



Interim Financial Statements

LOG Contagem III | MG

3Q23

LOG Betim | MG

LOG Commercial Properties e Participações S.A.

Interim Financial Statements (ITR)

September 30, 2023

Contents

Report on Review of Interim Financial Statements.....	1
---	---

Review Interim Financial Statements

Statements of Financial Position.....	3
Statements of Profit or Loss.....	4
Statements of Comprehensive Income	5
Statements of Changes in Equity.....	6
Statements of Cash Flows	7
Statements of Added Value.....	8

Notes to the Interim Financial Statements

1. General information.....	9
2. Presentation of financial statements, significant accounting policies and new accounting standards ..	9
3. Cash and cash equivalents and marketable securities.....	10
4. Trade receivables	11
5. Investment in subsidiaries and joint ventures.....	13
6. Investment property	17
7. Property and equipment.....	19
8. Loans, financing and debentures	20
9. Land payables.....	23
10. Barters	23
11. Income tax and social contribution	24
12. Provisions for labor, tax and civil risks	25
13. Lease.....	26
14. Equity.....	27
15. Net revenue.....	29
16. Costs and expenses by nature	30
17. Financial expenses and income	31
18. Related parties	31
19. Financial instruments.....	34
20. Guarantees	38
21. Noncash transactions	39
22. Insurance	39
23. Approval of the interim financial statements.....	39



Edifício Statement
Avenida do Contorno, 5800
16º e 17º andares – Savassi
30110-042 - Belo Horizonte - MG - Brasil
Tel: +55 31 3232-2100
Fax: +55 31 3232-2106
ey.com.br

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

Independent auditor's review report for quarterly information

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

Introduction

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

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

Scope of review

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



Conclusion on the individual interim financial information

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

Conclusion on the consolidated interim financial information

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

Other matters

Statements of value added

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

Belo Horizonte (MG), October 31, 2023.

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

Bruno Costa Oliveira
Contador CRC-BA031359/O

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

(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		9/30/23	12/31/22	9/30/23	12/31/22
Assets					
Current assets					
Cash and cash equivalents	3	436,982	297,733	417,362	295,841
Marketable securities	3	143,928	206,592	105,240	190,271
Receivables	4	372,513	112,887	134,986	54,455
Recoverable taxes		37,841	25,810	27,710	23,681
Prepaid expenses		2,916	3,046	2,018	1,188
Derivative financial instruments	19 (a)	10,838	-	10,838	-
Other assets		2,147	2,229	982	1,031
Total current assets		1,007,165	648,297	699,136	566,467
Noncurrent assets					
Marketable securities	3	231,398	226,773	226,332	222,783
Derivative financial instruments	19 (a)	51,018	1,270	51,018	1,270
Receivables	4	357,311	107,316	72,426	55,710
Receivables from related parties	18	-	-	-	5,361
Prepaid expenses		8,950	13,258	1,253	1,507
Recoverable taxes		40,229	43,464	33,675	41,883
Deferred income tax and social contribution	11 (b)	86,609	47,871	86,609	47,871
Other assets		18,095	14,458	32,557	17,610
Total long-term realisable		793,610	454,410	503,870	393,995
Investments in subsidiaries and joint ventures	5	155,570	148,084	3,768,494	3,335,020
Investment property	6	4,091,119	4,878,721	949,990	1,285,418
Property and equipment	7	16,893	15,416	16,869	15,408
Intangible assets		8,163	5,678	8,163	5,678
Total noncurrent assets		5,065,355	5,502,309	5,247,386	5,035,519
Total assets		6,072,520	6,150,606	5,946,522	5,601,986
Liabilities and equity					
Current liabilities					
Suppliers		28,495	43,365	8,299	6,830
Loans, financing and debentures	8	203,116	181,379	203,116	177,770
Land payables	9	7,333	8,813	-	-
Advances from customers		422	5,787	55	-
Derivative financial instruments	19 (a)	-	39,135	-	39,135
Labor and social liabilities		15,512	13,714	10,662	10,721
Tax liabilities		31,013	19,222	14,906	11,611
Barters	10	80,509	61,994	-	1,686
Deferred taxes	11 (b)	13,273	5,806	3,597	416
Lease liability	13	695	614	753	556
Dividend payable	14 (c)	-	91,692	-	91,692
Intercompany payables	18	-	-	350,650	-
Other liabilities		19,483	8,208	1,113	633
Total current liabilities		399,851	479,729	593,151	341,050
Noncurrent liabilities					
Loans, financing and debentures	8	1,642,565	1,592,705	1,642,565	1,579,253
Derivative financial instruments	19 (a)	-	6,906	-	6,906
Barters	10	61,765	134,712	-	66,853
Deferred taxes	11 (b)	139,918	109,116	7,099	832
Land payables	9	5,667	13,000	-	13,000
Advances from customers		-	42,841	-	-
Provisions for labor, tax and civil risks	12	2,909	2,345	126	144
Lease liability	13	108,177	101,101	9,075	7,881
Other liabilities		18,371	4,313	3,082	1,414
Total noncurrent liabilities		1,979,372	2,007,039	1,661,947	1,676,283
Total liabilities		2,379,223	2,486,768	2,255,098	2,017,333
Equity					
Paid-in capital		2,735,382	2,735,382	2,735,382	2,735,382
Treasury shares		(55,109)	(51,552)	(55,109)	(51,552)
Capital reserves		12,115	9,970	12,115	9,970
Earnings reserve		880,267	890,853	880,267	890,853
Retained earnings		118,769	-	118,769	-
Equity attributable to Company shareholders		3,691,424	3,584,653	3,691,424	3,584,653
Noncontrolling interests	14 (e)	1,873	79,185	-	-
Total equity		3,693,297	3,663,838	3,691,424	3,584,653
Total liabilities and equity		6,072,520	6,150,606	5,946,522	5,601,986

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

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

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

	Notes	Consolidated				Parent Company			
		2023		2022		2023		2022	
		3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months
Net revenue from lease and services provided	15	48,112	172,548	59,181	154,281	17,203	58,128	18,802	54,919
Costs of services provided - condominium management	16	(939)	(2,690)	(849)	(2,226)	(939)	(2,690)	(849)	(2,226)
Gross profit		47,173	169,858	58,332	152,055	16,264	55,438	17,953	52,693
Operating income (expenses)									
Selling expenses	16	(1,650)	(6,929)	(2,888)	(9,051)	(1,320)	(4,588)	(1,904)	(6,215)
General and administrative expenses	16	(8,604)	(26,398)	(7,940)	(22,275)	(7,337)	(22,686)	(7,449)	(20,977)
Management compensation	16	(2,241)	(5,860)	(1,753)	(5,098)	(2,241)	(5,860)	(1,753)	(5,098)
Changes in the fair value of investment property	6	109,790	225,982	77,634	279,563	5,313	1,102	649	(15,447)
Other operating income (expenses), net	16	(72,422)	(164,310)	(1,361)	(3,797)	(20,291)	(48,863)	(1,114)	(3,144)
Results from equity interest in investees	5	3,904	6,469	7,794	12,477	78,374	173,818	107,204	361,247
Income before financial income and taxes		75,950	198,812	129,818	403,874	68,762	148,361	113,586	363,059
Financial income (expenses)									
Financial expenses	17	(65,432)	(135,041)	(35,551)	(109,791)	(62,307)	(123,297)	(34,074)	(107,511)
Financial income	17	32,988	68,693	20,221	63,906	25,092	54,967	19,477	59,233
Income before taxes		43,506	132,464	114,488	357,989	31,547	80,031	98,989	314,781
Income tax and social contribution									
Current		(10,260)	(39,419)	(9,803)	(16,856)	-	-	-	-
Deferred	11	15,348	28,636	7,065	14,800	16,986	38,738	11,589	27,035
	11	5,088	(10,783)	(2,738)	(2,056)	16,986	38,738	11,589	27,035
Net income for the period		48,594	121,681	111,750	355,933	48,533	118,769	110,578	341,816
Net income attributable to:									
Shareholders of the Company		48,533	118,769	110,578	341,816				
Noncontrolling interests	14 (e)	61	2,912	1,172	14,117				
		48,594	121,681	111,750	355,933				
Earnings per share (In Reais - R\$):									
Basic	14 (f)	0.48645	1.18947	1.10060	3.38982	0.48645	1.18947	1.10060	3.38982
Diluted	14 (f)	0.48583	1.18889	1.09929	3.38371	0.48583	1.18889	1.09929	3.38371

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

(In thousands of Brazilian reais - R\$)

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months	3 rd quarter	nine months
Net income for the period	48,594	121,681	111,750	355,933	48,533	118,769	110,578	341,816
Other components of comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	48,594	121,681	111,750	355,933	48,533	118,769	110,578	341,816
Comprehensive income attributable to:								
Shareholders of the Company	48,533	118,769	110,578	341,816				
Noncontrolling interests	61	2,912	1,172	14,117				
	48,594	121,681	111,750	355,933				

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

STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

(In thousands of Brazilian reais - R\$)

	Paid-in capital		Treasury shares	Capital reserves		Earnings reserves		Retained earnings	Equity attributable to Company shareholders (Parent Company)	Noncontrolling interests	Total (Consolidated)
	Subscript	Share issuance costs		Share issuance costs	Recognized options granted	Legal	Earnings retention				
BALANCE AT DECEMBER 31, 2021	2,053,976	(18,594)	(25,155)	-	6,931	52,631	1,241,780	-	3,311,569	29,173	3,340,742
Capital increase	700,000	-	-	-	-	-	(700,000)	-	-	-	-
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	40,368	40,368
Treasury shares:											
Purchased	-	-	(19,518)	-	-	-	-	-	(19,518)	-	(19,518)
Disposed to beneficiaries of stock option plan	-	-	394	-	-	-	(60)	-	334	-	334
Stock options	-	-	-	-	2,046	-	-	-	2,046	-	2,046
Income of the period	-	-	-	-	-	-	-	341,816	341,816	14,117	355,933
BALANCE AT SEPTEMBER 30, 2022	2,753,976	(18,594)	(44,279)	-	8,977	52,631	541,720	341,816	3,636,247	83,658	3,719,905
BALANCE AT DECEMBER 31, 2022	2,753,976	(18,594)	(51,552)	-	9,970	71,935	818,918	-	3,584,653	79,185	3,663,838
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(496)	(496)
Treasury shares:											
Purchased	-	-	(4,620)	-	-	-	-	-	(4,620)	-	(4,620)
Sold	-	-	1,063	-	-	-	(231)	-	832	-	832
Stock options	-	-	-	-	2,145	-	-	-	2,145	-	2,145
Capital transaction	-	-	-	-	-	-	(10,355)	-	(10,355)	(79,728)	(90,083)
Net income for the period	-	-	-	-	-	-	-	118,769	118,769	2,912	121,681
BALANCE AT SEPTEMBER 30, 2023	2,753,976	(18,594)	(55,109)	-	12,115	71,935	808,332	118,769	3,691,424	1,873	3,693,297

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

	Notes	Consolidated		Parent Company	
		nine months of		nine months of	
		2023	2022	2023	2022
Cash flows from operating activities					
Net Income for the period		121,681	355,933	118,769	341,816
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	2,798	947	1,359	943
Results from equity participation	5	(6,469)	(12,477)	(173,818)	(361,247)
Amortization of prepaid expenses		1,366	2,956	364	1,877
Allowance for expected credit loss		497	621	38	(34)
Financial result		103,098	62,139	96,634	62,749
Results on sale of partial equity interest in subsidiary		159,287	2,501	48,780	-
Deferred taxes		(34,068)	(1,451)	(39,596)	(27,035)
Changes in the fair value of investment property	6	(223,920)	(290,957)	(1,102)	15,447
Stock options	16	2,145	2,046	2,145	2,046
		126,415	122,258	53,573	36,562
(Increase) decrease in operating assets:					
Trade accounts receivable		34,988	(15,810)	8,305	(5,824)
Recoverable taxes		(8,796)	(17,964)	4,179	(16,540)
Prepaid expenses		3,072	(4,531)	(940)	(775)
Other assets		(3,555)	(4,875)	(14,898)	(26,272)
Increase (decrease) in operating liabilities:					
Suppliers		(14,870)	(11,870)	1,469	(10,783)
Labor and social liabilities		1,798	4,839	(59)	2,789
Tax liabilities		14,215	15,282	(10,657)	3,971
Intercompany payables		-	-	350,650	-
Other liabilities		(39,600)	2,897	(22,000)	(10,712)
Income tax and social contribution paid		(37,073)	(12,644)	-	(558)
Cash provided by (used in) operating activities		76,594	77,582	369,622	(28,142)
Cash flows from investing activities					
Increase in marketable securities		(633,734)	(784,389)	(436,034)	(500,308)
Decrease in marketable securities		719,071	1,015,952	541,903	710,406
Increase in / acquisition of investments		(2,517)	(7,561)	(410,872)	(465,232)
Dividends received from subsidiaries	5 (c)	1,500	6,160	206,384	143,028
Acquisition of investment properties		(401,541)	(743,706)	(7,698)	(86,642)
Receipt for the sale of subsidiaries / assets		706,404	185,841	156,773	10,012
Receipts from related companies		-	-	5,401	(1)
Other		(4,876)	(8,224)	(3,421)	(8,235)
Net cash provided by (used in) investing activities		384,307	(335,927)	52,436	(196,972)
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		242,011	690,603	242,011	690,603
Amortization of loans, financing and debentures	8 (a)	(172,920)	(143,225)	(154,593)	(141,561)
Interest paid		(204,740)	(126,729)	(202,448)	(123,068)
Lease payments	13	(493)	(339)	(493)	(339)
Dividend paid	14 (c)	(91,692)	(87,627)	(91,692)	(87,627)
(Payment) receipt on derivative financial instrument		(89,534)	(30,887)	(89,534)	(30,887)
Disposal (acquisition) of treasury shares	14 (b)	(3,788)	(19,518)	(3,788)	(19,518)
Proceeds from exercised stock options		-	334	-	334
Contributions from noncontrolling shareholders	14 (e)	(496)	40,368	-	-
Net cash (used in) provided by financing activities		(321,652)	322,980	(300,537)	287,937
Increase in cash and cash equivalents		139,249	64,635	121,521	62,823
Cash and cash equivalents					
At the beginning of the period		297,733	207,564	295,841	206,623
At the end of the period	3	436,982	272,199	417,362	269,446
Increase in cash and cash equivalents		139,249	64,635	121,521	62,823

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

STATEMENTS OF ADDED VALUE FOR THE NINE MONTHS PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(In thousands of Brazilian reais - R\$)

	Notes	Consolidated		Parent Company	
		nine months of		nine months of	
		2023	2022	2023	2022
Revenue:					
Revenues from lease and services provided		182,961	164,170	64,349	60,762
Other revenue		(92,327)	8,131	(13,936)	559
Changes in the fair value of investment property	6	223,920	290,957	1,102	(15,447)
Revenue from construction of own assets		463,688	746,205	7,208	83,558
Allowance for expected credit loss		(497)	(621)	(38)	34
		<u>777,745</u>	<u>1,208,842</u>	<u>58,685</u>	<u>129,466</u>
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		(345,162)	(622,564)	(35,843)	(93,270)
		<u>(345,162)</u>	<u>(622,564)</u>	<u>(35,843)</u>	<u>(93,270)</u>
Gross added value					
		<u>432,583</u>	<u>586,278</u>	<u>22,842</u>	<u>36,196</u>
Depreciation	16	(2,798)	(947)	(1,359)	(943)
Net wealth created					
		<u>429,785</u>	<u>585,331</u>	<u>21,483</u>	<u>35,253</u>
Added value received in transfer					
Results from equity interest in investees	5	6,469	12,477	173,818	361,247
Financial income		71,222	66,983	57,475	62,104
		<u>77,691</u>	<u>79,460</u>	<u>231,293</u>	<u>423,351</u>
Total wealth for distribution					
		<u>507,476</u>	<u>664,791</u>	<u>252,776</u>	<u>458,604</u>
Wealth distributed					
Personnel:					
Salaries and wages		48,578	47,686	24,025	26,056
Benefits		38,251	38,165	19,740	21,848
Benefits		8,333	7,532	3,449	3,296
Severance pay fund (FGTS)		1,994	1,989	836	912
Taxes and fares:					
Federal		104,504	47,395	(542)	(12,807)
State		102,251	44,733	(1,006)	(13,650)
Municipal		-	15	-	13
		2,253	2,647	464	830
Lenders and lessors:					
Interest		232,713	213,777	110,524	103,539
Rentals / Leases		190,630	165,829	108,055	93,852
Other		41,797	47,724	2,400	9,635
		286	224	69	52
Shareholders:					
Retained earnings		121,681	355,933	118,769	341,816
Noncontrolling interests	14 (e)	118,769	341,816	118,769	341,816
		2,912	14,117	-	-
Wealth distributed					
		<u>507,476</u>	<u>664,791</u>	<u>252,776</u>	<u>458,604</u>

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



LOG Commercial Properties e Participações S.A.

Notes to the Interim Condensed Financial Statements

September 30, 2023

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

1. General information

LOG Commercial Properties e Participações S.A. ("Company") is a publicly traded corporation listed in B3 S.A (B3), with its head office at 621 Professor Mário Werneck Ave., 10th floor, Belo Horizonte city, Minas Gerais, by CNPJ (taxpayer identification number) 09.041.168/0001-10. The Company was incorporated on June 10, 2008 and is engaged in the following activities: (i) management of own and third party assets; (ii) rendering engineering and construction services for residential and/or commercial properties; (iii) development, construction, rent and related services, including real estate consulting, on own or third-party residential and/or commercial buildings, mainly warehouses; and (iv) holding interests in other entities, either as partner or shareholder.

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

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

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

2.1 Presentation of condensed interim financial statements

The Company's interim financial statements comprise:

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

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

Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2022.

2.2 Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2022.

2.3 Adoption of new standards

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

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
<u>Cash and cash equivalents:</u>				
Cash	31	1	31	1
Bank accounts	669	3,173	345	1,281
Short-term investments:				
Bank certificates of deposit (CDB)	19,296	185,190	-	185,190
Unrestricted investment funds	416,986	79,356	416,986	79,356
Securities with repurchase agreement backed by debentures	-	30,013	-	30,013
Total cash and cash equivalents	436,982	297,733	417,362	295,841

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
<u>Marketable securities:</u>				
Restricted investment funds (i)	371,760	429,877	331,572	413,054
Unrestricted investment funds (ii)	3,566	3,257	-	-
Bank certificates of deposit (CDB) (iii)	-	231	-	-
Total marketable securities	375,326	433,365	331,572	413,054
Current	143,928	206,592	105,240	190,271
Noncurrent	231,398	226,773	226,332	222,783
	375,326	433,365	331,572	413,054

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

(ii) Represents guarantee for debenture.

Short-term investments and marketable securities yielded interest equivalent to 89.3% of DI rate in Consolidated and Parent Company in the nine-month period ended September 30, 2023 (100.8% of DI rate in Consolidated and 101.0% of DI rate in Parent Company for the same period of 2022).

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Bank certificates of deposit (CDB)	5,809	2,928	3,632	2,325
Securities with repurchase agreement	-	561	-	446
Investment funds	14,982	9,846	13,135	7,820
Debentures	15,803	30,868	11,470	27,536
Private bonds	53,260	139,832	35,273	132,862
Public securities:				
Financial Treasury Bills (LFT)	13,205	9,160	8,258	7,666
National Treasury Notes - B (NTN-B)	227,832	223,284	226,332	222,783
National Treasury Bills (LTN)	19,754	8,613	12,352	6,841
Others	21,115	4,785	21,120	4,775
Total	371,760	429,877	331,572	413,054

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

Other information on cash and market table securities did not significantly change in relation to the information disclosed in Note 3 to the financial statements for the year ended December 31, 2022.

4. Trade receivables

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Sale of equity interest / assets	670,580	155,615	180,853	80,319
Rentals	53,477	59,686	14,264	20,154
Condominium administration	1,032	868	1,032	868
Others (*)	15,926	14,728	14,577	12,100
	741,015	230,897	210,726	113,441
Allowance for expected credit loss	(11,191)	(10,694)	(3,314)	(3,276)
Total	729,824	220,203	207,412	110,165
Current	372,513	112,887	134,986	54,455
Noncurrent	357,311	107,316	72,426	55,710
	729,824	220,203	207,412	110,165

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

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Seattle I (Note 6)	347,375	-	57,896	-
Seattle II (Note 6)	96,961	-	-	-
LGCP11 (Note 6)	63,445	-	15,415	-
Torino	53,983	52,928	53,983	52,928
Toronto (Note 6)	47,939	-	30,977	-
SPE LOG PIB Meli (*)	38,295	75,296	-	-
SPE LOG SJC Sony (Note 18 [5])	13,754	13,970	13,754	13,970
Plaza Top Life	8,828	11,568	8,828	11,568
Plaza Mirante Sul	-	1,853	-	1,853
	670,580	155,615	180,853	80,319
Current	341,898	80,708	123,724	43,047
Noncurrent	328,682	74,907	57,129	37,272
	670,580	155,615	180,853	80,319

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

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

The table below shows the aging list of trade receivables:

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
In due:				
Up to 12 months	370,275	112,531	133,060	52,606
After 12 months	357,311	107,316	72,426	55,710
	727,586	219,847	205,486	108,316
Past due:				
Up to 30 days	1,183	549	1,039	209
31 to 90 days	468	928	342	357
More than 90 days	11,778	9,573	3,859	4,559
	13,429	11,050	5,240	5,125
Total	741,015	230,897	210,726	113,441



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

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Opening balance	(10,694)	(9,560)	(3,276)	(3,161)
Additions	(646)	(808)	(187)	(153)
Write-off	149	187	149	187
Closing balance	<u>(11,191)</u>	<u>(10,181)</u>	<u>(3,314)</u>	<u>(3,127)</u>

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
12 months	217,440	248,899	52,676	66,735
13 to 24 months	217,670	223,341	43,633	55,221
25 to 36 months	195,710	193,233	35,752	45,558
37 to 48 months	166,454	162,224	25,285	36,660
49 to 60 months	126,549	121,680	12,996	14,693
After 60 months	399,828	290,208	32,937	16,836
Total	<u>1,323,651</u>	<u>1,239,586</u>	<u>203,279</u>	<u>235,702</u>

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

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees		Investment	
			Equity			
	9/30/23	12/31/22	9/30/23	12/31/22	9/30/23	12/31/22
Joint ventures:						
Loteamento Betim	50.00%	50.00%	148,290	131,979	74,145	65,989
LOG SJC Sony	64.97%	64.97%	109,176	109,179	70,932	70,934
Others			2,302	(71)	106	252
Capitalized interest (a)			-	-	10,387	10,909
Total joint ventures - Consolidated			259,768	241,087	155,570	148,084
Subsidiaries:						
LOG I	100.00%	100.00%	147,622	158,931	147,622	158,931
LOG II	100.00%	100.00%	59,851	59,593	59,851	59,593
LOG Jundiá	100.00%	100.00%	95,616	95,790	95,616	95,790
LOG Goiânia	100.00%	100.00%	145,610	157,654	145,610	157,654
LOG Hortolândia	100.00%	100.00%	136,370	135,750	136,370	135,750
LOG SJP	100.00%	100.00%	38,482	62,318	38,482	62,318
LOG Juiz de Fora	100.00%	100.00%	112,151	109,912	112,151	109,912
LOG Feira de Santana	100.00%	100.00%	41,286	41,230	41,286	41,230
LOG Fortaleza	100.00%	100.00%	149,671	149,874	149,671	149,874
LOG Via Expressa	100.00%	100.00%	176,884	176,474	176,884	176,474
LOG Viana	100.00%	100.00%	136,305	136,536	136,305	136,536
LOG Londrina	100.00%	100.00%	104,551	130,026	104,551	130,026
LOG Itatiaia	100.00%	100.00%	65,502	64,358	65,502	64,358
LOG Aracajú	100.00%	100.00%	63,391	78,043	63,391	78,043
LOG Extrema	97.48%	97.48%	1,669	637	1,627	621
LOG Uberaba	100.00%	100.00%	46,211	45,509	46,211	45,509
LOG Itaitinga I	100.00%	100.00%	231,183	361,871	231,183	361,871
LOG Recife	100.00%	81.50%	298,269	428,876	298,269	349,701
LOG Itapeva	100.00%	100.00%	111,243	108,956	111,243	108,956
LOG PIB Meli	100.00%	100.00%	36,183	69,465	36,183	69,465
LOG Salvador	100.00%	100.00%	260,621	148,438	260,621	148,438
LOG Maceió	100.00%	100.00%	99,197	28,439	99,197	28,439
LOG Sumaré	100.00%	100.00%	34	33	34	33
LOG SJRP	100.00%	100.00%	23,977	23,683	23,977	23,683
LOG Macaé	100.00%	100.00%	14,275	14,140	14,275	14,140
LOG RP	100.00%	100.00%	61,292	56,436	61,292	56,436
LOG Viana II	100.00%	100.00%	191,455	166,289	191,455	166,289
LOG Natal	100.00%	100.00%	47,309	31,159	47,309	31,159
LOG Contagem IV	100.00%	100.00%	115,419	85,432	115,419	85,432
LOG Teresina	0.00%	100.00%	-	11	-	11
LOG Campo Grande	100.00%	100.00%	34,764	11,748	34,764	11,748
LOG Brasília	100.00%	100.00%	121,027	58,663	121,027	58,663
LOG Cuiabá	100.00%	100.00%	18,227	760	18,227	760
LOG Joinville	100.00%	100.00%	1,148	986	1,148	986
LOG Itaitinga II	100.00%	100.00%	196,452	20,192	196,452	20,192
LOG Goiânia III	100.00%	100.00%	1,181	56	1,181	56
LOG Betim III	100.00%	100.00%	1	2	1	2
LOG Gravataí II	100.00%	100.00%	3	2	3	2
LOG São Bernardo do Campo	100.00%	100.00%	66,970	4,210	66,970	4,210
LOG Contagem V	100.00%	0.00%	1	-	1	-
LOG São José dos Pinhais II	100.00%	0.00%	21,922	-	21,922	-
LOG Recife II	100.00%	0.00%	44,861	-	44,861	-
LDI	100.00%	100.00%	1,295	1,232	1,295	1,232
LE Empreendimentos	98.08%	99.00%	95,315	42,841	93,485	42,413
Total subsidiaries			3,614,796	3,266,555	3,612,924	3,186,936
Total Parent Company			3,874,564	3,507,642	3,768,494	3,335,020

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision (Note 2.2 (e) to the financial statements for the year ended December 31, 2022).

	Equity interest		Information on investees				Results from equity participation for the			
			Net income (loss) for the				3 rd quarter of		nine months of	
	9/30/23	9/30/22	3 rd quarter of		nine months of		3 rd quarter of		nine months of	
			2023	2022	2023	2022	2023	2022	2023	2022
Torino	0.00%	40.00%	-	7,354	-	20,421	-	2,941	-	8,168
Loteamento Betim	50.00%	50.00%	8,585	1,042	14,750	1,763	4,293	5,401	7,375	5,497
LOG SJC Sony	64.97%	64.97%	(21)	(15)	(58)	(47)	(14)	(10)	(38)	(31)
Others			(927)	(2,509)	(2,074)	(5,554)	(154)	(419)	(346)	(926)
Capitalized interest (a)			-	-	-	-	(221)	(119)	(522)	(231)
			7,637	5,872	12,618	16,583	3,904	7,794	6,469	12,477
LOG I	100.00%	100.00%	5,364	548	10,800	5,677	5,364	548	10,800	5,677
LOG II	100.00%	100.00%	828	720	2,395	2,217	828	720	2,395	2,217
LOG Jundiá	100.00%	100.00%	1,126	952	3,239	2,435	1,126	952	3,239	2,435
LOG Goiânia	100.00%	100.00%	5,652	8,484	10,730	13,342	5,652	8,484	10,730	13,342
LOG Hortolândia	100.00%	100.00%	2,636	1,909	6,663	5,826	2,636	1,909	6,663	5,826
LOG SJP	100.00%	100.00%	(2,608)	806	(4,840)	2,149	(2,608)	806	(4,840)	2,149
LOG Juiz de Fora	100.00%	100.00%	1,312	2,044	5,324	5,544	1,312	2,044	5,324	5,544
LOG Feira de Santana	100.00%	100.00%	551	570	1,600	1,660	551	570	1,600	1,660
LOG Fortaleza	100.00%	100.00%	2,257	2,039	6,285	7,869	2,257	2,039	6,285	7,869
LOG Via Expressa	100.00%	100.00%	2,494	2,058	6,877	6,518	2,494	2,058	6,877	6,518
LOG Viana	100.00%	100.00%	2,844	(3,044)	7,425	951	2,844	(3,044)	7,425	951
LOG Londrina	100.00%	100.00%	(25,210)	767	(23,217)	5,298	(25,210)	767	(23,217)	5,298
LOG Itatiaia	100.00%	100.00%	978	455	2,586	1,455	978	492	2,586	1,455
LOG Aracajú	100.00%	100.00%	(14,741)	1,154	(12,489)	3,291	(14,741)	1,154	(12,489)	3,291
LOG Extrema	97.48%	97.48%	9	106	1,031	3,287	9	103	1,005	3,204
LOG Uberaba	100.00%	100.00%	677	669	1,910	1,999	677	693	1,910	1,999
LOG Itaitinga I	100.00%	100.00%	1,832	4,235	(34,219)	105,283	1,832	4,235	(34,219)	105,283
LOG Recife	100.00%	80.00%	2,869	5,873	(17,278)	70,198	2,869	4,698	(19,361)	56,158
LOG Itapeva	100.00%	100.00%	1,604	7,750	4,817	10,391	1,604	7,750	4,817	10,391
LOG PIB Meli	100.00%	100.00%	191	(2,436)	(5,123)	5,292	191	(2,436)	(5,123)	5,292
LOG Salvador	100.00%	100.00%	7,814	1,728	19,586	2,013	7,814	1,728	19,586	2,013
LOG Maceió	100.00%	100.00%	4,167	411	5,157	519	4,167	411	5,157	519
LOG Sumaré	100.00%	100.00%	1	-	1	-	1	-	1	-
LOG SJRP	100.00%	100.00%	(21)	514	(58)	1,328	(21)	514	(58)	1,328
LOG Macaé	100.00%	100.00%	(21)	(16)	(58)	(48)	(21)	(16)	(58)	(48)
LOG RP	100.00%	100.00%	934	1,088	2,973	2,830	934	1,088	2,973	2,830
LOG Viana II	100.00%	100.00%	2,224	5,723	14,061	12,569	2,224	5,723	14,061	12,569
LOG Natal	100.00%	100.00%	883	432	2,229	18,369	883	432	2,229	18,369
LOG Contagem IV	100.00%	100.00%	2,242	514	6,692	48,125	2,242	514	6,692	48,125
LOG Teresina	0.00%	100.00%	61	(393)	-	(395)	-	(393)	(61)	(395)
LOG Campo Grande	100.00%	100.00%	487	(11)	17,879	(12)	487	(11)	17,879	(12)
LOG Brasília	100.00%	100.00%	1,260	49,054	1,640	49,053	1,260	49,054	1,640	49,053
LOG Cuiabá	100.00%	100.00%	17,333	(11)	17,295	(11)	17,333	(11)	17,295	(11)
LOG Joinville	100.00%	100.00%	(21)	(10)	(57)	(10)	(21)	(10)	(57)	(10)
LOG Itaitinga II	100.00%	100.00%	4,122	-	11,875	-	4,122	-	11,875	-
LOG Goiânia III	100.00%	0.00%	(1)	-	(2)	-	(1)	-	(2)	-
LOG Betim III	100.00%	100.00%	(1)	-	(2)	-	(1)	-	(2)	-
LOG Gravataí II	100.00%	100.00%	(1)	(1)	(2)	(1)	(1)	(1)	(2)	(1)
LOG São Bernardo do Campo	100.00%	0.00%	(2,754)	-	57,424	-	(2,754)	-	57,424	-
LOG Contagem V	100.00%	0.00%	(1)	-	(2)	-	(1)	-	(2)	-
LOG São José dos Pinhais II	100.00%	0.00%	21,918	-	21,918	-	21,918	-	21,918	-
LOG Recife II	100.00%	0.00%	44,858	-	44,858	-	44,858	-	44,858	-
LDI	100.00%	100.00%	36	276	64	298	36	276	64	298
LE Empreendimentos	98.08%	99.00%	18	25,778	37,780	25,743	18	25,520	37,055	25,486
Capitalized interest (a)			-	-	-	-	(21,671)	(19,950)	(65,523)	(57,902)
Total subsidiaries			96,202	120,735	235,767	421,052	74,470	99,410	167,349	348,770
Total Parent Company			103,839	126,607	248,385	437,635	78,374	107,204	173,818	361,247

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision (Note 2.2 (e) to the financial statements for the year ended December 31, 2022).

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Loteamento Betim		LOG SJC Sony	
	9/30/23	12/31/22	9/30/23	12/31/22
Cash and cash equivalents and marketable securities	1,729	8	3	3
Trade receivables	8,331	1,853	-	-
Inventories	39,317	41,841	-	-
Other current assets	16	30	-	-
Total current	49,393	43,732	3	3
Trade receivables	5,703	1,271	-	-
Inventories	96,515	90,681	-	-
Investment property	-	-	113,100	113,100
Total noncurrent assets	102,218	91,952	113,100	113,100
Total assets	151,611	135,684	113,103	113,103
Current liabilities	2,979	3,682	7	5
Noncurrent liabilities	342	23	3,920	3,919
Equity	148,290	131,979	109,176	109,179
Liabilities and equity	151,611	135,684	113,103	113,103

	Torino		Loteamento Betim		LOG SJC Sony	
	nine months of		nine months of		nine months of	
	2023	2022	2023	2022	2023	2022
Operating revenue	-	24,048	23,116	5,941	-	-
Cost of products and services	-	-	(7,661)	(3,746)	-	-
Other operating expenses	-	(1,593)	(36)	(53)	(57)	(46)
Financial income (expenses)	-	1,031	88	(2)	(1)	(1)
Income tax and social contribution	-	(3,065)	(757)	(377)	-	-
Net income (loss)	-	20,421	14,750	1,763	(58)	(47)

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

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity interest in investees	Dividends received	Other	Closing balances
<u>Nine month period ended September 30, 2023:</u>							
Joint ventures:							
Loteamento Betim	3/18	65,989	2,281	7,375	(1,500)	-	74,145
LOG SJC Sony	-	70,934	36	(38)	-	-	70,932
Others	-	252	200	(346)	-	-	106
Capitalized interest (a)		10,909	-	(522)	-	-	10,387
Total joint ventures - Consolidated		148,084	2,517	6,469	(1,500)	-	155,570
Subsidiaries:							
LOG I	2/09	158,931	4,236	10,800	(26,345)	-	147,622
LOG II	3/11	59,593	832	2,395	(2,969)	-	59,851
LOG Jundiaí	4/11	95,790	988	3,239	(4,401)	-	95,616
LOG Goiânia	4/12	157,654	3,384	10,730	(26,158)	-	145,610
LOG Hortolândia	9/12	135,750	2,490	6,663	(8,533)	-	136,370
LOG SJP	4/13	62,318	125	(4,840)	(19,121)	-	38,482
LOG Juiz de Fora	6/13	109,912	1,399	5,324	(4,484)	-	112,151
LOG Feira de Santana	6/13	41,230	539	1,600	(2,083)	-	41,286
LOG Fortaleza	8/13	149,874	3,786	6,285	(10,274)	-	149,671
LOG Via Expressa	11/13	176,474	1,889	6,877	(8,356)	-	176,884
LOG Viana	4/14	136,536	(1,687)	7,425	(5,969)	-	136,305
LOG Londrina	6/14	130,026	18,946	(23,217)	(21,204)	-	104,551
LOG Itatiaia	7/14	64,358	1,421	2,586	(2,863)	-	65,502
LOG Aracajú	10/18	78,043	1,071	(12,489)	(3,234)	-	63,391
LOG Extrema	10/19	621	1	1,005	-	-	1,627
LOG Uberaba	9/20	45,509	1,492	1,910	(2,700)	-	46,211
LOG Itaitinga I	9/21	361,871	(86,199)	(34,219)	(10,270)	-	231,183
LOG Recife (b)	5/22	349,701	10,460	(19,361)	(32,871)	(9,660)	298,269
LOG Itapeva	8/22	108,956	2,299	4,817	(4,829)	-	111,243
LOG PIB Meli	8/22	69,465	(28,159)	(5,123)	-	-	36,183
LOG Salvador	6/23	148,438	92,855	19,586	(258)	-	260,621
LOG Maceió	6/23	28,439	67,562	5,157	(1,961)	-	99,197
LOG Sumaré	-	33	-	1	-	-	34
LOG SJRP	-	23,683	353	(58)	(1)	-	23,977
LOG Macaé	-	14,140	193	(58)	-	-	14,275
LOG RP	-	56,436	1,883	2,973	-	-	61,292
LOG Viana II	4/23	166,289	16,543	14,061	(5,438)	-	191,455
LOG Natal	-	31,159	13,943	2,229	(22)	-	47,309
LOG Contagem IV	-	85,432	23,315	6,692	(20)	-	115,419
LOG Teresina	-	11	50	(61)	-	-	-
LOG Campo Grande	-	11,748	5,148	17,879	(11)	-	34,764
LOG Brasília	-	58,663	60,951	1,640	(227)	-	121,027
LOG Cuiabá	-	760	172	17,295	-	-	18,227
LOG Joinville	-	986	219	(57)	-	-	1,148
LOG Itaitinga II	7/23	20,192	164,658	11,875	(273)	-	196,452
LOG Goiânia III	-	56	1,127	(2)	-	-	1,181
LOG Betim III	-	2	1	(2)	-	-	1
LOG Gravataí II	-	2	3	(2)	-	-	3
LOG São Bernardo do Campo	-	4,210	5,345	57,424	(9)	-	66,970
LOG Contagem V	-	-	3	(2)	-	-	1
LOG São José dos Pinhais II	-	-	4	21,918	-	-	21,922
LOG Recife II	-	-	3	44,858	-	-	44,861
LDI	-	1,232	(1)	64	-	-	1,295
LE Empreendimentos	-	42,413	14,712	37,055	-	(695)	93,485
Capitalized interest (a)		-	-	(65,523)	-	65,523	-
Total subsidiaries		3,186,936	408,355	167,349	(204,884)	55,168	3,612,924
Total Parent Company		3,335,020	410,872	173,818	(206,384)	55,168	3,768,494
<u>Nine month period ended September 30, 2022:</u>							
Total Consolidated		313,663	7,561	12,477	(6,160)	-	327,541
Total Parent Company		2,681,877	465,232	361,247	(143,028)	57,902	3,423,230

(a) Amount related to the capitalized financial charges on loans, financing, and debentures taken by the Company for the acquisition/development of its investees' investment properties and industrial subdivision (Note 2.2 (e) to the financial statements for the year ended December 31, 2022).

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

Other information on Interests in subsidiaries and joint ventures did not significantly change from the information disclosed in Note 5 to the financial statements for the year ended December 31, 2022.

6. Investment property

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Industrial warehouses	4,088,992	4,876,661	947,863	1,283,358
Strip malls	2,127	2,060	2,127	2,060
Total	4,091,119	4,878,721	949,990	1,285,418

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

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Opening balance	4,878,721	3,772,706	1,285,418	1,290,715
Additions	341,283	739,551	7,697	141,094
Right-of-use of land [1]	(1,436)	63,800	-	-
Capitalized interest (Note 8 (d))	65,523	60,879	-	2,977
Sale of assets	(1,159,870)	(234,456)	(156,069)	-
Cancellation of land contracts	-	(10,756)	-	(10,756)
Transfer to noncurrent assets available for sale	(165,000)	-	(106,620)	-
Write-off due to spin-off in subsidiary	(92,022)	-	-	-
Transfer of investment properties to SPE	-	-	(81,538)	(48,744)
Changes in fair value [2]	223,920	290,957	1,102	(15,447)
Closing balance	4,091,119	4,682,681	949,990	1,359,839

[1] 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.

[2] Refers to the fair value valuation of LOG Cuiabá, LOG São José dos Pinhais II and LOG Recife II due to the start of works and annual fair value assessment of LOG I, Gaiolli, Rio Campo Grande, Goiânia I, Viana I.

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

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Changes in fair value of investment property	223,920	290,957	1,102	(15,447)
Deferred PIS/COFINS	2,062	(11,394)	-	-
Changes in fair value of investment property in profit or loss	225,982	279,563	1,102	(15,447)

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

- Completed projects: the discounted cash flow assumptions described in the financial statements of December 31, 2022 were maintained, except for cases that suffer significant changes, for which new valuations were performed.
- Projects under construction: the discounted cash flow assumptions described in the financial statements of December 31, 2022 were maintained, increased by the construction cost incurred in the nine-month period ended September 30, 2023 except for cases that suffer significant changes, for which new valuations were performed.

- Land purchased: the amounts were assessed, and the fair values determined in the financial statements of December 31, 2022 were maintained, increased by the construction costs incurred in the nine-month period ended September 30, 2023.
- Acquisition of new plot land: stated at the acquisition cost increased by the construction costs incurred in the nine-month period ended September 30, 2023, when applicable.

Sale of assets

In the nine-month period ended on September 30, 2023, the asset groups “Seattle I” and “Seattle II” were sold to the fund “BTG Pactual LOGCP Fundo de Investimento Imobiliário - FII” and “Toronto” to the fund “Golgi Fundo de Investimento Imobiliário – FII”, as well as additional interests in assets for the fund “LOGCP Inter Fundo de Investimento Imobiliário” (LGCP11), as shown below:

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

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

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

Noncurrent assets held for sale

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

In the second quarter of 2023, the Group transferred assets from LOG Gravataí and SPE LOG São José dos Pinhais to the item “Noncurrent assets held for sale”, concluding the aforementioned sale of these assets to the “Golgi Fundo de Investimento Imobiliário - FII” in the third quarter of 2023.

As at September 30, 2023, from the total amount of investment property, R\$1,045,238 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$1,247,461 as at December 31, 2022).

Other information on investment property did not significantly change in relation to the information disclosed in Note 6 to the financial statements for the year ended December 31, 2022.

7. Property and equipment

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

Consolidated	Opening balance	Addition	Closing balance
Nine month period ended September 30, 2023:			
<u>Cost:</u>			
Right-of-use (*)	9,413	1,884	11,297
Other	8,984	476	9,460
Total cost	18,397	2,360	20,757
<u>Accumulated depreciation:</u>			
Right-of-use	1,449	666	2,115
Other	1,532	217	1,749
Total accumulated depreciation	2,981	883	3,864
Total property and equipment, net	15,416	1,477	16,893
Nine month period ended September 30, 2022:			
Total property and equipment, net	4,927	9,462	14,389

(*) Company's office rental agreements.

Parent Company	Opening balance	Addition	Closing balance
Nine month period ended September 30, 2023:			
<u>Cost:</u>			
Right-of-use (*)	9,413	1,884	11,297
Other	8,779	455	9,234
Total cost	18,192	2,339	20,531
<u>Accumulated depreciation:</u>			
Right-of-use	1,450	666	2,116
Other	1,334	212	1,546
Total accumulated depreciation	2,784	878	3,662
Total property and equipment, net	15,408	1,461	16,869
Nine month period ended September 30, 2022:			
Total property and equipment, net	4,903	9,476	14,379

(*) Company's office rental agreements.

8. Loans, financing and debentures

a) Position

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

Type	9/30/23			12/31/22
	Current	Noncurrent	Total	Total
<u>Parent Company:</u>				
Debenture - 12 th issue	-	-	-	50,121
Debenture - 15 th issue (CRI)	7,077	29,750	36,827	42,118
Debenture - 16 th issue (CRI)	18,252	9,091	27,343	47,182
Debenture - 17 th issue	76,836	-	76,836	159,532
Debenture - 18 th issue	84,304	166,667	250,971	260,474
Debenture - 19 th issue (CRI) (*)	1,316	493,527	494,843	470,353
Debenture - 20 th issue - 1 st series (CRI)	826	130,350	131,176	135,851
Debenture - 20 th issue - 2 nd series (CRI) (*)	532	179,210	179,742	171,396
Debenture - 21 st issue	12,940	400,000	412,940	428,321
Debenture - 22 nd issue (CRI)	675	250,000	250,675	-
(-) Funding cost	(6,392)	(16,571)	(22,963)	(20,046)
Total debentures and CRI - Parent Company	196,366	1,642,024	1,838,390	1,745,302
Construction financing	6,856	550	7,406	11,914
(-) Funding cost	(106)	(9)	(115)	(193)
Total financing - Parent Company	6,750	541	7,291	11,721
Total Parent Company	203,116	1,642,565	1,845,681	1,757,023
<u>Subsidiaries:</u>				
Construction financing (*)	-	-	-	17,346
(-) Funding cost	-	-	-	(285)
Total financing - Subsidiaries	-	-	-	17,061
Total Consolidated	203,116	1,642,565	1,845,681	1,774,084

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

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

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

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

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

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

Funding during the nine-month period ended September 30, 2023 is as follows:

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

(*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Opening balance	1,774,084	1,267,705	1,757,023	1,248,109
Funding	250,000	700,000	250,000	700,000
Interest expense	183,241	158,465	182,332	156,841
Fair value adjustment	16,762	(15,966)	15,722	(15,601)
Funding cost	(7,989)	(9,397)	(7,989)	(9,397)
Amortization of funding costs	5,435	3,458	5,150	3,385
Repayment of principal	(172,920)	(143,225)	(154,593)	(141,561)
Payment of interest	(202,932)	(123,800)	(201,964)	(122,397)
Closing balance	1,845,681	1,837,240	1,845,681	1,819,379

b) Guarantees

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

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	7,406	76,836	314,845	399,087
No guaranties	-	663,911	805,761	1,469,672
Total (*)	7,406	740,747	1,120,606	1,868,759

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

c) Aging

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
After the reporting period:				
12 months	209,614	186,353	209,614	182,659
13 to 24 months	228,393	203,141	228,393	199,936
25 to 36 months	567,261	236,168	567,261	232,963
37 to 48 months	544,812	492,253	544,812	489,048
After 48 months	318,679	676,693	318,679	672,656
Total	1,868,759	1,794,608	1,868,759	1,777,262

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
<u>Financial charges on:</u>				
Loans, financing and debentures	(61,575)	(188,676)	(58,180)	(161,923)
Derivative financial instruments (Note 19 (a))	(11,075)	(11,676)	(13,287)	2,299
Total financial charges	(72,650)	(200,352)	(71,467)	(159,624)
<u>Interest capitalized on:</u>				
Investment property	21,671	65,523	19,950	60,879
Financial charges allocated to profit or loss (Note 17)	(50,979)	(134,829)	(51,517)	(98,745)

	Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial charges on:				
Loans, financing and debentures	(61,445)	(187,482)	(57,596)	(160,226)
Derivative financial instruments (Note 19 (a))	(11,075)	(11,676)	(13,287)	2,299
Total financial charges	(72,520)	(199,158)	(70,883)	(157,927)
Interest capitalized on:				
Investment property (Note 6)	-	-	-	2,977
Investment (Note 5)	21,671	65,523	19,950	57,902
Financial charges allocated to profit or loss (Note 17)	(50,849)	(133,635)	(50,933)	(97,048)

For the nine-month period ended September 30, 2023, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 15.6% p.a. in Consolidated (14,08% p.a. for the same period of 2022).

e) Contractual obligations

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

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

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

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

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

Other contractual commitments:

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

9. Land payables

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
DI	-	8,813	-	-
IPCA	13,000	13,000	-	13,000
Total	13,000	21,813	-	13,000
Current	7,333	8,813	-	-
Noncurrent	5,667	13,000	-	13,000
Total	13,000	21,813	-	13,000

Aging of 'Land payables' is as follows:

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
<u>After the reporting period:</u>				
12 months	7,333	8,813	-	-
13 to 24 months	5,667	6,333	-	6,333
After 24 months	-	6,667	-	6,667
Total	13,000	21,813	-	13,000

10. Barters

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

Barters' maturity is broken down as follows:

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
<u>After the reporting period:</u>				
12 months	80,509	61,994	-	1,686
13 to 24 months	16,306	94,315	-	37,853
25 to 36 months	6,811	29,261	-	17,864
After 36 months	38,648	11,136	-	11,136
Total	142,274	196,706	-	68,539
Current	80,509	61,994	-	1,686
Noncurrent	61,765	134,712	-	66,853
	142,274	196,706	-	68,539

11. Income tax and social contribution

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

	Consolidated			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Income (loss) before income tax and social contribution	43,506	132,464	114,488	357,989
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(14,792)	(45,038)	(38,926)	(121,716)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	1,403	2,377	2,690	4,321
Unrecognized tax credit	(7,368)	(22,278)	(6,783)	(19,687)
Depreciation of investment property	1,838	5,917	2,271	6,346
Tax basis difference for companies taxes based on deemed income	24,857	47,480	31,625	123,963
Others	(850)	759	6,385	4,717
IRPJ and CSLL credit (debit) in profit or loss	5,088	(10,783)	(2,738)	(2,056)

	Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Income before income tax and social contribution	31,547	80,031	98,989	314,781
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(10,726)	(27,211)	(33,656)	(107,026)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	34,090	81,553	43,232	142,511
Tax credit not constituted	(7,368)	(22,278)	(6,783)	(19,687)
Depreciation of investment properties	1,838	5,917	2,178	6,068
Others	(848)	757	6,618	5,169
IRPJ and CSLL credit (debit) in profit or loss	16,986	38,738	11,589	27,035

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

- (b) Deferred tax balances

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
<u>Noncurrent assets:</u>				
Income tax and social contribution	86,609	47,871	86,609	47,871
<u>Liabilities:</u>				
Income tax and social contribution	(62,570)	(53,216)	-	-
PIS/COFINS	(90,621)	(61,706)	(10,696)	(1,248)
	(153,191)	(114,922)	(10,696)	(1,248)
Current	(13,273)	(5,806)	(3,597)	(416)
Noncurrent	(139,918)	(109,116)	(7,099)	(832)
Total	(153,191)	(114,922)	(10,696)	(1,248)

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	167,621	96,152	167,581	95,901
Capitalized interests written-off (*)	88,094	111,773	88,094	111,773
Temporary differences	(27,792)	7,187	(30,240)	7,187
	227,923	215,112	225,435	214,861
Reclassified deferred liabilities				
Deferred tax assets	(141,314)	(167,241)	(138,826)	(166,990)
	86,609	47,871	86,609	47,871
Deferred liabilities:				
Fair value appreciation on investment property	(183,982)	(214,633)	(138,826)	(166,990)
Rental receivables and others	(2,042)	(3,430)	-	-
Sale of assets	(17,860)	(2,394)	-	-
	(203,884)	(220,457)	(138,826)	(166,990)
Reclassified deferred liabilities				
Deferred tax liabilities	141,314	167,241	138,826	166,990
	(62,570)	(53,216)	-	-

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

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

As at September 30, 2023, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the nine-month period ended September 30, 2023 and 2022 are as follows:

	Consolidated				Parent Company			
	nine months of				nine months of			
	2023		2022		2023		2022	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	215,112	(220,457)	(5,345)	(30,583)	214,861	(166,990)	47,871	7,428
Effect on deferred IRPJ and CSLL from:								
Spin-off in subsidiary	-	748	748	-	-	-	-	-
Net income for the period	12,811	15,825	28,636	14,800	10,574	28,164	38,738	27,035
Closing balance	227,923	(203,884)	24,039	(15,783)	225,435	(138,826)	86,609	34,463

12. Provisions for labor, tax and civil risks

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

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Opening balance	2,345	1,991	144	116
Additions and inflation adjustments	1,172	470	137	99
Payments	(452)	(163)	(66)	(35)
Reversals	(156)	(103)	(89)	(12)
Closing balance	2,909	2,195	126	168

The lawsuits assessed as possible losses by the legal counsel amounted to R\$1,651 in Consolidated and R\$1,153 in Parent Company as at September 30, 2023 (R\$1,286 in Consolidated and R\$913 in Parent Company as at December 31, 2022).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 12 to the financial statements for the year ended December 31, 2022.

13. Lease

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

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

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

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Opening balance	101,715	4,463	8,437	4,463
Additions	-	66,342	-	2,541
Remeasurement	1,884	1,905	1,884	1,905
Interest expenses	6,250	397	484	397
Repayment of principal	(493)	(339)	(493)	(339)
Payment of interest	(484)	(397)	(484)	(397)
Closing balance	108,872	72,371	9,828	8,570
Current	695	624	753	565
Noncurrent	108,177	71,747	9,075	8,005
	108,872	72,371	9,828	8,570

The undiscounted contractual cash flows (gross lease liabilities) represent annual cash-outs, ending December 2023 and are as follow:

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	After 36 months	Total
<u>Consolidated:</u>					
Lease liability	5,170	8,703	9,072	423,382	446,327
Total	5,170	8,703	9,072	423,382	446,327
<u>Parent Company:</u>					
Lease liability	1,342	1,342	1,342	9,514	13,540
Total	1,342	1,342	1,342	9,514	13,540

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 nine-month period ended September 30, 2023, these leases represent R\$61 in Consolidated and R\$59 in Parent Company (R\$127 for the same period of 2022).

Other information on the lease is not significantly different from the information disclosed in Note 13 to the financial statements for the year ended December 31, 2022.

14. Equity

(a) Shares and capital

	Consolidated and Parent Company	
	9/30/23	12/31/22
Subscribed capital	2,753,976	2,753,976
Number of common shares, without par value (thousand)	102,159	102,159

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

(b) Treasury shares

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

During the nine-month period ended September 30, 2023, 226 thousand shares were acquired in the amount of R\$4,620 through the Company's Share Buyback Program and 47 thousand shares were sold in the amount of R\$ 832, as shown below:

Type	Number (thousand)					Cost in reais (per share) of the acquired shares			Market value (*)
	Opening balance	Acquired	Sold	Transferred	Closing balance	Weighted average	Maximum	Minimum	
<u>Nine month period ended</u>									
<u>September 30, 2023:</u>									
Common shares	2,252	226	(47)	-	2,431	20.49	23.71	15.01	49,495
<u>Nine month period ended</u>									
<u>September 30, 2022:</u>									
Common shares	1,048	871	-	(17)	1,902	22.43	24.76	20.42	47,075

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

(c) Mandatory minimum dividend payable to shareholders

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

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

(d) Stock option plan

On September 06, 2023, the Company's Board of Directors approved the issuance of program 12 of the stock option plan, granting to directors and managers up to 527 thousand options with vesting period of 5 years, with exercise deadline date in December 2030. The stock option fair value is R\$7.57 each, total cost of remuneration of R\$3,594, 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 (*)
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
12	9/23	527,430	17.06%	Up to 5 year	R\$ 16.85	Officers and managers	12/23	12/30

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

The tables below show the changes in stock option plan program for the nine-month period ended September 30, 2023 and 2022 and supplemental information thereon:

Program	Number of participants	Changes nine months of 2023 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
3	2	21	-	-	-	21
4	2	21	-	-	-	21
5	2	21	-	-	-	21
6	3	267	-	-	-	267
7	13	168	-	-	-	168
8	15	634	-	-	-	634
10	19	335	-	(3)	-	332
11	15	402	-	(6)	-	396
12	18	-	523	-	-	523
		1,869	523	(9)	-	2,383
Weighted average price of exercised options		22.01	16.85	20.50	-	20.88
nine months of 2022 (thousand options)		1,488	402	(6)	(15)	1,869
Weighted average price of options		22.83	18.99	22.46	22.36	22.01

Program	Number of vested shares (thou.)	Compensation cost for the period	Unrecognized compensation cost	Remaining compensation cost period (in years)
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	267	-	-	-
7	34	126	42	0.3
8	96	771	2,810	6.3
10	67	429	965	2.3
11	40	646	1,796	3.3
12	-	173	3,421	4.3
Nine months of 2023	567	2,145	9,034	4.5
Nine months of 2022	255	2,046	8,578	5.4

As at September 30, 2023, had all options currently granted been exercised, the Company would have issued 2,383 thousand shares, which would represent a 2.28% dilution in relation to the Company's total of 102,159 thousand shares (1.80% at December 31, 2022).

As at September 30, 2023 and December 31, 2022 Stock options granted represents 86.79% of the total approved plan (69.73% at December 31, 2022).

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

(e) Noncontrolling interests

	Consolidated	
	nine months of	
	2023	2022
Opening balance	79,185	29,173
Net contributions (distributions) to noncontrolling shareholders	(496)	40,368
Capital transaction (a)	(79,728)	-
Interests in net income for the period	2,912	14,117
Closing balance	1,873	83,658

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

(f) Earnings per share

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

	Consolidated and Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Basic earnings per share:				
Net income for the period	48,533	118,769	110,578	341,816
Weighted average number of outstanding common (thousand)	99,769	99,850	100,471	100,836
Basic earnings per share - in R\$	0.48645	1.18947	1.10060	3.38982
Diluted earnings per share:				
Net income for the period	48,533	118,769	110,578	341,816
Weighted average number of outstanding common (thousand)	99,769	99,850	100,471	100,836
Dilutive effect of stock options (thousand)	129	49	119	182
Total shares after dilutive effect (thousand)	99,898	99,899	100,590	101,018
Diluted earnings per share - in R\$	0.48583	1.18889	1.09929	3.38371

Other information on equity did not significantly change in relation to the information disclosed in Note 14 to the financial statements for the year ended December 31, 2022.

15. Net revenue

	Consolidated			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Rental revenue	48,325	172,543	60,170	154,760
Revenue from condominium management services	2,422	7,959	1,852	5,018
Revenue from other services	247	2,458	738	4,392
Taxes on revenue	(2,882)	(10,412)	(3,579)	(9,889)
Net revenue	48,112	172,548	59,181	154,281

	Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Rental revenue	16,400	55,932	18,034	51,352
Revenue from condominium management services	2,422	7,959	1,852	5,018
Revenue from other services	247	457	738	4,392
Taxes on revenue	(1,866)	(6,220)	(1,822)	(5,843)
Net revenue	17,203	58,128	18,802	54,919

16. Costs and expenses by nature

	Consolidated			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Costs of services provided - condominium management	(939)	(2,690)	(849)	(2,226)
Operating income (expenses):				
Salaries, charges and benefits	(4,566)	(13,825)	(4,733)	(14,171)
Outside services	(1,631)	(7,170)	(2,518)	(6,194)
General expenses	(1,603)	(4,925)	(1,233)	(4,454)
Management compensation	(2,241)	(5,860)	(1,753)	(5,098)
Vacancy expenses	(376)	(1,688)	(707)	(2,438)
Stock options	(830)	(2,145)	(861)	(2,046)
Advertising	(275)	(776)	(443)	(1,076)
Depreciation and amortization	(973)	(2,798)	(333)	(947)
Other operating expenses, net:				
Sale of assets (*)	(72,902)	(159,287)	1,372	1,372
Others	480	(5,023)	(2,733)	(5,169)
	(84,917)	(203,497)	(13,942)	(40,221)
Classified as:				
Selling expenses	(1,650)	(6,929)	(2,888)	(9,051)
General and administrative expenses	(8,604)	(26,398)	(7,940)	(22,275)
Management compensation	(2,241)	(5,860)	(1,753)	(5,098)
Other operating expenses, net	(72,422)	(164,310)	(1,361)	(3,797)
	(84,917)	(203,497)	(13,942)	(40,221)

(*) See Note 6.

	Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Costs of services provided - condominium management	(939)	(2,690)	(849)	(2,226)
Operating expenses:				
Salaries, charges and benefits	(4,433)	(13,543)	(4,660)	(13,886)
Outside services	(1,077)	(4,378)	(1,602)	(3,849)
General expenses	(1,494)	(4,650)	(1,072)	(4,025)
Management compensation	(2,241)	(5,860)	(1,753)	(5,098)
Vacancy expenses	(55)	(423)	(383)	(1,371)
Stock options	(830)	(2,145)	(861)	(2,046)
Advertising	(275)	(776)	(444)	(1,072)
Depreciation and amortization	(493)	(1,359)	(331)	(943)
Other operating expenses, net:				
Sale of assets (*)	(21,079)	(48,780)	1,372	1,372
Others	788	(83)	(2,486)	(4,516)
	(31,189)	(81,997)	(12,220)	(35,434)
Classified as:				
Selling expenses	(1,320)	(4,588)	(1,904)	(6,215)
General and administrative expenses	(7,337)	(22,686)	(7,449)	(20,977)
Management compensation	(2,241)	(5,860)	(1,753)	(5,098)
Other operating expenses, net	(20,291)	(48,863)	(1,114)	(3,144)
	(31,189)	(81,997)	(12,220)	(35,434)

(*) See Note 6.

17. Financial expenses and income

	Consolidated			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(50,979)	(134,829)	(51,517)	(98,745)
Mark-to-market derivative financial instruments (includes hedge effect)	(10,384)	12,007	17,047	(8,075)
Other financial expenses	(4,069)	(12,219)	(1,081)	(2,971)
	(65,432)	(135,041)	(35,551)	(109,791)
Financial income				
Income from short-term investments	25,777	55,986	20,514	64,274
Interest income on loans	426	946	224	332
Other financial income (*)	6,785	11,761	(517)	(700)
	32,988	68,693	20,221	63,906
Financial (expenses) income	(32,444)	(66,348)	(15,330)	(45,885)

(*) Includes tax effect in financial income.

	Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(50,849)	(133,635)	(50,933)	(97,048)
Mark-to-market derivative financial instruments	(10,246)	13,048	16,864	(9,160)
Other financial expenses	(1,212)	(2,710)	(5)	(1,303)
	(62,307)	(123,297)	(34,074)	(107,511)
Financial income				
Income from financial investments	23,164	49,884	19,722	59,288
Interest income on loans	426	1,000	378	833
Other financial income (*)	1,502	4,083	(623)	(888)
	25,092	54,967	19,477	59,233
Financial (expenses) income	(37,215)	(68,330)	(14,597)	(48,278)

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Parent Company			
		Asset		Liability		Asset		Liability	
		9/30/23	12/31/22	9/30/23	12/31/22	9/30/23	12/31/22	9/30/23	12/31/22
Short-term investments and marketable securities									
Other related parties:									
Banco Inter S.A. (Inter)	[1]	274,028	348,125	-	-	264,544	348,125	-	-
Banco Bradesco S.A.	[2]	170,222	21,851	-	-	166,656	18,594	-	-
Intercompany receivables									
Investees									
SPEs	[3]	-	-	-	-	-	5,361	-	-
Rental receivables									
Other related parties:									
Patrus Transportes Urgentes Ltda.	[4]	521	578	-	-	26	27	-	-
Trade receivable from sale of equity interests									
Other related parties:									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	13,754	13,970	-	-	13,754	13,970	-	-
Services supplier									
Other related parties:									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	81	58	-	-	81	58
Intercompany payables									
Investees									
SPEs	[11]	-	-	-	-	-	-	350,650	-

	Consolidated								
	Income				Expense				
	3 rd quarter		nine months		3 rd quarter		nine months		
	2023	2022	2023	2022	2023	2022	2023	2022	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	4,569	7,629	22,124	35,375	-	-	-	-
Banco Bradesco S.A.	[2]	5,301	2,281	6,397	2,611	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	98	(96)	507	730	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	-	177	-	522	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	1,944	1,863	5,573	5,399	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	260	76	770	234
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	1,030	737	2,979	2,026
Other operating expenses, net									
Other related parties									
Banco Inter S.A. (Inter)	[9]	37	154	188	279	-	-	-	-
Financial expenses									
Other related parties									
Banco Inter S.A. (Inter)	[10]	-	-	-	-	-	-	2,174	-

	Parent Company								
	Income				Expense				
	3 rd quarter		nine months		3 rd quarter		nine months		
	2023	2022	2023	2022	2023	2022	2023	2022	
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	4,237	7,629	19,730	35,375	-	-	-	-
Banco Bradesco S.A.	[2]	5,176	2,164	6,056	2,312	-	-	-	-
Intercompany loans									
Investees									
SPEs	[3]	-	219	51	566	-	-	-	-
Trade receivable from sale of equity interests									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[5]	98	(96)	507	730	-	-	-	-
MRV Engenharia e Participações S.A. (MRV)	[8]	-	177	-	522	-	-	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	83	81	247	235	-	-	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[6]	-	-	-	-	260	76	770	234
MRV Engenharia e Participações S.A. (MRV)	[7]	-	-	-	-	1,030	597	2,979	1,095
Other operating expenses, net									
Other related parties									
Banco Inter S.A. (Inter)	[9]	37	154	188	279	-	-	-	-
		9,631	10,328	26,779	40,019	1,290	673	3,749	1,329

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. In the nine-month period ended September 30, 2023, short-term investments yielded 76.4% of DI rate in Consolidated and Parent Company (97.6% for the same period of 2022).

[2] Refers to transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the Fundo de Investimento em Participações Multisetorial Plus, a shareholder of the Company. In the nine-month period ended September 30, 2023, short-term investments yielded 104.2% of DI rate in Consolidated and Parent Company (105.8% for the same period of 2022).

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

- [4] Refers to warehouse's lease agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- [5] In July 2018, the Company sold equity interest in the subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony") to MRV MRL CAMP NOU Incorporações e Participações Ltda, a company controlled by MRV Engenharia e Participações S.A. The contract determines payments in two tranches as detailed below:
- I. R\$10,800 referring to 10.81% of the equity interest, to be paid in 24 monthly installments of R\$450 each, updated by INCC index, the first being paid after the approval of the land subdivision project by the Municipal Administration, an event that took place in July 2018; and
 - II. R\$25,523 (R\$24,200 plus update by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R\$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019. In February 2023, an amendment was signed rescheduling the payment for six installments of R\$250 from July to December 2023 and twenty installments of R\$480 from January 2024 to August 2025.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at September 30, 2023	-	13,754	13,754
Trade receivables as at December 31, 2022	-	13,970	13,970

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

- [6] Refers to lease agreement of part of ninth and tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. ("Conedi") and MA Cabaleiro Participações Ltda. ("MA Cabaleiro"). Conedi is a one of the Company's shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder. The contract is valid until February 28, 2035, including extension of the contract, adjustable annually by IPCA index. On September 30, 2023, the agreement establishes a total monthly payment (gross of taxes) of R\$81 (R\$77 on December 31, 2022). The amounts shown in the table above are segregated between administrative and financial expenses when registered.
- [7] Amounts related to expenses incurred on the provision of administrative services. The agreement establishes a monthly payment of R\$339 on September 30, 2023 (R\$254 on December 31, 2022). This amount is updated every six months according to the volume of service provided by MRV and, annually, by the IPCA. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition between the parties.
- [8] Refers to the sale of the Company's interest in Cabral Investimentos SPE Ltda. ("Cabral") concluded in December 2021. The agreement established the payment of monthly installments of R\$533 each, updated by the INCC and was fully paid in September 2022. The revenue refers to the aforementioned correction.
- [9] It refers to "preference premium" paid to the Company by 25% on the credit revenue obtained by the bank referring to invoices from the Company's suppliers discounted by them. In these operations, the original conditions and economic substance carried out with the respective suppliers are maintained. As at September 30, 2023, the consolidated balance held on these transactions amounts to R\$718.
- [10] It refers to the financial discount generated by the anticipation of receivable security made in the 1st quarter of 2023.
- [11] Amounts received from the SPEs LOG Itaitinga I, LOG Recife, LOG Recife, LOG Aracajú, LOG Viana I, LOG Londrina and LOG São José dos Pinhais, arising from the sale of their assets, as mentioned in note 6. These balances were eliminated in the consolidation process and will be offset upon distribution of the respective profits or capital reduction of these companies.

Compensation of key management personnel

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

	Consolidated and Parent Company			
	2023		2022	
	3 rd quarter	nine months	3 rd quarter	nine months
Short-term benefits granted to management:				
Management compensation	2,241	5,860	1,753	5,098
Profit sharing	620	1,956	791	2,089
Non-monetary benefits	1	95	41	124
Long-term benefits to management:				
Retirement private plan	41	99	28	80
Share-based compensation:				
Stock option plan	636	1,651	667	1,623
	3,539	9,661	3,280	9,014

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

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

19. Financial instruments

(a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at September 30, 2023.

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

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		9/30/23
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap [1]	11/18	10.5% / 108.95% DI	8/28	16,198	-	-	(329)	-	-
Swap [2]	9/21	IPCA + 5.52% / DI + 1.23%	9/28	450,000	514,991	452,871	(468)	(20,148)	41,972
Swap [3]	4/22	IPCA + 6.30% / DI + 1.47%	3/29	169,650	183,058	170,565	(6,875)	(3,447)	9,046
Swap [4]	9/21	LOGG3 / DI + 1.75%	1/23 and 3/23	74,468	-	-	(38,136)	-	-
Swap	1/23	LOGG3 (*) / DI + 1.84%	5/24 to 8/24	46,312	62,103	50,571	-	10,838	10,838
							(45,808)	(12,757)	61,856

[1] Derivatives designed as hedge instruments, according to hedge accounting methodology. This derivative's notional value is R\$25,000, of which R\$23,695, representing 95%, was designated as a hedge instrument for debt protection, according to the hedge accounting methodology. In July 2023, the Company paid off this swap in advance, in the amount of R\$329.

[2] Derivative fair value includes net payment effect of R\$62,588.

[3] Derivative fair value includes net payment effect of R\$19,368.

[4] Derivative fair value includes net payment effect of R\$38.136.

(*) The closing share price on September 30, 2023 was R\$20.36/share. If the share price reaches the floor of 100% of the volatility of the last 12 months, reaching R\$9.96/share, it would represent an estimated loss of R\$30,900 and if the share price reaches the ceiling of 100% of the volatility of the last 12 months, reaching R\$27.93/share, would represent an approximate net gain of R\$34,018, increasing the gain recorded up to the reporting date. The number of shares considered in these operations is 2,970 thousand.

Consolidated and Parent Company	
Current assets	10,838
Noncurrent assets	51,018
Total assets	61,856

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
3rd quarter of 2023			
Effect in profit or loss			
Swaps with fair value hedge	(11,075)	(14,639)	(25,714)
Swaps with no hedge	-	(10,547)	(10,547)
Gross effect in profit or loss	(11,075)	(25,186)	(36,261)
Reducing effect of hedges	-	14,802	14,802
Net effect in profit or loss	(11,075)	(10,384)	(21,459)
Nine months of 2023			
Effect in profit or loss			
Swaps with fair value hedge	(11,676)	16,932	5,256
Swaps with no hedge	-	11,837	11,837
Gross effect in profit or loss	(11,676)	28,769	17,093
Reducing effect of hedges	-	(16,762)	(16,762)
Net effect in profit or loss	(11,676)	12,007	331

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

Effect on results - Consolidated			
	Gain (loss) on transaction	Mark-to-market	Total
3rd quarter of 2022			
Effect in profit or loss			
Swaps with fair value hedge	(13,287)	3,803	(9,484)
Swaps with no hedge	-	16,531	16,531
Gross effect in profit or loss	(13,287)	20,334	7,047
Reducing effect of hedges	-	(3,287)	(3,287)
Net effect in profit or loss	(13,287)	17,047	3,760
Nine months of 2022			
Effect in profit or loss			
Swaps with fair value hedge	2,299	(15,540)	(13,241)
Swaps with no hedge	-	(8,501)	(8,501)
Gross effect in profit or loss	2,299	(24,041)	(21,742)
Reducing effect of hedges	-	15,966	15,966
Net effect in profit or loss	2,299	(8,075)	(5,776)

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

Hedge accounting

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

fair values will compensate each other. The following are critical terms and effects on the statement of financial position and income statement:

Fair value hedge	Hiring	Maturity	Notional value	Rates	Fair value	Effects on results	Fair value	Effects on results
					9/30/23	nine months of 2023	12/31/22	nine months of 2022
Construction financing	11/18	8/28	16,198	10%	-	(1,039)	(16,847)	365
CRI - 19 th debentures issue	9/21	9/28	450,000	IPCA + 5.52%	(494,843)	(11,625)	(470,353)	17,483
CRI - 20 th debentures issue - 2 nd series	4/22	3/29	169,650	IPCA + 6.30%	(179,742)	(4,098)	(171,396)	(1,882)
Loans, financing and debentures (Hedged item)			635,848		(674,585)	(16,762)	(658,596)	15,966
				Long position				
Swap	11/18	8/28	16,198	10%	-	1,039	16,847	(365)
Swap	9/21	9/28	450,000	IPCA + 5.52%	494,843	11,536	470,441	(17,070)
Swap	4/22	3/29	169,650	IPCA + 6.30%	179,610	4,098	171,243	1,882
Derivative financial instrument (Hedge instrument)			635,848		674,453	16,673	658,531	(15,553)
				Short position				
				108.95% DI	-	259	(18,194)	13
				DI + 1.23%	(452,871)	-	(469,171)	-
				DI + 1.47%	(170,564)	-	(176,802)	-
					(623,435)	259	(664,167)	13
				Swap net position	51,018	16,932	(5,636)	(15,540)
				Total net position	(623,567)	170	(664,232)	426

(b) Category of financial instruments

Consolidated	Note	9/30/23		12/31/22	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		730,524	730,524	223,377	223,377
Cash and bank accounts		700	700	3,174	3,174
Trade receivables	4	729,824	729,824	220,203	220,203
Fair value through profit or loss (mandatorily measured) (*)		873,464	873,464	699,181	699,181
Restricted investment funds	3	371,760	371,760	429,877	429,877
Unrestricted investment funds		420,552	420,552	82,613	82,613
Bank certificates of deposit (CDB)		19,296	19,296	185,421	185,421
Derivative financial instruments	19 (a)	61,856	61,856	1,270	1,270
Financial liabilities:					
Amortized cost		1,359,317	1,359,010	1,294,403	1,291,370
Loans, financing and debentures		1,171,096	1,170,789	1,114,989	1,111,956
Land payables	9	13,000	13,000	21,813	21,813
Trade payables (suppliers)		28,495	28,495	43,365	43,365
Lease	13	108,872	108,872	101,715	101,715
Other liabilities		37,854	37,854	12,521	12,521
Fair value through profit or loss (Hedge accounting) (*)		674,585	674,585	659,095	659,095
Loans, financing and debentures		674,585	674,585	659,095	659,095
Fair value through profit or loss (mandatorily measured) (*)		-	-	46,041	46,041
Derivative financial instruments	19 (a)	-	-	46,041	46,041

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

Fair value of loans, financing, and debentures was estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at September 30, 2023 and December 31, 2022.

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

Contractual rate (p.a.)	Current market rate (p.a)	Maturity dates
Debentures and CRI		
DI + 1.10% to 2.00%	DI + 1.45% to 1.80%	3/26 to 12/28
108% to 116.50% DI	DI + 1.45% to 1.80%	9/24 to 3/25
IPCA + 5.52% to 6.30%	IPCA + 4.59% to 5.80%	9/28 to 3/29
Construction financing		
DI + 1.65%	DI + 1.65%	10/24

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

(c) Exposure to interest rates and inflation adjustment indexes

The following analysis was carried out for September 30, 2023, according with that described in Note 19, letter

(c), to the financial statements for the year ended December 31, 2022:

Index	Financial asset	Financial liability	Net exposed financial (asset) liability	Effective rate for the 12-month period ended 06/30/2023	Estimated annual rate for 2023 (*)	Rates changes for each scenario	Total estimated financial impact
<u>Probable scenario:</u>							
DI/Selic	564,022	(1,950,802)	(1,386,780)	13.39%	12.26%	(i) -1.13%	15,671
IPCA	1,509,234	(687,585)	821,649	5.19%	3.68%	(ii) -1.51%	(12,407)
							<u>3,264</u>
<u>Scenario I:</u>							
DI/Selic	564,022	(1,950,802)	(1,386,780)	13.39%	15.33%	1.94%	(26,904)
IPCA	1,509,234	(687,585)	821,649	5.19%	2.76%	-2.43%	(19,966)
							<u>(46,870)</u>
<u>Scenario II:</u>							
DI/Selic	564,022	(1,950,802)	(1,386,780)	13.39%	18.39%	5.00%	(69,339)
IPCA	1,509,234	(687,585)	821,649	5.19%	1.84%	-3.35%	(27,525)
							<u>(96,864)</u>

(i) Data obtained from B3 website.

(ii) Data obtained from Banco Central website.

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

(d) Capital risk management

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

	Consolidated		Parent Company	
	9/30/23	12/31/22	9/30/23	12/31/22
Loans, financing and debentures	1,845,681	1,774,084	1,845,681	1,757,023
Cash and cash equivalents and marketable securities	(812,308)	(731,098)	(748,934)	(708,895)
Net debt	1,033,373	1,042,986	1,096,747	1,048,128
Equity	3,693,297	3,663,838	3,691,424	3,584,653
Net debt-to-equity ratio	28.0%	28.5%	29.7%	29.2%

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

(e) Liquidity and interest rate risk table

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

	Up to 12 months	From 13 to 24 months	From 25 to 36 months	Over 3 years	Total
Consolidated:					
Floating rates liabilities	389,489	400,919	710,971	1,053,209	2,554,588
Fixed rates liabilities	5,170	8,703	9,072	423,382	446,327
Non-interest bearing liabilities	47,978	18,371	-	-	66,349
Total	442,637	427,993	720,043	1,476,591	3,067,264
Parent Company:					
Floating rates liabilities	389,489	400,919	710,971	1,053,209	2,554,588
Fixed rates liabilities	1,342	1,342	1,342	9,514	13,540
Non-interest bearing liabilities	360,062	3,082	-	-	363,144
Total	750,893	405,343	712,313	1,062,723	2,931,272

Liquidity risk

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

(f) Credit risk

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

- i) Accounts receivable from customers: to mitigate this risk, the Group adopts the policy of dealing only with counterparties that have credit capacity and obtain sufficient guarantees. The company records allowance for expected credit loss as mentioned in Note 2.2 (i) to the financial statements for the year ended December 31,2022.
- ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

Other information on 'Financial instruments and risk management' is not significantly different from the information disclosed in Note 19 to the financial statements for the year ended December 31, 2022.

20. Guarantees

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

21. Noncash transactions

During the nine-month period ended September 30, 2023 and 2022, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated		Parent Company	
	nine months of		nine months of	
	2023	2022	2023	2022
Interest capitalization (note 8 (d))	65,523	60,879	65,523	60,879
Right-of-use (remeasurement of CPC 06 (R2)) (note 13)	1,884	1,905	1,884	1,905

22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at September 30, 2023, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightning, theft, and other specific coverage of facilities and assemblies on the insured site.	1,037,876
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	1,000
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	54,408
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. Approval of the financial statements

These interim financial statements were reviewed by the Fiscal Board and authorized for issuance by the Board of Directors on October 31, 2023.