



**Log COMMERCIAL PROPERTIES**  
**2Q25 Results Conference Call**  
**August 5, 2025**

**Operator:**

Good morning. Welcome to the earnings release call Log Commercial Properties referring to the results of the 2Q25. We have here with us today Sergio Fischer, CEO, Rafael Saliba, CFO and Investor Relations Officer, and Henrique Schuffner, Director of Finance and Investor Relations.

We would like to inform you that our presentation is being recorded and translated simultaneously. Translation is available through 'interpretation'. For those listening to it in English, we have the option of muting original audio.

During the presentation of the Company, all participants will be in listen-only mode. Immediately after, we are going to start our Q&A session. To ask a question, please select Q&A, type in your name and company name. Once your name is called, you will get a note to unmute your mic. Click there and ask your question.

Before moving on, we would like to clarify that statements that may be made during the conference call concerning operational goals and financial goals are based on beliefs and assumptions of the executive board of the Company. These beliefs and assumptions involve risks and uncertainties and they may impact the future of the Company and lead to results that differ materially from those expressed in these forward-looking statements.

To open our earnings release call of the 2Q25, I would like to hand it over to Sergio Fischer. Mr. Fischer?

**Sergio Fischer:**

Good morning, and thank you for joining us on Log's 2Q25 earnings release call.

We have recently announced two transactions for the sale of three assets in three different regions of the country. We have sold Log Hortolândia, located in the region of Campinas, Log São José dos Pinhais in the metropolitan region of Curitiba, and Log Brasilia, which is close to the city's airport. These transactions total R\$425 million, with consolidated gross margin of 31.5%.

These transactions reaffirm the quality and attractiveness of our assets. Even in an environment of restricted liquidity, Log continues to execute its divestment plan efficiently.

We have consistently reported growing demand for Log's warehouses. With more companies looking for logistic efficiency in recent months, we have observed the prices of new contracts

have risen significantly, and this has created a natural gap between old leases and current market values.

Given this situation, we have started a careful process of renegotiating our contracts. Our goal is to capture opportunities always based on solid data and transparent dialogue with our tenants.

In the first phase, we selected 51 clients, totaling approximately 1/5 of the Company's total GLA. If all deals are closed as planned, the average rent of the Group has the potential to increase by up to 40%. Total portfolio, this would mean a potential gain of 7% in the average ticket. This process will be expanded to the rest of the portfolio over the next few quarters.

Our goal is to promote convergence between contracted prices and market prices, sustainably boosting asset appreciation and long-term financial performance.

This quarter, we delivered 41,000 m<sup>2</sup> of GLAs on João Pessoa, average ticket of 24.51, yield on cost of 14.1%, pre-lease of 60%, occupied mainly by e-commerce platforms, which reinforce the quality of the new projects in the current growth cycle.

Year-to-date, we have already delivered 143,000 m<sup>2</sup> of GLA and 336,000 m<sup>2</sup> are under construction. The Company's total portfolio reached 1.06 million m<sup>2</sup>.

We continue to demonstrate agility and efficiency in structuring new projects. This year, we accumulated 513,000 m<sup>2</sup> of approved GLA, reflecting the execution capacity and robustness of the development pipeline. We have already secured the contracting of land bank equivalent to 915,000 m<sup>2</sup> of GLA, located in strategic metropolitan regions of our country.

The new projects added to deliveries made and the projects under construction represent 70% of the land bank necessary for fulfilling our plan by 2028. Growth absorption reached 121,000 m<sup>2</sup>, sustaining a solid pace of occupancy. With discipline and long-term vision, Log continues to contribute strategically to the transformation of Brazil logistic infrastructure.

Thank you.

**Rafael Saliba:**

In the 2Q, net lease revenue was R\$61.5 million, increase of 15% over the same period of previous year. Average ticket was R\$21.25 per m<sup>2</sup> of GLA, with good growth prospects over the next quarters.

Same-client rent indicator rose 0.2% above inflation, outpacing inflation for the 12th consecutive quarter. It shows that even with long-term contracts, we can readjust price consistently, capturing market opportunities.

Stabilized vacancy demonstrates the solidity of the portfolio, ending the quarter at only 0.93%, a rate much lower than the national average of 7.4%. Net delinquency was only 0.35%, the lowest in Log's history, a direct reflection of the quality of our customer portfolio and good credit risk management.

We have also taken another important step in the expansion of Log ADM, which is our dedicated arm to the management of logistic assets. In addition to managing our own assets and the projects we have already developed and sold, we also started to manage third-party properties. As a result, we reached 2.4 million m<sup>2</sup> of GLA under management, increase of 43.3% over the same period last year. This strategy has the advantage of increasing efficiency in capital allocation. It enables revenue growth without committing additional capital.

In the quarter, net revenue from asset management was R\$4.7 million, growth of 29% over the 2Q24, with gross margin of 70%. The source of revenue represents 36% of general administrative expenses. Our expectation is that with the end of Log 2 Million plan with stabilized portfolio, revenues from service will be sufficient to fully cover the Company's SG&A.

Consolidated EBITDA in the quarter was R\$140.3 million, and in the year, it reached R\$261 million, amounting growth of 21% over the 1H24. EBITDA from lease reached R\$53.3 million, 18% increase over the 2Q24. EBITDA margin of 86.7%. Year-to-date, EBITDA front lease was R\$101 million, representing 11% growth over the 1H24. This result reflects the quality of our assets and our operational efficiency.

The financial result was negative at R\$42.5 million, being significantly impacted by CDI, which increased 31.25% in the period. Finally, net income for the quarter was R\$87.1 million. Year-to-date, net income reached R\$173.4 million, showing 18% growth over the first six months of 2024.

### **Henrique Schuffner:**

Log continues to demonstrate discipline in its capital structure. We have maintained careful approach to capital allocation, balancing investments in new projects with proceeds generated by asset sales, which remain our main source of financing in the growth cycle.

As part of this conservative strategy, we have adjusted the pace of production and investments in the 1H25. During this period, we produced 121,000 m<sup>2</sup> of GLA, compared to 207,000 delivered in the same period last year.

Year-to-date, CAPEX totaled R\$331 million, reduction of 25% compared to the amount invested in the 1H24. This slowdown is a translation of discipline. Our investments follow the pace of progress of expansion plan, which will be largely funded through asset recycling.

With the inflow of funds from the sales of assets already announced, we will resume in the 2H of the year, maintaining the pace of production necessary to execute Log 2 Million plan, maintaining the pace without sacrificing financial strength.

In the end of 2Q25, adjusted net debt was R\$907 million, and adjusted leverage was 1.7x EBITDA. Considering the sales of assets already signed and not accounted for, net debt would fall to R\$502 million, and adjusted leverage would be 0.9x.

In April, we completed the issuance of real estate receivable certificates amounting to R\$300 million. The operation has maturity between 5 and 7 years without real collaterals, with costs

between 99\$ and 101% CDI, and AA+ ratings by S&P. This shows how the market recognized robustness of log and its ability to generate value over longer horizons.

Our debt reprofiling program remains strong. We are taking advantage of opportunities to extend maturities and reduce the average cost of debt. The result is visible. Effective costs fell from CDI+1.80% to CDI+1.35%, and adjusted LTV closed a quarter at 20%.

The capital structure enables us to invest and, at the same time, compensate shareholders. We approved the distribution of R\$20.6 million in dividends, equivalent to 25% of adjusted net income, scheduled to be paid on September 11. We remain committed to a strategy that combines responsible growth, diligent management and sustainable value generation for our shareholders.

We will now start the question and answer session. Thank you all very much.

**Marcelo Motta, JPMorgan:**

Good morning. Thank you very much for taking my question. I would like to know whether Sergio could talk more about the renegotiation of contracts. That gap between old and new leases is something quite important. It's an important growth source to log because 50 clients have a 7% increase of lease. What is this approach, and what are the benefits that these clients would have? With Log, of course, the earlier you can have the price pass through the better, but thinking on the customer side, they have a contract with maturity expiration. I do not know what the flexibility you would have would be because it would mean increased cost to customers after all. So how are you dealing with this negotiation to work on the price pass through to contracts?

**Sergio Fischer:**

Morra, we have observed and we have been saying that we are quite amazed at the average increase of lease ticket for the past two years. It has really increased after the pandemic, more concentrated on the past 12 months.

And we have been renegotiating prices as the contracts were terminated, when there were new customers coming into the market and we end up negotiating terms and would increase the prices of existing portfolio. This is the 12<sup>th</sup> quarter where we can have results better and over the inflation.

However, with this robust increase in average ticket, we have decided to change our strategy and run a pilot, which is exactly what we announced to you, which is to get 1/5 of our portfolio and have a proactive discussion with our customers before the contract is terminated.

These are contracts that are at a period of review. Of course, we are not going to really go to court or anything like that. This is not our commercial strategy, of course. But we have seen there would be an opportunity to meet and talk to each of our customers to try to strike a new agreement before the contract is finished.

We decided to run a pilot exactly where we saw some quick wins potential to really increase lease prices, in those that had a greater gap, in areas where there are fewer assets. And this is exactly what we have been doing.

Surprisingly, customers have been quite open to that. They have been very compliant. So we have seen a possibility of renegotiating that, and I believe we are going to get results in the upcoming quarters. There are some renegotiated contracts already, and this is the potential we see. We see a lot of potential, 40% in this first group. If we close at the planned prices, that would have a 7% impact in our average ticket.

The second phase is to expand that to our entire portfolio. There is a smaller potential than the 40% we got in the first group, that's 18.1% difference. If we succeed and renegotiate everything at market prices, we would increase our revenues by 18.1% in the existing portfolio.

A unique moment. We have never had a situation where the market has been so successful, and we are working to increase the revenues from the existing portfolio as quickly as possible.

**Matheus Meloni, Santander:**

Good morning. Thank you very much for the opportunity. I would like to understand the amendment that you signed with BTG Fund. What would be the impact on revenue on the 3Q? Are you going to get more lease from the assets?

And also I would like to understand about your receivables in the 2H25 and 2026 because of high interest rates, some funds which had a higher leverage. Are you concerned about your receivables? And what are the next steps you can take if the receivables due in September are not received? Just understanding how you are considering this amendment.

**Sergio Fischer:**

Matheus, we cannot talk much about that because there is an ongoing process. What happened is the following. We had the sales receivables in this quarter, but because of a new negotiation of assets, we agreed to have a contract amendment of the sales, giving them 60 more days to pay the due dates, and we coordinated it all. This is what happened. It's positive, it's positive news. It's probably going to generate new sales in the near future.

Concerning the additional portfolio receivables, we have receivables from different funds and we are not concerned about that. Some of the funds are fully capitalized, others can really pay their due dates. We are not concerned about that at all.

But ultimately, as a last resort, we can get the asset back. So we can have record revenues from lease because of the temporary reversion of this transaction with BTG. You are going to see that happening. It is going to be completed during the quarter, and then the asset will resume to their ownership in the end of the 3Q25.

**Piero Trotta, Citi:**

Good morning. Thank you very much for the presentation. I have a question about yield on cost and you presented very good result in the 2Q with Log João Pessoa asset. Considering a stable cost of material, how do you anticipate this indicator? Do you think there is room for improvement to go beyond the excellent level you have reached? Thank you very much.

**Sergio Fischer:**

This new bunch of projects that we have is the best ever. As we have said, we have seen stability of construction costs. Land has not been a problem. No major competition. And we see a demand in different regions of Brazil with a new reality of average ticket. And this has been, of course, translated into our yield on cost, 14.1%.

Our idea is that our yield on cost might be better than last year. It would be something close to 13% for 2025, this is what we estimate, with a trend of further improvement in 2026.

**Mariângela de Castro, Itaú BBA:**

Good morning. Thank you for the presentation. I have two questions. First, how do you see the market for the new sales of assets, especially considering interest rates? What's your expectation, and how do you expect to make new transactions?

And what kind of construction pace we can expect in the 2H, receiving money from previous transactions and transactions that you might close?

**Sergio Fischer:**

There is a very close correlation between those two issues. As we showed in the 1H25, we were very conservative in our CAPEX, lower than expected and the previous year, exactly to combine sales and the reality of CAPEX.

2H, with concluded sales and new ongoing businesses, we expect to have a CAPEX somewhat higher than we had in the 1H. I do not think the difference will be relevant, but probably above the 1H. 3Q, somewhat more heated. But if we have sales and more and more projects, we will just roll them on.

The good news is that we have lots of products available. Market opportunities, projects approved, a record pace of approval of projects, over 500,000 m<sup>2</sup> of GLA. We have anticipated some positions of land bank for our 2 Million plan to have it all ready. And as we make sales, we can start new projects.

Concerning sales, the 1H was not easy. It was actually harder than we anticipated, more difficult than last year. But we are succeeding in some transactions. We have reported two good transactions, close to our NAV. We have other ongoing businesses, more than one transaction ongoing, and soon we will announce more businesses, which was our goal for the year, to get the CAPEX of 2025 with the new sales for the 2H25.

**Mariângela de Castro:**

Great. The pace of the 2H will speed up, but it will probably be slower than what we had in the 2H24, right, in terms of construction?

**Sergio Fischer:**

Exactly.

**Herman Lee, Bradesco BBI:**

Good morning. Thank you for the opportunity. I have one question. I would like to know about the perspective of dividend. R\$42 million, you announced for the year. Do you have any guidance for the year? Can it be revealed? And are you confident that you will be able to deliver that?

**Sergio Fischer:**

We had planned to have the quarter distribution of 25%, and we are very confident that this is going to happen in the 3Q. And yearend, we wanted to place a payout close to 50%.

This is our plan. We have been working with a recycling scenario that is going to offer that to us. Our plan has been maintained. Things might change, of course. But this is what we anticipate, 50% payout of the results for the year.

**Igor Machado, Goldman Sachs:**

Good morning. Thank you for taking my question. I would like to know more about how you see expansion of Log ADM. We have seen a 30% increase in revenues. I would like you to tell us more about this line from now on. And if you can tell us about complimentary services that you are adding to it. Anything can help us for our analysis. Thank you.

**Rafael Saliba:**

Thank you, Igor, for the question. We are very optimistic with the progression of Log ADM and the capacity of generating revenues to us. Our focus has always been keeping assets that are recycled and of which we can generate revenue from maintenance and from administration.

In this quarter, however, we decided to go into the open market to look for opportunities of management beyond the ones that we already had, and we were very positively impressed with how well we can manage the assets. The market perceived that, and it translated into increased areas of management and showing us a great potential.

In addition, we have the take rate over energy, insurance, that is going to go as of the 3Q. In this component, we can anticipate other opportunities, not only expanding what we currently have in terms of condominium management for areas outside of our own assets, but we can see some complimentary opportunities in the logistics shed. We believe we can get 100% of it covering our SG&A eventually.

So we expect to have an increase in shares over what we used to have in the past two quarters.

**Rafael Rehder, Safra:**

Thank you for taking my question. I have one question. I would like to hear more about construction costs and the chart that you presented in the release. I would like to ask you to remind us the representativeness, the amount of construction costs, labor.

And I would also like to ask about your analysis of the use of labor in different assets. We have been hearing from other companies in São Paulo and outside that labor has been kind of challenging. Is it something that you observe as well, or is it something that is not an issue for you?

**Sergio Fischer:**

Thank you. It has been challenging. In the recent quarters, labor has been challenging. The good side of it is that our construction is highly industrialized. We are less exposed to the variations of labor than, let's say, residential developments. It's only 30% of the total cost. So an industrial construction like ours tends to be less impacted by that. It has of course impacted us, but it hasn't hurt relevantly our costs.

**Ruan Argenton, XP:**

Good morning. Thank you. I have two follow-ups. First, in the sales of assets, I would like to know more about conditions. What is your strategy of condition of sales? To understand how you are balancing margins, payments, schedule. Are you trying to get payments earlier? Just trying to understand more about that.

And a second point is to understand the triggers of production reduction. I realize that one of the points that has led to production reduction was the investments of assets. Are you also considering other factors, like leverage, recurrence of payments? And how easily can you change these things, directions? Is there anything else that you could do that would not impact the reduction of production? This is more or less what I would like to hear more.

**Sergio Fischer:**

Thank you, Ruan, I am going to start from the last. We do have flexibility. We have quick and highly industrialized construction, so it's easy. It's easy to simply stop investing. We can do it. And then we adjust the reality of the balance sheet with our expenses.

We have been considering leverage. Of course, leverage is one of the most important metrics when we are deciding which project to be launched, how much per CAPEX is going to be required. So we are always analyzing leverage which is directly related to sales.

Going into sales, as I said before, we have a complex situation of the market. The 1H25 was not easy, but we have made two very positive sales, with gross margin over 31%, very close to our expected NAV. The transactions that we are doing in-house and will be announced in the 2H are very close to our NAV, which is very positive.

But because of the whole situation, we still have funding to be discussed. This is a reality. Going back to 2024, we have sold spot. This is not something that we have achieved yet this year. So we have the selling finance component addressed during the discussion.

We can still talk about getting some quotas and shares. We have been selling through cash but in installments. This is something needed.

**Gustavo Zaguini, BTG Pactual:**

Good morning. Thank you very much for taking my question. I would like to talk about demand. You have talked somewhat about that, which has been quite active, but I would like to ask about industries. In which industries have you observed more increased demand? And are you comfortable with the exposure you have in all the different industries?

**Sergio Fischer:**

Thank you for the questions, Gustavo. Log has been in the market for 17 years, and I have never seen a moment such as the one we have. Extremely positive. We have pre-lease during the construction, with an average ticket which is completely different from what we used to have two years ago. So we can have higher yield on cost, sometimes record yield on cost.

And I do not expect things to change. The nationalization of this industry is very serious. There is demand from all different industries, it's very diversified.

But I would like to give a special highlight to e-commerce. E-commerce is still demanding space in our sheds. These large platforms are coming very close to the different consumer centers, and Log has portfolio in all the main largest cities in Brazil, and we have been making very good partnership with them.

It's been a highlight in the quarter. Our results were very much related with e-commerce operations, and I think this is going to happen in the upcoming quarters as well. Things are being delivered in the 3Q, 100% pre-leased, in a largest volume than initially considered and outside Southeast of Brazil.

There are markets which are flourishing, large consumer centers in Brazil, outside the Southeast, and this is something that we have been observing throughout the year at very high average tickets.

**Operator:**

Our Q&A is finished. I would like now to hand it over to Mr. Sergio Fischer for his closing comments.

**Sergio Fischer:**

Thank you all very much for joining us this morning. I would like to make a highlight. As I have just said in the last answer, we are making relevant deliveries in the next quarter, with very good pre-lease, probably reaching record lease, vacancy rates which are very

comfortable at about 1%, and a pipeline of development quite relevant. Despite the CAPEX reduction, we still have very good deliveries in the year. The 2H will be even stronger than the 1H, and deliveries with top quality and a very good return on investment.

Concerning sales, we have maintained our plan despite the complicated economic landscape. We expect to sell what we have promised in the beginning of the year and very comfortable at maintaining our plan and our guidance of deliveries for 2025.

Thank you all very much. See you next time.

**Operator:**

The earnings release call of Log is finished now. If you have any questions, please send them to the investor relations team using the email [ri@logcp.com.br](mailto:ri@logcp.com.br). Thank you all very much for your participation. Have a great day.

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