

Interim Financial Statements (ITR)

**LOG Commercial Properties e
Participações S.A.**

**Interim Condensed Individual and Consolidated Financial Statements
for the nine-month period ended September 30, 2019 and
Report on Review of Condensed Interim Financial Statements**

***(Free translation to English of Financial Statements Originally Issued in
Portuguese)***

LOG Commercial Properties e Participações S.A.

Interim Condensed Financial Statements (ITR)

September 30, 2019

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Independent Auditors' Report on Review of Interim Condensed Individual and Consolidated Financial Statements

To the Shareholders and Officers of

LOG Commercial Properties e Participações S.A.

Belo Horizonte - MG

Introduction

We have reviewed the accompanying individual and consolidated balance sheet of LOG Commercial Properties e Participações S.A. ("Company") as at September 30, 2019, the income statement and the statement of comprehensive income, for the three and nine-month periods then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and notes, comprising significant accounting policies and other explanatory information (the "interim condensed individual and consolidated financial statements"). Management is responsible for the preparation and fair presentation of the interim condensed individual financial statements in accordance with CPC 21 (R1) – *Demonstração intermediária*, and the interim condensed consolidated financial statements in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed individual and consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*, and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion about the individual interim financial information**

Based on our review, we are not aware of any facts that make us believe that the individual interim financial information included in the aforesaid interim financial information was not prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of Quarterly Information - ITR., and presented in accordance with the standards issued by the Brazilian Securities Commission.

Conclusion about the consolidated interim financial information

Based on our review, we are not aware of any facts that make us believe that the consolidated interim financial information included in the aforesaid interim financial information was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR., and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other matters - Statements of value added

The interim financial information referred to above includes the individual and consolidated statements of value added for the nine-month period ended September 30, 2019, prepared under the responsibility of Company's management and presented as supplementary information for IAS 34. These statements have been subjected to review procedures performed in connection with the review of the interim condensed individual and consolidated financial statements to conclude that they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - *Demonstração do Valor Adicionado*. Based on our review nothing has come to our attention that causes us to believe that the these interim individual and consolidated statements of value added, were not prepared, in all material respects, consistently with the individual e consolidated interim financial statements taken as a whole.

Belo Horizonte, October 30, 2019

KPMG Auditores Independentes
CRC SP-014428/O-6 F-MG

Original report in Portuguese signed by
Marco Túlio Fernandes Ferreira
Accountant CRC MG-058176/O-0

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Individual / Balance Sheets – Assets
(In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 9/30/2019	Previous year 12/31/2018
1	Total assets	3,319,286	3,037,931
1.01	Current assets	215,387	172,643
1.01.01	Cash and cash equivalents	107,778	149,640
1.01.03	Receivables	34,088	13,012
1.01.03.01	Trade receivables	34,088	13,012
1.01.06	Recoverable taxes	4,541	5,578
1.01.06.01	Recoverable current taxes	4,541	5,578
1.01.07	Prepaid expenses	493	1,937
1.01.08	Other current assets	68,487	2,476
1.01.08.03	Other	68,487	2,476
1.01.08.03.01	Marketable securities	66,106	-
1.01.08.03.03	Other	2,381	2,476
1.02	Noncurrent assets	3,103,899	2,865,288
1.02.01	Long-term assets	143,414	160,009
1.02.01.04	Receivables	8,932	6,494
1.02.01.04.01	Trade receivables	8,932	6,494
1.02.01.07	Deferred taxes	99,635	125,769
1.02.01.07.01	Deferred income tax and social contribution	99,635	125,769
1.02.01.08	Prepaid expenses	491	382
1.02.01.09	Receivables from related parties	8,122	10,426
1.02.01.09.02	Receivables from subsidiaries	8,122	10,426
1.02.01.10	Other noncurrent assets	26,234	16,938
1.02.01.10.03	Recoverable taxes	16,571	15,010
1.02.01.10.04	Marketable securities	-	512
1.02.01.10.05	Derivative	181	53
1.02.01.10.06	Other	9,482	1,363
1.02.02	Investments	2,954,202	2,702,903
1.02.02.01	Investments in subsidiaries and joint ventures	2,479,387	2,257,123
1.02.02.01.02	Investments in subsidiaries	2,157,063	1,914,329
1.02.02.01.03	Investments in joint ventures	322,324	342,794
1.02.02.02	Investment property	474,815	445,780
1.02.03	Property and equipment	4,616	888
1.02.03.01	Property and equipment in use	4,616	888
1.02.04	Intangible assets	1,667	1,488
1.02.04.01	Intangible assets	1,667	1,488

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Individual / Balance Sheets – Liabilities and Equity

(In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 9/30/2019	Previous year 12/31/2018
2	Total liabilities	3,319,286	3,037,931
2.01	Current Liabilities	126,421	187,265
2.01.01	Labor and social liabilities	3,981	2,784
2.01.01.01	Social liabilities	789	487
2.01.01.02	Labor liabilities	3,192	2,297
2.01.02	Suppliers	5,394	4,550
2.01.02.01	Domestic trade accounts payable	5,394	4,550
2.01.03	Tax liabilities	2,341	1,710
2.01.03.01	Federal taxes	2,230	1,649
2.01.03.01.01	Income taxes and social contribution	49	49
2.01.03.01.02	Other federal taxes	2,181	1,600
2.01.03.03	Municipal taxes	111	61
2.01.04	Loans and financing	91,228	68,053
2.01.04.01	Loans and financing	18,908	26,182
2.01.04.01.01	Loans and financing in domestic currency	18,908	26,182
2.01.04.02	Debentures	72,320	41,871
2.01.05	Other liabilities	23,477	110,168
2.01.05.02	Other	23,477	110,168
2.01.05.02.02	Mandatory minimum dividend payable	-	10,328
2.01.05.02.05	Advances - barter	5,899	19,337
2.01.05.02.06	Derivative	-	2,345
2.01.05.02.07	Payables for investment acquisition	15,665	78,109
2.01.05.02.08	Lease liability	132	-
2.01.05.02.09	Other	1,781	49
2.02	Noncurrent liabilities	894,789	703,397
2.02.01	Loans and financing	875,501	702,449
2.02.01.01	Loans and financing	70,751	114,534
2.02.01.01.01	Loans and financing in domestic currency	70,751	114,534
2.02.01.02	Debentures	804,750	587,915
2.02.02	Other liabilities	19,288	948
2.02.02.02	Other	19,288	948
2.02.02.02.04	Advances - barter	14,746	-
2.02.02.02.05	Provisions for labor, tax and civil risks	277	425
2.02.02.02.07	Lease liability	3,785	-
2.02.02.02.08	Other	480	523
2.03	Equity	2,298,076	2,147,269
2.03.01	Paid-in capital	1,416,101	1,315,841
2.03.02	Capital reserves	(1,611)	84
2.03.02.04	Recognized options granted	3,126	2,723
2.03.02.07	Share issuance costs	(4,737)	(2,639)
2.03.04	Earnings reserve	831,399	836,078
2.03.04.01	Legal reserve	22,675	22,675
2.03.04.05	Retained profit reserve	808,724	813,403
2.03.05	Retained earnings/accumulated losses	52,187	-
2.03.06	Valuation adjustment	-	(4,734)

Individual / Statement of Income
(In thousands of Brazilian reais – R\$)

Code	Description	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
	Net revenue from lease and services provided	5,892	16,979	4,461	13,279
3.01					
3.02	Cost of services provided	(579)	(1,607)	-	-
3.03	Gross profit	5,313	15,372	4,461	13,279
3.04	Operating income (expenses)	61,830	87,382	11,190	29,682
3.04.01	Selling expenses	(1,156)	(3,511)	(888)	(2,927)
3.04.02	General and administrative expenses	(3,942)	(11,395)	(2,724)	(7,975)
3.04.04	Other operating incomes	1,811	1,883	4,909	5,213
3.04.04.02	Other operating incomes	1,811	1,883	4,909	5,213
3.04.05	Other operating expenses	(4,097)	(4,433)	(6,309)	(6,522)
3.04.05.02	Other operating expenses	(4,097)	(4,433)	(6,309)	(6,522)
	Share of profit (loss) of equity accounted investees	69,214	104,838	16,202	41,893
3.04.06					
3.05	Income before financial income and taxes	67,143	102,754	15,651	42,961
3.06	Financial income (expenses)	(9,933)	(23,353)	(6,584)	(15,537)
3.06.01	Financial income	2,634	8,854	1,661	5,340
3.06.02	Financial expenses	(12,567)	(32,207)	(8,245)	(20,877)
3.07	Income before taxes	57,210	79,401	9,067	27,424
3.08	Income tax and social contribution	(34,318)	(27,214)	1,682	6,444
3.08.02	Deferred	(34,318)	(27,214)	1,682	6,444
3.09	Net income (loss) from continuing operations	22,892	52,187	10,749	33,868
3.11	Net income (loss) for the period	22,892	52,187	10,749	33,868
3.99	Earnings per share (In Reais - R\$):	-	-	-	-
3.99.01	Basic	-	-	-	-
3.99.01.01	ON	0.31023	0.71997	0.15531	0.49002
3.99.02	Diluted	-	-	-	-
3.99.02.01	ON	0.30999	0.71961	0.15478	0.48833

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Individual / Statement of Comprehensive Income
(In thousands of Brazilian reais – R\$)

Code	Description	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
4.01	Net income for the period	22,892	52,187	10,749	33,868
4.02	Other comprehensive income	-	4,734	11	219
4.02.01	Effect of change in relative interest in joint ventures	-	4,734	11	219
4.03	Comprehensive income for the period	22,892	56,921	10,760	34,087

Individual / Statement of Cash Flows
(In thousands of Brazilian reais – R\$)

Code	Description	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
6.01	Net cash used in operating activities	69,423	49,246
6.01.01	Cash provided by operating activities	(226)	3,307
6.01.01.01	Net income for the period	52,187	33,868
6.01.01.02	Depreciation	544	175
6.01.01.03	Share of profit (loss) of equity accounted investees	(104,838)	(41,893)
6.01.01.04	Financial income (expenses)	23,353	15,537
6.01.01.05	Deferred taxes	27,214	(6,444)
6.01.01.06	Stock options	403	370
6.01.01.07	Amortization of prepaid expenses	158	255
6.01.01.10	Allowance for doubtful accounts	753	237
6.01.01.11	Results on sale of partial equity interest in subsidiary	-	1,202
6.01.02	Changes in assets and liabilities	69,649	45,939
6.01.02.01	(Increase) decrease in trade accounts receivable	(5,341)	(265)
6.01.02.02	(Increase) decrease in recoverable taxes	1,613	931
6.01.02.03	(Increase) decrease in prepaid expenses	1,177	(701)
6.01.02.04	(Increase) decrease in other assets	(8,079)	(1,383)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	1,197	170
6.01.02.06	Increase (decrease) in taxes, charges and contributions	765	254
6.01.02.07	Increase (decrease) in other liabilities	1,541	(579)
6.01.02.10	Dividends received from subsidiaries	76,776	47,512
6.02	Net cash provided (used) in investing activities	(340,625)	6,592
6.02.01	Increase in / Acquisition of investments	(271,462)	(186,847)
6.02.02	Acquisition / construction of investment properties	(21,905)	(10,279)
6.02.04	Purchase of marketable securities	(316,945)	(232,820)
6.02.05	Sale of marketable securities	255,444	443,570
6.02.06	Receipts from subsidiary sale and purchase cancellation	11,871	2,411
6.02.07	Advance to subsidiaries	(62)	(9,579)
6.02.08	Receipts from subsidiaries	2,827	-
6.02.09	Other	(393)	136
6.03	Net cash provided (used in) by financing activities	229,340	(22,760)
6.03.01	Loans, financing and debentures	327,473	154,409
6.03.02	Interest paid	(47,552)	(35,022)
6.03.03	Capital increase	100,260	93,554
6.03.04	Share issuance costs	(3,178)	-
6.03.08	Dividends paid	(10,328)	(3,554)
6.03.09	Amortization of loans, financing and debentures	(134,819)	(232,023)
6.03.12	(Payment) Receipt on derivative financial instrument	(2,426)	(124)
6.03.13	Lease payments	(90)	-
6.05	Increase (decrease) in cash and cash equivalents	(41,862)	33,078
6.05.01	Cash and cash equivalents at beginning of period	149,640	2,250
6.05.02	Cash and cash equivalents at end of period	107,778	35,328

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Individual / Statement of Changes in Equity – 1/1/2019 to 9/30/2019
(In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company's shareholders
5.01	Opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269
5.03	Adjusted opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269
5.04	Shareholders capital transaction	100,260	(1,695)	-	-	-	98,565
5.04.01	Capital increase	100,260	(2,098)	-	-	-	98,162
5.04.03	Stock options granted	-	403	-	-	-	403
5.05	Total comprehensive income	-	-	(4,679)	52,187	4,734	52,242
5.05.01	Net income for the period	-	-	-	52,187	-	52,187
5.05.02	Other comprehensive income	-	-	(4,679)	-	4,734	55
5.05.02.06	Effect of change in interest in joint ventures	-	-	(4,679)	-	4,734	55
5.07	Closing balance	1,416,101	(1,611)	831,399	52,187	-	2,298,076

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Individual / Statement of Changes in Equity – 1/1/2018 to 9/30/2018
(In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company' s shareholders
5.01	Opening balance	1,222,287	(450)	802,920	-	(4,961)	2,019,796
5.03	Adjusted opening balance	1,222,287	(450)	802,920	-	(4,961)	2,019,796
5.04	Shareholders capital transaction	93,554	370	-	-	-	93,924
5.04.01	Capital increase	93,554	-	-	-	-	93,554
5.04.03	Stock options granted	-	370	-	-	-	370
5.05	Total comprehensive income	-	-	-	33,868	219	34,087
5.05.01	Net income for the period	-	-	-	33,868	-	33,868
5.05.02	Other comprehensive income	-	-	-	-	219	219
5.05.02.06	Effect of change in interest in joint ventures	-	-	-	-	219	219
5.07	Closing balance	1,315,841	(80)	802,920	33,868	(4,742)	2,147,807

Individual / Statement of Value Added
(In thousands of Brazilian reais – R\$)

Code	Description	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
7.01	Revenue	64,750	49,417
7.01.01	Revenues from sales of goods, services and products	18,811	14,633
7.01.02	Other revenue	46	39
7.01.02.01	Other revenue	46	39
7.01.03	Revenue from construction of own assets	46,646	34,982
7.01.04	Allowance for doubtful accounts	(753)	(237)
7.02	Inputs purchased from third parties	(38,151)	(23,137)
7.02.02	Supplies, power, outside services and other items	(38,151)	(23,137)
7.03	Gross value added	26,599	26,280
7.04	Retentions	(544)	(175)
7.04.01	Depreciation, amortization and depletion	(544)	(175)
7.05	Net value added generated	26,055	26,105
7.06	Value added received in transfer	114,103	47,482
7.06.01	Share of profit (loss) of equity accounted investees	104,838	41,893
7.06.02	Financial income	9,265	5,589
7.07	Total value added for distribution	140,158	73,587
7.08	Value added distributed	140,158	73,587
7.08.01	Personnel	9,361	5,491
7.08.01.01	Salaries and wages	7,785	4,579
7.08.01.02	Benefits	1,204	666
7.08.01.03	Severance Pay Fund (FGTS)	372	246
7.08.02	Taxes, charges and contributions	31,783	(3,108)
7.08.02.01	Federal	31,593	(3,197)
7.08.02.02	State	4	3
7.08.02.03	Municipal	186	86
7.08.03	Debt remuneration	46,827	37,336
7.08.03.01	Interest	45,506	36,696
7.08.03.02	Rentals	1,295	610
7.08.03.03	Other	26	30
7.08.03.03.01	Leases	12	10
7.08.03.03.02	Other	14	20
7.08.04	Shareholders	52,187	33,868
7.08.04.03	Earnings retained in the period	52,187	33,868

Consolidated / Balance Sheets – Assets
(In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 9/30/2019	Previous year 12/31/2018
1	Total assets	3,422,878	3,222,897
1.01	Current assets	237,881	193,888
1.01.01	Cash and cash equivalents	109,346	150,488
1.01.03	Receivables	51,282	27,429
1.01.03.01	Trade receivables	51,282	27,429
1.01.06	Recoverable taxes	6,335	7,997
1.01.06.01	Recoverable current taxes	6,335	7,997
1.01.07	Prepaid expenses	1,569	3,374
1.01.08	Other current assets	69,349	4,600
1.01.08.03	Other	69,349	4,600
1.01.08.03.01	Marketable securities	66,121	1,997
1.01.08.03.03	Other	3,228	2,603
1.02	Noncurrent assets	3,184,997	3,029,009
1.02.01	Long-term assets	366,065	198,458
1.02.01.04	Receivables	18,875	18,017
1.02.01.04.01	Trade receivables	18,875	18,017
1.02.01.07	Deferred taxes	99,635	126,289
1.02.01.07.01	Deferred income tax and social contribution	99,635	126,289
1.02.01.08	Prepaid expenses	5,425	4,215
1.02.01.10	Other noncurrent assets	242,130	49,937
1.02.01.10.01	Noncurrent assets available for sale	202,000	-
1.02.01.10.03	Recoverable taxes	27,355	44,095
1.02.01.10.04	Marketable securities	2,917	4,224
1.02.01.10.05	Derivative	181	53
1.02.01.10.06	Other	9,677	1,565
1.02.02	Investments	2,812,581	2,828,091
1.02.02.01	Investments in subsidiaries and joint ventures	322,324	342,794
1.02.02.01.04	Investments in joint ventures	322,324	342,794
1.02.02.02	Investment property	2,490,257	2,485,297
1.02.03	Property and equipment	4,682	970
1.02.03.01	Property and equipment in use	4,682	970
1.02.04	Intangible assets	1,669	1,490
1.02.04.01	Intangible assets	1,669	1,490

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Consolidated / Balance Sheets – Liabilities and Equity
(In thousands of Brazilian reais – R\$)

Code	Description	Current Quarter 9/30/2019	Previous year 12/31/2018
2	Total liabilities	3,422,878	3,222,897
2.01	Current Liabilities	129,673	149,899
2.01.01	Labor and social liabilities	4,563	3,110
2.01.01.01	Social liabilities	971	616
2.01.01.02	Labor liabilities	3,592	2,494
2.01.02	Suppliers	14,629	12,663
2.01.02.01	Domestic trade accounts payable	14,629	12,663
2.01.03	Tax liabilities	5,869	4,831
2.01.03.01	Federal taxes	5,667	4,570
2.01.03.01.01	Income taxes and social contribution	2,582	2,113
2.01.03.01.02	Other federal taxes	3,085	2,457
2.01.03.03	Municipal taxes	202	261
2.01.04	Loans and financing	94,066	94,891
2.01.04.01	Loans and financing	21,746	53,020
2.01.04.01.01	Loans and financing in domestic currency	21,746	53,020
2.01.04.02	Debentures	72,320	41,871
2.01.05	Other liabilities	10,546	34,404
2.01.05.02	Other	10,546	34,404
2.01.05.02.02	Mandatory minimum dividend payable	-	10,328
2.01.05.02.05	Advances - barter	5,899	19,337
2.01.05.02.06	Deferred taxes	1,873	1,365
2.01.05.02.07	Derivative	-	2,345
2.01.05.02.08	Lease liability	132	-
2.01.05.02.09	Other	2,642	1,029
2.02	Noncurrent liabilities	982,345	913,375
2.02.01	Loans and financing	896,678	845,422
2.02.01.01	Loans and financing	91,928	257,507
2.02.01.01.01	Loans and financing in domestic currency	91,928	257,507
2.02.01.02	Debentures	804,750	587,915
2.02.02	Other liabilities	22,686	4,610
2.02.02.02	Other	22,686	4,610
2.02.02.02.04	Advances - barter	14,746	-
2.02.02.02.05	Provisions for labor, tax and civil risks	1,687	2,098
2.02.02.02.07	Lease liability	3,785	-
2.02.02.02.08	Other	2,468	2,512
2.02.03	Deferred taxes	62,981	63,343
2.02.03.01	Deferred income tax and social contribution	62,981	63,343
2.03	Equity	2,310,860	2,159,623
2.03.01	Paid-in capital	1,416,101	1,315,841
2.03.02	Capital reserves	(1,611)	84
2.03.02.04	Recognized options granted	3,126	2,723
2.03.02.07	Share issuance costs	(4,737)	(2,639)
2.03.04	Earnings reserve	831,399	836,078
2.03.04.01	Legal reserve	22,675	22,675
2.03.04.05	Retained profit reserve	808,724	813,403
2.03.05	Retained earnings/accumulated losses	52,187	-
2.03.06	Valuation adjustment	-	(4,734)
2.03.09	Noncontrolling interests	12,784	12,354

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Income
(In thousands of Brazilian reais – R\$)

Code	Description	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
3.01	Net revenue from lease and services provided	32,441	93,340	26,228	76,638
3.02	Cost of services provided	(579)	(1,607)	-	-
3.03	Gross profit	31,862	91,733	26,228	76,638
3.04	Operating income (expenses)	40,680	30,059	(5,342)	(15,440)
3.04.01	Selling expenses	(2,263)	(6,536)	(2,081)	(6,576)
3.04.02	General and administrative expenses	(4,224)	(12,370)	(2,983)	(8,781)
3.04.04	Other operating incomes	67,614	68,360	5,266	6,228
3.04.04.01	Changes in the fair value of investment property	65,634	66,000	185	674
3.04.04.02	Other operating incomes	1,980	2,360	5,081	5,554
3.04.05	Other operating expenses	(4,437)	(5,825)	(6,492)	(8,847)
3.04.05.02	Other operating expenses	(4,437)	(5,825)	(6,492)	(8,847)
3.04.06	Share of profit (loss) of equity accounted investees	(16,010)	(13,570)	948	2,536
3.05	Income before financial income and taxes	72,542	121,792	20,886	61,198
3.06	Financial income (expenses)	(13,376)	(32,520)	(10,353)	(28,678)
3.06.01	Financial income	2,750	9,061	1,725	5,390
3.06.02	Financial expenses	(16,126)	(41,581)	(12,078)	(34,068)
3.07	Income before taxes	59,166	89,272	10,533	32,520
3.08	Income tax and social contribution	(36,070)	(36,650)	219	1,356
3.08.01	Current	(2,430)	(6,898)	(1,293)	(4,480)
3.08.02	Deferred	(33,640)	(29,752)	1,512	5,836
3.09	Net income (loss) from continuing operations	23,096	52,622	10,752	33,876
3.11	Net income (loss) for the period	23,096	52,622	10,752	33,876
3.11.01	Attributable to shareholders of the Company	22,892	52,187	10,749	33,868
3.11.02	Attributable to Non-controlling	204	435	3	8
3.99	Earnings per share (In Reais - R\$):	-	-	-	-
3.99.01	Basic	-	-	-	-
3.99.01.01	ON	0.31023	0.71997	0.15531	0.49002
3.99.02	Diluted	-	-	-	-
3.99.02.01	ON	0.30999	0.71961	0.15478	0.48833

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Comprehensive Income
(In thousands of Brazilian reais – R\$)

Code	Description	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
4.01	Net income for the period	23,096	52,622	10,752	33,876
4.02	Other comprehensive income	-	4,734	11	219
4.02.01	Effect of change in relative interest in joint ventures	-	4,734	11	219
4.03	Comprehensive income for the period	23,096	57,356	10,763	34,095
4.03.01	Attributable to shareholders of the Company	22,892	56,921	10,760	34,087
4.03.02	Attributable to Non-controlling	204	435	3	8

Consolidated / Statement of Cash Flows
(In thousands of Brazilian reais – R\$)

Code	Description	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
6.01	Net cash used in operating activities	68,467	52,549
6.01.01	Cash provided by operating activities	66,545	57,944
6.01.01.01	Net income for the period	52,622	33,876
6.01.01.02	Depreciation	549	180
6.01.01.03	Share of profit (loss) of equity accounted investees	13,570	(2,536)
6.01.01.04	Financial income (expenses)	32,520	28,678
6.01.01.05	Deferred taxes	29,875	(4,922)
6.01.01.06	Stock options	403	370
6.01.01.07	Amortization of prepaid expenses	1,370	1,510
6.01.01.08	Allowance for doubtful accounts	1,421	1,058
6.01.01.10	Changes in the fair value of investment property	(65,785)	(1,472)
6.01.01.11	Results on sale of partial equity interest in subsidiary	-	1,202
6.01.02	Changes in assets and liabilities	1,922	(5,395)
6.01.02.01	(Increase) decrease in trade accounts receivable	(7,204)	(4,232)
6.01.02.02	(Increase) decrease in recoverable taxes	2,040	1,165
6.01.02.03	(Increase) decrease in prepaid expenses	(775)	(2,196)
6.01.02.04	(Increase) decrease in other assets	(8,792)	(1,243)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	1,453	291
6.01.02.06	Increase (decrease) in taxes, charges and contributions	7,338	4,787
6.01.02.07	Increase (decrease) in other liabilities	1,162	622
6.01.02.09	Income tax and social contribution paid	(6,300)	(4,739)
6.01.02.10	Dividends received from subsidiaries	13,000	150
6.02	Net cash provided (used) in investing activities	(183,184)	111,804
6.02.01	Increase in / Acquisition of investments	(5,045)	(13)
6.02.02	Acquisition of investment properties	(130,881)	(99,669)
6.02.04	Increase in marketable securities	(334,671)	(261,874)
6.02.05	Decrease in marketable securities	276,141	470,812
6.02.06	Receipts from subsidiary sale and purchase cancellation	11,872	2,411
6.02.07	Other	(600)	137
6.03	Net cash provided (used in) by financing activities	73,575	(131,633)
6.03.01	Loans, financing and debentures	329,218	154,246
6.03.02	Amortization of loans, financing and debentures	(253,208)	(328,564)
6.03.03	Interest paid	(86,668)	(47,219)
6.03.04	Capital increase	100,260	93,554
6.03.05	Share issuance costs	(3,178)	-
6.03.08	(Distributions to) Contributions from noncontrolling shareholders	(5)	28
6.03.09	Dividends paid	(10,328)	(3,554)
6.03.11	(Payment) Receipt on derivative financial instrument	(2,426)	(124)
6.03.12	Lease payments	(90)	-
6.05	Increase (decrease) in cash and cash equivalents	(41,142)	32,720
6.05.01	Cash and cash equivalents at beginning of period	150,488	2,815
6.05.02	Cash and cash equivalents at end of period	109,346	35,535

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Changes in Equity – 1/1/2019 to 9/30/2019
(In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company's shareholders	Non-controlling interest	Total
5.01	Opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269	12,354	2,159,623
5.03	Adjusted opening balance	1,315,841	84	836,078	-	(4,734)	2,147,269	12,354	2,159,623
5.04	Shareholders capital transaction	100,260	(1,695)	-	-	-	98,565	(5)	98,560
5.04.01	Capital increase	100,260	(2,098)	-	-	-	98,162	-	98,162
5.04.03	Stock options granted	-	403	-	-	-	403	-	403
5.04.10	Net contributions from (distribution to) noncontrolling shareholders	-	-	-	-	-	-	(5)	(5)
5.05	Total comprehensive income	-	-	(4,679)	52,187	4,734	52,242	435	52,677
5.05.01	Net income for the period	-	-	-	52,187	-	52,187	435	52,622
5.05.02	Other comprehensive income	-	-	(4,679)	-	4,734	55	-	55
5.05.02.06	Effect of change in interest in joint ventures	-	-	(4,679)	-	4,734	55	-	55
5.07	Closing balance	1,416,101	(1,611)	831,399	52,187	-	2,298,076	12,784	2,310,860

(Convenience Translation into English from the Original Previously Issued in Portuguese)
Quarterly information - ITR - 9/30/2019 - LOG Commercial Properties e Participações S.A.

Consolidated / Statement of Changes in Equity – 1/1/2018 to 9/30/2018
(In thousands of Brazilian reais – R\$)

Code	Description	Paid-in capital	Capital reserves, recognized options granted and treasury shares	Earnings reserves	Earnings / losses accumulated	Other comprehensive income	Equity attributable to Company's shareholders	Non-controlling interest	Total
5.01	Opening balance	1,222,287	(450)	802,920	-	(4,961)	2,019,796	156	2,019,952
5.03	Adjusted opening balance	1,222,287	(450)	802,920	-	(4,961)	2,019,796	156	2,019,952
5.04	Shareholders capital transaction	93,554	370	-	-	-	93,924	28	93,952
5.04.01	Capital increase	93,554	-	-	-	-	93,554	-	93,554
5.04.03	Stock options granted	-	370	-	-	-	370	-	370
5.04.11	Contributions from noncontrolling shareholders	-	-	-	-	-	-	28	28
5.05	Total comprehensive income	-	-	-	33,868	219	34,087	8	34,095
5.05.01	Net income for the period	-	-	-	33,868	-	33,868	8	33,876
5.05.02	Other comprehensive income	-	-	-	-	219	219	-	219
5.05.02.06	Effect of change in interest in joint ventures	-	-	-	-	219	219	-	219
5.07	Closing balance	1,315,841	(80)	802,920	33,868	(4,742)	2,147,807	192	2,147,999

Consolidated / Statement of Value Added
(In thousands of Brazilian reais – R\$)

Code	Description	1/1/2019 to 9/30/2019	1/1/2018 to 9/30/2018
7.01	Revenue	328,401	209,175
7.01.01	Revenues from sales of goods, services and products	98,802	81,582
7.01.02	Other revenue	66,246	1,898
7.01.02.01	Other revenue	461	426
7.01.02.02	Changes in the fair value of investment property	65,785	1,472
7.01.03	Revenue from construction of own assets	164,774	126,753
7.01.04	Allowance for doubtful accounts	(1,421)	(1,058)
7.02	Inputs purchased from third parties	(143,920)	(106,301)
7.02.02	Supplies, power, outside services and other items	(143,920)	(106,301)
7.03	Gross value added	184,481	102,874
7.04	Retentions	(549)	(180)
7.04.01	Depreciation, amortization and depletion	(549)	(180)
7.05	Net value added generated	183,932	102,694
7.06	Value added received in transfer	(4,091)	8,185
7.06.01	Share of profit (loss) of equity accounted investees	(13,570)	2,536
7.06.02	Financial income	9,479	5,649
7.07	Total value added for distribution	179,841	110,879
7.08	Value added distributed	179,841	110,879
7.08.01	Personnel	13,766	9,670
7.08.01.01	Salaries and wages	10,997	7,619
7.08.01.02	Benefits	2,195	1,603
7.08.01.03	Severance Pay Fund (FGTS)	574	448
7.08.02	Taxes, charges and contributions	47,516	8,771
7.08.02.01	Federal	47,290	8,630
7.08.02.02	State	6	4
7.08.02.03	Municipal	220	137
7.08.03	Debt remuneration	65,937	58,562
7.08.03.01	Interest	58,967	51,908
7.08.03.02	Rentals	6,873	6,527
7.08.03.03	Other	97	127
7.08.03.03.01	Leases	14	19
7.08.03.03.02	Other	83	108
7.08.04	Shareholders	52,622	33,876
7.08.04.03	Earnings retained in the period	52,187	33,868
7.08.04.04	Profit attributable to non-controlling interests	435	8

LOG Commercial Properties e Participações S.A.

Notes to the Interim Condensed Financial Statements

September 30, 2019

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

1. General information

LOG Commercial Properties e Participações S.A. ("Company") is a publicly traded corporation listed on B3 S.A (B3), with its head office at 621 Professor Mário Werneck Ave., 10^o 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, lease 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 lease (operating leases) of industrial warehouses, stores/offices, shopping malls, strip malls and development and sale of industrial lots. On January 1st, 2019, the Company began providing management services for its own condominiums, previously outsourced to companies operating in that business. Delivered and managed projects are located in the States of Minas Gerais, São Paulo, Espírito Santo, Paraná, Rio de Janeiro, Goiás, Ceará, Sergipe and Bahia. See list of subsidiaries, joint ventures and additional information in Note 5.

Since December 2018, the Company has been listed in the special segment "Novo Mercado" of B3 - Brasil, Bolsa, Balcão S.A. (B3), with shares traded under the ticker LOGG3.

With the conclusion of the process of listing the Company's shares in B3, on March 20, 2019, approval was granted to the Company's capital increase, as approved at Board of Directors meeting held on December 28, 2018, which partially subscribed, totaled an increase of R\$100,201 with the issuance of 4,555 new registered common shares, with no par value (note 13 (a)).

As mentioned in note 24, on October 22, 2019, the Company's Board of Directors approved a capital increase of R\$637,875 related to 28,350,000 new shares (R\$22.50 per share), within the limit of the authorized capital established in article 6 of the Company's bylaws, arising from the Company's public offering of primary distribution of shares made in October, pursuant to CVM Instruction 476 ("Restricted Offer"). The shares subject to the Restricted Offer were traded on B3 on October 24, 2019 and their physical and financial settlement took place on October 25, 2019.

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 condensed interim financial statements, significant accounting policies and adoption of new accounting standards

2.1 Presentation of condensed interim financial statements

The Company's interim financial statements comprise:

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

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

Other information in relation to basis of preparation and basis of presentation, did not significantly change in relation to the information disclosed in Note 2 to the financial statements for the year ended December 31, 2018.

2.2 Significant accounting policies

The accounting policies applied in this quarterly information are the same as those applied in the Group's financial statements for the year ended December 31, 2018, except as described in item 2.3 below.

2.3 Adoption of new standards

The Group adopted CPC 06 (R2) / IFRS 16 – Lease and ICPC 22 / IFRIC 23 – Uncertainty over income tax treatments as of January 1st, 2019.

CPC 06 R2 (IFRS 16) – Lease

The pronouncement introduces a single model for accounting of leases in the lessee's balance sheets. A lessee recognizes a right of use asset that represents his right to use the leased asset and a lease liability that represents his obligation to make lease payments. In profit and loss, rental expense is not anymore recognized, recognizing depreciation expense of the right of use and interest expense of the lease liability. Exemptions are available for short term leases and low value items. The lessor's accounting remains similar to the previous standard, that is, lessors continue to classify leases as financial or operating. CPC 06 (R2) replaced existing lease standards until December 31, 2018, including CPC 06 (R1) / IAS 17 – Lease, ICPC 03 / IFRIC 4, SIC 15 and SIC 27 – Complementary Aspects of Leasing Operations.

The Group adopted CPC 06 (R2) using the modified retrospective approach, whereby the cumulative effect of the initial application is recognized as an adjustment to the opening balance of retained earnings and, consequently, comparative information for the year 2018 has not been restated. There were no effects on retained earnings and in profit or loss statement from the initial adoption.

The Group as lessor

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.

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.

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.

ICPC 22 (IFRIC 23) – Uncertainty over income tax treatments

The Group concluded that it had no material effects with the adoption of this interpretation.

Other amended standards and interpretations entered into force in 2019 and did not have material impacts on Group's consolidated financial statements.

3. Cash and cash equivalents and marketable securities

Breakdown is as follows:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Cash and cash equivalents:</u>				
Cash	2	8	9	14
Bank accounts	97	43	1,555	701
Short-term investments:				
Bank certificates of deposit (CDB)	5,533	134,490	5,636	134,674
Unrestricted investment funds	102,146	15,099	102,146	15,099
Total cash and cash equivalents	107,778	149,640	109,346	150,488

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Marketable securities:</u>				
Restricted investment funds (i)	66,106	-	66,121	1,997
Unrestricted investment funds (ii)	-	512	2,723	3,836
Bank certificates of deposit (CDB) (iii)	-	-	194	388
Total marketable securities	<u>66,106</u>	<u>512</u>	<u>69,038</u>	<u>6,221</u>
Current	66,106	-	66,121	1,997
Noncurrent	-	512	2,917	4,224
	<u>66,106</u>	<u>512</u>	<u>69,038</u>	<u>6,221</u>

- (i) The Group established restricted investment fund, managed by first-rate banks, responsible for the custody of the assets and financial settlement of its transactions. The established fund is highly liquid and aim at yielding interest equivalent to CDI. The fund invests in government and other banks securities and in others unrestricted investment funds, which in turn invest primarily in fixed-income securities.
- (ii) Unrestricted investment fund units refer to amounts pledged as collateral for “Plano Empresário” program loans, working capital and debentures.
- (iii) Bank certificated of deposits (CDB) given as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 103.76% of CDI in Individual and 103.64% of CDI in Consolidated at September 30, 2019 (100.54% of CDI in Individual and 100.51% of CDI in Consolidated at December 31, 2018).

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

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
Bank certificates of deposit (CDB)	320	-	320	104
Securities with repurchase agreement	1,621	-	1,622	18
Unrestricted investment funds	57,187	-	57,200	1,769
Debentures	2,192	-	2,192	23
Financial bills	3,069	-	3,070	83
Public securities	1,717	-	1,717	-
Total	<u>66,106</u>	<u>-</u>	<u>66,121</u>	<u>1,997</u>

4. Trade receivables

Trade receivables are broken down as follows:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
Rentals	8,222	8,328	40,056	38,820
Sale of equity interest (Note 5 (a))	28,530	9,037	28,532	9,037
Condominium administration	321	-	321	-
Other	7,850	3,291	8,995	3,915
	<u>44,923</u>	<u>20,656</u>	<u>77,904</u>	<u>51,772</u>
Allow ance for doubtful accounts	(1,903)	(1,150)	(7,747)	(6,326)
Total	<u>43,020</u>	<u>19,506</u>	<u>70,157</u>	<u>45,446</u>
Current	34,088	13,012	51,282	27,429
Noncurrent	8,932	6,494	18,875	18,017
	<u>43,020</u>	<u>19,506</u>	<u>70,157</u>	<u>45,446</u>

The table below shows the aging list of trade receivables:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
In due:				
Up to 12 months	33,669	12,224	50,085	25,598
More than 13 months	8,932	6,494	18,875	18,017
	42,601	18,718	68,960	43,615
Past due:				
Up to 30 days	134	123	313	397
31 to 90 days	399	471	1,171	705
More than 90 days	1,789	1,344	7,460	7,055
	2,322	1,938	8,944	8,157
Total	44,923	20,656	77,904	51,772

Changes in the allowance for doubtful accounts for the nine-month period ended September 30, 2019 and 2018 are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Opening balance	(1,150)	(635)	(6,326)	(4,816)
Recognition	(783)	(237)	(1,566)	(1,058)
Write-off	30	-	145	-
Closing balance	(1,903)	(872)	(7,747)	(5,874)

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

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
12 months	22,658	21,905	133,499	114,126
13 to 24 months	15,955	17,347	98,028	98,855
25 to 36 months	11,233	9,783	77,316	69,675
37 to 48 months	7,316	6,719	64,457	60,436
49 to 60 months	6,288	4,465	50,403	50,561
After 60 months	13,377	17,685	184,661	207,552
Total	76,827	77,904	608,364	601,205

Other information on trade receivables did not significantly change in relation to the information disclosed in Note 4 to the financial statements for the year ended December 31, 2018.

5. Investment in subsidiaries and joint ventures

Refer to interest held in subsidiaries and joint ventures, basically represented by special purpose entities, as follows:

Project	Startup date	Location
Joint ventures - In operation:		
Cabral Investimentos SPE Ltda. ("Cabral")	11/13	Contagem/MG
Parque Torino Imóveis S.A. ("Torino")	4/15	Betim/MG
Betim I Incorporações SPE Ltda. ("Loteamento Betim")	3/18	Betim/MG
Joint ventures - At start-up stage:		
MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC Sony")	-	São José dos Campos/SP
Subsidiaries - In operation:		
Contagem I SPE Ltda. ("LOG I")	2/9	Contagem/MG
Contagem II Incorporações SPE Ltda. ("LOG II")	3/11	Contagem/MG
Jundiá Incorporações SPE Ltda. ("LOG Jundiá")	4/11	Jundiá/SP
Goiânia I Incorporações Imobiliárias SPE Ltda. ("LOG Goiânia")	4/12	Goiânia/GO
Hortolândia Incorporações SPE Ltda. ("LOG Hortolândia")	9/12	Hortolândia/SP
LOG São José dos Pinhais I SPE Ltda. ("LOG SJP")	4/13	São José dos Pinhais/PR
LOG Juiz de Fora I SPE Ltda. ("LOG Juiz de Fora")	6/13	Juiz de Fora/MG
LOG Feira de Santana I SPE Ltda. ("LOG Feira de Santana")	6/13	Feira de Santana/BA
LOG Maracanaú I SPE Ltda. ("LOG Fortaleza")	8/13	Maracanaú/CE
LOG Via Expressa SPE Ltda. ("LOG Via Expressa")	11/13	Betim/MG
LOG Viana I SPE Ltda. ("LOG Viana")	4/14	Viana/ES
LOGCP Londrina I SPE Ltda. ("LOG Londrina")	6/14	Londrina/PR
LOG Itatiaia SPE Ltda. ("LOG Itatiaia")	7/14	Itatiaia/RJ
LOG Rio SPE Ltda. ("LOG Rio")	2/17	Campo Grande/RJ
LOG Aracajú SPE Ltda. ("LOG Aracajú")	10/18	Nossa Senhora do Socorro/SE
Subsidiaries - At start-up stage:		
LOG Sumaré Deltalog I SPE Ltda. ("LOG Sumaré")	-	Sumaré/SP
LOG SJRP I Incorporações SPE Ltda. ("LOG SJRP")	-	São José do Rio Preto/SP
LOG Macaé I SPE Ltda. ("LOG Macaé")	-	Macaé/RJ
LOG RP I SPE Ltda. ("LOG RP")	-	Ribeirão Preto/SP
LOG Uberaba SPE Ltda. ("LOG Uberaba")	-	Uberaba/MG
LDI LOG Desenvolvimento Imobiliário Ltda. ("LDI")	-	Belo Horizonte/MG
LE Empreendimentos e Participações S.A. ("LE Empreendimentos")	-	Belo Horizonte/MG
LOG BTS Extrema Empreendimentos Imobiliários S.A. ("LOG BTS")	-	Extrema/MG

a) Main information on each investment is summarized below:

	Information on investees		Details of group holding		
	Issued capital		Equity interest		
	9/30/19		9/30/19 12/31/18		
	Amount	Number of shares	Number of shares	Contractual percentage	Contractual percentage
<u>Joint ventures:</u>					
Cabral	78,494	78,494,000	39,247,000	50.00%	50.00%
Torino	355,352	372,793	149,117	40.00%	40.00%
Loteamento Betim	94,248	84,325,968	42,162,984	50.00%	50.00%
LOG SJC Sony (a)	105,518	105,273,433	93,893,375	89.19%	89.19%
<u>Subsidiaries:</u>					
LOG I	80,024	77,304,797	77,297,067	99.99%	99.99%
LOG II	23,634	23,300,287	23,297,956	99.99%	99.99%
LOG Jundiaí	59,418	35,874,919	35,873,675	99.99%	99.99%
LOG Goiânia	131,493	46,930,180	46,930,170	99.90%	99.90%
LOG Hortolândia	79,756	79,156,502	79,148,586	99.99%	100.00%
LOG SJP	36,979	23,351,000	23,350,999	100.00%	100.00%
LOG Juiz de Fora	74,730	10,000	9,999	99.99%	99.99%
LOG Feira de Santana	30,497	29,541,000	29,540,999	99.99%	99.99%
LOG Fortaleza	178,708	34,037,979	34,037,978	99.99%	99.99%
LOG Via Expressa	127,905	86,148,912	86,140,297	99.99%	99.99%
LOG Viana	170,059	10,000	9,999	99.99%	99.99%
LOG Londrina	95,846	10,000	9,999	99.99%	99.99%
LOG Itatiaia	62,790	39,197,092	39,193,172	99.99%	99.99%
LOG Rio	89,948	10,000	9,999	99.99%	99.99%
LOG Aracajú	63,342	10,000	9,999	99.99%	99.99%
LOG Sumaré	712	10,000	9,999	99.99%	99.99%
LOG SJRP	10,285	10,000	9,999	99.99%	99.99%
LOG Macaé	14,956	10,000	9,999	99.99%	99.99%
LOG RP	22,519	10,000	9,999	99.99%	99.99%
LOG Curitiba	-	-	-	0.00%	99.99%
LOG Uberaba	6,135	10,000	9,900	99.00%	99.00%
LDI	4,753	15,377,433	15,377,333	100.00%	100.00%
LE Empreendimentos	1,519	10,000	9,900	99.00%	99.00%
LOG BTS	70,584	131,764,706	120,564,706	91.50%	91.50%

	Information on investees		Investment	
	Equity		Investment	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Joint ventures:</u>				
Cabral	49,511	108,681	24,497	53,700
Torino	360,870	341,623	144,914	136,675
Loteamento Betim	96,858	95,228	48,428	47,614
LOG SJC Sony (a)	102,767	102,818	91,658	91,704
Capitalized interest (b)	-	-	12,827	13,101
Total joint ventures - Consolidated	610,006	648,350	322,324	342,794
<u>Subsidiaries:</u>				
LOG I	209,970	182,708	209,949	182,690
LOG II	46,584	46,014	46,579	46,009
LOG Jundiaí	92,718	83,970	92,709	83,962
LOG Goiânia	207,012	180,554	206,805	180,373
LOG Hortolândia	142,616	144,426	142,602	144,426
LOG SJP	47,134	46,045	47,134	46,045
LOG Juiz de Fora	102,703	81,498	102,693	81,490
LOG Feira de Santana	36,588	29,840	36,584	29,837
LOG Fortaleza	239,061	183,690	239,037	183,672
LOG Via Expressa	154,153	115,242	154,138	115,230
LOG Viana	212,329	173,997	212,308	173,980

	Information on investees			
	Equity		Investment	
	9/30/19	12/31/18	9/30/19	12/31/18
Subsidiaries:				
LOG Londrina	111,670	90,785	111,659	90,776
LOG Itatiaia	65,783	42,953	65,776	42,949
LOG Rio	146,153	146,226	146,138	146,211
LOG Aracaju	74,456	57,186	74,449	57,180
LOG Sumaré	5	6	5	6
LOG SJRP	25,056	24,076	25,053	24,074
LOG Macaé	41,724	40,482	41,720	40,478
LOG RP	53,343	51,125	53,338	51,120
LOG Curitiba (c)	-	50,603	-	50,598
LOG Uberaba	12,668	12,042	12,541	11,922
LDI	306	284	306	284
LE Empreendimentos	258	67	255	66
LOG BTS	147,852	143,116	135,285	130,951
Total subsidiaries	2,170,142	1,926,935	2,157,063	1,914,329
Total Individual	2,780,148	2,575,285	2,479,387	2,257,123

- (a) Reclassification from subsidiary to jointly venture after the sale of partial equity interest in this subsidiary to an entity controlled by MRV Engenharia e Participações S.A., in July 2018, as described below.
- (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 (f) to the financial statements for the year ended December 31, 2018).
- (c) Sale of SPE LOG Curitiba shares as described below.

	Information on investees				Share of profit (loss) of equity accounted investees			
	Net income (loss) for the							
	3 rd quarter of		Nine months of		3 rd quarter of		Nine months of	
	2019	2018	2019	2018	2019	2018	2019	2018
Joint ventures:								
Cabral	(34,481)	880	(32,407)	2,203	(17,240)	441	(16,203)	1,177
Torino	2,643	1,241	5,518	4,163	1,057	496	2,236	1,665
Loteamento Betim	543	128	1,628	1,064	272	64	814	532
LOG SJC Sony (a)	(12)	(13)	(98)	(13)	(12)	(12)	(88)	(12)
Capitalized interest (b)	-	-	-	-	(87)	(30)	(274)	(607)
Others	-	-	-	-	-	(11)	(55)	(219)
Total joint ventures - Consolidated	(31,307)	2,236	(25,359)	7,417	(16,010)	948	(13,570)	2,536
Subsidiaries:								
LOG I	29,007	2,663	34,693	7,812	29,004	2,663	34,690	7,811
LOG II	585	488	1,637	1,570	585	488	1,637	1,570
LOG Jundiá	852	1,174	2,748	3,057	852	1,174	2,747	3,057
LOG Goiânia	26,500	2,621	32,065	7,513	26,474	2,618	32,033	7,505
LOG Hortolândia	1,415	1,934	4,112	5,686	1,415	1,934	4,111	5,686
LOG SJP	290	169	958	487	290	169	958	487
LOG Juiz de Fora	424	256	1,368	2,225	424	256	1,368	2,225
LOG Feira de Santana	393	44	(608)	159	393	44	(608)	159
LOG Fortaleza	3,213	2,086	7,349	6,140	3,213	2,086	7,348	6,139
LOG Via Expressa	402	282	1,817	(197)	402	282	1,817	(197)
LOG Viana	40,862	2,712	46,578	7,674	40,858	2,712	46,573	7,673
LOG Londrina	952	1,802	3,493	4,613	952	1,802	3,493	4,613
LOG Itatiaia	52	295	792	897	52	295	792	897
LOG Rio	1,549	1,669	5,311	5,658	1,549	1,669	5,310	5,657
LOG Aracaju	370	1,282	2,498	2,841	370	1,282	2,498	2,841
LOG SJC Sony (a)	-	-	-	(23)	-	-	-	(23)
LOG Sumaré	-	-	-	(1)	-	-	-	(1)
LOG SJRP	272	355	851	1,133	272	355	851	1,133
LOG Macaé	384	(12)	937	161	384	(12)	937	161
LOG RP	622	812	1,977	2,580	622	812	1,976	2,580
LOG Curitiba (c)	(21,106)	(12)	(19,979)	(34)	(21,104)	(12)	(19,977)	(34)
LOG Uberaba	153	215	487	681	151	213	482	676
LDI	11	4	17	(825)	11	4	17	(825)
LE Empreendimentos	(12)	-	(57)	(31)	(12)	-	(57)	(31)
LOG BTS	2,083	-	4,735	-	1,906	-	4,333	-
Capitalized interest (b)	-	-	-	-	(3,839)	(5,580)	(14,921)	(20,402)
Total subsidiaries	89,273	20,839	133,779	59,776	85,224	15,254	118,408	39,357
Total Individual	57,966	23,075	108,420	67,193	69,214	16,202	104,838	41,893

- (a) Reclassification from subsidiary to joint venture after sale of partial equity interest i to an entity controlled by MRV Engenharia e Participações S.A., in July 2018, as described below.
- (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 (f) to the financial statements for the year ended December 31, 2018).
- (c) Sale of SPE LOG Curitiba shares as described below.

On July 30, 2019, the joint venture Cabral Investimentos SPE Ltda. entered into an agreement with Fundo de Investimento Imobiliário BTG Pactual Shoppings to sale its equity interest in the Shopping Contagem, equivalent to 15%, in the amount of R\$25,976, received in cash. This operation generated a loss of R\$33,981, affecting the line item 'Share of profit (loss) of equity accounted investees' by R\$17,754.

On July 17, 2019, the Company and LDI LOG Desenvolvimento Imobiliário Ltda. entered into an agreement to sell the entire equity interest in subsidiary LOG Curitiba I SPE Ltda., which owns a land located in the same city, for R\$30,800, to be received in 12 equal and consecutive installments, the first on the signatures contract date and the rest in subsequent months. This operation generated a loss of R\$22,895, of which R\$21,100 was recorded under the caption "Changes in the fair value of investment property", arising from the remeasurement of the fair value of the subsidiary's assets before sale, and R\$1,795 related to the sale commission, recorded in "Other operating income (expenses), net". The balance receivable at September 30, 2019 is R\$23,099, recorded under "Trade receivable".

In July 2018, the Company sold 10.81% of its equity interest in MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC") to MRV MRL CAMP NOU Incorporações e Participações Ltda., an entity controlled by MRV Engenharia e Participações S.A., in the initial amount of R\$10,800, to be paid in 24 monthly installments of R\$450 each, adjusted by the IPCA (Broad Consumer Price Index). In this transaction, a shareholders' agreement was celebrated that establishes joint control on this entity, previously 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.

As of September 30, 2019, the receivable balance is R\$5,433, as shown below, and is recorded in line "Trade receivables":

	Individual and Consolidated
	9/30/19
12 months	5,615
13 to 24 months	-
Total	5,615
Present value discount - rate 6.6% p.a.	(182)
Total	<u>5,433</u>

In the nine-month period ended September 30, 2019, the Company contributed capital to subsidiary LOG BTS Extrema Empreendimentos Imobiliários SA (LOG BTS), in the amount of R\$62,444, with an outstanding remaining balance to be contributed by R\$15,665 as at September 30, 2019, recorded in the line item "Payables for investment acquisition" in current liabilities in individual (R\$78,109 as at December 31, 2018).

b) Joint ventures:

Summarized financial information of the joint ventures is as follows:

	Cabral		Torino (*)		Loteamento Betim		LOG SJC	
	9/30/19	12/31/18	9/30/19	12/31/18	9/30/19	12/31/18	9/30/19	12/31/18
Cash and cash equivalents and marketable securities	9,598	14,008	13,028	5,579	65	489	3	3
Trade receivables	190	174	-	-	2,561	2,932	-	-
Inventories	-	-	-	-	23,590	15,776	-	-
Other current assets	18	14	416	247	127	2	-	1
Total current	9,806	14,196	13,444	5,826	26,343	19,199	3	4
Trade receivables	527	436	-	-	3,091	2,071	-	-
Inventories	-	-	-	-	81,742	79,935	-	-
Investment property	41,000	100,860	358,443	348,300	-	-	106,638	106,300
Other noncurrent assets	1,321	2,398	253	283	-	-	-	-
Total noncurrent assets	42,848	103,694	358,696	348,583	84,833	82,006	106,638	106,300
Total assets	52,654	117,890	372,140	354,409	111,176	101,205	106,641	106,304
Current liabilities	2,767	7,940	1,267	2,826	1,040	1,401	390	-
Noncurrent liabilities	376	1,269	10,003	9,960	13,278	4,576	3,484	3,486
Equity	49,511	108,681	360,870	341,623	96,858	95,228	102,767	102,818
Liabilities and equity	52,654	117,890	372,140	354,409	111,176	101,205	106,641	106,304

(*) In June 2019, the joint venture Torino issued 26,100 new shares, with an issue price of five hundred and seventy-five reais (R\$575) each. The Company subscribed 10,440 shares, totaling R\$6,003, of which up to September 30, 2019 paid in R\$5,003. For measuring the investment and equity income, the totality of mentioned capital increase and the respective final equity interest after this event were considered in shareholders' equity. As of September 30, 2019, the Company recognized in line item "Other" in current liabilities the amount of R\$1,000 regarding the outstanding installment, which was paid in October 15, 2019.

	Cabral				Torino			
	3 rd quarter of		Nine months of		3 rd quarter of		Nine months of	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating revenue	(1,661)	1,148	656	3,515	2,036	1,857	6,077	5,705
Cost of products and services	-	-	-	-	-	-	-	-
Other operating expenses	(33,730) (*)	(332)	(34,012) (*)	(1,481)	(527)	(523)	(1,340)	(1,099)
Financial income (expenses)	153	211	418	620	2,099	171	2,242	284
Changes in the fair value of investment property	717	-	717	-	-	-	-	-
Income tax and social contribution	40	(147)	(186)	(451)	(965)	(264)	(1,461)	(727)
Net income (loss)	(34,481)	880	(32,407)	2,203	2,643	1,241	5,518	4,163

	Loteamento Betim				LOG SJC Sony			
	3 rd quarter of		Nine months of		3 rd quarter of		Nine months of	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating revenue	1,859	604	5,657	9,521	-	-	-	-
Cost of products and services	(1,171)	(468)	(3,752)	(8,131)	-	-	-	-
Other operating expenses	(12)	(1)	(43)	(54)	(12)	(12)	(97)	(12)
Financial income (expenses)	(1)	11	2	26	-	(1)	(1)	(1)
Income tax and social contribution	(132)	(18)	(236)	(298)	-	-	-	-
Net income (loss)	543	128	1,628	1,064	(12)	(13)	(98)	(13)

(*) Loss on sale of equity interest in Shopping Contagem, as described above.

c) Changes in the balances of investments in subsidiaries and joint ventures in the nine-month period ended September 30, 2019 and 2018 are as follows:

	Opening balances	Capital contributions (reversals)	Share of profit (loss) of equity accounted investees	Dividends received	Other	Closing balances
<u>Nine-month period ended September 30, 2019:</u>						
<u>Joint ventures:</u>						
Cabral	53,700	-	(16,203)	(13,000)	-	24,497
Torino (a)	136,675	5,003	2,236	-	1,000	144,914
Loteamento Betim	47,614	-	814	-	-	48,428
LOG SJC Sony	91,704	42	(88)	-	-	91,658
Capitalized interest (b)	13,101	-	(274)	-	-	12,827
Others (c)	-	-	(55)	-	55	-
Total joint ventures - Consolidated	342,794	5,045	(13,570)	(13,000)	1,055	322,324
<u>Subsidiaries:</u>						
LOG I	182,690	3,353	34,690	(10,784)	-	209,949
LOG II	46,009	537	1,637	(1,604)	-	46,579
LOG Jundiaí	83,962	9,938	2,747	(3,938)	-	92,709
LOG Goiânia	180,373	1,871	32,033	(7,472)	-	206,805
LOG Hortolândia	144,426	815	4,111	(6,750)	-	142,602
LOG SJP	46,045	131	958	-	-	47,134
LOG Juiz de Fora	81,490	22,491	1,368	(2,656)	-	102,693
LOG Feira de Santana	29,837	8,937	(608)	(1,582)	-	36,584
LOG Fortaleza	183,672	50,324	7,348	(2,307)	-	239,037
LOG Via Expressa	115,230	42,429	1,817	(5,338)	-	154,138
LOG Viana	173,980	2,220	46,573	(10,465)	-	212,308
LOG Londrina	90,776	19,800	3,493	(2,410)	-	111,659
LOG Itatiaia	42,949	23,981	792	(1,946)	-	65,776
LOG Rio	146,211	1,134	5,310	(6,517)	-	146,138
LOG Aracaju	57,180	14,771	2,498	-	-	74,449
LOG Sumaré	6	(1)	-	-	-	5
LOG SJRP	24,074	129	851	(1)	-	25,053
LOG Macaé	40,478	305	937	-	-	41,720
LOG RP	51,120	244	1,976	(2)	-	53,338
LOG Curitiba (d)	50,598	173	(19,977)	(2)	(30,792)	-
LOG Uberaba	11,922	139	482	(2)	-	12,541
LDI	284	5	17	-	-	306
LE Empreendimentos	66	246	(57)	-	-	255
LOG BTS	130,951	1	4,333	-	-	135,285
Capitalized interest (b)	-	-	(14,921)	-	14,921	-
Total subsidiaries	1,914,329	203,973	118,408	(63,776)	(15,871)	2,157,063
Total Individual	2,257,123	209,018	104,838	(76,776)	(14,816)	2,479,387

Nine-month period ended September 30, 2018:

Total Consolidated	254,751	13	2,536	(150)	92,260	349,410
Total Individual	1,954,717	186,844	41,893	(47,512)	9,466	2,145,411

(a) R\$1,000 refers to an outstanding installment to complete the capital increase in joint venture Torino, which was paid in October 15, 2019.

(b) Adjustment in 'Share of profit (loss) of equity accounted investees' by the capitalized interest amount during the period, due to adoption of fair value measurement for investment property (Note 2.2 (f) to the financial statements for the year ended December 31, 2018).

(c) Valuation adjustment realization regarding changes in relative interest in Loteamento Betim.

(d) Sale of SPE LOG Curitiba shares as described below.

Other information on Interests in subsidiaries and joint ventures did not significantly change from the information disclosed in Note 5 to the financial statements for the year ended December 31, 2018.

6. Investment property

Broken down as follows:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
Industrial warehouses	432,636	404,140	2,448,078	2,443,657
Strip malls	42,179	41,640	42,179	41,640
Total	474,815	445,780	2,490,257	2,485,297

Changes in balances of investment property for the nine-month period ended September 30, 2019 and 2018 are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Opening balance	445,780	435,082	2,485,297	2,397,662
Additions	25,080	2,533	153,853	91,787
Capitalized interest (Note 8)	3,955	2,014	19,901	22,416
Sale of partial equity interest in subsidiary (Note 5(a))	-	-	(32,579)	(106,710)
Transfer to assets available for sale (Note 23)	-	-	(202,000)	-
Changes in fair value	-	-	65,785	1,472
Closing balance	474,815	439,629	2,490,257	2,406,627

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

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Changes in fair value of investment property	-	-	65,785	1,472
Deferred PIS/COFINS	-	-	215	(798)
Changes in fair value of investment property in profit or	-	-	66,000	674

Fair value of the investment properties has been determined at December 31, 2018 and updated to the date of this interim financial statements, as follows:

- Completed projects up to December 31, 2018: fair values at that date were maintained, except for cases that suffer significant changes, for which new valuations were performed.
- Projects under construction up to December 31, 2018: the fair values at that date were maintained, increased by the construction cost incurred in the nine-month period ended September 30, 2019.
- Land purchased through December 31, 2018: fair values determined as at that date were maintained, increased by the construction costs incurred in the nine-month period ended September 30, 2019.
- Land purchased in 2019: stated at the acquisition cost increased by the construction costs incurred in the nine-month period ended September 30, 2019, when applicable.

In the third quarter of 2019, four assets were remeasured at fair value as a result of the expected sale. These updates represented a net fair value gain of R\$66 million, recognized under the caption "Changes in fair value of investment property". The remeasurements were performed by external appraisers or adjusted to the negotiated prices, and the gain was recorded at the lower value of appraisal reports and actual negotiated values. The Group's other assets were assessed internally, without material net effects, considering the priorities in the Company's strategic investment plan.

As at September 30, 2019, from the total amount of investment property, R\$2,086,726 that has been pledged as collateral for loans, financing and debentures of the Company and its subsidiaries (R\$2,157,322 as at December 31, 2018).

Other information on investment property did not significantly change in relation to the information disclosed in Note 6 to the financial statements for the year ended December 31, 2018.

7. Property and equipment

Changes in property and equipment for the nine-month period ended September 30, 2019 and 2018 are as follows:

Individual	Opening balance	Adoption CPC 06 (R2) / IFRS 16	Addition	Closing balance
<u>Nine-month period ended September 30, 2019:</u>				
<u>Cost:</u>				
Right-of-use	-	3,676	331	4,007
Other (*)	1,537	-	11	1,548
Total cost	1,537	3,676	342	5,555
<u>Accumulated depreciation:</u>				
Right-of-use	-	-	181	181
Other (*)	649	-	109	758
Total accumulated depreciation	649	-	290	939
Total property and equipment, net	888	3,676	52	4,616
<u>Nine-month period ended September 30, 2018:</u>				
Total property and equipment, net	1,034	-	(109)	925

Consolidated	Opening balance	Adoption CPC 06 (R2) / IFRS 16	Addition	Closing balance
<u>Nine-month period ended September 30, 2019:</u>				
<u>Cost:</u>				
Right-of-use	-	3,676	331	4,007
Other (*)	1,749	-	10	1,759
Total cost	1,749	3,676	341	5,766
<u>Accumulated depreciation:</u>				
Right-of-use	-	-	181	181
Other (*)	779	-	124	903
Total accumulated depreciation	779	-	305	1,084
Total property and equipment, net	970	3,676	36	4,682
<u>Nine-month period ended September 30, 2018:</u>				
Total property and equipment, net	1,126	-	(117)	1,009

(*) Basically 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) Loans and financing

Loans and financing as at September 30, 2019 and December 31, 2018 is as follows:

Type	Maturity of principal	Effective rate p.a. (a)	9/30/19			12/31/18
			Current	Noncurrent	Total	Total
<u>Individual:</u>						
Working capital	3/24	CDI + 2.10%	13,204	48,896	62,100	71,670
Construction financing	12/13 to 10/24	CDI + 1.92%	6,073	23,124	29,197	32,616
Construction financing	12/13 to 11/23	TR + 9.42%	-	-	-	16,715
Construction financing	12/13 to 11/23	TR + 9.43%	-	-	-	8,281
Construction financing	10/15 to 9/25	TR + 9.54%	-	-	-	3,820
Construction financing	3/15 to 7/23	TR + 9.62%	-	-	-	6,563
Construction financing	9/16 to 8/26	TR + 9.58%	-	-	-	3,408
(-) Funding cost			(369)	(1,269)	(1,638)	(2,357)
Total Individual			18,908	70,751	89,659	140,716
<u>Subsidiaries:</u>						
Construction financing	12/13 to 11/23	TR + 9.37%	-	-	-	8,865
Construction financing	2/15 to 1/25	TR + 9.45%	-	-	-	11,207
Construction financing	4/15 to 3/25	TR + 9.48%	-	-	-	9,813
Construction financing	2/15 to 1/25	TR + 9.99%	-	-	-	15,869
Construction financing	4/15 to 3/25	TR + 9.56%	-	-	-	21,321
Construction financing	4/15 to 3/25	TR + 10.02%	-	-	-	11,075
Construction financing	10/15 to 9/25	TR + 9.59%	-	-	-	17,784
Construction financing	8/14 to 7/25	TR + 9.78%	-	-	-	14,992
Construction financing	1/15 to 4/23	TR + 9.61%	-	-	-	8,751
Construction financing	4/16 to 3/26	TR + 9.54%	-	-	-	22,342
Construction financing	2/16 to 1/26	TR + 9.75%	-	-	-	6,709
Construction financing (b)	3/19 to 9/28	TR + 10.87%	2,956	21,694	24,650	23,816
(-) Funding cost			(118)	(517)	(635)	(2,733)
Total subsidiaries			2,838	21,177	24,015	169,811
Total Consolidated			21,746	91,928	113,674	310,527

(a) Consider the contractual debt cost plus other funding and debt service costs.

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

During the nine-month period ended September 30, 2019, the Group repaid in advance construction financing in the amount of R\$175,444, being R\$133,979 of principal and R\$41,465 of financial interest, with maturities between April 2023 and August 2026, subjects to effective rate of TR + 9.37% p.a. to TR + 10.02% p.a.

The table below shows the payment schedule of loans and financing:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
After the reporting period:				
12 months	18,908	26,182	21,746	53,020
13 to 24 months	18,731	25,793	21,342	51,742
25 to 36 months	18,973	26,022	21,585	51,942
37 to 48 months	20,407	27,438	23,030	53,365
After 48 months	12,640	35,281	25,971	100,458
Total	89,659	140,716	113,674	310,527

Changes in loans and financing is as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Opening balance	140,716	153,830	310,527	400,932
Funding	-	80,000	1,803	80,000
Interest expense	7,913	10,766	15,721	22,140
Funding cost	-	(1,493)	(58)	(1,656)
Amortization of funding costs	722	1,049	2,878	2,518
Repayment of principal	(41,975)	(86,523)	(160,364)	(183,064)
Payment of interest	(17,717)	(11,225)	(56,833)	(23,422)
Closing balance	89,659	146,404	113,674	297,448

b) Debentures

The position of debentures as at September 30, 2019 and December 31, 2018 is as follows:

Issue	Effective rate p.a. (*)	Individual and Consolidated			
		9/30/19		12/31/18	
		Current	Noncurrent	Total	Total
3 rd issue	CDI + 2.04%	-	-	-	66,404
8 th issue	119% CDI + 0.29%	12,833	16,693	29,526	36,402
10 th issue	CDI + 1.77%	2,509	100,000	102,509	100,558
11 th issue	CDI + 2.23%	15,534	21,857	37,391	43,970
12 th issue	CDI + 2.42%	10,073	72,501	82,574	90,091
13 th issue	108% CDI + 0.87%	1,550	81,000	82,550	81,216
14 th issue	117% CDI + 0.26%	3,951	150,000	153,951	151,258
15 th issue	CDI + 1.71%	7,051	57,750	64,801	70,189
16 th issue	108% CDI + 0.34%	21,645	81,860	103,505	-
17 th issue	116.50% CDI + 0.15%	56	230,000	230,056	-
(-) Funding cost		(2,882)	(6,911)	(9,793)	(10,302)
Total		72,320	804,750	877,070	629,786

(*) Consider the contractual debt cost plus other funding and debt service costs.

On March 26, 2019, the Company's Board of Directors approved the sixteenth issue of debentures for private placement, non-convertible into shares, of unsecured type, to be converted in kind with collateral guaranty, for backing the issuance of 100,000 certificates of real estate receivables (CRI) in the unit value of one thousand reais, totaling of R\$100,051 (include yield of R\$51). The CRIs were issued by the securitizing company, with public distribution and yield interest by 108% of CDI with semiannual payment of interest and maturity of principal from the March 2020 to 2025.

On September 27, 2019, the Company's Board of Directors approved the seventeenth issue of debentures, non-convertible into shares, of unsecured type, to be converted in kind with collateral guaranty, with issuance of 230,000 in the unit value of one thousand reais, totaling of R\$230,000. The debentures were issued by the securitizing company, with public distribution and yield interest by 116.50% of CDI with semiannual payment of interest from March 2020 and annual maturity of principal from September 2022 to 2024.

On September 27, 2019, the Company repaid in advance the third issue of debentures, in the amount of R\$67,722, with maturities between December 2019 and December 2022, subjects to contractual rate of CDI + 1.90% p.a.

As at September 30, 2019, the debentures are simple, nonconvertible, registered, book-entry, and had the following main features:

Issue	Type	Amount raised	Funding date	Contractual rate (p.a.)	Principal - maturity	Interest - maturity 1 st installment	Interest payment	Repayment of principal
8 th	Unsecured (*)	60,000	12/15	119% CDI	11/17 to 8/21	5/16	Quarterly	Quarterly
10 th	Unsecured	100,000	12/17	CDI + 1.60%	12/20 to 12/23	6/18	Semiannual	Semiannual
11 th	Unsecured	51,000	12/17	CDI + 2.00%	12/18 to 12/21	6/18	Semiannual	Semiannual
12 th	Unsecured	100,000	12/17	CDI + 2.25%	1/18 to 12/27	1/18	Monthly	Monthly
13 th	Collateral (*) (**)	81,228	7/18	108% CDI	6/21	12/18	Semiannual	Bullet payment
14 th	Collateral	150,000	11/18	117% CDI	11/21 to 11/23	5/19	Semiannual	Semiannual
15 th	Unsecured	70,000	12/18	CDI + 1.35%	1/19 to 12/28	1/19	Monthly	Monthly
16 th	Unsecured	100,051	3/19	108% CDI	03/20 to 3/25	3/20	Semiannual	Semiannual
17 th	Collateral	230,000	9/19	116.50% CDI	9/22 to 9/24	3/20	Semiannual	Yearly

(*) Includes additional collateral consisting of a mortgage and collateral transfer.

(**) Includes R\$228 and R\$51 yield due to late receipt.

The table below shows the debentures payment schedule:

After the reporting period	Individual and Consolidated										12/31/18
	9/30/19										
	8 th issue	10 th issue	11 th issue	12 th issue	13 th issue	14 th issue	15 th issue	16 th issue	17 th issue	Total	Total
<u>Amortization:</u>											
12 months	12,833	2,509	15,534	10,073	1,550	3,951	7,051	21,645	56	75,202	44,373
13 to 24 months	16,693	28,571	14,571	10,000	81,000	-	7,000	18,191	-	176,026	85,285
25 to 36 months	-	28,571	7,286	10,000	-	60,000	7,000	18,191	76,666	207,714	205,429
37 to 48 months	-	28,571	-	10,000	-	60,000	7,000	18,191	76,667	200,429	124,428
After 48 months	-	14,287	-	42,501	-	30,000	36,750	27,287	76,667	227,492	180,573
Total	29,526	102,509	37,391	82,574	82,550	153,951	64,801	103,505	230,056	886,863	640,088
<u>Costs:</u>											
12 months	(182)	(407)	(166)	(196)	(684)	(387)	(203)	(317)	(340)	(2,882)	(2,502)
13 to 24 months	(65)	(373)	(152)	(180)	(517)	(356)	(167)	(237)	(312)	(2,359)	(2,304)
25 to 36 months	-	(407)	(56)	(196)	-	(312)	(162)	(202)	(340)	(1,675)	(2,150)
37 to 48 months	-	(408)	-	(197)	-	(156)	(140)	(142)	(234)	(1,277)	(1,324)
After 48 months	-	(136)	-	(857)	-	(20)	(355)	(101)	(131)	(1,600)	(2,022)
Total	(247)	(1,731)	(374)	(1,626)	(1,201)	(1,231)	(1,027)	(999)	(1,357)	(9,793)	(10,302)
Total, net	29,279	100,778	37,017	80,948	81,349	152,720	63,774	102,506	228,699	877,070	629,786

Changes in debentures is as follows:

	Individual and Consolidated	
	Nine months of	
	2019	2018
Opening balance	629,786	529,102
Funding	330,051	81,228
Interest expense	39,170	27,226
Funding cost	(2,578)	(5,326)
Amortization of funding costs	3,087	2,719
Repayment of principal	(92,844)	(145,500)
Payment of interest	(29,602)	(23,797)
Closing balance	877,070	465,652

Funding of debentures during the nine-month period ended September 30, 2019 is as follows:

Type	Funding date	Repayment of principal	Interest payment	Maturity of principal	Contractual rate (p.a.)	Amount raised (*)
Individual and Consolidated:						
16 th issue	3/19	Semiannual	Semiannual	3/20 to 3/25	108% of CDI	100,051
17 th issue	9/19	Annual	Semiannual	9/22 to 9/24	116.50% of CDI	230,000
Total						330,051

(*) Gross of funding cost.

c) Guarantees

The types of guarantees for loans, financing and debentures as at September 30, 2019 are as follows:

	Consolidated			
	Working capital		Construction financing	Debentures
	Total		Total	
Collateral / receivables	62,100	53,847	886,863	1,002,810 (*)

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

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Individual			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Financial charges on:				
Loans, financing and debentures	(18,234)	(50,892)	(13,973)	(41,760)
Derivative financial instruments	68	(377)	(523)	(1,485)
Total financial charges	(18,166)	(51,269)	(14,496)	(43,245)
Interest capitalized on:				
Investment property (Note 6)	1,713	3,955	858	2,014
Investment (Note 5)	3,839	14,921	5,580	20,402
Financial charges allocated to profit or loss (Note 17)	(12,614)	(32,393)	(8,058)	(20,829)

	Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Financial charges on:				
Loans, financing and debentures	(21,645)	(60,856)	(17,675)	(54,603)
Derivative financial instruments	68	(377)	(523)	(1,485)
Total financial charges	(21,577)	(61,233)	(18,198)	(56,088)
Interest capitalized on:				
Investment property (Note 6)	5,552	19,901	6,438	22,416
Financial charges allocated to profit or loss (Note 17)	(16,025)	(41,332)	(11,760)	(33,672)

For the nine-month period ended September 30, 2019, total capitalized borrowing costs on loans, financing and debentures represented an average rate of 8.22% p.a. (9.08% p.a. for the year ended December 31, 2018).

e) Contractual obligations

As of September 30, 2019, the Group is in compliance with all covenants of the loan, financing and debenture agreements.

Other information on loans, financing and debentures did not significantly change in relation to the information disclosed in Note 7 to the financial statements for the year ended December 31, 2018.

9. Advances - barter

This balance refers to commitments arising from barter transactions under which the Group acquired land in exchange for industrial warehouses. The balances were recorded at fair value at the transactions dates, measured based on the sales price of the land obtained which was supported by technical reports. The commitments will be discharged by handing over the completed industrial warehouses.

10. Current and deferred taxes

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

	Individual			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Income before income tax and social contribution	57,210	79,401	9,067	27,424
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(19,451)	(26,996)	(3,083)	(9,324)
Effect of IRPJ and CSLL on permanent differences:				
Share of profit (loss) of equity accounted investees				
grossed of written-off capitalized interest	24,838	40,718	7,209	21,180
Unrecognized tax credit	(980)	(4,748)	(1,897)	(6,937)
Depreciation of investment property	865	2,574	826	2,474
Fair value write-off on sale of investment	(599)	(599)	(1,791)	(1,791)
Prospective effect of the spin-off transaction (*)	(39,134)	(39,134)	-	-
Other	143	971	418	842
IRPJ and CSLL credit (expense) in profit or loss	(34,318)	(27,214)	1,682	6,444

	Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Income before income tax and social contribution	59,166	89,272	10,533	32,520
Statutory rate - income tax and social contribution	34%	34%	34%	34%
Nominal expense	(20,116)	(30,352)	(3,581)	(11,057)
Effect of IRPJ and CSLL on permanent differences:				
Share of profit (loss) of equity accounted investees	(5,443)	(4,614)	126	862
Unrecognized tax credit	(980)	(4,748)	(1,897)	(6,937)
Depreciation of investment property	1,374	4,100	1,182	3,519
Fair value write-off on sale of investment	(599)	(599)	(1,791)	(1,791)
Tax basis difference for companies taxes based on deemed income	29,198	39,258	6,121	16,967
Prospective effect of the spin-off transaction (*)	(39,134)	(39,134)	-	-
Other	(370)	(561)	59	(207)
IRPJ and CSLL credit (expense) in profit or loss	(36,070)	(36,650)	219	1,356

(*) On October 10, 2019, the Company entered into a promissory purchase and sale agreement for the merged assets of its subsidiaries. Such transaction, upon completion, will generate an increase in income tax and social contribution expenses of R\$39,134, due to the incidence of tax rates on the fair value gain taxed by actual income regime (recognized in the subsidiaries previously under the deemed income regime).

On September 30, 2019, the Company did not to recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R\$5,251 (R\$7,199 as of December 31, 2018).

- (b) Deferred tax balances

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

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Noncurrent assets:</u>				
Income tax and social contribution	99,635	125,769	99,635	126,289
<u>Liabilities:</u>				
Income tax and social contribution	-	-	(29,706)	(28,503)
PIS/COFINS	-	-	(35,148)	(36,205)
	-	-	(64,854)	(64,708)
Current	-	-	(1,873)	(1,365)
Noncurrent	-	-	(62,981)	(63,343)
Total	-	-	(64,854)	(64,708)

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

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Tax effect on:</u>				
<u>Deferred assets:</u>				
Tax loss carryforwards	80,965	57,838	82,467	61,759
Capitalized interests written-off (*)	106,127	115,456	106,127	115,456
Temporary differences	731	1,529	731	1,529
	187,823	174,823	189,325	178,744
Reclassified deferred liabilities	(88,188)	(49,054)	(89,690)	(52,455)
Deferred tax assets	99,635	125,769	99,635	126,289
<u>Deferred liabilities:</u>				
Fair value appreciation on investment property	(49,054)	(49,054)	(78,075)	(79,072)
Prospective effect of the spin-off transaction (**)	(39,134)	-	(39,134)	-
Rental receivables and others	-	-	(2,187)	(1,886)
	(88,188)	(49,054)	(119,396)	(80,958)
Reclassified deferred liabilities	88,188	49,054	89,690	52,455
Deferred tax liabilities	-	-	(29,706)	(28,503)

(*) According to Note 2.2 (f) to the financial statements for the year ended December 31, 2018, 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.

(**) On October 10, 2019, the Company entered into a promissory purchase and sale agreement for the merged assets of its subsidiaries. Such transaction, upon completion, will generate an increase in income tax and social contribution expenses of R\$39,134, due to the incidence of tax rates on the fair value gain taxed by actual income regime (recognized in the subsidiaries previously under the deemed income regime).

Reclassified deferred taxes balances are related to taxes on income collected by the same tax authority and were individually made by entity, have the same nature and will be carried out simultaneously.

As at September 30, 2019, the estimated realization of deferred tax assets, based on the projection of future taxable income, prepared by the Company's management, is as follows:

	IRPJ and CSLL	
	Individual	Consolidated
Expected realization:		
2019	2,341	2,670
2020	2,709	2,969
2021	4,127	4,339
2022	6,621	7,009
2023	11,339	11,590
2024 to 2026	48,003	48,066
2027 to 2028	24,495	22,992
Total	99,635	99,635

As at September 30, 2019, the balance of deferred PIS/COFINS liabilities refers to the tax effect on: (i) fair value appreciation on investment property; and (ii) rents receivable for the remaining balance.

Changes in deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities for the nine-month period ended September 30, 2019 and 2018 are as follows:

	Individual				Consolidated			
	Nine months of				Nine months of			
	2019		2018		2019		2018	
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	174,823	(49,054)	125,769	114,303	178,744	(80,958)	97,786	87,165
Equity interest sale effect	-	-	-	-	-	815	815	1,609
Effect of deferred IRPJ and CSLL recognized in:								
Equity	1,080	-	1,080	-	1,080	-	1,080	-
Net income for the period	11,920	(39,134)	(27,214)	6,444	9,501	(39,253)	(29,752)	5,836
Closing balance	187,823	(88,188)	99,635	120,747	189,325	(119,396)	69,929	94,610

Other information on the income tax and social contribution is not significantly different from the information disclosed in Note 9 to the financial statements for the year ended December 31, 2018.

11. Provisions for labor, tax and civil risks

Changes for the nine-month period ended September 30, 2019 and 2018 are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Opening balance	425	618	2,098	823
Additions and inflation adjustments	116	67	360	1,929
Payments	(140)	(52)	(317)	(90)
Reversals	(124)	(12)	(454)	(37)
Transfer (*)	-	(276)	-	-
Closing balance	277	345	1,687	2,625

(*) Provisions initially recognized in the Company and transferred to subsidiaries.

The lawsuits assessed as possible losses by the legal counsel amounted to R\$398 in Individual and R\$5,317 in Consolidated as at September 30, 2019 (R\$332 in Individual and R\$6,450 in Consolidated as at December 31, 2018).

Other information on the provision for labor, tax and civil risks is not significantly different from the information disclosed in Note 10 to the financial statements for the year ended December 31, 2018.

12. Lease

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

As a lessee, the Group identified a lease agreement related to the rental of its head office. This contract's term is ten years, as of April 1st, 2015, and provides for monthly payment of R\$34, 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 the purpose of estimating the initial recognition of the right-of-use asset, the option to extend lease agreement for the same period was considered (see changes of right-of-use asset in note 7).

Changes in lease liability for the nine-month period ended September 30, 2019 and 2018 are as follows:

	Individual and Consolidated	
	Nine months of	
	2019	2018
Opening balance	-	-
Initial adoption of CPC 06 (R2) / IFRS 16	3,676	-
Remeasurement	331	-
Interest expenses (*)	233	-
Repayment of principal	(90)	-
Payment of interest	(233)	-
Closing balance	3,917	-
Current	132	-
Noncurrent	3,785	-
	3,917	-

(*) Recorded in "Other financial expenses" (Note 17).

The undiscounted contractual cash flows (gross lease liabilities) represent annual cash-outs of R\$408, ending February 2035.

There were no expenses related to variable lease payments or subleasing income during the period.

The Group does not have rights-of-use assets that meet the definition of investment property.

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 the nine-month period ended September 30, 2019, these leases represent R\$23.

13. Equity

(a) Common shares and capital

	Individual and Consolidated	
	9/30/19	12/31/18
Subscribed capital	1,416,101	1,315,841
Number of common shares, without par value (thousand)	73,809	69,230

The Company's authorized capital as at September 30, 2019 and December 31, 2018, is R\$2,500,000 (two billion and five hundred million reais).

On September 06, 2019, the Board of Directors approved the capital increase in the amount of R\$59, through the issuance of 25 thousand registered common shares, with no par value, intended for the beneficiaries of the Company's stock option plan as shown below.

On March 20, 2019, the Board of Directors approved a capital increase in the amount of R\$100,201, through the issuance of 4,555 thousand registered common shares, with no par value, as shown below. The issuance generated expenses in the amount of R\$3,178 (R\$2,098 net of tax effects), recorded in line item, "Capital Reserves – Share issuance costs" in equity.

Date of approval	Description	Number of shares (thousand)	Total outstanding shares after issuance (thousand)	Unit price R\$	Total capital increase R\$'000	Share capital after capital increase R\$'000
Nine-month period ended September 30, 2019:						
9/6/19	Issue of new shares	25	73,809	2.39	59	1,416,101
3/20/19	Issue of new shares	4,555	73,784	22.00	100,201	1,416,042
Nine-month period ended September 30, 2018:						
7/13/18	Issue of new shares	162	69,230	22.00	3,554	1,315,841

(b) Mandatory minimum dividend payable to shareholders

Fiscal year 2018 dividends, amounting to R\$10,328, were approved at the Ordinary and Extraordinary General Meeting on April 30, 2019, and paid on June 12, 2019.

Fiscal year 2017 dividends, amounting to R\$3,554, were approved at the Annual Shareholders' Meeting held on April 30, 2018 and paid on July 13, 2018.

(c) Stock option plan

On September 06, 2019, the Company granted the program 7 of the stock option plan to directors and managers. The program contemplates 226 thousand options with vesting period of up to 5 years and exercise deadline date in December 2026. The stock option fair value is R\$4.76 each, totaling cost of remuneration by R\$1,077, which will be recognized in the income statement over the vesting period.

Other information on equity did not significantly change in relation to the information disclosed in Note 11 to the financial statements for the year ended December 31, 2018.

14. 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:

	Individual and Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Basic earnings per share:				
Net income for the period	22,892	52,187	10,749	33,868
Weighted average number of outstanding common (thousand)	73,791	72,485	69,209	69,115
Basic earnings per share - in R\$	0.31023	0.71997	0.15531	0.49002
Diluted earnings per share:				
Net income for the period	22,892	52,187	10,749	33,868
Weighted average number of outstanding common (thousand)	73,791	72,485	69,209	69,115
Dilutive effect of stock options (thousand)	57	36	239	239
Total shares after dilutive effect (thousand)	73,848	72,521	69,448	69,354
Diluted earnings per share - in R\$	0.30999	0.71961	0.15478	0.48834

15. Net revenue

	Individual			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Lease revenue	5,574	16,000	4,888	14,633
Revenue from condominium administration service	950	2,811	-	-
Taxes on revenue	(632)	(1,832)	(427)	(1,354)
Net revenue	<u>5,892</u>	<u>16,979</u>	<u>4,461</u>	<u>13,279</u>

	Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Lease revenue	33,378	95,991	27,870	81,582
Revenue from condominium administration service	950	2,811	-	-
Taxes on revenue	(1,887)	(5,462)	(1,642)	(4,944)
Net revenue	<u>32,441</u>	<u>93,340</u>	<u>26,228</u>	<u>76,638</u>

16. Costs and expenses by nature

	Individual			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Costs of services provided	(579)	(1,607)	-	-
Operating expenses:				
Depreciation	(183)	(544)	(59)	(175)
Advertising	(353)	(972)	(185)	(688)
Salaries, charges and benefits	(2,125)	(6,213)	(1,539)	(4,851)
Management compensation	(746)	(1,998)	(302)	(898)
Outside services	(514)	(1,752)	(705)	(1,806)
General expenses	(825)	(2,273)	(465)	(1,526)
Stock options	(158)	(403)	(165)	(370)
Vacancy expenses	(194)	(751)	(192)	(588)
Other	(2,286)	(2,550)	(1,400)	(1,309)
	<u>(7,384)</u>	<u>(17,456)</u>	<u>(5,012)</u>	<u>(12,211)</u>
Classified as:				
Selling expenses	(1,156)	(3,511)	(888)	(2,927)
General and administrative expenses	(3,196)	(9,397)	(2,422)	(7,077)
Management compensation	(746)	(1,998)	(302)	(898)
Other operating expenses	(2,286)	(2,550)	(1,400)	(1,309)
	<u>(7,384)</u>	<u>(17,456)</u>	<u>(5,012)</u>	<u>(12,211)</u>

	Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Costs of services provided	(579)	(1,607)	-	-
Operating expenses:				
Depreciation	(186)	(549)	(61)	(180)
Advertising	(353)	(973)	(185)	(688)
Salaries, charges and benefits	(2,126)	(6,213)	(1,539)	(4,851)
Management compensation	(746)	(1,998)	(302)	(898)
Outside services	(1,180)	(3,881)	(1,317)	(3,820)
General expenses	(913)	(2,570)	(542)	(1,798)
Stock options	(158)	(403)	(165)	(370)
Vacancy expenses	(825)	(2,319)	(953)	(2,752)
Other	(2,457)	(3,465)	(1,411)	(3,293)
	<u>(8,944)</u>	<u>(22,371)</u>	<u>(6,475)</u>	<u>(18,650)</u>
Classified as:				
Selling expenses	(2,263)	(6,536)	(2,081)	(6,576)
General and administrative expenses	(3,478)	(10,372)	(2,681)	(7,883)
Management compensation	(746)	(1,998)	(302)	(898)
Other operating expenses	(2,457)	(3,465)	(1,411)	(3,293)
	<u>(8,944)</u>	<u>(22,371)</u>	<u>(6,475)</u>	<u>(18,650)</u>

(*) Includes R\$1,795 related to commission expense on the sale of SPE LOG Curitiba I SPE Ltda., as mentioned in note 5 (a).

17. Financial expenses and income

	Individual			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(12,614)	(32,393)	(8,058)	(20,829)
Results on derivative financial instruments	85	401	112	702
Other financial expenses	(38)	(215)	(299)	(750)
	(12,567)	(32,207)	(8,245)	(20,877)
Financial income				
Income from short-term investments	2,336	7,720	1,097	4,363
Interest income on intercompany loans	144	594	220	638
Results on derivative financial instruments	(2)	23	-	-
Inflation adjustments	117	567	159	159
Other financial income (*)	39	(50)	185	180
	2,634	8,854	1,661	5,340
Financial (expenses) income	(9,933)	(23,353)	(6,584)	(15,537)
Consolidated				
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Financial expenses				
Interest on loans, financing and debentures (Note 8 (d))	(16,025)	(41,332)	(11,760)	(33,672)
Results on derivative financial instruments	85	401	112	702
Other financial expenses	(186)	(650)	(430)	(1,098)
	(16,126)	(41,581)	(12,078)	(34,068)
Financial income				
Income from short-term investments	2,401	7,952	1,185	4,596
Results on derivative financial instruments	(2)	23	-	-
Inflation adjustments	117	567	159	159
Other financial income (*)	234	519	381	635
	2,750	9,061	1,725	5,390
Financial (expenses) income	(13,376)	(32,520)	(10,353)	(28,678)

(*) Includes tax effect on financial income.

18. Related parties

Related-party balances and transactions are as follows:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
<u>Balance sheet:</u>				
Short-term investments (a)	75,567	105,661	75,567	105,661
Rental receivables (b)	21	21	419	331
Receivables from subsidiaries (d)	8,122	10,426	-	-
Lease liability (e)	3,917	38	3,917	38
Receivables from shares sale (f)	5,433	9,037	5,433	9,037
	Individual		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
<u>Income statement:</u>				
Income from short-term investments (a)	941	2,646	648	1,686
Rental receivables (b)	65	207	73	219
Expenses on the provision of administrative services (c)	137	443	203	578
Financial income due to related parties (d)	144	594	220	638
Financial expenses on debentures	-	-	-	22
Financial expenses of lease (e)	80	233	113	338
Expenses on debentures issuance (g)	241	1,221	1,097	1,097

	Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
<u>Income statement:</u>				
Income from short-term investments (a)	941	2,646	648	1,686
Rental receivables (b)	1,798	3,474	1,224	3,621
Expenses on the provision of administrative services (c)	377	1,244	442	1,257
Financial expenses on debentures	-	-	-	22
Financial expenses of lease (e)	80	233	113	338
Expenses on debentures issuance (g)	241	1,221	1,097	1,097

- (a) Refers to short-term investments on Banco Inter S.A. ("Inter"), which is controlled by controlling shareholder of the Company. As at September 30, 2019, short-term investments yielded 109.72% of CDI in the Individual and in the Consolidated (101.45% at December 31, 2018).

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments in Inter amounting to R\$5,490 at September 30, 2019 (R\$6,312 at December 31, 2018). The financial income from these short-term investments for the three and nine-month period ended September 30, 2019 was R\$84 and R\$284, respectively (R\$168 and R\$509 for the same period of 2018).

- (b) Refers to the lease agreement entered into by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by a noncontrolling shareholder of the Company.
- (c) Amounts related to expenses incurred on the provision of administrative services by MRV Engenharia e Participações S.A. The agreement provides for the monthly payment of R\$3.9 per project developed by the Company or its investees at September 30, 2019 (R\$4 at December 31, 2018). This amount is annually adjusted using the average salary increase percentage granted to the employees of MRV Engenharia e Participações S.A. The agreement is effective for three years, beginning December 2, 2013, automatically extendable for an equal period, if not opposed by any of the parties. On December 02, 2016, in the absence of opposition by the parties, the contract was automatically extended for an equal period.
- (d) Refers to loan between the Company and subsidiary, granted in January 2018. This loan is subject to interest by CDI + 2.25% p.a.
- (e) 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) and as of January 1, 2019, due to CPC 06 (R2) adoption, the contract recognition will be made as lease (Note 12) and no more as rental, as presented in note 16 to the financial statements as of December 31, 2018.
- (f) In July 2018, the Company entered into a shares sale-purchase agreement with an entity controlled by MRV Engenharia e Participações S.A. (MRV MRL CAMP NOU Incorporações e Participações Ltda.), for the sale of partial equity interest in subsidiary MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC"). The contract provides for payment of R\$35,000, of which R\$10,800 will be due after the Municipal Administration's approval of the project to be developed in the area and R\$24,200 is contingent on the occurrence of a future event. Accordingly, in July 2018, the Company recorded the effects related to the sale of equity interest in the amount of R\$10,800, as shown below:

	Effect on results
Contractual amount	10,800
Present value discount	(847)
	9,953
Investment write-off	(11,155)
Sale result	(1,202)
Deferred income tax and social contribution	(1,383)
	<u>(2,585)</u>

The pre-tax effect of R\$1,202, was recognized in the line item “other operating income (expenses), net”, on transaction date (July 2018).

The contractual amount is adjusted by IPCA (Broad Consumer Price Index) from the date of signature of the referred instrument, and paid monthly, as follows:

- (i) R\$10,800: to be paid in 24 installments, the first being paid on the date of approval of the land subdivisions project by the Municipal Administration, occurred in November 2018;
- (ii) R\$24,200: to be paid in 48 installments, which will be paid if the Municipal Administration approves a change of the zoning area from industrial to residential. Until the approval date, the Company may choose, at its discretion, for the receipts to represent a specific percentage of the potential sales value of the real estate units of the project to be built on the land that will be dismembered.
- (g) Refers to services provided by Inter Distribuidora de Títulos e Valores Mobiliários Ltda., an entity controlled by Banco Inter, which in turn is controlled by the controlling shareholder of MRV Engenharia e Participações S.A. The services are related to coordination, placement and distribution of CRI (Certificates of real estate receivables), on a best efforts basis, backed by the Company's 16th and 17th issue of debentures.

The Group conducts transactions with Banco Bradesco, the 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. As at September 30, 2019, the transactions consist of financial investments and debentures, totaling R\$2,824 and R\$228,699 respectively (R\$2,794 and R\$222,185 as at December 31, 2018). In the three and nine-month period ended September 30, 2019, these transactions, conducted at usual market rates, generated financial income and expenses of R\$49 and R\$132, R\$4,551 and R\$12,034, respectively (R\$41 and R\$110, R\$6,121 and R\$21,387 for the same periods in 2018).

Compensation of key management personnel

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

	Individual and Consolidated			
	2019		2018	
	3 rd quarter	Nine months	3 rd quarter	Nine months
Short-term benefits granted to management:				
Management compensation (*)	895	2,398	302	898
Profit sharing	158	473	153	460
Non-monetary benefits	22	63	18	49
Long-term benefits to management:				
Retirement private plan (defined contribution plan)	17	51	14	39
Share-based compensation:				
Stock option plan	134	359	139	318
	1,226	3,344	626	1,764

(*) In 2018, does not include the employer social security contributions at the rate of 20%.

On April 30, 2019, the Ordinary Shareholders' Meeting approved the overall management compensation at R\$5,921.

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 September 30, 2019.

The Company entered into non-speculative derivative financial instruments to hedge its exposure to interbank deposit rate (CDI) fluctuation or to fixed rates. The sole purpose of these transactions is to hedge the risk of rates fluctuation by swapping them. Main conditions and effects are described below:

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		9/30/19
							Gain or loss on transaction	Mark-to-market	Derivative fair value (**)
Sw ap (*)	11/18	10.5% / 108.95%	8/28	23,938	24,078	24,024	54	127	181
				23,938			54	127	181
									Individual and Consolidated
									Noncurrent assets
									181
									Total
									181

Impact on profit or loss – Individual and Consolidated

	Loss on transaction	Mark-to-market	Total (**)
3 rd quarter of 2019	68	83	151
Nine months of 2019	(377)	424	47

(*) Derivatives designed as hedge instruments, according to hedge accounting methodology.

(**) In the nine-month period ended September 30, 2019, three swaps were redeemed at maturity, for the total amount of R\$2,426, with loss in the nine-month period of R\$165, which intended to hedge rate risk by swapping them.

Type of transaction	Contract date	Asset / Liability	Maturity	Notional amount	Long position	Short position	Effect on result		12/31/18
							Gain or loss on transaction	Mark-to-market	Derivative fair value
Sw ap	10/17	100% CDI / 7.19%	1/19	60,000	64,879	65,456	(577)	(10)	(587)
Sw ap	10/17	100% CDI / 7.64%	4/19	100,000	108,132	109,353	(1,221)	(306)	(1,527)
Sw ap	12/17	100% CDI / 7.50%	7/19	15,000	15,976	16,130	(154)	(77)	(231)
Sw ap (*)	11/18	10.5% / 108.95% CDI	8/28	1,305	1,313	1,310	3	50	53
				176,305			(1,949)	(343)	(2,292)

(*) 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.

	Individual and Consolidated
Noncurrent assets	53
Current liability	(2,345)
Total	(2,292)

Impact on profit or loss – Individual and Consolidated			
	Loss on transaction	Mark-to-market	Total
3 rd quarter of 2018	(523)	112	(411)
Nine months of 2018	(1,485)	702	(783)

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

Hedge accounting

In December 2018, the Group formally designated a derivative financial instrument (swap type) as a hedging instrument and a financing as hedged item, establishing a relationship of economic protection between them, according to the hedge accounting methodology. This designation was classified as a fair value hedge, since it reduces the market risk arising from the fair value fluctuations of the respective financing. In this way, both the derivative and the financing are measured at fair value through profit or 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
Rates	10.5%	108.95% CDI
		Debt
		TR + 10%

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
	9/30/19		9/30/19	2019
Financing (Hedged item)	23,938	10%	(24,205) (*)	389
		Long position 10% (**)	24,205	(389)
Derivative financial instrument (Hedge instrument)	23,938	Short position 108.95% CDI	(24,024)	80
		Sw ap net position	181	(309)
		Total net position	(24,024)	80

(*) Swap hedging relation of 98.19% of the hedged item.

(**) In order to reduce volatility in results, the Company opted for hedge accounting, and in this way, measured the short position of the hedging instrument by the mark-to-market rate of the hedged item.

(b) Category of financial instruments

		Individual		Consolidated	
	Note	9/30/19	12/31/18	9/30/19	12/31/18
Financial assets:					
Amortized cost		43,119	19,557	71,721	46,161
Cash and bank accounts	3	99	51	1,564	715
Trade receivables	4	43,020	19,506	70,157	45,446
Fair value through prof it or loss (mandatorily measured) (*)		173,966	150,154	177,001	156,047
Restricted investment funds	3	66,106	-	66,121	1,997
Unrestricted investment funds	3	102,146	15,611	104,869	18,935
Bank certificates of deposit (CDB)	3	5,533	134,490	5,830	135,062
Derivative financial instruments	19 (a)	181	53	181	53
Financial liabilities:					
Amortized cost		976,040	775,052	984,640	929,160
Loans, financing and debentures	8	966,729	770,502	966,094	916,497
Trade payables (suppliers)		5,394	4,550	14,629	12,663
Lease	12	3,917	-	3,917	-
Fair value through prof it or loss (Hedge accounting) (*)		-	-	24,650	23,816
Loans, financing and debentures	8	-	-	24,650	23,816
Fair value through prof it or loss (mandatorily measured) (*)		-	2,345	-	2,345
Derivative financial instruments	19 (a)	-	2,345	-	2,345

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

(c) Exposure to interest rates and inflation adjustment indices

The analysis below at September 30, 2019, has been prepared in accordance to Note 17 (c), to the financial statements for the year ended December 31, 2018:

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 9/30/19	Estimated annual rate for 2019 (*)	Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:							
CDI	176,820	(1,003,160)	(826,340)	6.25%	5.06%	(i) -1.19%	9,833
TR	-	(24,650)	(24,650)	0.00%	0.01%	(i) 0.01%	(2)
IPCA	5,615	-	5,615	2.89%	3.67%	(i) 0.78%	44
							<u>9,875</u>
Scenario I:							
CDI	176,820	(1,003,160)	(826,340)	6.25%	6.33%	0.08%	(661)
TR	-	(24,650)	(24,650)	0.00%	0.01%	0.01%	(2)
IPCA	5,615	-	5,615	2.89%	2.75%	-0.14%	(8)
							<u>(671)</u>
Scenario II:							
CDI	176,820	(1,003,160)	(826,340)	6.25%	7.59%	1.34%	(11,073)
TR	-	(24,650)	(24,650)	0.00%	0.02%	0.02%	(5)
IPCA	5,615	-	5,615	2.89%	1.84%	-1.05%	(59)
							<u>(11,137)</u>

(i) Data obtained on B3 site.

(*) Effective change for the first nine months of 2019 plus a projection for the next three months of 2019.

(d) Capital risk management

As at September 30, 2019 and December 31, 2018, the debt-to-equity ratio is as follows:

	Individual		Consolidated	
	9/30/19	12/31/18	9/30/19	12/31/18
Loans, financing and debentures	966,729	770,502	990,744	940,313
Cash and cash equivalents and marketable securities	(173,884)	(150,152)	(178,384)	(156,709)
Net debt	792,845	620,350	812,360	783,604
Equity	2,298,076	2,147,269	2,310,860	2,159,623
Net debt-to-equity ratio	34.5%	28.9%	35.2%	36.3%

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 undiscounted cash flows of financial liabilities based on the earliest date when the Group must settle the related obligations, and based on the projection for each index at September 30, 2019 through their due date, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
<u>Individual:</u>					
Floating rates liabilities	141,386	245,907	270,246	519,978	1,177,517
Non-interest bearing liabilities	21,059	-	-	-	21,059
Total	162,445	245,907	270,246	519,978	1,198,576
<u>Consolidated:</u>					
Floating rates liabilities	145,124	249,988	274,332	544,951	1,214,395
Non-interest bearing liabilities	14,629	-	-	-	14,629
Total	159,753	249,988	274,332	544,951	1,229,024

(f) Fair value of financial instruments

The table below shows in detail the comparisons between the carrying amounts and fair values of loans, financing and debentures:

	Individual					
	9/30/19			12/31/18		
	Carrying amount	Fair value (*)	Difference	Carrying amount	Fair value (*)	Difference
<u>Financial instruments</u>						
Debentures:						
CDI + 1.35% to 2.25% p.a.	287,275	292,489	(5,214)	371,212	371,283	(71)
108% to 119% CDI p.a.	599,588	596,273	3,315	268,876	268,876	-
Total	886,863	888,762	(1,899)	640,088	640,159	(71)
Working capital loans:						
CDI + 1.95% p.a.	62,100	62,100	-	71,670	71,670	-
Total	62,100	62,100	-	71,670	71,670	-
Financing:						
Construction financing	29,197	29,197	-	71,403	71,403	-
Grand total (w/o issuance costs)	978,160	980,059	(1,899)	783,161	783,232	(71)

	Consolidated					
	9/30/19			12/31/18		
	Carrying amount	Fair value (*)	Difference	Carrying amount	Fair value (*)	Difference
Financial instruments						
Debentures:						
CDI + 1.35% to 2.25% p.a.	287,275	292,489	(5,214)	371,212	371,283	(71)
108% to 119% CDI p.a.	599,588	596,273	3,315	268,876	268,876	-
Total	886,863	888,762	(1,899)	640,088	640,159	(71)
Working capital loans:						
CDI + 1.95% p.a.	62,100	62,100	-	71,670	71,670	-
Total	62,100	62,100	-	71,670	71,670	-
Financing:						
Construction financing	53,847	53,847	-	243,947	243,947	-
Grand total (w/o issuance costs)	1,002,810	1,004,709	(1,899)	955,705	955,776	(71)

(*) Recognized at fair value with level 2 measurement.

Fair values of loans, financing, and debentures subject to CDI plus spread and TR plus spread, were estimated by the Company's management based on the future value of the loans at maturity with the contracted rate, discounted to present value at the market rate at September 30, 2019 and December 31, 2018.

The table below shows a comparison of the contracted and market rates, at September 30, 2019:

	Current market rate	Maturity dates
Debentures:		
CDI + 1.35% to 2.25% p.a.	CDI + 1.12% p.a.	12/21 to 12/28
108% to 119% CDI p.a.	CDI + 1.12% p.a.	6/21 to 3/25
Working capital:		
CDI + 1.95% p.a.	CDI + 1.95% p.a.	3/24
Construction financing:		
CDI + 1.65% p.a.	CDI + 1.65% p.a.	10/24
TR + 10.00% p.a.	TR + 10.00% p.a.	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 matures on dates close to the reporting period.

Other information on financial instruments is not significantly different from the information disclosed in Note 17 to the financial statements for the year ended December 31, 2018.

20. Guarantees

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

21. Noncash transactions

During the nine-month period ended September 30, 2019 and 2018, the Company and its subsidiaries conducted the following financing transaction that did not involve cash, and, therefore, are not reflected in the statement of cash flows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2019	2018	2019	2018
Interest capitalization (Note 8 (d))	18,876	22,416	19,901	22,416
Unpaid capital contributions in joint venture	1,000	10,800	1,000	10,800
Right-of-use (Initial adoption and remeasurement of CPC 06 (R2)) (Note 7)	4,007	-	4,007	-

22. Insurance

The Company has an insurance policy that considers primarily risk concentration and their materiality, taking into consideration the nature of its business, and advice of the insurance brokers. As at September 30, 2019, 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.	142,639
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	50,000
Civil liability	Guarantees the coverage of moral damages to the Company's condominium administrators.	500
Civil liability (events)	Insures the coverage of moral damage suffered by the company events participants.	1,350
Group life and personal injury insurance	Insures payment of compensation related to involuntary personal injuries to employees, contractors, interns, and officers.	19,510
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.	142,517
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any law suit filed with any court or threatened. The contracted guarantee replaces escrow deposits.	389
Barter insurance	Guarantees the obligation of delivering GLA to the barterer, by the Company, after the conclusion of the agreed work.	53,730
Works performance insurance	Guarantees the work execution according to evolution agreed upon in contract with the client, to which will be leased, when the project is completed.	11,587
Free energy market guarantee insurance	Guarantees to the energy supplier payments agreed in contracts annually.	323

23. Subsequent events

On October 10, 2019, the Board of Directors approved a public offering for the primary distribution of 21,000,000 nominative book-entry common shares without par value issued by the Company, with restricted efforts, pursuant to CVM Instruction 476 ("Restricted Offer"), which may be increased by up to 35% due to the possibility of placing 7,350,000 additional shares. Simultaneously, efforts were made to place the shares abroad, observing the applicable law in the country of residence of each foreign investor. The price of R\$22.50 per share and the Company's capital increase of R\$ 637,875 related to 28,350,000 new shares, within the authorized capital limit established in article 6 of the Company's bylaws, were approved by the Board of Directors meeting held on October 22, 2019, after the conclusion of the bookbuilding procedure of said offer.

On October 10, 2019, the Company entered into a Promissory Purchase Agreement with LOGCP Inter Fundo de Investimento Imobiliário, managed by Inter Distribuidora de Valores Mobiliários Ltda. for the sale of minority stakes in some investment property in the total amount of R\$202 million, recorded under "Noncurrent assets available for sale".

24. Authorization for issue of the financial statements

These financial statements were analyzed by the Fiscal Board and authorized for issue by the Board of Directors on October 30, 2019.