Financial Statements

Log Fortaleza III | CE

Log Belém | PA

4Q22

LOG Commercial Properties e Participações S.A.
Financial Statements
December 31, 2022

Contents

Belo Horizonte, February 8th, 2023

Log Commercial Properties e Participações S.A. ("Company" or "Log") ("B3:LOGG3"), one of the largest developers and lessors of class A logistics warehouses in Brazil, announces its results for the fourth quarter of 2022. The Company's consolidated financial statements are presented in thousands of reais (BRL thousand), in accordance with the Internal Financial Reporting Standards (IFRS) and the accounting practices adopted in Brazil.

GROSS ABSORPTION

457K m^2

Accumulated 2022

130K m^2
4Q22

DELIVERIES

RECORD

415K m^2

Accumulated 2022

STABILIZED VACANCY

2.58%

Dec/2022

PRODUCTION

322K m^2

Accumulated 2022

64K m^2
4Q22

ASSET SALE

RECORD

BRL429 MN

Gross margin

of 32.6%

NET INCOME

RECORD

BRL425 MN

Accumulated 2022

Excluding the effect of the equity swap operation

Access the Results Center

Message from Management

2022 was an important year for Log's history. We once again recorded a good performance in our main operating indicators. In addition, in the period, we had a record delivery of projects, expanding our operations in all regions of the country.

Geographical diversification is a source of great pride for the company, as it is certainly one of the reasons that helped us to become one of the largest developers and lessors of class A logistics warehouses in Brazil. We currently operate in 17 states, Federal District, and 38 different cities.

A fact that corroborates this statement is that in 2022, Log delivered 415 thousand m^2 of GLA (Gross Leasable Area) in large consumption centers across the country.

Over our nearly 15-year history, we have delivered projects that have been widely accepted in the market and that meet the robust demand of clients for high-quality logistics warehouses, with the most appropriate infrastructure for their operations.

As it represents the specialized solution for class A warehouses in Brazil, being the only player with national operations, in 2022 Log expanded its broad client base. In addition to serving clients with activities directly related to e-commerce, the company expanded its operations into several segments, such as food and beverage, pharmaceutical, among others.

We also focused our efforts on absorbing operations from companies that were previously in poor quality warehouses and infrastructure. The strategy, called *flight to quality*, is one of Log's main drivers of growth and innovation in the coming years.

However, there is still enormous growth potential to be achieved and a long way to go for Log to continue, even more, moving Brazil and making new business possible. For 2023, even with the country's scenario demanding caution, we will remain focused on the development of our projects, generating jobs and economic opportunities for the communities where we operate.

So that we can face the challenges and maintain our growth cycle, as well as the company's financial solidity, we will continue to evaluate opportunities for expanding our business, without neglecting the sustainability of our operations.

Among the relevant projects that are being developed in 2023 and that will become important assets for the company, we have 8 works in progress in metropolitan regions with increasing demand. These are new projects with great value generation, which demonstrate the resilience of our business model.

LOG PROPERTIES

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Lease for the best logistics client base in the country, increasingly geographically diversified and serving the main sectors of the economy

Throughout its history, Log has gained a broad and diverse client base, making the company one of the largest lessors of class A logistics warehouses in the country.

Among the factors that contribute to our success is the geographic diversification of our assets, present in the main consumption centers in Brazil, meeting the needs of expanding our clients' operations.

An exclusive service to this client base reinforces the assertiveness of our business model. In 2022, we accumulated 457,000 m^2 of gross absorption, more than 170,000 m^2 for new important clients from varied segments such as food and beverage, pharmaceutical, wholesale, among others.

The internal commercial team was responsible for a large part of the very high annual contract renewal rate (92%), which demonstrates the excellent quality of the relationship we have with our clients.

We have a great capacity to serve the most diverse sectors of the economy given the quality and flexibility of our warehouses. There are more than 250 active contracts, with more than 200 clients from sectors such as pharmaceutical, food and beverage, retail, e-commerce and logistics, which showed significant growth throughout 2022.

20
22

457K m^2

of gross absorption, of which 132,000 m^2 are pre-leases of assets under development. 2nd largest in history

MAIN SECTORS

- 19.2% pharmaceutical
- 15.7% food and beverage
- 15.2% e-commerce
- 9.1% logistics

2.58%

stabilized vacancy

+170K m^2

leased to new major clients

+250

active contracts

92%

contract renewal rate in 2022

REVENUE FROM LEASE

↗65%

Growth 4Q22 vs 4Q21

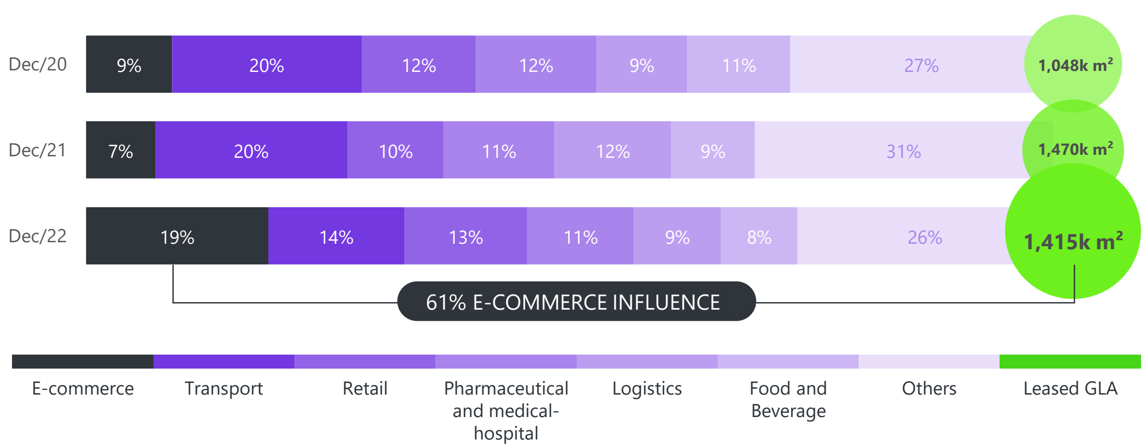
In addition to the volume of new deliveries and leases during 2022, we obtained a **lease spread 2% above inflation** in the contractual readjustments of the existing portfolio, reflecting the high demand for quality assets such as LOG's, in strategic regions, close to large consumption centers throughout Brazil.

Client BASE

+200 clients

One-stop-shop solution for clients in various industries

Clients BY SEGMENT



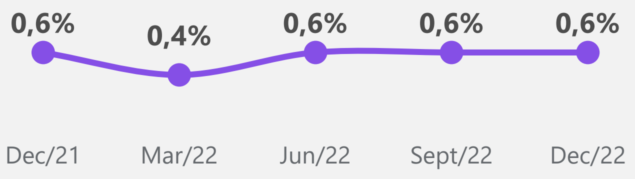
WAREHOUSE VACANCY *% Log*

	Dec/21	Sept/22	Dec/22
Stabilized 12 months	3.1%	1.7%	**2.6%**
Warehouse vacancy	5.5%	4.2%	**3.3%**
Vacancy Brazil[1]	11%	11%	-

[1]Source: Colliers

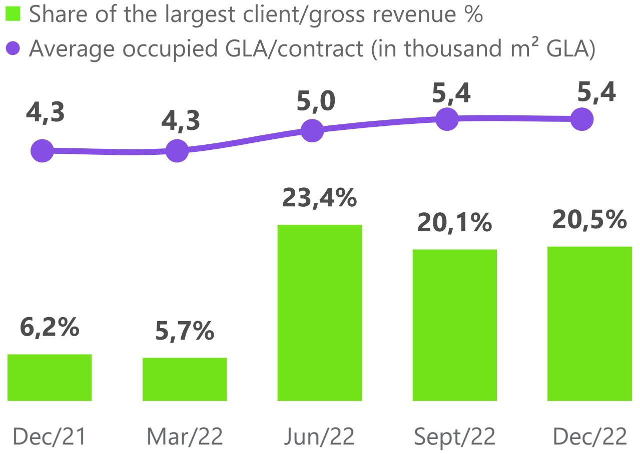
At the end of December 2022, we had a stabilized vacancy of 2.58%, which reflects the quality of our assets and our commercial team.

ACCUMULATED NET DEFAULT *Last 12 months*



The company's net default rate remains at minimum levels, demonstrating the excellent quality of our client portfolio.

Client CONCENTRATION



We maintained the low risk of the portfolio, resulting in an average GLA per contract of 5.4 thousand m^2. The various operations with our largest client, Amazon, represent 20.5% of gross revenue and 11.4% of GLA. The dispersion of client concentration will naturally occur as we deliver new projects.

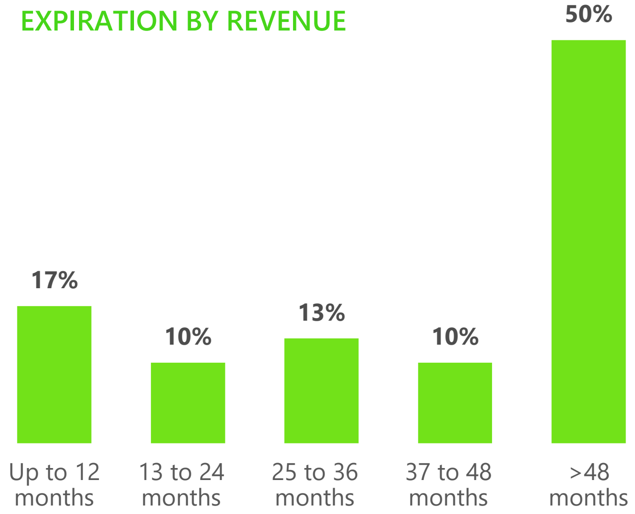
Americanas S/A has a lease agreement in force until May/27, which represents 3.4% of the company's total revenue. To date, Americanas has no arrears of rent.

AGREEMENT EXPIRATION SCHEDULE

EXPIRATION BY GLA m²

228k	120k	181k	134k	554k

EXPIRATION BY REVENUE



8.6 years

Average term of contracts

Asset Management with a focus on client experience excellence

In order to offer and obtain even more efficiency, Log has been managing its assets with a focus on the excellence of its clients' experience. With its own structure, dedicated team and great attention to safety, innovation and sustainability, Log Adm is responsible for managing 1.2MN m2 of our warehouses, providing the necessary support for clients in their operations.

Log Adm applies the best market practices management, maintenance and consumption of water and energy, with the objective of combining savings, operational and process quality, in addition to respect for the environment. All our projects are supplied with clean and renewable energy sources.

The ownership status of the assets allows us to better monitor the activities of our clients, providing greater commercial opportunities in addition to numerous benefits, such as care for the conservation of our projects and exclusive attention to the best solutions for improvements and maintenance, through direct communication with our clients.

2022

NPS
Quality Zone

+1.2MN m^2
managed

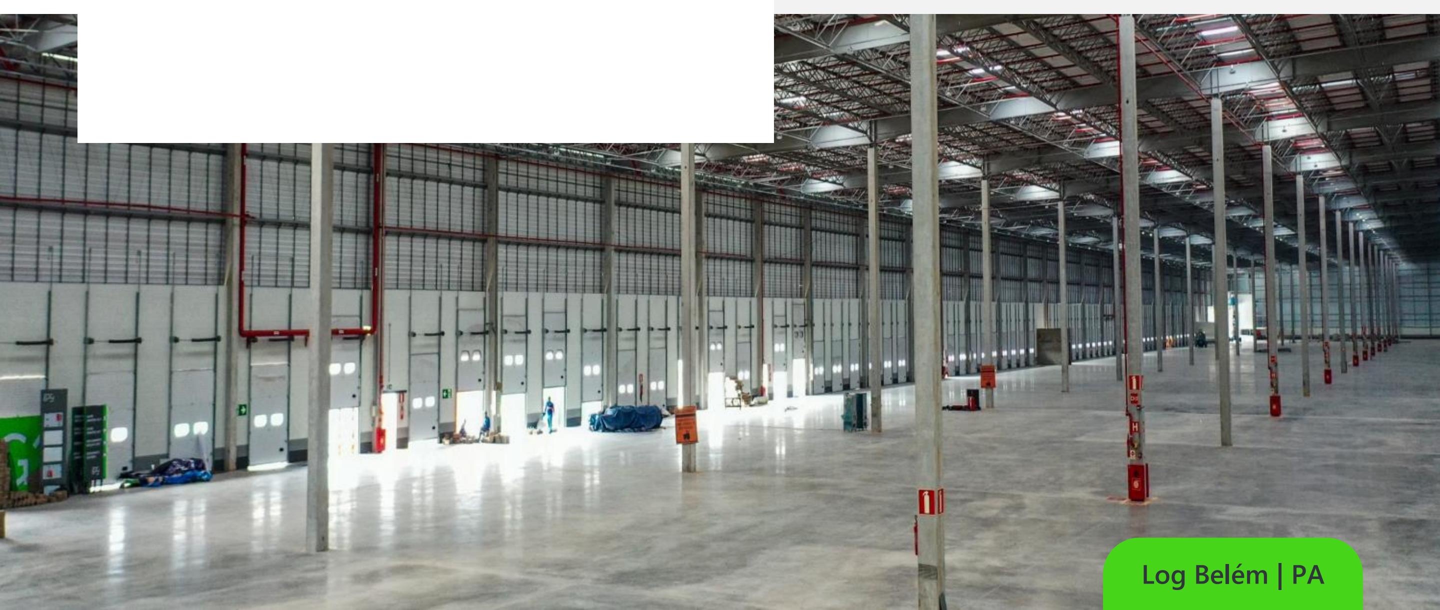
100%
of projects supplied with clean and renewable energy sources

↘24%
cost reduction with contracts in the free energy market

Retrofit

19km
roofing board maintenance
(improved natural lighting)

+20K
LED light fixture installations
(greater energy efficiency)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DEVELOPER LOG

Log Belo Horizonte | MG

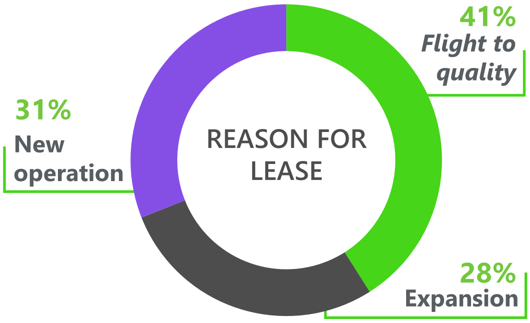
Growth Drivers

FLIGHT TO QUALITY reflects the client's search for quality projects aimed at operational efficiency

The **high-quality logistics condominiums segment, called class A, have been gaining prominence in Brazil**. This good performance reflects the increase in the number of companies that decide to migrate their logistics to these condominiums in search of greater efficiency, whether operational or financial. This movement, known as ***Flight to Quality***, has also been essential for Log's expansion, representing approximately 40% of new leases. We understand that even before the start of our operations at the locations where we are installing ourselves, more and more companies will be interested in evaluating aspects of the operation such as safety, energy efficiency, storage and occupancy, maintenance, humanization of the work environment, what will certainly continue to generate several opportunities for new contracts.

E-COMMERCE will maintain sustainable growth throughout the next years

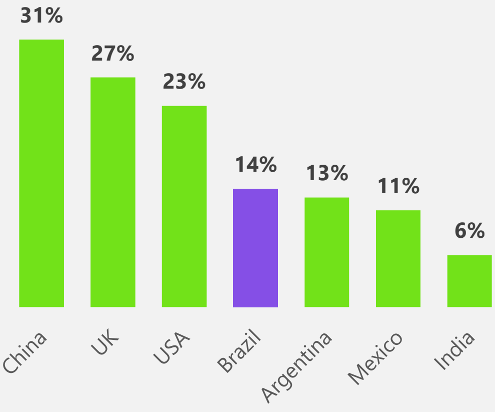
The demand for increasingly faster service levels drives the logistics business model of companies. **Log continues to capture the growing demand in different regions of Brazil**, also outside the Southeast region, where the supply of quality logistics infrastructure is low. In this sense, when we install a new high standard logistics center, we are naturally able to attract clients from the most varied sectors who are looking for more modern, agile and efficient logistics operations. **E-commerce will continue to grow in Brazil**, following market opportunity trends when compared with countries of similar size and through changing the population's consumption habits.



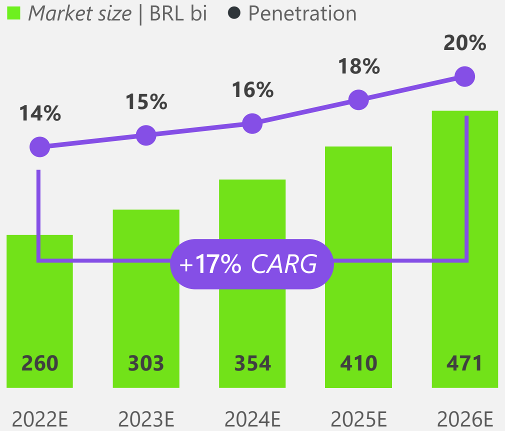
Base date: new contracts closed in 2022

E-COMMERCE PENETRATION IN 2022

Percent of e-commerce/retail products sold



BRAZIL E-COMMERCE GROWTH ESTIMATE



Source: Morgan Stanley Research | Global eCommerce: Industry Model Update: Mixed Signals for 2023 (December 13, 2022)

Real Estate Development with unique knowledge to create State-of-the Art projects

Over the years, Log has specialized in studying the market and mapping the regions where it operates throughout Brazil. With an extensive knowledge of standards, methods and procedures, the company seeks to develop projects in an agile, modern and innovative way, and that meet the needs and expectations of its clients.

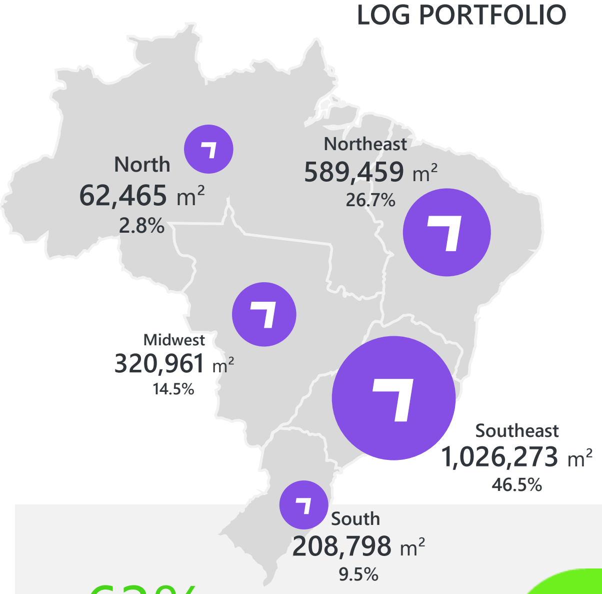
In this process, the company considers several sustainable practices, ranging from defining the land for building the project, passing through environmental licenses to approvals with regulatory bodies.

In 2022 we added 4 new plots of land to our landbank which add up to approximately 325,000 m² of GLA. During this period, we also approved 500,000 m² of GLA in projects that, for the most part, have already started.

The assertiveness of the real estate development team in the choice of land, as well as in the definition of projects is reflected in the high attractiveness and liquidity of our warehouses, whether for lease or for sale.

Log is the only company providing logistics infrastructure solutions throughout Brazil.

LOG PORTFOLIO



2022

63%
of the Brazilian population live near a LOG
IBGE 2021– Radius 100 km

57%
of the Brazilian GDP flows close to a LOG
IBGE 2021– Radius 100 km

20K
people employed in LOG's condominiums

500K m² of GLA
of projects approved in 2022

325K m² of GLA
of new plots of land added to the landbank in 2022

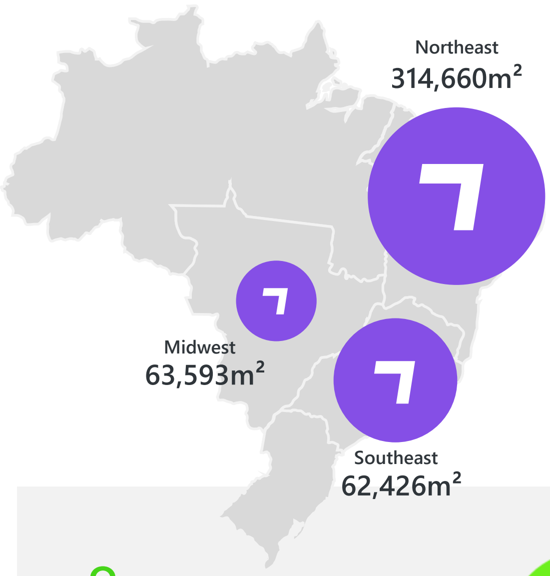
92%
of *"Todos Por 1.5"* landbank purchased

Construction with relevant efficiency and YoC - yield on cost - development track record

All Log works stand out for their safety, quality, efficiency, technology and sustainability. The standardization of the construction process optimizes time and costs, and seeks to meet client needs, enabling Log to have a prominent position in the high standard greenfield logistics asset market in Brazil, accelerating financial returns and generating value for all stakeholders.

In 2022, the company achieved a record of asset deliveries totaling 415 thousand m² of GLA. Year-to-date, we produced around 320,000 m² of GLA, at a production pace as expected.

We currently have 8 projects under construction, in 6 different states, totaling more than 440,000 m² of GLA, always focusing on quality and on-time delivery, as recognized by our clients.



8
projects under construction

+415K m²
of GLA deliveries in 2022

+322K m²
of GLA produced in 2022

2 BTS built to suit
delivered to relevant players

+1.9K
employees working on construction sites

**20
22**

LOG HISTORY

in m² of GLA (100%)	Dec/21	Sept/22	Dec/22
(+) Delivered	1,203,361	1,617,872	1,618,070
(-) Sold	166,536	317,391	323,946
(+) Under construction	448,276	419,389	440,679
(+) Landbank	1,096,875	789,870	802,572
(=) Total	**2,581,976**	**2,509,741**	**2,537,374**

Click here and see the development of the works

Asset Sales generating value through an attractive recycling portfolio and with liquidity

The asset recycling strategy is already proven and will continue to be the main source of funds for the company's growth, as well as the greatest way of generating value for its shareholders. The liquidity and attractiveness of our assets is reflected in the constant demand from the institutional market and foreign investors interests.

BRL929MN
cash generation from the sale of assets

ASSERTIVE PRICING
≈3.4%
sale value above NAV

300K m²
of GLA sold

AVERAGE GROSS MARGIN
40%
development spread

2019 — 3 assets

Log Goiânia- GO

2020 — 2 assets

Log Gaioli - SP

2021 — 1 asset

BTS Extrema - MG

2022 — 2 assets

PIB Meli - MG

... RECYCLING PIPELINE

FINANCIAL

Log Recife | PE

Capital Structure presents solid liquidity position with debt extension and organic growth

The growing cash generation from leasing activities, added to the revenue from sales of assets during the year, allows Log to have sufficient resources to continue with the investments foreseen in the capex for our growth, maintaining balance sheet stability.

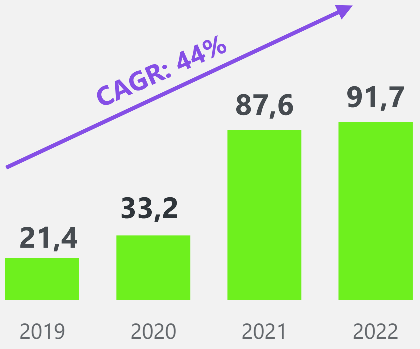
EBITDA for leasing activity was R$ 46.0 million in the quarter, and R$ 166.6 million in the year, 50.2% and 39.2%, respectively, higher than in the previous year. The sale of assets Log Betim II, Parque Torino and Plaza Top Life provided an increase of R$ 302.1 million in cash this year. Net debt remains stable at R$ 890 million (considering receivables from asset sales), with a CDI cost of 1.8% through loans obtained without the need for guarantees, which reflects the company's excellent credit risk with the country's main rating agencies and financial institutions.

Looking ahead, we will continue evaluating opportunities to optimize our debt profile, monitoring the interest rate scenario and we will maintain the sale of assets as the main strategy for generating value and funding of our operations. Even more relevant sales are expected for the year 2023, already being treated as recurring given the history and performance that the company presented in the operations carried out in the last 3 years, approximately R$1 billion, with margins of 40% for development.

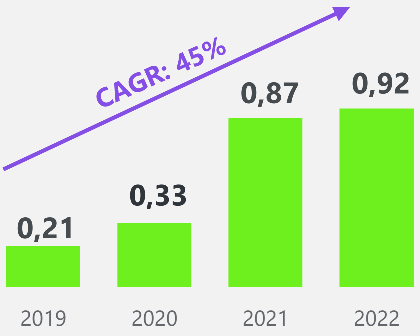
The allocation of capital raised by the company will continue to be linked to investment in opportunities for the organic growth of our businesses.

The Board of Directors approved the payment of dividends in the amount of R$ 0.917767 per share to be paid on February 23, 2023.

DIVIDENDS *in R$ MN*



DIVIDENDS PER SHARE *in R$*



Financial Performance represents the best annual result in the Company's history

NET REVENUE

Net revenue from lease showed a significant growth of 44.4% in 2022 and 65.3% in 4Q22 compared to the same periods of previous years, due to: i) new deliveries of assets, ii) new leases, and iii) contractual readjustments 2% above YoY inflation, in the existing portfolio.

NET REVENUE *in BRL thousand*	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Lease	64,449	38,978	65.3%	219,207	151,824	44.4%
(-) Taxes	(3,346)	(2,310)	44.8%	(11,664)	(8,493)	37.3%
Other revenues	2,105	2,154	-2.3%	11,515	6,732	71.0%
(-) Taxes	(256)	(171)	49.7%	(1,827)	(696)	162.5%
Total	**62,949**	**38,651**	**62.9%**	**217,230**	**149,367**	**45.4%**

GROSS REVENUE *in BRL thousand*	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Revenue from lease	62,394	37,632	65.8%	208,172	148,430	40.2%
Revenue linearization	1,817	1,346	35.0%	5,897	4,225	39.6%
Total	**64,211**	**38,978**	**64.7%**	**214,069**	**152,655**	**40.2%**

DEPRECIATION AND COST

The effects of any changes in the valuation of properties are reflected in the account “changes in the fair value of investment property”, in compliance with current accounting pronouncements. Depreciation is calculated and recorded according to the expected useful life of the assets. In the income statement, the existing depreciation refers to the Company's physical/administrative structure, such as furniture, equipment and others.

COSTS OF SERVICES PROVIDED

in BRL thousand	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Net revenue from condominium management	1,850	1,160	59.5%	6,254	4,449	40.6%
Costs of services provided	(815)	(621)	31.2%	(3,041)	(2,166)	40.4%
Total	**1,035**	**539**	**92.0%**	**3,213**	**2,283**	**40.7%**
Log ADM Margin	**55.9%**	**46.5%**	**9.5 p.p.**	**51.4%**	**51.3%**	**0.1 p.p.**

OPERATING EXPENSES / INCOME

in BRL thousand	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Selling expenses	(2,726)	(2,074)	31.5%	(9,339)	(8,934)	4.5%
Vacancy expenses	(796)	(492)	61.8%	(3,234)	(1,899)	70.3%
General and administrative expenses	(11,043)	(6,039)	82.9%	(38,416)	(25,039)	53.4%
Other income/expenses, net	(13,215)	(2,140)	517.5%	(17,012)	8,266	-305.8%
Total	**(27,780)**	**(10,744)**	**158.6%**	**(68,001)**	**(27,606)**	**146.3%**

Evidencing gains in scale and efficiency of the commercial team, selling and vacancy expenses in the period grew at lower levels than revenues.

The evolution of general and administrative expenses, both in the fourth quarter and in the year, mainly refers to investments with the implementation of the sustainability agenda, digital initiatives and readjustment of the personnel structure in view of the company's new operating level.

Other revenues, both in the fourth quarter and in the year, refer substantially to the sale of assets of Parque Torino-MG, Log Betim II-MG and Plaza Top Life-ES, the latter in line with the non-core asset divestment strategy.

FINANCIAL INCOME (EXPENSES)

in BRL thousand	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Financial expenses	(79,811)	(22,561)	253.8%	(189,602)	(47,870)	296.1%
Interest	(51,497)	(20,243)	154.4%	(152,786)	(45,552)	235.4%
Equity swap	(28,314)	(2,318)	1,121.5%	(36,816)	(2,318)	1,488.3%
Financial income	24,960	24,654	1.2%	88,866	54,478	63.1%
Total	**(54,851)**	**2,093**	**-2,720.7%**	**(100,736)**	**6,608**	**-1,624.5%**

The Company's financial expenses and income were impacted by the increase in the CDI rate in the period. Within the scope of the Company's Share Buyback Program, there was a fluctuation of the LOGG3 asset in the year, negatively impacting the financial expense with an equity swap operation in the amount of approximately BRL 36 million.

INCOME TAX AND SOCIAL CONTRIBUTION

in BRL thousand	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Current	(5,158)	(5,923)	-12.9%	(22,014)	(20,183)	9.1%
Deferred	10,438	(6,228)	267.6%	25,238	(16,890)	249.4%
Total	**5,280**	**(12,151)**	**143.5%**	**3,224**	**(37,073)**	**108.7%**

The annual variation in current taxes occurs due to the sale of assets of BTS Extrema-MG and Log Betim II-MG.

DEFERRED TAXES

in BRL thousand	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Deferred from operation	1,810	482	275.5%	19,711	6,163	219.8%
Deferred equity swap	9,627	788	1121.7%	12,517	788	1,488.5%
Deferred operating result from the development of new assets	(999)	(7,498)	-86.7%	(6,990)	(23,841)	-70.7%
Total	**10,438**	**(6,228)**	**267.6%**	**25,238**	**(16,890)**	**249.4%**

The evolution of the deferred taxes balance is associated with the increase in interest rate in the period, the equity swap in force and the sale of assets of Parque Torino-MG and Plaza Top Life-ES.

QUARTERLY EBITDA, FFO AND NET INCOME

Income Statement	4Q22	4Q22 Leasing Activity	4Q22 Development Activity	4Q21	4Q21 Leasing Activity	4Q21 Development Activity
Gross operating revenue	**66,550**	**66,550**	**0**	**41,132**	**41,132**	**0**
Deductions	(3,601)	(3,601)	0	(2,481)	(2,481)	0
Net revenue from lease and services provided	**62,949**	**62,949**	**0**	**38,651**	**38,651**	**0**
Costs of services provided - condominium management	(815)	(815)	0	(620)	(620)	0
Gross profit	**62,134**	**62,134**	**0**	**38,031**	**38,031**	**0**
General and administrative expenses	(10,356)	(10,356)	0	(5,829)	(5,829)	0
Selling expenses	(3,509)	(3,509)	0	(2,555)	(2,555)	0
Other operating income (expenses), net	(13,215)	(1,455)	(11,760)	(2,141)	(757)	(1,384)
Changes in the fair value of investment property	59,567	0	59,567	72,815	0	72,815
Results from equity interest in investees	417	(840)	1,257	(2,050)	1,725	(3,775)
Total operating expenses	**32,904**	**(16,160)**	**49,064**	**60,240**	**(7,416)**	**67,656**
EBITDA	**95,038**	**45,974**	**49,064**	**98,271**	**30,615**	**67,656**
Operating margin	**151%**	**73%**		**254%**	**79%**	
Financial expenses (Ex. equity swap)	(51,173)	(51,173)	0	(21,684)	(21,684)	0
Financial income	24,960	23,873	1,087	24,654	23,891	763
Financial expenses (Ex. Equity swap)	**(26,213)**	**(27,300)**	**1,087**	**2,970**	**2,207**	**763**
Income before income tax and social contribution (Ex. equity swap)	**68,825**	**18,674**	**50,151**	**101,241**	**32,822**	**68,419**
Current taxes	(5,158)	(5,158)	0	(5,922)	(3,273)	(2,649)
Deferred taxes (Ex. equity swap)	812	14,284	(13,472)	(6,527)	4,826	(11,353)
FFO (Funds from Operations)	**64,479**	**27,800**	**36,679**	**88,792**	**34,375**	**54,417**
Net margin	**102%**	**44%**		**230%**	**89%**	**89%**
Depreciation of property and equipment	(700)	(700)	0	(221)	(221)	0)
NET INCOME EX EQUITY SWAP	**63,779**	**27,100**	**36,679**	**88,571**	**34,154**	**54,417**
Net margin	**101%**	**43%**		**229%**	**88%**	**88%**

EQUITY SWAP RECONCILIATION 4Q22

Net income ex equity swap	63,779
Financial expenses	(28,638)
Deferred taxes	9,627
Net income	**44,768**

ANNUAL EBITDA, FFO AND NET INCOME

Income Statement	2022	Leasing Activity	Development Activity	2021	Leasing Activity	Development Activity
Gross operating revenue	**230,722**	**230,722**	**0**	**158,558**	**158,558**	**0**
Deductions	(13,492)	(13,492)	0	(9,189)	(9,189)	0
Net revenue from lease and services provided	**217,230**	**217,230**	**0**	**149,369**	**149,369**	**0**
Costs of services provided - condominium management	(3,041)	(3,041)	0	(2,167)	(2,167)	0
Gross profit	**214,189**	**214,189**	**0**	**147,202**	**147,202**	**0**
General and administrative expenses	(36,820)	(36,820)	0	(24,243)	(24,243)	0
Selling expenses	(12,522)	(12,522)	0	(10,797)	(10,797)	0
Other operating income (expenses), net	(17,012)	(14,130)	(2,882)	8,266	360	7,906
Changes in the fair value of investment property	339,130	0	339,130	291,271	0	291,271
Results from equity interest in investees	12,894	15,855	(2,961)	2,835	7,177	(4,342)
Total operating expenses	285,670	(47,617)	333,287	267,332	(27,503)	294,835
EBITDA	**499,859**	**166,572**	**333,287**	**414,534**	**119,699**	**294,835**
Operating margin	**230%**	**77%**		**278%**	**80%**	
Financial expenses (Ex. equity swap)	(152,786)	(152,786)	0	(46,993)	(46,993)	0
Financial income	88,866	86,809	2,057	54,478	51,906	2,572
Financial expenses (Ex. Equity swap)	**(63,920)**	**(65,977)**	**2,057**	**7,485**	**4,913**	**2,572**
Income before income tax and social contribution (Ex. equity swap)	**435,939**	**100,595**	**335,344**	**422,019**	**124,612**	**297,407**
Current taxes	**(22,014)**	**(15,522)**	**(6,492)**	(20,184)	(14,877)	(5,307)
Deferred taxes (Ex. Equity swap)	**12,721**	**29,724**	**(17,003)**	(17,189)	11,854	(29,043)
FFO (Funds from Operations)	**426,646**	**114,797**	**311,849**	**384,646**	**121,589**	**263,057**
Net margin	**196%**	**53%**		**258%**	**81%**	
Depreciation of property and equipment	(1,647)	(1,647)	0	(832)	(832)	0
NET INCOME EX EQUITY SWAP	**424,999**	**113,150**	**311,849**	**383,814**	**120,757**	**263,057**
Net margin	**196%**	**52%**		**257%**	**81%**	

EQUITY SWAP RECONCILIATION 2022

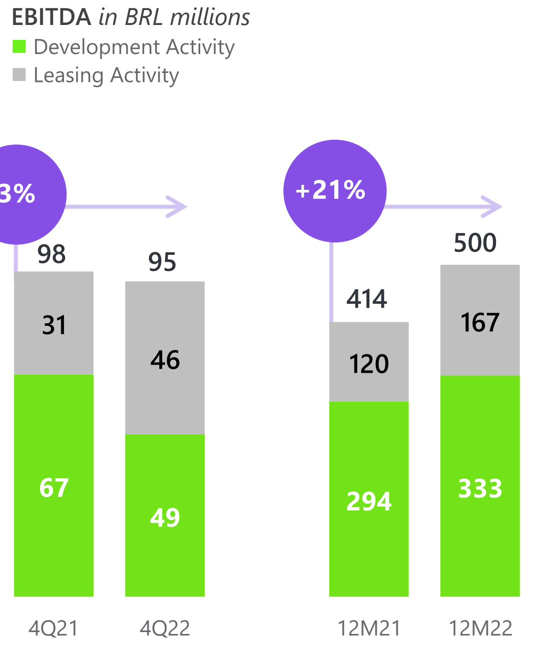
Net income ex equity swap	424,999
Financial expenses	(36,816)
Deferred taxes	12,517
Net income	**400,700**

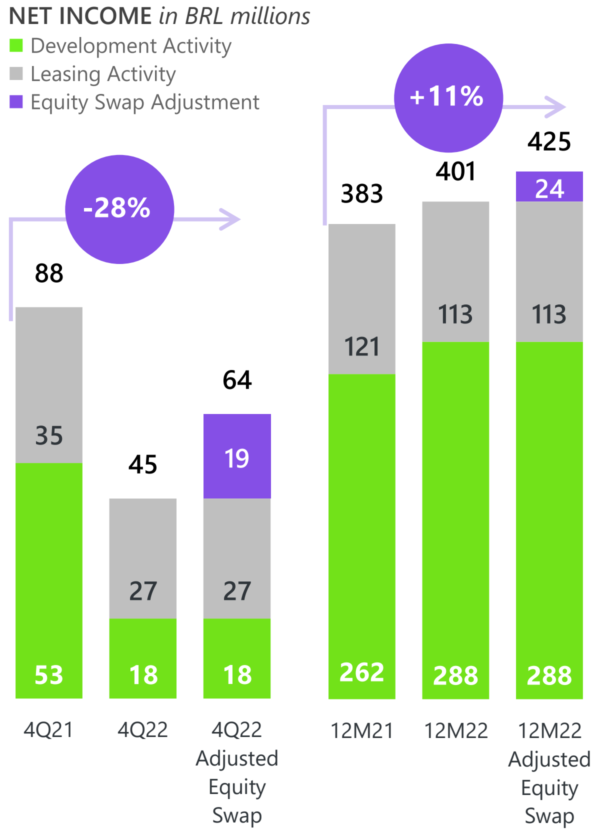
VARIATIONS OF EBITDA AND NET INCOME

Revenue increased 62.9% in the fourth quarter of 2022, to R$63.0 million, from R$ 38.7 million in 4Q21. Year-to-date revenues amount to R$ 217.3 million, a growth of 45.4% in relation to the same period of the previous year. This increase is mainly due to new deliveries of assets, new leases and readjustments.

Quarterly EBITDA reached R$ 95.0 million. In turn, EBITDA for leasing activity ended the quarter at R$ 46.0 million, which represents a margin of 73%. Year-to-date EBITDA reached R$ 500.0 million while EBITDA for leasing activity ended the year at R$ 166.6 million, representing a margin of 77%.

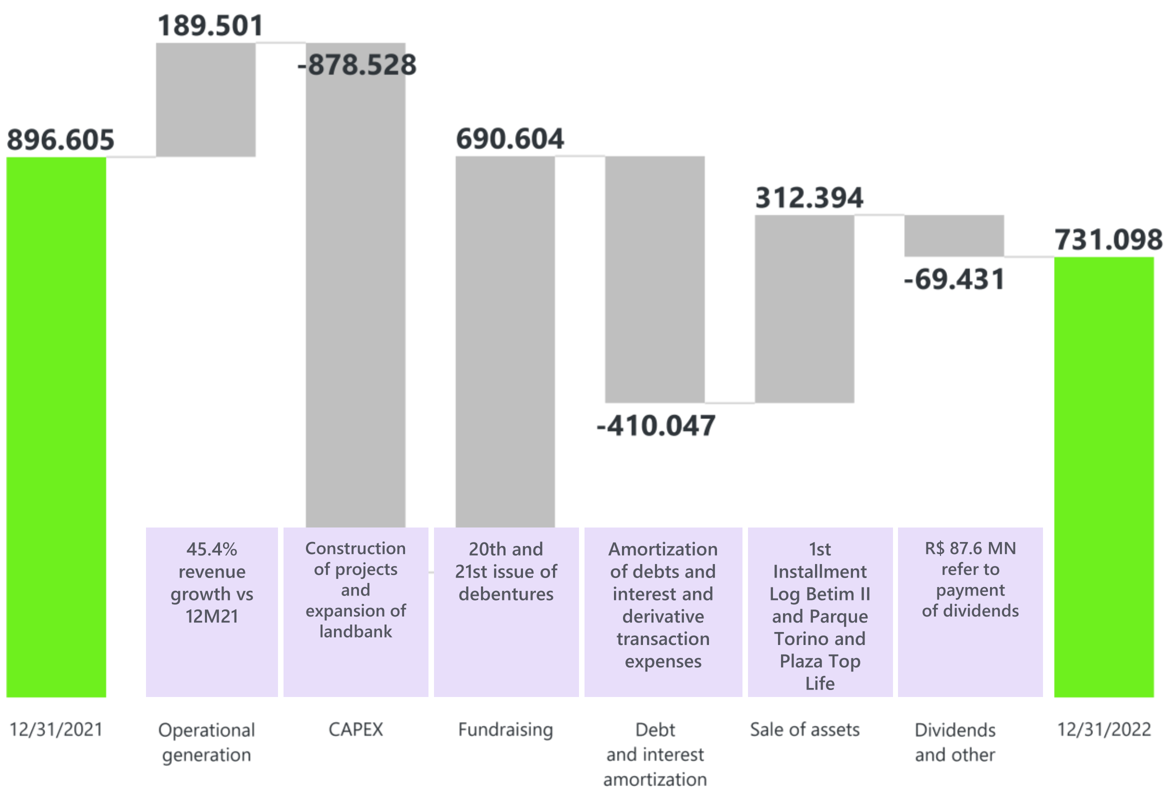
The adjusted net income with the equity swap operation reached R$ 64.0 million in the quarter. In turn, net income for leasing activity ended the quarter at R$ 27.1 million. Year-to-date, the net income for leasing activity ended the year at R$ 113.2 million, while the adjusted net income reached R$ 425.0 million, which represents Log's best result in its history.





CASH, CASH EQUIVALENTS AND MARKETABLE SECURITIES

in BRL thousand	12/31/2022	12/31/2021	Var. %
Cash and cash equivalents	297,733	207,564	43.4%
Marketable securities - Current	206,592	485,911	-57.5%
Marketable securities - Noncurrent	226,773	203,130	11.6%
Total	**731,098**	**896,605**	**-18.5%**



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RECEIVABLES

in BRL thousand	12/31/2022	12/31/2021	Var. %
Lease of warehouses	48,992	34,206	43.2%
Sale of assets	155,615	26,353	490.5%
Condominium management	868	457	89.9%
Others	14,728	23,501	-37.3%
Total	**220,203**	**84,517**	**160.5%**

INVESTMENT PROPERTY

in BRL thousand	12/31/2022	12/31/2021	Var. %
Land	**292,612**	**466,660**	**-37.3%**
Projects under development	**950,491**	**880,883**	**7.9%**
Projects delivered	**3,633,567**	**2,425,163**	**49.9%**
↗ Carrying amount	2,368,265	1,540,848	53.7%
↗ Fair value	1,267,352	884,309	43.3%
Total	**4,878,721**	**3,772,706**	**29.3%**

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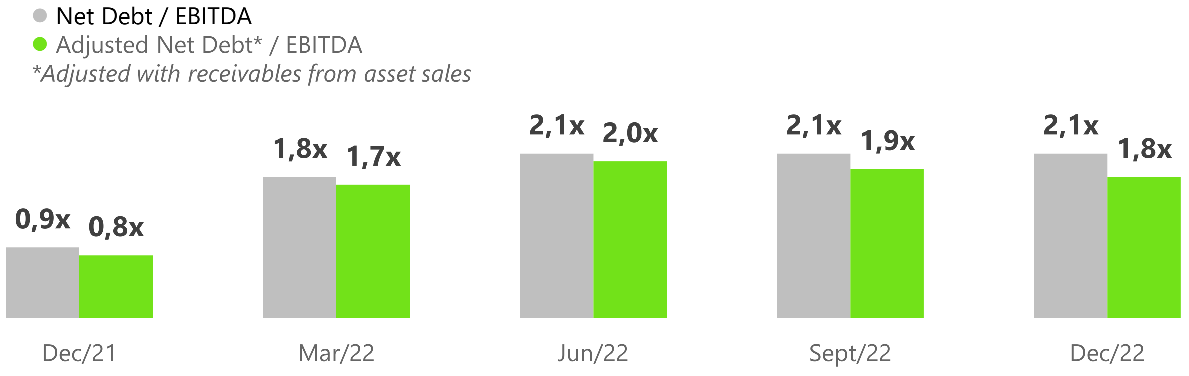
INDEBTEDNESS: LOANS AND FINANCING

in BRL thousand	Term	Effective Cost	12/31/2022	12/31/2021
Construction financing	Dec/13 to Oct/24	CDI+1.92%	11,914	17,247
Construction financing*	Dec/13 to Sept/28	108.95% CDI	17,346	19,978
12th issue of debentures	Jan/18 to Dec/27	CDI+2.42%	50,121	60,106
14th issue of debentures	Nov/17 to Nov/23	117% CDI+0.26% p.a.	-	121,363
15th issue of debentures	Jan/18 to Dec/28	CDI+1.71%	42,118	49,118
16th issue of debentures	Mar/20 to Mar/25	108% CDI+0.34% p.a.	47,182	64,989
17th issue of debentures	Sept/19 to Sept/24	116.5% CDI+0.18% p.a.	159,533	235,266
18th issue of debentures	Mar/20 to Mar/26	CDI+2.21%	260,474	256,485
19th issue of debentures	Sept/25 to Sept/28	CDI+1.58%	470,352	459,132
20th issue of debentures *1st series*	Mar/26 to Mar/27	CDI+1.55%	135,851	-
20th issue of debentures *2nd series*	Mar/27 to Mar/29	CDI+1.85%	171,396	-
21st issue of debentures	Jul/26 a Jul/27	CDI+1.65%	428,321	-
(-) Debt issuance cost			(20,524)	(15,979)
Total			**1,774,084**	**1,267,705**

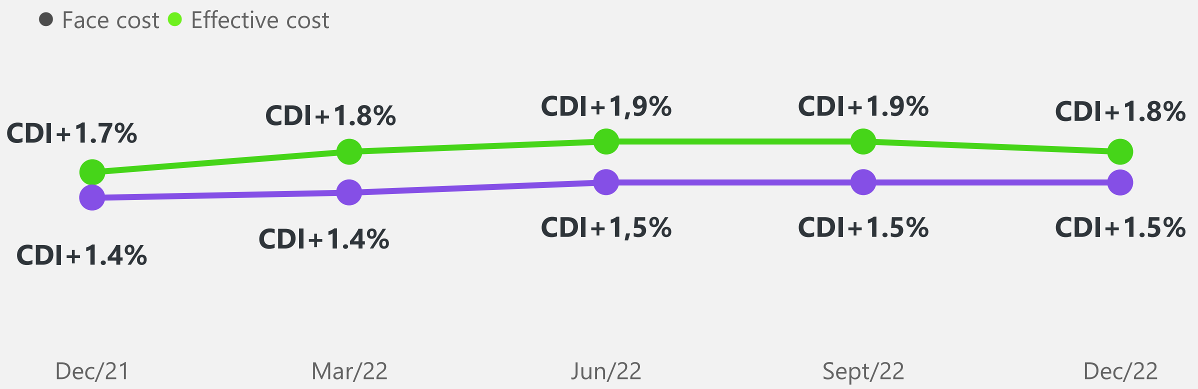
Effective cost: considers the cost of the contractual debt + other funding costs (fees, legal advice, trustee and/or securitization agent, notary office, etc.) and debt maintenance.

*Financing for construction with contracted hedge at 108.95% of CDI since the beginning of the transaction.

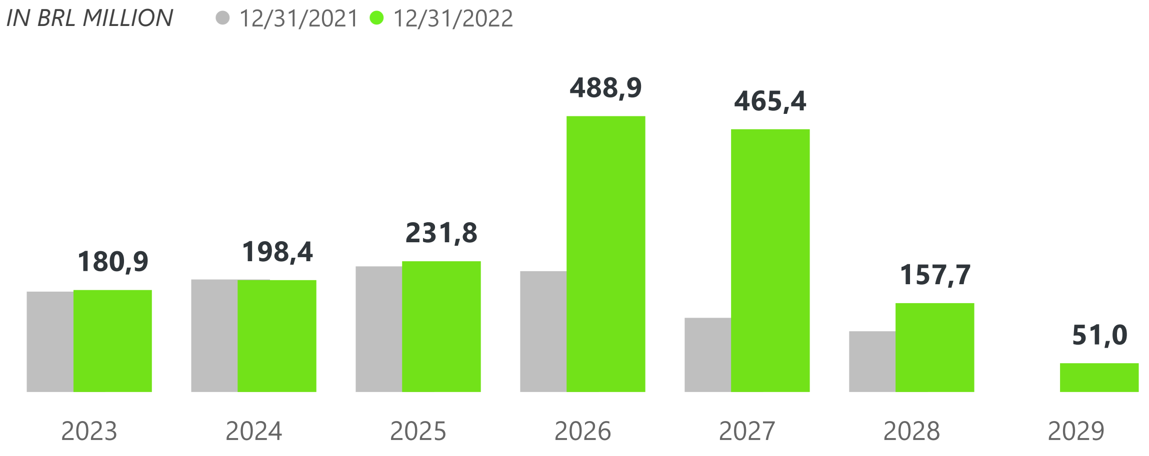
NET DEBT / EBITDA



COST OF DEBT



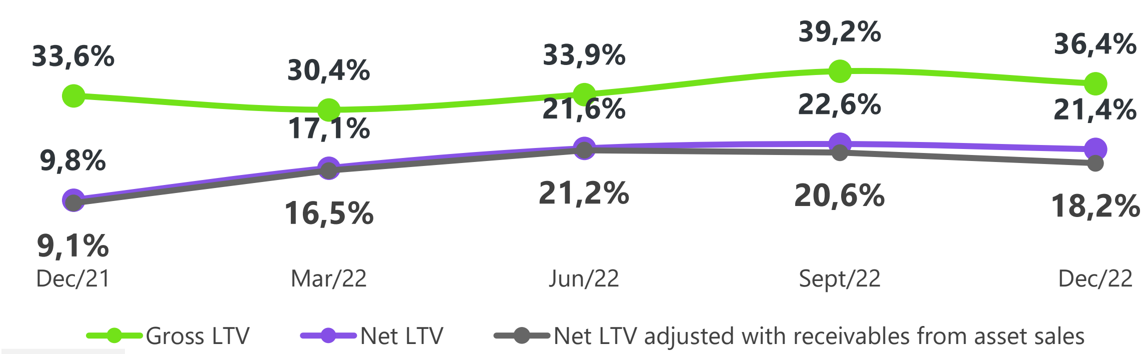
DEBT AMORTIZATION SCHEDULE



DEBT INDICATORS

In BRL thousand	12/31/2022	12/31/2021	Var. %
(+) Loans, financing and debentures	1,774,084	1,267,705	39.9%
(-) Cash, cash equivalents and marketable securities	731,098	896,605	-18.5%
(=) Net debt	1,042,986	371,100	181.1%
(=) Equity	3,663,838	3,340,742	9.7%
(=) Net debt / Equity	**28.5%**	**11.1%**	**17.4 p.p.**
(-) Receivables from asset sales	155,615	26,353	490.5%
(=) Adjusted net debt	887,370	344,747	157.4%
(=) Adjusted net debt* / Equity	**24.2%**	**10.3%**	**13.9 p.p.**

LOAN TO VALUE

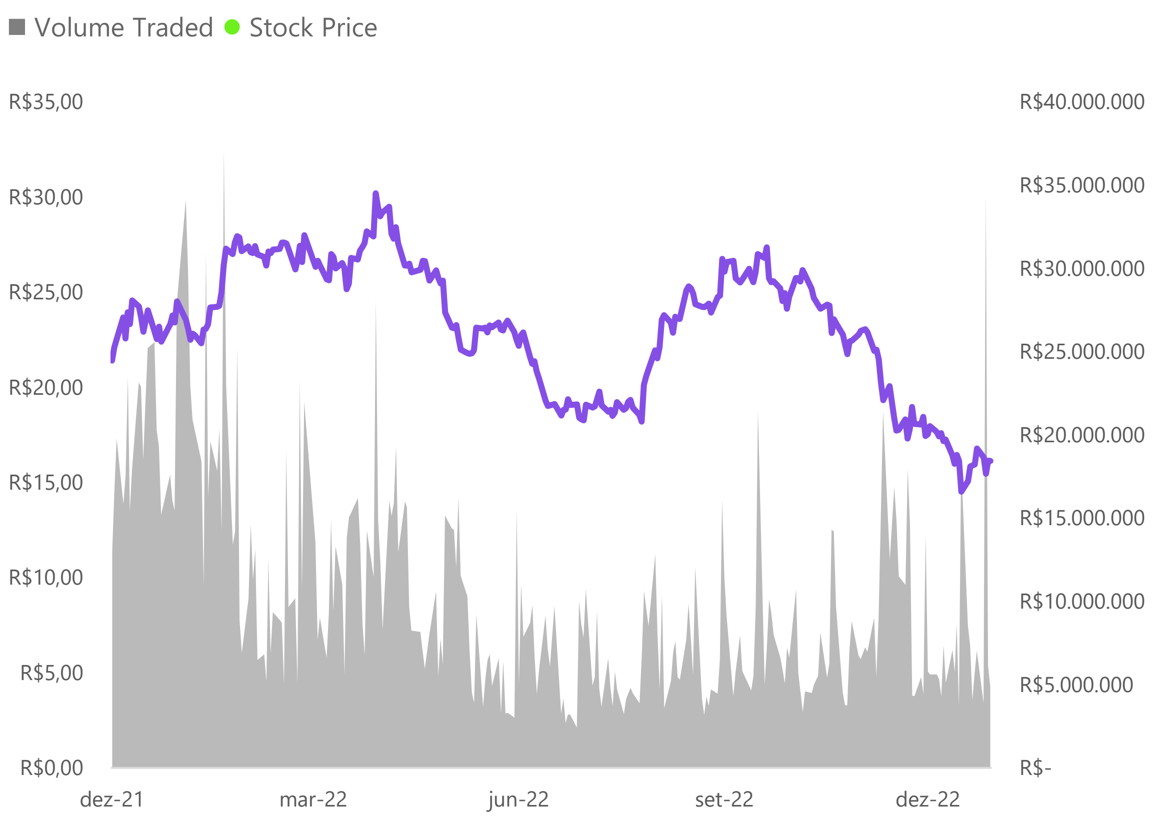


COMPLEMENTS

Capital market with a volatility scenario and through active coverage of 11 analysts

BRL1.6 BN BRL 8 MN

Market Cap ADTV 30 *Base Date: 12/31/2022*



Shareholding Structure	# shares	Total %
Controlling group and administrators	41,294,188	40.42%
Treasury	2,251,322	2.20%
Free Float	58,613,644	57.38%
Total	**102,159,154**	**100%**

LOGG3 Source: Broadcast | Base date: 12/31/2022	
Final price	R$16.12
Highest price 4Q22	R$26.16
Lowest price 4Q22	R$14.51
Variation 4Q22	-34.87%
Variation 2022	-34.23%

IBRA	**IGCT**	**IGCX**	**IGNM**	**IMOB**	**ITAG**	**SMLL**

SHARE BUYBACK PROGRAM

On February 8th, 2023, Log announced a Share Buyback Program. The repurchased shares may be used within the scope of the Stock Option Plans, for being held in treasury, cancelled or replaced in the market. Click here to access the Material Fact.

DEADLINE FOR CARRYING OUT THE OPERATION	**18 months**
MAXIMUM NUMBER OF SHARES THAT CAN BE REPURCHASED WITHIN THE PERIOD	**5,856,594**
NUMBER OF SHARES REPURCHASED UNTIL 02/08/23 VIA TREASURY OR DERIVATIVE TRANSACTIONS	**5,268,022**

ATTRACTIVE DISCOUNT

LOG's asset recycling strategy has been executed at spreads close to 40% and above the NAV. Therefore, while the LOGG3 share price discount is at current levels, the Company will continue to maintain the share buyback program, within the limits established by current legislation.

Dec 22	*BRL thousand*
PPI	4,878,721
Investees	70,934
PPI + Investees	**4,949,654**
Betim industrial park (PL)	65,989
Asset market value	**5,015,644**
Net debt	(1,042,986)
Swaps + barters payable	(218,519)
Receivables (sale of assets)	155,615
NAV	**3,909,762**
Quantity Ex-treasury shares	99,907,832
NAV / Share	**R$ 39.13**
Share Price	R$ 16.77
Discount for NAV*	**57%**

**Updated until the 02/07/2023*

LOG ESG with environmental, social and governance practices, aligned with the interests and expectations of our clients and shareholders, being recognized by the main entities that deal with the subject in Brazil.

In 2022, Log was the winner of the 24h Abrasca Award for the best annual sustainability report, listed company group 2 category. The award evaluates the best reports from all over Brazil, considering clarity, transparency, quality and quantity of information and innovative character.

"Best Social Action Project" award through Log Social by the GRI Awards. The GRI Awards is a GRI Club recognition of the Brazilian real estate market and aims to praise the projects that best represent excellence and innovation in the sector, standing out as a reference in their respective categories.

GHG Protocol Gold Seal, certification that indicates the highest qualification level of our GHG (Greenhouse Gases) emissions inventory. The Gold rating attests that, in addition to following all program guidelines, Log had its corporate inventory audited by an independent verification institution, which ensures credibility, accuracy and quality to the measurement process. It is worth noting that Log was awarded the Gold Seal already in the first year of inventory.

In 2022, Log obtained The International REC Standard, an international renewable energy certificate, which proves the origin of the energy consumed by the company, attests to its commitment to preserving the environment and to the best ESG practices, and meets accounting standards of emissions and international protocols.

Material topic	Goal	SDG	Measurement
Sustainable construction	LED lamps in 100% of the condominiums	7	100%
	LEED certification	6, 9, 12	98%
	Renewable energy in 100% of the projects	7, 11, 13	100%
Human capital management	eNPS assessment	8	Yes
	Reduction in employee turnover	8	On track
	Continuing Education Program	4, 8	Yes
	Diversity, Equity and Inclusion Policy	5, 8, 10	Yes
Neighbor communities and social responsibility	25 thousand hours/classes through Log Social	4, 10, 17	25,412
Ethics and integrity	Policy on Relationship with Public Agents	16	Yes
Corporate governance	Sustainability Policy	16	Yes
Risk management	Risk Policy	16	Yes
Supplier management	Supplier Policy	16, 17	Yes
Client satisfaction	ISO 9001 certification in LOG ADM operations	9, 16, 17	Yes
	Level of client satisfaction in the Quality Zone	16	Yes

E Environmental
S Social
G Governance

Click here and learn more about our ESG initiatives

Digital Transformation that represents the client's journey through the creation of a solutions ecosystem

Seeking to further improve client service and relationship processes, Log developed the Log digital platform. The tool is the result of the digital transformation created by the company, with the aim of generating greater efficiency in the management of its projects and client satisfaction.

Log has a group of solutions that simplifies the path of all parties involved, offering better service to essential issues in condominium management, such as maintenance, inspection, concierge, querying rental history and documents, among others.

Available in 100% of the projects, the platform represents efficiency gain and new monetization opportunities. Since its launch, it has already been used by more than 200 clients, providing more than 1,600 services, achieving a significant improvement in the time to respond to client demands.

The solution increasingly reinforces Log's actions aimed at the client-centered culture, seeking to have an end-to-end vision of the business, mapping solutions according to the needs of our clients. Log has been promoting this culture by forming ambassadors, bringing the theme to the center of our business, helping in strategic and operational decision-making.

100%
connected projects

+200
clients

+290
active users

+1,600
calls

Financial Statements

INCOME STATEMENT FOR THE YEAR *IN BRL THOUSAND*

	4Q22	4Q21	Var. %	12M22	12M21	Var. %
Net revenue from lease and services provided	62,949	38,653	**62.9%**	**217,230**	**149,367**	**45.4%**
Costs of services provided - condominium management	(815)	(621)	31.5%	(3,041)	(2,166)	40.4%
Gross profit	**62,134**	**38,032**	**63.4%**	**214,189**	**147,201**	**45.5%**
Operating income (expenses)	**32,205**	**60,019**	**-46.3%**	**284,023**	**266,500**	**6.6%**
Selling expenses	(3,522)	(2,566)	37.3%	(12,573)	(10,833)	16.1%
General and administrative expenses	(11,043)	(6,040)	82.9%	(38,416)	(25,039)	53.4%
Other operating income (expenses), net	(13,215)	(2,140)	517.5%	(17,012)	8,266	-305.8%
Changes in the fair value of investment property	59,567	72,815	-18.2%	339,130	291,271	16.4%
Results from equity interest in investees	418	(2,050)	120.4%	12,894	2,835	354.8%
Income before financial income (expenses)	**94,339**	**98,051**	**-3.8%**	**498,212**	**413,701**	**20.4%**
Financial income (expenses)	**(54,851)**	**2,093**	**-2,720.7%**	**(100,736)**	**6,608**	**-1,624.5%**
Financial expenses	(79,811)	(22,561)	253.8%	(189,602)	(47,870)	296.1%
Financial income	24,960	24,654	1.2%	88,866	54,478	63.1%
Income before income tax and social contribution	**39,488**	**100,144**	**-60.6%**	**397,476**	**420,309**	**-5.4%**
Income tax and social contribution	**5,280**	**(12,152)**	**143.5%**	**3,224**	**(37,073)**	**108.7%**
Current	(5,158)	(5,923)	12.9%	(22,014)	(20,183)	9.1%
Deferred	10,438	(6,229)	267.6%	25,238	(16,890)	249.4%
Net income for the year	**44,768**	**87,992**	**-49.1%**	**400,700**	**383,236**	**4.6%**

Shareholders of the company	**44,257**	**87,592**	**-49.5%**	**386,072**	**368,955**	**4.6%**
Noncontrolling interests	**511**	**400**	**27.8%**	**14,628**	**14,281**	**2.4%**

BALANCE SHEET *IN BRL THOUSAND*

ASSETS	12/31/2022	12/31/2021	Var. %
Current assets	**648,297**	**775,097**	**-16.3%**
Cash and cash equivalents	297,733	207,564	43.4%
Marketable securities	206,592	485,911	-57.5%
Receivables	112,887	61,190	84.5%
Recoverable taxes	25,810	14,252	81.1%
Prepaid expenses	3,046	4,029	-24.4%
Other assets	2,229	2,151	3.6%
Noncurrent assets	**5,502,309**	**4,384,806**	**25.5%**
Marketable securities	226,773	203,130	11.6%
Financial instruments	1,270	-	-
Receivables	107,316	23,327	360.1%
Prepaid expenses	13,258	12,088	9.7%
Recoverable taxes	43,464	36,909	17.8%
Deferred income tax and social contribution	47,871	7,428	544.5%
Others	14,458	7,764	86.2%
Investments in subsidiaries and joint ventures	148,084	313,663	-52.8%
Investment property	4,878,721	3,772,706	29.3%
Property and equipment	15,416	4,927	212.9%
Intangible assets	5,678	2,864	98.2%
TOTAL ASSETS	**6,150,606**	**5,159,903**	**19.2%**

LIABILITIES AND EQUITY	12/31/2022	12/31/2021	Var. %
Current liabilities	**479,729**	**511,425**	**-6.2%**
Suppliers	43,365	44,604	-2.8%
Loans and financing	181,379	214,610	-15.5%
Financial instruments	39,135	-	-
Salaries, charges and benefits	13,714	9,138	50.1%
Taxes and contributions payable	19,222	15,457	24.4%
Land payables	8,813	46,383	-81.0%
Barters	61,994	70,290	-11.8%
Advances from clients	5,787	1,186	387.9%
Dividends payable	91,692	87,627	4.6%
Others	14,628	22,130	-33.9%
Noncurrent liabilities	**2,007,039**	**1,307,736**	**53.5%**
Lease liability	101,101	4,244	2,282.2%
Loans and financing	1,592,705	1,053,095	51.2%
Financial instruments	6,906	3,620	90.8%
Land payables	13,000	3,034	328.5%
Barters	134,712	160,300	-16.0%
Deferred taxes	109,116	77,828	40.2%
Advances from clients	42,841	-	-
Others	6,658	5,615	18.5%
Equity	**3,663,838**	**3,340,742**	**9.7%**
Shareholders of the company	3,584,653	3,311,569	8.2%
Noncontrolling interests	79,185	29,173	171.4%
TOTAL LIABILITIES AND EQUITY	**6,150,606**	**5,159,903**	**19.2%**

CONSOLIDATED STATEMENT OF CASH FLOWS *IN BRL THOUSAND*

	4Q22	4Q21	Var. %	12M22	12M21	Var. %
CASH FLOWS FROM OPERATING ACTIVITIES						
Net income for the year	44,767	87,993	-49.1%	400,700	383,236	4.6%
Adjustments to reconcile net income to net cash provided by (used in) operating activities	11,321	(62,525)	118.1%	(222,353)	(270,058)	17.7%
(Increase) decrease in operating assets	6,932	(3,878)	278.8%	(36,249)	(32,291)	12.3%
Increase (decrease) in operating liabilities	(2,152)	26,540	-108.1%	8,996	61,654	-85.4%
Income tax and social contribution paid	(9,678)	(2,632)	267.7%	(22,322)	(17,677)	26.3%
Net cash provided by operating activities	**51,190**	**45,498**	**12.5%**	**128,772**	**124,864**	**3.1%**
CASH FLOWS FROM INVESTING ACTIVITIES						
Increase in / acquisition of investments	(3,391)	14,705	-123.1%	(10,952)	(5,259)	108.3%
Decrease in marketable securities	287,949	292,046	-1.4%	1,303,901	940,729	38.6%
Increase in marketable securities	(203,107)	(234,468)	-13.4%	(987,496)	(1,299,951)	-24.0%
Dividends received from subsidiaries	1,600	5,925	-73.0%	7,760	12,203	-36.4%
Receipt for the sale of subsidiaries / assets	126,553	83,609	51.4%	312,394	283,077	10.4%
Acquisition of investment properties	(113.366)	(257,327)	-55.9%	(857,072)	(637,669)	34.4%
Others	(2.280)	(380)	500.0%	(10,504)	(855)	-
Net cash used in investing activities	**93,958**	**(95,890)**	**198.0%**	**(241,969)**	**(707,725)**	**-65.8%**
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from loans, financing and debentures, net	-	(2)	100.0%	690,604	686,960	0.5%
Amortization of loans, financing and debentures	(96,220)	(94,351)	2.0%	(239,446)	(241,892)	-1.0%
Interest paid	(12,985)	(9,205)	41.1%	(139,714)	(37,773)	269.9%
Lease payments	(274)	(126)	117.5%	(613)	(498)	23.1%
Dividends paid	-	-	-	(87,627)	(33,240)	163.6%
Capital transaction	(4,336)	-	-	(4,336)	-	-
(Payment) receipt on derivative financial instrument	-	-	-	(30,887)	-	-
Disposal (acquisition) of treasury shares	(7,273)	1,351	-638.3%	(26,791)	(27,891)	-3.9%
Proceeds from exercised stock options	-	-	-	334	3	-
Contributions from (distributions to) noncontrolling shareholders	1,474	(3,897)	137.8%	41,842	(9,099)	559.9%
Net cash provided by financing activities	**(119,614)**	**(106,230)**	**12.6%**	**203,366**	**336,570**	**-39.6%**
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**25,534**	**(156,622)**	**116.3%**	**90,169**	**(246,291)**	**136.6%**
CASH AND CASH EQUIVALENTS						
At the beginning of the period	272,199	364,186	-25.3%	207,564	453,855	-54.3%
At the end of the period	297,733	207,564	43.4%	297,733	207,564	43.4%

Auditor Relations

The Company's policy when contracting the services of independent auditors ensures that there is no conflict of interest, loss of independence or objectivity. In compliance with CVM Instruction 381/03 we inform that our independent auditors - Ernst & Young Auditores Independentes ("EY") - did not provide services other than those related to external auditing during the year 2022.

Board Statement

The Board of Directors declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and the financial statements for the fiscal year ended December 31, 2022.

Acknowledgements

LOG's Management is grateful to its shareholders, customers, suppliers and financial institutions for their support and trust. And to its employees for their dedication and commitment, largely responsible for the results achieved so far.

Belo Horizonte, February 8th, 2023.

The Management.

LOGG
B3 LISTED NM

Talk to IR

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A free translation from Portuguese into English of Independent Auditor's Report on individual financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and consolidated financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Independent auditor's report on individual and consolidated financial statements

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

Opinion

We have audited the individual and consolidated financial statements of LOG Commercial Properties e Participações S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2022 and the statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the individual financial position of the Company as at December 31, 2022, and its individual financial performance and cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and its consolidated financial performance and cash flows for the year then ended in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the individual and consolidated financial statements' section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy ("CFC") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide an individual opinion on these matters. For the matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures is provided in the context of the financial statements taken as a whole.

We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of individual and consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Evaluation of the investment properties fair value

As mentioned in Notes 2.2 (c) and 6 of the individual and consolidated financial statements, the Company and its subsidiaries' investment properties are mensured at fair value based on the discounted cash flows model, for projects in operation or in construction phase, and direct market inputs comparative method, for land.

This matter was considered significant for our audit since the relevance of the investment properties' amount in relation to the Company's total assets and the impact of changes in the fair value of investment property in the statements of profit or loss for the year then ended, in addition to the uncertainties inherent to the fair value's estimate, judgment by Executive Board and main assumptions determined for mensured at fair value. Changes in any of these assumptions could have a material impact on the Company's individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among others: (a) evaluating the design and operating effectiveness of the Company's and subsidiaries' internal controls over determination for investment properties' fair value; (b) use of specialists in valuation models to help evaluate and test methodologies used by management in the mensuring investiment properties' fair value for a specific sample, including evaluating the significant assumptions used to estimate fair value and completeness of data provided by Company's Executive Board and Specialists; (c) evaluating the assurance and completeness of the assumptions used to estimate fair value; (d) assessing historical estimate cash flows to identify any potential inconsistencies in the future development of estimates and; (e) performing sensitivity analysis to the significant assumptions used to estimate the investment properties' fair value considering other scenarios and assumptions, with comparable market data. Additionally, we analyzed adequacy of Company's disclosures on this matter.

Based on the result of the audit procedures performed, which are consistent with the Executive Board's assessment, we considered that the estimates relating to the investment properties' fair value adopted by the Executive Board, as well as respective disclosures in Notes 2.2 (c) and 6, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Corresponding figures audit

Company's individual and consolidated statements for the year ended December 31, 2022, presented for comparison purposes, were audited by another auditor who expressed an unmodified opinion on those financial statements on February 08, 2022.

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2022, prepared under the responsibility of Company's Executive Board, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by Accounting Pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned standard, and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

The Executive Board is responsible for such other information, which comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive board and those charged with governance for the individual and consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and the consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB), and for such internal control as referred to board determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.

- Concluded on the appropriateness of Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Belo Horizonte, February 08, 2023.

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

Bruno Costa Oliveira
Accountant CRC-BA031359/O

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

BALANCE SHEETS AS AT DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Individual	
		12/31/22	12/31/21	12/31/22	12/31/21
Assets					
Current assets					
Cash and cash equivalents	3	**297,733**	207,564	**295,841**	206,623
Marketable securities	3	**206,592**	485,911	**190,271**	332,951
Receivables	4	**112,887**	61,190	**54,455**	37,052
Recoverable taxes		**25,810**	14,252	**23,681**	11,940
Prepaid expenses		**3,046**	4,029	**1,188**	3,303
Other		**2,229**	2,151	**1,031**	15,664
Total current assets		**648,297**	775,097	**566,467**	607,533
Noncurrent assets					
Marketable securities	3	**226,773**	203,130	**222,783**	200,000
Derivative financial instruments	19 (a)	**1,270**	-	**1,270**	-
Receivables	4	**107,316**	23,327	**55,710**	14,159
Receivables from related parties	18	**-**	-	**5,361**	4,748
Prepaid expenses		**13,258**	12,088	**1,507**	1,585
Recoverable taxes		**43,464**	36,909	**41,883**	35,302
Deferred income tax and social contribution	11 (b)	**47,871**	7,428	**47,871**	7,428
Other		**14,458**	7,764	**17,610**	8,680
Total long-term realisable		**454,410**	290,646	**393,995**	271,902
Investments in subsidiaries and joint ventures	5	**148,084**	313,663	**3,335,020**	2,681,877
Investment property	6	**4,878,721**	3,772,706	**1,285,418**	1,290,715
Property and equipment	7	**15,416**	4,927	**15,408**	4,903
Intangible assets		**5,678**	2,864	**5,678**	2,863
Total noncurrent assets		**5,502,309**	4,384,806	**5,035,519**	4,252,260
Total assets		**6,150,606**	5,159,903	**5,601,986**	4,859,793
Liabilities and equity					
Current liabilities					
Suppliers		**43,365**	44,604	**6,830**	20,385
Loans, financing and debentures	8	**181,379**	214,610	**177,770**	211,245
Land payables	9	**8,813**	46,383	**-**	28,966
Advances from customers		**5,787**	1,186	**-**	1,186
Derivative financial instruments	19 (a)	**39,135**	-	**39,135**	-
Labor and social liabilities		**13,714**	9,138	**10,721**	7,568
Tax liabilities		**19,222**	15,457	**11,611**	6,723
Barters	10	**61,994**	70,290	**1,686**	1,642
Deferred taxes	11 (b)	**5,806**	2,494	**416**	-
Lease liability	13	**614**	219	**556**	219
Dividend payable	14 (e)	**91,692**	87,627	**91,692**	87,627
Other		**8,208**	19,417	**633**	10,972
Total current liabilities		**479,729**	511,425	**341,050**	376,533
Noncurrent liabilities					
Loans, financing and debentures	8	**1,592,705**	1,053,095	**1,579,253**	1,036,864
Derivative financial instruments	19 (a)	**6,906**	3,620	**6,906**	3,620
Barters	10	**134,712**	160,300	**66,853**	123,336
Deferred taxes	11 (b)	**109,116**	77,828	**832**	-
Land payables	9	**13,000**	3,034	**13,000**	2,296
Advances from customers		**42,841**	-	**-**	-
Provisions for labor, tax and civil risks	12	**2,345**	1,991	**144**	116
Lease liability	13	**101,101**	4,244	**7,881**	4,244
Other		**4,313**	3,624	**1,414**	1,215
Total noncurrent liabilities		**2,007,039**	1,307,736	**1,676,283**	1,171,691
Total liabilities		**2,486,768**	1,819,161	**2,017,333**	1,548,224
Equity					
Paid-in capital		**2,735,382**	2,035,382	**2,735,382**	2,035,382
Treasury shares		**(51,552)**	(25,155)	**(51,552)**	(25,155)
Capital reserves		**9,970**	6,931	**9,970**	6,931
Earnings reserve		**890,853**	1,294,411	**890,853**	1,294,411
Equity attributable to Company shareholders		**3,584,653**	3,311,569	**3,584,653**	3,311,569
Noncontrolling interests	14 (g)	**79,185**	29,173	**-**	-
Total equity		**3,663,838**	3,340,742	**3,584,653**	3,311,569
Total liabilities and equity		**6,150,606**	5,159,903	**5,601,986**	4,859,793

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$, except earnings per share)

	Notes	Consolidated		Individual	
		2022	2021	2022	2021
Net revenue from lease and services provided	15	**217,230**	149,367	**74,932**	47,712
Costs of services provided - condominium management	16	**(3,041)**	(2,166)	**(3,041)**	(2,166)
Gross profit		**214,189**	147,201	**71,891**	45,546
Operating income (expenses)					
Selling expenses	16	**(12,573)**	(10,833)	**(8,481)**	(7,225)
General and administrative expenses	16	**(31,771)**	(19,497)	**(29,583)**	(18,370)
Management compensation	16	**(6,645)**	(5,542)	**(6,645)**	(5,542)
Changes in the fair value of investment property	6	**339,130**	291,271	**2,841**	47,396
Other operating expenses, net	16	**(17,012)**	8,266	**(15,242)**	(7,407)
Results from equity participation	5	**12,894**	2,835	**435,270**	322,476
Income before financial income and taxes		**498,212**	413,701	**450,051**	376,874
Financial income (expenses)					
Financial expenses	17	**(189,602)**	(47,870)	**(185,514)**	(48,610)
Financial income	17	**88,866**	54,478	**81,092**	49,960
Income before taxes		**397,476**	420,309	**345,629**	378,224
Income tax and social contribution					
Current		**(22,014)**	(20,183)	**-**	(160)
Deferred	11	**25,238**	(16,890)	**40,443**	(9,109)
	11	**3,224**	(37,073)	**40,443**	(9,269)
Net income for the year		**400,700**	383,236	**386,072**	368,955
Net income attributable to:					
Shareholders of the Company		**386,072**	368,955	**-**	-
Noncontrolling interests	14 (g)	**14,628**	14,281	**-**	-
		400,700	383,236	**-**	-
Earnings per share (In Reais - R$):					
Basic	14 (h)	**3.83605**	3.62339	**3.83605**	3.62339
Diluted	14 (h)	**3.83126**	3.61228	**3.83126**	3.61228

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, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Consolidated		Individual	
	2022	2021	2022	2021
Net income for the year	**400,700**	383,236	**386,072**	368,955
Other components of comprehensive income	-	-	-	-
Total comprehensive income for the year	**400,700**	383,236	**386,072**	368,955
Comprehensive income attributable to:				
Shareholders of the Company	**386,072**	368,955		
Noncontrolling interests	**14,628**	14,281		
	400,700	383,236		

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, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Paid-in capital			Capital reserves		Earnings reserves					
	Subscript	Share issuance costs	Treasury shares	Share issuance costs	Recognized options granted	Legal	Earnings retention	Retained earnings	Equity attributable to Company shareholders (Individual)	Noncontrolling interests	Total (Consolidated)
BALANCE AT DECEMBER 31, 2020	**2,053,976**	**(18,594)**	(295)	**-**	**4,772**	**34,183**	**986,079**	-	**3,060,121**	**19,840**	**3,079,961**
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(9,099)	(9,099)
Treasury shares:											
Purchased	-	-	(104,990)	-	-	-	-	-	(104,990)	-	(104,990)
Sold	-	-	80,127	-	-	-	(3,028)	-	77,099	-	77,099
Disposed to beneficiaries of stock option plan	-	-	3	-	-	-	-	-	3	-	3
Stock options	-	-	-	-	2,159	-	-	-	2,159	-	2,159
Capital transaction	-	-	-	-	-	-	(4,151)	-	(4,151)	4,151	-
Income of the year	-	-	-	-	-	-	-	368,955	368,955	14,281	383,236
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	-	18,448	-	(18,448)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(87,627)	(87,627)	-	(87,627)
Earnings retention	-	-	-	-	-	-	262,880	(262,880)	-	-	-
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)
Net income for the year	-	-	-	-	-	-	-	386,072	386,072	14,628	400,700
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	-	19,304	-	(19,304)	-	-	-
Proposed 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**

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, 2022 AND 2021 - INDIRECT METHOD
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Individual	
		2022	2021	2022	2021
Cash flows from operating activities					
Net Income for the period		**400,700**	383,236	**386,072**	368,955
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	**1,647**	832	**1,302**	827
Results from equity participation	5	**(12,894)**	(2,835)	**(435,270)**	(322,476)
Amortization of prepaid expenses		**3,619**	5,175	**2,069**	3,216
Allowance for credit risk		**1,134**	(179)	**115**	1
Financial result		**129,294**	6,783	**129,002**	12,485
Results on sale of partial equity interest in subsidiary		**27,351**	(9,224)	**24,850**	4,268
Deferred taxes		**(21,522)**	26,425	**(53,578)**	8,150
Changes in the fair value of investment property	6	**(354,021)**	(299,194)	**(2,841)**	(47,396)
Stock options	16	**3,039**	2,159	**3,039**	2,159
		178,347	113,178	**54,760**	30,189
(Increase) decrease in operating assets:					
Trade accounts receivable		**(7,558)**	(6,619)	**(5,103)**	1,060
Recoverable taxes		**(18,113)**	(6,871)	**(18,322)**	(6,170)
Prepaid expenses		**(3,806)**	(16,258)	**124**	(5,477)
Other assets		**(6,772)**	(2,543)	**10,282**	(25,433)
Increase (decrease) in operating liabilities:					
Suppliers		**(1,239)**	28,032	**(13,555)**	6,046
Labor and social liabilities		**4,576**	3,566	**3,153**	2,375
Tax liabilities		**13,700**	11,466	**5,069**	2,690
Other liabilities		**(8,041)**	18,590	**(11,884)**	13,235
Income tax and social contribution paid		**(22,322)**	(17,677)	**(558)**	(50)
Cash provided by (used in) operating activities		**128,772**	124,864	**23,966**	18,465
Cash flows from investing activities					
Increase in marketable securities		**(987,496)**	(1,299,951)	**(668,337)**	(1,042,816)
Decrease in marketable securities		**1,303,901**	940,729	**841,790**	832,044
Increase in / acquisition of investments	0	**(10,952)**	(5,259)	**(556,182)**	(249,190)
Dividends received from subsidiaries	5 (c)	**7,760**	12,203	**232,034**	197,208
Aquisition of investment properties		**(857,072)**	(637,669)	**(86,643)**	(362,073)
Receipt for the sale of subsidiaries / assets		**312,394**	283,077	**136,851**	10,377
Receipts from related companies		**-**	-	**-**	557
Other		**(10,504)**	(855)	**(10,176)**	(869)
Net cash used in investing activities		**(241,969)**	(707,725)	**(110,663)**	(614,762)
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		**690,604**	686,960	**690,604**	686,960
Amortization of loans, financing and debentures	8 (a)	**(239,446)**	(241,892)	**(237,193)**	(239,856)
Interest paid		**(139,714)**	(37,773)	**(134,175)**	(35,733)
Capital transactions	0	**(4,336)**	-	**2,122**	-
Lease payments		**(613)**	(498)	**(472)**	(498)
Dividend paid	14 (e)	**(87,627)**	(33,240)	**(87,627)**	(33,240)
(Payment) receipt on derivative financial instrument		**(30,887)**	-	**(30,887)**	-
Disposal (acquisition) of treasury shares	14 (b)	**(26,791)**	(27,891)	**(26,791)**	(27,891)
Proceeds from exercised stock options		**334**	3	**334**	3
Contributions from noncontrolling shareholders	14 (g)	**41,842**	(9,099)	**-**	-
Net cash (used in) provided by financing activities		**203,366**	336,570	**175,915**	349,745
Increase (decrease) in cash and cash equivalents		**90,169**	(246,291)	**89,218**	(246,552)
Cash and cash equivalents					
At the beginning of the period	3	**207,564**	453,855	**206,623**	453,175
At the end of the period		**297,733**	207,564	**295,841**	206,623
Increase (decrease) in cash and cash equivalents		**90,169**	(246,291)	**89,218**	(246,552)

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF VALUE ADDED FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Individual	
		2022	2021	2022	2021
Revenue:					
Revenues from lease and services provided		**230,721**	158,556	**82,834**	52,748
Other revenue		**(1,710)**	21,814	**(43,184)**	1,233
Changes in the fair value of investment property	6	**354,021**	299,194	**2,841**	47,396
Revenue from construction of own assets		**909,139**	575,219	**87,322**	288,475
Allowance for doubtful accounts		**(1,134)**	179	**(115)**	(1)
		1,491,037	1,054,962	**129,698**	389,851
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		**(754,091)**	(519,960)	**(103,573)**	(272,586)
		(754,091)	(519,960)	**(103,573)**	(272,586)
Gross value added		**736,946**	535,002	**26,125**	117,265
Depreciation	16	**(1,647)**	(832)	**(1,302)**	(827)
Net wealth created		**735,299**	534,170	**24,823**	116,438
Value added received in transfer					
Results from equity interest in investees	5	**12,894**	2,835	**435,270**	322,476
Financial income		**92,973**	56,864	**84,974**	52,336
		105,867	59,699	**520,244**	374,812
Total wealth for distribution		**841,166**	593,869	**545,067**	491,250
Wealth distributed					
Personnel:		**63,007**	36,685	**30,268**	27,591
Salaries and wages		**49,837**	28,682	**24,888**	21,837
Benefits		**10,468**	6,379	**4,253**	4,591
Severance pay fund (FGTS)		**2,702**	1,624	**1,127**	1,163
Taxes and fares:		**56,100**	76,119	**(21,037)**	24,132
Federal		**52,582**	73,806	**(21,151)**	22,050
State		**16**	-	**11**	-
Municipal		**3,502**	2,313	**103**	2,082
Lenders and lessors:		**321,359**	97,829	**149,764**	70,572
Interest		**260,311**	65,268	**139,782**	48,763
Rentals / Leases		**60,745**	32,430	**9,923**	21,776
Other		**303**	131	**59**	33
Shareholders:		**400,700**	383,236	**386,072**	368,955
Dividends	14 (e)	**91,692**	87,627	**91,692**	87,627
Retained earnings		**294,380**	281,328	**294,380**	281,328
Noncontrolling interests	14 (g)	**14,628**	14,281	**-**	-
Wealth distributed		**841,166**	593,869	**545,067**	491,250

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 condominiums. Delivered and managed projects are located in the States of Minas Gerais, São Paulo, Espírito Santo, Paraná, Rio de Janeiro, Goiás, Ceará, Pernambuco, Pará, Sergipe, Bahia and Rio Grande do Sul.

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

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

2.1 Presentation of 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 Individual 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. In conformity with "*OCPC 07 - Evidenciação na Divulgação dos Relatórios Contábil - Financeiros de Propósito Geral*" (General Purpose Evidencing the Disclosure of Financial Statements), relevant information regarding the financial statements has been disclosed and corresponds to those used by the management.

The accounting practices adopted in Brazil comprise the policies set out in Brazilian Corporate Law and the pronouncements, guidance and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (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 Individual 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 Individual 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, 2022 and 2021, 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, 2022 and 2021.

  - The divesture has been calculated using rates that range from 7.50% to 9.00% p.a. as at December 31, 2022 and 2021.

  - Projected expenses corresponding to a 1.0 rental revenue as at December 31, 2022 and 2021, for commissions paid to the real estate consultant responsible for the rent of the property. As at December 31, 2022 and 2021, 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 individual 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 individual 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 balance sheet 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 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 individual financial statements is the Brazilian real. The financial statements are presented in thousands of Brazilian reais, unless otherwise stated.

(m) Statement of value added

The Company prepares Consolidated and Individual statements of value added in accordance with Brazilian Accounting Standard CPC 09 - *Demonstração do Valor Adicionado* (Statement of Value Added), 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 income statement 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, 2022 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)
- Definition of accounting estimates (amendments to CPC 23 - IAS 8)
- Insurance contracts (CPC 50 - IFRS 17)
- Disclosure of accounting policies (amendments to IAS 1 and IFRS practice statement 2)
- Deferred taxes related to assets and liabilities arising from a single transaction (amendments to CPC 32 - IAS 12)

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Cash and cash equivalents:				
Cash	**1**	1	**1**	1
Bank accounts	**3,173**	2,515	**1,281**	1,574
Short-term investments:				
Bank certificates of deposit (CDB)	**185,190**	205,048	**185,190**	205,048
Unrestricted investment funds	**79,356**	-	**79,356**	-
Securities with repurchase agreement backed by debentures	**30,013**	-	**30,013**	-
Total cash and cash equivalents	**297,733**	207,564	**295,841**	206,623

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Marketable securities:				
Restricted investment funds (i)	**429.877**	685.911	**413.054**	532.951
Investment funds (ii)	**3.257**	2.924	**-**	-
Bank certificates of deposit (CDB) (iii)	**231**	206	**-**	-
Total marketable securities	**433.365**	689.041	**413.054**	532.951
Current	**206.592**	485.911	**190.271**	332.951
Noncurrent	**226.773**	203.130	**222.783**	200.000
	433.365	689.041	**413.054**	532.951

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

(ii) Represents guarantee for the 12th debenture.

(iii) Pledged as collateral for financings.

Short-term investments and marketable securities include interest income earned, equivalents to 98.9% of CDI in Consolidated and 98.7% of CDI in Individual for the year ended December 31, 2022 (143.5% of CDI in Consolidated and 141.6% of CDI in Individual at December 31, 2021).

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

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

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Bank certificates of deposit (CDB)	**2,928**	58,230	**2,325**	54,057
Securities with repurchase agreement	**561**	32,244	**446**	17,929
Unrestricted investment funds	**9,846**	33,098	**7,820**	13,128
Debentures	**30,868**	101,678	**27,536**	65,710
Private bonds	**139,832**	179,879	**132,862**	132,983
Public securities:				
Financial Treasury Bills (LFT)	**9,160**	61,643	**7,666**	34,486
National Treasury Notes - B (NTN-B)	**223,284**	216,387	**222,783**	213,536
National Treasury Bills (LTN)	**8,613**	2,712	**6,841**	1,076
Others	**4,785**	40	**4,775**	46
Total	**429,877**	685,911	**413,054**	532,951

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

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Rentals	**59,686**	43,766	**20,154**	15,365
Sale of equity interest / assets	**155,615**	26,353	**80,319**	26,353
Condominium administration	**868**	457	**868**	457
Others (*)	**14,728**	23,501	**12,100**	12,197
	230,897	94,077	**113,441**	54,372
Allowance for credit risk	**(10,694)**	(9,560)	**(3,276)**	(3,161)
Total	**220,203**	84,517	**110,165**	51,211
Current	**112,887**	61,190	**54,455**	37,052
Noncurrent	**107,316**	23,327	**55,710**	14,159
	220,203	84,517	**110,165**	51,211

(*) Others refers substantially to 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 the sale of equity interest and assets are as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
LOG SJC Sony (Note 18 [5])	**13,970**	14,797	**13,970**	14,797
Plaza Mirante Sul (Note 6)	**1,853**	5,133	**1,853**	5,133
Cabral (Note 18 [8])	**-**	6,423	**-**	6,423
PIB Meli (Note 6)	**75,296**	-	**-**	-
Plaza Top Life (Note 6)	**11,568**	-	**11,568**	-
Torino (Note 5 (b))	**52,928**	-	**52,928**	-
	155,615	26,353	**80,319**	26,353
Current	**80,708**	18,504	**43,047**	18,504
Noncurrent	**74,907**	7,849	**37,272**	7,849
	155,615	26,353	**80,319**	26,353

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

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
In due:				
Up to 1 year	**112,531**	60,603	**52,606**	37,133
After 1 year	**107,316**	23,327	**55,710**	14,159
	219,847	83,930	**108,316**	51,292
Past due:				
Up to 30 days	**549**	1,058	**209**	301
31 to 90 days	**928**	138	**357**	89
More than 90 days	**9,573**	8,951	**4,559**	2,690
	11,050	10,147	**5,125**	3,080
Total	**230,897**	94,077	**113,441**	54,372

Changes in the allowance for credit risk for the years ended December 31, 2021 and 2020 are as follows, carried out on the balances of trade receivable from rentals

	Consolidated		Individual	
	2022	2021	2022	2021
Opening balance	**(9,560)**	(9,739)	**(3,161)**	(3,160)
Additions	**(1,321)**	(1,181)	**(302)**	(753)
Write-off	**187**	1,360	**187**	752
Closing balance	**(10,694)**	(9,560)	**(3,276)**	(3,161)

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

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
1 year	**248,899**	164,949	**66,735**	50,733
2 years	**223,341**	135,189	**55,221**	45,820
3 years	**193,233**	105,371	**45,558**	38,549
4 years	**162,224**	83,996	**36,660**	31,128
5 years	**121,680**	59,417	**14,693**	24,354
After 5 years	**290,208**	64,096	**16,836**	23,391
Total	**1,239,586**	613,018	**235,702**	213,975

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					
	12/31/22	12/31/21	12/31/22	12/31/21	2022	2021	12/31/22	12/31/21	2022	2021
Joint ventures:										
Cabral	0.00%	0.00%	-	-	-	(7,383)	-	-	-	(3,661)
Torino	0.00%	40.00%	-	453,078	20,419	11,312	-	181,257	8,168	4,525
Loteamento Betim (a)	50.00%	50.00%	131,979	109,842	4,056	11,711	65,989	50,315	6,643	1,249
LOG SJC Sony	64.97%	64.97%	109,179	108,998	123	2,749	70,934	70,814	80	1,786
Others			(71)	-	(9,767)	-	252	-	(1,629)	-
Capitalized interest (b)			-	-	-	-	10,909	11,277	(368)	(1,064)
Total joint ventures - Consolidated			**241,087**	671,918	**14,831**	18,389	**148,084**	313,663	**12,894**	2,835
Subsidiaries:										
LOG I	100.00%	99.99%	158,931	158,489	7,888	22,371	158,931	158,473	7,888	22,369
LOG II	100.00%	99.99%	59,593	54,903	6,695	7,189	59,593	54,898	6,695	7,188
LOG Jundiaí	100.00%	99.99%	95,790	94,281	2,188	3,272	95,790	94,272	2,188	3,272
LOG Goiânia	100.00%	99.90%	157,654	151,576	15,080	8,320	157,654	151,424	15,080	8,312
LOG Hortolândia	100.00%	99.99%	135,750	136,934	6,851	6,572	135,750	136,920	6,851	6,571
LOG SJP	100.00%	99.99%	62,318	54,690	7,623	1,332	62,318	54,685	7,623	1,332
LOG Juiz de Fora	100.00%	99.99%	109,912	107,891	5,442	(2,916)	109,912	107,880	5,442	(2,916)
LOG Feira de Santana	100.00%	99.99%	41,230	39,857	2,258	4,208	41,230	39,853	2,258	4,208
LOG Fortaleza	100.00%	99.99%	149,874	133,041	25,963	5,851	149,874	133,028	25,963	5,850
LOG Via Expressa	100.00%	99.99%	176,474	164,581	18,950	6,820	176,474	164,565	18,950	6,819
LOG Viana	100.00%	99.99%	136,536	141,329	2,198	8,344	136,536	141,315	2,198	8,343
LOG Londrina	100.00%	99.99%	130,026	120,448	11,232	8,504	130,026	120,436	11,232	8,503
LOG Itatiaia	100.00%	99.99%	64,358	61,121	3,948	478	64,358	61,115	3,948	478
LOG Itaitinga I	100.00%	100.00%	361,871	172,030	97,859	13,653	361,871	172,030	97,859	13,653
LOG Aracajú	100.00%	99.99%	78,043	73,130	7,155	1,966	78,043	73,123	7,155	1,966
LOG Extrema	97.48%	97.48%	637	143,074	3,373	20,574	621	139,469	3,288	18,301
LOG Uberaba	100.00%	99.00%	45,509	43,614	3,859	6,493	45,509	43,178	3,859	6,428
LOG Sumaré	100.00%	99.99%	33	27	1	(1)	33	27	1	(1)
LOG SJRP	100.00%	99.99%	23,683	23,680	(177)	(488)	23,683	23,678	(177)	(488)
LOG Macaé	100.00%	99.99%	14,140	13,946	(4)	(388)	14,140	13,945	(4)	(388)
LOG RP	100.00%	99.99%	56,436	55,900	99	4,117	56,436	55,894	99	4,117
LOG Recife	81.50%	80.00%	428,876	127,836	72,699	60,040	349,701	102,269	58,150	48,032
LOG Itapeva	100.00%	99.99%	108,956	53,059	10,905	18,068	108,956	53,054	10,905	18,066
LOG Viana II	100.00%	100.00%	166,289	67,430	21,019	18,606	166,289	67,430	21,019	18,606
LOG PIB Meli	100.00%	100.00%	69,465	117,206	6,261	46,806	69,465	117,206	6,261	46,806
LOG Salvador	100.00%	100.00%	148,438	66,687	14,724	66,082	148,438	66,687	14,724	66,082
LOG Maceió	100.00%	100.00%	28,439	11,738	2,994	10,636	28,439	11,738	2,994	10,636
LOG Natal	100.00%	100.00%	31,159	8,730	18,859	-	31,159	8,730	18,859	-
LOG Contagem IV	100.00%	100.00%	85,432	9	49,458	-	85,432	9	49,458	-
LOG Teresina	100.00%	100.00%	11	3	(438)	-	11	3	(438)	-
LOG Campo Grande	100.00%	100.00%	11,748	3	(27)	-	11,748	3	(27)	-
LOG Brasília	100.00%	0.00%	58,663	-	47,979	-	58,663	-	47,979	-
LOG Cuiabá	100.00%	0.00%	760	-	(26)	-	760	-	(26)	-
LOG Joinville	100.00%	0.00%	986	-	(24)	-	986	-	(24)	-
LOG Itaitinga II	100.00%	0.00%	20,192	-	(1)	-	20,192	-	(1)	-
LOG Betim III	100.00%	0.00%	2	-	(1)	-	2	-	(1)	-
LOG Gravataí II	100.00%	0.00%	2	-	(1)	-	2	-	(1)	-
LOG Goiânia III	100.00%	0.00%	56	-	-	-	56	-	-	-
LOG São Bernardo do Campo	100.00%	0.00%	4,210	-	-	-	4,210	-	-	-
LDI	100.00%	100.00%	1,232	766	461	76	1,232	766	461	76
LE Empreendimentos	99.00%	99.00%	42,841	112	39,473	(564)	42,413	111	39,078	(558)
Capitalized interest (b)			-	-	-	-	-	-	(75,390)	(12,022)
Total subsidiaries			**3,266,555**	2,398,121	**512,795**	346,021	**3,186,936**	2,368,214	**422,376**	319,641
Total Individual			**3,507,642**	3,070,039	**527,626**	364,410	**3,335,020**	2,681,877	**435,270**	322,476

(a) The equity result for 2022 includes the realization of previously unrealized results in the total amount of R$4.6 million, referring to the sale of land by Loteamento Betim to the Company in 2021, where the PIB Meli asset was built, sold to a third party in the year.

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

b) Joint ventures:

- Cabral Investimentos SPE Ltda. ("Cabral") is mainly engaged in building investment proprieties in shopping centers and store segments and other assets for rental. Its equity interest was sold in December 2021.
- 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:

	Torino (*)		Loteamento Betim		LOG SJC Sony	
	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Cash and cash equivalents and marketable securities	-	6,032	**8**	111	**3**	3
Trade receivables	-	-	**1,853**	1,391	-	-
Inventories	-	-	**41,841**	35,797	-	-
Other current assets	-	-	**30**	64	-	1
Total current	-	6,032	**43,732**	37,363	**3**	4
Trade receivables	-	-	**1,271**	1,308	-	-
Inventories	-	-	**90,681**	81,543	-	-
Investment property	-	457,300	-	-	**113,100**	112,700
Other noncurrent assets	-	385	-	438	-	-
Total noncurrent assets	-	457,685	**91,952**	83,289	**113,100**	112,700
Total assets	-	463,717	**135,684**	120,652	**113,103**	112,704
Current liabilities	-	1,403	**3,682**	10,810	**5**	-
Noncurrent liabilities	-	9,236	**23**	-	**3,919**	3,706
Equity	-	453,078	**131,979**	109,842	**109,179**	108,998
Liabilities and equity	-	463,717	**135,684**	120,652	**113,103**	112,704

	Cabral (**)		Torino (*)		Loteamento Betim		LOG SJC Sony	
	2022	2021	2022	2021	2022	2021	2022	2021
Operating revenue	-	21	**24,048**	18,850	**10,511**	22,523	-	-
Cost of products and services	-	-	-	-	**(5,844)**	(8,776)	-	-
Other operating expenses	-	(7,910)	**(1,593)**	(3,030)	**(90)**	(54)	**(82)**	(50)
Financial income (expenses)	-	963	**1,029**	242	**(3)**	32	-	(1)
Changes in the fair value of investment property	-	338	-	(2,634)	-	(1,345)	**304**	2,800
Income tax and social contribution	-	(795)	**(3,065)**	(2,116)	**(518)**	(669)	**(99)**	-
Net income (loss)	-	(7,383)	**20,419**	11,312	**4,056**	11,711	**123**	2,749

(*) 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$52,928, net of present value adjustment).

(**) On June 30, 2021, the asset was sold for the amount of R$22.8 million, received in full.

c) Changes in the balances of investments in subsidiaries and joint ventures in the years ended December 31, 2022 and 2021 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, 2022:							
Joint ventures:							
Torino (a)	4/15	181,257	-	8,168	(7,760)	(181,665)	-
Loteamento Betim	3/18	50,315	9,031	6,643	-	-	65,989
LOG SJC Sony	-	70,814	40	80	-	-	70,934
Others		-	1,881	(1,629)	-	-	252
Capitalized interest (b)		11,277	-	(368)	-	-	10,909
Total joint ventures - Consolidated		**313,663**	**10,952**	**12,894**	**(7,760)**	**(181,665)**	**148,084**
Subsidiaries:							
LOG I	2/09	158,473	3,199	7,888	(10,629)	-	158,931
LOG II	3/11	54,898	982	6,695	(2,982)	-	59,593
LOG Jundiaí	4/11	94,272	1,978	2,188	(2,648)	-	95,790
LOG Goiânia	4/12	151,424	1,644	15,080	(10,494)	-	157,654
LOG Hortolândia	9/12	136,920	949	6,851	(8,970)	-	135,750
LOG SJP	4/13	54,685	10	7,623	-	-	62,318
LOG Juiz de Fora	6/13	107,880	1,221	5,442	(4,631)	-	109,912
LOG Feira de Santana	6/13	39,853	1,318	2,258	(2,199)	-	41,230
LOG Fortaleza	8/13	133,028	6,222	25,963	(15,339)	-	149,874
LOG Via Expressa	11/13	164,565	2,092	18,950	(9,133)	-	176,474
LOG Viana	4/14	141,315	2,203	2,198	(9,180)	-	136,536
LOG Londrina	6/14	120,436	3,926	11,232	(5,568)	-	130,026
LOG Itatiaia	7/14	61,115	(443)	3,948	(262)	-	64,358
LOG Itaitinga I	9/21	172,030	106,205	97,859	(14,223)	-	361,871
LOG Aracajú	10/18	73,123	1,527	7,155	(3,762)	-	78,043
LOG Extrema	10/19	139,469	(137,136)	3,288	(5,000)	-	621
LOG Uberaba	9/20	43,178	1,501	3,859	(3,029)	-	45,509
LOG Sumaré	-	27	5	1	-	-	33
LOG SJRP	-	23,678	182	(177)	-	-	23,683
LOG Macaé	-	13,945	199	(4)	-	-	14,140
LOG RP	-	55,894	443	99	-	-	56,436
LOG Recife	5/22	102,269	238,680	58,150	(49,398)	-	349,701
LOG Itapeva	8/22	53,054	57,291	10,905	(12,294)	-	108,956
LOG Viana II	-	67,430	77,840	21,019	-	-	166,289
LOG PIB Meli	-	117,206	531	6,261	(54,533)	-	69,465
LOG Salvador	-	66,687	67,027	14,724	-	-	148,438
LOG Maceió	-	11,738	13,707	2,994	-	-	28,439
LOG Natal	-	8,730	3,570	18,859	-	-	31,159
LOG Contagem IV	-	9	35,965	49,458	-	-	85,432
LOG Teresina	-	3	446	(438)	-	-	11
LOG Campo Grande	-	3	11,772	(27)	-	-	11,748
LOG Brasília	-	-	10,684	47,979	-	-	58,663
LOG Cuiabá	-	-	786	(26)	-	-	760
LOG Joinville	-	-	1,010	(24)	-	-	986
LOG Itaitinga II	-	-	20,193	(1)	-	-	20,192
LOG Betim III	-	-	3	(1)	-	-	2
LOG Gravataí II	-	-	3	(1)	-	-	2
LOG Goiânia III	-	-	56	-	-	-	56
LOG São Bernardo do Campo	-	-	4,210	-	-	-	4,210
LDI	-	766	5	461	-	-	1,232
LE Empreendimentos (inc. LOG Barreiro I e IV)	-	111	3,224	39,078	-	-	42,413
Capitalized interest (b)		-	-	(75,390)	-	75,390	-
Total subsidiaries		**2,368,214**	**545,230**	**422,376**	**(224,274)**	**75,390**	**3,186,936**
Total Individual		**2,681,877**	**556,182**	**435,270**	**(232,034)**	**(106,275)**	**3,335,020**
Year ended December 31, 2021:							
Total Consolidated		326,336	5,259	2,835	(12,203)	(8,564)	313,663
Total Individual		2,100,584	456,718	322,476	(197,208)	(693)	2,681,877

a) Others refers to the sale of the investment in Torino on October 6, 2022 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$52,928, net of present value adjustment).

b) 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)).

6. Investment property

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

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Industrial warehouses	**4,876,661**	3,752,906	**1,283,358**	1,270,915
Strip malls	**2,060**	19,800	**2,060**	19,800
Total	**4,878,721**	3,772,706	**1,285,418**	1,290,715

Changes in balances of investment property for the years ended December 31, 2022 and 2021 were as follows:

	Consolidated		Individual	
	2022	2021	2022	2021
Opening balance	**3,772,706**	2,994,470	**1,290,715**	1,118,706
Additions	**845,278**	709,631	**153,095**	455,665
Right-of-use of land (*)	**91,661**	-	**-**	-
Capitalized interest (Note 8 (d))	**78,367**	20,390	**2,977**	8,368
Sale of assets	**(252,556)**	(250,979)	**(18,100)**	(8,499)
Cancellation of land contracts	**(10,756)**	-	**(10,756)**	-
Transfer of investment properties to SPE	**-**	-	**(135,354)**	(330,921)
Changes in fair value	**354,021**	299,194	**2,841**	47,396
Closing balance	**4,878,721**	3,772,706	**1,285,418**	1,290,715

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

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

	Consolidated		Individual	
	2022	2021	2022	2021
Changes in fair value of investment property	**354,021**	299,194	**2,841**	47,396
Deferred PIS/COFINS	**(14,891)**	(7,923)	**-**	-
Changes in fair value of investment property in profit or loss	**339,130**	291,271	**2,841**	47,396

Sale of assets

On July 26, 2022, the subsidiary LOG PIB Meli sold an asset for the amount of R$254 million with the receipt of the first installment on September 28, 2022 in the amount of R$176 million and two remaining installments in the amount of R$39 million each to be paid in 12 and 18 months, recorded under "accounts receivable" (R$75,296, net of present value adjustment).

On November 25, 2022, the Group sold the asset (Plaza Top Life) for the amount of R$19.5 million with the receipt of the first installment on November 28, 2022 in the amount of R$6 million and 36 monthly installments in the total amount of R$13.5 million, plus simple interest of 0,5% per month, recorded under "accounts receivable" (R$11,568, net of present value adjustment).

On May 31, 2021, the Group sold an asset (LOG Extrema) for the amount of R$272.7 million, plus update by IPCA index, fully received in 2021.

On July 15, 2021, the Group sold an asset (Plaza Mirante Sul) for the amount of R$6.5 million, which is being received in 24 monthly and consecutive installments recorded under "accounts receivable" (R$1,853, net of present value adjustment).

As at December 31, 2022, from the total amount of investment property, R$1,247,461 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R$1,418,560 as at December 31, 2021).

7. Property and equipment

Changes in property and equipment for the years ended December 31, 2022 and 2021 are as follows:

Consolidated	Opening balance	Addition	Write-off	Closing balance
Year ended December 31, 2022:				
Cost:				
Right-of-use (*)	4,967	4,446	-	**9,413**
Other (**)	2,154	6,896	(66)	**8,984**
Total cost	7,121	11,342	(66)	**18,397**
Accumulated depreciation:				
Right-of-use	855	594	-	**1,449**
Other	1,339	259	(66)	**1,532**
Total accumulated depreciation	2,194	853	(66)	**2,981**
Total property and equipment, net	4,927	10,489	-	**15,416**
Year ended December 31, 2021:				
Total property and equipment, net	4,981	(54)	-	4,927

Individual	Opening balance	Addition	Write-off	Closing balance
Year ended December 31, 2022:				
Cost:				
Right-of-use (*)	4,967	4,446	-	**9,413**
Other (**)	1,942	6,895	(58)	**8,779**
Total cost	6,909	11,341	(58)	**18,192**
Accumulated depreciation:				
Right-of-use	856	594	-	**1,450**
Other	1,150	242	(58)	**1,334**
Total accumulated depreciation	2,006	836	(58)	**2,784**
Total property and equipment, net	4,903	10,505	-	**15,408**
Year ended December 31, 2021:				
Total property and equipment, net	4,938	(35)	-	4,903

(*) Company's office rental agreements.
(**) Primarily improvements in third party properties.

8. Loans, financing and debentures

a) Position

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

Type	12/31/22			12/31/21
	Current	Noncurrent	Total	Total
Individual:				
Debenture - 12th issue	**10,119**	**40,002**	**50,121**	60,106
Debenture - 14th issue	**-**	**-**	**-**	121,363
Debenture - 15th issue (CRI)	**7,118**	**35,000**	**42,118**	49,118
Debenture - 16th issue (CRI)	**19,909**	**27,273**	**47,182**	64,989
Debenture - 17th issue	**82,865**	**76,667**	**159,532**	235,266
Debenture - 18th issue	**10,474**	**250,000**	**260,474**	256,485
Debenture - 19th issue (CRI) (*)	**7,968**	**462,385**	**470,353**	459,132
Debenture - 20th issue - 1st series (CRI)	**5,501**	**130,350**	**135,851**	-
Debenture - 20th issue - 2nd series (CRI)	**3,224**	**168,172**	**171,396**	-
Debenture - 21st issue	**28,321**	**400,000**	**428,321**	-
(-) Funding cost	**(4,784)**	**(15,262)**	**(20,046)**	(15,299)
Total debentures and CRI - Individual	**170,715**	**1,574,587**	**1,745,302**	1,231,160
Construction financing	**7,160**	**4,754**	**11,914**	17,247
(-) Funding cost	**(105)**	**(88)**	**(193)**	(298)
Total financing - Individual	**7,055**	**4,666**	**11,721**	16,949
Total Individual	**177,770**	**1,579,253**	**1,757,023**	1,248,109
Subsidiaries:				
Construction financing (*)	**3,694**	**13,652**	**17,346**	19,978
(-) Funding cost	**(85)**	**(200)**	**(285)**	(382)
Total financing - Subsidiaries	**3,609**	**13,452**	**17,061**	19,596
Total Consolidated	**181,379**	**1,592,705**	**1,774,084**	1,267,705

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

The main features of the 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 - 12th issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
Debenture - 14th issue	15,000	11/18	Semiannual	Semiannual	11/21 to 11/23	117% CDI	117% CDI + 0.26%
Debenture - 15th issue (CRI)	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16th issue (CRI)	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17th issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	CDI + 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	CDI + 1.10%	CDI + 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	CDI + 1.65%	CDI + 1.79%
Construction financing	-	9/18	Monthly	Monthly	3/19 to 9/28	TR + 10%	TR + 10.87%
Construction financing	-	12/12	Monthly	Monthly	12/13 to 10/24	CDI + 1.65%	CDI + 1.92%

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

Funding during the year ended December 31, 2022 is as follows:

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount (*)
Debenture - 20th issue - 1st series	130,350	4/22	Annual	Semiannual	3/26 to 3/27	CDI + 1.10%	130,350
Debenture - 20th issue - 2nd series	169,650	4/22	Annual	Semiannual	3/27 to 3/29	IPCA + 6.30%	169,650
Debenture - 21st issue	400,000	7/22	Annual	Semiannual	7/26 to 7/27	CDI + 1.65%	400,000
Total - Individual and Consolidated							**700,000**

(*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	2022	**2021**	**2022**	**2021**
Opening balance	**1,267,705**	800,663	**1,248,109**	775,525
Funding	**700,000**	700,000	**700,000**	700,000
Interest expense	**213,029**	71,561	**210,869**	69,533
Fair value adjustment	**(27,448)**	(16,162)	**(26,757)**	(12,559)
Funding cost	**(9,396)**	(13,040)	**(9,396)**	(13,040)
Amortization of funding costs	**4,851**	4,348	**4,754**	4,239
Repayment of principal	**(239,446)**	(241,892)	**(237,193)**	(239,856)
Payment of interest	**(135,211)**	(37,773)	**(133,363)**	(35,733)
Closing balance	**1,774,084**	1,267,705	**1,757,023**	1,248,109

In November 2022, the Company paid in advance the 14th issue of debentures, in the amount of R$96,160, due in November 2023, subject to a contractual rate of 117% CDI p.a.

b) <u>Guarantees</u>

The types of guarantees for loans, financing and debentures as at December 31, 2022 are as follows:

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	29,260	209,653	89,300	328,213
No guaranties	-	688,795	777,600	1,466,395
Total (*)	**29,260**	**898,448**	**866,900**	**1,794,608**

(*) 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) <u>Aging</u>

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

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
<u>After the reporting period</u>:				
1 year	**186,353**	214,610	**182,659**	211,245
2 years	**203,141**	177,944	**199,936**	175,008
3 years	**236,168**	199,526	**232,963**	196,572
4 years	**492,253**	222,418	**489,048**	219,456
After 4 years	**676,693**	453,207	**672,656**	445,828
Total	**1,794,608**	1,267,705	**1,777,262**	1,248,109

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated		Individual	
	2022	2021	2022	2021
Financial charges on:				
Loans, financing and debentures	**(217,880)**	(75,909)	**(215,623)**	(73,772)
Derivative financial instruments	**(7,864)**	10,947	**(7,864)**	10,947
Total financial charges	**(225,744)**	(64,962)	**(223,487)**	(62,825)
Interest capitalized on:				
Investment property (Note 6)	**78,367**	20,390	**2,977**	8,368
Investment (Note 5)	**-**	-	**75,390**	12,022
Financial charges allocated to profit or loss (Note 17)	**(147,377)**	(44,572)	**(145,120)**	(42,435)

For the year ended December 31, 2022, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 14.50% p.a. in Consolidated (6.50% p.a. for the year ended December 31, 2021).

e) Contractual obligations

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

Description - 18th, 19th, 20th and 21th 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.

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		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
CDI	**8,813**	41,678	**-**	23,523
IPCA	**13,000**	7,739	**13,000**	7,739
Total	**21,813**	49,417	**13,000**	31,262
Current	**8,813**	46,383	**-**	28,966
Noncurrent	**13,000**	3,034	**13,000**	2,296
Total	**21,813**	49,417	**13,000**	31,262

Aging of 'Land payables' is as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
After the reporting period:				
1 year	**8,813**	46,383	**-**	28,966
2 years	**6,333**	3,034	**6,333**	2,296
After 2 years	**6,667**	-	**6,667**	-
Total	**21,813**	49,417	**13,000**	31,262

10. Barters

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

Barters' maturity is broken down as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
After the reporting period:				
1 year	**61,994**	70,290	**1,686**	1,642
2 year	**94,315**	136,266	**37,853**	103,787
3 year	**29,261**	24,034	**17,864**	19,549
After 3 years	**11,136**	-	**11,136**	-
Total	**196,706**	230,590	**68,539**	124,978
Current	**61,994**	70,290	**1,686**	1,642
Noncurrent	**134,712**	160,300	**66,853**	123,336
	196,706	230,590	**68,539**	124,978

11. Income tax and social contribution

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

	Consolidated		Individual	
	2022	**2021**	**2022**	**2021**
Income before income tax and social contribution	**397,476**	420,309	**345,629**	378,224
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal expense	**(135,142)**	(142,905)	**(117,514)**	(128,596)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	**4,509**	964	**173,624**	113,729
Equity related to fair value in subsidiaries	**(20,541)**	6,139	**(20,541)**	6,139
Write-off of Fair Value on sale of investment	**2,647**	-	**2,647**	-
Tax basis difference for companies taxes based on deemed income	**149,791**	99,296	**-**	-
Other	**1,960**	(567)	**2,227**	(541)
IRPJ and CSLL credit (debit) in profit or loss	**3,224**	(37,073)	**40,443**	(9,269)

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

(b) Deferred tax balances

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

	Consolidated		Individual	
	12/31/22	**12/31/21**	**12/31/22**	**12/31/21**
Noncurrent assets:				
Income tax and social contribution	**47,871**	7,428	**47,871**	7,428
Liabilities:				
Income tax and social contribution	**(53,216)**	(38,011)	**-**	-
PIS/COFINS	**(61,706)**	(42,311)	**(1,248)**	-
	(114,922)	(80,322)	**(1,248)**	-
Current	**(5,806)**	(2,494)	**(416)**	-
Noncurrent	**(109,116)**	(77,828)	**(832)**	-
Total	**(114,922)**	(80,322)	**(1,248)**	-

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

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**96,152**	66,060	**95,901**	65,773
Capitalized interests written-off (*)	**111,773**	94,746	**111,773**	94,746
Temporary differences	**7,187**	2,447	**7,187**	2,447
	215,112	163,253	**214,861**	162,966
Reclassified deferred liabilities	**(167,241)**	(155,825)	**(166,990)**	(155,538)
Deferred tax assets	**47,871**	7,428	**47,871**	7,428
Deferred liabilities:				
Fair value appreciation on investment property	**(214,633)**	(190,616)	**(166,990)**	(155,538)
Rental receivables and others	**(3,430)**	(3,220)	**-**	-
Sale of assets	**(2,394)**	-	**-**	-
	(220,457)	(193,836)	**(166,990)**	(155,538)
Reclassified deferred liabilities	**167,241**	155,825	**166,990**	155,538
Deferred tax liabilities	**(53,216)**	(38,011)	**-**	-

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

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

As at December 31, 2022, the estimated realization of deferred tax assets, based on the forecast of future taxable income, prepared by the Company's Management, is as follows:

	IRPJ and CSLL
	Consolidated and Individual
Expected realization:	
2023	705
2024	4,183
2025	3,068
2026	3,850
2027	1,135
2028 to 2030	18,115
2031 to 2033	16,815
Total	**47,871**

The above-mentioned projection is based on projects which are operating, on the construction and start-up of new industrial warehouse and projects which are in pre-operational phase in the Company's portfolio. Projected revenue from these rented assets 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 applicable to historic costs of the respective investment properties and, in the tenth year, a full realization of mentioned assets is considered.

As at December 31, 2022, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated				Individual			
	2022			2021	2022			2021
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	**163,253**	**(193,836)**	**(30,583)**	(13,693)	**162,966**	**(155,538)**	**7,428**	16,537
Effect of deferred IRPJ and CSLL recognized in:								
Net income for the period	**51,859**	**(26,621)**	**25,238**	(16,890)	**51,895**	**(11,452)**	**40,443**	(9,109)
Closing balance	**215,112**	**(220,457)**	**(5,345)**	(30,583)	**214,861**	**(166,990)**	**47,871**	7,428

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, 2022 and 2021 are as follows:

	Consolidated		Individual	
	2022	2021	2022	2021
Opening balance	**1,991**	1,725	**116**	108
Additions and inflation adjustments	**620**	472	**75**	22
Payments	**(163)**	(133)	**(35)**	(5)
Reversals	**(103)**	(73)	**(12)**	(9)
Closing balance	**2,345**	1,991	**144**	116

The lawsuits assessed as possible losses by the legal counsel amounted to R$1,286 in Consolidated and R$913 in Individual as at December 31, 2022 (R$4,611 in Consolidated and R$4,181 in Individual as at December 31, 2021).

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, LOG Barreiro I and LOG Barreiro IV assets.

Changes in lease liability for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated		Individual	
	2022	2021	2022	2021
Opening balance	**4,463**	4,374	**4,463**	4,374
Additions (*)	**94,543**	-	**2,541**	-
Remeasurement	**1,905**	294	**1,905**	294
Interest expenses	**1,814**	293	**538**	293
Repayment of principal	**(613)**	(205)	**(472)**	(205)
Payment of interest	**(397)**	(293)	**(538)**	(293)
Closing balance	**101,715**	4,463	**8,437**	4,463
Current	**614**	219	**556**	219
Noncurrent	**101,101**	4,244	**7,881**	4,244
	101,715	4,463	**8,437**	4,463

(*) Includes R$91,661 referring to the right-of-use land in LOG Brasília, LOG Barreiro I and LOG Barreiro IV, as disclosed in Note 6.

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

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Lease liability	1,124	6,545	8,728	428,265	444,663
Total	1,124	6,545	8,728	428,265	444,663
Individual:					
Lease liability	1,093	1,093	1,093	8,598	11,876
Total	1,093	1,093	1,093	8,598	11,876

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, 2022, these leases represent R$86 (R$125 as at December 31, 2021).

14. Equity

(a) Shares and capital

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

The Company's authorized capital as at December 31, 2022 is R$3,700,000 (three billion and seven hundred million reais) (R$3,000,000 as at December 31, 2021), 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.

During the year ended December 31, 2022, the Shareholders' Meeting (SM), approved the following capital increases, through partial capitalization of its profit reserve, as follows:

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

(b) Treasury shares

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

During the year ended December 31, 2022, 1.221 thousand shares were acquired in the amount of R$26,791 (4,102 thousand shares worth R$104,990 in the year ended December 31, 2021) through the Company's Share Buyback Program, and 17 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 2022:									
Common shares	**1,048**	**1,221**	**-**	**(17)**	**2,252**	**21.97**	**24.76**	**15.20**	**36,302**
Exercise 2021:									
Common shares	16	4,102	(3,070)	-	1,048	25.59	27.69	22.16	26,504

(*) Market value of shares remaining in treasury as at December 31, 2022 and 2021.

(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 2022 and 2021 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, 2022, the Company recognized an earnings retention reserve of R$275,076 (R$262,880 as at December 31, 2021).

(e) Mandatory minimum dividend payable to shareholders

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), 2022 dividends are as follows (2021 dividends are presented for comparative purposes):

	2022	2021
Net income for the year	**386,072**	368,955
Legal reserve - 5% of net income	**(19,304)**	(18,448)
Net income available for distribution	**366,768**	350,507
Proposed dividends - 25% of net income available for distribution	**91,692**	87,627
Proposed dividends per share (R$ per share)	**0.9178**	0.8666

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

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

(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 July 29, 2022, the Company´s Board of Directors approved the issuance of program 11 of the stock option plan, granting to directors and managers up to 402 thousand options with vesting period of 5 years, with exercise deadline date in December 2029. The stock option fair value is R$8.61 each with, total cost of remuneration of R$3,112, which will be recognized in the income statement over the vesting period.

On December 1, 2021, the Company´s Board of Directors approved the cancellation of Program 9 of the stock option plan and the issuance of program 10 of the stock option plan, granting to directors and managers 338 thousand options with vesting period of 5 years, with exercise deadline date in December 2028. The stock option fair value is R$7.51 with, total cost of remuneration of R$2,517, which will be recognized in the income statement over the vesting period.

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

Program	Approval	Maximum quantity	% of total approved in the plan	Vesting	Strike price	Participants	Initial exercise deadline	Exercise deadline (*)
2	6/12	22,444	0.73%	Up to 5 year	R$ 22.36	Officers	8/12	12/22
3	10/13	32,879	1.06%	Up to 5 year	R$ 30.04	Officers and managers	12/13	12/23
4	11/14	31,835	1.03%	Up to 5 year	R$ 30.04	Officers and managers	12/14	12/24
5	12/15	27,710	0.90%	Up to 5 year	R$ 30.04	Officers and managers	12/15	12/25
6	4/18	352,000	11.38%	Up to 5 year	R$ 22.00	Officers and managers	12/18	12/25
7	9/19	226,251	7.32%	Up to 5 year	R$ 23.42	Officers and managers	12/19	12/26
8	6/20	653,216	21.12%	Up to 5 and 10 year	R$ 21.62	Officers and managers	12/20	12/27 and 12/32
10	12/21	338,074	10.93%	Up to 5 year	R$ 24.17	Officers and managers	12/21	12/28
11	7/22	401,761	12.99%	Up to 5 year	R$ 18.99	Officers and managers	12/22	12/29

(*) After the last vesting of each plan, the beneficiary has three additional exercise years. The programs 2 to 5 had a 3-year extension in exercise deadline date as approved by the Board of Directors.

The tables below show the changes in stock option plan program for the years ended December 31, 2022 and 2021 and supplemental information thereon:

Program	Number of participants	Changes in 2022 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
2	1	15	-	-	(15)	-
3	2	21	-	-	-	**21**
4	2	21	-	-	-	**21**
5	2	21	-	-	-	**21**
6	3	267	-	-	-	**267**
7	13	171	-	(3)	-	**168**
8	15	637	-	(3)	-	**634**
10	20	335	-	-	-	**335**
11	16	-	402		-	**402**
		1,488	402	(6)	(15)	**1,869**
Weighted average price of exercised options		22.83	18.99	22.46	22.36	**22.01**
Changes in 2021 (thousand options)		1,182	335	(27)	(2)	1,488
Weighted average price of options		22.44	24.17	22.69	23.07	22.83

Program	Number of vested shares (thou.)	Compensation cost for the year	Unrecognized compensation cost	Remaining compensation cost period (in years)
2	15	-	-	-
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	267	211	-	-
7	34	181	168	1.0
8	96	1,172	3,581	7.1
10	67	805	1,394	3.0
11	40	670	2,442	4.1
2022	582	3,039	7,585	5.2
2021	255	2,159	7,513	6.4

As at December 31, 2022, had all options currently granted been exercised, the Company would have issued 1,869 thousand shares, which would represent a 1.80% dilution in relation to the Company´s total of 102,159 thousand shares (1.44% at December 31, 2021).

As at December 31, 2022, Stock options granted represents 69.73% of the total approved plan (92.72% December 31, 2021).

The weighted average market price of exercised shares, considering each exercise date, during the year ended December 31, 2022, was R$25.30 (R$24.06 during the year ended December 31, 2021).

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

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								
	2nd	3rd	4th	5th	6th	7th	8th	10th	11th
Risk-free rate	8.66%	10.86%	12.42%	16.20%	8.61%	6.43%	5.21% e 6.41%	11.19%	12.56%
Vesting period in years (*)	7	7	7	7	7	7	7 e 12	7	7
Expected annualized volatility	42.26%	36.56%	27.17%	26.73%	29.38%	30.86%	39.97%	37.48%	39.21%
Expected dividends	5.00%	5.00%	5.00%	6.02%	5.00%	4.00%	4.00%	4.00%	4.00%
Stock options fair value on grant date per share	R$ 2.73	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

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

The risk-free rate is based on an average of future CDI rates 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	
	2022	2021
Opening balance	**29,173**	19,840
Net contributions (distributions) to noncontrolling shareholders	**41,842**	(9,099)
Capital transaction	**(6,458)**	4,151
Interests in net income for the period	**14,628**	14,281
Closing balance	**79,185**	29,173

(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 Individual	
	2022	2021
Basic earnings per share:		
Net income for the year	**386,072**	368,955
Weighted average number of outstanding common (thousand)	**100,643**	101,826
Basic earnings per share - in R$	**3.83605**	3.62339
Diluted earnings per share:		
Net income for the year	**386,072**	368,955
Weighted average number of outstanding common (thousand)	**100,643**	101,826
Dilutive effect of stock options (thousand)	**126**	313
Total shares after dilutive effect (thousand)	**100,769**	102,139
Diluted earnings per share - in R$	**3.83126**	3.61228

15. Net revenue

	Consolidated		Individual	
	2022	2021	2022	2021
Rental revenue	**219,207**	151,824	**71,319**	46,016
Revenue from management services	**7,123**	5,901	**7,123**	5,901
Revenue from construction services	**4,392**	831	**4,392**	831
Taxes on revenue	**(13,492)**	(9,189)	**(7,902)**	(5,036)
Net revenue	**217,230**	149,367	**74,932**	47,712

As at December 31, 2022, the Company has one Client whose net revenue individually represented 14% of the total, which is R$31,161 (R$2,317 representing 1.6% as at December 31, 2021).

16. Costs and expenses by nature

	Consolidated		Individual	
	2022	2021	2022	2021
Costs of services provided - condominium management	**(3,041)**	(2,166)	**(3,041)**	(2,166)
Operating expenses:				
Salaries, charges and benefits	**(18,946)**	(11,837)	**(18,507)**	(11,768)
Outside services	**(8,666)**	(7,026)	**(5,344)**	(3,880)
General expenses	**(7,229)**	(4,786)	**(6,580)**	(4,492)
Management compensation	**(6,645)**	(5,542)	**(6,645)**	(5,542)
Vacancy expenses	**(3,234)**	(1,899)	**(1,714)**	(683)
Stock options	**(3,039)**	(2,159)	**(3,039)**	(2,159)
Advertising	**(1,583)**	(1,791)	**(1,578)**	(1,786)
Depreciation and amortization	**(1,647)**	(832)	**(1,302)**	(827)
Other operating expenses, net				
Sale of assets (*)	**(10,344)**	15,789	**(11,716)**	(2,296)
Other	**(6,668)**	(7,523)	**(3,526)**	(5,111)
	(68,001)	(27,606)	**(59,951)**	(38,544)
Classified as:				
Selling expenses	**(12,573)**	(10,833)	**(8,481)**	(7,225)
General and administrative expenses	**(31,771)**	(19,497)	**(29,583)**	(18,370)
Management compensation	**(6,645)**	(5,542)	**(6,645)**	(5,542)
Other operating expenses, net	**(17,012)**	8,266	**(15,242)**	(7,407)
	(68,001)	(27,606)	**(59,951)**	(38,544)

(*) Sale of assets as mentioned in Notes 5 and 6.

17. Financial expenses and income

	Consolidated		Individual	
	2022	2021	2022	2021
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	**(147,377)**	(44,572)	**(145,120)**	(42,435)
Mark-to-market derivative financial instruments (includes	**(36,726)**	(1,648)	**(38,140)**	(5,251)
Other financial expenses	**(5,499)**	(1,650)	**(2,254)**	(924)
	(189,602)	(47,870)	**(185,514)**	(48,610)
Financial income				
Income from financial investments	**87,796**	53,335	**80,342**	48,785
Interest income on intercompany loans	**1,146**	332	**1,555**	663
Other financial income (*)	**(76)**	811	**(805)**	512
	88,866	54,478	**81,092**	49,960
Financial result	**(100,736)**	6,608	**(104,422)**	1,350

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21	12/31/22	12/31/21
Short-term investments and marketable securities									
Other related parties:									
Banco Inter S.A. (Inter)	**[1]**	348,125	432,391	-	-	348,125	432,391	-	-
Banco Bradesco S.A.	**[2]**	21,851	3,435	-	-	18,594	511	-	-
Intercompany receivables									
Investiees									
SPEs	**[3]**	-	-	-	-	5,361	4,748	-	-
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	**[4]**	578	563	-	-	27	24	-	-
Trade receivable from sale of equity interests									
Other related parties:									
MRV MRL Camp Nou Incorporações e Participações Ltda.	**[5]**	13,970	14,797	-	-	13,970	14,797	-	-
MRV Engenharia e Participações S.A. (MRV)	**[8]**	-	6,423	-	-	-	6,423	-	-
Loans, financing and debentures									
Other related parties:									
Banco Inter S.A. (Inter)	**[1]**	-	-	-	51,147	-	-	-	51,147
Banco Bradesco S.A.	**[2]**	-	-	-	184,119	-	-	-	184,119
Services supplier									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	**[6]**	-	-	58	46	-	-	58	46
Land payables									
Other related parties:									
Banco Inter S.A. (Inter)	**[9]**	-	-	-	10,590	-	-	-	10,590

		Consolidated				Individual			
		Income		Expense		Income		Expense	
		2022	2021	2022	2021	2022	2021	2022	2021
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	44,588	28,469	-	-	44,588	28,469	-	-
Banco Bradesco S.A.	[2]	3,843	971	-	-	3,429	814	-	-
Intercompany receivables									
Investiees									
SPEs	[3]	-	-	-	-	790	337	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda	[5]	1,065	-	-	-	1,065	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	522	-	-	-	522	-	-	-
Rental revenue									
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	[4]	7,109	5,838	-	-	235	287	-	-
General and administrative expenses									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	310	280	-	-	310	280
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	2,812	1,535	-	-	1,882	772
Other operating expenses, net									
Other related parties:									
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	-	2,328	-	-	-	2,328
Banco Inter S.A. (Inter)	[11]	377	-	-	-	377	-	-	
Financial expenses									
Other related parties:									
Commission:									
Banco Inter S.A. (Inter)	[10]	-	-	1,238	4,058	-	-	1,238	4,058

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the year ended December 31, 2022, short-term investments yielded 93.0% of CDI in Consolidated and Individual (181.4% at December 31, 2021).

[2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Fundo de Investimento em Participações Multisetorial Plus, a shareholder of the Company. In the year ended December 31, 2022, short-term investments yielded 112.9% of CDI in Consolidated and Individual (79.2% at December 31, 2021).

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

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

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

I. R$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R$450 each, updated by INCC index, the first being paid after the approval of the land subdivision project by the 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 April 2022, an amendment was signed rescheduling the payment in the amount of R$11,695 for four installments of R$532 from January to April 2023 and nine installments of R$1,063 from May 2023 to January 2024.

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, 2022	-	13,970	13,970
Trade receivables as at December 31, 2021	-	14,797	14,797

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

[6] Refers to lease agreement of part of 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, 2022, the agreement establishes a total monthly payment (gross of taxes) of R$77 (R$46 on December 31, 2021).

[7] Amounts related to expenses incurred on the provision of administrative services.The agreement establishes a monthly payment of R$254 on December 31, 2022 (R$5 per project of the Company or its investees on December 31, 2021). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition 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] Refers to the purchase of land from the supplier R&R Negócios e Participações S.A. in the amount of R$28,231, with an entry of R$1,000 and 18 monthly and consecutive installments of R$1,513, fully paid in July 2022. The supplier made prepayment of receivables with Banco Inter S.A., which then became the creditor of the transaction, yet without changing its original economic substance.

[10] Refers to services related to coordination, placement and distribution of CRI (Certificates of real estate receivables), under best efforts modality, guaranteed by the Company's 19th issue of debentures.

[11] 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.

Compensation of key management personnel

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

	Consolidated and Individual	
	2022	2021
Short-term benefits granted to management:		
Management compensation	**6,645**	5,542
Profit sharing	**2,880**	1,382
Non-monetary benefits	**166**	162
Long-term benefits to management:		
Retirement private plan	**108**	96
Share-based compensation:		
Stock option plan	**2,385**	1,798
	12,184	8,980

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

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

19. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at December 31, 2022.

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		12/31/22
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap [1]	11/18	10.5% / 108.95% CDI	8/28	17,573	17,681	17,730	(49)	(1,298)	(1,347)
Swap [2]	9/21	IPCA + 5.52%/ CDI + 1.23%	9/28	450,000	502,125	469,171	7,705	(31,684)	1,270
Swap [3]	4/22	IPCA + 6.30%/CDI + 1.47%	3/29	169,650	178,788	176,802	(3,652)	(7,545)	(5,559)
Swap	9/21	LOGG3 (*) / CDI + 1.75%	1/23 and 3/23	74,468	50,731	86,801	-	(39,135)	(39,135)
							4,004	**(79,662)**	**(44,771)**

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

[1] Derivatives designed as hedge instruments, according to hedge accounting methodology. This derivative´s notional value is R$25,000, of which R$23,695, representing 95%, was designated as a hedge instrument for debt protection, according to the hedge accounting methodology.
[2] Derivative fair value includes net payment effect of R$25,249.
[3] Derivative fair value includes net payment effect of R$5,638.
(*) The closing share price on December 31, 2022 was R$16.12/share. If the share price reaches the floor of 100% of the volatility of the last 24 months, reaching R$12.69/share, it would represent an estimated additional loss of R$10,186 and if the share price reaches the ceiling of 100% of the volatility of the last 24 months, reaching R$33.51/share, would represent an approximate net gain of R$12,517, thus reversing the loss 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		12/31/21
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	19,758	19,885	19,885	-	(609)	(609)
Swap	9/21	IPCA + 5.52%/ CDI + 1.23%	9/28	450,000	471,690	459,822	11,868	(12,559)	(691)
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	75,111	75,921	(810)	(1,510)	(2,320)
							11,058	**(14,678)**	**(3,620)**

	Consolidated and Individual
Noncurrent liabilities	3,620

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
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)
2021			
Effect in profit or loss			
Swaps with fair value hedge	11,758	(16,301)	(4,543)
Swaps with no hedge	-	(2,320)	(2,320)
Gross effect in profit or loss	11,758	(18,621)	(6,863)
Reducing effect of hedges	-	16,162	16,162
Net effect in profit or loss	11,758	(2,459)	9,299

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:

	Hedge Instrument (swap)		Hedge Item
Notional value	25,000		25,000
Contract date	12/18		12/18
Maturity date	8/28		9/28
	Long position	**Short position**	**Debt**
Rates	10.5%	108.95% CDI	TR + 10%

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

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

	Hedge Instrument (swap)	Hedge Item
Notional value	169,650	169,650
Contract date	04/22	04/22
Maturity date	03/29	03/29

	Long position	Short position	Debt
Rates	IPCA + 6.30%	CDI + 1.47%	IPCA + 6.30%

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

Fair value hedge	Notional value	Rates	Fair value	Effects on results
	12/31/22		12/31/22	2022
Loans, financing and debentures	**17,573**	10%	**(16,847)** (*)	**691**
Loans, financing and debentures	**450,000**	IPCA + 5.52%	**(470,353)**	**19,213**
Loans, financing and debentures	**169,650**	IPCA + 6.30%	**(171,396)**	**7,544**
	637,223		**(658,596)**	**27,448**
(Hedged item)				
		Long position		
		10%	**16,847**	**(691)**
		IPCA + 5.52%	**470,441**	**(19,125)**
		IPCA + 6.30%	**171,243**	**(7,544)**
			658,531	**(27,360)**
Derivative financial instrument	**17,573**			
Derivative financial instrument	**450,000**			
Derivative financial instrument	**169,650**			
(Hedge instrument)	**637,223**	Short position		
		108.95% CDI	**(18,194)**	**1**
		CDI + 1.23%	**(469,171)**	**-**
		CDI + 1.47%	**(176,802)**	**-**
			(664,167)	**1**
		Swap net position - Individual	**(5,636)**	**(27,359)**
		Total net position - Consolidated	**(664,232)**	**89**

(*) Swap hedging relation of 97.12% of the hedged item.

(b) Category of financial instruments

Consolidated	Note	12/31/22		12/31/21	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		**223,377**	**223,377**	**87,033**	**87,033**
Cash and bank accounts		3,174	3,174	2,516	2,516
Trade receivables	4	220,203	220,203	84,517	84,517
Fair value through profit or loss (mandatorily measured) (*)		**699,181**	**699,181**	**894,089**	**894,089**
Restricted investment funds	3	429,877	429,877	685,911	685,911
Unrestricted investment funds		82,613	82,613	2,924	2,924
Bank certificates of deposit (CDB)		185,421	185,421	205,254	205,254
Derivative financial instruments	19 (a)	1,270	1,270	-	-
Financial liabilities:					
Amortized cost		**1,281,882**	**1,278,849**	**887,079**	**881,124**
Loans, financing and debentures		1,114,989	1,111,956	788,595	782,640
Land payables	9	21,813	21,813	49,417	49,417
Trade payables (suppliers)		43,365	43,365	44,604	44,604
Lease	13	101,715	101,715	4,463	4,463
Fair value through profit or loss (Hedge accounting) (*)		**659,095**	**659,095**	**479,110**	**479,110**
Loans, financing and debentures		659,095	659,095	479,110	479,110
Fair value through profit or loss (mandatorily measured) (*)		**46,041**	**46,041**	**3,620**	**3,620**
Derivative financial instruments	19 (a)	46,041	46,041	3,620	3,620

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

Fair value of loans, financing, and debentures was estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at December 31, 2022 and December 31, 2021.

The table below shows a comparison of the contracted and market rates, at December 31, 2022:

Contractual rate (p.a.)	Current market rate (p.a)	Maturity dates
Debentures and CRI		
CDI + 1.10% to 2.25%	CDI + 1.13% to 2.90%	03/26 to 12/28
108% to 116.50% CDI	CDI + 1.13% to 1.88%	09/24 to 03/25
IPCA + 5.52% to 6.30%	IPCA + 5.75% to 6.54%	09/28 to 03/29
Construction financing		
CDI + 1.65%	CDI + 1.65%	10/24
TR + 10.00%	TR + 10.00%	9/28

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

(c) Exposure to interest rates and inflation adjustment indexes

The 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, 2022, as if such balances were outstanding during the entire 2022, 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 2022, multiplied by the exposed net balance as at December 31, 2022, was used to calculate the financial impact, had the probable scenario materialized in 2022. 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 2022	Estimated annual rate for 2023		Rates changes for each scenario	Total estimated financial impact
Probable scenario:								
CDI/Selic	496,027	(1,856,017)	(1,359,990)	12.33%	13.42%	(i)	1.09%	(14,824)
TR	-	(17,346)	(17,346)	1.62%	2.10%	(i)	0.48%	(83)
IPCA	986,981	(654,749)	332,232	5.78%	5.33%	(ii)	-0.46%	(1,528)
								(16,435)
Scenario I:								
CDI/Selic	496,027	(1,856,017)	(1,359,990)	12.33%	16.78%		4.45%	(60,520)
TR	-	(17,346)	(17,346)	1.62%	2.63%		1.01%	(175)
IPCA	986,981	(654,749)	332,232	5.78%	4.00%		-1.78%	(5,914)
								(66,609)
Scenario II:								
CDI/Selic	496,027	(1,856,017)	(1,359,990)	12.33%	20.13%		7.80%	(106,079)
TR	-	(17,346)	(17,346)	1.62%	3.15%		1.53%	(265)
IPCA	986,981	(654,749)	332,232	5.78%	2.66%		-3.12%	(10,366)
								(116,710)

(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 2023.

(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, 2022 and 2021, the net debt-to-equity ratio is as follows:

	Consolidated		Individual	
	12/31/22	12/31/21	12/31/22	12/31/21
Loans, financing and debentures	**1,774,084**	1,267,705	**1,757,023**	1,248,109
Cash and cash equivalents and marketable securities	**(731,098)**	(896,605)	**(708,895)**	(739,574)
Net debt	**1,042,986**	371,100	**1,048,128**	508,535
Equity	**3,663,838**	3,340,742	**3,584,653**	3,311,569
Net debt-to-equity ratio	**28.5%**	11.1%	**29.2%**	15.4%

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, 2022, 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	329,395	385,128	398,224	1,508,217	2,620,964
Fixed rates liabilities	1,124	6,545	8,728	428,266	444,663
Non-interest bearing liabilities	43,365	-	-	-	43,365
Total	373,884	391,673	406,952	1,936,483	3,108,992
Individual:					
Floating rates liabilities	325,202	381,198	393,848	1,495,339	2,595,587
Fixed rates liabilities	1,093	1,093	1,093	8,597	11,876
Non-interest bearing liabilities	6,830	-	-	-	6,830
Total	333,125	382,291	394,941	1,503,936	2,614,293

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 with first class financial institutions.

20. Guarantees

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

21. Noncash transactions

During the years ended December 31, 2022 and 2021, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated		Individual	
	2022	2021	2022	2021
Interest capitalization (note 8 (d))	**78,367**	20,390	**78,367**	20,390
Right-of-use (remeasurement of CPC 06 (R2)) (note 13)	**1,905**	294	**1,905**	294
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.	862,394
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.	51,304
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, windstorm, etc.	139,448
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	4,062
Barter insurance	Guarantees the fulfillment of the obligation, by the Company, whether financial (payment of due installments) or delivery of GLA after the completion of the agreed work, to the exchanger.	77,889
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	744

23. Subsequent events

In January 2023, the Company partially settled the equity swap operations mentioned in Note 19 (a) for 990 thousand shares for the total amount of R$12 million, simultaneously contracting a new operation for the same number of shares with maturity in July 2024, update by CDI index + 1.84% p.a.

On February 8, 2023, the Board of Directors approved the new program for the repurchase of shares issued by the Company with a purchase limit of up to 5,856,594 (five million, eight hundred and fifty-six thousand, five hundred and ninety-four) ordinary shares, to be executed within a period of up to 18 months from this date.

24. Approval of the financial statements

These financial statements were reviewed by the Fiscal Board and authorized for issuance by the Board of Directors on February 8, 2023.

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.
CNPJ/ME 09.041.168/0001-10
NIRE (State Registration) 31.300.027.261
Publicly-Held Company

MINUTES OF THE FISCAL COUNCIL'S MEETING
HELD ON FEBRUARY 08, 2023

The Meeting of the Fiscal Council of **LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A**. ("Company") was installed with the presence of all of its undersigned members, regardless of call notice. As guests, participated **André Luiz de Ávila Vitória**, Chief Financial and Investor Relations Officer, **Roberto David Barco Villamar and Carlos Andre Azevedo Forlin**, Controllers of the Company, **Bruno Costa** and **Igor Gade,** representatives of Ernst & Young Auditors Independents S.S. ("EY"). All members and guests attended the meeting by videoconference call, pursuant to article 7 of the Fiscal Council's internal regulations ("Internal Regulations"). The meeting, chaired by Mr. **Thiago da Costa e Silva Lott**, and having as its secretary Mrs. **Nicole Leal Sardelli**, was held at 10:00 a.m. of February 08, 2023. In accordance with the Agenda, the following resolutions were taken: **(a)** after the presentation of the Ernst & Young Auditores Independentes S.S., report and the additional explanation from the Company's Officers, the Fiscal Council members examined the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2022, pursuant to the article 4, items (b) and (e) of the Internal Regulations, and unanimously concludes in favor of the approval of the Financial Statements adequately represent, in all relevant aspects, of Company Financial position on December 31, 2022 and are in a position to be analyzed and approved by the Annual Sharehold'rs' Meeting; **(b)** the members also gave a favorable opinion on the mandatory dividends relating to the fiscal year 2022, according to the article 202 of law No. 9.604/1976, in the amount of R$ 91.692.197,63 (ninety-one million, six hundred and ninety-two thousand, one hundred and ninety-seven and sixty-three cents), corresponding to R$ 0,91776786460 per share, based on the profit recorded in the fiscal year ended December 31, 2022. There being no further business to discuss, the meeting was adjourned, and these minutes were drawn up, read, and found compliant, was circulated for signature by members after a late time. **Thiago da Costa e Silva Lott**, Chairman of the meeting and Fiscal Council member; **Nicole Leal Sardelli**, Secretary; **Sicomar Benigno de Araújo Soares** and **Paulino Ferreira Leite**, Fiscal Council members; **André Luiz de Ávila Vitória**, **Roberto David Barco Villamar**, **Carlos Andre Azevedo Forlin, Bruno Costa** and **Igor Gade**, as guests.

Belo Horizonte, February 08, 2023.

Thiago da Costa e Silva Lott
Chairman of the Meeting and Fiscal Council member

Nicole Leal Sardelli
Secretary of the Meeting

Sicomar Benigno de Araújo Soares
Fiscal Council member

Paulino Ferreira Leite
Fiscal Council member

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.
CNPJ/ME 09.041.168/0001-10
NIRE (State Registration) 31.300.027.261
Publicly-Held Company

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of LOG Commercial Properties e Participações S.A. ("Company"), in compliance with legal, regimental and statutory provisions, examined the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2022 and also the opinion of the Independent Auditors, Ernst & Young Auditors Independents S.S., dated February 8, 2022, as well as the information and additional explanation from the Company's Officers and the above mentioned Auditors, the Fiscal Council unanimously concludes in favor of the approval of the Financial Statements adequately represent, in all relevant aspects, of Company patrimony and Financial position on December 31, 2022 and are in a position to be analyzed and approved by the Annual Shareholders' Meeting. The Fiscal Council also gave a favorable opinion on the mandatory dividend distribution proposal in the amount of R$ 91.692.197,63 (ninety-one million, six hundred and ninety-two thousand, one hundred and ninety-seven and sixty-three cents), corresponding to R$ 0,91776786460 per share, based on the profit recorded in the fiscal year ended December 31, 2022, to be incorporated in the mandatory dividends relating to the fiscal year 2022, the result of which will be approved at the Ordinary General Meeting of Shareholders.

Belo Horizonte, February 08, 2023.

Paulino Ferreira Leite
Fiscal Council member

Sicomar Benigno de Araújo Soares
Fiscal Council member

Thiago da Costa e Silva Lott
Fiscal Council member

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.
Corporate Taxpayer's ID (CNPJ) 09.041.168/0001-10
Corporate State Registration (NIRE) 31.300.027.261
Publicly-Held Company

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON FEBRUARY 08, 2023

The Meeting of the Audit Committee ("Committee") of **LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A**. ("Company") was installed with the presence of all of its undersigned members, regardless of call notice, pursuant to article 4.1, of the Committee's internal rules ("Internal Rules"). As guests, participated **André Luiz de Ávila Vitória**, Chief Financial and Investor Relations Officer, **Deborah Mendonça Cardoso Pinho,** Internal Audit and Compliance Management, **Roberto David Barco Villamar** and **Carlos Andre Azevedo Forlin**, Controllers of the Company, **Bruno Costa** and **Igor Gade**, representatives of Ernst & Young Auditores Independentes S.S. ("EY"). All members and guests attended the meeting by videoconference call, pursuant to article 4.1 of Internal Rules. The meeting, chaired by Mr. **Marcos Alberto Cabaleiro Fernandez**, and having as its secretary Mrs. **Nicole Leal Sardelli**, was held at 10:00 a.m. of February 08, 2023. In accordance with the Agenda, the following resolutions were taken: **(a)** after the presentation of the Ernst & Young Auditors Independents report and the additional explanation from the Company's Officers, the Audit Committee members evaluated the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2022, pursuant to the article 5.1, items (iii) of the Internal Rules, and decided unanimously to recommend to the Board of Director the approval of the Financial Statements, prepared in accordance with the appropriate accounting procedures; and **(b)** to approve the annual plan internal audit for the financial year 2023. There being no further business to discuss, the meeting was adjourned, and these minutes were drawn up, read and found compliant, was circulated for signature by members after a late time. **Marcos Alberto Cabaleiro Fernandez**, Chairman of the Meeting and Committee member; **Nicole Leal Sardelli,** Secretary; **Pierre Carvalho Magalhães** and **Thiago da Costa e Silva Lott**, Committee member; **André Luiz de Ávila Vitória**, **Deborah Mendonça Cardoso Pinho**, **Roberto David Barco Villamar**, **Carlos Andre Azevedo Forlin**, **Bruno Costa** and **Igor Gade**, as guests.

Belo Horizonte, February 08, 2023.

Marcos Alberto Cabaleiro Fernandez
Chairman of the Meeting and Committee member

Nicole Leal Sardelli
Secretary

Pierre Carvalho Magalhães
Committee member

Thiago da Costa e Silva Lott
Committee member

Belo Horizonte, February 8, 2023

By this instrument, the Chief Executive Officer and the Chief Financial and Investor Relations Officer of LOG Commercial Properties e Participações S.A., a publicly-held corporation, headquartered at Avenida Mário Werneck, 621 - 10th floor - Estoril, Belo Horizonte, Minas Gerais, registered under CNPJ nº 09.041.168 / 0001-10 ("LOG"), for the purposes of the provisions of items V and VI of paragraph 1 of article 25 of CVM Instruction nº 480 of December 7, 2009 ("INSTRUCTION") declare that:

(i) reviewed, discussed and agreed with LOG's financial statements for the fiscal year ended December 31, 2022.

(ii) reviewed, discussed and agreed with the opinions expressed in the Ernst & Young Auditores Independentes S.S. independent auditors' report, regarding LOG's financial statements for the fiscal year ended December 31, 2022.

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Sérgio Fischer Teixeira de Souza
Chief Executive Officer

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André Luiz De Ávila Vitória
Chief Financial and Investor Relations Officer

CAPITAL BUDGET

On December 31, 2022, the Company's Management proposed, to be approved in General Meeting, the allocation of the remaining earnings balance amounting R$275,1 million to the retained earnings reserve account. This allocation is intended to meet the Company's resources need to future investments, according to the capital budget to be approved in the Ordinary General Meeting, as follows:

	R$ million
ALLOCATION	
Investment Property for Investment	275,1
Total Applications	**275,1**
RESOURCE	
Retained earnings	275,1

Considering these are projections and business perspectives, which involve risks, uncertainties and assumptions, the resources allocation depends on circumstances that may or may not occur.

General economic and sectoral conditions and other operating factors may affect the estimated amounts of fixed assets, working capital and land acquisition.