4Q21

Financial Statements

log

LOG Commercial Properties e Participações S.A.

Financial Statements

December 31, 2020

Contents

<u>PART A</u>

<u>PART B</u>

Audited Financial Statements

Belo Horizonte,

February 8, 2022

Pursuant to the legal and statutory provisions, the Management of LOG Commercial Properties e Participações SA ("Company" or "LOG") submits the Management Report and the Company's Financial Statements for consideration, together with the Independent Auditors' Report, for the fiscal year ended December 31, 2021. The following financial information, unless otherwise indicated, is presented in thousands of Reais (R$ thousand) and was prepared and presented in accordance with accounting practices adopted in Brazil and in accordance with international financial reporting standards (IFRS), issued by the International Accounting Standard Board - IASB, applicable to real estate development entities in Brazil, as approved by the Accounting Pronouncements Committee (CPC), by the Securities (CVM) and the Federal Accounting Council (CFC), and with all pronouncements documents issued by the CPC.

HIGHLIGHTS

R$383.2mi ↗ 168,8% YoY
Net Income 2021
R$88.0mi 4Q21

R$414.5mi ↗ 64,8% YoY
EBITDA 2021
R$98.3mi 4Q21

R$291.3mi ↗ 92,5% YoY
Value Creation 2021
R$72.8mi 4Q21

R$896.6mi ↗ 20,4% YoY
Cash Dec/21

786,525m² ↗ 76,5% YoY
Total Gross Absorption 2021

3.11% → Stable
Stabilized Vacancy Dec/21

0.59% → Stable
Accumulated Net Default
LAST 12 MONTHS

R$3.8bi ↗ 26,0% YoY
Investment Properties Dec/21

Scan the QR Code to access our Results Center.

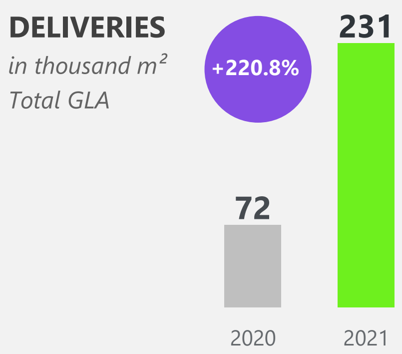
4Q21

2021

Record performance in all operational indicators and the best year in our history

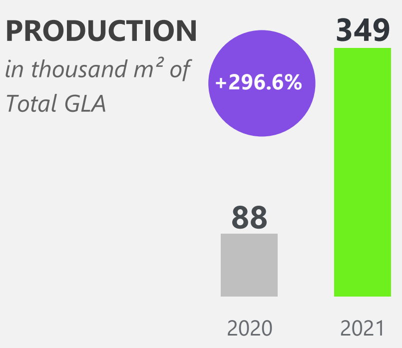
High volume of deliveries

We had a record year in deliveries. We delivered 6 projects in 5 cities, totaling 231.1 thousand m² in GLA (75%Log). By the end of 2022, we will deliver another 414.4 thousand m² in GLA (83%Log), in 6 different cities. In the same way, we hit a **record in construction activity in 2021 with 349.2 thousand m² in GLA, maintaining the quality in the delivery of assets with considerable yields.**



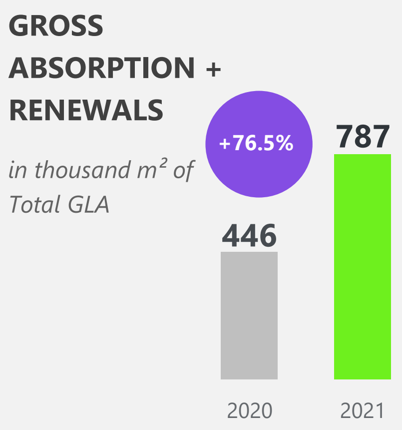
Growth to new heights and with high-end customers

Gross absorption was also a record: we reached 786.5 thousand m² of GLA in 2021, 86% of which outside the RJ/SP axis. Result of strong customer demand for spaces strategically located close to major consumption centers in the country. **The reported stabilized vacancy is only 3.11%**. The great demand for quality assets such as those from LOG, mainly by the e-commerce sector, allows us to have **83% pre-lease on assets that will be delivered in 2022.**



Approximately 63% of our portfolio is made up of customers directly or indirectly linked to e-commerce, which already represents 11.3%* of total retail sales in the Country. Demonstrating the positive dynamics of the sector for Class A assets, our rental contracts showed a growth of 63% above inflation, when compared 4Q21 versus 4Q20.

In 2021 we signed five new BTS contracts with relevant e-commerce players, both national and international, totaling 313.6 thousand m² of GLA in 3 states, consolidating us as strategic partners for the expansion of their business. Demonstrating the positive dynamics of the sector for Class A assets, our rental contracts showed a growth of 63% above inflation, when compared 4Q21 versus 4Q20.



As e-commerce consolidates in the country, with sales share above double digits and, despite the high volatility of the macroeconomic scenario, reflected in the constant pressure of the interest rate, we believe that the demand for our assets will continue to grow.

*Associação Brasileira de Comércio Eletrônico (Abcomm)

Balance sheet remains well positioned

Reinforcing our strategy and ability to generate value in the development of greenfield assets, in 2021, we generated R$ 291.3 MM (R$72.8 MM in 4Q21). This cycle reflects our business model as an asset developer, with relevant and recurring impacts on our results with the advancement of the Todos por 1.5 (All for 1.5) plan

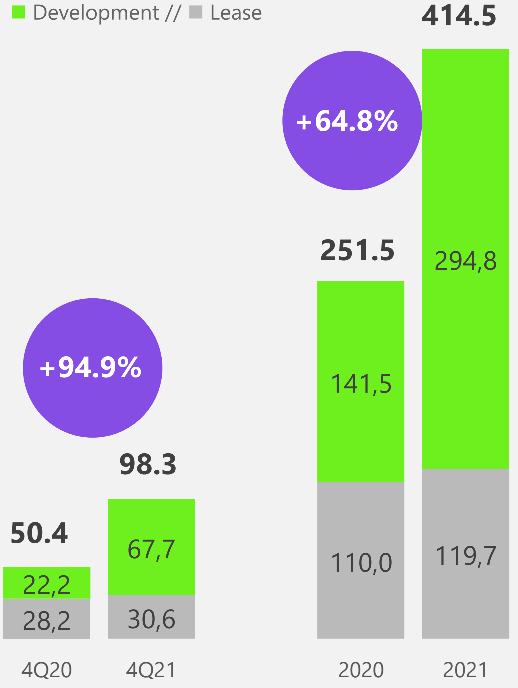
We present the **best year in terms of recycling with margins above 40%.** The asset BTS Extrema, totaling 76.9 thousand m² of GLA, was sold for R$272.7 MM. The sale demonstrates the Company's ability to generate value from its assets and maintains the objective of pursuing the strategy of recycling its portfolio.

In order to increasingly balance our capital structure, **in 2021 we raised funds totaling R$ 700 MM.** The operations were carried out at competitive rates and without encumbering collateral assets, reflecting the solidity of our financial indicators, which are recognized by the main capital market institutions and by the **Standard and Poor's rating agency, which gave us an AA grade (high credit quality).**

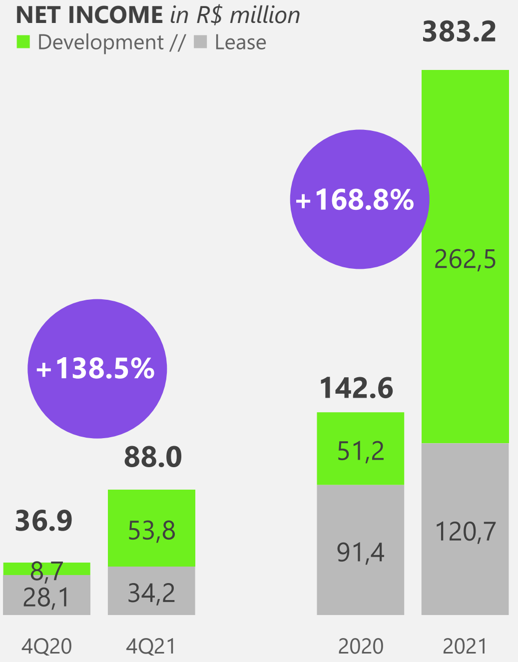
We had a record year in results. ***EBITDA* in 2021 was R$ 414.5 MM**, which in the accumulated for the year represents an increase of 65% compared to 2020. We reached **a net income of R$ 383.2 MM in 2021,** 169% higher than in the same period last year.

In accordance with the Company's Dividend Policy, the Board of Directors declared the payment of dividends in the amount of R$0.8666 per share to be made on February 21, 2022.

EBITDA *in R$ million*



NET INCOME *in R$ million*



Business Performance

1.1 DEMAND

Our unique business model, combined with customers' need for quality infrastructure, continues to support our belief that demand will not slow down.

We have the scale to deliver high added value projects, whether it is a BTS (built-to-suit) or modular warehouses supporting operations of the most varied segments.

Our portfolio is made up of assets with Class A standard characteristics, located in 39 cities, 18 states and the Federal District, in all regions of Brazil. Our assertive geographic diversification strategy is proven by the **high occupancy of projects: 96.9%.**

During 2021, we approved 549.8 thousand m² of projects, with an average approval period of 8 months. Almost 90% of the land needed to complete our "Todos por 1.5" expansion plan has already been acquired, totaling 1,339.0 thousand m² of GLA.

60%

of the Brazilian population live near a Log

IBGE – 100 km radius

North
62.465m² GLA
LOG 2, 7%

South
167.985m² GLA
LOG 7.3%

Midwest
223.959m² GLA
LOG 9.7%

Northeast
589.565m² GLA
LOG 25.7%

Southeast
1.253.732m² GLA
LOG 54.6%

TODOS POR 1.5 2020 2024
1,5 MILHÃO DE ABL ENTREGUE

89% of the landbank acquired

519.0 thousand m² of GLA
10 land plots, 10 cities

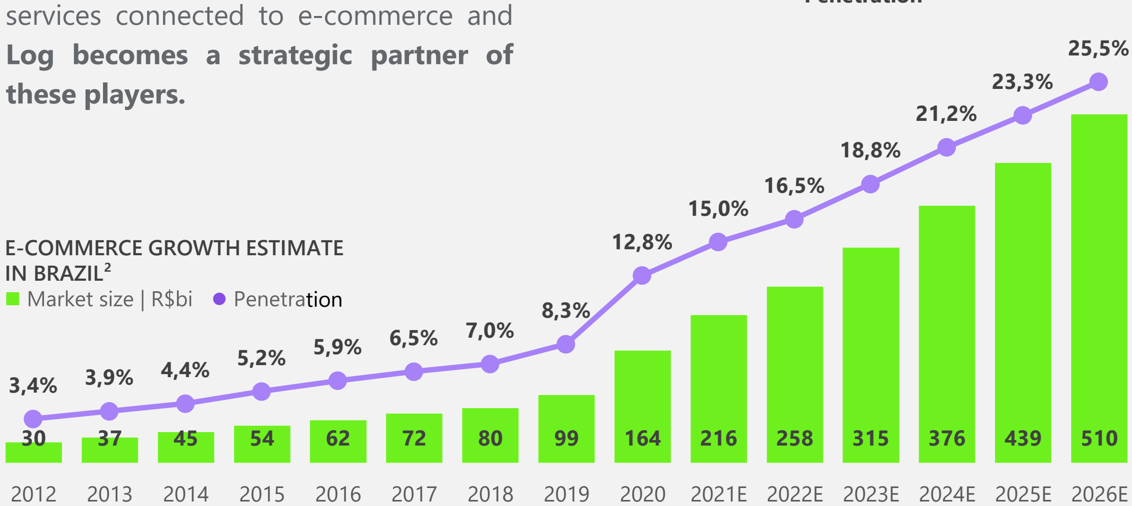
KEY DEMAND DRIVERS

Flight to Quality

The movement known as Flight to Quality is the increase in demand for more modern warehouses, an important driver for growth. It is estimated that the logistics warehouse market in Brazil has approximately 172 million m^2. **There is a huge potential market for Log** since the supply of high-end logistics parks represents only about 15% of the total market offer. Tenants have been looking for infrastructure more suited to their needs and Log has become the specialized solution for Class A warehouses and the **largest player with national presence**.

E-commerce in Brazil

E-commerce sales had an expressive result in 2021: the increase was 35.36% compared to 2020[1]. E-commerce will continue to grow significantly, considering the beginning of an ecosystem that is developing faster and faster in Brazil. **The expectation is that the share of e-Commerce in the retail trade will exceed 25% in 2026E[2].** As e-commerce penetration increases, it creates an **ecosystem of companies offering specialized services that support the online sales environment**. The presence of several local and international companies in scale makes the market attractive for the growth of services connected to e-commerce and **Log becomes a strategic partner of these players.**

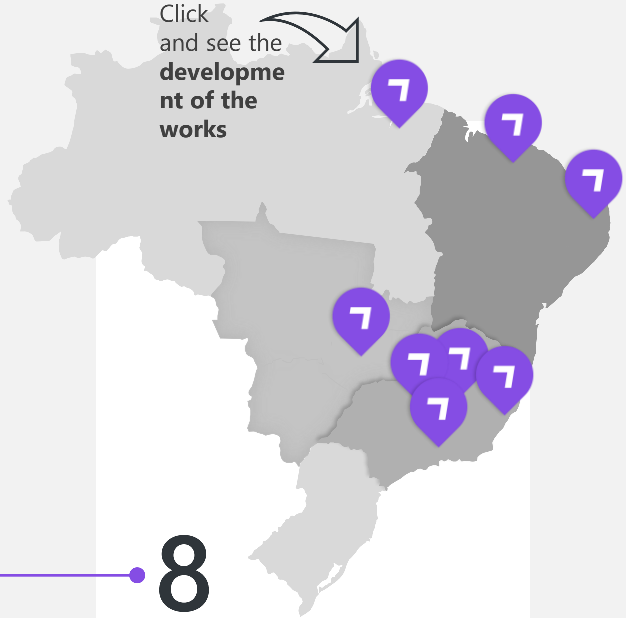


[1]MCC-ENET Index | [2]Morgan Stanley Research | LatAm Retail & eCommerce | Cross-Sector–The Rise of the e-Commerce Ecosystem & Playbook for the Digital Age: 2022 Outlook Edition – Positioning for Disruption

1.2 ASSET DEVELOPMENT

We develop smart infrastructure solutions, proven by quality and efficiency in delivery. In 2021, we produced 349.2 thousand m² of GLA with considerable *YoC*. We managed more than 10 projects simultaneously, involving 1,500 employees.

In m²	Dec/20	Sept/21	Dec/21
Delivered	891,683	931,025	990,786
Under construction	166,940	436,127	377,157
Under development	812,594	914,682	929,763
Log Portfolio %	**1,871,217**	**2,281,834**	**2,297,706**



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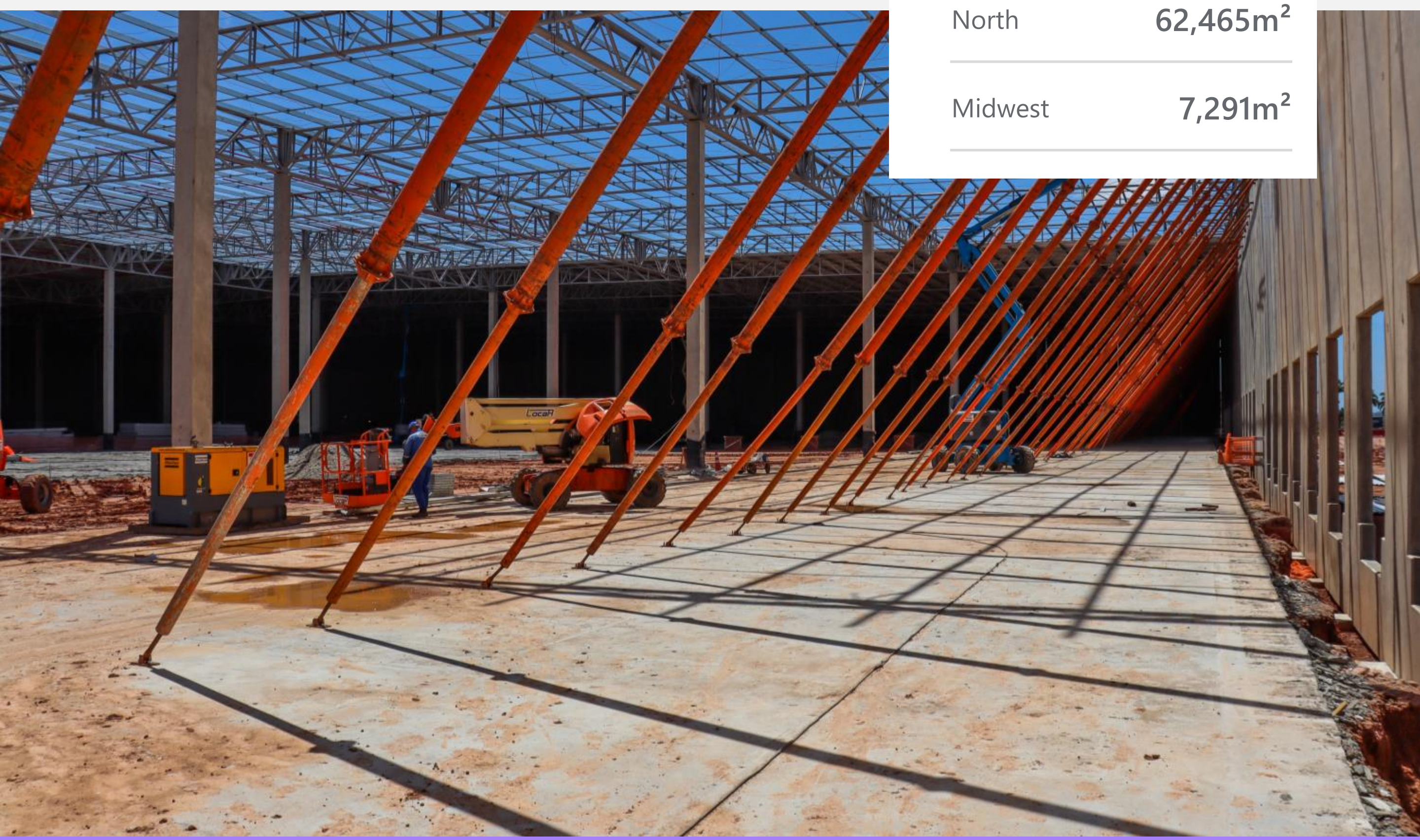
PROJECTS IN PROGRESS

Southeast	209,543m²
Northeast	97,858m²
North	62,465m²
Midwest	7,291m²

Log Recife PE



ONE STOP SHOP

1.3 LEASES

Log is the only greenfield logistics asset development company present in all regions of the country, which makes it a **one stop shop solution for clients looking to expand operations geographically**.

63%

of the portfolio is composed of clients directly or indirectly linked to the growth of e-commerce.

67%
of the signed contracts were carried out by the Log team
12M21

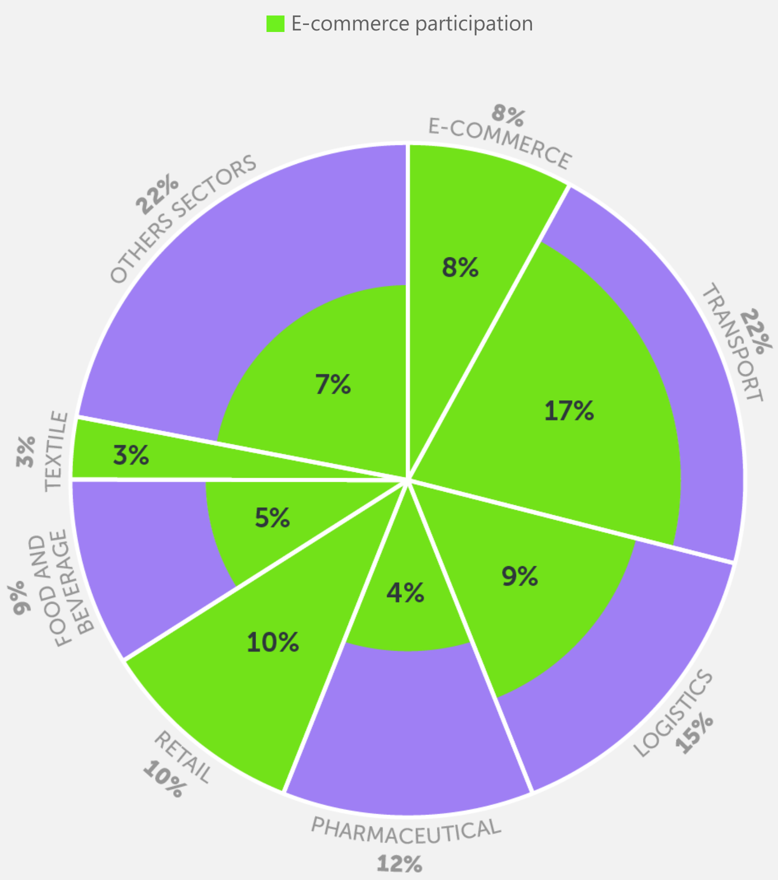
64%
of the the new leases were made to LOG clients
12M21

95%
of the total contracts to be renewed were renewed
12M21

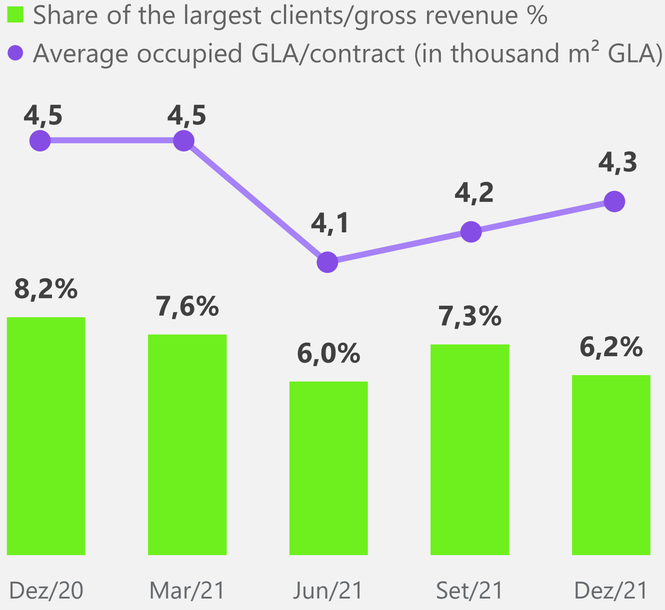
3.11%
of stabilized vacancy in Dec/21

258
active contracts
Dec/21

CLIENTS BY SEGMENT



CLIENTS CONCENTRATION



We maintained our low portfolio risk, resulting in an average GLA per contract of 4.3 thousand m². The largest client represents **6.2% of gross revenue and 7.3% of GLA.**

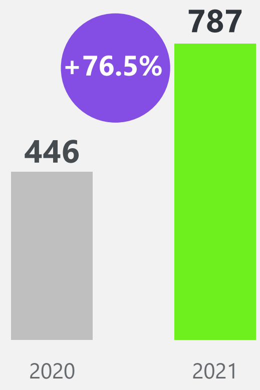
CONTACT EXPIRATION SCHEDULE

	PER REVENUE	PER GLA
Up to 12 months	15%	18%
13 to 24 months	21%	20%
25 to 36 months	14%	12%
37 to 48 months	13%	14%
Over 48 months	37%	36%

At the end of 4Q21, the average term of current contracts is **98 months**.

GROSS ABSORPTION + RENEWALS

in thousand m² of Total GLA
Last 12 months



WAREHOUSE VACANCY *% Log*

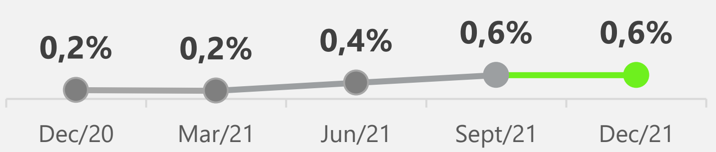
	Dec/20	Sept/21	Dec/21
Stabilized	3.0%	2.7%	3.1%
Warehouse Vacancy	3.1%	4.4%	5.5%
Brazil[1]	**14%**	**10%**	**11%**

[1]Source: Colliers

In the last 12 months, we reached record numbers of gross absorption and percentage of pre-leased.

ACCUMULATED NET DEFAULT

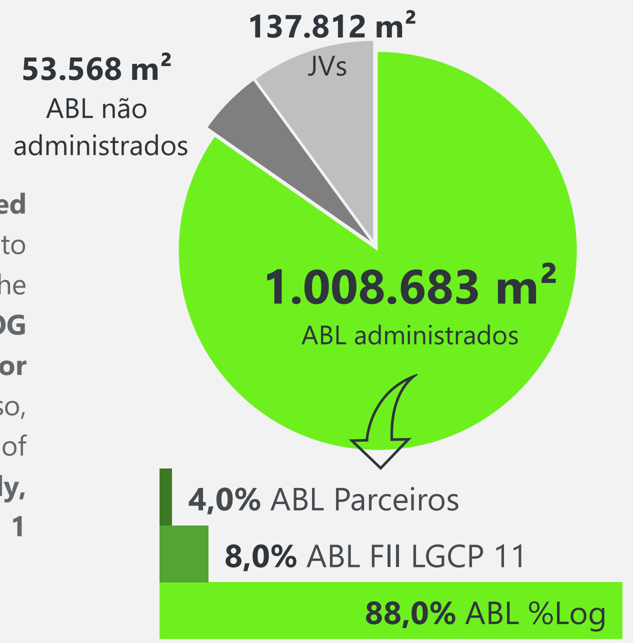
Last 12 months



LOG ADM

1.4 ASSET MANAGEMENT

Formed by our **internal team, focused on offering efficient solutions** to clients, our structure for the administration of condominiums, **LOG ADM, acts as an important link for client loyalty and retention,** being also, according to its evolution, a source of revenue for the Company. **Currently, LOG ADM manages more than 1 million m² of GLA.**



logadm

77%
of the managed GLA are supplied with renewable energy source

NPS
classification Quality Zone

1 million m²
of managed GLA

26%↓
reduction in energy cost with free market contracts

406
own and third-party employees

Log Juiz de Fora MG

Log Goiânia I GO

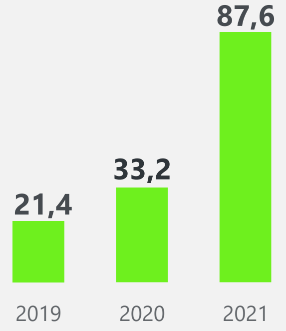
1.5 CAPITAL STRUCTURE

In 2021, assets of R$308 MM were sold, a record and with margins above 40%. This strategy is already seen as recurring and is strongly associated with the balance of our capital structure, which also provides for debt funding. During 2021, R$700MM was raised in two issues, providing greater efficiency in our indebtedness management, with better rates, better terms and unencumbrance of assets. This better credit moment for the Company has been recognized by the market, as shown by our AA rating by S&P (high credit quality).

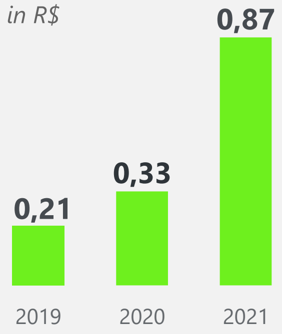
Throughout our trajectory, our capital allocation priorities have been:

- ✓ Invest in opportunities for organic growth in our business;
- ✓ Optimize our capital structure, always keeping leverage at market benchmarks.

DIVIDENDS
in R$ MM



DIVIDENDS PER SHARE
in R$



Financial Performance

2.1 NET REVENUE

Net revenue grew compared to the same period of the previous year, due to: i) new project deliveries, ii) new leases and iii) **contractual adjustments, our rental contracts showed a growth of 0.63% above inflation, when compared 4Q21 versus 4Q20, which reflected the positive dynamics of the growth sector (SCR indicator - Same Client Rent).** It should be mentioned that in the period 4Q21 versus 4Q20, assets were sold and if this had not occurred the increase in gross revenue would have been 12.1%.

2.2 DEPRECIATION AND COST

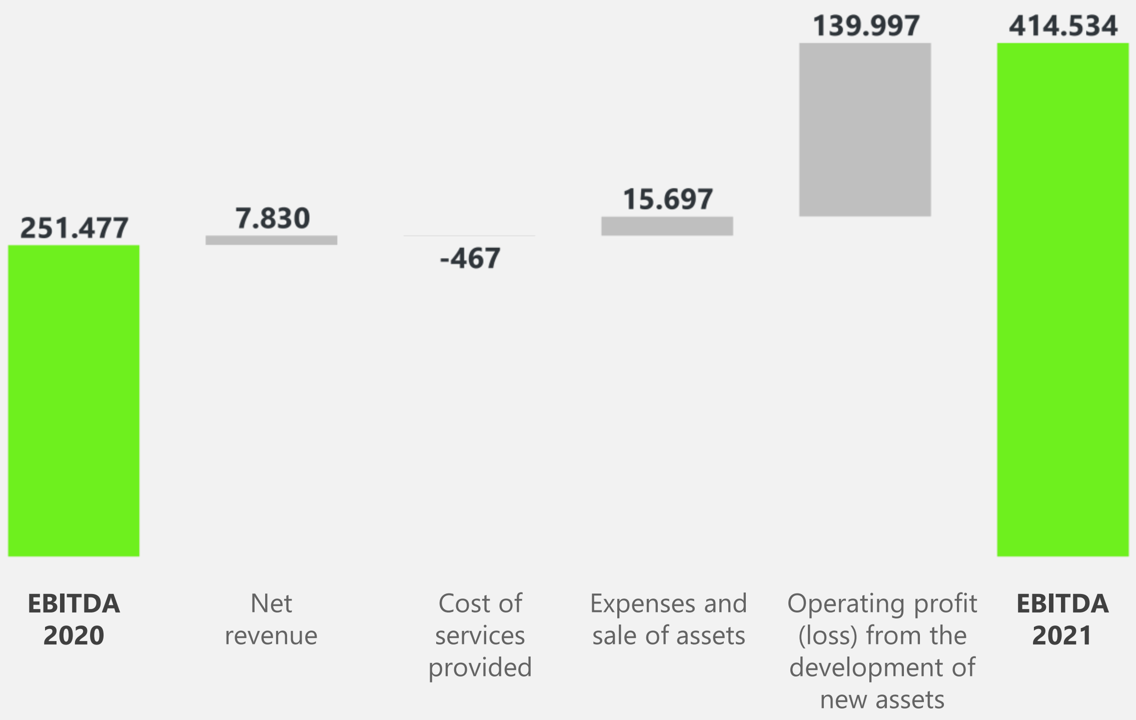
The effects of any changes in the valuation of properties are reflected in the account “change in fair value of investment properties”, in compliance with the accounting pronouncements in force. For tax purposes, the calculation of depreciation follows the guidelines established by the Federal Revenue Service. In the Statement of Profit or Loss, the existing depreciation refers to the Company's physical/administrative structure, such as furniture, equipment and others.

NET REVENUE *in R$ thousand*	4Q21	4Q20	Chg. %	12M21	12M20	Chg. %
Leases	38,980	37,428	4.1%	152,655	144,870	5.4%
(-) Taxes	(2,309)	(2,076)	11.2%	(8,559)	(7,081)	20.9%
Others revenues	2,154	1,140	88,9%	5,901	4,271	38,2%
(-) Taxes	(172)	(139)	23.7%	(630)	(523)	20.5%
Total	**38,653**	**36,353**	**6.3%**	**149,367**	**141,537**	**5.5%**

GROSS REVENUE *in R$ thousand*	4Q21	4Q20	Chg. %	12M21	12M20	Chg. %
Revenue from leases	37,634	35,245	6.8%	148,430	138,155	7.4%
Straight-lining revenue	1,346	2,183	-38.3%	4,225	6,715	-37.1%
Total	**38,980**	**37,428**	**4.1%**	**152,655**	**144,870**	**5.4%**

2.3 EBITDA and EBITDA FOR LEASING ACTIVITIES *IN R$ THOUSAND*

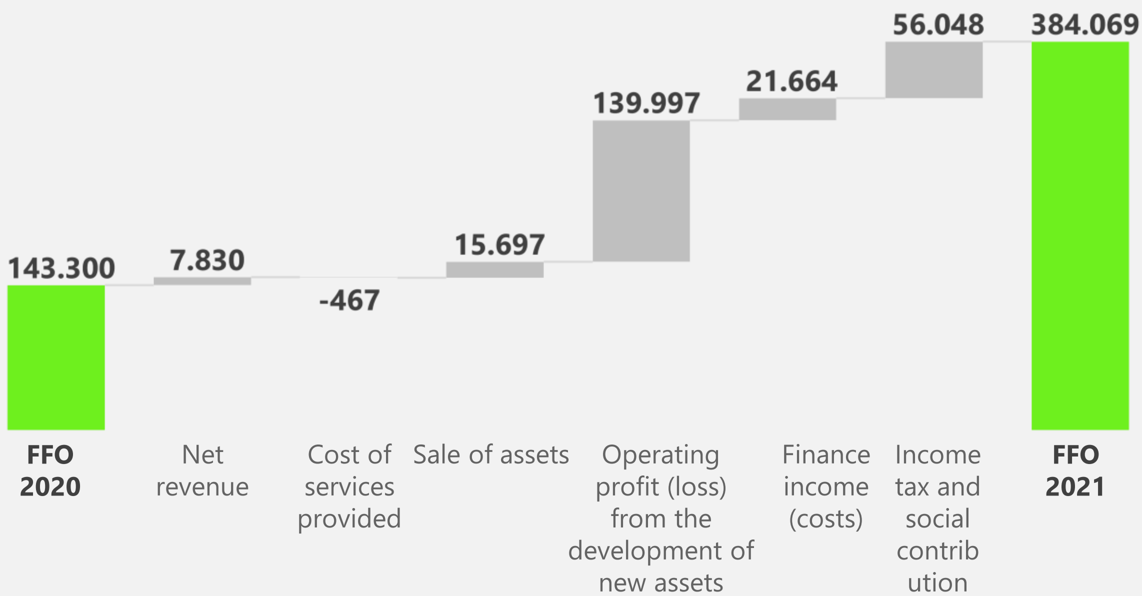
	4Q21	4Q20	Chg. %	12M21	12M20	Chg. %
(=) Net Income/Loss	**87,994**	**36,887**	**138.6%**	**383,236**	**142,572**	**168.8%**
(+) Income Tax and Social Contribution	12,151	12,546	-3.1%	37,073	93,121	-60.2%
(+) Finance Income (Costs)	(2,093)	808	-359.0%	(6,608)	15,056	-143.9%
(+) Depreciation	222	187	18.7%	832	728	14.3%
EBITDA	**98,274**	**50,428**	**94.9%**	**414,533**	**251,477**	64.8%
EBITDA Margin	**254.2%**	**138.7%**	**115.5 p.p.**	**277.5%**	**177.7%**	**99.9 p.p.**
Operating Profit (Loss) from the Development of New Assets	(72,815)	(23,719)	207.0%	(291,271)	(146,618)	98.7%
Sale BTS Extrema	(677)	-	-	4,128	-	-
Others	5,835	1,497	289.8%	(7,692)	5,133	-249.9%
EBITDA for Leasing Activities	**30,616**	**28,206**	**8.5%**	**119,697**	**109,992**	**8.8%**
EBITDA Margin for Leasing Activities	**79.2%**	**77.6%**	**1.6 p.p.**	**80.1%**	**77.7%**	**2.4 p.p.**



2.4 FFO (FUNDS FROM OPERATIONS)

IN R$ THOUSAND

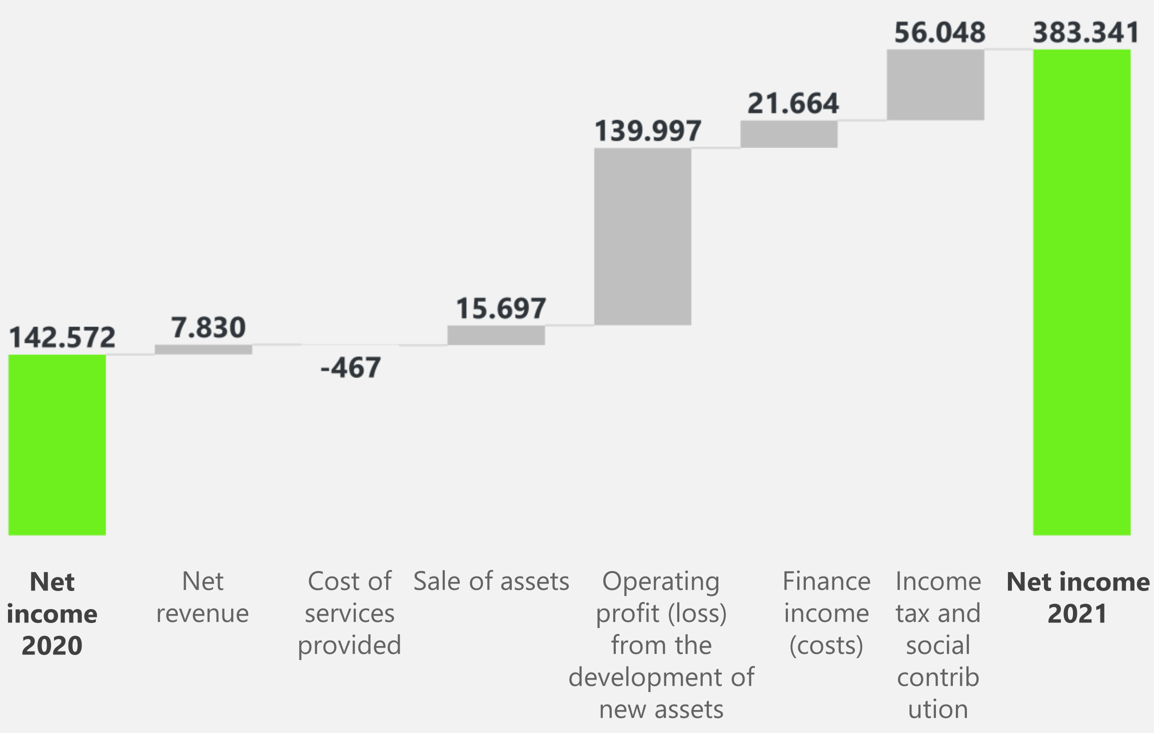
	4Q21	4Q20	Chg. %	12M21	12M20	Chg. %
(=) Net Income/Loss	**87,994**	**36,887**	**138.6%**	**383,236**	**142,572**	**168.8%**
(+) Depreciation	222	187	18.7%	832	728	14.3%
FFO	**88,216**	**37,074**	**137.9%**	**384,068**	**143,300**	**168.0%**
FFO Margin	**228.2%**	**102.0%**	**126.2 p.p.**	**257.1%**	**101.2%**	**155.9 p.p.**
Operating Profit (Loss) from the Development of New Assets	(72,815)	(23,719)	207.0%	(291,271)	(146,618)	98.7%
Deferred Income Tax and Social Contribution from the Operating Profit (Loss) from the Development of New Assets	7,312	(3,393)	315.5%	22,347	74,206	-69.9%
Sale BTS Extrema	(677)	-	-	4,128	-	-
Income Tax and Social Contribution Sale BTS Extrema	116	-	-	4,593	-	-
Deferred Income Tax on the Sale of Investment Properties and Investments	-	17,716	-100.0%	-	17,717	-100.0%
Deferred Income Tax from Financial Operations	6,090	-	-	6,090	-	-
Others	6,135	654	838.1%	(8,363)	3,528	-337.0%
FFO for Leasing Activities	**34,376**	**28,332**	**21.3%**	**121,591**	**92,133**	**32.0%**
FFO Margin for Leasing Activities	**88.9%**	**77.9%**	**11.0 p.p.**	**81.4%**	**65.1%**	**16.3 p.p.**



2.5 NET INCOME

IN R$ THOUSAND

	4Q21	4Q20	Chg. %	12M21	12M20	Chg. %
Net Income/Loss	**87,994**	**36,887**	**138.6%**	**383,236**	**142,572**	**168.8%**
Net Margin	**227.7%**	**101.5%**	**126.2 p.p.**	**256.6%**	**100.7%**	**155.8 p.p.**
Operating Profit (Loss) from the Development of New Assets	(72,815)	(23,719)	207.0%	(291,271)	(146,618)	98.7%
Deferred Income Tax and Social Contribution from the Operating Profit (Loss) from the Development of New Assets	7,312	(3,393)	315.5%	22,347	74,206	-69.9%
Sale BTS Extrema	(677)	-	-	4,128	-	-
Income Tax and Social Contribution Sale BTS Extrema	116	-	-	4,593	-	-
Deferred Income Tax on the Sale of Investment Properties and Investments	-	17,716	-100.0%	-	17,717	-100.0%
Deferred Income Tax from Financial Operations	6,090	-	-	6,090	-	-
Others	6,135	654	838.1%	(8,363)	3,528	-337.0%
Net Income for Leasing Activities	**34,155**	**28,145**	**21.4%**	**120,760**	**91,405**	**32.1%**
Net Margin for Leasing Activities	**88.4%**	**77.4%**	**10.9 p.p.**	**80.8%**	**64.6%**	**16.3 p.p.**



Dividends

R$ Mil	2021	2020
Net income for the year	368,955	139,959
Legal reserve – 5% of net income	(18,448)	(6,998)
Net income available for distribution	350,507	132,961
Proposed dividends – 25% of net income available for distribution	87,627	32,240
Proposed dividends per share (R$ per share)	0.8666	0.3254

ESG

ESG is an agenda that is here to stay and to sign our commitments in July 2021, we launched our Sustainability Report, base year 2020, following the GRI Standards – the main international reference for this type of report. The report presents in detail our positioning and commitment to advance in processes and actions that are increasingly aligned with current and future sustainability assumptions.

GLOBAL COMPACT | 2030 CHALLENGE

We also formalized our participation in the UN Global Compact's Brazil Network, the world's largest network of companies in favor of sustainability, as well as to the HUB ODS MG, the 1st Global Compact regional hub in the world. In addition, in September, we joined the 2030 Challenge Network, a partner of the Global Compact formed by companies from Minas Gerais willing to generate positive impacts on the Sustainable Development Goals and the UN's 2030 Agenda.

Based on our business model and strategic materiality, we defined the priority SDGs for Log's operations, which are the focus of our greatest contribution to achieving the global sustainable development goals.

Relationship with Independent Auditors

The Company's policy in contracting the services of independent auditors ensures that there is no conflict of interest, loss of independence or objectivity. In accordance with CVM Instruction 381/03, we inform that our independent auditors - KPMG Auditores Independentes - provided, in 2021, pre-agreed services related to the subsequent offering of shares (Follow On), with the total amount of contracted fees of R$850 thousand, about 425% in relation to the external audit services for the year 2021. Considering that the pre-agreed services and procedures, according to the contracting letter, were different and were not confused with the object and procedures of an audit or review of the Company's financial statements in accordance with the auditing/review standards applicable in Brazil, KPMG understands that the provision of other pre-agreed services does not affect the independence and objectivity necessary for the performance of audit services external.

Board statement

The Board of Executive Officers declares that it has discussed, reviewed and agreed with the opinions expressed in the independent auditors' report and with the financial statements for the fiscal year ended December 31, 2021.

Acknowledgment

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

Belo Horizonte, February 8, 2022.

The administration.

KPMG Auditores Independentes Ltda.
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Telefone +55 (31) 2128-5700
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Independent Auditor's Report in the Individual and Consolidated Financial Statements

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

Opinion

We have audited the individual and consolidated financial statements of LOG Commercial Properties e Participações S.A. ("the Company"), respectively referred to as Individual and Consolidated, which comprise the statement of financial position as at December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the financial position of LOG Commercial Properties e Participações S.A. ("the Company") as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of LOG Commercial Properties e Participações S.A. as at December 31, 2021, and of its consolidated financial performance and its cash flows for the year then ended in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the investment properties' fair value

See Notes 2.2 (c) and 6 to the individual and consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
The Company and its subsidiaries' investment properties comprise projects in operation, projects in construction phase and land and are measured at fair value on the individual and consolidated financial statements based on the discounted cash flow method, for projects in operation and construction phase, and based on the direct market inputs comparative method, for land. The measurement and recognition of fair value relies on underlying assumptions such as projected revenue, projected expenses, discount rate, divestment rate and comparable market inputs, which are subjected to significant judgment from Management and from the external valuation experts contracted by the Company. Due to the relevance, complexity and level of judgment involved in the measurement and recognition of fair value of the investment properties, and the potential impact that a modification in the underlying assumptions could cause to the individual and consolidated financial statements, we considered this matter significant for our audit.	We obtained an understanding of the design of key internal controls related to the measurement and recognition of fair value of investment properties. Based on sample, we obtained the valuation reports prepared by the Company's external experts and, with the assistance of our valuation and corporate finance specialists, evaluated the significant assumptions used in the determination of the discounted cash flow and direct market inputs comparative methods and we performed a comparison with expectations and market data information at the financial statements as of date. In order to evaluate the reasonableness of the projected financial information used by the Company in the discounted cash flow model, we assessed what was projected last fiscal year with the amounts projected for the current year. In addition, assisted by our corporate finance specialists, we performed a sensitivity analysis in the main assumptions used by the Company. We also assessed the disclosures prepared by the Company, mainly related to the assumptions and methods used to measure the fair value of the investment properties. Based on the evidences obtained through the procedures described above, we considered acceptable the investment properties' value in the context of the financial statements as a whole, related to the fiscal year ended December 31, 2021.

Other matters - Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement, and are consistent with the overall individual and consolidated financial statements.

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

Management is responsible for the other information comprising the management report.

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

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

Responsibilities of Management and Those Charged with Governance for the Individual and Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

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

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the individual and consolidated financial statements. We remain solely responsible for our audit opinion.

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

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

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

Belo Horizonte, February 08, 2022

KPMG Auditores Independentes Ltda.
CRC SP-014428/O-6 F-MG
(Original report issued in Portuguese signed by)
Poliana Silveira Rodrigues
Accountant CRC MG-089473/O-0

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

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

	Notes	Consolidated		Individual	
		12/31/21	12/31/20	12/31/21	12/31/20
Assets					
Current assets					
Cash and cash equivalents	3	**207,564**	453,855	**206,623**	453,175
Marketable securities	3	**485,911**	287,718	**332,951**	287,584
Receivables	4	**61,190**	32,486	**37,052**	17,633
Recoverable taxes		**14,252**	6,309	**11,940**	4,791
Prepaid expenses		**4,029**	1,556	**3,303**	785
Other		**2,151**	1,430	**15,664**	572
Total current assets		**775,097**	783,354	**607,533**	764,540
Noncurrent assets					
Marketable securities	3	**203,130**	2,991	**200,000**	-
Derivative financial instruments	19 (a)	**-**	3,243	**-**	3,243
Receivables	4	**23,327**	44,319	**14,159**	31,838
Receivables from related parties	18	**-**	-	**4,748**	5,044
Prepaid expenses		**12,088**	4,691	**1,585**	1,841
Recoverable taxes		**36,909**	22,827	**35,302**	21,173
Deferred income tax and social contribution	11 (b)	**7,428**	16,537	**7,428**	16,537
Other		**7,764**	5,942	**8,680**	20,297
Total long-term realisable		**290,646**	100,550	**271,902**	99,973
Investments in subsidiaries and joint ventures	5	**313,663**	326,336	**2,681,877**	2,100,584
Investment property	6	**3,772,706**	2,994,470	**1,290,715**	1,118,706
Property and equipment	7	**4,927**	4,981	**4,903**	4,938
Intangible assets		**2,864**	2,492	**2,863**	2,492
Total noncurrent assets		**4,384,806**	3,428,829	**4,252,260**	3,326,693
Total assets		**5,159,903**	4,212,183	**4,859,793**	4,091,233
Liabilities and equity					
Current liabilities					
Suppliers		**44,604**	15,269	**20,385**	14,339
Loans, financing and debentures	8	**214,610**	203,229	**211,245**	200,003
Land payables	9	**46,383**	16,630	**28,966**	16,630
Labor and social liabilities		**9,138**	5,572	**7,568**	5,193
Tax liabilities		**15,457**	8,541	**6,723**	4,159
Barters	10	**70,290**	45,688	**1,642**	45,688
Deferred taxes	11 (b)	**2,494**	1,423	**-**	-
Lease liability	13	**219**	192	**219**	192
Dividend payable	14 (e)	**87,627**	33,240	**87,627**	33,240
Other		**20,603**	741	**12,158**	458
Total current liabilities		**511,425**	330,525	**376,533**	319,902
Noncurrent liabilities					
Loans, financing and debentures	8	**1,053,095**	597,434	**1,036,864**	575,522
Derivative financial instruments	19 (a)	**3,620**	-	**3,620**	-
Barters	10	**160,300**	84,848	**123,336**	84,848
Deferred taxes	11 (b)	**77,828**	63,254	**-**	-
Land payables	9	**3,034**	45,725	**2,296**	45,725
Provisions for labor, tax and civil risks	12	**1,991**	1,725	**116**	108
Lease liability	13	**4,244**	4,182	**4,244**	4,182
Other		**3,624**	4,529	**1,215**	825
Total noncurrent liabilities		**1,307,736**	801,697	**1,171,691**	711,210
Total liabilities		**1,819,161**	1,132,222	**1,548,224**	1,031,112
Equity					
Paid-in capital		**2,035,382**	2,035,382	**2,035,382**	2,035,382
Treasury shares		(25,155)	(295)	(25,155)	(295)
Capital reserves		6,931	4,772	6,931	4,772
Earnings reserve		**1,294,411**	1,020,262	**1,294,411**	1,020,262
Equity attributable to Company shareholders		**3,311,569**	3,060,121	**3,311,569**	3,060,121
Noncontrolling interests	14 (g)	**29,173**	19,840	**-**	-
Total equity		**3,340,742**	3,079,961	**3,311,569**	3,060,121
Total liabilities and equity		5,159,903	4,212,183	4,859,793	4,091,233

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

INCOME STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Brazilian reais - R$, except earnings per share)

	Notes	Consolidated		Individual	
		2021	2020	2021	2020
Net revenue from lease and services provided	15	**149,367**	141,537	**47,712**	34,380
Costs of services provided - condominium management	16	**(2,166)**	(1,699)	**(2,166)**	(1,699)
Gross profit		**147,201**	139,838	**45,546**	32,681
Operating income (expenses)					
Selling expenses	16	**(10,833)**	(10,296)	**(7,225)**	(6,197)
General and administrative expenses	16	**(19,497)**	(17,620)	**(18,370)**	(16,576)
Management compensation	16	**(5,542)**	(4,176)	**(5,542)**	(4,176)
Changes in the fair value of investment property	6	**291,271**	151,274	**47,396**	126,467
Other operating expenses, net	16	**8,266**	(7,399)	**(7,407)**	(6,806)
Results from equity participation	5	**2,835**	(872)	**322,476**	101,983
Income before financial income and taxes		**413,701**	250,749	**376,874**	227,376
Financial income (expenses)					
Financial expenses	17	**(47,870)**	(30,385)	**(48,610)**	(24,102)
Financial income	17	**54,478**	15,329	**49,960**	15,333
Income before taxes		**420,309**	235,693	**378,224**	218,607
Income tax and social contribution					
Current		**(20,183)**	(11,493)	**(160)**	(7)
Deferred	11	**(16,890)**	(81,628)	**(9,109)**	(78,641)
	11	**(37,073)**	(93,121)	**(9,269)**	(78,648)
Net income for the year		**383,236**	142,572	**368,955**	139,959
Net income attributable to:					
Shareholders of the Company		**368,955**	139,959		
Noncontrolling interests	14 (g)	**14,281**	2,613		
		383,236	142,572		
Earnings per share (In Reais - R$):					
Basic	14 (h)	**3.62339**	1.37647	**3.62339**	1.37647
Diluted	14 (h)	**3.61228**	1.37244	**3.61228**	1.37244

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Brazilian reais - R$)

	Consolidated		Individual	
	2021	**2020**	**2021**	**2020**
Net income for the year	**383,236**	142,572	**368,955**	139,959
Other components of comprehensive income	**-**	-	**-**	-
Total comprehensive income for the year	**383,236**	142,572	**368,955**	139,959
Comprehensive income attributable to:				
Shareholders of the Company	**368,955**	139,959		
Noncontrolling interests	**14,281**	2,613		
	383,236	142,572		

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Brazilian reais - R$)

	Paid-in capital			Capital reserves		Earnings reserves					
	Subscript	Share issuance costs	Treasury shares	Share issuance costs	Recognized options granted	Legal	Earnings retention	Retained earnings	Equity attributable to Company shareholders (Individual)	Noncontrolling interests	Total (Consolidated)
BALANCE AT DECEMBER 31, 2019	**2,053,976**	**(15,904)**	-	**(2,639)**	**3,346**	**27,185**	**872,993**	-	**2,938,957**	**15,266**	**2,954,223**
Capital increase	-	(51)	-	-	-	-	-	-	(51)	-	(51)
Share issuance cost reclassification	-	(2,639)	-	2,639	-	-	-	-	-	-	-
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(641)	(641)
Treasury shares:											
Purchased	-	-	(18,597)	-	-	-	-	-	(18,597)	-	(18,597)
Sold	-	-	17,452	-	-	-	16,719	-	34,171	-	34,171
Transferred	-	-	752	-	-	-	(752)	-	-	-	-
Disposed to beneficiaries of stock option plan	-	-	98	-	-	-	-	-	98	-	98
Stock options	-	-	-	-	1,426	-	-	-	1,426	-	1,426
Capital transaction	-	-	-	-	-	-	(2,602)	-	(2,602)	2,602	-
Income of the year	-	-	-	-	-	-	-	139,959	139,959	2,613	142,572
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	-	6,998	-	(6,998)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	(33,240)	(33,240)	-	(33,240)
Earnings retention	-	-	-	-	-	-	99,721	(99,721)	-	-	-
BALANCE AT DECEMBER 31, 2020	**2,053,976**	**(18,594)**	**(295)**	**-**	**4,772**	**34,183**	**986,079**	**-**	**3,060,121**	**19,840**	**3,079,961**
Net contributions from noncontrolling shareholders	-	-	-	-	-	-	-	-	-	(9,099)	(9,099)
Capital transaction	-	-	-	-	-	-	(4,151)	-	(4,151)	4,151	-
Treasury shares:											
Purchased	-	-	(104,990)	-	-	-	-	-	(104,990)	-	(104,990)
Sold	-	-	80,127	-	-	-	(3,028)	-	77,099	-	77,099
Disposed to beneficiaries of stock option plan	-	-	3	-	-	-	-	-	3	-	3
Stock options	-	-	-	-	2,159	-	-	-	2,159	-	2,159
Net income for the year	-	-	-	-	-	-	-	368,955	368,955	14,281	383,236
Allocation of net income:											
Recognition of legal reserve	-	-	-	-	-	18,448	-	(18,448)	-	-	-
Proposed dividends	-	-	-	-	-	-	-	(87,627)	(87,627)	-	(87,627)
Earnings retention	-	-	-	-	-	-	262,880	(262,880)	-	-	-
BALANCE AT DECEMBER 31, 2021	**2,053,976**	**(18,594)**	**(25,155)**	**-**	**6,931**	**52,631**	**1,241,780**	**-**	**3,311,569**	**29,173**	**3,340,742**

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 - INDIRECT METHOD
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Individual	
		2021	2020	2021	2020
Cash flows from operating activities					
Net Income for the year		**383,236**	142,572	**368,955**	139,959
Adjustments to reconcile net income to net cash generated by (used in) operating activities:					
Depreciation	16	**832**	728	**827**	722
Results from equity participation	5	**(2,835)**	872	**(322,476)**	(101,983)
Amortization of prepaid expenses		**5,175**	1,398	**3,216**	233
Allowance for credit risk		**(179)**	1,805	**1**	1,165
Financial result		**6,783**	15,056	**12,485**	8,769
Results on sale of partial equity interest in subsidiary		**(9,224)**	29,656	**4,268**	29,656
Deferred taxes		**26,425**	79,300	**8,150**	73,778
Changes in the fair value of investment property		**(299,194)**	(148,927)	**(47,396)**	(121,654)
Stock options	16	**2,159**	1,426	**2,159**	1,426
		113,178	123,886	**30,189**	32,071
(Increase) decrease in operating assets:					
Trade accounts receivable		**(6,619)**	(10,425)	**1,060**	(7,394)
Recoverable taxes		**(6,871)**	1,068	**(6,170)**	727
Prepaid expenses		**(16,258)**	(1,113)	**(5,477)**	(1,303)
Other assets		**(2,543)**	4,612	**(25,433)**	(10,494)
Increase (decrease) in operating liabilities:					
Suppliers		**28,032**	20,329	**6,046**	23,976
Labor and social liabilities		**3,566**	1,403	**2,375**	1,418
Tax liabilities		**11,466**	12,355	**2,690**	1,338
Other liabilities		**18,590**	(7,939)	**13,235**	(2,125)
Income tax and social contribution paid		**(17,677)**	(10,700)	**(50)**	(263)
Cash provided by operating activities		**124,864**	133,476	**18,465**	37,951
Cash flows from investing activities					
Increase in marketable securities		**(1,299,951)**	(317,294)	**(1,042,816)**	(298,152)
Decrease in marketable securities		**940,729**	333,904	**832,044**	314,841
Increase in / acquisition of investments	0	**(5,259)**	(11,685)	**(249,190)**	(74,386)
Dividends received from subsidiaries	5 (c)	**12,203**	-	**197,208**	89,124
Aquisition of investment properties		**(637,669)**	(147,271)	**(362,073)**	(84,970)
Receipt for the sale of subsidiaries / assets		**283,077**	90,739	**10,377**	90,739
Receipts from related companies		**-**	-	**557**	2,861
Other		**(855)**	(942)	**(869)**	(957)
Net cash (used in) provided by investing activities		**(707,725)**	(52,549)	**(614,762)**	39,100
Cash flows from financing activities					
Proceeds from loans, financing and debentures, net		**686,960**	-	**686,960**	-
Amortization of loans, financing and debentures	8 (a)	**(241,892)**	(87,643)	**(239,856)**	(86,098)
Interest paid	8 (a)	**(37,773)**	(39,883)	**(35,733)**	(37,354)
Lease payments		**(498)**	(465)	**(498)**	(465)
Dividend paid	14 (e)	**(33,240)**	(21,423)	**(33,240)**	(21,423)
Share issuance costs		**-**	(77)	**-**	(77)
Disposal (acquisition) of treasury shares		**(27,891)**	15,574	**(27,891)**	15,574
Proceeds from exercised stock options		**3**	98	**3**	98
Contributions from noncontrolling shareholders	14 (g)	**(9,099)**	(641)	**-**	-
Net cash provided by (used in) financing activities		**336,570**	(134,460)	**349,745**	(129,745)
Increase (decrease) in cash and cash equivalents		**(246,291)**	(53,533)	**(246,552)**	(52,694)
Cash and cash equivalents					
At the beginning of the period		**453,855**	507,388	**453,175**	505,869
At the end of the period	3	**207,564**	453,855	**206,623**	453,175
Increase (decrease) in cash and cash equivalents		**(246,291)**	(53,533)	**(246,552)**	(52,694)

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

LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.

STATEMENTS OF VALUE ADDED FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In thousands of Brazilian reais - R$)

	Notes	Consolidated		Individual	
		2021	2020	2021	2020
Revenue:					
Revenues from lease and services provided		**158,556**	149,141	**52,748**	38,055
Other revenue		**21,814**	50,371	**1,233**	46,863
Changes in the fair value of investment property	6	**299,194**	148,927	**47,396**	121,654
Revenue from construction of own assets		**575,219**	141,784	**288,475**	65,180
Allowance for doubtful accounts		**179**	(1,805)	**(1)**	(1,165)
		1,054,962	488,418	**389,851**	270,587
Inputs purchased from third-parties (includes the taxes ICMS, IPI, PIS AND COFINS)					
Supplies, power, outside services and other items		**(519,960)**	(150,654)	**(272,586)**	(96,553)
		(519,960)	(150,654)	**(272,586)**	(96,553)
Gross value added		**535,002**	337,764	**117,265**	174,034
Depreciation	16	**(832)**	(728)	**(827)**	(722)
Net wealth created		**534,170**	337,036	**116,438**	173,312
Value added received in transfer					
Results from equity participation	5	**2,835**	(872)	**322,476**	101,983
Financial income		**56,864**	16,036	**52,336**	16,037
		59,699	15,164	**374,812**	118,020
Total wealth for distribution		**593,869**	352,200	**491,250**	291,332
Wealth distributed					
Personnel:		**36,685**	35,166	**27,591**	26,538
Salaries and wages		**28,682**	28,579	**21,837**	21,747
Benefits		**6,379**	5,257	**4,591**	3,859
Severance pay fund (FGTS)		**1,624**	1,330	**1,163**	932
Taxes and fares:		**76,119**	106,144	**24,132**	83,190
Federal		**73,806**	105,283	**22,050**	82,616
Municipal		**2,313**	861	**2,082**	574
Lenders and lessors:		**97,829**	68,318	**70,572**	41,645
Interest		**65,268**	60,771	**48,763**	39,916
Rentals / Leases		**32,430**	7,416	**21,776**	1,704
Other		**131**	131	**33**	25
Shareholders:		**383,236**	142,572	**368,955**	139,959
Dividends	14 (e)	**87,627**	33,240	**87,627**	33,240
Retained earnings		**281,328**	106,719	**281,328**	106,719
Noncontrolling interests	14 (g)	**14,281**	2,613	**-**	-
Wealth distributed		**593,869**	352,200	**491,250**	291,332

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

1. General information

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

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

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

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

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

2.1 Presentation of financial statements

I. Statement of compliance

The Company's Consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The Individual financial statements have been prepared in accordance with accounting practices adopted in Brazil and are not considered in conformity with International Financial Reporting Standards (IFRS) because it considers the borrowing cost's capitalization on its investees' qualifying assets, as stated by CPC 20 – Borrowing costs. In conformity with "OCPC 07 - Evidenciação na Divulgação dos Relatórios Contábil - Financeiros de Propósito Geral" (General Purpose Evidencing the Disclosure of Financial Statements), relevant information regarding the financial statements has been disclosed and corresponds to those used by the management.

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

II. Basis of measurement

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

III. Basis of consolidation

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

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

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

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

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

2.2 Significant accounting policies

(a) Trade receivables

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

(b) Investments in subsidiaries and joint ventures

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

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

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

(c) Investment property

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

As at December 31, 2021 and 2020, fair values of investment property were determined based on valuations performed by external appraisers, with the required qualifications and recent experience in the valuation of real estate properties in similar locations, as follows:

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

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

  Among the assumptions considered, the main ones were:

  - The discount rates used consider the characteristics of the properties being valued and range from 8.00% to 9.75% p.a. as at December 31, 2021 (7.75% to 9.50% p.a. as at December 31, 2020).

  - The divesture has been calculated using rates that range from 7.50% to 9.00% p.a. as at December 31, 2021 (7.25% to 8.75% p.a. as at December 31, 2020).

  - Projected expenses corresponding to a 1.0 rental revenue as at December 31, 2021 and 2020, for commissions paid to the real estate consultant responsible for the rent of the property. As at December 31, 2021 and 2020, rates of 1.5% and 2.0% of the residual sale price for commissions paid to the real estate consultant responsible for the sale of the property at the end of horizon.

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

Noncurrent assets held for sale

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

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

(d) Provisions

A provision is recognized as result of a past event, when the Group has a legal or constructive obligation that can be reliably estimated, and it is probable that a disbursement will be required to settle the obligation.
When a provision is measured based on the estimated future cash flows required to settle the obligation, the provision is recorded for an amount representing the present value of such cash flows.

(e) Borrowing costs

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

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

(f) Stock option plan

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

(g) Taxes

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

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

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

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

Deferred taxes

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

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

Taxes on revenue

Revenue is recorded net of PIS and COFINS levied on rental revenue and PIS, COFINS and ISS (Services Tax) on condominium management revenue. The aggregate tax rate of the Social Integration Program Tax on Revenue (PIS) and the Social Security Funding Tax on Revenue (COFINS) is 9.25%, levied on actual income (noncumulative regime) or 3.65%, levied on deemed income.

(h) Income and expense recognition

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

Other income and expenses are recorded on the accrual basis.

(i) Financial instruments

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

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

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

Financial assets

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

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

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

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

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

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

Financial liabilities

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

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

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

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

Derivative financial instruments and hedge accounting

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

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

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

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

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

Impairment of financial assets

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

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

(j) Discount to present value

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

(k) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities, and revenues and expenses in the reporting periods.

Assets and liabilities subject to these estimates and assumptions include the fair value of investment property, cash equivalents, marketable securities and derivative financial instruments, deferred tax assets, asset impairment testing, barters and provisions for labor, tax, and civil risks. Since management's judgment involves estimates related to the probability of future events, actual results could differ from those estimates.
The Company revises its estimates and assumptions at least annually. The effects arising from these revisions are recognized in the year when the estimates are revised if such revision impacts only that year, or also in subsequent years if the revision impacts both the current period and future years.

(l) Functional and reporting currency

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

(m) Statement of value added

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

(n) Leases

The Group as a lessor

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

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

The Group as lessee

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

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

Lease liability is measured at the present value of the lease payments, discounted by the implicit interest rate or by the incremental borrowing rate and represents the obligation to make lease payments.

In measuring the lease liability, the consideration incorporates the actual inflation up to the current period and is discounted at nominal rates that represent the Company's funding costs.

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

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

(o) Earnings per share

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

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

(p) Segment information

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

2.3 Adoption of new standards

There are no standards and interpretations, which are valid for the annual periods beginning on or after January 1, 2021 which had material effects on the Group's financial statements.

2.4 New standards issued and not yet adopted

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

- Onerous contracts (Amendments to CPC 25 – IAS 37)
- Property, Plant and Equipment: Proceeds before intended use (Amendments to CPC 27 – IAS 16)
- References to conceptual framework (Amendments to CPC 15 – IFRS 3)
- Annual improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Classification of liabilities as current or non-current (Amendments to CPC 26 – IAS 1 and CPC 23 – IAS 8)
- Definition of accounting estimates (Amendments to CPC 23 - IAS 8)
- Insurance contracts (CPC 50 - IFRS 17)
- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to CPC 36 - IFRS 10 and CPC 18 - IAS 28)
- Deferred taxes related to assets and liabilities arising from a single transaction (amendments to CPC 32 - IAS 12)

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Cash and cash equivalents:				
Cash	**1**	2	**1**	1
Bank accounts	**2,515**	815	**1,574**	611
Short-term investments:				
Bank certificates of deposit (CDB)	**205,048**	453,038	**205,048**	452,563
Total cash and cash equivalents	**207,564**	453,855	**206,623**	453,175

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Marketable securities:				
Restricted investment funds (i)	**685,911**	162,540	**532,951**	162,406
Unrestricted investment funds (ii)	**2,924**	127,970	**-**	125,178
Bank certificates of deposit (CDB) (ii)	**206**	199	**-**	-
Total marketable securities	**689,041**	290,709	**532,951**	287,584
Current	**485,911**	287,718	**332,951**	287,584
Noncurrent	**203,130**	2,991	**200,000**	-
	689,041	290,709	**532,951**	287,584

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

(ii) Include R$2,924 pledged as collateral for "*plano empresário*" program loans, working capital and debentures.

(iii) Pledged as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 143.49% of CDI in Consolidated and 141.60% of CDI in Individual at December 31, 2021 (64.22% of CDI in Consolidated and 64.11% of CDI in Individual at December 31, 2020).

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

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Bank certificates of deposit (CDB)	**58,230**	1,700	**54,057**	1,700
Securities with repurchase agreement	**32,244**	18,021	**17,929**	18,021
Unrestricted investment funds	**33,098**	51,378	**13,128**	51,244
Debentures	**101,678**	22,030	**65,710**	22,030
Private bonds	**179,879**	33,162	**132,983**	33,162
Public securities:				
Financial Treasury Bills (LFT)	**61,643**	36,249	**34,486**	36,249
National Treasury Notes - B (NTN-B)	**216,387**	-	**213,536**	-
National Treasury Bills (LTN)	**2,712**	-	**1,076**	-
Others	**40**	-	**46**	-
Total	**685,911**	162,540	**532,951**	162,406

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

4. Trade receivables

Trade receivables are broken down as follows:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Rentals	**43,766**	47,356	**15,365**	14,939
Sale of equity interest / assets	**26,353**	22,945	**26,353**	22,945
Condominium administration	**457**	220	**457**	220
Others (*)	**23,501**	16,023	**12,197**	14,527
	94,077	86,544	**54,372**	52,631
Allowance for credit risk	**(9,560)**	(9,739)	**(3,161)**	(3,160)
Total	**84,517**	76,805	**51,211**	49,471
Current	**61,190**	32,486	**37,052**	17,633
Noncurrent	**23,327**	44,319	**14,159**	31,838
	84,517	76,805	**51,211**	49,471

(*) Others refers substantially to accounts receivable from partners in projects

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

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

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
LOG SJC Sony	**15,292**	20,502	**15,292**	20,502
LOG Sapucaias	-	3,500	-	3,500
Plaza Mirante Sul	**5,133**	-	**5,133**	-
Cabral (Note 18)	**6,423**	-	**6,423**	-
	26,848	24,002	**26,848**	24,002
Adjustment to present value	**(495)**	(1,057)	**(495)**	(1,057)
Total	**26,353**	22,945	**26,353**	22,945
Current	**18,504**	9,635	**18,504**	9,635
Noncurrent	**7,849**	13,310	**7,849**	13,310
	26,353	22,945	**26,353**	22,945

The table below shows the aging list of trade receivables:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
In due:				
Up to 1 year	**60,603**	32,517	**37,133**	17,630
After 1 year	**23,327**	44,319	**14,159**	31,838
	83,930	76,836	**51,292**	49,468
Past due:				
Up to 30 days	**1,058**	812	**301**	674
31 to 90 days	**138**	1,965	**89**	1,110
More than 90 days	**8,951**	6,931	**2,690**	1,379
	10,147	9,708	**3,080**	3,163
Total	**94,077**	86,544	**54,372**	52,631

Changes in the allowance for credit risk for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Opening balance	**(9,739)**	(7,934)	**(3,160)**	(1,995)
Additions	**(1,181)**	(1,928)	**(753)**	(1,288)
Write-off	**1,360**	123	**752**	123
Closing balance	**(9,560)**	(9,739)	**(3,161)**	(3,160)

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
1 year	**164,949**	139,642	**50,733**	43,367
2 years	**135,189**	124,013	**45,820**	42,659
3 years	**105,371**	96,845	**38,549**	33,555
4 years	**83,996**	73,624	**31,128**	23,336
5 years	**59,417**	61,165	**24,354**	19,358
After 5 years	**64,096**	151,186	**23,391**	30,249
Total	**613,018**	646,475	**213,975**	192,524

5. Investment in subsidiaries and joint ventures

a) Main information on each investment is summarized below:

	Equity interest		Information on investees				Investment		Results from equity participation	
			Equity		Net income (loss) for the year					
	12/31/21	12/31/20	12/31/21	12/31/20	2021	2020	12/31/21	12/31/20	2021	2020
Joint ventures:										
Cabral	0.00%	50.00%	-	50,248	(7,383)	(212)	-	24,865	(3,661)	(106)
Torino	40.00%	40.00%	453,078	398,496	11,312	(5,523)	181,257	159,424	4,525	(2,209)
Loteamento Betim (a)	50.00%	50.00%	109,842	121,417	11,711	2,701	50,315	60,709	1,249	1,351
LOG SJC Sony	64.97%	64.97%	108,998	106,198	2,749	835	70,814	68,997	1,786	542
Capitalized interest (b)			-	-	-	-	11,277	12,341	(1,064)	(450)
Total joint ventures - Consolidated			671,918	676,359	18,389	(2,199)	313,663	326,336	2,835	(872)
Subsidiaries:										
LOG I	99.99%	99.99%	158,489	144,875	22,371	7,768	158,473	144,861	22,369	7,767
LOG II	99.99%	99.99%	54,903	50,311	7,189	146	54,898	50,306	7,188	146
LOG Jundiaí	99.99%	99.99%	94,281	94,302	3,272	2,249	94,272	94,293	3,272	2,249
LOG Goiânia	99.90%	99.90%	151,576	151,846	8,320	2,684	151,424	151,694	8,312	2,681
LOG Hortolândia	99.99%	99.99%	136,934	139,490	6,572	8,281	136,920	139,476	6,571	8,280
LOG SJP	99.99%	99.99%	54,690	53,285	1,332	3,687	54,685	53,280	1,332	3,687
LOG Juiz de Fora	99.99%	99.99%	107,891	113,037	(2,916)	(1,311)	107,880	113,026	(2,916)	(1,311)
LOG Feira de Santana	99.99%	99.99%	39,857	37,726	4,208	1,732	39,853	37,722	4,208	1,732
LOG Fortaleza	99.99%	99.99%	133,041	127,155	5,851	22,127	133,028	127,142	5,850	22,125
LOG Via Expressa	99.99%	99.99%	164,581	164,653	6,820	6,995	164,565	164,637	6,819	6,994
LOG Viana	99.99%	99.99%	141,329	139,779	8,344	6,970	141,315	139,765	8,343	6,969
LOG Londrina	99.99%	99.99%	120,448	114,280	8,504	4,594	120,436	114,269	8,503	4,594
LOG Itatiaia	99.99%	99.99%	61,121	61,789	478	(3,808)	61,115	61,783	478	(3,808)
LOG Rio	0.00%	0.00%	-	-	-	15,015	-	-	-	15,013
LOG Itaitinga I	100.00%	0.00%	172,030	-	13,653	-	172,030	-	13,653	-
LOG Aracajú	99.99%	99.99%	73,130	72,232	1,966	678	73,123	72,225	1,966	678
LOG BTS Extrema	97.48%	90.06%	143,074	202,840	20,574	29,655	139,469	182,998	18,301	27,043
LOG Uberaba	99.00%	99.00%	43,614	37,157	6,493	3,364	43,178	36,785	6,428	3,330
LOG Sumaré	99.99%	99.99%	27	19	(1)	(2)	27	19	(1)	(2)
LOG SJRP	99.99%	99.99%	23,680	23,647	(488)	(378)	23,678	23,645	(488)	(378)
LOG Macaé	99.99%	99.99%	13,946	14,118	(388)	(45)	13,945	14,117	(388)	(45)
LOG RP	99.99%	99.99%	55,900	51,405	4,117	(53)	55,894	51,400	4,117	(53)
LOG Recife	80.00%	0.00%	127,836	-	60,040	-	102,269	-	48,032	-
LOG Itapeva	99.99%	0.00%	53,059	-	18,068	-	53,054	-	18,066	-
LOG Viana II	100.00%	0.00%	67,430	-	18,606	-	67,430	-	18,606	-
LOG PIB Meli	100.00%	0.00%	117,206	-	46,806	-	117,206	-	46,806	-
LOG Salvador	100.00%	0.00%	66,687	-	66,082	-	66,687	-	66,082	-
LOG Maceió	100.00%	0.00%	11,738	-	10,636	-	11,738	-	10,636	-
LOG Natal	100.00%	0.00%	8,730	-	-	-	8,730	-	-	-
LOG Contagem IV	100.00%	0.00%	9	-	-	-	9	-	-	-
LOG Teresina	100.00%	0.00%	3	-	-	-	3	-	-	-
LOG Campo Grande	100.00%	0.00%	3	-	-	-	3	-	-	-
LDI	100.00%	100.00%	766	693	76	16	766	693	76	16
LE Empreendimentos	99.00%	99.00%	112	113	(564)	(264)	111	112	(558)	(261)
Capitalized interest (b)			-	-	-	-	-	-	(12,022)	(4,591)
Total subsidiaries			2,398,121	1,794,752	346,021	110,100	2,368,214	1,774,248	319,641	102,855
Total Individual			3,070,039	2,471,111	364,410	107,901	2,681,877	2,100,584	322,476	101,983

a) In the year ended December 31, 2021, Loteamento Betim carried out a land sale transaction for the Company with a profit of R$9.2 million. In determining the results from equity participation in this investee, the Company recognized unrealized results in the amount of R$4.6 million.

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

b) Joint ventures:

- Cabral Investimentos SPE Ltda. (“Cabral”) is mainly engaged in building investment proprieties in shopping centers and store segments and other assets for rental. As per item (c) below, the sale of this joint venture was concluded in December 2021.
- Parque Torino Imóveis S.A. (“Torino”) is engaged in the rent of own properties, construction, and development of real estate projects.
- Betim I Incorporações SPE Ltda. (“Loteamento Betim”) is mainly engaged in the subdivision of industrial land for sale and development, building and rental of business assets, primarily, logistics warehouses.
- MRV LOG MDI SJC I Incorporações SPE Ltda. (“LOG SJC Sony”) is mainly engaged in the rent of own properties, construction, and development of real estate projects.

Even though the main strategic decisions regarding the business to be developed and the definition of the capital structure of the joint ventures is jointly determined, the Company is involved in the financial, accounting and operating routines of the companies Cabral and Loteamento Betim.

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

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

Summarized financial information of the joint ventures is as follows:

	Cabral		Torino		Loteamento Betim		LOG SJC Sony	
	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20
Cash and cash equivalents and marketable securities	-	12,301	**6,032**	14,557	**111**	210	**3**	3
Trade receivables	-	342	**-**	-	**1,391**	5,609	**-**	-
Inventories	-	-	**-**	-	**35,797**	17,179	**-**	-
Other current assets	-	16	**-**	318	**64**	130	**1**	-
Total current	-	12,659	**6,032**	14,875	**37,363**	23,128	**4**	3
Trade receivables	-	448	**-**	-	**1,308**	2,180	**-**	-
Inventories	-	-	**-**	-	**81,543**	100,532	**-**	-
Investment property	-	38,463	**457,300**	394,000	**-**	3,367	**112,700**	109,900
Other noncurrent assets	-	1	**385**	461	**-**	-	**-**	-
Total noncurrent assets	-	38,912	**457,685**	394,461	**82,851**	106,079	**112,700**	109,900
Total assets	-	51,571	**463,717**	409,336	**120,214**	129,207	**112,704**	109,903
Current liabilities	-	990	**1,403**	1,187	**10,810**	7,715	**-**	-
Noncurrent liabilities	-	333	**9,236**	9,653	**(438)**	75	**3,706**	3,705
Equity	-	50,248	**453,078**	398,496	**109,842**	121,417	**108,998**	106,198
Liabilities and equity	-	51,571	**463,717**	409,336	**120,214**	129,207	**112,704**	109,903

	Cabral (*)		Torino		Loteamento Betim (**)		LOG SJC Sony	
	2021	2020	2021	2020	2021	2020	2021	2020
Operating revenue	**21**	1,526	**18,850**	7,682	**22,523**	8,624	**-**	-
Cost of products and services	**-**	-	**-**	-	**(8,776)**	(7,122)	**-**	-
Other operating expenses	**(7,910)**	165	**(3,030)**	(2,573)	**(54)**	(42)	**(50)**	14
Financial income (expenses)	**963**	259	**242**	196	**32**	(3)	**(1)**	(2)
Changes in the fair value of investment property	**338**	(1,821)	**(2,634)**	(10,234)	**(1,345)**	1,345	**2,800**	866
Income tax and social contribution	**(795)**	(341)	**(2,116)**	(594)	**(669)**	(101)	**-**	(43)
Net income (loss)	**(7,383)**	(212)	**11,312**	(5,523)	**11,711**	2,701	**2,749**	835

(*) On June 30, 2021, asset was sold for the amount of R$22.8 million (cost of R$29.6 million), of which R$12.8 million were received in cash and R$10 million will be received in 20 monthly and consecutive installments of R$0.5 million each pegged to CDI from August 2021.
(**) On May 12, 2021, land was sold to the Company for the amount of R$ 22.4 million, which was paid in a single installment on October 19, 2021.

c) Changes in the balances of investments in subsidiaries and joint ventures in the years ended December 31, 2021 and 2020 are as follows:

	Startup date	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
Year ended December 31, 2021:							
Joint ventures:							
Cabral (a)	11/13	24,865	(12,640)	(3,661)	-	(8,564)	-
Torino	4/15	159,424	22,268	4,525	(4,960)	-	181,257
Loteamento Betim	3/18	60,709	(4,400)	1,249	(7,243)	-	50,315
LOG SJC Sony	-	68,997	31	1,786	-	-	70,814
Capitalized interest (b)		12,341	-	(1,064)	-	-	11,277
Total joint ventures - Consolidated		**326,336**	**5,259**	**2,835**	**(12,203)**	**(8,564)**	**313,663**
Subsidiaries:							
LOG I	2/09	144,861	3,801	22,369	(12,558)	-	158,473
LOG II	3/11	50,306	677	7,188	(3,273)	-	54,898
LOG Jundiaí	4/11	94,293	742	3,272	(4,035)	-	94,272
LOG Goiânia	4/12	151,694	2,165	8,312	(10,747)	-	151,424
LOG Hortolândia	9/12	139,476	1,343	6,571	(10,470)	-	136,920
LOG SJP	4/13	53,280	73	1,332	-	-	54,685
LOG Juiz de Fora	6/13	113,026	2,477	(2,916)	(4,707)	-	107,880
LOG Feira de Santana	6/13	37,722	377	4,208	(2,454)	-	39,853
LOG Fortaleza	8/13	127,142	8,592	5,850	(8,556)	-	133,028
LOG Via Expressa	11/13	164,637	1,583	6,819	(8,474)	-	164,565
LOG Viana	4/14	139,765	2,014	8,343	(8,807)	-	141,315
LOG Londrina	6/14	114,269	5,300	8,503	(7,636)	-	120,436
LOG Itatiaia	7/14	61,783	(1,017)	478	(129)	-	61,115
LOG Itaitinga I	9/21	-	158,704	13,653	(327)	-	172,030
LOG Aracajú	10/18	72,225	1,536	1,966	(2,604)	-	73,123
LOG Extrema	10/19	182,998	40,485	18,301	(98,164)	(4,151)	139,469
LOG Uberaba	9/20	36,785	2,024	6,428	(2,059)	-	43,178
LOG Sumaré	-	19	9	(1)	-	-	27
LOG SJRP	-	23,645	526	(488)	(5)	-	23,678
LOG Macaé	-	14,117	216	(388)	-	-	13,945
LOG RP	-	51,400	377	4,117	-	-	55,894
LOG Recife	-	-	54,237	48,032	-	-	102,269
LOG Itapeva	-	-	34,988	18,066	-	-	53,054
LOG Viana II	-	-	48,824	18,606	-	-	67,430
LOG PIB Meli	-	-	70,400	46,806	-	-	117,206
LOG Salvador	-	-	605	66,082	-	-	66,687
LOG Maceió	-	-	1,102	10,636	-	-	11,738
LOG Natal	-	-	8,730	-	-	-	8,730
LOG Contagem IV	-	-	9	-	-	-	9
LOG Teresina	-	-	3	-	-	-	3
LOG Campo Grande	-	-	3	-	-	-	3
LDI	-	693	(3)	76	-	-	766
LE Empreendimentos	-	112	557	(558)	-	-	111
Capitalized interest (b)		-	-	(12,022)	-	12,022	-
Total subsidiaries		**1,774,248**	**451,459**	**319,641**	**(185,005)**	**7,871**	**2,368,214**
Total Individual		**2,100,584**	**456,718**	**322,476**	**(197,208)**	**(693)**	**2,681,877**
Year ended December 31, 2020:							
Total Consolidated		306,253	11,685	(872)	-	9,270	326,336
Total Individual		2,292,547	74,386	101,983	(89,124)	(279,208)	2,100,584

a) In December 2021, the Group concluded the sale of the joint venture Cabral Investimentos SPE Ltda. to MRV Engenharia e Participações S.A., for the amount of R$6.4 million, to be paid from January 2022 onwards in 12 consecutive installments of R$533 updated by INCC index.

b) Adjustment in results from equity participation by the capitalized interest amount during the fiscal year, due to adoption of fair value measurement for investment property (Note 2.2 (e)).

6. Investment property

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Industrial warehouses	**3,752,906**	2,965,730	**1,270,915**	1,089,966
Strip malls	**19,800**	28,740	**19,800**	28,740
Total	**3,772,706**	2,994,470	**1,290,715**	1,118,706

Changes in balances of investment property for the years ended December 31, 2021 and 2020 were as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Opening balance	**2,994,470**	2,574,135	**1,118,706**	503,946
Additions	**709,631**	328,326	**455,665**	256,490
Spin-off and merger of assets	**-**	-	**-**	298,128
Capitalized interest (Note 8 (d))	**20,390**	5,444	**8,368**	850
Sale of assets	**(250,979)**	(8,500)	**(8,499)**	(8,500)
Transfer to assets available for sale	**-**	(61,258)	**-**	(61,258)
Transfer of investment properties to SPE	**-**	-	**(330,921)**	-
Changes in fair value	**299,194**	156,323	**47,396**	129,050
Closing balance	**3,772,706**	2,994,470	**1,290,715**	1,118,706

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

	Consolidated		Individual	
	2021	2020	2021	2020
Changes in fair value of investment property	**299,194**	156,323	**47,396**	129,050
Deferred PIS/COFINS	**(7,923)**	2,347	**-**	4,813
Changes in fair value of investment property in profit or loss	**291,271**	158,670	**47,396**	133,863

On May 31, 2021, the Group sold an asset to property fund "*BM II Fundo de Investimento Imobiliário*" for the amount R$272.7 million, plus IPCA update, received in full in 2021.

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

The effects of these transactions are as follow:

	Effect on results		
	LOG Extrema	Plaza Mirante Sul	Total
Sales revenue	272,700	6,500	279,200
Investment property write-off	(242,480)	(8,499)	(250,979)
PIS and COFINS	(5,963)	-	(5,963)
Others costs and income	(6,172)	(297)	(6,469)
Other operating income (expenses), net	18,085	(2,296)	15,789
Income tax and social contribution	(4,593)	(773)	(5,366)
Gain on sale of assets	13,492	(3,069)	10,423

As at December 31, 2021, from the total amount of investment property, R$1,418,560 has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R$1,611,536 as at December 31, 2020).

Non-current assets held for sale

Changes in balances of non-current assets held for sale for the years ended December 31, 2021 and 2020 were as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Opening balance	-	36,998	-	36,998
Transfer from investment property	-	61,258	-	61,258
Changes in fair value	-	(7,396)	-	(7,396)
Sale of interest in investment properties	-	(90,860)	-	(90,860)
Closing balance	-	-	-	-

7. Property and equipment

Changes in property and equipment for the years ended December 31, 2021 and 2020 are as follows:

Consolidated	Opening balance	Addition	Closing balance
Year ended December 31, 2021:			
Cost:			
Right-of-use (*)	4,673	294	**4,967**
Other (**)	1,974	180	**2,154**
Total cost	6,647	474	**7,121**
Accumulated depreciation:			
Right-of-use (*)	549	306	**855**
Other (**)	1,117	222	**1,339**
Total accumulated depreciation	1,666	528	**2,194**
Total property and equipment, net	4,981	(54)	**4,927**
Year ended December 31, 2020:			
Total property and equipment, net	4,958	23	4,981

Individual	Opening balance	Addition	Closing balance
Year ended December 31, 2021:			
Cost:			
Right-of-use (*)	4,673	294	**4,967**
Other (**)	1,762	180	**1,942**
Total cost	6,435	474	**6,909**
Accumulated depreciation:			
Right-of-use (*)	550	306	**856**
Other (**)	947	203	**1,150**
Total accumulated depreciation	1,497	509	**2,006**
Total property and equipment, net	4,938	(35)	**4,903**
Year ended December 31, 2020:			
Total property and equipment, net	4,896	42	4,938

(*) Rental agreement for the Company's headquarters (Note 18).
(**) Primarily improvements in third party properties.

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

8. Loans, financing and debentures

a) Position

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

Type	12/31/21			12/31/20
	Current	Noncurrent	Total	Total
Individual:				
Debenture - 8th issue (CRI)	-	-	-	12,566
Debenture - 10th issue (CRI)	-	-	-	61,315
Debenture - 11th issue (CRI)	-	-	-	14,608
Debenture - 12th issue	**10,104**	**50,002**	**60,106**	70,036
Debenture - 13th issue (CRI)	-	-	-	81,088
Debenture - 14th issue	**61,363**	**60,000**	**121,363**	150,381
Debenture - 15th issue (CRI)	**7,118**	**42,000**	**49,118**	56,043
Debenture - 16th issue (CRI)	**19,534**	**45,455**	**64,989**	82,260
Debenture - 17th issue	**81,933**	**153,333**	**235,266**	231,365
Debenture - 18th issue	**6,485**	**250,000**	**256,485**	-
Debenture - 19th issue (CRI) (*)	**21,691**	**437,441**	**459,132**	-
(-) Funding cost	**(3,415)**	**(11,884)**	**(15,299)**	(6,395)
Total debentures and CRI - Individual	**204,813**	**1,026,347**	**1,231,160**	753,267
Construction financing	**6,537**	**10,710**	**17,247**	22,659
(-) Funding cost	**(105)**	**(193)**	**(298)**	(401)
Total financing - Individual	**6,432**	**10,517**	**16,949**	22,258
Total Individual	**211,245**	**1,036,864**	**1,248,109**	775,525
Subsidiaries:				
Construction financing (*)	**3,462**	**16,516**	**19,978**	25,628
(-) Funding cost	**(97)**	**(285)**	**(382)**	(490)
Total financing - Subsidiaries	**3,365**	**16,231**	**19,596**	25,138
Total Consolidated	**214,610**	**1,053,095**	**1,267,705**	800,663

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

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

Type	Qty	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Effective rate (p.a.)
Debenture - 12th issue	10,000	12/17	Monthly	Monthly	1/18 to 12/27	CDI + 2.25%	CDI + 2.42%
Debenture - 14th issue	15,000	11/18	Semiannual	Semiannual	11/21 to 11/23	117% CDI	117% CDI + 0.26%
Debenture - 15th issue (CRI)	70,000	12/18	Monthly	Monthly	1/19 to 12/28	CDI + 1.35%	CDI + 1.71%
Debenture - 16th issue (CRI)	100,000	3/19	Semiannual	Semiannual	3/20 to 3/25	108% CDI	108% CDI + 0.34%
Debenture - 17th issue	230,000	9/19	Annual	Semiannual	9/22 to 9/24	116.5% CDI	116.5% CDI + 0.18%
Debenture - 18th issue	250,000	3/21	Annual	Semiannual	3/24 to 3/26	CDI + 2.00%	CDI + 2.21%
Debenture - 19th issue (CRI)	450,000	9/21	Annual	Semiannual	9/25 to 9/28	IPCA + 5.52%	IPCA + 6.07%
Construction financing	-	9/18	Monthly	Monthly	3/19 to 9/28	TR + 10%	TR + 10.87%
Construction financing	-	12/12	Monthly	Monthly	12/13 to 10/24	CDI + 1.65%	CDI + 1.92%

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

Funding during the year ended December 31, 2021 is as follows:

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

(*) Gross of funding cost.

Changes in loans, financing and debentures were as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Opening balance	**800,663**	889,805	**775,525**	866,214
Funding	**700,000**	-	**700,000**	-
Interest expense	**71,561**	32,002	**69,533**	29,751
Fair value adjustment	**(16,162)**	3,254	**(12,559)**	-
Funding cost	**(13,040)**	-	**(13,040)**	-
Amortization of funding costs	**4,348**	3,128	**4,239**	3,012
Repayment of principal	**(241,892)**	(87,643)	**(239,856)**	(86,098)
Payment of interest	**(37,773)**	(39,883)	**(35,733)**	(37,354)
Closing balance	**1,267,705**	800,663	**1,248,109**	775,525

In October 2021, the Company paid in advance the 10th issue of debentures, in the amount of R$52,009, due in December 2023, subject to a contractual rate of CDI + 1.60% p.a.

b) Guarantees

The types of guarantees for loans, financing and debentures as at December 31, 2021 are as follows:

	Consolidated			
	Construction financing	Debentures	CRI	Total
Collateral / receivables	37,225	416,735	114,107	568,067
No guaranties	-	256,485	459,132	715,617
Total (*)	**37,225**	**673,220**	**573,239**	**1,283,684**

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

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

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

c) Aging

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
After the reporting period:				
1 year	**214,610**	203,229	**211,245**	200,003
2 years	**177,944**	199,335	**175,008**	196,540
3 years	**199,526**	199,719	**196,572**	196,912
4 years	**222,418**	118,598	**219,456**	115,778
After 4 years	**453,207**	79,782	**445,828**	66,292
Total	**1,267,705**	800,663	**1,248,109**	775,525

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Financial charges on:				
Loans, financing and debentures	**(75,909)**	(35,130)	**(73,772)**	(32,763)
Derivative financial instruments	**10,947**	34	**10,947**	34
Total financial charges	**(64,962)**	(35,096)	**(62,825)**	(32,729)
Interest capitalized on:				
Investment property (Note 6)	**20,390**	5,444	**8,368**	850
Investment (Note 5)	**-**	-	**12,022**	4,591
Financial charges allocated to profit or loss (Note 17)	**(44,572)**	(29,652)	**(42,435)**	(27,288)

For the year ended December 31, 2021, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 6.50% p.a. in Consolidated (3.85% p.a. for the year ended December 31, 2020).

e) Contractual obligations

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

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

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

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

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

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

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

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

9. Land payables

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
CDI	**41,678**	62,355	**23,523**	62,355
IPCA	**7,739**	-	**7,739**	-
Total	**49,417**	62,355	**31,262**	62,355
Current	**46,383**	16,630	**28,966**	16,630
Noncurrent	**3,034**	45,725	**2,296**	45,725
Total	**49,417**	62,355	**31,262**	62,355

Aging of 'Land payables' is as follows:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
After the reporting period:				
1 year	**46,383**	16,630	**28,966**	16,630
2 years	**3,034**	22,677	**2,296**	22,677
3 years	**-**	23,048	**-**	23,048
Total	**49,417**	62,355	**31,262**	62,355

10. Barters

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

Barters' maturity is broken down as follows:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
After the reporting period:				
1 year	**70,290**	45,688	**1,642**	45,688
2 year	**136,266**	33,387	**103,787**	33,387
3 year	**24,034**	23,351	**19,549**	23,351
After 3 years	**-**	28,110	**-**	28,110
Total	**230,590**	130,536	**124,978**	130,536
Current	**70,290**	45,688	**1,642**	45,688
Noncurrent	**160,300**	84,848	**123,336**	84,848
	230,590	130,536	**124,978**	130,536

11. Income tax and social contribution

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

	Consolidated		Individual	
	2021	2020	2021	2020
Income before income tax and social contribution	**420,309**	235,693	**378,224**	218,607
Statutory rate - income tax and social contribution	**34%**	34%	**34%**	34%
Nominal expense	**(142,905)**	(80,136)	**(128,596)**	(74,326)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	**964**	(296)	**113,729**	36,235
Tax credit not constituted	**6,139**	-	**6,139**	-
Tax basis difference for companies taxes based on deemed income	**99,296**	27,881	**-**	-
Effect of the spin-off and merger of subsidiaries	**-**	(40,772)	**-**	(40,772)
Other	**(567)**	202	**(541)**	215
IRPJ and CSLL credit (debit) in profit or loss	**(37,073)**	(93,121)	**(9,269)**	(78,648)

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

(b) Deferred tax balances

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Noncurrent assets:				
Income tax and social contribution	**7,428**	16,537	**7,428**	16,537
Liabilities:				
Income tax and social contribution	**(38,011)**	(30,230)	**-**	-
PIS/COFINS	**(42,311)**	(34,447)	**-**	-
	(80,322)	(64,677)	**-**	-
Current	**(2,494)**	(1,423)	**-**	-
Noncurrent	**(77,828)**	(63,254)	**-**	-
Total	**(80,322)**	(64,677)	**-**	-

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

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**66,060**	60,125	**65,773**	59,650
Capitalized interests written-off (*)	**94,746**	95,649	**94,746**	95,649
Temporary differences	**2,447**	523	**2,447**	523
	163,253	156,297	**162,966**	155,822
Reclassified deferred liabilities	**(155,825)**	(139,760)	**(155,538)**	(139,285)
Deferred tax assets	**7,428**	16,537	**7,428**	16,537
Deferred liabilities:				
Fair value appreciation on investment property	**(190,616)**	(167,678)	**(155,538)**	(139,285)
Rental receivables and others	**(3,220)**	(2,312)	**-**	-
	(193,836)	(169,990)	**(155,538)**	(139,285)
Reclassified deferred liabilities	**155,825**	139,760	**155,538**	139,285
Deferred tax liabilities	**(38,011)**	(30,230)	**-**	-

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

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

As at December 31, 2021, the estimated realization of deferred tax assets, based on the forecast of future taxable income, prepared by the Company's Management, is as follows:

	IRPJ and CSLL
	Consolidated and Individual
Expected realization:	
2022	629
2023	1,197
2024	514
2025	190
2026	766
2027 to 2029	1,241
2030 to 2031	2,891
Total	**7,428**

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

As at December 31, 2021, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rental receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated				Individual			
	2021			2020	2021			2020
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	**156,297**	**(169,990)**	**(13,693)**	67,908	**155,822**	**(139,285)**	**16,537**	99,359
Effect of the merger of subsidiary	-	-	-	-	-	-	-	(4,208)
Effect of deferred IRPJ and CSLL recognized in:								
Equity	-	-	-	27	-	-	-	27
Net income for the year	**6,956**	**(23,846)**	**(16,890)**	(81,628)	**7,144**	**(16,253)**	**(9,109)**	(78,641)
Closing balance	**163,253**	**(193,836)**	**(30,583)**	(13,693)	**162,966**	**(155,538)**	**7,428**	16,537

12. Provisions for labor, tax and civil risks

The Group recorded provisions for risks related to claims for which an unfavorable outcome is probable, considering the assessment of its legal counsel. These claims consist primarily of labor claims. Changes for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated		Individual	
	2021	2020	2021	2020
Opening balance	**1,725**	1,808	**108**	318
Additions and inflation adjustments	**472**	778	**22**	426
Payments	**(133)**	(587)	**(5)**	(467)
Reversals	**(73)**	(274)	**(9)**	(169)
Closing balance	**1,991**	1,725	**116**	108

The lawsuits assessed as possible losses by the legal counsel amounted to R$4,611 in Consolidated and R$4,181 in Individual as at December 31, 2021 (R$2,929 in Consolidated and R$616 in Individual as at December 31, 2020).

13. Lease

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

As a lessee, the Group identified a rental agreement related to its headquarters. This contract´s term is ten years, as of April 1, 2015, and provides for monthly payment of R$39, annually adjusted by the General Price Index of the Market (IGP-M) (R$38 restated by the contractual index, on the date of initial adoption). For estimating the initial recognition of the right-of-use asset, the option to extend lease agreement for the same period was considered.

Changes in lease liability for the years ended December 31, 2021 and 2020 are as follows:

	Consolidated and Individual	
	2021	2020
Opening balance	**4,374**	4,265
Remeasurement	**294**	286
Interest expenses	**293**	288
Repayment of principal	**(205)**	(177)
Payment of interest	**(293)**	(288)
Closing balance	**4,463**	4,374
Current	**219**	192
Noncurrent	**4,244**	4,182
	4,463	4,374

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

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated and Individual:					
Lease liability	504	504	504	5,127	6,639
Total	504	504	504	5,127	6,639

Leases representing exemptions in recognition

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

In year ended December 31, 2021, these leases represent R$125 (R$42 as at December 31, 2020).

14. Equity

(a) Shares and capital

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

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

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

(b) Treasury shares

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

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

During the year ended December 31, 2020, 4,102 thousand shares were acquired in the amount of R$104,990 (985 thousand shares were acquired in the amount of R$18,597 for the year ended December 31, 2020), through the Company's Repurchase Program and 3,070 thousand shares were sold in the amount of R$77,099 (924 thousand shares in the amount of R$34,171 for the year ended December 31, 2020), as shown below:

Type	Number (thousand)					Cost in reais (per share) of the acquired shares			
	Opening balance	Acquired	Sold	Transferred	Closing balance	Weighted average	Maximum	Minimum	Market value (*)
Exercise 2021:									
Common shares	**16**	**4,102**	**(3,070)**	**-**	**1,048**	**25.59**	**27.69**	**22.16**	**26,504**
Exercise 2020:									
Common shares	-	985	(924)	(45)	16	18.88	22.18	14.87	547

(*) Market value of shares remaining in treasury as at December 31, 2021 and 2020.

(c) Capital reserve

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

(d) Earnings reserves

Legal reserve

The legal reserve is recognized based on the allocation of 5% of the profit for the year, up to a ceiling of 20% of share capital. The constitution of a legal reserve is not mandatory when the balance of this reserve, plus the paid-in capital amount, exceeds 30% of share capital. The objective of the legal reserve is to preserve capital and can only be utilized to offset losses or increase capital. The calculation schedules for the recognition of the 2020 and 2019 legal reserve is shown in (e) below.

Earnings retention reserve

The earnings retention reserve represents undistributed profits to shareholders aiming to reserve funds to be used in investments according to the Company’s capital budget. As at December 31, 2021, the Company recognized an earnings retention reserve of R$262,880 (R$99,721 as at December 31, 2020).

(e) Mandatory minimum dividend payable to shareholders

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

According to the Company's management's proposal, to be approved at the Annual Shareholders' Meeting (ASM), 2020 dividends are as follows (2019 dividends are presented for comparative purposes):

	2021	2020
Net income for the year	**368,955**	139,959
Legal reserve - 5% of net income	**(18,448)**	(6,998)
Net income available for distribution	**350,507**	132,961
Proposed dividends - 25% of net income available for distribution	**87,627**	33,240
Proposed dividends per share (R$ per share)	**0.8666**	0.3254

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

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

(f) Stock option plan

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

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

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

The Stock Option Plan approved by the Company's Board of Directors prescribes a maximum of 1,892,149 shares, equivalent to 5% of the Company´s total shares as of November 2010 (892,149 shares) plus one million options approved at the Ordinary and Extraordinary Shareholders' Meeting held on April 16, 2020.

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

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

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

Program	Approval	Quantity	% of total approved in the plan	Vesting	Strike price	Participants	Initial exercise deadline	Exercise deadline (*)
2	6/12	22,444	1.19%	Up to 5 year	R$ 22.36	Officers	8/12	12/22
3	10/13	32,879	1.74%	Up to 5 year	R$ 30.04	Officers and managers	12/13	12/23
4	11/14	31,835	1.68%	Up to 5 year	R$ 30.04	Officers and managers	12/14	12/24
5	12/15	27,710	1.46%	Up to 5 year	R$ 30.04	Officers and managers	12/15	12/25
6	4/18	352,000	18.60%	Up to 5 year	R$ 22.00	Officers and managers	12/18	12/25
7	9/19	226,251	11.96%	Up to 5 year	R$ 23.42	Officers and managers	12/19	12/26
8	6/20	653,216	34.52%	Up to 5 and 10 year	R$ 21.62	Officers and managers	12/20	12/27 and 12/32
10	12/21	338,074	17.87%	Up to 5 year	R$ 24.17	Officers and managers	12/21	12/28

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

The tables below show the changes in stock option plan program for the years ended December 31, 2021 and 2020 and supplemental information thereon:

Program	Number of participants	Changes in 2021 (thousand options)				
		Opening balance	Granted	Expired / forfeited	Exercised	Closing balance
2	1	15	-	-	-	**15**
3	2	21	-	-	-	**21**
4	2	21	-	-	-	**21**
5	2	21	-	-	-	**21**
6	3	267	-	-	-	**267**
7	14	188	-	(16)	(1)	**171**
8	16	649	-	(11)	(1)	**637**
10	21	-	335	-	-	**335**
		1,182	335	(27)	(2)	**1,488**
Weighted average price of options		22.44	24.17	22.69	23.07	**22.83**
Changes in 2020 (thou. options):		729	653	(155)	(45)	1,182
Weighted average price of options		22.26	21.62	23.45	4.04	22.44

Program	Number of vested shares (thou.)	Compensation cost for the year	Unrecognized compensation cost	Remaining compensation cost period (in years)
2	15	-	-	-
3	21	-	-	-
4	21	-	-	-
5	21	-	-	-
6	53	228	212	1.0
7	26	201	349	2.0
8	64	1,411	4,753	8.1
10	34	319	2,199	4.1
2021	255	2,159	7,513	6.4
2020	170	1,426	7,154	8.2

As at December 31, 2021, had all options currently granted been exercised, the Company would have issued 1,488 thousand shares, which would represent a 1.44% dilution in relation to the Company´s total of 102,159 thousand shares (1.14% at December 31, 2020).

As at December 31, 2021, Stock options granted represents 92.72% of the total approved plan (74.85% December 31, 2020).

The weighted average market price of exercised shares, considering each exercise date, during the year ended December 31, 2021, was R$24.06 (R$40.10 during the year ended December 31, 2020).

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

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

	Program							
	2nd	3rd	4th	5th	6th	7th	8th	10th
Risk-free rate	8.66%	10.86%	12.42%	16.20%	8.61%	6.43%	5.21% e 6.41%	11.29%
Vesting period in years (*)	7	7	7	7	7	7	7 e 12	7
Expected annualized volatility	42.26%	36.56%	27.17%	26.73%	29.38%	30.86%	39.97%	37.48%
Expected dividends	5.00%	5.00%	5.00%	6.02%	5.00%	4.00%	4.00%	4.00%
Stock options fair value on grant date per share	R$ 2.73	R$ 2.09	R$ 3.43	R$ 3.48	R$ 4.66	R$ 4.76	R$11.83 e R$12.66	R$ 7.51

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

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

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

(g) Noncontrolling interests

	Consolidated	
	2021	2020
Opening balance	**19,840**	15,266
Net contributions (distributions) to noncontrolling shareholders	**(9,099)**	(641)
Capital transaction	**4,151**	2,602
Interests in net income for the year	**14,281**	2,613
Closing balance	**29,173**	19,840

(h) Earnings per share

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

	Consolidated and Individual	
	2021	2020
Basic earnings per share:		
Net income for the year	**368,955**	139,959
Weighted average number of outstanding common (thousand)	**101,826**	101,680
Basic earnings per share - in R$	**3.62339**	1.37647
Diluted earnings per share:		
Net income for the year	**368,955**	139,959
Weighted average number of outstanding common (thousand)	**101,826**	101,680
Dilutive effect of stock options (thousand)	**313**	298
Total shares after dilutive effect (thousand)	**102,139**	101,978
Diluted earnings per share - in R$	**3.61228**	1.37244

15. Net revenue

	Consolidated		Individual	
	2021	2020	2021	2020
Rental revenue	**152,655**	144,870	**46,847**	33,785
Revenue from management services	**5,901**	4,271	**5,901**	4,271
Taxes on revenue	**(9,189)**	(7,604)	**(5,036)**	(3,676)
Net revenue	**149,367**	141,537	**47,712**	34,380

16. Costs and expenses by nature

	Consolidated		Individual	
	2021	2020	2021	2020
Costs of services provided - condominium management	**(2,166)**	(1,699)	**(2,166)**	(1,699)
Operating expenses:				
Salaries, charges and benefits	**(11,837)**	(10,685)	**(11,768)**	(10,685)
Outside services	**(7,026)**	(5,889)	**(3,880)**	(3,492)
General expenses	**(4,786)**	(4,019)	**(4,492)**	(3,533)
Management compensation	**(5,542)**	(4,176)	**(5,542)**	(4,176)
Vacancy expenses	**(1,899)**	(3,641)	**(683)**	(1,397)
Stock options	**(2,159)**	(1,426)	**(2,159)**	(1,426)
Advertising	**(1,791)**	(1,528)	**(1,786)**	(1,518)
Depreciation and amortization	**(832)**	(728)	**(827)**	(722)
Other operating expenses, net:				
Sale of assets (*)	**15,789**	(2,259)	**(2,296)**	(2,259)
Others	**(7,523)**	(5,140)	**(5,111)**	(4,547)
	(27,606)	(39,491)	**(38,544)**	(33,755)
Classified as:				
Selling expenses	**(10,833)**	(10,296)	**(7,225)**	(6,197)
General and administrative expenses	**(19,497)**	(17,620)	**(18,370)**	(16,576)
Management compensation	**(5,542)**	(4,176)	**(5,542)**	(4,176)
Other operating expenses, net	**8,266**	(7,399)	**(7,407)**	(6,806)
	(27,606)	(39,491)	**(38,544)**	(33,755)

(*) 2021 includes income from the sale of assets in the amount of R$15.8 million (note 6).

17. Financial expenses and income

	Consolidated		Individual	
	2021	2020	2021	2020
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	**(44,572)**	(29,652)	**(42,435)**	(27,288)
Loss on derivative financial instruments	**(1,648)**	(115)	**(5,251)**	3,139
Other financial expenses	**(1,650)**	(618)	**(924)**	47
	(47,870)	(30,385)	**(48,610)**	(24,102)
Financial income				
Income from financial investments	**53,335**	13,040	**48,785**	12,938
Interest income on intercompany loans	**332**	608	**663**	949
Other financial income (*)	**811**	1,681	**512**	1,446
	54,478	15,329	**49,960**	15,333
Financial (expenses) income	**6,608**	(15,056)	**1,350**	(8,769)

(*) Includes tax effect in financial income.

18. Related parties

Related-party balances and transactions are as follows:

		Consolidated				Individual			
		Asset		Liability		Asset		Liability	
		12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20	12/31/21	12/31/20
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	432,391	314,830	-	-	432,391	314,830	-	-
Banco Bradesco S.A.	[2]	3,435	36,342	-	-	511	33,078	-	-
Intercompany receivables									
Investiees									
SPEs	[3]	-	-	-	-	4,748	5,044	-	-
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	563	457	-	-	24	23	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	-	40	-	-	-	40	-	-
Receivables from equity interest sale									
Other related parties									
MRV MRL Camp Nou Incorporações e Participações Ltda.	[6]	14,797	19,445	-	-	14,797	19,445	-	-
MRV Engenharia e Participações S.A. (MRV)	[10]	6,423	-	-	-	6,423	-	-	-
Loans, financing and debentures									
Other related parties									
Banco Inter S.A. (Inter)	[1]	-	-	51,147	50,056	-	-	51,147	50,056
Banco Bradesco S.A.	[2]	-	-	184,119	180,200	-	-	184,119	180,200
Lease liability									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	46	43	-	-	46	43
Land payables									
Other related parties									
Banco Inter S.A. (Inter)	[11]	-	-	10,590	-	-	-	10,590	-

		Consolidated				Individual			
		Income		Expense		Income		Expense	
		2021	2020	2021	2020	2021	2020	2021	2020
Financial income									
Short-term investments and marketable securities									
Other related parties									
Banco Inter S.A. (Inter)	[1]	28,469	1,990	-	-	28,469	1,990	-	-
Banco Bradesco S.A.	[2]	971	2,006	-	-	814	1,939	-	-
Intercompany receivables									
Investiees									
SPEs	[3]	-	-	-	-	337	341	-	-
Rental revenue									
Rental receivables									
Other related parties									
Patrus Transportes Urgentes Ltda.	[4]	5,838	5,331	-	-	287	270	-	-
MRV Engenharia e Participações S.A. (MRV)	[5]	385	428	-	-	385	428	-	-
General and administrative expenses									
Other related parties									
Conedi Participações Ltda. e MA Cabaleiro Participações Ltda.	[7]	-	-	280	298	-	-	280	298
MRV Engenharia e Participações S.A. (MRV)	[8]	-	-	1,535	1,560	-	-	772	604
Others operating expenses									
Other related parties									
MRV Engenharia e Participações S.A. (MRV)	[10]	-	-	2,328	-	-	-	2,328	-
Financial expenses									
Other related parties									
Interest:									
Banco Inter S.A. (Inter)	[1]	-	-	2,533	1,608	-	-	2,533	1,608
Banco Bradesco S.A.	[2]	-	-	9,120	5,788	-	-	9,120	5,788
Commission:									
Banco Inter S.A. (Inter)	[9]	-	-	4,058	-	-	-	4,058	-

[1] Refers to transactions with Banco Inter S.A. and/or subsidiaries ("Inter"), which is controlled by controlling shareholder of the Company. As at December 301 2021, short-term investments yielded 181.42% of CDI in Consolidated and Individual (22.65% at December 31, 2020). The financial expense refers to the 17th debenture issue, detailed in Note 8.

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

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

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

[5] Refers to the lease agreement entered by the Company and MRV Engenharia e Participações S.A., company controlled by the Company´s controlling shareholder.

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

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

II. R$25,523 (R$24,200 plus updated by IPCA index) referring to 24.22% of the equity interest, which will be paid in 48 monthly installments of R$532 each, the first being paid after approval of a change in the zoning area from industrial to residential by the Municipal Administration, an event that took place in the fourth quarter of 2019.

The effects of this transaction are shown below:

	Effect on results		
	Tranche I	Tranche II	Total
Contractual amount	10,800	25,523	36,323
Present value discount	(847)	(1,942)	(2,789)
	9,953	23,581	33,534
Investment write-off	(11,155)	(24,984)	(36,139)
Other operating income (expenses), net	(1,202)	(1,403)	(2,605)
Deferred income tax and social contribution	(1,383)	(3,606)	(4,989)
Sale result	(2,585)	(5,009)	(7,594)
Trade receivables as at December 31, 2021	-	15,292	15,292
Trade receivables as at December 31, 2020	-	20,502	20,502

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

[7] Refers to lease agreement of part of tenth floor of the office building where the head office is located, owned by the companies Conedi Participações Ltda. (“Conedi”) and MA Cabaleiro Participações Ltda. (“MA Cabaleiro”). Conedi is a one of the Company’s shareholders and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, a noncontrolling shareholder and member of the Company's board. The contract is valid until February 28, 2035, including extension of the contract, adjustable by the General Market Price Index (IGPM).

[8] Amounts related to expenses incurred on the provision of administrative services. The agreement provides for the monthly payment of R$5 per project developed by the Company or its investees at December 31 (R$4 at December 31, 2020). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV. On December 09, 2019, the contract was renegotiated making the term indefinite, in the absence of opposition by the parties.

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

[10] Refers to the sale of the Company's interest in Cabral Investimentos SPE Ltda. (“Cabral”) concluded in December 2021. The agreement establishes the payment of 12 installments of R$533 each, updated by the INCC index. The expense refers to the loss generated in the derecognition of this investment.

[11] Refers to the purchase of land from the supplier R&R Negócios e Participações S.A. in the amount of R$28,231, with an entry of R$1,000 and 18 monthly and consecutive installments of R$1,513. The supplier made prepayment of receivables with Banco Inter S.A., which then became the creditor of the transaction.

<u>Compensation of key management personnel</u>

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

	Consolidated and Individual	
	2021	**2020**
Short-term benefits granted to management:		
Management compensation	**5,542**	4,176
Profit sharing	**1,382**	1,285
Non-monetary benefits	**162**	145
Long-term benefits to management:		
Retirement private plan	**96**	87
Share-based compensation:		
Stock option plan	**1,798**	1,160
	8,980	6,853

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

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

19. Financial instruments and risk management

(a) Financial instruments

Financial instruments are represented by the balances of cash, banks, short-term investments, marketable securities, trade receivables, intercompany loans, trade payables, loans, financing, debentures, and derivatives. All financial instruments held by the Group were recorded as at December 31, 2021.

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

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/21
							Gain (loss) on transaction	Mark-to-market	Derivative fair value
Swap (*)	11/18	10.5% / 108.95% CDI	8/28	19,758	19,885	19,885	-	(609)	(609)
Swap (**)	9/21	IPCA + 5.52%/ CDI + 1.23%	9/28	450,000	471,690	459,822	11,868	(12,559)	(691)
Swap	9/21	LOGG3 / CDI + 1.75%	1/23 and 3/23	74,468	75,111	75,921	(810)	(1,510)	(2,320)
							11,058	**(14,678)**	**(3,620)**

	Consolidated and Individual
Noncurrent liabilities	(3,620)

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

	Consolidated and Individual
Noncurrent assets	3,243

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology. This derivative´s notional value is R$25,000, of which R$23,695, representing 95%, was designated as a hedge instrument for debt protection, according to the hedge accounting methodology.
(**) Derivative designed as hedge instruments, according to hedge accounting methodology. The mark-to-market was considered equal to the face value since it was contracted close to the reporting period date.

	Impact on profit or loss - Consolidated and Individual		
	Gain (loss) on transaction	Mark-to-market	Total
2021	**10,947**	**(17,810)**	**(6,863)**
2020	34	3,139	3,173

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

Hedge accounting

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

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

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

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

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

	Hedge Instrument (swap)		Hedge Item
Notional value	450,000		450,000
Contract date	9/21		9/21
Maturity date	9/28		9/28
	Long position	Short position	Debt
Rates	IPCA + 5.52%	CDI + 1.23%	IPCA + 5.52%

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

Fair value hedge	Notional value	Rates	Fair value		Effects on results
	12/31/21		12/31/21		2021
Loans, financing and debentures	19,758	10%	(19,805)	(*)	3,603
Loans, financing and debentures	450,000	IPCA + 5.52%	(459,130)		12,559
	469,758		(478,935)		16,162
(Hedged item)					
		Long position			
		10%	19,805		(3,603)
		IPCA + 5.52%	459,130		(12,559)
			478,935		(16,162)
Derivative financial instrument	19,758				
Derivative financial instrument	450,000				
(Hedge instrument)	469,758	Short position			
		108.95% CDI	(20,413)		(137)
		CDI + 1.23%	(459,822)		-
			(480,235)		(137)
		Swap net position - Individual	(1,300)		(16,299)
		Total net position - Consolidated	(480,235)		(137)

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

(b) Category of financial instruments

Consolidated	Note	12/31/21		12/31/20	
		Book value	Fair value	Book value	Fair value
Financial assets:					
Amortized cost		**87,033**	**87,033**	**77,622**	**77,622**
Cash and bank accounts		2,516	2,516	817	817
Trade receivables	4	84,517	84,517	76,805	76,805
Fair value through profit or loss (mandatorily measured) (*)		**894,089**	**894,089**	**746,990**	**746,990**
Restricted investment funds	3	685,911	685,911	162,540	162,540
Unrestricted investment funds	3	2,924	2,924	127,970	127,970
Bank certificates of deposit (CDB)		205,254	205,254	453,237	453,237
Derivative financial instruments	19 (a)	-	-	3,243	3,243
Financial liabilities:					
Amortized cost		**887,079**	**881,124**	**857,033**	**849,387**
Loans, financing and debentures		788,595	782,640	775,035	767,389
Land payables	9	49,417	49,417	62,355	62,355
Trade payables (suppliers)		44,604	44,604	15,269	15,269
Lease	13	4,463	4,463	4,374	4,374
Fair value through profit or loss (Hedge accounting) (*)		**479,110**	**479,110**	**25,628**	**25,628**
Loans, financing and debentures		479,110	479,110	25,628	25,628
Fair value through profit or loss (mandatorily measured) (*)		**3,620**	**3,620**	**-**	**-**
Derivative financial instruments	19 (a)	3,620	3,620	-	-

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

Fair value of loans, financing, and debentures was estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at December 31, 2021 and 2020.

The table below shows a comparison of the contracted and market rates, at December 31, 2021:

Contractual rate (p.a.)	Current market rate (p.a)	Maturity dates
Debentures		
CDI + 1.35% to 2.25%	CDI + 2.00% to 3.00%	3/26 to 12/28
108% to 117% CDI	CDI + 1.59% to 2.14%	11/23 to 3/25
CRI		
IPCA + 5.52%	IPCA + 5.82%	9/28
Construction financing		
CDI + 1.65%	CDI + 1.65%	10/24
TR + 10.00%	TR + 10.00%	9/28

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

(c) Exposure to interest rates and inflation adjustment indexes

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

The Company conducted a sensitivity analysis for financial instruments exposed to changes in interest rates and financial indicators. The sensitivity analysis was developed considering the exposure to changes in the indexes of financial assets and financial liabilities, taking into account the net exposure of these financial instruments as at December 31, 2021, as if such balances were outstanding during the entire 2021, as detailed below:

Exposed net financial asset and exposed financial liability, net: the change in the rate estimated for 2022 ("probable scenario") compared to the effective rate for the year of 2021, multiplied by the exposed net balance as at December 31, 2021, was used to calculate the financial impact, had the probable scenario materialized in 2021. For the impact estimates, we took into consideration a decrease in financial assets and an increase in financial liabilities at the rate estimated for 2022 of 25% for scenario I and 50% for scenario II.

Index	Financial asset	Financial liability	Net exposed financial (asset) liability	Effective rate for the 12-month period ended 12/31/21	Estimated annual rate for 2022		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	677,702	(1,390,478)	(712,776)	4.39%	11.79%	(i)	7.40%	(52,745)
TR	-	(19,978)	(19,978)	0.03%	2.80%	(i)	2.77%	(553)
IPCA	693,235	(466,871)	226,364	10.06%	5.13%	(ii)	-4.93%	(11,160)
								(64,458)
Scenario I:								
CDI	677,702	(1,390,478)	(712,776)	4.39%	14.74%		10.35%	(73,772)
TR	-	(19,978)	(19,978)	0.03%	3.50%		3.47%	(693)
IPCA	693,235	(466,871)	226,364	10.06%	3.85%		-6.21%	(14,057)
								(88,522)
Scenario II:								
CDI	677,702	(1,390,478)	(712,776)	4.39%	17.69%		13.30%	(94,799)
TR	-	(19,978)	(19,978)	0.03%	4.20%		4.17%	(833)
IPCA	693,235	(466,871)	226,364	10.06%	2.57%		-7.49%	(16,955)
								(112,587)

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

As required by IFRS 7, management believes that the estimated annual rates presented in the probable scenario above reflect the reasonable possible scenario for 2022.

(d) Capital risk management

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

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

The Management periodically review the Company's equity structure. As part of this review, the Management consider the cost of capital, asset liquidity, the risks associated to each class of equity, and the Group's net debt-to-equity ratio. As at December 31, 2021 and 2020, the net debt-to-equity ratio is as follows:

	Consolidated		Individual	
	12/31/21	12/31/20	12/31/21	12/31/20
Loans, financing and debentures	**1,267,705**	800,663	**1,248,109**	775,525
Cash and cash equivalents and marketable securities	**(896,605)**	(744,564)	**(739,574)**	(740,759)
Net debt	**371,100**	56,099	**508,535**	34,766
Equity	**3,340,742**	3,079,961	**3,311,569**	3,060,121
Net debt-to-equity ratio	**11.1%**	1.8%	**15.4%**	1.1%

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

(e) Liquidity and interest rate risk table

The table below details the remaining contractual maturity of the Group's non-derivative financial liabilities and the contractual amortization periods. The cash flows of the financial liabilities based on the nearest date on which the Group should settle the related obligations was based on the projections for each index on December 31, 2021, by maturity, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Consolidated:					
Floating rates liabilities	343.243	288.704	279.989	953.721	1.865.657
Fixed rates liabilities	504	504	504	5.127	6.639
Non-interest bearing liabilities	44.604	-	-	-	44.604
Total	388.351	289.208	280.493	958.848	1.916.900
Individual:					
Floating rates liabilities	339.133	284.486	276.016	936.168	1.835.803
Fixed rates liabilities	504	504	504	5.127	6.639
Non-interest bearing liabilities	20.385	-	-	-	20.385
Total	360.022	284.990	276.520	941.295	1.862.827

(f) Credit risk

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

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

ii) Financial investments: to mitigate default risk, the Group maintains its investments with first class financial institutions.

20. Guarantees

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

21. Noncash transactions

During the years ended December 31, 2021 and 2020, the Company and its subsidiaries conducted the following financing and investment transactions that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Consolidated		Individual	
	2021	2020	2021	2020
Interest capitalization	**20,390**	5,444	**20,390**	5,441
Right-of-use (remeasurement of CPC 06 (R2))	**294**	286	**294**	286

22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at December 31, 2021, insurance coverage is as follows:

Items	Type of coverage	Insured amount
Engineering risk insurance	Insures, during the project construction period, any compensation for damages caused to the construction, such as fire, lightning, theft, and other specific coverage of facilities and assemblies on the insured site.	623,828
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	500
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	55,557
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.	156,844
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any lawsuit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	3,300
Barter insurance	Guarantees the fulfillment of the obligation, by the Company, whether financial (payment of due installments) or delivery of GLA after the completion of the agreed work, to the exchanger.	85,320
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	936

23. COVID-19 impacts on financial statements

In compliance with CVM's Circular Letter No. 02/2020 of March 10, 2020, which deals with the effects of COVID-19 on the Company's financial statements, Management assessed the impacts of the main risks and uncertainties that could affect the financial statements presented herein, these being:

- Cash equivalents and marketable securities (Note 3): Changes in issuers' ratings may lead to the recognition of impairment adjustments on these assets.
- Trade receivables (Note 4): Materially higher defaults due to longer-term concessions in the rental payments.
- Investment properties – PPIs (Note 6): Changes in fair value of assets.
- Deferred tax asset (Note 11): Changes in the estimated realization of deferred tax assets, based on the forecast of future taxable income.

The Company's management assessed the items listed above and understood that, until the issuance date of this financial statements, there are no material impacts that could affect them.

24. Approval of the financial statements

These financial statements were reviewed by the Fiscal Board and authorized for issue by the Board of Directors on February 8, 2022.

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

MINUTES OF THE FISCAL COUNCIL'S MEETING
HELD ON FEBRUARY 07, 2022

The Meeting of the Fiscal Council of **LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.** ("Company") was installed with the presence of all of its undersigned members, regardless of call notice. As guests, participated **André Luiz de Ávila Vitória**, Chief Financial and Investor Relations Officer, **Roberto David Barco Villamar,** Controller of the Company, **Felipe Fernandes**, **Emanuelle Melo**, **Poliana Rodrigues**, representatives of KPMG Auditores Independentes ("KPMG"). All members and guests attended the meeting by videoconference call, pursuant to article 7 of the Fiscal Council's internal regulations ("Internal Regulations"). The meeting, chaired by Mr. **Thiago da Costa e Silva Lott**, and having as its secretary Mr. **Paulo Bruno Lages von Sperling**, was held at 10:00 a.m. of February 07, 2022. In accordance with the Agenda, the following resolutions were taken: **(a)** after the presentation of the KPMG report and the additional explanation from the Company's Officers, the Fiscal Council members examined the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2020, pursuant to the article 4, items (b) and (e), of the Internal Regulations, and unanimously concludes in favor of the approval of the Financial Statements adequately represent, in all relevant aspects, of Company Financial position on December 31, 2022 and are in a position to be analyzed and approved by the Annual Shareholders' Meeting; **(b)** the members also gave a favorable opinion on the dividend distribution proposal in the amount of R$ 87,626,790.20 (eighty-seven million, six hundred and twenty-six thousand, seven hundred and ninety reais and twenty cents), corresponding to R$ 0.866641612 per share, based on the profit recorded in the fiscal year ended December 31, 2021, to be incorporated in the mandatory dividends relating to the fiscal year 2021. There being no further business to discuss, the meeting was adjourned, and these minutes were drawn up, read and found compliant, was circulated for signature by members after a late time. **Thiago da Costa e Silva Lott**, Chairman and Fiscal Council member; **Paulo Bruno Lages von Sperling,** Secretary; **Paulino Ferreira Leite** and **Fernando Henrique da Fonseca**, Fiscal Council members; **André Luiz de Ávila Vitória**, **Roberto David Barco Villamar**, **Felipe Fernandes**, **Emanuelle Melo**, **Poliana Rodrigues**, guests.

Belo Horizonte, February 07, 2021.

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

Paulo Bruno Lages von Sperling
Secretary of the Meeting

Paulino Ferreira Leite
Fiscal Council member

Fernando Henrique da Fonseca
Fiscal Council member

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

OPINION OF THE FISCAL COUNCIL

The Fiscal Council of LOG Commercial Properties e Participações S.A. ("Company"), in compliance with legal, regimental and statutory provisions, examined the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2021 and also the opinion of the Independent Auditors, KPMG Auditores Independentes, dated February 8, 2022, as well as the information and additional explanation from the Company's Officers and the above mentioned Auditors, the Fiscal Council unanimously concludes in favor of the approval of the Financial Statements adequately represent, in all relevant aspects, of Company Financial position on December 31, 2021 and are in a position to be analyzed and approved by the Annual Shareholders' Meeting. The Fiscal Council also gave a favorable opinion on the dividend distribution proposal in the amount of R$ 87,626,790.20 (eighty-seven million, six hundred and twenty-six thousand, seven hundred and ninety reais and twenty cents), corresponding to R$ 0.866641612 per share, based on the profit recorded in the fiscal year ended December 31, 2021, to be incorporated in the mandatory dividends relating to the fiscal year 2021.

Belo Horizonte, February 08, 2022.

Thiago da Costa e Silva Lott
Fiscal Director

Paulino Ferreira Leite
Fiscal Director

Fernando Henrique da Fonseca
Fiscal Director

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

MINUTES OF THE AUDIT COMMITTEE MEETING
HELD ON FEBRUARY 07, 2022

The Meeting of the Audit Committee ("Committee") of **LOG COMMERCIAL PROPERTIES E PARTICIPAÇÕES S.A.** ("Company") was installed with the presence of all of its undersigned members, regardless of call notice, pursuant to article 4.1, of the Committee's internal rules ("Internal Rules"). As guests, participated **André Luiz de Ávila Vitória**, Chief Financial and Investor Relations Officer, **Roberto David Barco Villamar**, Controller of the Company, **Felipe Fernandes**, **Emanuelle Melo** and **Poliana Rodrigues**, representatives of KPMG Auditores Independentes ("KPMG"). All members and guests attended the meeting by videoconference call, pursuant to article 4.1 of Internal Rules. The meeting, chaired by Mr. **Marcos Alberto Cabaleiro Fernandez**, and having as its secretary Mr. **Paulo Bruno Lages von Sperling**, was held at 10:00 a.m. of February 7, 2022. In accordance with the Agenda, the following resolutions were taken: **(a)** after the presentation of the KPMG Auditores Independentes report and the additional explanation from the Company's Officers, the Audit Committee members evalieted the Annual Management Report and the Financial Statements for the fiscal year ended December 31, 2021, pursuant to the article 5.1, items (iii) of the Internal Rules, and decided unanimously to recommend to the Board of Director the approval of the Financial Statements, prepared in accordande with the appropriate accounting procedures; **(b)** in accordance with article 31 of the Instruction of the Securities and Exchange Commission ("CVM") No. 308, of May 14, 1999, as amended, **André Luiz de Ávila Vitória**, presented to the members the proposals received by the Company to replace the auditor independent, which unanimously gave a favorable opinion and recommended to the Company's Board of Directors the replacement of KPMG Auditores Independentes by Ernst & Young Auditores Independentes S/S, whose activities will start from the review of the quarterly information ("ITRs") for the period ending March 31, 2022. There being no further business to discuss, the meeting was adjourned, and these minutes were drawn up, read and found compliant, was circulated for signature by members after a late time. **Marcos Alberto Cabaleiro Fernandez**, Chairman of the Meeting and Committee member; **Paulo Bruno Lages von Sperling,** Secretary; **Pierre Carvalho Magalhães** and **Thiago da Costa e Silva Lott**, Committee member; **André Luiz de Ávila Vitória**, **Roberto David Barco Villamar**, **Felipe Fernandes**, **Emanuelle Melo** and **Poliana Rodrigues**, guests.

Belo Horizonte, February 07, 2022.

Marcos Alberto Cabaleiro Fernandez
Chairman of the Meeting Committee Coordinator

Paulo Bruno Lages von Sperling
Secretary of the Meeting

Pierre Carvalho Magalhães
Committee member

Thiago da Costa e Silva Lott
Committee member

Belo Horizonte, February 8, 2022

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

(i) reviewed, discussed and agreed with LOG's financial statements for the fiscal year ended December 31, 2021.

(ii) reviewed, discussed and agreed with the opinions expressed in the KPMG Auditores Independentes independent auditors' report, regarding LOG's financial statements for the fiscal year ended December 31, 2021.

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Sérgio Fischer Teixeira de Souza
Chief Executive Officer

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André Luiz De Ávila Vitória
Chief Financial and Investor Relations Officer

CAPITAL BUDGET

On December 31, 2021, the Company's Management proposed, to be approved in General Meeting, the allocation of the remaining earnings balance amounting R$262,9 million to the retained earnings reserve account. This allocation is intended to meet the Company's resources need to future investments, according to the capital budget to be approved in the Ordinary General Meeting, as follows:

	R$ million
ALLOCATION	
Investment Property for Investment	262,9
Total Applications	**262,9**
RESOURCE	
Retained earnings	262,9

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

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