<b>65,994</b>	<b>104,941</b>
Net income attributable to:									
Shareholders of the Company		94,658	281,362	65,994	104,941				
Noncontrolling interests		40	13,881	248	744				
		<b>94,698</b>	<b>295,243</b>	<b>66,242</b>	<b>105,685</b>				
Earnings per share (In Reais - R\$):									
Basic	14 (f)	0.93113	2.75899	0.65012	1.03277	0.93113	2.75899	0.65012	1.03277
Diluted	14 (f)	0.92887	2.75085	0.64764	1.03010	0.92887	2.75085	0.64764	1.03010

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS PERIODS ENDED ON SEPTEMBER 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Consolidated				Individual			
	2021		2020		2021		2020	
	3 <sup>rd</sup> quarter	Nine Months	3 <sup>rd</sup> quarter	Nine Months	3 <sup>rd</sup> quarter	Nine Months	3 <sup>rd</sup> quarter	Nine Months
Net income for the period	94,698	295,243	66,242	105,685	94,658	281,362	65,994	104,941
Other components of comprehensive income	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>94,698</b>	<b>295,243</b>	<b>66,242</b>	<b>105,685</b>	<b>94,658</b>	<b>281,362</b>	<b>65,994</b>	<b>104,941</b>
Comprehensive income attributable to:								
Shareholders of the Company	94,658	281,362	65,994	104,941				
Noncontrolling interests	40	13,881	248	744				
	<b>94,698</b>	<b>295,243</b>	<b>66,242</b>	<b>105,685</b>				

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Paid-in capital			Capital reserves		Earnings reserves		Retained earnings	Equity attributable to Company shareholders (Individual)	Noncontrolling interests	Total (Consolidated)
	Subscript	Share issuance costs	Treasury shares	Share issuance costs	Recognized options granted	Legal	Earnings retention				
<b>BALANCE AT DECEMBER 31, 2019</b>	<b>2,053,976</b>	<b>(15,904)</b>	-	<b>(2,639)</b>	<b>3,346</b>	<b>27,185</b>	<b>872,993</b>	-	<b>2,938,957</b>	<b>15,266</b>	<b>2,954,223</b>
Capital increase	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(440)	(440)
Treasury shares:											
Purchased	-	-	(18,597)	-	-	-	-	-	(18,597)	-	(18,597)
Sold	-	-	15,669	-	-	-	-	-	15,669	-	15,669
Transferred	-	-	752	-	-	-	(752)	-	-	-	-
Disposed to beneficiaries of stock option plan	-	-	98	-	-	-	-	-	98	-	98
Stock options	-	-	-	-	837	-	-	-	837	-	837
Capital transaction	-	-	-	-	-	-	(2,602)	-	(2,602)	2,602	-
Income of the year	-	-	-	-	-	-	-	104,941	104,941	744	105,685
<b>BALANCE AT SEPTEMBER 30, 2020</b>	<b>2,053,976</b>	<b>(15,955)</b>	<b>(2,078)</b>	<b>(2,639)</b>	<b>4,183</b>	<b>27,185</b>	<b>869,639</b>	<b>104,941</b>	<b>3,039,252</b>	<b>18,172</b>	<b>3,057,424</b>
<b>BALANCE AT DECEMBER 31, 2020</b>	<b>2,053,976</b>	<b>(18,594)</b>	<b>(295)</b>	-	<b>4,772</b>	<b>34,183</b>	<b>986,079</b>	-	<b>3,060,121</b>	<b>19,840</b>	<b>3,079,961</b>
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(5,202)	(5,202)
Treasury shares:											
Purchased	-	-	(55,675)	-	-	-	-	-	(55,675)	-	(55,675)
Sold	-	-	26,349	-	-	-	84	-	26,433	-	26,433
Disposed to beneficiaries of stock option plan	-	-	3	-	-	-	-	-	3	-	3
Stock options	-	-	-	-	1,876	-	-	-	1,876	-	1,876
Net income for the period	-	-	-	-	-	-	-	281,362	281,362	13,881	295,243
<b>BALANCE AT SEPTEMBER 30, 2021</b>	<b>2,053,976</b>	<b>(18,594)</b>	<b>(29,618)</b>	-	<b>6,648</b>	<b>34,183</b>	<b>986,163</b>	<b>281,362</b>	<b>3,314,120</b>	<b>28,519</b>	<b>3,342,639</b>

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



## STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021 AND 2020 - INDIRECT METHOD

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		Nine months of		Nine months of	
		2021	2020	2021	2020
<b>Cash flows from operating activities</b>					
Net Income for the period		295,243	105,685	281,362	104,941
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	611	541	607	538
Results from equity participation	5	(4,885)	(1,798)	(223,552)	(70,181)
Amortization of prepaid expenses		4,177	1,067	2,415	136
Allowance for credit risk		(197)	1,000	(50)	732
Financial result		4,872	14,248	8,160	9,214
Results on sale of partial equity interest in subsidiary	6	(10,094)	-	3,069	-
Deferred taxes		18,746	68,873	4,352	65,642
Changes in the fair value of investment property		(221,921)	(119,213)	(53,750)	(112,080)
Stock options	16	1,876	837	1,876	837
		88,428	71,240	24,489	(221)
(Increase) decrease in operating assets:					
Trade accounts receivable		(15,587)	(12,385)	(16,375)	(8,199)
Recoverable taxes		(3,393)	6,957	(3,249)	(2,856)
Prepaid expenses		(8,781)	(2,453)	(4,739)	(2,477)
Other assets		(1,533)	4,617	14,820	(9,901)
Increase (decrease) in operating liabilities:					
Suppliers		25,537	-	9,970	-
Labor and social liabilities		3,715	1,867	2,896	1,482
Tax liabilities		3,561	9,343	1,185	1,199
Other liabilities		2,706	(6,710)	1,371	(1,205)
Income tax and social contribution paid		(15,045)	(7,729)	(50)	-
Cash provided by (used in) operating activities		79,608	64,747	30,318	(22,178)
<b>Cash flows from investing activities</b>					
Increase in marketable securities		(1,065,483)	(213,834)	(937,045)	(199,097)
Decrease in marketable securities		648,683	205,323	585,616	190,633
Increase in / acquisition of investments		(20,206)	(4,512)	(83,175)	(55,389)
Dividends received from subsidiaries		6,278	-	162,265	63,558
Acquisition of investment properties		(380,342)	(91,642)	(306,739)	(21,663)
Receipt for the sale of subsidiaries / assets		199,468	23,982	8,187	23,980
Receipts from related companies		-	-	557	1,985
Other		(475)	(134)	(487)	(146)
Net cash (used in) provided by investing activities		(612,077)	(80,817)	(570,821)	3,861
<b>Cash flows from financing activities</b>					
Proceeds from loans, financing and debentures, net		686,962	-	686,960	-
Amortization of loans, financing and debentures	8 (a)	(147,541)	(55,737)	(146,035)	(54,671)
Interest paid	8 (a)	(28,568)	(33,282)	(27,018)	(31,295)
Lease payments		(372)	(347)	(372)	(347)
Dividend paid	14 (c)	(33,240)	(21,423)	(33,240)	(21,423)
Share issuance costs		-	(77)	-	(77)
Disposal (acquisition) of treasury shares		(29,242)	(2,928)	(29,242)	(2,928)
Proceeds from exercised stock options		3	98	3	98
Contributions from noncontrolling shareholders	14 (e)	(5,202)	(440)	-	-
Net cash provided by (used in) financing activities		442,800	(114,136)	451,056	(110,643)
Decrease in cash and cash equivalents		(89,669)	(130,206)	(89,447)	(128,960)
<b>Cash and cash equivalents</b>					
At the beginning of the period		453,855	507,388	453,175	505,869
At the end of the period		364,186	377,182	363,728	376,909
Decrease in cash and cash equivalents		(89,669)	(130,206)	(89,447)	(128,960)

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

STATEMENTS OF VALUE ADDED FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Individual	
		Nine months of		Nine months of	
		2021	2020	2021	2020
Revenue					
Revenues from lease and services provided		117,423	110,573	38,117	24,833
Other revenue		22,100	(1,133)	733	(2,122)
Changes in the fair value of investment property	6	221,921	119,213	53,750	112,080
Revenue from construction of own assets		349,787	112,667	162,720	35,416
Allowance for doubtful accounts		197	(1,016)	50	(710)
		<b>711,428</b>	<b>340,304</b>	<b>255,370</b>	<b>169,497</b>
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(316,854)	(109,254)	(155,562)	(42,144)
		<b>(316,854)</b>	<b>(109,254)</b>	<b>(155,562)</b>	<b>(42,144)</b>
Gross value added		<b>394,574</b>	<b>231,050</b>	<b>99,808</b>	<b>127,353</b>
Depreciation	16	(611)	(541)	(607)	(538)
Net wealth created		<b>393,963</b>	<b>230,509</b>	<b>99,201</b>	<b>126,815</b>
Value added received in transfer					
Results from equity participation	5	4,885	1,798	223,552	70,181
Financial income		31,203	10,835	29,512	10,865
		<b>36,088</b>	<b>12,633</b>	<b>253,064</b>	<b>81,046</b>
Total wealth for distribution		<b>430,051</b>	<b>243,142</b>	<b>352,265</b>	<b>207,861</b>
Wealth distributed					
Personnel:		25,390	16,410	17,049	10,662
Salaries and wages		19,815	13,545	13,403	8,967
Benefits		4,537	2,264	2,987	1,374
Severance pay fund (FGTS)		1,038	601	659	321
Taxes and fares:		52,926	86,110	15,002	70,503
Federal		50,888	85,503	13,203	70,197
State		-	-	-	-
Municipal		2,038	607	1,799	306
Lenders and lessors:		56,492	34,937	38,852	21,755
Interest		35,324	29,116	27,678	20,988
Rentals / Leases		21,103	5,752	11,159	755
Other		65	69	15	12
Shareholders:		295,243	105,685	281,362	104,941
Retained earnings		281,362	104,941	281,362	104,941
Noncontrolling interests		13,881	744	-	-
Wealth distributed		<b>430,051</b>	<b>243,142</b>	<b>352,265</b>	<b>207,861</b>

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

## 1. General information

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

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

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

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

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

### 2.1 Presentation of condensed interim financial statements

The Company’s interim financial statements comprise:

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

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

This interim financial information must be read jointly with the financial statements as of December 31, 2020. Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2020.

## 2.2 Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

## 2.3 Adoption of new standards

The following standards and interpretations had not significant impact on Group's consolidated financial statements when they came into force.

- COVID-19 – Related Rent Concessions (Amendment to IFRS 16)
- Interest rate benchmark reform – Phase II (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The other standards and interpretations issued and which have not yet come into force are the same as those applied in the Group's financial statements for the year ended December 31, 2020.

## 3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>Cash and cash equivalents:</u>				
Cash	1	2	1	1
Bank accounts	970	815	594	611
Short-term investments:				
Bank certificates of deposit (CDB)	363,215	453,038	363,133	452,563
Total cash and cash equivalents	<u>364,186</u>	<u>453,855</u>	<u>363,728</u>	<u>453,175</u>

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>Marketable securities:</u>				
Restricted investment funds (i)	711,054	162,540	643,975	162,406
Unrestricted investment funds (ii)	15,855	127,970	12,976	125,178
Bank certificates of deposit (CDB) (ii)	199	199	-	-
Total marketable securities	<u>727,108</u>	<u>290,709</u>	<u>656,951</u>	<u>287,584</u>
Current	524,031	287,718	456,951	287,584
Noncurrent	203,077	2,991	200,000	-
	<u>727,108</u>	<u>290,709</u>	<u>656,951</u>	<u>287,584</u>

- The Group established restricted investment funds, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to CDI and invest in government and other banks securities, which in turn invest primarily in fixed-income securities.
- Include R\$2,878 pledged as collateral for "plano empresário" program loans, working capital and debentures.
- Pledged as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 142.11% of CDI in Consolidated and 140.70% of CDI in Individual in the nine-month period ended September 30, 2021 (52.86% of CDI in Consolidated and 52.79% of CDI in Individual for the same period of 2020).

The Company maintains the balance of cash and cash equivalents for the strategic purpose of being able to meet short-term commitments and maintain adequate liquidity in order to take advantage of investment opportunities in the properties market.

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Bank certificates of deposit (CDB)	61,402	1,700	59,586	1,700
Securities with repurchase agreement	45,270	18,021	36,443	18,021
Unrestricted investment funds	35,242	51,378	26,684	51,244
Debentures	114,828	22,030	99,633	22,030
Financial treasury bills (LFTs)	258,586	-	247,826	-
Private bonds	189,389	33,162	169,004	33,162
Public securities	6,337	36,249	4,799	36,249
<b>Total</b>	<b>711,054</b>	<b>162,540</b>	<b>643,975</b>	<b>162,406</b>

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

#### 4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Rentals	43,796	47,356	16,109	14,939
Sale of equity interest / assets	106,256	22,945	21,811	22,945
Condominium administration	420	220	420	220
Other	28,905	16,023	29,114	14,527
	179,377	86,544	67,454	52,631
Allowance for credit risk	(9,542)	(9,739)	(3,110)	(3,160)
<b>Total</b>	<b>169,835</b>	<b>76,805</b>	<b>64,344</b>	<b>49,471</b>
Current	131,128	32,486	36,040	17,633
Noncurrent	38,707	44,319	28,304	31,838
	169,835	76,805	64,344	49,471

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

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
LOG SJC (Note 18)	16,635	20,502	16,635	20,502
LOG Sapucaias	-	3,500	-	3,500
LOG Extrema (Note 6)	84,445	-	-	-
Plaza Mirante Sul (Note 6)	5,792	-	5,792	-
	106,872	24,002	22,427	24,002
Adjustment to present value	(616)	(1,057)	(616)	(1,057)
<b>Total</b>	<b>106,256</b>	<b>22,945</b>	<b>21,811</b>	<b>22,945</b>
Current	97,308	10,198	12,863	10,198
Noncurrent	9,564	13,804	9,564	13,804
	106,872	24,002	22,427	24,002

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
In due:				
Up to 12 months	131,114	32,517	35,932	17,630
After 12 months	38,707	44,319	28,304	31,838
	<b>169,821</b>	<b>76,836</b>	<b>64,236</b>	<b>49,468</b>
Past due:				
Up to 30 days	354	812	173	674
31 to 90 days	218	1,965	173	1,110
More than 90 days	8,984	6,931	2,872	1,379
	<b>9,556</b>	<b>9,708</b>	<b>3,218</b>	<b>3,163</b>
Total	<b>179,377</b>	<b>86,544</b>	<b>67,454</b>	<b>52,631</b>

Changes in the allowance for credit risk for the nine-month period ended September 30, 2021 and 2020 are as follows:

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Opening balance	(9,739)	(7,934)	(3,160)	(1,995)
Additions	(1,030)	(1,123)	(653)	(855)
Write-off	1,227	123	703	123
Closing balance	<b>(9,542)</b>	<b>(8,934)</b>	<b>(3,110)</b>	<b>(2,727)</b>

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
12 months	159,433	139,642	48,352	43,367
13 to 24 months	134,037	124,013	46,099	42,659
25 to 36 months	101,543	96,845	37,681	33,555
37 to 48 months	83,141	73,624	32,985	23,336
49 to 60 months	60,943	61,165	26,278	19,358
Over 60 months	64,063	151,186	19,529	30,249
Total	<b>603,160</b>	<b>646,475</b>	<b>210,924</b>	<b>192,524</b>

Other information on trade receivables did not significantly change in relation to the information disclosed in Note 4 to the financial statements for the year ended December 31, 2020.

## 5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees		Investment	
	9/30/21	12/31/20	Equity		9/30/21	12/31/20
			9/30/21	12/31/20		
<b>Joint ventures:</b>						
Cabral	50.00%	50.00%	42,843	50,248	21,285	24,865
Torino	40.00%	40.00%	445,807	398,496	178,349	159,424
Loteamento Betim	50.00%	50.00%	130,414	121,417	65,207	60,709
LOG SJC Sony	64.97%	64.97%	106,194	106,198	68,994	68,997
Capitalized interest (a)			-	-	11,314	12,341
<b>Total joint ventures - Consolidated</b>			<b>725,258</b>	<b>676,359</b>	<b>345,149</b>	<b>326,336</b>
<b>Subsidiaries:</b>						
LOG I	99.99%	99.99%	145,567	144,875	145,552	144,861
LOG II	99.99%	99.99%	50,399	50,311	50,394	50,306
LOG Jundiaí	99.99%	99.99%	94,983	94,302	94,974	94,293
LOG Goiânia	99.90%	99.90%	152,309	151,846	152,157	151,694
LOG Hortolândia	99.99%	99.99%	138,485	139,490	138,471	139,476
LOG SJP	99.99%	99.99%	55,020	53,285	55,014	53,280
LOG Juiz de Fora	99.99%	99.99%	114,987	113,037	114,976	113,026
LOG Feira de Santana	99.99%	99.99%	37,655	37,726	37,651	37,722
LOG Fortaleza	99.99%	99.99%	132,952	127,155	132,939	127,142
LOG Via Expressa	99.99%	99.99%	165,910	164,653	165,893	164,637
LOG Viana	99.99%	99.99%	140,889	139,779	140,875	139,765
LOG Londrina	99.99%	99.99%	120,160	114,280	120,148	114,269
LOG Itatiaia	99.99%	99.99%	62,309	61,789	62,303	61,783
LOG Itaitinga I	100.00%	0.00%	130,898	-	130,898	-
LOG Aracajú	99.99%	99.99%	75,060	72,232	75,052	72,225
LOG Extrema	90.06%	90.06%	114,272	202,840	102,913	182,998
LOG Uberaba	99.00%	99.00%	39,455	37,157	39,060	36,785
LOG Sumaré	99.99%	99.99%	27	19	27	19
LOG SJRP	99.99%	99.99%	24,439	23,647	24,437	23,645
LOG Macaé	99.99%	99.99%	14,247	14,118	14,246	14,117
LOG RP	99.99%	99.99%	52,736	51,405	52,731	51,400
LOG Recife	80.00%	0.00%	85,803	-	68,642	-
LOG Itapeva	99.99%	0.00%	31,925	-	31,922	-
LOG Viana II	100.00%	0.00%	42,191	-	42,191	-
LOG PIB Meli	100.00%	0.00%	49,379	-	49,379	-
LOG Maceió	100.00%	0.00%	974	-	974	-
LDI	100.00%	100.00%	726	693	726	693
LE Empreendimentos	99.00%	99.00%	515	113	510	112
<b>Total subsidiaries</b>			<b>2,074,272</b>	<b>1,794,752</b>	<b>2,045,055</b>	<b>1,774,248</b>
<b>Total Individual</b>			<b>2,799,530</b>	<b>2,471,111</b>	<b>2,390,204</b>	<b>2,100,584</b>

	Equity interest		Information on investees				Results from equity participation for the			
			Net income (loss) for the				3 <sup>rd</sup> quarter of		Nine months of	
	9/30/21	9/30/20	3 <sup>rd</sup> quarter of		Nine months of		3 <sup>rd</sup> quarter of		Nine months of	
			2021	2020	2021	2020	2021	2020	2021	2020
<b>Joint ventures:</b>										
Cabral	50.00%	50.00%	332	410	(7,158)	1,274	166	205	(3,579)	637
Torino	40.00%	40.00%	3,454	531	9,641	2,370	1,382	212	3,856	948
Loteamento Betim	50.00%	50.00%	1,551	88	11,319	630	775	44	5,660	315
LOG SJC Sony	64.97%	64.97%	(12)	(12)	(37)	8	(8)	(8)	(24)	5
Capitalized interest (a)			-	-	-	-	(57)	(17)	(1,028)	(107)
<b>Total joint ventures - Consolidated</b>			<b>5,325</b>	<b>1,017</b>	<b>13,765</b>	<b>4,282</b>	<b>2,258</b>	<b>436</b>	<b>4,885</b>	<b>1,798</b>
<b>Subsidiaries:</b>										
LOG I	99.99%	99.99%	2,492	1,300	7,266	5,581	2,492	1,299	7,265	5,580
LOG II	99.99%	99.99%	658	(122)	1,937	966	658	(122)	1,937	966
LOG Jundiaí	99.99%	99.99%	1,118	779	3,390	3,085	1,118	779	3,390	3,085
LOG Goiânia	99.90%	99.90%	2,303	(2,403)	6,634	888	2,301	(2,401)	6,627	887
LOG Hortolândia	99.99%	99.99%	2,117	1,764	5,993	4,529	2,117	1,764	5,992	4,529
LOG SJP	99.99%	99.99%	602	486	1,666	1,297	602	486	1,666	1,297
LOG Juiz de Fora	99.99%	99.99%	1,353	1,378	3,444	4,284	1,353	1,377	3,444	4,283
LOG Feira de Santana	99.99%	99.99%	510	482	1,503	1,275	510	482	1,503	1,275
LOG Fortaleza	99.99%	99.99%	1,881	5,917	5,191	12,591	1,881	5,917	5,190	12,590
LOG Via Expressa	99.99%	99.99%	2,202	2,101	6,400	6,024	2,202	2,100	6,399	6,023
LOG Viana	99.99%	99.99%	1,996	848	6,116	4,867	1,996	848	6,115	4,867
LOG Londrina	99.99%	99.99%	2,707	2,157	7,257	763	2,707	2,157	7,256	763
LOG Itatiaia	99.99%	99.99%	455	320	1,282	481	455	320	1,282	481
LOG Itaitinga I	100.00%	0.00%	1,209	-	13,326	-	1,209	-	13,326	-
LOG Rio	0.00%	99.99%	-	11,140	-	15,015	-	11,140	-	15,015
LOG Aracajú	99.99%	99.99%	995	634	2,944	1,402	995	634	2,944	1,402
LOG Extrema	90.06%	90.06%	(423)	2,497	15,431	7,608	(381)	2,253	13,577	6,867
LOG Uberaba	99.00%	99.00%	611	275	1,746	621	605	272	1,729	615
LOG Sumaré	99.99%	99.99%	-	-	(1)	(1)	-	-	(1)	(1)
LOG SJRP	99.99%	99.99%	208	128	455	570	208	128	455	570
LOG Macaé	99.99%	99.99%	(12)	(12)	(36)	99	(12)	(12)	(36)	99
LOG RP	99.99%	99.99%	458	296	1,015	1,308	458	295	1,015	1,307
LOG Recife	80.00%	0.00%	411	-	60,123	-	329	-	48,098	-
LOG Itapeva	99.99%	0.00%	149	-	18,091	-	149	-	18,089	-
LOG Viana II	100.00%	0.00%	18,616	-	18,616	-	18,616	-	18,616	-
LOG PIB Meli	100.00%	0.00%	46,801	-	46,807	-	46,801	-	46,807	-
LDI	100.00%	100.00%	10	1	31	(12)	10	1	31	(12)
LE Empreendimentos	99.00%	99.00%	(12)	(12)	(38)	(42)	(12)	(12)	(38)	(42)
Capitalized interest (a)			-	-	-	-	(2,414)	(936)	(4,011)	(4,063)
<b>Total subsidiaries</b>			<b>89,415</b>	<b>29,954</b>	<b>236,589</b>	<b>73,199</b>	<b>86,953</b>	<b>28,769</b>	<b>218,667</b>	<b>68,383</b>
<b>Total Individual</b>			<b>94,740</b>	<b>30,971</b>	<b>250,354</b>	<b>77,481</b>	<b>89,211</b>	<b>29,205</b>	<b>223,552</b>	<b>70,181</b>

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision in investees (Note 2.2 (f) to the financial statements for the year ended December 31, 2020).



b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20
Cash and cash equivalents and marketable securities	25,647	12,301	5,110	14,557	964	210	3	3
Trade receivables	269	342	-	-	19,331	5,609	-	-
Inventories	-	-	-	-	31,523	17,179	-	-
Other current assets	9,509	16	297	318	134	130	-	-
<b>Total current</b>	<b>35,425</b>	<b>12,659</b>	<b>5,407</b>	<b>14,875</b>	<b>51,952</b>	<b>23,128</b>	<b>3</b>	<b>3</b>
Trade receivables	-	448	-	-	1,689	2,180	-	-
Inventories	-	-	-	-	84,134	100,532	-	-
Investment property	8,272	38,463	455,926	394,000	-	3,367	109,900	109,900
Other noncurrent assets	-	1	404	461	-	-	-	-
<b>Total noncurrent assets</b>	<b>8,272</b>	<b>38,912</b>	<b>456,330</b>	<b>394,461</b>	<b>85,823</b>	<b>106,079</b>	<b>109,900</b>	<b>109,900</b>
<b>Total assets</b>	<b>43,697</b>	<b>51,571</b>	<b>461,737</b>	<b>409,336</b>	<b>137,775</b>	<b>129,207</b>	<b>109,903</b>	<b>109,903</b>
Current liabilities	691	990	6,279	1,187	7,315	7,715	4	-
Noncurrent liabilities	163	333	9,651	9,653	46	75	3,705	3,705
Equity	42,843	50,248	445,807	398,496	130,414	121,417	106,194	106,198
<b>Liabilities and equity</b>	<b>43,697</b>	<b>51,571</b>	<b>461,737</b>	<b>409,336</b>	<b>137,775</b>	<b>129,207</b>	<b>109,903</b>	<b>109,903</b>

	Cabral (*)		Torino		Loteamento Betim (**)		LOG SJC Sony	
	Nine months of		Nine months of		Nine months of		Nine months of	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue	367	1,119	12,812	4,913	21,584	1,845	-	-
Cost of products and services	-	-	-	-	(8,258)	(1,133)	-	-
Other operating expenses	(8,048)	190	(1,848)	(2,092)	(35)	(30)	(36)	24
Financial income (expenses)	550	198	173	145	10	(3)	(1)	(1)
Changes in the fair value of investment property	338	-	-	-	(1,345)	-	-	-
Income tax and social contribution	(365)	(233)	(1,496)	(596)	(637)	(49)	-	(15)
<b>Net income (loss)</b>	<b>(7,158)</b>	<b>1,274</b>	<b>9,641</b>	<b>2,370</b>	<b>11,319</b>	<b>630</b>	<b>(37)</b>	<b>8</b>

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

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

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

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
<b>Nine month period ended September 30, 2021:</b>							
<b>Joint ventures:</b>							
Cabral	11/13	24,865	(1)	(3,579)	-	-	21,285
Torino	4/15	159,424	18,669	3,856	(3,600)	-	178,349
Loteamento Betim	3/18	60,709	1,516	5,660	(2,678)	-	65,207
LOG SJC Sony	-	68,997	21	(24)	-	-	68,994
Capitalized interest (a)		12,341	1	(1,028)	-	-	11,314
<b>Total joint ventures - Consolidated</b>		<b>326,336</b>	<b>20,206</b>	<b>4,885</b>	<b>(6,278)</b>	-	<b>345,149</b>
<b>Subsidiaries:</b>							
LOG I	2/09	144,861	2,138	7,265	(8,712)	-	145,552
LOG II	3/11	50,306	487	1,937	(2,336)	-	50,394
LOG Jundiá	4/11	94,293	408	3,390	(3,117)	-	94,974
LOG Goiânia	4/12	151,694	1,611	6,627	(7,775)	-	152,157
LOG Hortolândia	9/12	139,476	972	5,992	(7,969)	-	138,471
LOG SJP	4/13	53,280	68	1,666	-	-	55,014
LOG Juiz de Fora	6/13	113,026	2,119	3,444	(3,613)	-	114,976
LOG Feira de Santana	6/13	37,722	252	1,503	(1,826)	-	37,651
LOG Fortaleza	8/13	127,142	6,945	5,190	(6,338)	-	132,939
LOG Via Expressa	11/13	164,637	929	6,399	(6,072)	-	165,893
LOG Viana	4/14	139,765	1,245	6,115	(6,250)	-	140,875
LOG Londrina	6/14	114,269	4,251	7,256	(5,628)	-	120,148
LOG Itatiaia	7/14	61,783	(633)	1,282	(129)	-	62,303
LOG Itaitinga I	9/21	-	117,572	13,326	-	-	130,898
LOG Aracajú	10/18	72,225	1,312	2,944	(1,429)	-	75,052
LOG Extrema	10/19	182,998	(1)	13,577	(93,661)	-	102,913
LOG Uberaba	9/20	36,785	1,678	1,729	(1,132)	-	39,060
LOG Sumaré	-	19	9	(1)	-	-	27
LOG SJRP	-	23,645	337	455	-	-	24,437
LOG Macaé	-	14,117	165	(36)	-	-	14,246
LOG RP	-	51,400	316	1,015	-	-	52,731
LOG Recife	-	-	20,544	48,098	-	-	68,642
LOG Itapeva	-	-	13,833	18,089	-	-	31,922
LOG Viana II	-	-	23,575	18,616	-	-	42,191
LOG PIB Meli	-	-	2,572	46,807	-	-	49,379
LOG Maceió	-	-	974	-	-	-	974
LDI	-	693	2	31	-	-	726
LE Empreendimentos	-	112	436	(38)	-	-	510
Juros capitalizados (a)	-	-	-	(4,011)	-	4,011	-
<b>Total subsidiaries</b>		<b>1,774,248</b>	<b>204,116</b>	<b>218,667</b>	<b>(155,987)</b>	<b>4,011</b>	<b>2,045,055</b>
<b>Total Individual</b>		<b>2,100,584</b>	<b>224,322</b>	<b>223,552</b>	<b>(162,265)</b>	<b>4,011</b>	<b>2,390,204</b>
<b>Nine month period ended September 30, 2020:</b>							
<b>Total Consolidated</b>		<b>306,253</b>	<b>4,512</b>	<b>1,798</b>	<b>-</b>	<b>9,270</b>	<b>321,833</b>
<b>Total Individual</b>		<b>2,292,547</b>	<b>55,389</b>	<b>70,181</b>	<b>(63,558)</b>	<b>(271,995)</b>	<b>2,082,564</b>

- a) Adjustment in results from equity participation by the capitalized interest amount during the fiscal year, due to adoption of fair value measurement for investment property (Note 2.2 (f) to the financial statements for the year ended December 31, 2020).

Other information on Interests in subsidiaries and joint ventures did not significantly change from the information disclosed in Note 5 to the financial statements for the year ended December 31, 2020.

## 6. Investment property

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Industrial warehouses	3,455,451	2,965,730	1,310,296	1,089,966
Strip malls	20,451	28,740	20,451	28,740
Total	<b>3,475,902</b>	2,994,470	<b>1,330,747</b>	1,118,706

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

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Opening balance	2,994,470	2,574,135	1,118,706	503,946
Additions	499,777	200,321	406,125	134,929
Spin-off and merger of assets	-	-	-	290,387
Capitalized interest (Note 8 (d))	10,713	4,352	6,702	293
Sale of assets	(250,979)	-	(8,499)	-
Transfer to assets available for sale	-	(124,355)	-	(124,355)
Transfer to SPE (*)	-	-	(246,037)	-
Changes in fair value (**)	221,921	134,213	53,750	127,080
Closing balance	<b>3,475,902</b>	2,788,666	<b>1,330,747</b>	932,280

(\*) Refers to investment property transferred to LOG Itaitinga I, LOG Recife, LOG Viana II, LOG Maceió and LOG PIB Meli during the nine-month period ended September 30, 2021.

(\*\*) The increase in the nine-month period ended September 30, 2021, refers to the evaluation at fair value of LOG Recife, LOG Belém, LOG Itapeva, LOG Itaitinga I, LOG Viana II and LOG PIB Meli projects, whose measurement technique changed from cost to discounted cash flows, due to the beginning of its construction during the period.

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

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Changes in fair value of investment property	221,921	134,213	53,750	127,080
Deferred PIS/COFINS	(3,465)	3,686	-	4,813
Changes in fair value of investment property in profit or loss	<b>218,456</b>	137,899	<b>53,750</b>	131,893

On May 31, 2021, the Group sold an asset to property fund "BM II Fundo de Investimento Imobiliário" for the amount R\$272.7 million, of which R\$191.3 million were received in cash and R\$81.4 million, plus IPCA update, are scheduled for October 29, 2021.

On July 15, 2021, the Group sold an asset for the amount of R\$6.5 million, which are being received in 24 consecutive monthly installments.

The effects of these transactions are as follow:

	Effect on results		
	LOG Extrema	Plaza Mirante Sul	Total
Sales revenue	272,700	6,500	279,200
Investment property write-off	(242,480)	(8,499)	(250,979)
PIS and COFINS	(5,826)	-	(5,826)
Others costs and income	(6,754)	(297)	(7,051)
Other operating income (expenses), net	17,640	(2,296)	15,344
Income tax and social contribution	(4,477)	(773)	(5,250)
Gain on sale of assets	13,163	(3,069)	10,094

Fair value of the investment properties has been determined at September 30, 2020, as follows:

- Completed projects: the discounted cash flow assumptions described in the financial statements of December 31, 2020 were maintained, except for cases that suffer significant changes, for which new valuations were performed.
- Projects under construction: the discounted cash flow assumptions described in the financial statements of December 31, 2020 were maintained, increased by the construction cost incurred in the nine-month period ended September 30, 2021, except for cases that suffer significant changes, for which new valuations were performed.
- Land purchased: the amounts were assessed, and the fair values determined in the financial statements of December 31, 2020 were maintained, increased by the construction costs incurred in the nine-month period ended September 30, 2021.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the nine-month period ended September 30, 2021, when applicable.

As at September 30, 2021, from the total amount of investment property, R\$1,635,855 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,611,536 as at December 31, 2020).

#### Non-current assets held for sale

Changes in balances of non-current assets held for sale for the nine-month period ended September 30, 2021 and 2020 were as follows:

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Opening balance	-	36,998	-	36,998
Transfer from investment property	-	124,355	-	124,355
Changes in fair value	-	(15,000)	-	(15,000)
Closing balance	-	146,353	-	146,353

Effects of changes in the fair value of non-current assets held for sale on profit or loss are as follows:

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Changes in fair value of non-current assets held for sale	-	(15,000)	-	(15,000)
Changes in fair value of investment property in profit or loss	-	(15,000)	-	(15,000)

Other information on investment property did not significantly change in relation to the information disclosed in Note 6 to the financial statements for the year ended December 31, 2020.

## 7. Property and equipment

Changes in property and equipment for the nine-month period ended September 30, 2021 and 2020 are as follows:

Consolidated	Opening balance	Addition	Closing balance
<b>Nine month period ended September 30, 2021:</b>			
<u>Cost:</u>			
Right-of-use (*)	4,673	294	<b>4,967</b>
Other (**)	1,974	130	<b>2,104</b>
Total cost	6,647	424	<b>7,071</b>
<u>Accumulated depreciation:</u>			
Right-of-use (*)	549	227	<b>776</b>
Other (**)	1,117	165	<b>1,282</b>
Total accumulated depreciation	1,666	392	<b>2,058</b>
Total property and equipment, net	4,981	32	<b>5,013</b>
<b>Nine month period ended September 30, 2020:</b>			
Total property and equipment, net	4,958	(67)	4,891

Individual	Opening balance	Addition	Closing balance
<b>Nine month period ended September 30, 2021:</b>			
<u>Cost:</u>			
Right-of-use (*)	4,673	294	<b>4,967</b>
Other (**)	1,762	130	<b>1,892</b>
Total cost	6,435	424	<b>6,859</b>
<u>Accumulated depreciation:</u>			
Right-of-use (*)	550	227	<b>777</b>
Other (**)	947	150	<b>1,097</b>
Total accumulated depreciation	1,497	377	<b>1,874</b>
Total property and equipment, net	4,938	47	<b>4,985</b>
<b>Nine month period ended September 30, 2020:</b>			
Total property and equipment, net	4,896	(52)	4,844

(\*) Rental agreement for the Company's headquarters (Note 18).

(\*\*) Primarily improvements in third party properties.

At the end of the reporting periods, the Group's management concluded that there were no indications of impairment of its assets with finite useful lives, as none of the loss indicators set out in CPC 01, paragraphs 10 and 12, was evidenced.

## 8. Loans, financing and debentures

### a) Position

Loans, financing and debentures as at September 30, 2021 and December 31, 2020 are as follows:

Type	9/30/21			12/31/20
	Current	Noncurrent	Total	Total
<b>Individual:</b>				
Debenture - 8 <sup>th</sup> issue (CRI)	-	-	-	12,566
Debenture - 10 <sup>th</sup> issue (CRI)	21,432	30,576	52,008	61,315
Debenture - 11 <sup>th</sup> issue (CRI)	7,439	-	7,439	14,608
Debenture - 12 <sup>th</sup> issue	10,061	52,502	62,563	70,036
Debenture - 13 <sup>th</sup> issue (CRI)	-	-	-	81,088
Debenture - 14 <sup>th</sup> issue	62,881	90,000	152,881	150,381
Debenture - 15 <sup>th</sup> issue (CRI)	7,072	43,750	50,822	56,043
Debenture - 16 <sup>th</sup> issue (CRI)	18,266	45,455	63,721	82,260
Debenture - 17 <sup>th</sup> issue	76,982	153,333	230,315	231,365
Debenture - 18 <sup>th</sup> issue	603	250,000	250,603	-
Debenture - 19 <sup>th</sup> issue (CRI) (*)	282	450,000	450,282	-
(-) Funding cost	(3,929)	(13,212)	(17,141)	(6,395)
<b>Total debentures and CRI - Individual</b>	<b>201,089</b>	<b>1,102,404</b>	<b>1,303,493</b>	<b>753,267</b>
Construction financing	6,409	12,153	18,562	22,659
(-) Funding cost	(104)	(219)	(323)	(401)
<b>Total financing - Individual</b>	<b>6,305</b>	<b>11,934</b>	<b>18,239</b>	<b>22,258</b>
<b>Total Individual</b>	<b>207,394</b>	<b>1,114,338</b>	<b>1,321,732</b>	<b>775,525</b>
<b>Subsidiaries:</b>				
Construction financing (*)	3,427	17,220	20,647	25,628
(-) Funding cost	(99)	(308)	(407)	(490)
<b>Total financing - Subsidiaries</b>	<b>3,328</b>	<b>16,912</b>	<b>20,240</b>	<b>25,138</b>
<b>Total Consolidated</b>	<b>210,722</b>	<b>1,131,250</b>	<b>1,341,972</b>	<b>800,663</b>

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

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

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 10 <sup>th</sup> issue (CRI)	100,000	12/17	Semiannual	Semiannual	12/20 to 12/23	CDI + 1.60%	CDI + 1.77%
Debenture - 11 <sup>th</sup> issue (CRI)	51,000	12/17	Semiannual	Semiannual	12/18 to 12/21	CDI + 2.00%	CDI + 2.23%
Debenture - 12 <sup>th</sup> issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
Debenture - 14 <sup>th</sup> issue	15,000	11/18	Semiannual	Semiannual	11/21 to 11/23	117% CDI	117% CDI + 0.26%
Debenture - 15 <sup>th</sup> issue (CRI)	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16 <sup>th</sup> issue (CRI)	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17 <sup>th</sup> issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18 <sup>th</sup> issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	CDI + 2.21%
Debenture - 19 <sup>th</sup> issue (CRI)	450,000	9/21	Annual	Semiannual	9/25 to 9/28	IPCA + 5.52%	IPCA + 6.07%
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 nine-month period ended September 30, 2021 is as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Debenture - 18 <sup>th</sup> issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	250,000
Debenture - 19 <sup>th</sup> issue (CRI)	450,000	9/21	Annual	Semiannual	9/25 a 9/28	IPCA + 5.52%	450,000
<b>Total - Individual and Consolidated</b>							<b>700,000</b>

(\*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Opening balance	800,663	889,805	775,525	866,214
Funding	700,000	-	700,000	-
Interest expense	31,466	26,257	29,928	24,543
Fair value adjustment	(3,463)	2,733	-	-
Funding cost	(13,038)	-	(13,040)	-
Amortization of funding costs	2,453	2,365	2,372	2,280
Repayment of principal	(147,541)	(55,737)	(146,035)	(54,671)
Payment of interest	(28,568)	(33,282)	(27,018)	(31,295)
Closing balance	<u>1,341,972</u>	<u>832,141</u>	<u>1,321,732</u>	<u>807,071</u>

b) Guarantees

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

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	39,209	445,759	173,990	658,958
No guarantees	-	250,603	450,282	700,885
Total (*)	<u>39,209</u>	<u>696,362</u>	<u>624,272</u>	<u>1,359,843</u>

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

c) Aging

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	210,722	203,229	207,394	200,003
13 to 24 months	197,737	199,335	194,838	196,540
25 to 36 months	240,448	199,719	237,536	196,912
37 to 48 months	222,735	118,598	219,809	115,778
After 48 months	470,330	79,782	462,155	66,292
Total	<u>1,341,972</u>	<u>800,663</u>	<u>1,321,732</u>	<u>775,525</u>

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2021		2020	
	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months
<u>Financial charges on:</u>				
Loans, financing and debentures	(15,671)	(33,919)	(7,142)	(28,622)
Derivative financial instruments	(667)	(705)	5	30
Total financial charges	<u>(16,338)</u>	<u>(34,624)</u>	<u>(7,137)</u>	<u>(28,592)</u>
<u>Interest capitalized on:</u>				
Investment property (Note 6)	6,349	10,713	1,134	4,352
Financial charges allocated to profit or loss (Note 17)	<u>(9,989)</u>	<u>(23,911)</u>	<u>(6,003)</u>	<u>(24,240)</u>

	Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months
<b>Financial charges on:</b>				
Loans, financing and debentures	(15,143)	(32,300)	(6,567)	(26,823)
Derivative financial instruments	(667)	(705)	5	30
<b>Total financial charges</b>	<b>(15,810)</b>	<b>(33,005)</b>	<b>(6,562)</b>	<b>(26,793)</b>
<b>Interest capitalized on:</b>				
Investment property (Note 6)	3,935	6,702	200	293
Investment (Note 5)	2,414	4,011	936	4,063
<b>Financial charges allocated to profit or loss (Note 17)</b>	<b>(9,461)</b>	<b>(22,292)</b>	<b>(5,426)</b>	<b>(22,437)</b>

For the nine-month period ended September 30, 2021, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 5.95% p.a. in Consolidated (3.85% p.a. for the year ended December 31, 2020).

e) Contractual obligations

The 14<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> public issue of debentures and the CRI indenture provides for compliance with certain financial ratios covenants, determined and review by the fiduciary agent, as follows:

Description - 14 <sup>th</sup> issue	Required level	Fiscal year
	7 x	2020
Net debt / Adjusted EBITDA	6.5 x	2021
	6 x	2022 onwards

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

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

Description - 18 <sup>th</sup> and 19 <sup>th</sup> issue	Required level	Fiscal year
Gross debt / Investment property	Up to 60%	2021 onwards

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

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

Other information on loans, financing and debentures did not significantly change in relation to the information disclosed in Note 8 to the financial statements for the year ended December 31, 2020.

## 9. Land payables

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
CDI	46,846	62,355	26,571	62,355
IPCA	7,739	-	7,739	-
Non-interest bearing	22,378	-	-	-
<b>Total</b>	<b>76,963</b>	<b>62,355</b>	<b>34,310</b>	<b>62,355</b>
Current	69,623	16,630	26,970	16,630
Noncurrent	7,340	45,725	7,340	45,725
<b>Total</b>	<b>76,963</b>	<b>62,355</b>	<b>34,310</b>	<b>62,355</b>



Aging of 'Land payables' is as follows:

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	69,623	16,630	26,970	16,630
13 to 24 months	7,340	22,677	7,340	22,677
25 to 36 months	-	23,048	-	23,048
Total	<b>76,963</b>	<b>62,355</b>	<b>34,310</b>	<b>62,355</b>

## 10. Barters

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

Barters' maturity is broken down as follows:

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<u>After the reporting period:</u>				
12 months	118,903	45,688	79,884	45,688
13 to 24 months	87,358	33,387	77,988	33,387
25 to 36 months	38,173	23,351	38,173	23,351
After 36 months	1,604	28,110	1,604	28,110
Total	<b>246,038</b>	<b>130,536</b>	<b>197,649</b>	<b>130,536</b>
Current	118,903	45,688	79,884	45,688
Noncurrent	127,135	84,848	117,765	84,848
	<b>246,038</b>	<b>130,536</b>	<b>197,649</b>	<b>130,536</b>

## 11. Income tax and social contribution

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

	Consolidated			
	2021		2020	
	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months
Income (loss) before income tax and social contribution	99,263	320,165	146,427	186,260
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(33,749)	(108,856)	(49,785)	(63,328)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	768	1,661	148	611
Unrecognized tax credit	9,422	8,879	(317)	(1,380)
Depreciation of investment property	1,722	4,913	683	2,862
Tax basis difference for companies taxes based on deemed income	16,567	67,374	7,832	18,241
Effect of the spin-off and merger of subsidiaries	-	-	(40,772)	(40,772)
Other	705	1,107	2,026	3,191
IRPJ and CSLL credit (debit) in profit or loss	<b>(4,565)</b>	<b>(24,922)</b>	<b>(80,185)</b>	<b>(80,575)</b>

	Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	Nine months	3 <sup>rd</sup> quarter	Nine months
Income before income tax and social contribution	93,782	286,487	142,617	175,446
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(31,886)	(97,406)	(48,490)	(59,652)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	31,153	77,371	10,248	25,243
Tax credit not constituted	(822)	8,879	(317)	(1,380)
Depreciation of investment properties	1,629	4,636	591	2,585
Effect of the spin-off and merger of subsidiaries	-	-	(40,772)	(40,772)
Other	802	1,395	2,117	3,471
IRPJ and CSLL credit (debit) in profit or loss	876	(5,125)	(76,623)	(70,505)

On September 30, 2021, the Company did not recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R\$1,581 (R\$1,581 as of December 31, 2020).

(b) Deferred tax balances

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<b>Noncurrent assets:</b>				
Income tax and social contribution	11,412	16,537	11,412	16,537
<b>Liabilities:</b>				
Income tax and social contribution	(35,767)	(30,230)	-	-
PIS/COFINS	(40,733)	(34,447)	-	-
	(76,500)	(64,677)	-	-
Current	(7,037)	(1,423)	-	-
Noncurrent	(69,463)	(63,254)	-	-
Total	(76,500)	(64,677)	-	-

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
<b>Tax effect on:</b>				
<b>Deferred assets:</b>				
Tax loss carryforwards	64,000	60,125	63,655	59,650
Capitalized interests written-off (*)	93,663	95,649	93,663	95,649
Temporary differences	4,812	523	4,813	523
	162,475	156,297	162,131	155,822
Reclassified deferred liabilities	(151,063)	(139,760)	(150,719)	(139,285)
Deferred tax assets	11,412	16,537	11,412	16,537
<b>Deferred liabilities:</b>				
Fair value appreciation on investment property	(182,035)	(167,678)	(150,719)	(139,285)
Sales of investment property	(2,508)	-	-	-
Rental receivables and others	(2,287)	(2,312)	-	-
	(186,830)	(169,990)	(150,719)	(139,285)
Reclassified deferred liabilities	151,063	139,760	150,719	139,285
Deferred tax liabilities	(35,767)	(30,230)	-	-

(\*) According to Note 2.2 (f) to the financial statements for the year ended December 31, 2020, since financing activities are centrally managed by the Company, interest incurred by the Company on the financing of its investees' qualifying assets are capitalized and presented in the investment line item (Individual financial statements). Since investment properties are measured at fair value, the related costs are allocated to profit or loss by deducting such costs from equity participation calculation (Individual financial statements). In this process, deferred tax assets are recognized, since these amounts will be tax deductible upon realization of the respective investments.

Reclassified deferred tax balances are to offset amounts for presentation purpose. They are related to taxes on income collected by the same tax authority and were individually made by each taxable entity, have the same nature, and will be realized simultaneously.

As at September 30, 2021, the estimated realization of deferred tax assets, based on the forecast of future taxable income, prepared by the Company's Management, is as follows:

	IRPJ and CSLL
	Consolidated and Individual
Expected realization:	
2022	1,973
2023	1,807
2024	427
2025	1,531
2026	244
2027 to 2029	731
2030 to 2031	4,699
<b>Total</b>	<b>11,412</b>

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

As at September 30, 2021, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the nine-month period ended September 30, 2021 and 2020 are as follows:

	Consolidated				Individual			
	Nine months of				Nine months of			
	2021			2020	2021			2020
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	156,297	(169,990)	(13,693)	67,908	155,822	(139,285)	16,537	99,359
Effect of the merger of subsidiary	-	-	-	-	-	-	-	(4,208)
Effect of deferred IRPJ and CSLL recognized in:								
Equity	-	-	-	27	-	-	-	27
Net income for the period	6,178	(16,840)	(10,662)	(72,489)	6,309	(11,434)	(5,125)	(70,505)
<b>Closing balance</b>	<b>162,475</b>	<b>(186,830)</b>	<b>(24,355)</b>	<b>(4,554)</b>	<b>162,131</b>	<b>(150,719)</b>	<b>11,412</b>	<b>24,673</b>

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

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

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Opening balance	1,725	1,808	108	318
Additions and inflation adjustments	401	725	16	424
Payments	(24)	(568)	(4)	(448)
Reversals	(48)	(271)	(9)	(166)
<b>Closing balance</b>	<b>2,054</b>	<b>1,694</b>	<b>111</b>	<b>128</b>

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,785 in Consolidated and R\$1,148 in Individual as at September 30, 2021 (R\$2,929 in Consolidated and R\$616 in Individual as at December 31, 2020).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2020.

### 13. Lease

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

As a lessee, the Group identified a rental agreement related to its headquarters.

Changes in lease liability for the nine-month period ended September 30, 2021 and 2020 are as follows:

	Consolidated and Individual	
	Nine months of	
	2021	2020
Opening balance	4,374	4,265
Remeasurement	294	286
Interest expenses	219	216
Repayment of principal	(153)	(131)
Payment of interest	(219)	(216)
Closing balance	4,515	4,420
Current	215	189
Noncurrent	4,300	4,231
	4,515	4,420

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

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<u>Consolidated and Individual:</u>					
Lease liability	1,348	504	504	5,253	7,609
Total	1,348	504	504	5,253	7,609

#### Leases representing exemptions in recognition

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

Other information on the lease is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2020.

### 14. Equity

#### (a) Shares and capital

	Consolidated and Individual	
	9/30/21	12/31/20
Subscribed capital	2,053,976	2,053,976
Number of common shares, without par value (thousand)	102,159	102,159

The Company's authorized capital as at September 30, 2021 is R\$3,000,000 (three billion reais) (R\$2,500,000 as at December 31, 2020), represented exclusively by common shares and each share entitles its holder to one vote in shareholders meeting.

(b) Treasury shares

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

On March 13, 2020, the Board of Directors approved for 18 months, starting on March 16, 2020, the Company's share buyback program (Repurchase Program), in the maximum amount of 4 million common shares, respecting the legal limits, for being held in treasury, canceled or re-placed on the market, or even allocated to the Stock Option Plans.

During the nine-month period ended September 30, 2020, 2,088 thousand shares were acquired in the amount of R\$55,675 (985 thousand shares were acquired in the amount of R\$18,597 for the same period of 2020), through the Company's Repurchase Program, as shown below:

Type	Number (thousand)					Cost in reais (per share) of the acquired shares			Market value (*)
	Opening balance	Acquired	Sold	Transferred	Closing balance	Weighted average	Maximum	Minimum	
<b><u>Nine month period ended</u></b>									
<b><u>September 30, 2021:</u></b>									
Common shares	16	2,088	(990)	-	1,114	26.65	27.69	25.11	28,875
<b><u>Nine month period ended</u></b>									
<b><u>September 30, 2020:</u></b>									
Common shares	-	985	(424)	(45)	516	18.88	22.18	14.87	15,516

(\*) Market value of shares remaining in treasury as at September 30, 2021 and 2020.

(c) Mandatory minimum dividend payable to shareholders

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

Fiscal year 2019 dividends, amounting R\$21,423, were approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 16, 2020 and paid on May 29, 2020.

(d) Stock option plan

On June 14, 2021, the Company approved Program 9 of the stock option plan, granting to directors and managers 338 thousand options with vesting period of 5 years, with exercise deadline date in December 2028. The stock option fair value is R\$11.23 with, total cost of remuneration of R\$3,774, which will be recognized in the income statement over the vesting period.

On June 26, 2020, the Company approved Program 8 of the stock option plan, granting to directors and managers, 253 thousand and 400 thousand options with vesting period of 5 and 10 years, respectively, with exercise deadline date in December 2027 and December 2032, respectively. The stock option fair values are R\$11.83 and R\$12.66 respectively with, total cost of remuneration of R\$7,254, which will be recognized in the income statement over the vesting periods.

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

Program	Approval	Quantity	% of total approved in the plan	Vesting	Strike price	Participants	Initial exercise deadline	Exercise deadline (*)
1	6/11	70,000	3.70%	Up to 5 year	R\$ 4.00	Officers	8/11	12/21
2	6/12	22,444	1.19%	Up to 5 year	R\$ 22.36	Officers	8/12	12/22
3	10/13	32,879	1.74%	Up to 5 year	R\$ 30.04	Officers and managers	12/13	12/23
4	11/14	31,835	1.68%	Up to 5 year	R\$ 30.04	Officers and managers	12/14	12/24
5	12/15	27,710	1.46%	Up to 5 year	R\$ 30.04	Officers and managers	12/15	12/25
6	4/18	352,000	18.60%	Up to 5 year	R\$ 22.00	Officers and managers	12/18	12/25
7	9/19	226,251	11.96%	Up to 5 year	R\$ 23.42	Officers and managers	12/19	12/26
8	6/20	653,216	34.52%	Up to 5 and 10 year	R\$ 21.62	Officers and managers	12/20	12/27 and 12/32
9	6/21	338,074	17.87%	Up to 5 year	R\$ 30.22	Officers and managers	12/21	12/28

(\*) After each plan's last vesting period, the beneficiary has three additional exercise years. The programs 1 to 5 had a 3-year extension in exercise deadline date as approved by the Board of Directors.

The tables below show the changes in stock option plan program for the nine-month period ended September 30, 2021 and 2020 and supplemental information thereon:

Program	Number of participants	Changes nine months of 2021 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
2	1	15	-	-	-	15
3	2	21	-	-	-	21
4	2	21	-	-	-	21
5	2	21	-	-	-	21
6	3	267	-	-	-	267
7	14	188	-	(16)	-	172
8	16	649	-	(11)	-	638
9	21	-	338	-	-	338
		1,182	338	(27)	-	1,493
Weighted average price of options		22.44	30.22	22.69	-	24.20
Nine months of 2020 (thou. options):		729	653	(151)	(45)	1,186
Weighted average price of options		22.26	21.62	23.49	4.00	22.44

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
2	15	-	-	-
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	40	171	269	1.3
7	17	151	399	2.3
8	32	1,058	5,106	8.4
9	-	496	3,278	4.3
2021	167	1,876	9,052	6.4
2020	114	837	7,743	8.4

As at September 30, 2021, had all options currently granted been exercised, the Company would have issued 1,493 thousand shares, which would represent a 1.44% dilution in relation to the Company's total of 102,159 thousand shares (1.14% at December 31, 2020).

None of the programs requires that the beneficiary pay any amount when the option is granted. As at September 30, 2021, Stock options granted represents 92.72% of the total approved plan (74.85% December 31, 2020).

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

(e) Noncontrolling interests

	Consolidated	
	nine months of	
	2021	2020
Opening balance	19,840	15,266
Net contributions (distributions) to noncontrolling shareholders	(5,202)	(440)
Capital transaction	-	2,602
Interests in net income for the period	13,881	744
Closing balance	<b>28,519</b>	<b>18,172</b>

(f) Earnings per share

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

	Consolidated and Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	Nine Months	3 <sup>rd</sup> quarter	Nine Months
Basic earnings per share:				
Net income for the period	94,658	281,362	65,994	104,941
Weighted average number of outstanding common (thousand)	101,659	101,980	101,510	101,611
Basic earnings per share - in R\$	<b>0.93113</b>	<b>2.75899</b>	0.65012	1.03277
Diluted earnings per share:				
Net income for the period	94,658	281,362	65,994	104,941
Weighted average number of outstanding common (thousand)	101,659	101,980	101,510	101,611
Dilutive effect of stock options (thousand)	248	302	389	264
Total shares after dilutive effect (thousand)	101,907	102,282	101,899	101,875
Diluted earnings per share - in R\$	<b>0.92887</b>	<b>2.75085</b>	0.64764	1.03010

Other information on equity did not significantly change in relation to the information disclosed in Note 14 to the financial statements for the year ended December 31, 2020.

## 15. Net revenue

	Consolidated			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
Rental revenue	38,060	113,676	36,879	107,442
Revenue from condominium management service	1,261	3,747	1,104	3,131
Taxes on revenue	(2,316)	(6,708)	(1,845)	(5,389)
Net revenue	<b>37,005</b>	<b>110,715</b>	36,138	105,184

	Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
Rental revenue	11,988	34,370	7,938	21,702
Revenue from condominium management service	1,261	3,747	1,104	3,131
Taxes on revenue	(1,319)	(3,694)	(885)	(2,406)
Net revenue	<b>11,930</b>	<b>34,423</b>	8,157	22,427

## 16. Costs and expenses by nature

	Consolidated			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
Costs of services provided - condominium management	(584)	(1,546)	(446)	(1,245)
Operating income (expenses):				
Salaries, charges and benefits	(2,607)	(8,730)	(3,183)	(8,085)
Outside services	(1,708)	(5,581)	(1,402)	(4,048)
General expenses	(1,371)	(3,582)	(884)	(2,778)
Management compensation	(1,607)	(4,184)	(1,120)	(3,136)
Vacancy expenses	(368)	(1,407)	(847)	(2,836)
Stock options	(832)	(1,876)	(450)	(837)
Advertising	(561)	(1,296)	(345)	(1,122)
Depreciation and amortization	(209)	(611)	(182)	(541)
Other (*)	(882)	10,407	(3,034)	(4,745)
	(10,145)	(16,860)	(11,447)	(28,128)
Classified as:				
Selling expenses	(2,784)	(8,268)	(2,633)	(7,668)
General and administrative expenses	(4,872)	(14,815)	(4,660)	(12,579)
Management compensation	(1,607)	(4,184)	(1,120)	(3,136)
Other operating expenses, net	(882)	10,407	(3,034)	(4,745)
	(10,145)	(16,860)	(11,447)	(28,128)

(\*) 2021 includes results from sold assets of R\$16.9 million, as mentioned in Note 6.

	Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
Costs of services provided - condominium management	(584)	(1,546)	(446)	(1,245)
Operating expenses:				
Salaries, charges and benefits	(2,607)	(8,730)	(3,183)	(8,085)
Outside services	(1,257)	(3,018)	(801)	(2,226)
General expenses	(1,299)	(3,385)	(757)	(2,484)
Management compensation	(1,607)	(4,184)	(1,120)	(3,136)
Vacancy expenses	(136)	(525)	(337)	(1,161)
Stock options	(832)	(1,876)	(450)	(837)
Advertising	(562)	(1,291)	(346)	(1,111)
Depreciation and amortization	(208)	(607)	(181)	(538)
Other	323	(1,578)	(2,808)	(4,070)
	(8,185)	(25,194)	(9,983)	(23,648)
Classified as:				
Selling expenses	(2,296)	(5,420)	(1,667)	(4,670)
General and administrative expenses	(4,605)	(14,012)	(4,388)	(11,772)
Management compensation	(1,607)	(4,184)	(1,120)	(3,136)
Other operating expenses, net	323	(1,578)	(2,808)	(4,070)
	(8,185)	(25,194)	(9,983)	(23,648)



## 17. Financial expenses and income

	Consolidated			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
<b>Financial expenses</b>				
Interest on loans, financing and debentures (Note 8 (d))	(9,989)	(23,911)	(6,003)	(24,240)
Result on derivative financial instruments	(701)	(782)	(30)	(156)
Other financial expenses	(271)	(616)	86	(212)
	<b>(10,961)</b>	<b>(25,309)</b>	<b>(5,947)</b>	<b>(24,608)</b>
<b>Financial income</b>				
Income from short-term investments	13,923	28,614	4,566	9,028
Interest income on loans	132	295	54	550
Other financial income (*)	260	915	277	782
	<b>14,315</b>	<b>29,824</b>	<b>4,897</b>	<b>10,360</b>
<b>Financial (expenses) income</b>	<b>3,354</b>	<b>4,515</b>	<b>(1,050)</b>	<b>(14,248)</b>

	Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
<b>Financial expenses</b>				
Interest on loans, financing and debentures (Note 8 (d))	(9,461)	(22,292)	(5,426)	(22,437)
Result on derivative financial instruments	(2,101)	(4,245)	(912)	2,577
Other financial expenses	(80)	(100)	267	306
	<b>(11,642)</b>	<b>(26,637)</b>	<b>(6,071)</b>	<b>(19,554)</b>
<b>Financial income</b>				
Income from financial investments	12,664	26,928	4,532	8,959
Interest income on loans	223	507	72	286
Other financial income (*)	165	704	258	1,147
	<b>13,052</b>	<b>28,139</b>	<b>4,862</b>	<b>10,392</b>
<b>Financial (expenses) income</b>	<b>1,410</b>	<b>1,502</b>	<b>(1,209)</b>	<b>(9,162)</b>

(\*) Includes tax effect in financial income.

## 18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20	9/30/21	12/31/20
<b>Short-term investments and marketable securities</b>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	447,787	314,830	-	-	447,787	314,830	-	-
Banco Bradesco S.A.	[2]	22,476	36,342	-	-	19,519	33,078	-	-
<b>Intercompany receivables</b>									
Investees									
SPEs	[3]	-	-	-	-	4,651	5,044	-	-
<b>Rental receivables</b>									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	493	457	-	-	24	23	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	40	40	-	-	40	40	-	-
<b>Receivables from equity interest sale</b>									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[6]	16,019	19,445	-	-	16,019	19,445	-	-
<b>Loans, financing and debentures</b>									
Other related parties									
Banco Inter S.A. (Inter)	[1]	-	-	50,070	50,056	-	-	50,070	50,056
Banco Bradesco S.A.	[2]	-	-	881,130	180,200	-	-	881,130	180,200
<b>Lease liability</b>									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	46	43	-	-	46	43
<b>Land payables</b>									
Joint venture									
Loteamento Betim	[9]	-	-	22,378	-	-	-	-	-

	Consolidated								
	Income				Expense				
	3 <sup>rd</sup> quarter of		nine months of		3 <sup>rd</sup> quarter of		nine months of		
	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Financial income</b>									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	7,458	2,336	15,210	24	-	-	-	-
Banco Bradesco S.A.	[2]	310	201	855	1,813	-	-	-	-
<b>Rental revenue</b>									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,614	1,318	4,835	3,931	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	121	102	363	307	-	-	-	-
<b>Operating expenses</b>									
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	50	73	219	226
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	-	-	373	376	1,230	1,160
<b>Financial expenses</b>									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	674	302	1,457	1,333
Banco Bradesco S.A.	[2]	-	-	-	-	6,946	1,085	13,200	4,798
Commission:									
Banco Inter S.A. (Inter)	[10]	-	-	-	-	4,058	-	4,058	-

	Individual								
	Income				Expense				
	3 <sup>rd</sup> quarter of		nine months of		3 <sup>rd</sup> quarter of		nine months of		
	2021	2020	2021	2020	2021	2020	2021	2020	
<b>Financial income</b>									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	7,458	2,336	15,210	24	-	-	-	-
Banco Bradesco S.A.	[2]	262	178	759	1,771	-	-	-	-
Intercompany loans									
Investees									
SPEs	[3]	91	72	212	286	-	-	-	-
<b>Rental revenue</b>									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	72	69	214	203	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	121	102	363	307	-	-	-	-
<b>Operating expenses</b>									
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	-	-	50	73	219	226
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	-	-	213	147	551	432
<b>Financial expenses</b>									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	-	-	674	302	1,457	1,333
Banco Bradesco S.A.	[2]	-	-	-	-	6,946	1,085	13,200	4,798
Commission:									
Banco Inter S.A. (Inter)	[10]	-	-	-	-	4,058	-	4,058	-

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the nine-month period ended September 30, 2021, short-term investments yielded 181.82% of CDI in Consolidated and Individual (52.86% of CDI in Consolidated and Individual for the same period of 2020). The financial expense refers to the 17<sup>th</sup> debenture issue, detailed in Note 8.

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Inter amounting to R\$4,607 at September 30, 2021 (R\$3,126 at December 31, 2020). The financial income arising on these short-term investments for the three and nine-month period ended September 30, 2021 was R\$56 and R\$112, respectively (R\$17 and R\$100, respectively, for the same period of 2020).

[2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Investment Fund for Multisectorial Holdings Plus, a shareholder of the Company. The financial expense refers to the 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> debentures issue, detailed in Note 8.

[3] Refers to loan between the Company and subsidiary, granted in January 2018. This loan is subject to interest by CDI + 2.25% p.a.

- [4] Refers to the lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- [5] Refers to the lease agreement entered by the Company and MRV Engenharia e Participações S.A., company controlled by the Company's controlling shareholder.
- [6] In July 2018, the Company sold equity interest in the subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") to MRV MRL CAMP NOU Incorporações e Participações Ltda, a company controlled by MRV Engenharia e Participações S.A. The contract determines payments in two tranches as detailed below:
- I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
  - II. R\$25,523 (R\$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at September 30, 2021	-	16,635	16,635
Trade receivables as at December 31, 2020	-	20,502	20,502

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

- [7] Refers to lease agreement of part of tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. ("Conedi") and MA Cabaleiro Participações Ltda. ("MA Cabaleiro"). Conedi is a one of the Company's shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder and member of the Company's board. The contract is valid until February 28, 2035, including extension of the contract, adjustable by the General Market Price Index (IGPM).
- [8] Amounts related to expenses incurred on the provision of administrative services. The agreement provides for the monthly payment of R\$5 per project developed by the Company or its investees at September 30 (R\$4 at December 31, 2020). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition by the parties.
- [9] Refers to the acquisition of land on May 12, 2021, with a single installment maturing within six months from the sale date.
- [10] Refers to services related to coordination, placement and distribution of CRI (Certificates of real estate receivables), under best efforts modality, guaranteed by the Company's 19<sup>th</sup> issue of debentures.

### Compensation of key management personnel

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

	Consolidated and Individual			
	2021		2020	
	3 <sup>rd</sup> quarter	nine months	3 <sup>rd</sup> quarter	nine months
Short-term benefits granted to management:				
Management compensation	1,607	4,184	1,120	3,136
Profit sharing	346	1,037	321	964
Non-monetary benefits	41	121	40	105
Long-term benefits to management:				
Retirement private plan	24	72	21	63
Share-based compensation:				
Stock option plan	658	1,529	368	666
	<b>2,676</b>	<b>6,943</b>	<b>1,870</b>	<b>4,934</b>

On April 16, 2021, the Ordinary Shareholders' Meeting approved the overall management compensation at R\$9,090.

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

## 19. Financial instruments and risk management

### (a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at September 30, 2021.

The Company entered non-speculative derivative financial instruments to hedge its exposure to fixed rates and stock price fluctuation. The sole purpose of these transactions is to hedge the risk of fluctuation by swapping them. Main conditions and effects are described below:

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		9/30/21	
							Gain (loss) on transaction	Mark-to-market	Derivative fair value	
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	20,272	20,396	20,347	49	(468)	(419)	
Swap (**)	9/21	IPCA + 5.52% / CDI + 1.23%	9/28	450,000	450,281	450,128	153	-	153	
Swap	9/21	LOGG3 / CDI + 1.75%	2/23 and 3/23	26,433	25,661	26,457	(796)	(645)	(1,441)	
							<b>(594)</b>	<b>(1,113)</b>	<b>(1,707)</b>	
									<b>Consolidated and Individual</b>	
									Noncurrent assets	153
									Noncurrent liabilities	(1,860)
									Total	<b>(1,707)</b>

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/20
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	21,733	21,872	21,761	111	3,132	3,243
							<b>111</b>	<b>3,132</b>	<b>3,243</b>
								<b>Consolidated and individual</b>	
								Noncurrent assets	3,243
								<b>Total</b>	<b>3,243</b>

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

(\*\*) Derivative designed as hedge instruments, according to hedge accounting methodology. The mark-to-market was considered equal to the face value since it was contracted close to the reporting period date.

	Impact on profit or loss - Individual		
	Gain (loss) on transaction	Mark-to-market	Total
3 <sup>rd</sup> quarter of 2021	(667)	(2,101)	(2,768)
Nine months of 2021	(705)	(4,245)	(4,950)
3 <sup>rd</sup> quarter of 2020	5	(912)	(907)
Nine months of 2020	30	2,577	2,607

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

#### Hedge accounting

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

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

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

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

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

The effects of hedge accounting on balance sheet and the statement of income are as follows:

Fair value hedge	Notional value	Rates	Fair value	Effects on results
	9/30/21		9/30/21	2021
Loans and financing (Hedged item)	20,272	10%	(20,481) (*)	3,463
		Long position 10% (**)	20,481	(3,463)
Derivative financial instrument (Hedge instrument)	20,272	Short position 108.95% CDI	(20,900)	(137)
		Swap net position - Individual	(419)	(3,600)
		<b>Total net position - Consolidated</b>	<b>(20,900)</b>	<b>(137)</b>

(\*) Swap hedging relation of 99.20% of the hedged item.

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

(b) Category of financial instruments

Consolidated	Note	9/30/21		12/31/20	
		Book value	Fair value	Book value	Fair value
<b>Financial assets:</b>					
<b>Amortized cost</b>		<b>170,806</b>	<b>170,806</b>	<b>77,622</b>	<b>77,622</b>
Cash and bank accounts	3	971	971	817	817
Trade receivables	4	169,835	169,835	76,805	76,805
<b>Fair value through profit or loss (mandatorily measured) (*)</b>		<b>1,090,476</b>	<b>1,090,476</b>	<b>746,990</b>	<b>746,990</b>
Restricted investment funds	3	711,054	711,054	162,540	162,540
Unrestricted investment funds	3	15,855	15,855	127,970	127,970
Bank certificates of deposit (CDB)	3	363,414	363,414	453,237	453,237
Derivative financial instruments	19 (a)	153	153	3,243	3,243
<b>Financial liabilities:</b>					
<b>Amortized cost</b>		<b>994,478</b>	<b>982,581</b>	<b>857,033</b>	<b>849,387</b>
Loans, financing and debentures	8	871,043	859,146	775,035	767,389
Land payables	9	76,963	76,963	62,355	62,355
Trade payables (suppliers)		41,957	41,957	15,269	15,269
Lease	13	4,515	4,515	4,374	4,374
<b>Fair value through profit or loss (Hedge accounting) (*)</b>		<b>470,929</b>	<b>470,929</b>	<b>25,628</b>	<b>25,628</b>
Loans, financing and debentures	8	470,929	470,929	25,628	25,628
<b>Fair value through profit or loss (mandatorily measured) (*)</b>		<b>1,860</b>	<b>1,860</b>	-	-
Derivative financial instruments	19 (a)	1,860	1,860	-	-

(\*) 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 September 30, 2021 and December 31, 2020.

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

Contractual rate (p.a.)	Current market rate (p.a.)	Maturity dates
Debentures		
CDI + 1.35% to 2.25%	CDI + 1.26% to 3.50%	12/21 to 12/28
108% to 117% CDI	CDI + 1.38% to 2.73%	11/23 to 3/25
CRI		
IPCA + 5.52%	IPCA + 5.52%	9/25 to 9/28
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 September 30, 2021, according with that described in Note 19, item (c), to the financial statements for the year ended December 31, 2020:

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 9/30/21	Estimated annual rate for 2021 (*)	Change in effective rate for the relevant scenario	Total estimated effect
<u>Probable scenario:</u>							
CDI	890,323	(1,432,465)	(542,142)	2.98%	7.17%	(i) 4.19%	(22,716)
TR	-	(20,647)	(20,647)	0.00%	0.01%	(i) 0.01%	(2)
IPCA	756,872	(458,021)	298,851	10.25%	8.64%	(ii) -1.61%	(4,812)
							<u>(27,530)</u>
<u>Scenario I:</u>							
CDI	890,323	(1,432,465)	(542,142)	2.98%	8.96%	5.98%	(32,420)
TR	-	(20,647)	(20,647)	0.00%	0.01%	0.01%	(2)
IPCA	756,872	(458,021)	298,851	10.25%	6.48%	-3.77%	(11,267)
							<u>(43,689)</u>
<u>Scenario II:</u>							
CDI	890,323	(1,432,465)	(542,142)	2.98%	10.76%	7.78%	(42,179)
TR	-	(20,647)	(20,647)	0.00%	0.02%	0.02%	(4)
IPCA	756,872	(458,021)	298,851	10.25%	4.32%	-5.93%	(17,722)
							<u>(59,905)</u>

(i) Data obtained from B3 website.

(ii) Data obtained from Banco Central website.

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

(d) Capital risk management

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

	Consolidated		Individual	
	9/30/21	12/31/20	9/30/21	12/31/20
Loans, financing and debentures	1,341,972	800,663	1,321,732	775,525
Cash and cash equivalents and marketable securities	(1,091,294)	(744,564)	(1,020,679)	(740,759)
Net debt	250,678	56,099	301,053	34,766
Equity	3,342,639	3,079,961	3,314,120	3,060,121
Net debt-to-equity ratio	7.5%	1.8%	9.1%	1.1%

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

(e) Liquidity and interest rate risk table

The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on September 30, 2021, by maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<b>Consolidated:</b>					
Floating rates liabilities	359,056	306,676	318,788	886,605	1,871,125
Non-interest bearing liabilities	64,147	-	-	-	64,147
<b>Total</b>	<b>423,203</b>	<b>306,676</b>	<b>318,788</b>	<b>886,605</b>	<b>1,935,272</b>
<b>Individual:</b>					
Floating rates liabilities	354,977	302,593	315,040	869,853	1,842,463
Non-interest bearing liabilities	46,499	-	-	-	46,499
<b>Total</b>	<b>401,476</b>	<b>302,593</b>	<b>315,040</b>	<b>869,853</b>	<b>1,888,962</b>

(f) Credit risk

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

- i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. The company records allowance for credit risk as mentioned in Note 2.2 (j) to the financial statements for the year ended December 31, 2020.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

## 20. Guarantees

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

## 21. Noncash transactions

During the nine-month period ended September 30, 2021 and 2020, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated		Individual	
	Nine months of		Nine months of	
	2021	2020	2021	2020
Interest capitalization	<b>10,713</b>	4,352	<b>10,713</b>	4,356
Right-of-use (remeasurement of CPC 06 (R2)) (Note 7)	<b>294</b>	286	<b>294</b>	286



## 22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at September 30, 2021, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightning, theft, and other specific coverage of facilities and assemblies on the insured site.	704,571
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	500
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	48,908
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	147,144
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	3,300
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.	88,000
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	936

## 23. Approval of the financial statements

These interim financial statements were reviewed by the Fiscal Board and authorized for issue by the Board of Executive Officers on October 27, 2021.