Financial Statements

2023

LOG Commercial Properties e Participações S.A.

Financial Statements

December 31, 2023

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LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF FINANCIAL POSITION AS AT DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Parent Company	
		12/31/23	12/31/22	12/31/23	12/31/22
Assets					
Current assets					
Cash and cash equivalents	3	**396,515**	297,733	**389,057**	295,841
Marketable securities	3	**127,721**	206,592	**87,438**	190,271
Receivables	4	**349,756**	112,887	**108,812**	54,455
Recoverable taxes		**36,398**	25,810	**26,597**	23,681
Prepaid expenses		**3,756**	3,046	**2,648**	1,188
Derivative financial instruments	19 (a)	**16,676**	-	**16,676**	-
Other assets		**2,195**	2,229	**1,026**	1,031
Total current assets		**933,017**	648,297	**632,254**	566,467
Noncurrent assets					
Marketable securities	3	**229,352**	226,773	**228,581**	222,783
Derivative financial instruments	19 (a)	**55,922**	1,270	**55,922**	1,270
Receivables	4	**362,852**	107,316	**73,038**	55,710
Receivables from related parties	18	**-**	-	**-**	5,361
Prepaid expenses		**8,934**	13,258	**1,256**	1,507
Recoverable taxes		**42,226**	43,464	**33,506**	41,883
Deferred income tax and social contribution	11 (b)	**114,024**	47,871	**114,024**	47,871
Other assets		**20,292**	14,458	**22,522**	17,610
Total long-term realisable		**833,602**	454,410	**528,849**	393,995
Investments in subsidiaries and joint ventures	5	**154,218**	148,084	**3,732,937**	3,335,020
Investment property	6	**4,308,118**	4,878,721	**964,667**	1,285,418
Property and equipment	7	**16,554**	15,416	**16,492**	15,408
Intangible assets		**8,936**	5,678	**8,936**	5,678
Total noncurrent assets		**5,321,428**	5,502,309	**5,251,881**	5,035,519
Total assets		**6,254,445**	6,150,606	**5,884,135**	5,601,986
Liabilities and equity					
Current liabilities					
Suppliers		**58,418**	43,365	**8,627**	6,830
Loans, financing and debentures	8	**240,843**	181,379	**240,843**	177,770
Land payables	9	**9,689**	8,813	**-**	-
Advances from customers		**446**	5,787	**53**	-
Derivative financial instruments	19 (a)	**-**	39,135	**-**	39,135
Labor and social liabilities		**15,427**	13,714	**11,186**	10,721
Tax liabilities		**26,162**	19,222	**17,922**	11,611
Barters	10	**100,567**	61,994	**4,924**	1,686
Deferred taxes	11 (b)	**13,194**	5,806	**3,597**	416
Lease liability	13	**765**	614	**765**	556
Dividend payable	14 (e)	**45,642**	91,692	**45,642**	91,692
Intercompany payables	18	**-**	-	**136,205**	-
Other liabilities		**17,123**	8,208	**1,921**	633
Total current liabilities		**528,276**	479,729	**471,685**	341,050
Noncurrent liabilities					
Loans, financing and debentures	8	**1,656,894**	1,592,705	**1,656,894**	1,579,253
Derivative financial instruments	19 (a)	**-**	6,906	**-**	6,906
Barters	10	**53,598**	134,712	**6,776**	66,853
Deferred taxes	11 (b)	**144,518**	109,116	**6,995**	832
Land payables	9	**2,896**	13,000	**-**	13,000
Advances from customers		**-**	42,841	**-**	-
Provisions for labor, tax and civil risks	12	**1,325**	2,345	**285**	144
Lease liability	13	**117,954**	101,101	**8,888**	7,881
Other liabilities		**16,763**	4,313	**2,667**	1,414
Total noncurrent liabilities		**1,993,948**	2,007,039	**1,682,505**	1,676,283
Total liabilities		**2,522,224**	2,486,768	**2,154,190**	2,017,333
Equity					
Paid-in capital		**2,735,382**	2,735,382	**2,735,382**	2,735,382
Treasury shares		**(38,946)**	(51,552)	**(38,946)**	(51,552)
Capital reserves		**13,290**	9,970	**13,290**	9,970
Earnings reserve		**995,861**	890,853	**995,861**	890,853
Proposed additional dividends		**24,358**	-	**24,358**	-
Equity attributable to Company shareholders		**3,729,945**	3,584,653	**3,729,945**	3,584,653
Noncontrolling interests	14 (g)	**2,276**	79,185	**-**	-
Total equity		**3,732,221**	3,663,838	**3,729,945**	3,584,653
Total liabilities and equity		**6,254,445**	6,150,606	**5,884,135**	5,601,986

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$, except earnings per share)

	Notes	Consolidated		Parent Company	
		2023	2022	2023	2022
Net revenue from lease and services provided	15	**220,156**	217,230	**73,921**	74,932
Costs of services provided - condominium management	16	**(3,887)**	(3,041)	**(3,887)**	(3,041)
Gross profit		**216,269**	214,189	**70,034**	71,891
Operating income (expenses)					
Selling expenses	16	**(9,455)**	(12,573)	**(6,251)**	(8,481)
General and administrative expenses	16	**(37,391)**	(31,771)	**(32,308)**	(29,583)
Management compensation	16	**(7,856)**	(6,645)	**(7,856)**	(6,645)
Changes in the fair value of investment property	6	**257,798**	339,130	**1,860**	2,841
Other operating expenses, net	16	**(165,365)**	(17,012)	**(49,419)**	(15,242)
Results from equity participation	5	**7,107**	12,894	**232,640**	435,270
Income before financial income and taxes		**261,107**	498,212	**208,700**	450,051
Financial income (expenses)					
Financial expenses	17	**(173,365)**	(189,602)	**(158,811)**	(185,514)
Financial income	17	**96,755**	88,866	**76,134**	81,092
Income before taxes		**184,497**	397,476	**126,023**	345,629
Income tax and social contribution					
Current		**(44,003)**	(22,014)	**-**	-
Deferred	11	**54,466**	25,238	**66,153**	40,443
	11	**10,463**	3,224	**66,153**	40,443
Net income for the period		**194,960**	400,700	**192,176**	386,072
Net income attributable to:					
Shareholders of the Company		**192,176**	386,072		
Noncontrolling interests	14 (g)	**2,784**	14,628		
		194,960	400,700		
Earnings per share (In Reais - R$):					
Basic	14 (h)	**1.92644**	3.83605	**1.92644**	3.83605
Diluted	14 (h)	**1.92490**	3.83126	**1.92490**	3.83126

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

	Consolidated		Parent Company	
	2023	2022	2023	2022
Net income for the period	**194,960**	400,700	**192,176**	386,072
Other components of comprehensive income	-	-	-	-
Total comprehensive income for the period	**194,960**	400,700	**192,176**	386,072
Comprehensive income attributable to:				
Shareholders of the Company	**192,176**	386,072		
Noncontrolling interests	**2,784**	14,628		
	194,960	400,700		

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

	Paid-in capital			Capital reserves	Earnings reserves						
	Subscript	Share issuance costs	Treasury shares	Recognized options granted	Legal	Earnings retention	Retained earnings	Proposed additional dividends	Equity attributable to Company shareholders (Parent Company)	Noncontrolling interests	Total (Consolidated)
BALANCE AT DECEMBER 31, 2021	**2,053,976**	**(18,594)**	**(25,155)**	**6,931**	**52,631**	**1,241,780**	-	-	**3,311,569**	**29,173**	**3,340,742**
Capital increase	700,000	-	-	-	-	(700,000)	-	-	-	-	-
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	41,842	41,842
Treasury shares:											
Purchased	-	-	(26,791)	-	-	-	-	-	(26,791)	-	(26,791)
Disposed to beneficiaries of stock option plan	-	-	394	-	-	(60)	-	-	334	-	334
Stock options	-	-	-	3,039	-	-	-	-	3,039	-	3,039
Capital transaction	-	-	-	-	-	2,122			2,122	(6,458)	(4,336)
Income of the period	-	-	-	-	-	-	386,072	-	386,072	14,628	400,700
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	19,304	-	(19,304)	-	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	(91,692)	-	(91,692)	-	(91,692)
Earnings retention	-	-	-	-	-	275,076	(275,076)	-	-	-	-
BALANCE AT DECEMBER 31, 2022	**2,753,976**	**(18,594)**	**(51,552)**	**9,970**	**71,935**	**818,918**	**-**	**-**	**3,584,653**	**79,185**	**3,663,838**
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	35	35
Treasury shares:											
Purchased	-	-	(4,825)	-	-	-	-	-	(4,825)	-	(4,825)
Sold	-	-	1,063	-	-	(231)	-	-	832	-	832
Disposed to beneficiaries of stock option plan	-	-	16,368	-	-	(6,582)	-	-	9,786	-	9,786
Stock options	-	-	-	3,320	-	-	-	-	3,320	-	3,320
Capital transaction	-	-	-	-	-	(10,355)	-	-	(10,355)	(79,728)	(90,083)
Net income for the period	-	-	-	-	-	-	192,176	-	192,176	2,784	194,960
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	9,609	-	(9,609)	-	-	-	-
Proposed dividends	-	-	-	-	-	-	(45,642)	-	(45,642)	-	(45,642)
Proposed additional dividends	-	-	-	-	-	-	(24,358)	24,358	-		
Earnings retention	-	-	-	-	-	112,567	(112,567)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	**2,753,976**	**(18,594)**	**(38,946)**	**13,290**	**81,544**	**914,317**	**-**	**24,358**	**3,729,945**	**2,276**	**3,732,221**

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 - INDIRECT METHOD
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Parent Company	
		2023	2022	2023	2022
Cash flows from operating activities					
Net Income for the period		**194,960**	400,700	**192,176**	386,072
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	**3,972**	1,647	**2,053**	1,302
Results from equity participation	5	**(7,107)**	(12,894)	**(232,640)**	(435,270)
Amortization of prepaid expenses		**1,731**	3,619	**479**	2,069
Allowance for expected credit loss		**721**	1,134	**188**	115
Provisions for labor, tax and civil risks		**1,000**	517	**207**	63
Financial result		**133,262**	129,294	**125,251**	129,002
Results on sale of partial equity interest in subsidiary		**159,287**	27,351	**48,780**	24,850
Deferred taxes		**(56,962)**	(21,522)	**(67,115)**	(53,578)
Changes in the fair value of investment property	6	**(258,596)**	(354,021)	**(1,860)**	(2,841)
Stock options	16	**3,320**	3,039	**3,320**	3,039
		175,588	178,864	**70,839**	54,823
(Increase) decrease in operating assets:					
Trade accounts receivable		**51,980**	(7,558)	**33,717**	(5,103)
Recoverable taxes		**(9,350)**	(18,113)	**5,461**	(18,322)
Prepaid expenses		**1,883**	(3,806)	**(1,688)**	124
Other assets		**(5,800)**	(6,772)	**(4,907)**	10,282
Increase (decrease) in operating liabilities:					
Suppliers		**15,053**	(1,239)	**1,797**	(13,555)
Labor and social liabilities		**1,713**	4,576	**465**	3,153
Tax liabilities		**19,159**	13,700	**(7,641)**	5,069
Other liabilities		**(44,108)**	(8,395)	**114,614**	(11,912)
Amounts paid for civil, labor and tax risks		**(2,020)**	(163)	**(66)**	(35)
Income tax and social contribution paid		**(46,868)**	(22,322)	**-**	(558)
Cash provided by operating activities		**157,230**	128,772	**212,591**	23,966
Cash flows from investing activities					
Increase in marketable securities		**(764,425)**	(987,496)	**(522,391)**	(668,337)
Decrease in marketable securities		**875,355**	1,303,901	**650,663**	841,790
Increase in / acquisition of investments		**(2,027)**	(10,952)	**(548,835)**	(556,182)
Dividends received from subsidiaries	5 (c)	**3,000**	7,760	**457,663**	232,034
Aquisition of investment properties		**(545,394)**	(857,072)	**(9,916)**	(86,643)
Receipt for the sale of subsidiaries / assets		**706,404**	312,394	**156,773**	136,851
Advances to related companies		**-**	-	**-**	-
Receipts from related companies		**-**	-	**-**	-
Other		**(6,484)**	(10,504)	**890**	(10,176)
Net cash provided by (used in) investing activities		**266,429**	(241,969)	**184,847**	(110,663)
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		**242,011**	690,604	**242,011**	690,604
Amortization of loans, financing and debentures	8 (a)	**(176,282)**	(239,446)	**(157,954)**	(237,193)
Interest paid		**(214,540)**	(139,714)	**(212,178)**	(134,175)
Capital transactions		**-**	(4,336)	**-**	2,122
Lease payments	13	**(668)**	(613)	**(668)**	(472)
Capital increase	14 (a)	**-**	-	**-**	-
Dividend paid	14 (e)	**(91,692)**	(87,627)	**(91,692)**	(87,627)
Share issuance costs		**-**	-	**-**	-
(Payment) receipt on derivative financial instrument		**(89,534)**	(30,887)	**(89,534)**	(30,887)
Disposal (acquisition) of treasury shares	14 (b)	**(3,993)**	(26,791)	**(3,993)**	(26,791)
Proceeds from exercised stock options		**9,786**	334	**9,786**	334
Contributions from noncontrolling shareholders	14 (g)	**35**	41,842	**-**	-
Net cash (used in) provided by financing activities		**(324,877)**	203,366	**(304,222)**	175,915
Increase in cash and cash equivalents		**98,782**	90,169	**93,216**	89,218
Cash and cash equivalents					
At the beginning of the period		**297,733**	207,564	**295,841**	206,623
At the end of the period	3	**396,515**	297,733	**389,057**	295,841
Increase in cash and cash equivalents		**98,782**	90,169	**93,216**	89,218

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF ADDED VALUE FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Parent Company	
		2023	2022	2023	2022
Revenue:					
Revenues from lease and services provided		**233,630**	230,721	**81,829**	82,834
Other revenue		**(92,732)**	(1,710)	**(13,771)**	(43,184)
Changes in the fair value of investment property	6	**258,596**	354,021	**1,860**	2,841
Revenue from construction of own assets		**630,814**	909,139	**9,428**	87,322
Allowance for expected credit loss		**(721)**	(1,134)	**(188)**	(115)
		1,029,587	1,491,037	**79,158**	129,698
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		**(472,552)**	(754,091)	**(47,447)**	(103,573)
		(472,552)	(754,091)	**(47,447)**	(103,573)
Gross added value		**557,035**	736,946	**31,711**	26,125
Depreciation	16	**(3,972)**	(1,647)	**(2,053)**	(1,302)
Net wealth created		**553,063**	735,299	**29,658**	24,823
Added value received in transfer					
Results from equity interest in investees	5	**7,107**	12,894	**232,640**	435,270
Financial income		**100,254**	92,973	**79,612**	84,974
		107,361	105,867	**312,252**	520,244
Total wealth for distribution		**660,424**	841,166	**341,910**	545,067
Wealth distributed					
Personnel:		**67,562**	63,007	**32,870**	30,268
Salaries and wages		**52,382**	49,837	**26,130**	24,888
Benefits		**12,247**	10,468	**5,499**	4,253
Severance pay fund (FGTS)		**2,933**	2,702	**1,241**	1,127
Taxes and fares:		**94,688**	56,100	**(23,348)**	(21,037)
Federal		**91,807**	52,582	**(23,841)**	(21,151)
State		**-**	16	**-**	11
Municipal		**2,881**	3,502	**493**	103
Lenders and lessors:		**303,214**	321,359	**140,212**	149,764
Interest		**244,954**	260,311	**136,180**	139,782
Rentals / Leases		**57,813**	60,745	**3,949**	9,923
Other		**447**	303	**83**	59
Shareholders:		**194,960**	400,700	**192,176**	386,072
Dividends	14 (e)	**70,000**	91,692	**70,000**	91,692
Retained earnings		**122,176**	294,380	**122,176**	294,380
Noncontrolling interests	14 (g)	**2,784**	14,628	**-**	-
Wealth distributed		**660,424**	841,166	**341,910**	545,067

The accompanying notes are an integral part of these 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., 10th floor, Belo Horizonte city, Minas Gerais, by CNPJ (taxpayer identification number) 09.041.168/0001-10. The Company was incorporated on June 10, 2008 and is engaged in the following activities: (i) management of own and third party assets; (ii) rendering engineering and construction services for residential and/or commercial properties; (iii) development, construction, rent and related services, including real estate consulting, on own or third-party residential and/or commercial buildings, mainly warehouses; and (iv) holding interests in other entities, either as partner or shareholder.

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

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 financial statements

I. Statement of compliance

The Company's Consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Parent Company financial statements have been prepared in accordance with accounting practices adopted in Brazil and are not considered in conformity with International Financial Reporting Standards (IFRS) because it considers the borrowing cost's capitalization on its investees' qualifying assets, as stated by CPC 20 – Borrowing costs.

The accounting practices adopted in Brazil comprise the policies set out in Brazilian Corporate Law, the Brazilian Securities and Exchange Commission (CVM) rules and the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the CVM and the Federal Accounting Council (CFC).

II. Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the balances of 'Cash and cash equivalents', 'Marketable securities', 'Derivative financial instrument', 'Investment property', 'Barters' and several financings (hedge accounting), which are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

III. Basis of consolidation

The Consolidated financial statements incorporate the financial statements of the Company and entities controlled directly by the Company or indirectly through its subsidiaries. The Company's subsidiaries included in consolidation are listed in Note 5.

In order to determine whether the Company has control over the investees, Management used contractual agreements to evaluate the existing rights that give the Company the ability to direct the relevant activities of the investees, as well as exposure to, or rights to, variable returns from its involvement with them and the ability to use its power to affect the amount of returns.

On consolidation, the assets, liabilities and profits or losses balances of subsidiaries are combined with the corresponding line items of the Company's financial statements, on a per line item basis, and the parent company's interests in the subsidiaries' equity, as well as all intragroup transactions, balances, revenue and expenses are eliminated.

Noncontrolling interest (NCI) are measured initially at their proportionate share of the acquiree´s identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted as capital transactions in equity.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when the control is lost.

2.2 Significant accounting policies

(a) Trade receivables

Trade receivables include receivables from the rent of assets, net of the allowance for expected credit loss, from the sale of investment properties and from the sale of equity interests in companies that had investment properties as their main assets. Rental receivables are not adjusted to present value since they have mainly short-term maturities and/or have an immaterial impact on the financial statement. Noncurrent trade receivable balances refer to the straight-line recognition of non-uniform contractual payments as required in item 81 of CPC 06 R2 (IFRS 16) - Leases (Note 2.2 (n)) and installments receivable over twelve months from the sale of assets and equity interests.

(b) Investments in subsidiaries and joint ventures

In the Company's Consolidated and Parent Company financial statements, investments in joint ventures are recorded using the equity method, based on the related investees' financial statements as of the Company's reporting period and using the same accounting policies used in the Company's financial statements.

Investments in subsidiaries are recorded in the Company's Parent Company financial statements using the equity method of accounting, based on the subsidiaries' financial statements as of the Company's reporting period and prepared using the same accounting policies used in the Company's financial statements.

Profits and losses resulting from intragroup transactions are recognized in the financial statements only to the extent of the interest in the investee held by third parties.

(c) Investment property

Investment property is measured initially at cost or at fair value for land acquired in barter and subsequently at fair value, with level 3 measurement (assumptions described below). Gains and losses resulting from changes in the fair value of investment property are recognized in profit or loss for the year.

As at December 31, 2023 and 2022, fair values of investment property were determined based on valuations performed by external appraisers, with the required qualifications and recent experience in the valuation of real estate properties in similar locations, as follows:

- Land: use of the Direct Market Inputs Comparative Method, under which fair value is determined by directly comparing the value of other similar properties, located within the same geo-economic region.

- Projects in operation or in construction phase: use the discounted cash flows model for a ten-year period, when the disposal of the investment (divesture) is considered based on a hypothetical sale of the property simulating the perpetuity principle.

  Among the assumptions considered, the main ones were:

  - The discount rates used consider the characteristics of the properties being valued and range from 8.00% to 9.75% p.a. as at December 31, 2023 and 2022.

  - The divesture has been calculated using rates that range from 7.50% to 9.00% p.a. as at December 31, 2023 and 2022.

  - Projected expenses corresponding to a 1.0 rental revenue as at December 31, 2023 and 2022, for commissions paid to the real estate consultant responsible for the rent of the property. As at December 31, 2023 and 2022, rates of 1.5% and 2.0% of the residual sale price for commissions paid to the real estate consultant responsible for the sale of the property at the end of horizon.

An investment property is derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal, where applicable. Any gain or loss arising on derecognition of the property is recognized in line item "Other operating expenses, net" in profit or loss in the period in which the property is derecognized.

Noncurrent assets held for sale

Noncurrent assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of price carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains or losses on remeasurements are recognized in profit or loss.

(d) Provisions

A provision is recognized as result of a past event, when the Group has a legal or constructive obligation that can be reliably estimated, and it is probable that a disbursement will be required to settle the obligation.

When a provision is measured based on the estimated future cash flows required to settle the obligation, the provision is recorded for an amount representing the present value of such cash flows.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalized, until the assets are substantially ready for their intended use or sale.

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 line item "Investments in subsidiaries and joint ventures" in the Parent Company financial statements, net of gains obtained on the temporary investment of funds obtained from specific borrowings that have not yet been spent on the qualifying assets. In the Consolidated financial statements, subsidiaries' capitalized borrowing cost are reclassified to cost of the qualifying financed investment properties. Due to the fact that investment properties are measured at fair value, the related costs are allocated to profit or loss by deducting the "Results from equity participation" line item in Parent Company financial statements and "Changes in fair value of investment properties" line item in consolidated financial statements.

(f) Stock option plan

The Company has a share-based compensation plan under which certain employee's services are compensated through the grant of stock options. The Company recognizes compensation cost in profit or loss on a straight-line basis over the vesting period, from grant date to the date the options become exercisable, with a corresponding adjustment in equity. Compensation cost was determined based on the fair value of the options on the grant date using the Black & Scholes pricing model. See Note 14 (f).

(g) Taxes

Current and deferred income tax (IRPJ), social contribution (CSLL), and taxes on revenue are recognized in profit or loss, except when they correspond to items recognized in 'Other comprehensive income', or are directly recognized in equity, in which case current and deferred taxes are also recognized in 'Other comprehensive income' or directly in equity, respectively.

Income taxes: Income tax (IRPJ) and social contribution (CSLL)

The Company and some subsidiaries calculate income tax and social contribution based on actual taxable income. As permitted by the Brazilian tax law, the subsidiaries and most joint ventures opted for taxation based on deemed income, where the income tax and social contribution taxable base is calculated as 32% of gross revenues from rental services plus financial income. The regular 15% income tax rate is levied on deemed taxable income, plus a 10% surtax on income exceeding R$240 per annum, and for social contribution the rate is 9%.

As permitted by the prevailing tax law, the subsidiaries and the joint ventures that elected the deemed income taxation regime calculate rental revenues, and financial income on a cash basis.

Deferred taxes

Deferred income tax and social contribution ("deferred taxes") are recognized, as prescribed by CPC 32 and IAS 12 *Income Tax,* on tax loss carryforwards and the temporary differences between assets and liabilities recognized for tax purposes and the related amounts recognized in the financial statements by applying the statutory tax rates in effect on the date the financial statements were prepared and applicable when such temporary differences reverse.

Deferred tax assets are recognized only to the extent that it is probable that future taxable income will be generated to realize such deferred tax assets. The realization of deferred tax assets is assessed at the end of each annual reporting period and, when it is no longer probable that future taxable income will be available to recover of all or part of the assets, they are adjusted to the expected recoverable amount.

Taxes on revenue

Revenue is recorded net of PIS and COFINS levied on rental revenue and financial income, and PIS, COFINS and ISS (Services Tax) on condominium management revenue. The aggregate tax rate of the Social Integration Program Tax on Revenue (PIS) and the Social Security Funding Tax on Revenue (COFINS) is 9.25%, levied on actual income (noncumulative regime) for rent revenues and condominium management services and 4.65% for financial income, while in the deemed income (cumulative regime), the rate of PIS and COFINS is 3.65% for all income, except financial income which is exempt from taxation of the PIS and COFINS.

(h) Income and expense recognition

Revenue arises from the rental contracts and is recognized on a straight-line basis over the term of contract. Rental revenue is recognized to the extent it is probable that economic benefits will flow to the Company and the amount can be reliably measured. Revenues are being presented net of taxes.

Other income and expenses are recorded on the accrual basis.

(i) Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issuance of the financial assets and liabilities (other than financial assets and liabilities at fair value through profit or loss) are deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and financial liabilities are stated at their net amounts in the statement of financial position if, and only if, the Company has a legally enforceable right to offset the amounts recognized and if there is intent to simultaneously realize the asset and settle the liability.

Financial assets

Financial assets are classified based on the business model under which the asset is managed and its contractual cash flow characteristics, as summarized below:

Categories / measurement	Conditions for category definition
Amortized cost	Financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows on specific dates.
Fair value through other comprehensive income (FVTOCI)	There is not a specific definition within the business model about holding financial asset to collect contractual cash flows on specific dates or selling financial assets.
Fair value through profit or loss (FVTPL)	All other financial assets.

The Group's main financial assets are shown below, classified as amortized cost, FVTPL and FVTOCI and presented in Note 19 (b):

- Cash and cash equivalents: Include amounts held as cash, bank accounts, and short-term investments, redeemable within ninety days or less as of the acquisition date, and subject to insignificant risk of change in fair value.
- Marketable securities: The balance is primarily composed of investment funds that include public and private securities (both post fixed), with high liquidity in active markets.
- Derivative financial instruments: Derivative financial instruments for exposure management, as described in Note 19 (a).
- Trade receivables: Represented substantially by rental receivables from rental assets and sale of investment properties and equity interest, as described in item 2.2 (a).

Ordinary purchases or sales of financial assets are recognized and derecognized on a trade date basis. Ordinary purchases or sales are purchases or sales of financial assets that require delivery of assets in accordance with regulation or market practice.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. Upon full derecognition of a financial asset, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities

Classified at initial recognition as: (i) amortized cost; or (ii) measured at fair value through profit or loss.

The Group's financial liabilities are classified as measured at amortized cost, using the effective interest rate method and include land payables, loans, financing and debentures, except for financings which are measured at fair value through profit or loss, as they were designated as hedged items, according to the hedge accounting policy.

Loans, financing and debentures are initially recognized when funds are received, net of transaction costs, when applicable. At the end of the reporting period, they are carried at their initial recognition amount, less amortization of installments of principal, when applicable, plus accrued interest. Transaction costs are presented as a reduction of current and noncurrent liabilities and are recognized in profit or loss over the same repayment term of the financing from which they were originated based on the effective interest rate of each transaction. The Group opted to present the interest paid on loans, financing and debentures as financing activities in the statements of cash flows, since they represent costs of obtaining the referred funds.

The Group derecognizes financial liabilities when obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and sum of the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments and hedge accounting

The Group entered derivative financial instruments (swaps) to hedge its exposure to changes in indexes and interest rates in several loans, financing and debentures or hedge against changes in the fair value of certain financial instruments.

Derivatives are initially recognized at fair value. After initial recognition, derivatives are still measured at fair value and changes in fair value are recorded in profit or loss.

To hedge against changes in fair value of certain debts, the Company contracted derivative financial instruments and, for avoiding accounting mismatch in the measurement of these instruments, opted for hedge accounting (designations classified as fair value hedge). Accordingly, changes in fair values of hedging instruments (derivatives) and hedged items (contracted debts) are recognized in profit or loss.

At the inception of the hedging relationship, the Company assesses whether the hedge relationship qualifies for hedge accounting; if positive, it formally documents the relationship between the hedging instrument and the hedged item. The assessment of whether the relationship meets the hedge effectiveness requirements is made and documented at the inception of the hedge relationship, on each reporting date and potentially on a relevant change in circumstances that affect the effectiveness requirements. Adjustments to hedge relationships are permitted after designation, without being considered a "discontinuity" of the original hedge relationship.

The Group discontinues hedge accounting only when the hedge relationship (or part thereof) no longer meets the qualifying criteria. This includes cases where the hedging instrument expires, is sold, terminated or exercised. Discontinuation is accounted for prospectively.

Impairment of financial assets

The Group recognize allowance for expected credit loss for all rental revenue recorded for customers, based on historical data. Additionally, it performs individualized analysis of balances overdue for more than ninety days and in cases which there is no prospect of recovery, the entire outstanding balance of such contract is considered for provision. This simplified approach is in accordance with item 5.5.15 of *CPC 48 – Instrumentos Financeiros* (IFRS 9 - Financial Instruments).

The Group periodically reviews its assumptions to recognize allowance for expected credit loss considering revision of historical transactions and improvement of its estimates.

(j) Discount to present value

Monetary assets and liabilities are adjusted to their present value based on an effective interest rate resulting from short- (if material) and long-term transactions, without yield or subject to: (i) embedded fixed interest; (ii) interest rates clearly below market rates for similar transactions; and (iii) inflation adjustment only, with no interest. The Group periodically assesses the effect of this standard.

(k) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, and revenues and expenses in the reporting periods. Assets and liabilities subject to these estimates and assumptions include the fair value of investment property, cash equivalents, marketable securities and derivative financial instruments, deferred tax assets, asset impairment testing, barters and provisions for labor, tax, and civil risks. Since management's judgment involves estimates related to the probability of future events, actual results could differ from those estimates.

The Company revises its estimates and assumptions at least annually. The effects arising from these revisions are recognized in the year when the estimates are revised if such revision impacts only that year, or also in subsequent years if the revision impacts both the current period and future years.

(l) Functional and reporting currency

The Group's functional and presentation currency used in the Consolidated and Parent Company financial statements is the Brazilian real. The financial statements are presented in thousands of Brazilian reais, unless otherwise stated.

(m) Statement of added value

The Company prepares consolidated and parent company statements of added value in accordance with Brazilian Accounting Standard CPC 09 - *Demonstração do Valor Adicionado* (Statement of Added Value), which are presented as an integral part of the financial statements prepared in accordance with accounting practices adopted in Brazil applicable to publicly held companies, while for IFRS purposes they are presented as supplemental information.

(n) Leases

The Group as a lessor

The Group classifies leases as financial or operational. The lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as operating if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.

The Group does not have lease agreements in which it is a finance lessor, classifying all its leases as operating (rental contracts of investment properties). Revenues from operating leases of investment properties are recognized in profit or loss by the straight-line method during the lease period.

The Group as lessee

The Group assesses whether a contract is or contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration. Such assessment is performed at inception. Exemptions are applied for short-term leases and low-value items.

The cost of the right-of-use asset comprises: (i) the amount of the initial measurement of the lease liability; (ii) any lease payments made until the commencement date; (iii) direct costs incurred; and (iv) estimated costs to be incurred in dismantling and removing the asset, when applicable and are recognized under "Property and equipment" and "Investment Property".

Lease liability is measured by the lease payments, discounted at present value at the implicit interest rate, incremental borrowing rate or discount rate used in measuring the fair value of investment property pursuant to item 2.2 (c) and represents the obligation to make payments.

As a lessee, the Group identified contracts that contain leases, referring to the rents of its headquarters and project land. For purposes of estimating the initial recognition of the lease liability and the right of use, an extension of the lease term for the same period for the headquarters and the contractual term for the land was considered.

In determining the lease term, the Group considers all the facts and circumstances that create an economic incentive to exercise the option of extension, or not exercise a termination option. Extension options (or periods after the termination options) are included in the lease term only if the lease term is reasonably certain to be extended (or not terminated). The assessment is reviewed if there is a significant event or a significant change in circumstances that affects that assessment and is within the control of the Group. The contracts extension assessment affects the amounts of the recognized lease liabilities and rights-of-use assets.

In the statement of profit or loss for the period, an expense for depreciation of the right-of-use asset and an interest expense for the lease liability are recognized.

(o) Earnings per share

Basic earnings per share are calculated by dividing net income attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the year, less treasury shares, if any.

Diluted earnings per share are calculated by dividing net income attributed to the holders of common shares of the parent entity by the weighted average number of common shares outstanding during the year, less treasury shares, if any, plus the number of common shares that would be issued assuming that the stock options would be exercised at a price lower than the market price.

(p) Segment information

The Company has one single operating segment represented by rental, which includes rental of industrial warehouses and to a lesser extent rental of retail space (shopping center and strip malls).

2.3 Adoption of new standards

There are no new standard or interpretation, valid for the annual periods beginning on or after January 1st, 2023, which had material effects on the Group's financial statements. The Group decided not to early adopt any other standard, interpretation or amendment that have been issued, but are not yet in force.

2.4 New standards issued and not yet adopted

The new and changed standards and interpretations issued, but not yet in effect until the date of issuance of the Group's financial statements, are described below. The Group intends to adopt these new and changed standards and interpretations, if applicable, when they come into force:

- Classification of liabilities as current or non-current (amendments to CPC 26 – IAS 1)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to CPC 36 - IFRS 10 and to CPC 18 – IAS 28)
- Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)
- Lease liability in a Sale and Leaseback (amendments to IFRS 16)

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Cash and cash equivalents:				
Cash	**31**	1	**31**	1
Bank accounts	**1,492**	3,173	**924**	1,281
Short-term investments:				
Bank certificates of deposit (CDB)	**6,890**	185,190	**-**	185,190
Unrestricted investment funds	**388,102**	79,356	**388,102**	79,356
Securities with repurchase agreement backed by debentures	**-**	30,013	**-**	30,013
Total cash and cash equivalents	**396,515**	297,733	**389,057**	295,841

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Marketable securities:				
Restricted investment funds (*)	**357,073**	429,877	**316,019**	413,054
Unrestricted investment funds	**-**	3,257	**-**	-
Bank certificates of deposit (CDB)	**-**	231	**-**	-
Total marketable securities	**357,073**	433,365	**316,019**	413,054
Current	**127,721**	206,592	**87,438**	190,271
Noncurrent	**229,352**	226,773	**228,581**	222,783
	357,073	433,365	**316,019**	413,054

(*) The Group established restricted investment funds, managed by banks, responsible for the custody of the assets and financial settlement of its transactions. The established funds aim at yielding interest equivalent to DI rate and invest in government and other banks securities, which in turn invest primarily in fixed-income securities.

Short-term investments and marketable securities include interest income earned, equivalents to 90.87% of DI rate in Consolidated and 90.67% of DI rate in Parent Company for the year ended December 31, 2023 (98.9% of DI rate in Consolidated and 98.7% of DI rate in Parent Company at December 31, 2022).

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		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Bank certificates of deposit (CDB)	**1,645**	2,928	**814**	2,325
Securities with repurchase agreement	**3,013**	561	**1,491**	446
Investment funds	**16,583**	9,846	**13,402**	7,820
Debentures	**24,331**	30,868	**13,473**	27,536
Private bonds	**27,028**	139,832	**16,113**	132,862
Public securities:				
Financial Treasury Bills (LFT)	**14,040**	9,160	**6,949**	7,666
National Treasury Notes - B (NTN-B)	**229,352**	223,284	**228,582**	222,783
National Treasury Bills (LTN)	**11,760**	8,613	**5,821**	6,841
Others	**29,321**	4,785	**29,374**	4,775
Total	**357,073**	429,877	**316,019**	413,054

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

4. Trade receivables

Trade receivables, net of adjustment to present value, are broken down as follows:

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Sale of equity interest / assets	**648,504**	155,615	**153,781**	80,319
Rentals	**57,086**	59,686	**14,725**	20,154
Condominium administration	**1,260**	868	**1,260**	868
Others (*)	**17,173**	14,728	**15,548**	12,100
	724,023	230,897	**185,314**	113,441
Allowance for expected credit loss	**(11,415)**	(10,694)	**(3,464)**	(3,276)
Total	**712,608**	220,203	**181,850**	110,165
Current	**349,756**	112,887	**108,812**	54,455
Noncurrent	**362,852**	107,316	**73,038**	55,710
	712,608	220,203	**181,850**	110,165

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

The rentals trade receivables balance refers to the lease of industrial warehouses and strip malls, under operating leases subject to Law 8245/91 ("Lease Law"), which provisions include, among other, procedures for cancellation of lease agreements and their termination penalties, which are commercially agreed with each tenant. The lease agreements are adjusted on an annual basis predominantly by the Broad Consumer Price Index (IPCA), subject to negotiations between the parties.

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Seattle I	**350,847**	-	**58,475**	-
Seattle II	**98,051**	-	**-**	-
LGCP11	**64,023**	-	**15,556**	-
Toronto	**48,680**	-	**31,555**	-
SPE LOG PIB Meli (*)	**38,708**	75,296	**-**	-
Torino	**27,196**	52,928	**27,196**	52,928
SPE LOG SJC Sony (Note 18 [5])	**12,700**	13,970	**12,700**	13,970
Plaza Top Life	**8,299**	11,568	**8,299**	11,568
Plaza Mirante Sul	**-**	1,853	**-**	1,853
	648,504	155,615	**153,781**	80,319
Current	**315,178**	80,708	**94,708**	43,047
Noncurrent	**333,326**	74,907	**59,073**	37,272
	648,504	155,615	**153,781**	80,319

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

More information on investment property sales transactions can be found in note 6.

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

The table below shows the aging list of trade receivables:

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
In due:				
Up to 1 year	**347,712**	112,531	**106,449**	52,606
After 1 year	**362,852**	107,316	**73,038**	55,710
	710,564	219,847	**179,487**	108,316
Past due:				
Up to 30 days	**2,458**	549	**2,934**	209
31 to 90 days	**135**	928	**174**	357
More than 90 days	**10,866**	9,573	**2,719**	4,559
	13,459	11,050	**5,827**	5,125
Total	**724,023**	230,897	**185,314**	113,441

Changes in the allowance for credit risk for the years ended December 31, 2023 and 2022 are as follows, carried out on the balances of trade receivable from rentals:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	**(10,694)**	(9,560)	**(3,276)**	(3,161)
Additions	**(870)**	(1,321)	**(337)**	(302)
Reversals	**149**	187	**149**	187
Closing balance	**(11,415)**	(10,694)	**(3,464)**	(3,276)

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
1 year	**234,413**	248,899	**48,011**	66,735
2 years	**234,899**	223,341	**42,106**	55,221
3 years	**211,176**	193,233	**33,093**	45,558
4 years	**176,656**	162,224	**19,862**	36,660
5 years	**137,303**	121,680	**12,568**	14,693
After 5 years	**413,609**	290,208	**31,550**	16,836
Total	**1,408,056**	1,239,585	**187,190**	235,703

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees				Investment		Results from equity interest in investees	
			Equity		Net income (loss) for the year					
	12/31/23	12/31/22	12/31/23	12/31/22	2023	2022	12/31/23	12/31/22	2023	2022
Joint ventures:										
Loteamento Betim	50.00%	50.00%	**144,745**	131,979	**14,205**	4,056	**72,373**	65,989	**7,103**	6,643
LOG SJC Sony	64.97%	64.97%	**109,636**	109,179	**387**	123	**71,231**	70,934	**251**	80
Torino	0.00%	0.00%	-	-	-	20,419	-	-	-	8,168
Others	16.67%	16.67%	**2,231**	(71)	**2,511**	(9,767)	**372**	252	**419**	(1,629)
Capitalized interest (a)			-	-	-	-	**10,242**	10,909	**(666)**	(368)
Total joint ventures - Consolidated			**256,612**	241,087	**17,103**	14,831	**154,218**	148,084	**7,107**	12,894
Subsidiaries:										
LOG I	100.00%	100.00%	**147,289**	158,931	**12,838**	7,888	**147,289**	158,931	**12,838**	7,888
LOG II	100.00%	100.00%	**59,222**	59,593	**2,496**	6,695	**59,222**	59,593	**2,496**	6,695
LOG Jundiaí	100.00%	100.00%	**95,777**	95,790	**4,286**	2,188	**95,777**	95,790	**4,286**	2,188
LOG Goiânia	100.00%	100.00%	**144,785**	157,654	**12,404**	15,080	**144,785**	157,654	**12,404**	15,080
LOG Hortolândia	100.00%	100.00%	**139,458**	135,750	**13,495**	6,851	**139,458**	135,750	**13,495**	6,851
LOG SJP	100.00%	100.00%	**18,323**	62,318	**(4,659)**	7,623	**18,323**	62,318	**(4,659)**	7,623
LOG Juiz de Fora	100.00%	100.00%	**120,887**	109,912	**15,084**	5,442	**120,887**	109,912	**15,084**	5,442
LOG Feira de Santana	100.00%	100.00%	**40,839**	41,230	**1,667**	2,258	**40,839**	41,230	**1,667**	2,258
LOG Fortaleza	100.00%	100.00%	**150,928**	149,874	**9,723**	25,963	**150,927**	149,874	**9,723**	25,963
LOG Via Expressa	100.00%	100.00%	**176,019**	176,474	**7,310**	18,950	**176,019**	176,474	**7,310**	18,950
LOG Viana	100.00%	100.00%	**135,867**	136,536	**8,724**	2,198	**135,867**	136,536	**8,724**	2,198
LOG Londrina	100.00%	100.00%	**61,847**	130,026	**(22,552)**	11,232	**61,847**	130,026	**(22,552)**	11,232
LOG Itatiaia	100.00%	100.00%	**65,431**	64,358	**3,022**	3,948	**65,431**	64,358	**3,022**	3,948
LOG Aracajú	100.00%	100.00%	**30,421**	78,043	**(12,095)**	7,155	**30,421**	78,043	**(12,095)**	7,155
LOG Extrema	97.48%	97.48%	**1,713**	637	**1,075**	3,373	**1,670**	621	**1,048**	3,288
LOG Uberaba	100.00%	100.00%	**47,380**	45,509	**3,299**	3,859	**47,380**	45,509	**3,299**	3,859
LOG Itaitinga I	100.00%	100.00%	**113,941**	361,871	**(33,565)**	97,859	**113,940**	361,871	**(33,565)**	97,859
LOG Recife	100.00%	81.50%	**299,535**	428,876	**(16,012)**	72,699	**299,535**	349,701	**(18,095)**	58,150
LOG Itapeva	100.00%	100.00%	**122,121**	108,956	**17,041**	10,905	**122,121**	108,956	**17,041**	10,905
LOG PIB Meli	100.00%	100.00%	**36,454**	69,465	**(4,981)**	6,261	**36,454**	69,465	**(4,981)**	6,261
LOG Salvador	100.00%	100.00%	**283,506**	148,438	**26,657**	14,724	**283,506**	148,438	**26,657**	14,724
LOG Maceió	100.00%	100.00%	**107,315**	28,439	**4,963**	2,994	**107,315**	28,439	**4,964**	2,994
LOG Sumaré	100.00%	100.00%	**34**	33	**1**	1	**34**	33	**1**	1
LOG SJRP	100.00%	100.00%	**23,400**	23,683	**(745)**	(177)	**23,400**	23,683	**(745)**	(177)
LOG Macaé	100.00%	100.00%	**14,138**	14,140	**(219)**	(4)	**14,138**	14,140	**(219)**	(4)
LOG RP	100.00%	100.00%	**56,186**	56,436	**(2,349)**	99	**56,186**	56,436	**(2,349)**	99
LOG Viana II	100.00%	100.00%	**179,181**	166,289	**3,596**	21,019	**179,181**	166,289	**3,596**	21,019
LOG Natal	100.00%	100.00%	**57,278**	31,159	**(1,986)**	18,859	**57,278**	31,159	**(1,986)**	18,859
LOG Contagem IV	100.00%	100.00%	**106,020**	85,432	**(14,886)**	49,458	**106,020**	85,432	**(14,886)**	49,458
LOG Teresina	0.00%	100.00%	-	11	-	(438)	-	11	**(61)**	(438)
LOG Campo Grande	100.00%	100.00%	**45,249**	11,748	**18,629**	(27)	**45,249**	11,748	**18,629**	(27)
LOG Brasília	100.00%	100.00%	**148,169**	58,663	**5,963**	47,979	**148,169**	58,663	**5,963**	47,979
LOG Cuiabá	100.00%	100.00%	**18,467**	760	**17,316**	(26)	**18,467**	760	**17,316**	(26)
LOG Joinville	100.00%	100.00%	**1,349**	986	**(78)**	(24)	**1,349**	986	**(78)**	(24)
LOG Itaitinga II	100.00%	100.00%	**272,928**	20,192	**81,274**	(1)	**272,928**	20,192	**81,274**	(1)
LOG Goiânia III	100.00%	100.00%	**1,259**	56	**(3)**	-	**1,259**	56	**(3)**	-
LOG Betim III	100.00%	100.00%	-	2	**(3)**	(1)	-	2	**(3)**	(1)
LOG Gravataí II	100.00%	100.00%	**2**	2	**(3)**	(1)	**2**	2	**(3)**	(1)
LOG São Bernardo do Campo	100.00%	100.00%	**70,313**	4,210	**58,033**	-	**70,313**	4,210	**58,033**	-
LOG Contagem V	100.00%	0.00%	**48**	-	**(2)**	-	**48**	-	**(2)**	-
LOG São José dos Pinhais II	100.00%	0.00%	**24,078**	-	**21,948**	-	**24,078**	-	**21,948**	-
LOG Recife II	100.00%	0.00%	**46,246**	-	**44,905**	-	**46,246**	-	**44,905**	-
LDI	100.00%	100.00%	**1,333**	1,232	**102**	461	**1,333**	1,232	**102**	461
LE Empreendimentos	98.08%	99.00%	**116,260**	42,841	**31,055**	39,473	**114,028**	42,413	**30,450**	39,078
Capitalized interest (a)			-	-	-	-	-	-	**(84,460)**	(75,390)
Total subsidiaries			**3,580,996**	3,266,555	**312,768**	512,795	**3,578,719**	3,186,936	**225,533**	422,376
Total Parent Company			**3,837,608**	3,507,642	**329,871**	527,626	**3,732,937**	3,335,020	**232,640**	435,270

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision (Note 2.2 (e)).

b) Joint ventures:

- Parque Torino Imóveis S.A. ("Torino") is engaged in the rent of own properties, construction, and development of real estate projects. Its equity interest was sold in October 2022.

- Betim I Incorporações SPE Ltda. ("Loteamento Betim") is mainly engaged in the subdivision of industrial land for sale and development, building and rental of business assets, primarily, logistics warehouses.

- MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") is mainly engaged in the rent of own properties, construction, and development of real estate projects.

The net income or loss generated by these entities are assumed by each shareholder, according to the percentage equity interest held.

There are no contractual restrictions on the distributions of funds generated by the operating activities from the joint ventures to their controlling shareholders.

Summarized financial information of the joint ventures is as follows:

	Loteamento Betim		LOG SJC Sony	
	12/31/23	12/31/22	12/31/23	12/31/22
Cash and cash equivalents and marketable securities	**4,524**	8	**3**	3
Trade receivables	**4,801**	1,853	**-**	-
Inventories	**39,901**	41,841	**-**	-
Other current assets	**24**	30	**-**	-
Total current	**49,250**	43,732	**3**	3
Trade receivables	**7,056**	1,271	**-**	-
Inventories	**95,596**	90,681	**-**	-
Investment property	**-**	-	**113,601**	113,100
Total noncurrent assets	**102,652**	91,952	**113,601**	113,100
Total assets	**151,902**	135,684	**113,604**	113,103
Current liabilities	**6,908**	3,682	**14**	5
Noncurrent liabilities	**249**	23	**3,954**	3,919
Equity	**144,745**	131,979	**109,636**	109,179
Liabilities and equity	**151,902**	135,684	**113,604**	113,103

	Torino (*)		Loteamento Betim		LOG SJC Sony	
	2023	2022	2023	2022	2023	2022
Operating revenue	-	24,048	**24,713**	10,511	**-**	-
Cost of products and services	-	-	**(9,784)**	(5,844)	**-**	-
Other operating expenses	-	(1,593)	**(42)**	(90)	**(78)**	(82)
Financial income (expenses)	-	1,029	**129**	(3)	**(2)**	-
Changes in the fair value of investment property	-	-	**-**	-	**482**	304
Income tax and social contribution	-	(3,065)	**(811)**	(518)	**(15)**	(99)
Net income (loss) for the year	-	20,419	**14,205**	4,056	**387**	123

(*) On October 6, 2022, the Group sold the investment in Torino for the amount of R$175 million with the receipt of the first installment on the same date in the amount of R$120 million and two remaining installments in the amount of R$27.5 million each to be paid in 12 and 18 months, plus update by IPCA index, recorded under "accounts receivable" (R$27,196, net of present value adjustment in December 31, 2023).

c) Changes in the balances of investments in subsidiaries and joint ventures in the years ended December 31, 2023 and 2022 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity interest in investees	Dividends received	Other	Closing balances
Year ended December 31, 2023:							
Joint ventures:							
Loteamento Betim	3/18	65,989	2,281	7,103	(3,000)	-	72,373
LOG SJC Sony	-	70,934	46	251	-	-	71,231
Others	-	252	(299)	419	-	-	372
Capitalized interest (a)		10,909	(1)	(666)	-	-	10,242
Total joint ventures - Consolidated		**148,084**	**2,027**	**7,107**	**(3,000)**	**-**	**154,218**
Subsidiaries:							
LOG I	2/09	158,931	6,355	12,838	(30,835)	-	147,289
LOG II	3/11	59,593	1,091	2,496	(3,958)	-	59,222
LOG Jundiaí	4/11	95,790	1,491	4,286	(5,790)	-	95,777
LOG Goiânia	4/12	157,654	5,037	12,404	(30,310)	-	144,785
LOG Hortolândia	9/12	135,750	3,014	13,495	(12,801)	-	139,458
LOG SJP	4/13	62,318	125	(4,659)	(39,461)	-	18,323
LOG Juiz de Fora	6/13	109,912	1,908	15,084	(6,017)	-	120,887
LOG Feira de Santana	6/13	41,230	748	1,667	(2,806)	-	40,839
LOG Fortaleza	8/13	149,874	4,295	9,723	(12,965)	-	150,927
LOG Via Expressa	11/13	176,474	3,333	7,310	(11,098)	-	176,019
LOG Viana	4/14	136,536	(793)	8,724	(8,600)	-	135,867
LOG Londrina	6/14	130,026	18,962	(22,552)	(64,589)	-	61,847
LOG Itatiaia	7/14	64,358	1,861	3,022	(3,810)	-	65,431
LOG Aracajú	10/18	78,043	1,071	(12,095)	(36,598)	-	30,421
LOG Extrema	10/19	621	1	1,048	-	-	1,670
LOG Uberaba	9/20	45,509	2,131	3,299	(3,559)	-	47,380
LOG Itaitinga I	9/21	361,871	(85,964)	(33,565)	(128,402)	-	113,940
LOG Recife (b)	5/22	349,701	10,460	(18,095)	(32,871)	(9,660)	299,535
LOG Itapeva	8/22	108,956	2,748	17,041	(6,624)	-	122,121
LOG PIB Meli	8/22	69,465	(28,030)	(4,981)	-	-	36,454
LOG Salvador	6/23	148,438	109,047	26,657	(636)	-	283,506
LOG Maceió	6/23	28,439	76,512	4,964	(2,600)	-	107,315
LOG Sumaré	-	33	-	1	-	-	34
LOG SJRP	-	23,683	463	(745)	(1)	-	23,400
LOG Macaé	-	14,140	217	(219)	-	-	14,138
LOG RP	-	56,436	2,099	(2,349)	-	-	56,186
LOG Viana II	4/23	166,289	18,330	3,596	(9,034)	-	179,181
LOG Natal	-	31,159	28,127	(1,986)	(22)	-	57,278
LOG Contagem IV	-	85,432	35,494	(14,886)	(20)	-	106,020
LOG Teresina	-	11	50	(61)	-	-	-
LOG Campo Grande	-	11,748	14,946	18,629	(74)	-	45,249
LOG Brasília	12/23	58,663	83,810	5,963	(267)	-	148,169
LOG Cuiabá	-	760	391	17,316	-	-	18,467
LOG Joinville	-	986	441	(78)	-	-	1,349
LOG Itaitinga II	7/23	20,192	172,364	81,274	(902)	-	272,928
LOG Goiânia III	-	56	1,206	(3)	-	-	1,259
LOG Betim III	-	2	1	(3)	-	-	-
LOG Gravataí II	-	2	3	(3)	-	-	2
LOG São Bernardo do Campo	-	4,210	8,083	58,033	(13)	-	70,313
LOG Contagem V	-	-	50	(2)	-	-	48
LOG São José dos Pinhais II	-	-	2,130	21,948	-	-	24,078
LOG Recife II	-	-	1,341	44,905	-	-	46,246
LDI	-	1,232	(1)	102	-	-	1,333
LE Empreendimentos	-	42,413	41,860	30,450	-	(695)	114,028
Capitalized interest (a)		-	-	(84,460)	-	84,460	-
Total subsidiaries		**3,186,936**	**546,808**	**225,533**	**(454,663)**	**74,105**	**3,578,719**
Total Parent Company		**3,335,020**	**548,835**	**232,640**	**(457,663)**	**74,105**	**3,732,937**
Year ended December 31, 2022:							
Total Consolidated		313,663	10,952	12,894	(7,760)	(181,665)	148,084
Total Parent Company		2,681,877	556,182	435,270	(232,034)	(106,275)	3,335,020

a) Refers to capitalized financial charges from loans, financing and debentures, taken by the Company for the acquisition/development of its investees´ investment properties and industrial subdivisions (Note 2.2 (e)).

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

6. Investment property

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Industrial warehouses	**4,306,018**	4,876,661	**962,567**	1,283,358
Strip malls	**2,100**	2,060	**2,100**	2,060
Total	**4,308,118**	4,878,721	**964,667**	1,285,418

Changes in balances of investment property for the years ended December 31, 2023 and 2022 were as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	**4,878,721**	3,772,706	**1,285,418**	1,290,715
Additions	**497,094**	845,278	**21,616**	153,095
Right-of-use of land [*]	**6,139**	91,661	**-**	-
Capitalized interest (Note 8 (d))	**84,460**	78,367	**-**	2,977
Sale of assets	**(1,159,870)**	(252,556)	**(156,069)**	(18,100)
Cancellation of land contracts	**-**	(10,756)		(10,756)
Transfer to noncurrent assets available for sale	**(165,000)**	-	**(106,620)**	-
Write-off due to spin-off in subsidiary	**(92,022)**	-	**-**	-
Transfer of investment properties to SPE	**-**	-	**(81,538)**	(135,354)
Changes in fair value	**258,596**	354,021	**1,860**	2,841
Closing balance	**4,308,118**	4,878,721	**964,667**	1,285,418

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

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

	Consolidated		Parent Company	
	2023	2022	2023	2022
Changes in fair value of investment property	**258,596**	354,021	**1,860**	2,841
Deferred PIS/COFINS	**(798)**	(14,891)	**-**	-
Changes in fair value of investment property in profit or loss	**257,798**	339,130	**1,860**	2,841

<u>Sale of assets</u>

In the year ended on December 31, 2023, the asset groups "Seattle I", "Seattle II" and "Toronto" were sold, as well as additional interests in assets, as shown below:

	Effect on results											
	Seattle I			Seattle II		LGCP11				Toronto		Total
	LOG Goiânia II	SPE LOG Itaitinga I	SPE LOG Recife	SPE LOG Londrina	SPE LOG Aracajú	LOG Gaiolli	SPE LOG Contagem I	SPE LOG Goiânia I	SPE LOG Viana I	LOG Gravataí	SPE LOG São José dos Pinhais	
Sales revenue and other related revenue [1]	124,332	262,360	423,734	137,138	73,834	31,411	37,653	37,463	22,752	106,620	58,380	1,315,677
Investment property write-off	(121,461)	(272,827)	(401,879)	(148,773)	(81,157)	(34,608)	(39,278)	(38,138)	(21,749)	(106,620)	(58,380)	(1,324,870)
PIS and COFINS	(11,501)	(12,567)	(19,645)	(5,006)	(2,695)	(2,906)	(1,374)	(1,367)	(830)	(9,862)	(2,131)	(69,884)
Others costs [2]	(19,071)	(14,371)	(23,489)	(10,095)	(3,888)	(987)	(1,238)	(1,233)	(767)	(4,127)	(944)	(80,210)
Other operating income (expenses), net	(27,701)	(37,405)	(21,279)	(26,736)	(13,906)	(7,090)	(4,237)	(3,275)	(594)	(13,989)	(3,075)	(159,287)
PIS e COFINS (Fair Value)	-	2,451	3,910	2,599	543	-	1,108	736	377	-	1,052	12,776
Income tax and social contribution	9,396	(7,090)	(15,784)	(2,031)	(1,816)	2,342	(225)	(533)	(383)	4,748	(911)	(12,287)
Gain on sale of assets	(18,305)	(42,044)	(33,153)	(26,168)	(15,179)	(4,748)	(3,354)	(3,072)	(600)	(9,241)	(2,934)	(158,798)

[1] Assets sales revenue for the amount of R$1.3 billion, IPCA update (future curve - BACEN) for unpaid installments included, with R$565.9 million received in cash and the remaining amount to be received up to 26 months. Other related revenue refers to the reimbursement received from the lessee in the amount of R$64.1 million for improvements made to the assets, which was decisive for the pricing of the sold assets.
[2] Includes adjustment to present value for unpaid installments.

In the year ended on December 31, 2022, the assets "PIB Meli" and "Plaza Top Life" were sold, as shown below:

	Effect on results		
	PIB Meli	Plaza Top Life	Total
Sales revenue and other related revenue [1]	253,561	19,500	273,061
Investment property write-off	(234,456)	(18,100)	(252,556)
PIS and COFINS	(9,255)	(1,804)	(11,059)
Others costs [2]	(8,478)	(2,282)	(10,760)
Other operating income (expenses), net	1,372	(2,686)	(1,314)
PIS e COFINS (Fair Value)	2,135	-	2,135
Income tax and social contribution	(7,810)	111	(7,699)
Gain on sale of assets	(4,303)	(2,575)	(6,878)

[1] R$181,8 million received in cash and the remaining to be received up to 36 months.

[2] Includes adjustment to present value for unpaid installments.

Noncurrent assets held for sale

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	-	-	-	-
Transfer of investment property	**165,000**	-	**106,620**	-
Sale of assets	**(165,000)**	-	**(106,620)**	-
Closing balance	-	-	-	-

In the 2023 year, the Group transferred assets from LOG Gravataí and SPE LOG São José dos Pinhais to the item "Noncurrent assets held for sale", concluding the aforementioned sale of these assets in the same year.

As at December 31, 2023, from the total amount of investment property, R$930,358 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R$1,247,461 as at December 31, 2022).

7. Property and equipment

Changes in property and equipment for the years ended December 31, 2023 and 2022 are as follows:

Consolidated	Opening balance	Addition	Closing balance
Year ended December 31, 2023:			
Cost:			
Right-of-use [1]	9,413	1,884	**11,297**
Other [2]	8,984	536	**9,520**
Total cost	18,397	2,420	**20,817**
Accumulated depreciation:			
Right-of-use [1]	1,449	896	**2,345**
Other[2]	1,532	386	**1,918**
Total accumulated depreciation	2,981	1,282	**4,263**
Total property and equipment, net	15,416	1,138	**16,554**
Year ended December 31, 2022:			
Total property and equipment, net	4,927	10,489	15,416

Parent Company	Opening balance	Addition	Closing balance
Year ended December 31, 2023:			
Cost:			
Right-of-use [1]	9,413	1,884	**11,297**
Other [2]	8,779	474	**9,253**
Total cost	18,192	2,358	**20,550**
Accumulated depreciation:			
Right-of-use [1]	1,450	896	**2,346**
Other [2]	1,334	378	**1,712**
Total accumulated depreciation	2,784	1,274	**4,058**
Total property and equipment, net	15,408	1,084	**16,492**
Year ended December 31, 2022:			
Total property and equipment, net	4,903	10,505	15,408

[1] Company's office rental agreements.
[2] Primarily improvements in third party properties.

8. Loans, financing and debentures

a) Position

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

Type	12/31/23			12/31/22
	Current	Noncurrent	Total	Total
Parent Company:				
Debenture - 12th issue	-	-	-	50,121
Debenture - 15th issue (CRI)	**7,068**	**28,000**	**35,068**	42,118
Debenture - 16th issue (CRI)	**19,091**	**9,091**	**28,182**	47,182
Debenture - 17th issue	**79,382**	-	**79,382**	159,532
Debenture - 18th issue	**92,667**	**166,667**	**259,334**	260,474
Debenture - 19th issue (CRI) (*)	**8,121**	**504,431**	**512,552**	470,353
Debenture - 20th issue - 1st series (CRI)	**4,911**	**130,350**	**135,261**	135,851
Debenture - 20th issue - 2nd series (CRI) (*)	**3,286**	**183,360**	**186,646**	171,396
Debenture - 21st issue	**26,345**	**400,000**	**426,345**	428,321
Debenture - 22nd issue (CRI)	**631**	**250,000**	**250,631**	-
(-) Funding cost	**(6,354)**	**(15,005)**	**(21,359)**	(20,046)
Total debentures and CRI - Parent Company	**235,148**	**1,656,894**	**1,892,042**	1,745,302
Construction financing	**5,783**	-	**5,783**	11,914
(-) Funding cost	**(88)**	-	**(88)**	(193)
Total financing - Parent Company	**5,695**	-	**5,695**	11,721
Total Parent Company	**240,843**	**1,656,894**	**1,897,737**	1,757,023
Subsidiaries:				
Construction financing (*)	-	-	-	17,346
(-) Funding cost	-	-	-	(285)
Total financing - Subsidiaries	-	-	-	17,061
Total Consolidated	**240,843**	**1,656,894**	**1,897,737**	1,774,084

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

In July 2023, the Company paid in advance the 12th issue of debentures in the amount of R$45,163, which had a monthly maturity until December 2027, subject to the contractual rate of DI rate + 2.25% p.a.

In July 2023, the Company paid in advance construction financing in the amount of R$17,217, which had monthly maturity until September 2028, subject to a contractual rate of TR + 10% p.a.

The main features of the Company´s loans, financing and debentures are as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 15th issue (CRI)	70,000	12/18	Monthly	Monthly	1/19 to 12/28	DI + 1.35%	DI + 1.71%
Debenture - 16th issue (CRI)	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% DI	108% DI + 0.34%
Debenture - 17th issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% DI	116.5% DI + 0.18%
Debenture - 18th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	DI + 2.00%	DI + 2.21%
Debenture - 19th issue (CRI)	450,000	9/21	Annual	Semiannual	9/25 to 9/28	IPCA + 5.52%	IPCA + 6.07%
Debenture - 20th issue - 1st series (CRI)	130,350	4/22	Annual	Semiannual	3/26 to 3/27	DI + 1.10%	DI + 1.55%
Debenture - 20th issue - 2nd series (CRI)	169,650	4/22	Annual	Semiannual	3/27 to 3/29	IPCA + 6.30%	IPCA + 6.87%
Debenture - 21st issue	400,000	7/22	Annual	Semiannual	7/26 to 7/27	DI + 1.65%	DI + 1.79%
Debenture - 22nd issue (CRI)	250,000	6/23	Annual	Quarterly	6/26 to 6/28	DI + 1.70%	DI + 2.55%
Construction financing	-	12/12	Monthly	Monthly	12/13 to 10/24	DI + 1.65%	DI + 1.92%

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

Funding during the year ended December 31, 2023 is as follows:

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

(*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	**1,774,084**	1,267,705	**1,757,023**	1,248,109
Funding	**250,000**	700,000	**250,000**	700,000
Interest expense	**236,806**	213,029	**235,896**	210,869
Fair value adjustment	**26,552**	(27,448)	**25,512**	(26,757)
Funding cost	**(7,989)**	(9,396)	**(7,989)**	(9,396)
Amortization of funding costs	**7,066**	4,851	**6,781**	4,754
Repayment of principal	**(176,282)**	(239,446)	**(157,954)**	(237,193)
Payment of interest	**(212,500)**	(135,211)	**(211,532)**	(133,363)
Closing balance	**1,897,737**	1,774,084	**1,897,737**	1,757,023

b) Guarantees

The types of guarantees for loans, financing and debentures as at December 31, 2023 are as follows:

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	5,783	79,382	313,881	399,046
No guaranties	-	685,679	834,459	1,520,138
Total (*)	**5,783**	**765,061**	**1,148,340**	**1,919,184**

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

Collaterals consist of the land, improvements, and properties of the financed projects (see Note 6).

Receivables consist of future inflows generated by the financed projects, pledged as collateral in the event of nonpayment to the financial institutions.

c) Aging

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
After the reporting period:				
1 year	**247,285**	186,353	**247,285**	182,659
2 years	**228,814**	203,141	**228,814**	199,936
3 years	**568,232**	236,168	**568,232**	232,963
4 years	**546,244**	492,253	**546,244**	489,048
After 4 years	**328,609**	676,693	**328,609**	672,656
Total	**1,919,184**	1,794,608	**1,919,184**	1,777,262

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Financial charges on:				
Loans, financing and debentures	**(243,872)**	(217,880)	**(242,677)**	(215,623)
Derivative financial instruments	**(16,562)**	(7,864)	**(16,562)**	(7,864)
Total financial charges	**(260,434)**	(225,744)	**(259,239)**	(223,487)
Interest capitalized on:				
Investment property (Note 6)	**84,460**	78,367	**-**	2,977
Investment (Note 5)	**-**	-	**84,460**	75,390
Financial charges allocated to profit or loss (Note 17)	**(175,974)**	(147,377)	**(174,779)**	(145,120)

For the year ended December 31, 2023, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 15.28% p.a. in Consolidated (14.50% p.a. for the year ended December 31, 2022).

e) Contractual obligations

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

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

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

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

On December 31, 2023, the Company was in compliance with the restrictive clauses of its loan, financing and debenture agreements.

Other contractual commitments:

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

9. Land payables

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
DI	-	8,813	-	-
IPCA	**12,585**	13,000	-	13,000
Total	**12,585**	21,813	-	13,000
Current	**9,689**	8,813	-	-
Noncurrent	**2,896**	13,000	-	13,000
Total	**12,585**	21,813	-	13,000

Aging of 'Land payables' is as follows:

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
After the reporting period:				
1 year	**9,689**	8,813	-	-
2 years	**2,896**	6,333	-	6,333
After 2 years	-	6,667	-	6,667
Total	**12,585**	21,813	-	13,000

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		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
After the reporting period:				
1 year	**100,567**	61,994	**4,924**	1,686
2 years	**17,874**	94,315	**6,776**	37,853
3 years	**24,589**	29,261	-	17,864
After 3 years	**11,135**	11,136	-	11,136
Total	**154,165**	196,706	**11,700**	68,539
Current	**100,567**	61,994	**4,924**	1,686
Noncurrent	**53,598**	134,712	**6,776**	66,853
	154,165	196,706	**11,700**	68,539

11. Income tax and social contribution

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

	Consolidated		Parent Company	
	2023	2022	2023	2022
Income before income tax and social contribution	**184,497**	397,476	**126,023**	345,629
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal expense	**(62,729)**	(135,142)	**(42,848)**	(117,514)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	**2,643**	4,509	**108,040**	173,624
Reflection of fair value in subsidiaries	**(28,716)**	(20,541)	**(28,716)**	(20,541)
Write-off of capitalized interest referring to assets sold by subsidiaries	**25,930**	**2,647**	**25,930**	**2,647**
Tax basis difference for companies taxes based on deemed income	**69,585**	149,791	-	-
Other	**3,750**	1,960	**3,747**	2,227
IRPJ and CSLL credit (debit) in profit or loss	**10,463**	3,224	**66,153**	40,443

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

(b) Deferred tax balances

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Noncurrent assets:				
Income tax and social contribution	**114,024**	47,871	**114,024**	47,871
Liabilities:				
Income tax and social contribution	**(64,155)**	(53,216)	-	-
PIS/COFINS	**(93,557)**	(61,706)	**(10,592)**	(1,248)
	(157,712)	(114,922)	**(10,592)**	(1,248)
Current	**(13,194)**	(5,806)	**(3,597)**	(416)
Noncurrent	**(144,518)**	(109,116)	**(6,995)**	(832)
Total	**(157,712)**	(114,922)	**(10,592)**	(1,248)

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

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**174,861**	96,152	**174,790**	95,901
Capitalized interests written-off (*)	**114,560**	111,773	**114,560**	111,773
Temporary differences	**(26,999)**	7,187	**(30,280)**	7,187
	262,422	215,112	**259,070**	214,861
Reclassified deferred liabilities	**(148,398)**	(167,241)	**(145,046)**	(166,990)
Deferred tax assets	**114,024**	47,871	**114,024**	47,871
Deferred liabilities:				
Fair value appreciation on investment property	**(192,616)**	(214,633)	**(145,046)**	(166,990)
Rental receivables and others	**(2,207)**	(3,430)	-	-
Sale of assets	**(17,730)**	(2,394)	-	-
	(212,553)	(220,457)	**(145,046)**	(166,990)
Reclassified deferred liabilities	**148,398**	167,241	**145,046**	166,990
Deferred tax liabilities	**(64,155)**	(53,216)	-	-

(*) According to Note 2.2 (e) to the financial statements for the year ended December 31, 2022, since financing activities are centrally managed by the Company, interest incurred by the Company on the financing of its investees' qualifying assets are capitalized and presented in the investment line item (Parent Company financial statements). Since investment properties are measured at fair value, the related costs are allocated to profit or loss by deducting such costs from equity participation calculation (Parent Company financial statements). In this process, deferred tax assets are recognized since these amounts will be tax deductible upon realization of the respective investments.

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

As at December 31, 2023, 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 Parent Company
Expected realization:	
2027	2,964
2028	3,010
2029	3,605
2030	4,198
2031 to 2034	30,723
2035 to 2039	49,045
2040 to 2052	20,479
Total	114,024

The above-mentioned projection is based on projects which are operating, on the construction and start-up of new industrial warehouse in the Company's portfolio. Projected revenue from these rented assets and the sale of assets that are currently in operation contribute to generate taxable income compatible with the realization of deferred tax loss carryforwards. Realization of referred assets arising from the temporary difference referring to capitalized interest considers the same period of tax deductibility of 25 years applicable to historic costs of the respective investment properties from the respective start of operation.

As at December 31, 2023, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated				Parent Company			
	2023			2022	2023			2022
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	**215,112**	**(220,457)**	**(5,345)**	(30,583)	**214,861**	**(166,990)**	**47,871**	7,428
Effect on deferred IRPJ and CSLL								
Spin-off in subsidiary	**-**	**748**	**748**	-	**-**	**-**	**-**	-
Net income for the period	**47,310**	**7,156**	**54,466**	25,238	**44,209**	**21,944**	**66,153**	40,443
Closing balance	**262,422**	**(212,553)**	**49,869**	(5,345)	**259,070**	**(145,046)**	**114,024**	47,871

12. Provisions for labor, tax and civil risks

The Group recorded provisions for risks related to claims for which an unfavorable outcome is probable, considering the assessment of its legal counsel. These claims consist primarily of labor claims. Changes for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	**2,345**	1,991	**144**	116
Additions and inflation adjustments	**1,471**	620	**297**	75
Payments	**(2,020)**	(163)	**(66)**	(35)
Reversals	**(471)**	(103)	**(90)**	(12)
Closing balance	**1,325**	2,345	**285**	144

The lawsuits assessed as possible losses by the legal counsel amounted to R$4,741 in Consolidated and R$4,126 in Individual as at December 31, 2023 (R$1,286 in Consolidated and R$913 in Individual as at December 31, 2022).

13. Lease

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

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

Changes in lease liability for the years ended December 31, 2023 and 2022 are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Opening balance	**101,715**	4,463	**8,437**	4,463
Additions	-	94,543	-	2,541
Remeasurement	**9,941**	1,905	**1,884**	1,905
Interest expenses	**8,377**	1,814	**646**	538
Repayment of principal	**(668)**	(613)	**(668)**	(472)
Payment of interest	**(646)**	(397)	**(646)**	(538)
Closing balance	**118,719**	101,715	**9,653**	8,437
Current	**765**	614	**765**	556
Noncurrent	**117,954**	101,101	**8,888**	7,881
	118,719	101,715	**9,653**	8,437

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

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	After 36 months	Total
Consolidated:					
Lease liability	4,871	8,943	9,018	421,195	444,027
Total	4,871	8,943	9,018	421,195	444,027
Parent Company:					
Lease liability	1,342	1,342	1,342	9,178	13,204
Total	1,342	1,342	1,342	9,178	13,204

Leases representing exemptions in recognition

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

In year ended December 31, 2023, these leases represent R$84 in Consolidated and R$83 in Parent Company (R$86 as at December 31, 2022).

14. Equity

(a) Shares and capital

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

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

The holders of Company shares have preemptive rights, proportionally to their interests, in the subscription of new shares or their partial or total transfer to third parties. These rights can be exercised within the statutory period of thirty days.

(b) Treasury shares

On February 8, 2023, the Board of Directors approved for 18 months, starting on February 8, 2023, the Company's Share Buyback program, in the maximum amount of 5.9 million common shares, respecting the legal limits, for being held in treasury, canceled, re-placed on the market, or allocated to the Stock Option Plans.

During the year ended December 31, 2023, 236 thousand shares were acquired in the amount of R$4,825 through the Company's Share Buyback Program, 47 thousand shares were sold in the amount of R$832 and 722 thousand shares were transferred to the beneficiaries of the Company's stock option plan, as shown below:

Type	Number (thousand)					Cost in reais (per share) of the acquired shares			
	Opening balance	Acquired	Sold	Transferred	Closing balance	Weighted average	Maximum	Minimum	Market value (*)
Exercise 2023:									
Common shares	**2,252**	**236**	**(47)**	**(722)**	**1,719**	**20.53**	**23.71**	**15.01**	**39,193**
Exercise 2022:									
Common shares	1,048	1,221	-	(17)	2,252	21.97	24.76	15.20	36,302

(*) Market value of shares remaining in treasury as at December 31, 2023 and 2022.

(c) Capital reserve

Represents stock options granted to the Company's officers and employees, as described in item (f) below. In accordance with article 200 of Brazilian Corporate Law, the Company may use capital reserves to absorb losses, redeem or purchase shares and incorporate into paid-in capital.

(d) Earnings reserves

Legal reserve

The legal reserve is recognized based on the allocation of 5% of the profit for the year, up to a ceiling of 20% of share capital. The constitution of a legal reserve is not mandatory when the balance of this reserve, plus the paid-in capital amount, exceeds 30% of share capital. The objective of the legal reserve is to preserve capital and can only be utilized to offset losses or increase capital. The calculation schedules for the recognition of the 2023 and 2022 legal reserve is shown in (e) below.

Earnings retention reserve

The earnings retention reserve represents undistributed profits to shareholders aiming to reserve funds to be used in investments according to the Company's capital budget. As at December 31, 2023, it was proposed the constitution of earnings retention reserve of R$112,567 (R$275,076 as at December 31, 2022).

(e) Dividend

Mandatory minimum and proposed additional dividends

Under its bylaws, the Company can, by decision of the Board of Directors (i) prepare semiannual or quarterly financial statements or financial statements for shorter periods, and declare dividends or interest on equity based on the profits disclosed in such financial statements; or (ii) declare interim dividends or interest on equity, charged to retained earnings or earnings reserves disclosed in the latest annual or semiannual financial statements. The distributed interim dividends and interest on equity can be deducted from the mandatory dividends. Shareholders are entitled to an annual mandatory minimum dividend of no less than 25% of the net income for the fiscal year, which can be decreased or increased by the following amounts: (i) amount to be allocated to the legal reserve; (ii) amount to be allocated to the recognition of a provision for contingencies and reversal of the same provisions recognized in prior years; and (iii) amount derived from the reversal of prior years' unrealized earnings reserve, pursuant to Article 202, II, of Brazilian Corporate Law. Under the law, the payment of the mandatory dividend can be limited to realized net income for the fiscal year.

According to the Company's management's proposal, to be approved at the Annual Shareholders' Meeting (ASM), 2023 dividends are as follows (2022 dividends are presented for comparative purposes):

	2023	2022
Net income for the year	**192,176**	386,072
Legal reserve - 5% of net income	**(9,609)**	(19,304)
Net income available for distribution	**182,567**	366,768
Proposed dividends:		
Mandatory minimum dividends - 25% of net income available for	**45,642**	91,692
Additional	**24,358**	-
Total	**70,000**	91,692
Proposed dividends per share:		
Mandatory minimum dividends - R$	**0.4544**	0.9178
Additional - R$	**0.2425**	-
Total - R$	**0.6969**	0.9178

Fiscal year 2022 dividends, amounting R$91,692, were approved at the Board of Directors Meeting held on February 8, 2023 and paid on February 23, 2023.

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

(f) Stock option plan

The Company's Board of Directors periodically establishes Stock Option Programs, which will define the number of shares that the beneficiaries will be entitled to subscribe with the exercise of the option, the subscription price, the maximum term for exercising the option, rules on transfer of options and any restrictions on shares received for exercising the option. The issue price of the shares to be subscribed by the stock options plan beneficiaries, as result of exercising the option, will be equivalent to the average of the thirty (30) trading sessions prior to the concession date ("strike price").

The Company's officers and employees, including those of direct and indirect subsidiaries, may be eligible for the plan. Should the employment agreement or mandate of the employee or officer terminates due to (a) resignation; or (b) dismissal (with or without just cause) or removal from office (with or without fair reason), providing the definition of 'fair reason' and 'just cause' is provided for in corporate law or labor law, respectively, the options whose exercise right (i) had not yet vested will be cancelled; and (ii) had already vested, may be exercised within ninety day of the date of the termination of said employment agreement or mandate, by means of a written notice sent to the Chairman of the Company's Board and, after this period, they will be cancelled.

In case of death or permanent disability of the beneficiary, his or her successors shall have the right to exercise any unexercised stock options, regardless of the share sale restrictions periods set out in the Plan and even if such stock options are unvested, immediately and during the exercise period set out in the related program, where the number of shares to which the beneficiary's successors are entitled will be calculated on a prorated basis, according to the Plan.

The Stock Option Plan approved by the Company's Board of Directors prescribes a maximum of 3,092,149 shares, equivalent to 5% of the Company´s total shares as of November 2010 (892,149 shares) plus one million options approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 16, 2020 and plus one million, two hundred thousand options approved at the Ordinary and Extraordinary Shareholders' Meeting on April 19, 2022.

On September 6, 2023, the Company´s Board of Directors approved the issuance of program 12 of the stock option plan, granting to directors and managers up to 527 thousand options with vesting period of 5 years, with exercise deadline date in December 2030. The stock option fair value is R$7.57 each with, total cost of remuneration of R$3,594, which will be recognized in the statement of profit or loss over the vesting period.

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

Program	Approval	Maximum quantity	% of total approved in the plan	Vesting	Strike price	Adjusted strike price	Participants	Initial exercise deadline	Exercise deadline (*)
3	10/13	32,879	1.06%	Up to 5 year	R$ 30.04	R$ 19.31	Officers and managers	12/13	12/23
4	11/14	31,835	1.03%	Up to 5 year	R$ 30.04	R$ 19.34	Officers and managers	12/14	12/24
5	12/15	27,710	0.90%	Up to 5 year	R$ 30.04	R$ 19.41	Officers and managers	12/15	12/25
6	4/18	352,000	11.38%	Up to 5 year	R$ 22.00	R$ 12.17	Officers and managers	12/18	12/25
7	9/19	226,251	7.32%	Up to 5 year	R$ 23.42	R$ 14.25	Officers and managers	12/19	12/26
8	6/20	653,216	21.12%	Up to 5 and 10	R$ 21.62	R$ 12.66	Officers and managers	12/20	12/27 and 12/32
10	12/21	338,074	10.93%	Up to 5 year	R$ 24.17	R$ 15.16	Officers and managers	12/21	12/28
11	7/22	401,761	12.99%	Up to 5 year	R$ 18.99	R$ 17.64	Officers and managers	12/22	12/29
12	9/23	527,430	17.06%	Up to 5 year	R$ 16.85	R$ 16.47	Officers and managers	12/23	12/30

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

The tables below show the changes in stock option plan program for the years ended December 31, 2023 and 2022 and supplemental information thereon:

Program	Number of participants	Changes in 2023 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
3	2	21	-	-	(21)	-
4	2	21	-	-	-	**21**
5	2	21	-	-	-	**21**
6	3	267	-	-	(267)	-
7	12	168	-	(1)	(162)	**5**
8	13	634	-	(3)	(124)	**507**
10	17	335	-	(7)	(92)	**236**
11	14	402	-	(9)	(34)	**359**
12	18	-	523	-	(22)	**501**
		1,869	523	(20)	(722)	**1,650**
Weighted average price of exercised options		14.47	16.47	15.65	13.69	**15.43**
Changes in 2022 (thousand options)		1,488	402	(6)	(15)	1,869
Weighted average price of options		22.83	18.99	22.46	22.36	22.01

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	267	-	-	-
7	172	168	-	-
8	128	1,027	2,553	6.1
10	101	572	822	2.0
11	80	862	1,580	3.0
12	52	691	2,903	4.1
2023	**863**	**3,320**	**7,858**	**4.3**
2022	582	3,039	7,585	5.2

As at December 31, 2023, had all options currently granted been exercised, the Company would have issued 1,649 thousand shares, which would represent a 1.59% dilution in relation to the Company´s total of 102,159 thousand shares (1.80% at December 31, 2022).

As at December 31, 2023, Stock options granted represents 86,79% of the total approved plan (69.73% December 31, 2022).

The weighted average market price of exercised shares, considering each exercise date, during the year ended December 31, 2023, was R$24.17 (R$25.30 during the year ended December 31, 2022).

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.

The Company records the employees' share-based compensation in the financial statements based on its fair value at grant date. The fair value of the stock option program was estimated based on the Black & Scholes stock option pricing model, considering the following weighed average assumptions:

	Program								
	3rd	4th	5th	6th	7th	8th	10th	11th	12th
Risk-free rate	10.86%	12.42%	16.20%	8.61%	6.43%	5.21% e 6.41%	11.19%	12.56%	11.29%
Vesting period in years (*)	7	7	7	7	7	7 e 12	7	7	5
Expected annualized volatility	36.56%	27.17%	26.73%	29.38%	30.86%	39.97%	37.48%	39.21%	38.14%
Expected dividends	5.00%	5.00%	6.02%	5.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Stock options fair value on grant date per share	R$ 2.09	R$ 3.43	R$ 3.48	R$ 4.66	R$ 4.76	R$11.83 e R$12.66	R$ 7.51	R$ 8.61	R$ 7.57

(*) Vesting period of up to 5 and 10 years.

The risk-free rate is based on an average of future DI rate for the maximum exercise period of each tranche of the plans, using the projection of B3 (Brazilian Stock Exchange).

The expected volatility was calculated based on the Company's average historical data, other companies operating in the same industry and B3 data.

(g) Noncontrolling interests

	Consolidated	
	2023	2022
Opening balance	**79,185**	29,173
Net contributions (distributions) to noncontrolling shareholders	**35**	41,842
Capital transaction (a)	**(79,728)**	(6,458)
Interests in net income for the period	**2,784**	14,628
Closing balance	**2,276**	79,185

(h) Earnings per share

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

	Consolidated and Parent	
	2023	2022
Basic earnings per share:		
Net income for the year	**192,176**	386,072
Weighted average number of outstanding common (thousand)	**99,757**	100,643
Basic earnings per share - in R$	**1.92644**	3.83605
Diluted earnings per share:		
Net income for the year	**192,176**	386,072
Weighted average number of outstanding common (thousand)	**99,757**	100,643
Dilutive effect of stock options (thousand)	**80**	126
Total shares after dilutive effect (thousand)	**99,837**	100,769
Diluted earnings per share - in R$	**1.92490**	3.83126

15.Net revenue

	Consolidated		Parent Company	
	2023	2022	2023	2022
Rental revenue	**220,383**	219,207	**70,583**	71,319
Revenue from condominium management services	**10,532**	7,123	**10,532**	7,123
Revenue from construction services	**2,715**	4,392	**714**	4,392
Taxes on revenue	**(13,474)**	(13,492)	**(7,908)**	(7,902)
Net revenue	**220,156**	217,230	**73,921**	74,932

As at December 31, 2023, the Company did not have a client whose net revenue individually represented 10% or more of the total net revenue (as of December 31, 2022, the Company had one client whose net revenue represented R$31,161, representing 14%).

16.Costs and expenses by nature

	Consolidated		Parent Company	
	2023	2022	2023	2022
Costs of services provided - condominium management	**(3,887)**	(3,041)	**(3,887)**	(3,041)
Operating expenses:				
Salaries, charges and benefits	**(19,209)**	(18,946)	**(18,788)**	(18,507)
Outside services	**(10,226)**	(8,666)	**(6,473)**	(5,344)
General expenses	**(6,774)**	(7,229)	**(6,259)**	(6,580)
Management compensation	**(7,856)**	(6,645)	**(7,856)**	(6,645)
Vacancy expenses	**(2,318)**	(3,234)	**(640)**	(1,714)
Stock options	**(3,320)**	(3,039)	**(3,320)**	(3,039)
Advertising	**(1,027)**	(1,583)	**(1,026)**	(1,578)
Depreciation and amortization	**(3,972)**	(1,647)	**(2,053)**	(1,302)
Other operating expenses, net				
Sale of assets/ equity interest (*)	**(159,287)**	(10,344)	**(48,780)**	(11,716)
Other	**(6,078)**	(6,668)	**(639)**	(3,526)
	(220,067)	(68,001)	**(95,834)**	(59,951)
Classified as:				
Selling expenses	**(9,455)**	(12,573)	**(6,251)**	(8,481)
General and administrative expenses	**(37,391)**	(31,771)	**(32,308)**	(29,583)
Management compensation	**(7,856)**	(6,645)	**(7,856)**	(6,645)
Other operating expenses, net	**(165,365)**	(17,012)	**(49,419)**	(15,242)
	(220,067)	(68,001)	**(95,834)**	(59,951)

(*) See note 6. 2022 includes result from the sale of Torino's equity interest, in the amount of R$9,030.

17.Financial expenses and income

	Consolidated		Parent Company	
	2023	2022	2023	2022
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	**(175,974)**	(147,377)	**(174,779)**	(145,120)
Mark-to-market derivative financial instruments (includes hedge effect)	**17,845**	(36,726)	**18,883**	(38,140)
Other financial expenses [1]	**(15,236)**	(5,499)	**(2,915)**	(2,254)
	(173,365)	(189,602)	**(158,811)**	(185,514)
Financial income				
Income from financial investments	**77,647**	87,796	**69,888**	80,342
Present value discount due to sale of assets	**16,391**	886	**4,393**	601
Interest income on intercompany loans	**1,272**	1,146	**1,327**	1,555
Other financial income [2]	**1,445**	(962)	**526**	(1,406)
	96,755	88,866	**76,134**	81,092
Financial result	**(76,610)**	(100,736)	**(82,677)**	(104,422)

[1] Includes interest on lease liabilities.
[2] Includes tax effect in financial income.

18.Related parties

Related-party balances and transactions are as follows:

		Consolidated				Parent Company			
		Asset		Liability		Asset		Liability	
		12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22	12/31/23	12/31/22
Short-term investments and marketable securities									
Other related parties:									
Banco Inter S.A. (Inter)	**[1]**	275,919	348,125	-	-	275,819	348,125	-	-
Banco Bradesco S.A.	**[2]**	170,708	21,851	-	-	170,708	18,594	-	-
Intercompany receivables									
Investees									
SPEs	**[3]**	-	-	-	-	-	5,361	-	-
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	**[4]**	615	578	-	-	28	27	-	-
Trade receivable from sale of equity interests									
Other related parties:									
MRV MRL Camp Nou Incorporações e Participações	**[5]**	12,700	13,970	-	-	12,700	13,970	-	-
Services supplier									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro	**[6]**	-	-	81	58	-	-	81	58
Intercompany payables									
Investiees									
SPEs	**[11]**	-	-	-	-	-	-	136,205	-

		Consolidated				Parent Company			
		Income		Expense		Income		Expense	
		2023	2022	2023	2022	2023	2022	2023	2022
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	27,829	44,588	-	-	25,277	44,588	-	-
Banco Bradesco S.A.	[2]	11,648	3,843	-	-	11,257	3,429	-	-
Intercompany receivables									
Investiees									
SPEs	[3]	-	-	-	-	55	790	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda	[5]	405	1,065	-	-	405	1,065	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	-	522	-	-	-	522	-	-
Rental revenue									
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	[4]	7,017	7,109	-	-	318	235	-	-
General and administrative expenses									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	1,028	310	-	-	1,028	310
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	4,016	2,812	-	-	4,016	1,882
Other operating expenses, net									
Other related parties:									
Banco Inter S.A. (Inter)	[9]	272	377	-	-	272	377	-	
Financial expenses									
Other related parties:									
Banco Inter S.A. (Inter)	[10]	-	-	2,174	-	-	-	-	-
Banco Inter S.A. (Inter)	[12]	-	-	-	1,238	-	-	-	1,238

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the year ended December 31, 2023, short-term investments yielded 75.9% of DI rate in Consolidated and Individual (93.0% at December 31, 2022).

[2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Fundo de Investimento em Participações Multisetorial Plus, a shareholder of the Company. In the year ended December 31, 2023, short-term investments yielded 104.7 of DI rate in Consolidated and Individual (112.9% at December 31, 2022).

[3] Refers to loan between the Company and subsidiary LOG São José dos Pinhais, granted in January 2018, subject to interest by DI + 2.25% p.a. This loan was paid in full in April 2023.

[4] Refers to warehouse's lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.

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

I. R$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R$450 each, updated by INCC index, the first being paid after the approval of the land subdivision project by the Muncipal Administration, an event that took place in July 2018; and

II. R$25,523 (R$24,200 plus update by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019. In December 2023, an amendment was signed rescheduling the for six installments of R$250 from July to December 2024 and eight installments of R$1,012 from January 2025 to August 2025.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at December 31, 2023	-	12,700	12,700
Trade receivables as at December 31, 2022	-	13,970	13,970

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

[6] Refers to lease agreement of part of ninth and tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. ("Conedi") and MA Cabaleiro Participações Ltda. ("MA Cabaleiro"). Conedi is a one of the Company's shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder. The contract is valid until February 28, 2035, including extension of the contract, adjustable annually by IPCA index. On December 31, 2023, the agreement establishes a total monthly payment (gross of taxes) of R$81 (R$77 on December 31, 2022). The amounts shown in the table above are segregated between administrative and financial expenses when registered.

[7] Amounts related to expenses incurred on the provision of administrative services. The agreement establishes a monthly payment of R$339 on December 31, 2023 (R$254 on December 31, 2022). This amount is updated every six months according to the volume of service provided by MRV and, annually, by the IPCA. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition between the parties.

[8] Refers to the sale of the Company's interest in Cabral Investimentos SPE Ltda. ("Cabral") concluded in December 2021. The agreement established the payment of monthly installments of R$533 each, updated by the INCC and was fully paid in September 2022. The revenue refers to the aforementioned correction while the expense refers to the loss generated in the derecognition of this investment.

[9] It refers to "preference premium" paid to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company´s suppliers discounted by them. In these operations, the original conditions and economic substance carried out with the respective suppliers are maintained.As at December 31, 2023, the consolidated balance held on these transactions amounts to R$3,369.

[10] It refers to the financial discount generated by the anticipation of receivable security made in the 1st quarter of 2023.

[11] Amounts received from the SPEs LOG Itaitinga I, LOG Recife , LOG Recife, LOG Aracajú, LOG Viana I, LOG Londrina and LOG São José dos Pinhais, arising from the sale of their assets, as mentioned in note 6. These balances were eliminated in the consolidation process and will be offset upon distribution of the respective profits or capital reduction of these companies.

[12] 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 19th 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 Parent Company	
	2023	2022
Short-term benefits granted to management:		
Management compensation	**7,856**	6,645
Profit sharing	**2,577**	2,880
Non-monetary benefits	**95**	166
Long-term benefits to management:		
Retirement private plan	**140**	108
Share-based compensation:		
Stock option plan	**2,526**	2,385
	13,194	12,184

On April 19, 2023, the Ordinary Shareholders' Meeting approved the overall management compensation at R$13,484.

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

19.Financial instruments 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 December 31, 2023.

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

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/23
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap [1]	11/18	10.5% / 108.95% DI	8/28	16,198	-	-	(329)	-	-
Swap [2]	9/21	IPCA + 5.52% / DI + 1.23%	9/28	450,000	525,679	467,104	(4,013)	(13,127)	45,448
Swap [3]	4/22	IPCA + 6.30% / DI + 1.47%	3/29	169,650	187,178	176,026	(8,216)	(678)	10,474
Swap	9/21	LOGG3 / DI + 1.75%	1/23 and 3/23	74,468	-	-	(38,136)	-	-
Swap	1/23	LOGG3 (*) / DI + 1.84%	5/24 to 8/24	46,312	69,396	52,236	-	16,676	16,676
							(50,694)	2,871	72,598

Consolidated and Parent Company	
Current assets	16,676
Noncurrent assets	55,922
Total	72,598

[1] Derivatives designed as hedge instruments, according to hedge accounting methodology. This derivative´s notional value is R$25,000, of which R$23,695, representing 95%, was designated as a hedge instrument for debt protection, according to the hedge accounting methodology. In July 2023, the Company paid off this swap in advance, in the amount of R$329.
[2] Derivative fair value includes net payment effect of R$62,588.
[3] Derivative fair value includes net payment effect of R$19,368.

(*) The closing share price on December 31, 2023 was R$22.80/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R$10.56/share, it would represent an estimated loss of R$36.345 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R$26.63/share, would represent an approximate net gain of R$28,544, increasing the gain recorded up to the reporting date. The number of shares considered in these operations is 2,970 thousand.

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

Consolidated and Parent Company	
Noncurrent assets	1,270
Current liabilities	39,135
Noncurrent liabilities	6,906
Total liabilities	46,041

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
2023			
Effect in profit or loss			
Swaps with fair value hedge	(16,562)	26,722	10,160
Swaps with no hedge	-	17,675	17,675
Gross effect in profit or loss	(16,562)	44,397	27,835
Reducing effect of hedges	-	(26,552)	(26,552)
Net effect in profit or loss	(16,562)	17,845	1,283
2022			
Effect in profit or loss			
Swaps with fair value hedge	(7,864)	(27,359)	(35,223)
Swaps with no hedge	-	(36,815)	(36,815)
Gross effect in profit or loss	(7,864)	(64,174)	(72,038)
Reducing effect of hedges	-	27,448	27,448
Net effect in profit or loss	(7,864)	(36,726)	(44,590)

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

Hedge accounting

As described in note 2.2 (i), in order to represent the effects of risk management activities and eliminate accounting mismatch and volatility in results arising from the measurement of financial instruments on different basis, the Group adopted hedge accounting for certain cases.

In order to evaluate whether there is an economic relationship between the hedging instrument and the hedged item, a qualitative evaluation of the effectiveness of the hedge is performed by comparing the critical terms of both instruments. Subsequently, on each reporting date and after a significant change in the hedge relationship circumstances, a quantitative assessment is performed by comparing the change, from the beginning of the hedge relationship, in fair value of the hedge instrument to change in fair value of the hedged item (quantitative effectiveness assessment), as follows:

Dollar offset method = Change in fair value of the hedge instrument /
Change in fair value of the hedged item

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:

Fair value hedge	Hiring	Maturity	Notional value	Rates	Fair value	Effects on results
					12/31/2023	2023
Construction financing	11/18	8/28	16,198	10%	-	(1,039)
CRI - 19th debentures issue	9/21	9/28	450,000	IPCA + 5.52%	(512,552)	(18,646)
CRI - 20th debentures issue - 2nd series	4/22	3/29	169,650	IPCA + 6.30%	(186,646)	(6,867)
Loans, financing and debentures (Hedged item)			635,848		(699,198)	(26,552)
				Long position		
Swap	11/18	8/28	16,198	10%	-	1,039
Swap	9/21	9/28	450,000	IPCA + 5.52%	512,552	18,557
Swap	4/22	3/29	169,650	IPCA + 6.30%	186,500	6,867
Derivative financial instrument (Hedge instrument)			635,848		699,052	26,463
				Short position		
				108.95% DI	-	259
				DI + 1.23%	(467,104)	-
				DI + 1.47%	(176,026)	-
					(643,130)	259
				Swap net position	55,922	26,722
				Total net position	(643,276)	170

(b) Category of financial instruments

Consolidated	Note	12/31/23		12/31/22	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		**714,131**	**714,131**	**223,377**	**223,377**
Cash and bank accounts		1,523	1,523	3,174	3,174
Trade receivables	4	712,608	712,608	220,203	220,203
Fair value through profit or loss (mandatorily measured) (*)		**824,663**	**824,663**	**699,181**	**699,181**
Restricted investment funds	3	357,073	357,073	429,877	429,877
Unrestricted investment funds	3	388,102	388,102	82,613	82,613
Bank certificates of deposit (CDB)	3	6,890	6,890	185,421	185,421
Derivative financial instruments	19 (a)	72,598	72,598	1,270	1,270
Financial liabilities:					
Amortized cost		**1,422,147**	**1,422,121**	**1,294,403**	**1,291,370**
Loans, financing and debentures		1,198,539	1,198,513	1,114,989	1,111,956
Land payables	9	12,585	12,585	21,813	21,813
Trade payables (suppliers)		58,418	58,418	43,365	43,365
Lease	13	118,719	118,719	101,715	101,715
Other liabilites		33,886	33,886	12,521	12,521
Fair value through profit or loss (Hedge accounting) (*)		**699,198**	**699,198**	**659,095**	**659,095**
Loans, financing and debentures		699,198	699,198	659,095	659,095
Fair value through profit or loss (mandatorily measured) (*)		**-**	**-**	**46,041**	**46,041**
Derivative financial instruments	19 (a)	-	-	46,041	46,041

(*) Financial assets and liabilities recognized at fair value with level 2 measurement, using the discounted cash flows valuation technique.

Fair value of loans, financing, and debentures was estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at December 31, 2023 and December 31, 2022.

The table below shows a comparison of the contracted and market rates, at December 31, 2023:

Contractual rate (p.a.)	Current market rate (p.a)	Maturity dates
Debentures and CRI		
DI + 1.10% to 2.00%	DI + 1.44% to 1.79%	3/26 to 12/28
108% to 116.50% DI	DI + 1.44% to 1.79%	9/24 to 3/25
IPCA + 5.52% to 6.30%	IPCA + 6.76% to 7.58%	9/28 to 3/29
Construction financing		
DI + 1.65%	DI + 1.65%	10/24

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 Group is exposed to market risks arising from changes in interest rates and inflation adjustment indices.

The Company conducted a sensitivity analysis for financial instruments exposed to changes in interest rates and financial indicators. The sensitivity analysis was developed considering the exposure to changes in the indexes of financial assets and financial liabilities, taking into account the net exposure of these financial instruments as at December 31, 2023, as if such balances were outstanding during the entire 2023, as detailed below:

Exposed net financial asset and exposed financial liability, net: the change in the rate estimated for 2023 ("probable scenario") compared to the effective rate for the year of 2023, multiplied by the exposed net balance as at December 31, 2023, was used to calculate the financial impact, had the probable scenario materialized in 2023. For the impact estimates, we took into consideration a decrease in financial assets and an increase in financial liabilities at the rate estimated for 2023 of 25% for scenario I and 50% for scenario II.

Index	Financial asset	Financial liability	Net exposed financial (asset) liability	Annual rate effective for 2023	Estimated annual rate for 2024		Rates changes for each scenario	Total estimated financial impact
Probable scenario:								
DI/Selic	510,953	(1,976,614)	(1,465,661)	12.99%	10.04%	(i)	-2.95%	43,237
IPCA	1,489,207	(711,783)	777,424	4.62%	8.67%	(ii)	4.05%	31,486
								74,723
Scenario I:								
DI/Selic	510,953	(1,976,614)	(1,465,661)	12.99%	12.55%		-0.44%	6,449
IPCA	1,489,207	(711,783)	777,424	4.62%	6.50%		1.88%	14,616
								21,065
Scenario II:								
DI/Selic	510,953	(1,976,614)	(1,465,661)	12.99%	15.06%		2.07%	(30,339)
IPCA	1,489,207	(711,783)	777,424	4.62%	4.33%		-0.29%	(2,255)
								(32,594)

(i) Data obtained from B3 website.
(ii) Data obtained from Banco Central website.

As required by IFRS 7, management believes that the estimated annual rates presented in the probable scenario above reflect the reasonable possible scenario for 2024.

(d) Capital risk management

The Group manages its capital to ensure that all Group companies can continue as going concerns, and at the same time maximizes the return of all their stakeholders by optimizing the balance debt and equity.

The Group's equity structure consists of net debt (debt broken down in Note 8, less cash and cash equivalents and marketable securities, broken down in Note 3) and the Group's equity.

The Management periodically review the Company's equity structure. As part of this review, the Management consider the cost of capital, asset liquidity, the risks associated to each class of equity, and the Group's net debt-to-equity ratio. As at December 31, 2023 and 2022, the net debt-to-equity ratio is as follows:

	Consolidated		Parent Company	
	12/31/23	12/31/22	12/31/23	12/31/22
Loans, financing and debentures	**1,897,737**	1,774,084	**1,897,737**	1,757,023
Cash and cash equivalents and marketable securities	**(753,588)**	(731,098)	**(705,076)**	(708,895)
Net debt	**1,144,149**	1,042,986	**1,192,661**	1,048,128
Equity	**3,732,221**	3,663,838	**3,729,945**	3,584,653
Net debt-to-equity ratio	**30.7%**	28.5%	**32.0%**	29.2%

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

(e) Liquidity and interest rate risk table

The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on December 31, 2023, by maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	385,607	388,571	704,678	1,085,726	2,564,582
Fixed rates liabilities	4,871	8,943	9,018	421,196	444,028
Non-interest bearing liabilities	75,541	16,763	-	-	92,304
Total	466,019	414,277	713,696	1,506,922	3,100,914
Parent Company:					
Floating rates liabilities	385,607	388,571	704,678	1,085,726	2,564,582
Fixed rates liabilities	1,342	1,342	1,342	9,179	13,205
Non-interest bearing liabilities	146,753	2,667	-	-	149,420
Total	533,702	392,580	706,020	1,094,905	2,727,207

Liquidity risk

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

(f) Credit risk

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

i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. The company records allowance for credit risk as mentioned in Note 2.2 (i).

ii) Financial investments: to mitigate default risk, the Group maintains its investments in financial institutions with a rating above 'A'.

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 years ended December 31, 2023 and 2022, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Interest capitalization (note 8 (d))	**84,460**	78,367	**84,460**	78,367
Right-of-use (remeasurement of CPC 06 (R2)) (note 13)	**9,941**	1,905	**1,884**	1,905
Right-of-use (additions) (note 13)	-	94,543	-	2,541

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 December 31, 2022, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightning, theft, and other specific coverage of facilities and assemblies on the insured site.	1,037,876
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	1,000
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	55,078
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	139,448
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	4,062
Barter insurance	Guarantees the fulfillment of the obligation, by the Company, whether financial (payment of due installments) or delivery of GLA after the completion of the agreed work, to the exchanger.	77,889
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	756

23.Subsequent events

As disclosed in note 14 (e), on February 6, 2024, the Board of Directos declared the allocation of profit for the year 2023, including dividends in the total amount of R$70,000, which includes the mandatory minimum dividend, to be paid in February 21, 2024.

24. Approval of the financial statements

These financial statements were approved by the Board of Directors, as recommended by the Company's Audit Committee on February 6, 2024.