Interim Financial Statements (ITR)

LOG Commercial Properties e Participações S.A.

Interim Condensed Individual and Consolidated Financial Statements for the Quarter Ended September 30, 2018 and Report on Review of Condensed Interim Financial Statements

LOG Commercial Properties e Participações S.A.

Interim Condensed Financial Statements (ITR)

September 30, 2018

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Report on review of quarterly information - ITR

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 interim financial information of LOG Commercial Properties e Participações S.A. ("Company"), contained in the Interim Financial Information Form (ITR) for the quarter ended September 30, 2018, which comprise the balance sheet and the related statements of income and comprehensive income for the three and nine-month period then ended, the statements of changes in the shareholders equity and cash flows for the nine-month period then ended, including the explanatory notes.

Company's management is responsible for the preparation of the individual interim financial information in accordance with CPC 21 (R1) - *Demonstração intermediária*, and consolidated financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with specific rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review
We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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 on the individual and consolidated interim financial information prepared in accordance with CPC 21 (R1)
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the quarterly information (ITR), consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

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

Other matters

Statements of value added
The individual and consolidated interim financial information related to the statements of value added (SVA) for the nine-month period ended September 30, 2018, prepared under the responsibility of Company's management, presented as supplementary information by IAS 34, have been subject to the same review procedures performed in connection with the review of the quarterly information of the Company. To form our conclusion, we evaluated whether these statements 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 statements of value added, were not prepared, in all material respects, consistently with the individual e consolidated interim financial information taken as a whole.

Belo Horizonte, October 31, 2018

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

Individual / Balance Sheets – Assets

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 9/30/2018	Previous year 12/31/2017
1	Total assets	2,796,611	2,751,198
1.01	Current assets	54,179	226,625
1.01.01	Cash and cash equivalents	35,328	2,250
1.01.03	Receivables	10,457	8,520
1.01.03.01	Trade receivables	10,457	8,520
1.01.06	Recoverable taxes	5,868	6,262
1.01.06.01	Recoverable current taxes	5,868	6,262
1.01.07	Prepaid expenses	1,334	816
1.01.08	Other current assets	1,192	208,777
1.01.08.03	Other	1,192	208,777
1.01.08.03.01	Investments securities	-	208,447
1.01.08.03.03	Other	1,192	330
1.02	Noncurrent assets	2,742,432	2,524,573
1.02.01	Long-term assets	156,161	133,453
1.02.01.04	Receivables	8,646	3,013
1.02.01.04.01	Trade receivables	8,646	3,013
1.02.01.07	Deferred taxes	120,747	114,303
1.02.01.07.01	Deferred income tax and social contribution	120,747	114,303
1.02.01.08	Prepaid expenses	395	467
1.02.01.09	Receivables from related parties	10,254	-
1.02.01.09.02	Receivables from subsidiaries	10,254	-
1.02.01.10	Other noncurrent assets	16,119	15,670
1.02.01.10.03	Recoverable taxes	14,365	14,200
1.02.01.10.04	Other	1,226	924
1.02.01.10.05	Investments securities	528	546
1.02.02	Investments	2,585,040	2,389,799
1.02.02.01	Investments in subsidiaries and jointly controlled entities	2,145,411	1,954,717
1.02.02.01.02	Investments in subsidiaries	1,796,001	1,699,966
1.02.02.01.03	Investments in jointly controlled entities	349,410	254,751
1.02.02.02	Investment property	439,629	435,082
1.02.03	Property and equipment	1,231	1,321
1.02.03.01	Property and equipment in use	1,231	1,321

Individual / Balance Sheets – Liabilities and Equity

(In thousands of Brazilian reais – R$)

Code	Description	Current Quarter 9/30/2018	Previous year 12/31/2017
2	Total liabilities	2,796,611	2,751,198
2.01	Current Liabilities	132,009	223,741
2.01.01	Labor and social liabilities	2,807	2,637
2.01.01.01	Social liabilities	535	464
2.01.01.02	Labor liabilities	2,272	2,173
2.01.02	Suppliers	2,347	1,023
2.01.02.01	Domestic trade accounts payable	2,347	1,023
2.01.03	Tax liabilities	1,557	1,266
2.01.03.01	Federal taxes	1,502	1,235
2.01.03.01.01	Income taxes and social contribution	49	49
2.01.03.01.02	Other federal taxes	1,453	1,186
2.01.03.03	Municipal taxes	55	31
2.01.04	Loans and financing	96,270	177,595
2.01.04.01	Loans and financing	26,594	48,468
2.01.04.01.01	Loans and financing in domestic currency	26,594	48,468
2.01.04.02	Debentures	69,676	129,127
2.01.05	Others liabilities	29,028	41,220
2.01.05.02	Other	29,028	41,220
2.01.05.02.02	Mandatory minimum dividend payable	-	3,554
2.01.05.02.05	Advances - barters	27,205	37,238
2.01.05.02.06	Derivative	1,775	97
2.01.05.02.07	Other	48	331
2.02	Noncurrent liabilities	516,795	507,661
2.02.01	Loans and financing	515,786	505,337
2.02.01.01	Loans and financing	119,810	105,362
2.02.01.01.01	Loans and financing in domestic currency	119,810	105,362
2.02.01.02	Debentures	395,976	399,975
2.02.02	Others liabilities	1,009	2,324
2.02.02.02	Other	1,009	2,324
2.02.02.02.05	Provisions for labor, tax and civil contingencies	345	618
2.02.02.02.06	Derivative	-	1,019
2.02.02.02.07	Other	664	687
2.03	Equity	2,147,807	2,019,796
2.03.01	Paid-in capital	1,315,841	1,222,287
2.03.02	Capital reserves	(80)	(450)
2.03.02.04	Recognized options granted	2,559	2,189
2.03.02.07	Share issuance costs	(2,639)	(2,639)
2.03.04	Earnings reserve	802,920	802,920
2.03.04.01	Legal reserve	20,501	20,501
2.03.04.05	Retained profit reserve	782,419	782,419
2.03.05	Retained earnings/accumulated losses	33,868	-
2.03.06	Valuation adjustment	(4,742)	(4,961)

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

Code	Description	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2017 to 9/30/2017
3.01	Revenue from sales and/or services	4,461	13,279	4,291	12,725
3.03	Gross profit	4,461	13,279	4,291	12,725
3.04	Operating income (expenses)	11,190	29,682	6,740	18,979
3.04.01	Selling expenses	(888)	(2,927)	(1,306)	(3,861)
3.04.02	General and administrative expenses	(2,724)	(7,975)	(2,392)	(7,074)
3.04.04	Other operating incomes	4,909	5,213	435	455
3.04.04.02	Other operating incomes	4,909	5,213	435	455
3.04.05	Other operating expenses	(6,309)	(6,522)	(1,618)	(3,795)
3.04.05.02	Other operating expenses	(6,309)	(6,522)	(1,618)	(3,795)
3.04.06	Results from equity participation	16,202	41,893	11,621	33,254
3.05	Income before financial income and taxes	15,651	42,961	11,031	31,704
3.06	Financial income (expenses)	(6,584)	(15,537)	(5,714)	(16,617)
3.06.01	Financial income	1,661	5,340	2,927	8,774
3.06.02	Financial expenses	(8,245)	(20,877)	(8,641)	(25,391)
3.07	Income before taxes	9,067	27,424	5,317	15,087
3.08	Income tax and social contribution	1,682	6,444	3,006	9,202
3.08.02	Deferred	1,682	6,444	3,006	9,202
3.09	Net income (loss) from continuing operations	10,749	33,868	8,323	24,289
3.11	Net income (loss) for the period	10,749	33,868	8,323	24,289
3.99	Earnings per share (In Reais - R$):	-	-	-	-
3.99.01	Basic	-	-	-	-
3.99.01.01	ON	0.15531	0.49002	0.14404	0.45667
3.99.02	Diluted	-	-	-	-
3.99.02.01	ON	0.15478	0.48833	0.14366	0.45537

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

Code	Description	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2017 to 9/30/2017
4.01	Net income for the period	10,749	33,868	8,323	24,289
4.02	Other comprehensive income	11	219	(892)	(3,423)
4.02.01	Effect of change in relative interest in joint ventures	11	219	(892)	(3,423)
4.03	Comprehensive income for the period	10,760	34,087	7,431	20,866

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

Code	Description	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
6.01	Net cash used in operating activities	49,246	59,400
6.01.01	Cash provided by operating activities	3,307	417
6.01.01.01	Net income for the period	33,868	24,289
6.01.01.02	Depreciation	175	178
6.01.01.03	Results from equity participation	(41,893)	(33,254)
6.01.01.04	Financial income (expenses)	15,537	17,317
6.01.01.05	Deferred taxes	(6,444)	(9,202)
6.01.01.06	Stock options	370	172
6.01.01.07	Amortization of prepaid expenses	255	361
6.01.01.10	Allowance for doubtful accounts	237	556
6.01.01.11	Results on sale of partial equity interest in subsidiary	1,202	-
6.01.02	Changes in assets and liabilities	45,939	58,983
6.01.02.01	(Increase) decrease in trade accounts receivable	(265)	142
6.01.02.02	(Increase) decrease in recoverable taxes	931	(299)
6.01.02.03	(Increase) decrease in prepaid expenses	(701)	4,046
6.01.02.04	(Increase) decrease in other assets	(1,383)	(550)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	170	458
6.01.02.06	Increase (decrease) in taxes, charges and contributions	254	379
6.01.02.07	Increase (decrease) in other liabilities	(579)	294
6.01.02.08	Proceeds from subsidiary sale	-	4,653
6.01.02.10	Dividends received from subsidiaries	47,512	49,860
6.02	Net cash provided (used) in investing activities	16,171	7,249
6.02.01	Increase in / Acquisition of investments	(186,847)	(81,193)
6.02.02	Acquisition of investment properties	(10,279)	(437)
6.02.04	Increase in marketable securities	(232,820)	(67,823)
6.02.05	Decrease in marketable securities	443,570	160,183
6.02.06	Proceeds from land purchase cancellation	2,411	-
6.02.08	Other	136	(3,481)
6.03	Net cash provided (used in) by financing activities	(32,339)	(86,868)
6.03.01	Loans, financing and debentures	154,409	-
6.03.02	Interest paid	(35,022)	(54,531)
6.03.03	Shareholders' contributions	93,554	113,467
6.03.04	Share issuance costs	-	(3,998)
6.03.08	Dividends paid	(3,554)	(8,466)
6.03.09	Amortization of loans, financing and debentures	(232,023)	(133,340)
6.03.11	Advance to subsidiary	(9,579)	-
6.03.12	(Payment) Receipt on derivative financial instrument	(124)	-
6.05	Increase (decrease) in cash and cash equivalents	33,078	(20,219)
6.05.01	Cash and cash equivalents at beginning of period	2,250	40,190
6.05.02	Cash and cash equivalents at end of period	35,328	19,971

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 owners
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	Recognized 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 relative participation in jointly controlled companies	-	-	-	-	219	219
5.07	Closing balance	1,315,841	(80)	802,920	33,868	(4,742)	2,147,807

Individual / Statement of Changes in Equity – 1/1/2017 to 9/30/2017

(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 owners
5.01	Opening balance	1,003,820	1,961	769,063	-	(687)	1,774,157
5.03	Adjusted opening balance	1,003,820	1,961	769,063	-	(687)	1,774,157
5.04	Shareholders capital transaction	113,467	(2,467)	-	-	-	111,000
5.04.01	Capital increase	113,466	(2,639)	-	-	-	110,827
5.04.03	Recognized options granted	-	172	-	-	-	172
5.04.10	Share subscription warrants	1	-	-	-	-	1
5.05	Total comprehensive income	-	-	-	24,289	(3,423)	20,866
5.05.01	Net income for the period	-	-	-	24,289	-	24,289
5.05.02	Other comprehensive income	-	-	-	-	(3,423)	(3,423)
5.05.02.06	Effect of change in relative interest in joint ventures	-	-	-	-	(3,423)	(3,423)
5.07	Closing balance	1,117,287	(506)	769,063	24,289	(4,110)	1,906,023

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

Code	Description	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
7.01	Revenue	49,417	58,300
7.01.01	Revenues from sales of goods, services and products	14,633	14,030
7.01.02	Other revenue	39	200
7.01.02.01	Other revenue	39	200
7.01.03	Revenue from construction of own assets	34,982	44,626
7.01.04	Allowance for doubtful accounts	(237)	(556)
7.02	Inputs purchased from third parties	(23,137)	(16,851)
7.02.02	Supplies, power, outside services and other items	(23,137)	(16,851)
7.03	Gross value added	26,280	41,449
7.04	Retentions	(175)	(178)
7.04.01	Depreciation, amortization and depletion	(175)	(178)
7.05	Net value added generated	26,105	41,271
7.06	Value added received in transfer	47,482	42,454
7.06.01	Results from equity participation	41,893	33,254
7.06.02	Financial income	5,589	9,200
7.07	Total value added for distribution	73,587	83,725
7.08	Value added distributed	73,587	83,725
7.08.01	Personnel	5,491	5,484
7.08.01.01	Salaries and wages	4,579	4,797
7.08.01.02	Benefits	666	453
7.08.01.03	Severance Pay Fund (FGTS)	246	234
7.08.02	Taxes, charges and contributions	(3,108)	(6,204)
7.08.02.01	Federal	(3,197)	(6,278)
7.08.02.02	State	3	7
7.08.02.03	Municipal	86	67
7.08.03	Debt remuneration	37,336	60,156
7.08.03.01	Interest	36,696	59,709
7.08.03.02	Rentals	610	370
7.08.03.03	Others	30	77
7.08.03.03.01	Leases	10	58
7.08.03.03.02	Other	20	19
7.08.04	Shareholders	33,868	24,289
7.08.04.03	Earnings retained in the period	33,868	24,289

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

Code	Description	Current Quarter 9/30/2018	Previous year 12/31/2017
1	Total assets	3,025,735	3,073,803
1.01	Current assets	75,213	246,062
1.01.01	Cash and cash equivalents	35,535	2,815
1.01.03	Receivables	25,722	22,321
1.01.03.01	Trade receivables	25,722	22,321
1.01.06	Recoverable taxes	8,334	8,646
1.01.06.01	Recoverable current taxes	8,334	8,646
1.01.07	Prepaid expenses	2,847	2,248
1.01.08	Other current assets	2,775	210,032
1.01.08.03	Other	2,775	210,032
1.01.08.03.01	Investments securities	1,463	209,591
1.01.08.03.03	Other	1,312	441
1.02	Noncurrent assets	2,950,522	2,827,741
1.02.01	Long-term assets	193,170	173,914
1.02.01.04	Receivables	20,977	13,662
1.02.01.04.01	Trade receivables	20,977	13,662
1.02.01.07	Deferred taxes	121,207	114,556
1.02.01.07.01	Deferred income tax and social contribution	121,207	114,556
1.02.01.08	Prepaid expenses	4,108	4,021
1.02.01.10	Other noncurrent assets	46,878	41,675
1.02.01.10.03	Recoverable taxes	41,172	37,809
1.02.01.10.04	Investments securities	4,240	2,553
1.02.01.10.05	Other	1,466	1,313
1.02.02	Investments	2,756,037	2,652,413
1.02.02.01	Investments in subsidiaries and jointly controlled entities	349,410	254,751
1.02.02.01.04	Investments in jointly controlled entities	349,410	254,751
1.02.02.02	Investment property	2,406,627	2,397,662
1.02.03	Property and equipment	1,315	1,414
1.02.03.01	Property and equipment in use	1,315	1,414

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

Code	Description	Current Quarter 9/30/2018	Previous year 12/31/2017
2	Total liabilities	3,025,735	3,073,803
2.01	Current Liabilities	172,223	275,927
2.01.01	Labor and social liabilities	3,284	2,993
2.01.01.01	Social liabilities	705	591
2.01.01.02	Labor liabilities	2,579	2,402
2.01.02	Suppliers	11,963	4,867
2.01.02.01	Domestic trade accounts payable	11,963	4,867
2.01.03	Tax liabilities	3,917	3,869
2.01.03.01	Federal taxes	3,726	3,454
2.01.03.01.01	Income taxes and social contribution	1,607	1,818
2.01.03.01.02	Other federal taxes	2,119	1,636
2.01.03.02	State taxes	-	265
2.01.03.03	Municipal taxes	191	150
2.01.04	Loans and financing	122,119	218,944
2.01.04.01	Loans and financing	52,443	89,817
2.01.04.01.01	Loans and financing in domestic currency	52,443	89,817
2.01.04.02	Debentures	69,676	129,127
2.01.05	Others liabilities	30,940	45,254
2.01.05.02	Other	30,940	45,254
2.01.05.02.02	Mandatory minimum dividend payable	-	3,554
2.01.05.02.05	Advances - barters	27,232	38,749
2.01.05.02.06	Deferred taxes	1,468	1,204
2.01.05.02.07	Derivative	1,775	97
2.01.05.02.08	Other	465	1,650
2.02	Noncurrent liabilities	705,513	777,924
2.02.01	Loans and financing	640,981	711,090
2.02.01.01	Loans and financing	245,005	311,115
2.02.01.01.01	Loans and financing in domestic currency	245,005	311,115
2.02.01.02	Debentures	395,976	399,975
2.02.02	Others liabilities	5,524	5,777
2.02.02.02	Other	5,524	5,777
2.02.02.02.04	Advances - barters	1	1,033
2.02.02.02.05	Provisions for labor, tax and civil contingencies	2,625	823
2.02.02.02.06	Derivative	-	1,019
2.02.02.02.07	Other	2,898	2,902
2.02.03	Deferred taxes	59,008	61,057
2.02.03.01	Deferred income tax and social contribution	59,008	61,057
2.03	Equity	2,147,999	2,019,952
2.03.01	Paid-in capital	1,315,841	1,222,287
2.03.02	Capital reserves	(80)	(450)
2.03.02.04	Recognized options granted	2,559	2,189
2.03.02.07	Share issuance costs	(2,639)	(2,639)
2.03.04	Earnings reserve	802,920	802,920
2.03.04.01	Legal reserve	20,501	20,501
2.03.04.05	Retained profit reserve	782,419	782,419
2.03.05	Retained earnings/accumulated losses	33,868	-
2.03.06	Valuation adjustment	(4,742)	(4,961)
2.03.09	Shareholders non-controlling interest	192	156

Consolidated / Statement of Income

(In thousands of Brazilian reais – R$)

Code	Description	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2017 to 9/30/2017
3.01	Revenue from sales and/or services	26,228	76,638	24,755	73,776
3.03	Gross profit	26,228	76,638	24,755	73,776
3.04	Operating income (expenses)	(5,342)	(15,440)	(5,367)	(15,749)
3.04.01	Selling expenses	(2,081)	(6,576)	(2,544)	(7,714)
3.04.02	General and administrative expenses	(2,983)	(8,781)	(2,652)	(7,943)
3.04.04	Other operating incomes	5,266	6,228	912	1,989
3.04.04.01	Changes in the fair value of investment property	185	674	369	1,247
3.04.04.02	Other operating incomes	5,081	5,554	543	742
3.04.05	Other operating expenses	(6,492)	(8,847)	(1,823)	(4,807)
3.04.05.02	Other operating expenses	(6,492)	(8,847)	(1,823)	(4,807)
3.04.06	Results from equity participation	948	2,536	740	2,726
3.05	Income before financial income and taxes	20,886	61,198	19,388	58,027
3.06	Financial income (expenses)	(10,353)	(28,678)	(12,221)	(37,237)
3.06.01	Financial income	1,725	5,390	3,063	9,362
3.06.02	Financial expenses	(12,078)	(34,068)	(15,284)	(46,599)
3.07	Income before taxes	10,533	32,520	7,167	20,790
3.08	Income tax and social contribution	219	1,356	1,154	3,503
3.08.01	Current	(1,293)	(4,480)	(1,567)	(4,443)
3.08.02	Deferred	1,512	5,836	2,721	7,946
3.09	Net income (loss) from continuing operations	10,752	33,876	8,321	24,293
3.11	Net income (loss) for the period	10,752	33,876	8,321	24,293
3.11.01	Attributable to shareholders of the Company	10,749	33,868	8,323	24,289
3.11.02	Attributable to Non-controlling	3	8	(2)	4
3.99	Earnings per share (In Reais - R$):	-	-	-	-
3.99.01	Basic	-	-	-	-
3.99.01.01	ON	0.15531	0.49002	0.14404	0.45667
3.99.02	Diluted	-	-	-	-
3.99.02.01	ON	0.15478	0.48833	0.14366	0.45537

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

Code	Description	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2017 to 9/30/2017	1/1/2017 to 9/30/2017
4.01	Net income for the period	10,752	33,876	8,321	24,293
4.02	Other comprehensive income	11	219	(892)	(3,423)
4.02.01	Effect of change in relative interest in joint ventures	11	219	(892)	(3,423)
4.03	Comprehensive income for the period	10,763	34,095	7,429	20,870
4.03.01	Attributable to shareholders of the Company	10,760	34,087	7,431	20,866
4.03.02	Attributable to Non-controlling	3	8	(2)	4

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

Code	Description	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
6.01	Net cash used in operating activities	52,549	61,986
6.01.01	Cash provided by operating activities	57,944	53,881
6.01.01.01	Net income for the period	33,876	24,293
6.01.01.02	Depreciation	180	184
6.01.01.03	Results from equity participation	(2,536)	(2,726)
6.01.01.04	Financial income (expenses)	28,678	38,092
6.01.01.05	Deferred taxes	(4,922)	(6,327)
6.01.01.06	Stock options	370	172
6.01.01.07	Amortization of prepaid expenses	1,510	1,651
6.01.01.08	Allowance for doubtful accounts	1,058	1,268
6.01.01.10	Changes in the fair value of investment property	(1,472)	(2,726)
6.01.01.11	Results on sale of partial equity interest in subsidiary	1,202	-
6.01.02	Changes in assets and liabilities	(5,395)	8,105
6.01.02.01	(Increase) decrease in trade accounts receivable	(4,232)	(3,780)
6.01.02.02	(Increase) decrease in recoverable taxes	1,165	161
6.01.02.03	(Increase) decrease in prepaid expenses	(2,196)	3,218
6.01.02.04	(Increase) decrease in other assets	(1,243)	(135)
6.01.02.05	Increase (decrease) in payroll, social charges and benefits	291	561
6.01.02.06	Increase (decrease) in taxes, charges and contributions	4,787	4,719
6.01.02.07	Increase (decrease) in other liabilities	622	1,552
6.01.02.08	Proceeds from subsidiary sale	-	4,654
6.01.02.09	Income tax and social contribution paid	(4,739)	(4,102)
6.01.02.10	Dividends received from subsidiaries	150	1,257
6.02	Net cash provided (used) in investing activities	111,804	46,182
6.02.01	Increase in / Acquisition of investments	(13)	(9,882)
6.02.02	Acquisition of investment properties	(99,669)	(33,183)
6.02.04	Increase in marketable securities	(261,874)	(84,740)
6.02.05	Decrease in marketable securities	470,812	177,436
6.02.06	Proceeds from land purchase cancellation	2,411	-
6.02.07	Other	137	(3,449)
6.03	Net cash provided (used in) by financing activities	(131,633)	(128,567)
6.03.01	Loans, financing and debentures	154,246	-
6.03.02	Amortization of loans, financing and debentures	(328,564)	(155,340)
6.03.03	Interest paid	(47,219)	(74,254)
6.03.04	Shareholders' contributions	93,554	113,467
6.03.05	Share issuance costs	-	(3,998)
6.03.08	Contributions from (distributions to) noncontrolling shareholders	28	24
6.03.09	Dividends paid	(3,554)	(8,466)
6.03.11	(Payment) Receipt on derivative financial instrument	(124)	-
6.05	Increase (decrease) in cash and cash equivalents	32,720	(20,399)
6.05.01	Cash and cash equivalents at beginning of period	2,815	40,508
6.05.02	Cash and cash equivalents at end of period	35,535	20,109

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 owners	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	Recognized options granted	-	370	-	-	-	370	-	370
5.04.11	Net 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 relative participation in jointly controlled companies	-	-	-	-	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 Changes in Equity – 1/1/2017 to 9/30/2017

(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 owners	Non-controlling interest	Total
5.01	Opening balance	1,003,820	1,961	769,063	-	(687)	1,774,157	127	1,774,284
5.03	Adjusted opening balance	1,003,820	1,961	769,063	-	(687)	1,774,157	127	1,774,284
5.04	Shareholders capital transaction	113,467	(2,467)	-	-	-	111,000	24	111,024
5.04.01	Capital increase	113,466	(2,639)	-	-	-	110,827	-	110,827
5.04.03	Recognized options granted	-	172	-	-	-	172	-	172
5.04.11	Net contributions from noncontrolling shareholders	-	-	-	-	-	-	24	24
5.04.12	Share subscription warrants	1	-	-	-	-	1	-	1
5.05	Total comprehensive income	-	-	-	24,289	(3,423)	20,866	4	20,870
5.05.01	Net income for the period	-	-	-	24,289	-	24,289	4	24,293
5.05.02	Other comprehensive income	-	-	-	-	(3,423)	(3,423)	-	(3,423)
5.05.02.06	Effect of change in relative interest in joint ventures	-	-	-	-	(3,423)	(3,423)	-	(3,423)
5.07	Closing balance	1,117,287	(506)	769,063	24,289	(4,110)	1,906,023	155	1,906,178

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

Code	Description	1/1/2018 to 9/30/2018	1/1/2017 to 9/30/2017
7.01	Revenue	209,175	159,336
7.01.01	Revenues from sales of goods, services and products	81,582	78,629
7.01.02	Other revenue	1,898	3,347
7.01.02.01	Other revenue	426	621
7.01.02.02	Changes in the fair value of investment property	1,472	2,726
7.01.03	Revenue from construction of own assets	126,753	78,628
7.01.04	Allowance for doubtful accounts	(1,058)	(1,268)
7.02	Inputs purchased from third parties	(106,301)	(48,676)
7.02.02	Supplies, power, outside services and other items	(106,301)	(48,676)
7.03	Gross value added	102,874	110,660
7.04	Retentions	(180)	(184)
7.04.01	Depreciation, amortization and depletion	(180)	(184)
7.05	Net value added generated	102,694	110,476
7.06	Value added received in transfer	8,185	12,527
7.06.01	Results from equity participation	2,536	2,726
7.06.02	Financial income	5,649	9,801
7.07	Total value added for distribution	110,879	123,003
7.08	Value added distributed	110,879	123,003
7.08.01	Personnel	9,670	8,400
7.08.01.01	Salaries and wages	7,619	7,148
7.08.01.02	Benefits	1,603	880
7.08.01.03	Severance Pay Fund (FGTS)	448	372
7.08.02	Taxes, charges and contributions	8,771	5,417
7.08.02.01	Federal	8,630	5,494
7.08.02.02	State	4	25
7.08.02.03	Municipal	137	(102)
7.08.03	Debt remuneration	58,562	84,893
7.08.03.01	Interest	51,908	82,471
7.08.03.02	Rentals	6,527	2,241
7.08.03.03	Others	127	181
7.08.03.03.01	Leases	19	67
7.08.03.03.02	Other	108	114
7.08.04	Shareholders	33,876	24,293
7.08.04.03	Earnings retained in the period	33,868	24,289
7.08.04.04	Profit attributable to non-controlling interests	8	4

1. General information

The information disclosed in Note 1 to the audited consolidated financial statements for the year ended December 31, 2017, published on March 1st, 2018 in the newspapers Diário Oficial da Estado de Minas Gerais (Minas Gerais State Gazette) and Hoje em Dia (hereinafter referred to as "financial statements for the year ended December 31, 2017") has not significantly changed as of the date of these financial statements.

The Group is currently at a stage of cautious expansion of their project portfolio aimed at improving the allocation of available resources to maintain the growth of its cash flows. Within this context, aiming at maintaining an adequate level of liquidity, improve its capital structure and ensuring its investment capacity, the Board of Directors approved funding totaling R$178 million, as detailed in Note 21. These transactions, jointly to the growing cash flow from operations, provide the liquidity support necessary for the Company to carry out its planning. However, in addition to the above operations, the Company continues to evaluate market opportunities to obtain third party resources (capital increases and / or loans) and / or own capital, to accelerate its business plan.

In addition, as mentioned in note 21, in Material Fact dated October 29, 2018, the Company's management informed that it intends, upon completion of the Corporate Transaction, explained in the same note, to propose a capital increase in the amount of, at least, R$100 million.

On August 18, 2017, an Extraordinary General Meeting (Extraordinary General Meeting) approved capital increase of R$308 million, fully supported by the Company's current shareholders. Such capital increase, was carried out in three installments in August and October 2017 and January 2018. The proceeds from this capital increase were allocated in debt repayments and projects development, aiming to increase the Company's operating cash flow.

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

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 it considers the borrowing costs capitalization on its investees' qualifying assets.

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, 2017.

Significant accounting policies

Except as described below, 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, 2017.

The Group adopted CPC 47 / IFRS 15 - Revenues from Contracts with Costumers and CPC 48 / IFRS 9 - Financial Instruments as of January 1st, 2018. According to Management's analysis, the measurement effect resulting from these new adoptions is related to the concept of impairment of accounts receivable resulting from the linearization of revenues from customers which, from January 1st, 2018 on, is being measured considering the Group's historical loss expectation, without causing material effects on the quarterly financial information. The classification effects resulting from these new adoptions are restricted to CPC 48 / IFRS 9, and the new classification criteria for financial assets and liabilities are reflected in Note 17 (b).

New standards

The standards issued but not yet adopted up to the date of issuance of the Group's interim financial statements are presented below. The Group intends to adopt these standards when they come into force.

IFRS	CPC	Standard	Effective date
IFRS 16	CPC 06 (R2)	Lease	Annual reporting periods beginning on
IFRIC 23	-	Uncertainty over income tax treatments	or after January 1st, 2019

There are no other issued standards and interpretations not yet adopted that could, according to management, have a significant impact on the financial position or result of operations of the Group.

3. Cash and cash equivalents and Marketable securities

Breakdown is as follows:

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
Cash and cash equivalents:				
Cash	**3**	13	**7**	18
Bank accounts	**75**	65	**267**	622
Short-term investments:				
Bank certificates of deposit (CDB)	**35,250**	2,172	**35,261**	2,173
Securities with repurchase agreement back by debentures (i)	**-**	-	**-**	2
Total cash and cash equivalents	**35,328**	2,250	**35,535**	2,815

	Individual		Consolidated	
	9/30/18	12/31/17	9/30/18	12/31/17
Marketable securities:				
Restricted investment funds (ii)	**-**	98,206	**1,463**	99,007
Unrestricted investment funds (iii)	**528**	110,787	**3,856**	112,794
Securities with repurchase agreement back by debentures (i)	**-**	-	**-**	204
Bank certificates of deposit (CDB) (iv)	**-**	-	**384**	139
Total marketable securities	**528**	208,993	**5,703**	212,144
Current	**-**	208,447	**1,463**	209,591
Noncurrent	**528**	546	**4,240**	2,553
	528	208,993	**5,703**	212,144

(i) Securities with repurchase agreement backed by debentures have daily repurchase guaranteed by the issuer, allowing immediate redemption as required by the Company and yields the Interbank Deposit rate (CDI) variation. Balance classified in line item “Marketable securities” essentially arise from guarantees for loans, financing and debentures.

(ii) 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 the 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.

(iii) Unrestricted investment fund units refer to amounts pledged as collateral for “Plano Empresário” program loans, working capital and debentures.

(iv) Bank certificated of deposits (CDB) held as collateral for loans, financing and debentures, infrastructure works and others.

Short-term investments and marketable securities include interest income earned, equivalent to 103.64% of CDI in the Individual financial statements and 103.99% of CDI on a consolidated basis as at September 30, 2018 (98.61% of CDI in the Individual financial statements and 98.72% of CDI on a Consolidated basis as at December 31, 2017) and are adjusted to fair value, when applicable.

Breakdown of the exclusive investment fund’s portfolio, proportionately to the units held by the Company is as follows:

	Individual		Consolidated	
	9/30/18	12/31/17	9/30/18	12/31/17
Bank certificates of deposit (CDB)	**-**	4,069	**55**	4,101
Securities with repurchase agreement	**-**	1,730	**12**	1,744
Unrestricted investment funds	**-**	77,641	**1,343**	78,275
Debentures	**-**	1,096	**14**	1,105
Financial treasury bills	**-**	13,670	**39**	13,782
Total	**-**	98,206	**1,463**	99,007

4. Trade receivables

Trade receivables are broken down as follows:

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
Rentals	**7,999**	8,541	**39,862**	36,145
Sale of partial equity interest (Note 5(a))	**10,059**	-	**10,059**	-
Land purchase cancellation (Note 16 (g))	**-**	2,411	**-**	2,411
Other	**1,917**	1,216	**2,652**	2,243
	19,975	12,168	**52,573**	40,799
Allow ance for doubtful accounts	**(872)**	(635)	**(5,874)**	(4,816)
Total	**19,103**	11,533	**46,699**	35,983
Current	**10,457**	8,520	**25,722**	22,321
Noncurrent	**8,646**	3,013	**20,977**	13,662
	19,103	11,533	**46,699**	35,983

The table below shows the aging of trade receivables:

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
In due:				
Up to 12 months	**9,849**	8,058	**22,808**	20,760
13 to 24 months	**8,646**	3,013	**20,977**	13,662
	18,495	11,071	**43,785**	34,422
Past due:				
Up to 30 days	**214**	30	**911**	192
31 to 90 days	**129**	136	**783**	161
More than 90 days	**1,137**	931	**7,094**	6,024
	1,480	1,097	**8,788**	6,377
Total	**19,975**	12,168	**52,573**	40,799

Changes in the allowance for doubtful accounts for the nine-month period ended September 30, 2018 and 2017 are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2018	**2017**	**2018**	**2017**
Opening balance	**(635)**	(85)	**(4,816)**	(3,147)
Recognition	**(237)**	(556)	**(1,058)**	(1,268)
Write-off	**-**	78	**-**	78
Closing balance	**(872)**	(563)	**(5,874)**	(4,337)

The aging list of future contractually guaranteed minimum receivables is as follows:

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
12 months	**22,632**	21,732	**123,621**	104,633
13 to 24 months	**18,913**	16,203	**101,004**	83,892
25 to 36 months	**11,561**	9,938	**70,433**	56,431
37 to 48 months	**7,523**	7,709	**49,899**	37,181
49 to 60 months	**4,520**	6,451	**39,191**	28,279
After 60 months	**18,033**	21,263	**134,437**	92,576
Total	**83,182**	83,296	**518,585**	402,992

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, 2017.

5. Investments in subsidiaries and joint ventures

Refers 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”)	-	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
Jundiaí Incorporações SPE Ltda. (“LOG Jundiaí”)	4/11	Jundiaí/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
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 Curitiba I SPE Ltda. ("LOG Curitiba")	-	Curitiba/PR
LOG Aracajú SPE Ltda. (“LOG Aracajú”)	-	Nossa Senhora do Socorro/SE
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

a) The main information on each investment is summarized below:

	Information on investees		Company information		
	Issued capital		Equity interest		
	9/30/18		9/30/18		12/31/17
	Amount	Number of shares	Number of shares	Contractual percentage	Contractual percentage
Joint ventures:					
Cabral	39,247	78,494,000	39,247,000	50.00%	50.00%
Torino	140,152	318,600	127,440	40.00%	40.00%
Loteamento Betim	47,124	84,325,968	42,162,984	50.00%	50.00%
LOG SJC (*)	94,005	105,273,433	93,893,375	89.19%	100.00%
Subsidiaries:					
LOG I	75,368	61,460,917	61,455,917	99.99%	99.99%
LOG II	22,994	20,353,954	20,352,154	99.99%	99.99%
LOG Jundiaí	49,256	35,874,919	35,873,675	99.99%	99.99%
LOG Goiânia	129,496	46,930,180	46,930,170	99.90%	99.90%
LOG Hortolândia	78,916	13,000,000	12,999,999	100.00%	100.00%
LOG SJP	36,849	23,351,000	23,350,999	100.00%	100.00%
LOG Juiz de Fora	51,317	10,000	9,999	99.99%	99.99%
LOG Feira de Santana	20,958	19,041,000	19,040,999	99.99%	99.99%
LOG Fortaleza	105,625	34,037,979	34,037,978	99.99%	99.99%
LOG Via Expressa	83,430	47,000,000	46,999,999	99.99%	99.99%
LOG Viana	166,859	10,000	9,999	99.99%	99.99%
LOG Londrina	73,390	10,000	9,999	99.99%	99.99%
LOG Itatiaia	37,613	27,410,838	27,410,837	99.99%	99.99%

	Information on investees		Company information		
	Issued capital		Equity interest		
	9/30/18		9/30/18		12/31/17
	Amount	Number of shares	Number of shares	Contractual percentage	Contractual percentage
Subsidiaries:					
LOG Rio	88,331	10,000	9,999	99.99%	99.99%
LOG Sumaré	712	10,000	9,999	99.99%	99.99%
LOG SJRP	10,069	10,000	9,999	99.99%	99.99%
LOG Macaé	14,618	10,000	9,999	99.99%	99.99%
LOG RP	22,223	10,000	9,999	99.99%	99.99%
LOG Curitiba	27,303	10,000	9,999	99.99%	99.99%
LOG Aracajú	38,934	10,000	9,999	99.99%	99.99%
LOG Uberaba	5,985	10,000	9,900	99.00%	99.00%
LDI	4,737	24,690,048	24,689,948	100.00%	100.00%
LE Empreendimentos	1,271	10,000	9,900	99.00%	99.00%

	Information on investees			
	Equity		Investment	
	9/30/18	12/31/17	9/30/18	12/31/17
Joint ventures:				
Cabral	**114,302**	112,248	**56,510**	55,483
Torino	**350,380**	346,218	**140,178**	138,513
Loteamento Betim	**95,117**	94,052	**47,559**	47,026
LOG SJC (*)	**103,196**	-	**92,041**	-
Capitalized interest (**)	**-**	-	**13,122**	13,729
Total joint ventures - Consolidated	**662,995**	552,518	**349,410**	254,751
Subsidiaries:				
LOG I	**189,528**	186,649	**189,509**	186,630
LOG II	**45,607**	44,997	**45,602**	44,993
LOG Jundiaí	**81,603**	80,767	**81,595**	80,759
LOG Goiânia	**184,202**	147,963	**184,018**	147,815
LOG Hortolândia	**143,666**	142,680	**143,666**	142,680
LOG SJP	**48,170**	38,280	**48,170**	38,280
LOG Juiz de Fora	**74,581**	71,368	**74,574**	71,361
LOG Feira de Santana	**31,825**	29,802	**31,822**	29,799
LOG Fortaleza	**161,329**	135,195	**161,313**	135,181
LOG Via Expressa	**113,402**	110,348	**113,391**	110,337
LOG Viana	**171,629**	137,533	**171,612**	137,519
LOG Londrina	**120,460**	87,508	**120,448**	87,499
LOG Itatiaia	**43,282**	42,063	**43,278**	42,059
LOG Rio	**143,548**	129,923	**143,534**	129,910
LOG SJC	**-**	103,196	**-**	103,196
LOG Sumaré	**6**	7	**6**	7
LOG SJRP	**24,740**	23,508	**24,738**	23,506
LOG Macaé	**42,205**	41,877	**42,201**	41,873
LOG RP	**54,974**	51,919	**54,969**	51,914
LOG Curitiba	**53,805**	53,668	**53,800**	53,663
LOG Aracajú	**54,641**	28,623	**54,636**	28,620
LOG Uberaba	**12,861**	12,135	**12,732**	12,014
LDI	**287**	268	**287**	268
LE Empreendimentos	**101**	84	**100**	83
Total subsidiaries	**1,796,452**	1,700,361	**1,796,001**	1,699,966
Total Individual	**2,459,447**	2,252,879	**2,145,411**	1,954,717

	Information on investees				Results from equity participation for the			
	Net income (loss) for the							
	3rd quarter of		Nine months of		3rd quarter of		Nine months of	
	2018	2017	2018	2017	2018	2017	2018	2017
Joint ventures:								
Cabral	**880**	675	**2,203**	2,311	**441**	338	**1,177**	1,784
Torino	**1,241**	1,015	**4,163**	2,367	**496**	406	**1,665**	947
Loteamento Betim	**128**	(8)	**1,064**	(10)	**64**	(4)	**532**	(5)
LOG SJC (*)	**(13)**	-	**(13)**	-	**(12)**	-	**(12)**	-
Capitalized interest (**)	**-**	-	**-**	-	**(30)**	-	**(607)**	-
Others	**-**	-	**-**	-	**(11)**	-	**(219)**	-
Total joint ventures - Consolidated	**2,236**	1,682	**7,417**	4,668	**948**	740	**2,536**	2,726
Subsidiaries:								
LOG I	**2,663**	3,118	**7,812**	9,766	**2,663**	3,118	**7,811**	9,765
LOG II	**488**	265	**1,570**	813	**488**	265	**1,570**	813
LOG Jundiaí	**1,174**	945	**3,057**	2,526	**1,174**	945	**3,057**	2,526
LOG Goiânia	**2,621**	1,790	**7,513**	6,662	**2,618**	1,788	**7,505**	6,655
LOG Hortolândia	**1,934**	1,785	**5,686**	4,709	**1,934**	1,785	**5,686**	4,709
LOG SJP	**169**	24	**487**	(253)	**169**	24	**487**	(253)
LOG Juiz de Fora	**256**	1,161	**2,225**	3,267	**256**	1,161	**2,225**	3,267
LOG Feira de Santana	**44**	87	**159**	210	**44**	87	**159**	210
LOG Fortaleza	**2,086**	2,174	**6,140**	7,308	**2,086**	2,174	**6,139**	7,307
LOG Via Expressa	**282**	(314)	**(197)**	111	**282**	(314)	**(197)**	111
LOG Viana	**2,712**	2,130	**7,674**	6,591	**2,712**	2,129	**7,673**	6,590
LOG Londrina	**1,802**	1,554	**4,613**	4,640	**1,802**	1,554	**4,613**	4,640
LOG Itatiaia	**295**	438	**897**	1,069	**295**	438	**897**	1,069
LOG Rio	**1,669**	2,199	**5,658**	5,653	**1,669**	2,198	**5,657**	5,652
LOG SJC	**-**	(10)	**(23)**	(38)	**-**	(10)	**(23)**	(38)
LOG Sumaré	-	-	**(1)**	-	-	-	**(1)**	-
LOG SJRP	**355**	496	**1,133**	1,604	**355**	496	**1,133**	1,604
LOG Macaé	**(12)**	699	**161**	2,247	**(12)**	699	**161**	2,247
LOG RP	**812**	1,095	**2,580**	3,523	**812**	1,095	**2,580**	3,523
LOG Curitiba	**(12)**	1,388	**(34)**	4,496	**(12)**	1,387	**(34)**	4,495
LOG Aracajú	**1,282**	753	**2,841**	2,434	**1,282**	753	**2,841**	2,434
LOG Uberaba	**215**	298	**681**	975	**213**	295	**676**	965
LDI	**4**	2	**(825)**	14	**4**	2	**(825)**	14
LE Empreendimentos	-	-	**(31)**	-	-	-	**(31)**	-
Capitalized interest (**)	**-**	-	**-**	-	**(5,580)**	(11,188)	**(20,402)**	(37,777)
Total subsidiaries	**20,839**	22,077	**59,776**	68,327	**15,254**	10,881	**39,357**	30,528
Total Individual	**23,075**	23,759	**67,193**	72,995	**16,202**	11,621	**41,893**	33,254

(*) Reclassification from subsidiary to jointly venture after 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.
(**) Amount related to 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 July 2018, the Company sold 10.81% of its equity interest in MRV LOG MDI SJC I Incorporações SPE Ltda. ("LOG SJC") for MRV MRL CAMP NOU Incorporações e Participações Ltda., an entity controlled by MRV Engenharia e Participações SA, in the amount of R$10,800, to be paid in 24 monthly installments of R$450 each, adjusted by the IPCA (National Broad Consumer Price Index). In this transaction, an agreement of shares holders was celebrated that started to characterize the joint control on this entity, so far controlled by the Company. The amount of transactions affecting cash flows arising from LOG SJC are not relevant for separate presentation in the statement of cash flows.

As of September 30, 2018, the receivable balance is R$10,059, as shown below:

	Individual and Consolidated
	09/30/18
12 months	4,950
13 to 24 months	5,850
Total	10,800
Present value discount - rate 6.6% p.a.	(741)
Total	10,059

b) Joint ventures:

The main financial information is as follows:

	Cabral		Torino		Loteamento Betim		LOG SJC	
	9/30/18	12/31/17	9/30/18	12/31/17	9/30/18	12/31/17	9/30/18	12/31/17
Cash and cash equivalents and marketable securities	**19,010**	16,354	**5,225**	3,485	**6**	4	**3**	3
Trade receivables	**113**	101	**-**	-	**3,172**	-	**-**	-
Inventories	**-**	-	**-**	-	**16,676**	9,459	**-**	-
Other current assets	**78**	374	**306**	216	**-**	-	**-**	-
Total current	**19,201**	16,829	**5,531**	3,701	**19,854**	9,463	**3**	3
Trade receivables	**385**	-	**-**	-	**3,003**	-	**-**	-
Inventories	**-**	-	**-**	-	**75,831**	84,890	**-**	-
Investment property	**101,635**	101,360	**355,563**	353,460	**-**	-	**106,710**	106,710
Other noncurrent assets	**2,195**	1,934	**248**	61	**2**	1	**-**	-
Total noncurrent assets	**104,215**	103,294	**355,811**	353,521	**78,836**	84,891	**106,710**	106,710
Total assets	**123,416**	120,123	**361,342**	357,222	**98,690**	94,354	**106,713**	106,713
Current liabilities	**7,648**	6,003	**307**	394	**1,539**	71	**-**	-
Noncurrent liabilities	**1,466**	1,872	**10,655**	10,610	**2,034**	231	**3,517**	3,517
Equity	**114,302**	112,248	**350,380**	346,218	**95,117**	94,052	**103,196**	103,196
Liabilities and equity	**123,416**	120,123	**361,342**	357,222	**98,690**	94,354	**106,713**	106,713

	Cabral				Torino			
	3rd quarter of		Nine months of		3rd quarter of		Nine months of	
	2018	2017	2018	2017	2018	2017	2018	2017
Operating revenue	**1,148**	998	**3,515**	3,112	**1,857**	1,600	**5,705**	3,544
Cost of products and services	**-**	-	**-**	-	**-**	-	**-**	-
Other operating expenses	**(332)**	(434)	**(1,481)**	(1,241)	**(523)**	(437)	**(1,099)**	(921)
Financial income (expenses)	**211**	276	**620**	993	**171**	43	**284**	206
Income tax and social contribution	**(147)**	(165)	**(451)**	(553)	**(264)**	(191)	**(727)**	(462)
Net income (loss)	**880**	675	**2,203**	2,311	**1,241**	1,015	**4,163**	2,367

	Loteamento Betim				LOG SJC			
	3rd quarter of		Nine months of		3rd quarter of		Nine months of	
	2018	2017	2018	2017	2018	2017	2018	2017
Operating revenue	**604**	-	**9,521**	-	**-**	-	**-**	-
Cost of products and services	**(468)**	-	**(8,131)**	-	**-**	-	**-**	-
Other operating expenses	**(1)**	(8)	**(54)**	(8)	**(12)**	-	**(12)**	-
Financial income (expenses)	**11**	-	**26**	(2)	**(1)**	-	**(1)**	-
Income tax and social contribution	**(18)**	-	**(298)**	-	**-**	-	**-**	-
Net income (loss)	**128**	(8)	**1,064**	(10)	**(13)**	-	**(13)**	-

c) Changes in investment balances in subsidiaries and jointly-owned subsidiaries for the nine-month period ended September 30, 2018 and 2017 are as follows:

	Opening balances	Capital contributions (reversals)	Results from equity participation	Dividends received	Other	Closing balances
Nine-month period ended September 30, 2018:						
Joint ventures:						
Cabral	55,483	-	1,177 (*)	(150)	-	56,510
Torino	138,513	-	1,665	-	-	140,178
Loteamento Betim	47,026	1	532	-	-	47,559
LOG SJC	-	12	(12)	-	92,041 (**)	92,041
Capitalized interest	13,729	-	(607)	-	-	13,122
Others (***)	-	-	(219)	-	219	-
Total joint ventures - Consolidated	**254,751**	**13**	**2,536**	**(150)**	**92,260**	**349,410**
Subsidiaries:						
LOG I	186,630	1,766	7,811	(6,698)	-	189,509
LOG II	44,993	480	1,570	(1,441)	-	45,602
LOG Jundiaí	80,759	1,827	3,057	(4,048)	-	81,595
LOG Goiânia	147,815	34,844	7,505	(6,146)	-	184,018
LOG Hortolândia	142,680	727	5,686	(5,427)	-	143,666
LOG SJP	38,280	9,403	487	-	-	48,170
LOG Juiz de Fora	71,361	3,289	2,225	(2,301)	-	74,574
LOG Feira de Santana	29,799	1,865	159	(1)	-	31,822
LOG Fortaleza	135,181	22,283	6,139	(2,290)	-	161,313
LOG Via Expressa	110,337	6,963	(197)	(3,712)	-	113,391
LOG Viana	137,519	36,738	7,673	(10,318)	-	171,612
LOG Londrina	87,499	28,394	4,613	(58)	-	120,448
LOG Itatiaia	42,059	3,243	897	(2,921)	-	43,278
LOG Rio	129,910	9,966	5,657	(1,999)	-	143,534
LOG SJC	103,196	20	(23)	-	(103,196)	-
LOG Sumaré	7	1	(1)	(1)	-	6
LOG SJRP	23,506	98	1,133	1	-	24,738
LOG Macaé	41,873	168	161	(1)	-	42,201
LOG RP	51,914	475	2,580	-	-	54,969
LOG Curitiba	53,663	171	(34)	-	-	53,800
LOG Aracajú	28,620	23,174	2,841	1	-	54,636
LOG Uberaba	12,014	43	676	(1)	-	12,732
LDI	268	845	(825)	(1)	-	287
LE Empreendimentos	83	48	(31)	-	-	100
Capitalized interest (****)	-	-	(20,402)	-	20,402	-
Total subsidiaries	**1,699,966**	**186,831**	**39,357**	**(47,362)**	**(82,794)**	**1,796,001**
Total Individual	**1,954,717**	**186,844**	**41,893**	**(47,512)**	**9,466**	**2,145,411**
Nine-month period ended September 30, 2017:						
Total Consolidated	247,220	9,882	2,726	(1,257)	2,178	260,749
Total Individual	1,830,040	81,193	33,254	(49,860)	39,955	1,934,582

(*) Includes R$75 related to disproportionate profit distributions.
(**) Reclassification from subsidiary to jointly venture after sale of partial equity interest in this subsidiary to an entity controlled by MRV Engenharia e Participações S.A., in July 2018, as described in Note 5 (a) and Note 16 (h).
(***) Valuation adjustment realization regarding changes in relative equity participation in project Loteamento Betim.
(****) Write-off of the capitalized interest as a result of the adoption of the fair value for investment property.

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, 2017.

6. Investment property

Broken down is as follows:

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
Industrial w arehouses	**399,045**	395,142	**2,366,043**	2,357,722
Strip malls	**40,584**	39,940	**40,584**	39,940
Total	**439,629**	435,082	**2,406,627**	2,397,662

Changes in the balance of investment properties for the nine-month period ended September 30, 2018 and 2017 are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2018	**2017**	**2018**	**2017**
Opening balance	**435,082**	434,670	**2,397,662**	2,298,800
Additions	**2,533**	2,100	**91,787**	36,011
Capitalized interest (Note 7)	**2,014**	1,975	**22,416**	39,753
Cancellation (*)	**-**	(5,660)	**-**	(5,660)
Sale of partial equity interest in subsidiary (Note 5(a))	**-**	-	**(106,710)**	-
Changes in fair value	**-**	-	**1,472**	2,726
Closing balance	**439,629**	433,085	**2,406,627**	2,371,630

(*) Refers to land purchase cancellation, as detailed in Note 16 (g).

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

	Individual		Consolidated	
	Nine months of		Nine months of	
	2018	**2017**	**2018**	**2017**
Changes in fair value of investment property	**-**	-	**1,472**	2,726
Deferred PIS/COFINS	**-**	-	**(798)**	(1,479)
Changes in fair value of investment property	**-**	-	**674**	1,247

Fair value of the investment properties has been determined at December 31, 2017 and updated to the date of this interim financial statements, as follows:

- Completed projects up to December 31, 2017: 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, 2017: the fair values at that date were maintained, increased by the constriction cost incurred in the nine-month period ended September 30, 2018.

- Land purchased through December 31, 2017: fair values determined as at that date were maintained, increased by the construction costs incurred in the nine-month period ended September 30, 2018.

- Land purchased in 2018: stated at the acquisition cost increased by the construction costs incurred in the nine-month period ended September 30, 2018, when applicable.

As at September 30, 2018, from the total amount in investment property, R$2,022,652 has been pledged as collateral of loans, financing and debentures entered into by the Company and its subsidiaries (R$2,087,150 as at December 31, 2017).

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, 2017.

7. Loans, financing and debentures

a) Loans and financing

Loans and financing as at September 30, 2018 and December 31, 2017 are as follows:

Type	Maturity of principal	Effective rate p.a. (*)	9/30/18 Current	9/30/18 Noncurrent	9/30/18 Total	12/31/17 Total
Individual:						
Working capital	3/24	CDI + 2.10%	**12,898**	**61,938**	**74,836**	-
Working capital	4/18	CDI + 2.51%	**-**	**-**	**-**	25,109
Construction financing	12/13 to 10/24	CDI + 1.92%	**5,861**	**27,859**	**33,720**	36,865
Construction financing	12/13 to 11/23	TR + 9.42%	**3,783**	**13,602**	**17,385**	19,308
Construction financing	12/13 to 11/23	TR + 9.43%	**1,874**	**6,738**	**8,612**	9,565
Construction financing (**)	7/14 to 6/22	TR + 11.33%	**-**	**-**	**-**	17,784
Construction financing (**)	8/14 to 7/22	TR + 11.32%	**-**	**-**	**-**	10,283
Construction financing (**)	4/15 to 9/22	TR + 11.07%	**-**	**-**	**-**	13,016
Construction financing	10/15 to 9/25	TR + 9.72%	**596**	**3,324**	**3,920**	4,212
Construction financing	3/15 to 7/23	TR + 9.62%	**1,602**	**5,318**	**6,920**	7,996
Construction financing	9/16 to 8/26	TR + 10.10%	**472**	**3,013**	**3,485**	3,699
Construction financing (**)	9/16 to 8/26	TR + 10.04%	**-**	**-**	**-**	8,025
(-) Funding cost			**(492)**	**(1,982)**	**(2,474)**	(2,032)
Total Individual			**26,594**	**119,810**	**146,404**	153,830
Subsidiaries:						
Construction financing	12/13 to 11/23	TR + 9.37%	**2,006**	**7,213**	**9,219**	10,240
Construction financing (**)	2/14 to 1/22	TR + 11.62%	**-**	**-**	**-**	12,482
Construction financing (**)	8/14 to 7/22	TR + 11.05%	**-**	**-**	**-**	6,409
Construction financing (**)	11/14 to 10/22	TR + 10.74%	**-**	**-**	**-**	3,585
Construction financing	2/15 to 1/25	TR + 10.05%	**2,063**	**9,481**	**11,544**	12,513
Construction financing	4/15 to 3/25	TR + 9.99%	**1,761**	**8,335**	**10,096**	10,913
Construction financing	2/15 to 1/25	TR + 9.99%	**2,921**	**13,423**	**16,344**	17,717
Construction financing	4/15 to 3/25	TR + 9.99%	**3,825**	**18,111**	**21,936**	23,718
Construction financing (**)	4/15 to 3/25	TR + 10.00%	**-**	**-**	**-**	10,533
Construction financing	4/15 to 3/25	TR + 10.02%	**1,987**	**9,408**	**11,395**	12,321
Construction financing	10/15 to 9/25	TR + 9.71%	**2,777**	**15,477**	**18,254**	19,610
Construction financing	8/14 to 7/25	TR + 9.78%	**2,403**	**12,997**	**15,400**	16,583
Construction financing (**)	1/15 to 12/22	TR + 10.14%	**-**	**-**	**-**	15,766
Construction financing (**)	5/15 to 4/23	TR + 10.05%	**-**	**-**	**-**	10,459
Construction financing (**)	8/15 to 7/23	TR + 10.07%	**-**	**-**	**-**	7,441
Construction financing (**)	1/15 to 4/23	TR + 9.59%	**-**	**-**	**-**	17,748
Construction financing	1/15 to 4/23	TR + 9.61%	**2,253**	**7,000**	**9,253**	10,770
Construction financing	4/16 to 3/26	TR + 10.14%	**3,261**	**19,611**	**22,872**	24,392
Construction financing	2/16 to 1/26	TR + 9.75%	**1,000**	**5,875**	**6,875**	7,352
(-) Funding cost			**(408)**	**(1,736)**	**(2,144)**	(3,450)
Total subsidiaries			**25,849**	**125,195**	**151,044**	247,102
Total Consolidated			**52,443**	**245,005**	**297,448**	400,932

(*) Consider the contractual debt cost plus other funding and debt service costs
(**) Construction financing repaid in advance in 2018.

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

	Individual		Consolidated	
	9/30/18	12/31/17	9/30/18	12/31/17
After the reporting period:				
12 months	**26,594**	48,468	**52,443**	89,817
13 to 24 months	**25,557**	22,234	**48,802**	61,205
25 to 36 months	**25,782**	22,284	**49,017**	61,333
37 to 48 months	**26,093**	22,339	**49,394**	61,413
After 48 months	**42,378**	38,505	**97,792**	127,164
Total	**146,404**	153,830	**297,448**	400,932

Changes in loans and financing are as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2018	2017	2018	2017
Opening balance	**153,830**	144,033	**400,932**	419,470
Funding	**80,000**	-	**80,000**	-
Accrued financial charges	**10,766**	11,498	**22,140**	32,027
Funding cost	**(1,493)**	-	**(1,656)**	-
Amortization of funding costs	**1,049**	307	**2,518**	798
Repayment of principal	**(86,523)**	(11,836)	**(183,064)**	(33,836)
Payment of financial charges	**(11,225)**	(10,962)	**(23,422)**	(30,685)
Closing balance	**146,404**	133,040	**297,448**	387,774

Funding during the nine-month period ended September 30, 2018 is as follows:

Type	Funding date	Repayme of principal	Interest payment	Contractual rate (p.a.)	Amount raised
Individual and Consolidated:					
Working capital	4/18	Monthly	Monthly	CDI + 1.95%	80,000
Total					**80,000**

b) Debentures

The debentures position as of September 30, 2018 and December 31, 2017 is as follows:

			Individual and Consolidated			
			9/30/18			12/31/17
Issue	Principal maturity	Effective rate p.a. (*)	Current	Noncurrent	Total	Total
3rd issue	6/14 to 12/22	CDI + 2.04%	**1,779**	**66,000**	**67,779**	66,408
4th issue	8/16 to 2/19	CDI + 1.90%	**35,246**	**-**	**35,246**	67,048
6th issue	12/15 to 12/19	CDI + 2.21%	**-**	**-**	**-**	70,289
8th issue	11/17 to 08/21	119% CDI + 0.29%	**906**	**36,000**	**36,906**	48,308
9th issue	Until 1/18	CDI + 2.36%	**-**	**-**	**-**	31,212
10th issue	12/20 to 12/23	CDI + 1.77%	**6,338**	**100,000**	**106,338**	100,262
11th issue	12/18 to 12/21	CDI + 2.23%	**15,963**	**36,429**	**52,392**	51,140
12th issue	1/18 to 12/27	CDI + 2.42%	**10,093**	**82,501**	**92,594**	100,035
13th issue	6/21	108% CDI + 0.87%	**1,379**	**81,228**	**82,607**	-
(-) Funding cost			**(2,028)**	**(6,182)**	**(8,210)**	(5,600)
Total			**69,676**	**395,976**	**465,652**	529,102

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

On February 5, 2018, the Company repaid in advance the 6th issue of debentures in the amount of R$70,894.

On May 3, 2018, the Company's Board of Directors approved the thirteenth issue of debentures for private placement, non-convertible into shares, of unsecured type, converted in kind with collateral guaranty, for backing the initial issuance of 60,000 certificates of real estate receivables ("CRI") in the unit value of one thousand reais, initially totaling R$60,000, which can reach a total funding of R$81,000, with the issue of additional lots of 20% and 15%. The CRI's were issued by the securitization company, with public distribution and bear interest by 108% of CDI with semiannually interest payments and maturity of principal in three years from the date of issue, totaling total funding of R$81,228 in July 2018.

On August 31, 2018, the maturity of the 8th issue of debentures was extended from December 2019 to August 2021. In addition, interest and principal payments began to mature in February 2019 and 2020, respectively (previously interest and principal payments were due semi-annually, starting in May 2016 and November 2017, respectively).

As at September 30, 2018, the debentures are simple, nonconvertible, registered, book-entry, and had the following main features:

Issue	Type	Amount raised	Funding date	Contractual rate (p.a.)	Interest - maturity 1st installment	Interest payment	Repayment of principal
3rd	Collateral	100,000	6/13	CDI + 1.90%	12/13	Semiannual	Semiannual
4th	Unsecured (*)	100,000	2/14	CDI + 1.85%	8/14	Semiannual	Semiannual
8th	Unsecured (*)	60,000	12/15	119% CDI	5/16	Quarterly	Quarterly
10th	Unsecured	100,000	12/17	CDI + 1.60%	6/18	Semiannual	Semiannual
11th	Unsecured	51,000	12/17	CDI + 2.00%	6/18	Semiannual	Semiannual
12th	Unsecured	100,000	12/17	CDI + 2.25%	1/18	Monthly	Monthly
13th	Unsecured (*) (**)	81,228	7/18	108% CDI	12/18	Semiannual	Bullet payment

(*) Includes additional collateral consisting of a mortgage and collateral transfer.
(**) Includes R$228 related to adjustment due to late receipt.

The table below shows the debentures payment schedule:

	Individual and Consolidated								
	9/30/18								12/31/17
After the reporting period	**3rd issue**	**4th issue**	**8th issue**	**10th issue**	**11th issue**	**12th issue**	**13th issue**	**Total**	**Total**
Amortization:									
12 months	**1,779**	**35,246**	**906**	**6,338**	**15,963**	**10,093**	**1,379**	**71,704**	130,988
13 to 24 months	**18,857**	**-**	**15,429**	**-**	**14,571**	**10,000**	**-**	**58,857**	138,000
25 to 36 months	**18,857**	**-**	**20,571**	**28,571**	**14,571**	**10,000**	**81,228**	**173,798**	57,714
37 to 48 months	**18,857**	**-**	**-**	**28,571**	**7,287**	**19,999**	**-**	**74,714**	72,000
After 48 months	**9,429**	**-**	**-**	**42,858**	**-**	**42,502**	**-**	**94,789**	136,000
Total	**67,779**	**35,246**	**36,906**	**106,338**	**52,392**	**92,594**	**82,607**	**473,862**	534,702
Costs:									
12 months	**(290)**	**(130)**	**(157)**	**(405)**	**(166)**	**(195)**	**(685)**	**(2,028)**	(1,861)
13 to 24 months	**(291)**	**-**	**(145)**	**(374)**	**(153)**	**(180)**	**(634)**	**(1,777)**	(1,567)
25 to 36 months	**(291)**	**-**	**(144)**	**(407)**	**(166)**	**(196)**	**(580)**	**(1,784)**	(501)
37 to 48 months	**(291)**	**-**	**-**	**(407)**	**(57)**	**(196)**	**-**	**(951)**	(325)
After 48 months	**(73)**	**-**	**-**	**(544)**	**-**	**(1,053)**	**-**	**(1,670)**	(1,346)
Total	**(1,236)**	**(130)**	**(446)**	**(2,137)**	**(542)**	**(1,820)**	**(1,899)**	**(8,210)**	(5,600)
Total, net	**66,543**	**35,116**	**36,460**	**104,201**	**51,850**	**90,774**	**80,708**	**465,652**	529,102

Changes in debentures are as follows:

	Individual and Consolidated	
	Nine months of	
	2018	**2017**
Opening balance	**529,102**	569,614
Funding	**81,228**	-
Accrued financial charges	**27,226**	49,902
Funding cost	**(5,326)**	-
Amortization of funding costs	**2,719**	1,353
Repayment of principal	**(145,500)**	(121,504)
Payment of financial charges	**(23,797)**	(43,569)
Closing balance	**465,652**	455,796

Funding of debentures during the nine-month period ended September 30, 2018 is as follows:

Type	Funding date	Repayment of principal	Interest payment	Contractual rate (p.a.)	Amount raised
Individual and Consolidated:					
13th issue	7/18	Bullet	Semiannual	108% CDI	81.228
Total					**81.228**

c) Guarantees

The types of guarantees for loans, financing and debentures as at September 30, 2018 are as follows:

	Consolidated				
	Working capital	Construction financing	Debentures	Total	
Collateral / receivables	74,836	227,230	473,862	775,928	(*)

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

d) Allocation of financial charges

Financial charges are capitalized as follows:

	Individual			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Financial charges on:				
Loans, financing and debentures	**(13,973)**	**(41,760)**	(17,675)	(63,060)
Derivative financial instruments	**(523)**	**(1,485)**	-	-
Total financial charges	**(14,496)**	**(43,245)**	(17,675)	(63,060)
Interest capitalized on:				
Investment property (Note 6)	**858**	**2,014**	537	1,975
Investment	**5,580**	**20,402**	11,928	39,955
Financial charges allocated to profit or loss (Note 15)	**(8,058)**	**(20,829)**	(5,210)	(21,130)

	Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Financial charges on:				
Loans, financing and debentures	**(17,675)**	**(54,603)**	(24,235)	(84,080)
Derivative financial instruments	**(523)**	**(1,485)**	-	-
Total financial charges	**(18,198)**	**(56,088)**	(24,235)	(84,080)
Interest capitalized on:				
Investment property (Note 6)	**6,438**	**22,416**	11,726	39,753
Investment	**-**	**-**	740	2,178
Financial charges allocated to profit or loss (Note 15)	**(11,760)**	**(33,672)**	(11,769)	(42,149)

In the nine-month period ended September 30, 2018, total capitalized loans, financing and debentures represented an average charge rate of 9.19% per annum (12.40% per annum for the nine-month period ended September 30, 2017).

e) Contractual commitments

Loans, financing and debentures do not have restrictive clauses related to financial indicators. As of September 30, 2018, the Group is complying with all contractual obligations 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, 2017.

8. Advances - barters

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

9. Income tax and social contribution

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

	Individual			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Income (loss) before income tax and social contribution	**9,067**	**27,424**	5,317	15,087
Statutory rate - income tax and social contribution	**34%**	**34%**	34%	34%
Nominal expense	**(3,083)**	**(9,324)**	(1,808)	(5,130)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	**7,209**	**21,180**	7,755	24,151
Unrecognized tax credit	**(1,897)**	**(6,937)**	(3,805)	(12,631)
Depreciation of investment property	**826**	**2,474**	816	2,444
Fair value write-off on sale of investment	**(1,791)**	**(1,791)**	-	-
Other	**418**	**842**	48	368
IRPJ and CSLL credit in profit or loss	**1,682**	**6,444**	3,006	9,202

	Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Income (loss) before income tax and social contribution	**10,533**	**32,520**	7,167	20,790
Statutory rate - income tax and social contribution	**34%**	**34%**	34%	34%
Nominal expense	**(3,581)**	**(11,057)**	(2,437)	(7,069)
Effect of IRPJ and CSLL on permanent differences:				
Results from equity participation grossed of written-off capitalized interest	**126**	**862**	252	927
Unrecognized tax credit	**(1,897)**	**(6,937)**	(3,977)	(13,374)
Depreciation of investment property	**1,182**	**3,519**	1,070	3,200
Fair value write-off on sale of investment	**(1,791)**	**(1,791)**	-	-
Tax basis difference for companies taxed on deemed	**6,121**	**16,967**	6,287	19,471
Other	**59**	**(207)**	(41)	348
IRPJ and CSLL credit in profit or loss	**219**	**1,356**	1,154	3,503

On September 30, 2018, the Company did not recognize deferred taxes on tax losses carryforwards of subsidiaries in the amount of R$7,244 (R$6,801 as of December 31, 2017).

(b) Deferred tax balances

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

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
Noncurrent assets:				
Income tax and social contribution	**120,747**	114,303	**121,207**	114,556
Liabilities:				
Income tax and social contribution	**-**	-	**(26,597)**	(27,391)
PIS/COFINS	**-**	-	**(33,879)**	(34,870)
	-	-	**(60,476)**	(62,261)
Current	**-**	-	**(1,468)**	(1,204)
Noncurrent	**-**	-	**(59,008)**	(61,057)
Total	**-**	-	**(60,476)**	(62,261)

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

	Individual		Consolidated	
	9/30/18	**12/31/17**	**9/30/18**	**12/31/17**
Tax effect on:				
Deferred assets:				
Tax loss carryforwards	**54,418**	46,717	**58,335**	50,219
Capitalized interests written-off	**108,794**	110,709	**108,794**	110,709
Temporary differences	**1,361**	703	**1,362**	703
	164,573	158,129	**168,491**	161,631
Reclassified deferred liabilities	**(43,826)**	(43,826)	**(47,284)**	(47,075)
Deferred tax assets	**120,747**	114,303	**121,207**	114,556
Deferred liabilities:				
Fair value appreciation on investment property	**(43,826)**	(43,826)	**(71,838)**	(72,774)
Rental receivables and others	**-**	-	**(2,043)**	(1,692)
	(43,826)	(43,826)	**(73,881)**	(74,466)
Reclassified deferred liabilities	**43,826**	43,826	**47,284**	47,075
Deferred tax liabilities	**-**	-	**(26,597)**	(27,391)

As at September 30, 2018, 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:		
2018	603	626
2019	3,138	3,674
2020	3,706	4,448
2021	4,272	5,715
2022	8,942	9,308
2023 to 2025	39,808	40,617
2026 to 2027	104,104	104,103
Total	164,573	168,491

As at September 30, 2018, 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, 2018 and 2017 is as follows:

	Individual				Consolidated			
	2018			2017	2018			2017
	Assets	Liabilities	Net	Net	Assets	Liabilities	Net	Net
Opening balance	**158,129**	**(43,826)**	**114,303**	90,014	**161,631**	**(74,466)**	**87,165**	66,356
Reclassification from subsidiary to joint venture (*)	**-**	**-**	**-**	-	**-**	**1,609**	**1,609**	-
Effect of deferred IRPJ and CSLL recognized in:								
Equity	**-**	**-**	**-**	1,359	**-**	**-**	**-**	1,359
Net income for the period	**6,444**	**-**	**6,444**	9,202	**6,860**	**(1,024)**	**5,836**	7,946
Closing balance	**164,573**	**(43,826)**	**120,747**	100,575	**168,491**	**(73,881)**	**94,610**	75,661

(*) See Note 5 (a).

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, 2017.

10. Provisions for labor, tax and civil contingencies

Changes for the nine-month period ended September 30, 2018 and 2017 is as follows:

	Individual		Consolidated	
	Nine months of		Nine months of	
	2018	2017	2018	2017
Opening balance	**618**	495	**823**	495
Additions and inflation adjustments	**67**	236	**1,929**	833
Payments	**(52)**	(84)	**(90)**	(293)
Reversals	**(12)**	(45)	**(37)**	(215)
Transfer (*)	**(276)**	-	**-**	-
Closing balance	**345**	602	**2,625**	820

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

Lawsuits assessed as possible losses by the legal counsel, amounted R$3,429 as at September 30, 2018 (R$2,855 at December 31, 2017).

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, 2017.

11. Equity

(a) Common shares and issued capital

	Individual and Consolidated	
	9/30/18	12/31/17
Subscribed capital	**1,315,841**	1,312,287
Unpaid capital	**-**	(90,000)
Paid-in capital	**1,315,841**	1,222,287
Shares issued	**69,230**	69,068
Unpaid shares issued	**-**	(4,091)
Shares issued and fully paid (Common shares, without par value - thousand)	**69,230**	64,977

The Company's authorized capital as at September 30, 2018 and December 31, 2017 is R$2,000,000 (two billion reais).

During the nine-month period ended September 30, 2018 and 2017, the Annual and Extraordinary Shareholders' Meetings and the Board of Directors approved the following changes in its capital:

Date of approval	Description	Number of shares	Total outstanding shares after issuance	Unit price	Total capital increase	Share capital after capital increase	Share issuance premium
		(thousand)	(thousand)	R$	R$'000	R$'000	R$'000
Nine-month period ended September 30, 2018:							
7/13/18	Issue of new shares	162	69,230	22.00	3,554	1,315,841	-
Nine-month period ended September 30, 2017:							
8/18/17	Issue of new shares	14,021	64,872	22.00	308,466	1,312,286	-
9/26/17	Issue of new shares	4,196	69,068	-	1	1,312,287	-

The capital increase of R$308,466 related to the issuance of 14,021,184 new common shares, registered and without par value, was subscribed by the Company's current shareholders and paid in three installments, being the first in the amount of R$113,466, paid in August 18, 2017, same date of the Extraordinary General Meeting that deliberated on this matter, the second installment in the amount of R$105,000 paid in October 18, 2017 and the third and last by R$90,000 paid in January 2018. The proceeds from this capital increase were allocated in debts repayments and new investments through the construction and expansion of assets already held by the Company.

(b) Mandatory minimum dividend payable to shareholders

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.

Fiscal year 2016 dividends, amounting to R$8,466, were approved at the Annual Shareholders' Meeting held on April 28, 2017 and paid on August 18, 2017.

(c) Stock option plan

On April 16, 2018, the Company granted the program 6 of the stock option plan to directors and managers. The program contemplates 352 thousand options with vesting period of up to 5 years and exercise deadline date in December 2025. The stock option fair value is R$4.66 each, totaling cost of remuneration by R$1,642. Additionally, on the same date, the Board of Directors approved an extension of 3 years in exercise deadline date of programs 1, 2, 3, 4 and 5, with immaterial effects on the options fair value of these plans and on the expenses to be recognized.

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, 2017.

12. 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			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Basic earnings per share:				
Net income for the period	**10,749**	**33,868**	8,323	24,289
Weighted average number of outstanding common (thousand)	**69,209**	**69,115**	57,784	53,187
Basic earnings per share - in R$	**0.15531**	**0.49002**	0.14404	0.45667
Diluted earnings per share:				
Net income for the period	**10,749**	**33,868**	8,323	24,289
Weighted average number of outstanding common (thousand)	**69,209**	**69,115**	57,784	53,187
Dilutive effect of stock options (thousand)	**239**	**239**	152	152
Total shares after dilutive effect (thousand)	**69,448**	**69,354**	57,936	53,339
Diluted earnings per share - in R$	**0.15478**	**0.48834**	0.14366	0.45537

13. Net revenue

	Individual				Consolidated			
	2018		2017		2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months	3rd quarter	Nine months	3rd quarter	Nine months
Lease revenue	**4,888**	**14,633**	4,736	14,030	**27,870**	**81,582**	26,406	78,629
PIS/COFINS on revenue	**(427)**	**(1,354)**	(445)	(1,305)	**(1,642)**	**(4,944)**	(1,651)	(4,853)
Net revenue	**4,461**	**13,279**	4,291	12,725	**26,228**	**76,638**	24,755	73,776

14. Costs and expenses by nature

	Individual			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Depreciation	**(59)**	**(175)**	(57)	(178)
Advertising	**(185)**	**(688)**	(477)	(854)
Salaries, charges and benefits	**(1,539)**	**(4,851)**	(1,480)	(4,465)
Management compensation	**(302)**	**(898)**	(264)	(787)
Outside services	**(705)**	**(1,806)**	(550)	(1,777)
General expenses	**(465)**	**(1,526)**	(511)	(1,521)
Stock options	**(165)**	**(370)**	(58)	(172)
Vacancy expenses	**(192)**	**(588)**	(301)	(1,181)
Other	**(1,400)**	**(1,309)**	(1,183)	(3,340)
	(5,012)	**(12,211)**	(4,881)	(14,275)
Classified as:				
Selling expenses	**(888)**	**(2,927)**	(1,306)	(3,861)
General and administrative expenses	**(2,422)**	**(7,077)**	(2,128)	(6,287)
Management compensation	**(302)**	**(898)**	(264)	(787)
Other operating expenses	**(1,400)**	**(1,309)**	(1,183)	(3,340)
	(5,012)	**(12,211)**	(4,881)	(14,275)

	Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Depreciation	**(61)**	**(180)**	(60)	(184)
Advertising	**(185)**	**(688)**	(477)	(854)
Salaries, charges and benefits	**(1,539)**	**(4,851)**	(1,480)	(4,466)
Management compensation	**(302)**	**(898)**	(264)	(787)
Outside services	**(1,317)**	**(3,820)**	(1,182)	(3,869)
General expenses	**(542)**	**(1,798)**	(555)	(1,638)
Stock options	**(165)**	**(370)**	(58)	(172)
Vacancy expenses	**(953)**	**(2,752)**	(1,120)	(3,687)
Other	**(1,411)**	**(3,293)**	(1,280)	(4,065)
	(6,475)	**(18,650)**	(6,476)	(19,722)
Classified as:				
Selling expenses	**(2,081)**	**(6,576)**	(2,544)	(7,714)
General and administrative expenses	**(2,681)**	**(7,883)**	(2,388)	(7,156)
Management compensation	**(302)**	**(898)**	(264)	(787)
Other operating expenses	**(1,411)**	**(3,293)**	(1,280)	(4,065)
	(6,475)	**(18,650)**	(6,476)	(19,722)

15. Financial expenses and income

	Individual			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Financial expenses				
Interest on loans, financing and debentures (Note 7 (d))	**(8,058)**	**(20,829)**	(5,210)	(21,130)
Loss on derivative financial instruments	**112**	**702**	-	-
Financial adjustments	**-**	**-**	(91)	(688)
Other financial expenses	**(299)**	**(750)**	(3,340)	(3,573)
	(8,245)	**(20,877)**	(8,641)	(25,391)
Financial income				
Income from short-term investments	**1,097**	**4,363**	642	5,966
Interest income on intercompany loans	**220**	**638**	-	-
Financial adjustments	**159**	**159**	-	436
Other financial income (*)	**185**	**180**	2,285	2,372
	1,661	**5,340**	2,927	8,774
Financial (expenses) income	**(6,584)**	**(15,537)**	(5,714)	(16,617)

(*) Includes tax effect on financial income.

	Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Financial expenses				
Interest on loans, financing and debentures (Note 7 (d))	**(11,760)**	**(33,672)**	(11,769)	(42,149)
Loss on derivative financial instruments	**112**	**702**	-	-
Financial adjustments	**-**	**-**	(91)	(688)
Other financial expenses	**(430)**	**(1,098)**	(3,424)	(3,762)
	(12,078)	**(34,068)**	(15,284)	(46,599)
Financial income				
Income from short-term investments	**1,185**	**4,596**	720	6,243
Financial adjustments	**159**	**159**	-	436
Other financial income (*)	**381**	**635**	2,343	2,683
	1,725	**5,390**	3,063	9,362
Financial (expenses) income	**(10,353)**	**(28,678)**	(12,221)	(37,237)

(*) Includes tax effect on financial income.

16. Related parties

Related-party balances and transactions are as follows:

	Individual		Consolidated	
	9/30/18	12/31/17	9/30/18	12/31/17
Balance sheet:				
Short-term investments (a)	**35,250**	2,172	**35,250**	2,172
Rental receivables (b)	**21**	20	**326**	291
Receivables from subsidiaries (d)	**10,254**	-	**-**	-
Debentures (e)	**-**	31,212	**-**	31,212
Rental payables (f)	**38**	38	**38**	38
Receivables for land purchase cancellation (g)	**-**	2,411	**-**	2,411
Receivables from shares sale (h)	**10,059**	-	**10,059**	-

	Individual			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Income statement:				
Income from short-term investments (a)	**648**	**1,686**	358	1,849
Rental receivables (b)	**73**	**219**	73	219
Expenses on the provision of administrative services (c)	**203**	**578**	171	623
Financial income due to related parties (d)	**220**	**638**	-	-
Financial expenses on debentures (e)	**-**	**22**	3,718	13,626
Rental expenses (f)	**113**	**338**	113	343
Financial income related to land purchase cancellation (g)	**-**	**-**	2,281	2,281
Expenses on debentures issuance (i)	**1,097**	**1,097**	-	-

	Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Income statement:				
Income from short-term investments (a)	**648**	**1,686**	358	1,849
Rental receivables (b)	**1,224**	**3,621**	1,162	3,458
Expenses on the provision of administrative services (c)	**442**	**1,257**	374	1,356
Financial expenses on debentures (e)	**-**	**22**	3,718	13,626
Rental expenses (f)	**113**	**338**	113	343
Financial income related to land purchase cancellation (g)	**-**	**-**	2,281	2,281
Expenses on debentures issuance (i)	**1,097**	**1,097**	-	-

(a) Refers to short-term investments in CDBs on Banco Inter S.A ("Inter"), which is controlled by the controlling shareholder of MRV Engenharia e Participações S.A. As at September 30, 2018, short-term investments yielded 103.20% of CDI in the Individual financial statements and on a Consolidated basis (104.00% on December 31, 2017).

Joint venture Cabral Investimentos SPE Ltda ("Cabral") holds short-term investments on Inter amounting to R$10,505 at September 30, 2018 (RR10,278 as at December 31, 2017). The financial income arising on these investments for the period of three and nine-month ended September 30, 2018 was R$168 and R$509, respectively (R$241 and R$809 for the same period of 2017).

(b) Refers to rental agreement entered by the Company and subsidiaries with Patrus Transportes Urgentes Ltda., controlled by one of the Company's non-controlling shareholders.

(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$4 per project developed by the Company or its

investees, as at September 30, 2018 (R$3.7 as at December 31, 2017). 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 2, 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 its subsidiary, granted in January 2018. This loan is subject to interest by CDI + 2.25% p.a.

(e) Refers to the ninth issue of simple debentures, for private placement, non-convertible, with unsecured guarantee, amounting R$135,000, with interest rate by CDI + 2.36% p.a., which was fully subscribed and paid by joint venturer MRV Engenharia e Participações S.A. on July 29, 2016 and was fully repaid in January 3, 2018.

(f) Refer to rental 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 Company's shareholder and MA Cabaleiro is owned by Marcos Alberto Cabaleiro Fernandez, minority shareholder and member of the Company's board. The rental agreement is effective until February 28, 2025, adjustable by the General Market Price Index (IGP-M) and as at September 30, 2018 provides for monthly payment of R$38 (R$38 as of December 31, 2017).

(g) On July 3, 2017, the Company cancelled land purchase acquired from MDI Desenvolvimento Imobiliário Ltda. (MDI), a company controlled by the joint venturer MRV Engenharia e Participações S.A. As result, MDI paid LOG the total amount of R$4,821, R$2,540 corresponding to the amount originally paid by LOG and R$2,281 referring to yields equivalent to interbank deposit rate (CDI), calculated from the date of each original payment to the cancellation date, recognized in line "Financial income". This amount was paid in 12 equal and successive installments, being the first installment received on that date. In this operation, the Company recognized immediately in profit or loss in line "Financial expenses", interest that was priorly capitalized, in the amount of R$3,223. Financial income and expenses were recognized in the third quarter of 2017.

(h) 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 started after Municipal Administration´s approval of the project to be developed in the area and R$24,200 is linked to a future event still uncertain. 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:

	Total effect on results
Contractual amount	10,800
Present value discount	(847)
	9,953
Investment w rite-off	(11,155)
Sale result	(1,202)
Deferred income tax and social contribution	(1,383)
	(2,585)

The effect of R$1,202 before taxes, was recognized in line “other operating expenses”.

The contractual amount is adjusted by IPCA (National 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 Municipal Administration approval of the land subdivisions project;
(ii) R$24,200: to be paid in 48 installments, the first being paid if approved by Municipal Administration to change 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.

(i) 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), under best efforts modality, backed by the Company's 13th issue of debentures.

The Group conducts transactions with Banco Bradesco, controlling shareholder of Banco Bradesco Investimentos (BBI), which in turn is the controlling shareholder of 2bCapital, current manager of the mutual fund Fundo de Investimento em Participações Multisetorial Plus, a Company shareholder. As at September 30, 2018, these transactions consist of loans, financing and debentures totaling R$261,546 (R$386,445 as at December 31, 2017). During the period of three and nine-month ended September 30, 2018, these transactions, conducted at usual market rates, generated financial expenses of R$6,121 and R$21,387, respectively (R$10,871 and R$36,785 for the same period of 2017).

Compensation of key management personnel

Pursuant to CPC 05, 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, and their roles and responsibilities comprise decision-making powers and control of the Company’s activities.

	Individual and Consolidated			
	2018		2017	
	3rd quarter	Nine months	3rd quarter	Nine months
Short-term benefits granted to management:				
Management compensation (*)	**302**	**898**	264	787
Profit sharing	**153**	**460**	126	376
Non-monetary benefits	**18**	**49**	15	40
Long-term benefits to management:				
Retirement private plan	**14**	**39**	11	22
Share-based compensation:				
Stock option plan	**139**	**318**	44	132
	626	**1,764**	460	1,357

(*) Does not include the employer social security contributions at the rate of 20%.

On April 30, 2018, the Extraordinary Shareholders’ Meeting approved overall management compensation of R$2,446.

Other than the above, the Company does not grant any other benefits such as postemployment benefits, other long-term benefits, or severance payments.

17. 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, trade payables, loans, financing, debentures and derivatives. All financial instruments held by the Group were recorded as at September 30, 2018.

In the 4th quarter of 2017, the Company entered non-speculative derivative financial instruments to hedge its exposure to interbank deposit rate (CDI) variation, main index of working capital and debentures listed in Note 7. The sole purpose of these transactions is to hedge the risk of CDI interest rate fluctuations, by swapping the CDI for fixed interest rates. These operations were structured considering matures of loans and debentures between 2018 and 2019. Main conditions and effects are described below:

							Effect on result		9/30/18
Type of transaction	Hiring	Asset / Liability	Maturity	Notional amount	Long position	Short position	Gain or loss on transaction	Mark-to-market	Derivative fair value
Swap	10/17	100% CDI / 7.19%	1/19	60,000	63,906	64,304	(398)	(135)	(533)
Swap	10/17	100% CDI / 7.64%	4/19	100,000	106,494	107,390	(896)	(245)	(1,141)
Swap	12/17	100% CDI / 7.50%	7/19	15,000	15,734	15,845	(111)	10	(101)
				175,000			**(1,405)**	**(370)**	**(1,775)**

	Individual and Consolidated
Current liability	**(1,775)**

Impact on profit or loss – Individual and Consolidated			
	Loss on transaction	Mark-to-market	Total
3rd 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 item financial charges and financial income, according to their nature.

(b) Category of financial instruments

		Individual		Consolidated	
	Note	9/30/18	12/31/17	9/30/18	12/31/17
Financial assets:					
Amortized cost		**19,181**	**11,611**	**46,973**	**36,623**
Cash and cash equivalents	3	78	78	274	640
Receivables	4	19,103	11,533	46,699	35,983
Fair value through profit or loss (mandatorily measured) (*)		**35,778**	**211,165**	**40,964**	**214,319**
Restricted investment funds	3	-	98,206	1,463	99,007
Unrestricted investment funds	3	528	110,787	3,856	112,794
Bank certificates of deposit (CDB)	3	35,250	2,172	35,645	2,312
Short-term investments	3	-	-	-	206
Financial liabilities:					
Amortized cost		**614,403**	**683,955**	**775,063**	**934,901**
Loans, financing and debentures	7	612,056	682,932	763,100	930,034
Suppliers		2,347	1,023	11,963	4,867
Fair value through profit or loss (mandatorily measured) (*)		**1,775**	**1,116**	**1,775**	**1,116**
Derivative financial instruments	17 (a)	1,775	1,116	1,775	1,116

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

(c) Exposure to interest rates and inflation adjustment indices

The analysis below at September 30, 2018, has been prepared in accordance to Note 17 (c), to the financial statements for the year ended December 31, 2017.

Index	Financial asset	Financial liability	Net exposed financial liability	Effective rate for the 12-month period ended 9/30/18	Estimated annual rate for 2018 (*)		Change in effective rate for the relevant scenario	Total estimated effect
Probable scenario:								
CDI	215,964	(582,418)	(366,454)	6.65%	6.68%	(i)	0.03%	(110)
TR	-	(193,510)	(193,510)	0.00%	0.01%	(i)	0.01%	(19)
IPCA	10,800	-	10,800	4.53%	4.55%	(i)	0.02%	2
								(127)
Scenario I:								
CDI	215,964	(582,418)	(366,454)	6.65%	8.35%		1.70%	(6,230)
TR	-	(193,510)	(193,510)	0.00%	0.01%		0.01%	(19)
IPCA	10,800	-	10,800	4.53%	3.41%		-1.12%	(121)
								(6,370)
Scenario II:								
CDI	215,964	(582,418)	(366,454)	6.65%	10.02%		3.37%	(12,349)
TR	-	(193,510)	(193,510)	0.00%	0.02%		0.02%	(39)
IPCA	10,800	-	10,800	4.53%	2.28%		-2.25%	(243)
								(12,631)

(i) Data obtained on the BM&F Bovespa website.
(*) Effective change for the first nine months of 2018 plus a projection for the next three months of 2018.

(d) Capital risk management

As of September 30, 2018 and December 31, 2017, the debt-to-equity ratio is as follows:

	Individual		Consolidated	
	9/30/18	12/31/17	9/30/18	12/31/17
Loans, financing and debentures	**612,056**	682,932	**763,100**	930,034
Cash and cash equivalents and marketable securities	**(35,856)**	(211,243)	**(41,238)**	(214,959)
Net debt	**576,200**	471,689	**721,862**	715,075
Equity	**2,147,807**	2,019,796	**2,147,999**	2,019,952
Net debt-to-equity ratio	**26.8%**	23.4%	**33.6%**	35.4%

The Group is currently at a stage of sustainable expansion of their project portfolio aimed at improving the allocation of available resources to maintain the growth of its cash flows and improve its capital structure.

(e) Liquidity and interest rate risk table

The undiscounted cash flows of financial liabilities based on the closest date when the Group is expected to settle the related obligations, and based on the future estimated indices at September 30, 2018 through their due date, are as follows:

	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Individual:					
Floating rates liabilities	135,674	130,752	243,090	301,195	810,711
Non-interest bearing liabilities	2,347	-	-	-	2,347
Total	138,021	130,752	243,090	301,195	813,058
Consolidated:					
Floating rates liabilities	168,426	160,680	275,557	416,427	1,021,090
Non-interest bearing liabilities	11,963	-	-	-	11,963
Total	180,389	160,680	275,557	416,427	1,033,053

(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					
	9/30/18			12/31/17		
Financial instruments	Carrying amount	Fair value (*)	Difference	Carrying amount	Fair value (*)	Difference
Debentures:						
CDI + 1.90% p.a.	**67,779**	**67,779**	**-**	66,408	66,675	(267)
CDI + 1.85% p.a.	**35,246**	**35,246**	**-**	67,048	67,048	-
119% CDI p.a.	**36,906**	**36,906**	**-**	48,308	48,308	-
CDI + 1.60% p.a.	**106,338**	**106,338**	**-**	100,262	100,262	-
CDI + 2.00% p.a.	**52,392**	**52,392**	**-**	121,429	121,429	-
CDI + 2.25% p.a.	**92,594**	**92,594**	**-**	100,035	100,035	-
108% CDI p.a.	**82,607**	**82,607**	**-**	-	-	-
CDI + 2.36% p.a.	**-**	**-**	**-**	31,212	31,212	-
Total	**473,862**	**473,862**	**-**	534,702	534,969	(267)
Working capital loans:						
CDI + 1.95% p.a.	**74,836**	**74,836**	**-**	-	-	-
CDI + 2.50% p.a.	**-**	**-**	**-**	25,109	25,109	-
Total	**74,836**	**74,836**	**-**	25,109	25,109	-
Financing:						
Construction financing	**74,042**	**74,042**	**-**	130,753	130,753	-
Grand total (w/o issuance costs)	**622,740**	**622,740**	**-**	690,564	690,831	(267)

	Consolidated					
	9/30/18			12/31/17		
Financial instruments	Carrying amount	Fair value (*)	Difference	Carrying amount	Fair value (*)	Difference
Debentures:						
CDI + 1.90% p.a.	**67,779**	**67,779**	**-**	66,408	66,675	(267)
CDI + 1.85% p.a.	**35,246**	**35,246**	**-**	67,048	67,048	-
119% CDI p.a.	**36,906**	**36,906**	**-**	48,308	48,308	-
CDI + 1.60% p.a.	**106,338**	**106,338**	**-**	100,262	100,262	-
CDI + 2.00% p.a.	**52,392**	**52,392**	**-**	121,429	121,429	-
CDI + 2.25% p.a.	**92,594**	**92,594**	**-**	100,035	100,035	-
108% CDI p.a.	**82,607**	**82,607**	**-**	-	-	-
CDI + 2.36% p.a.	**-**	**-**	**-**	31,212	31,212	-
Total	**473,862**	**473,862**	**-**	534,702	534,969	(267)
Working capital loans:						
CDI + 1.95% p.a.	**74,836**	**74,836**	**-**	-	-	**-**
CDI + 2.50% p.a.	**-**	**-**	**-**	25,109	25,109	**-**
Total	**74,836**	**74,836**	**-**	25,109	25,109	**-**
Financing:						
Construction financing	**227,230**	**227,230**	**-**	381,305	381,305	-
Grand total (w/o issuance costs)	**775,928**	**775,928**	**-**	941,116	941,383	(267)

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

The fair values of loans, financing and debentures subject to CDI rate plus spread and TR plus spread, were estimated by the Company's management based on the

future value of the loans on maturity at the contracted rate, discounted to present value at the market rate at September 30, 2018 and December 31, 2017.

The table below shows a comparative of the contracted and market rates, at September 30, 2018:

	Current market rate	Maturity dates
Debentures:		
CDI + 1.90% p.a.	CDI + 1.90% p.a.	12/22
CDI + 1.85% p.a.	CDI + 1.85% p.a.	2/19
119% CDI p.a.	119% CDI p.a.	8/21
CDI + 1.60% p.a.	CDI + 1.60% p.a.	12/23
CDI + 2.00% p.a.	CDI + 2.00% p.a.	12/21
CDI + 2.25% p.a.	CDI + 2.25% p.a.	12/27
108% CDI p.a.	108% CDI p.a.	6/21
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 + 9.30% to 11.50% p.a.	TR + 9.30% to 11.50% p.a.	8/26

Management believes that the carrying value of other financial instruments such as cash, banks, short-term investments, marketable securities, trade receivables and trade payables approximate their fair values because a significant portion of 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, 2017.

18. Guarantees

Except for the guarantees described in Notes 6 and 7, the Group does not collateralize any of its assets and is not the guarantor of any other type of third-party transactions.

19. Noncash transactions

During the nine-month period ended September 30, 2018 and 2017, the Company and its subsidiaries conducted the following investing and 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	
	2018	2017	2018	2017
Interest capitalization	**22,416**	41,930	**22,416**	41,931
Sale of partial equity interest (Note 5(a))	**10,800**	-	**10,800**	-

20. Insurance

The Group has an insurance policy that considers primarily risk concentration and materiality, considering its business' nature, and advice of the insurance brokers. As at September 30, 2018, 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.	187.295
Civil liability (officers)	Insures the coverage of moral damage suffered by the company officers (D&O)	5.000
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.	18.075
Corporate insurance	Insures payment of compensation to the Company for covered events occurring in leased commercial properties, events such as electric damages, fire, lightning, w indstorm, etc.	105.044
Legal guarantee insurance	Insures to the policyholder the payment of any disputed amount in full related to any law suit filed w ith any court or threatened. The contracted guarantee replaces escrow deposits.	384

21. Subsequent events

In October 31, 2018, the Company's Board of Directors approved the 14th issue of simple, non-convertible debentures of unsecured kind, to be issued in a single serie, in the total amount of R$150 million, with semiannual maturities from the 36th month from the issuance date and will bear interest of 117% of CDI, which will be paid semi-annually.

In October 15, 2018, the Company's Board of Directors approved the obtaining of bank financing in the amount of R$28,000, with a term of 120 months, with the guarantees of fiduciary lien of property owned by the Company's subsidiary LOGCP Londrina I SPE Ltda. ("LOG Londrina") and fiduciary assignment of the receivables from the lease contracts of the same project.

Corporate Reorganization, Category Conversion and Capital Increase

On October 29, 2018, the shareholder joint venturer MRV Engenharia e Participações S.A. (MRV) informed in Material Fact that: (i) started procedures for a corporate reorganization involving both the Company and MRV; and (ii) approved, at the meeting of the Company's Board of Directors held at the same date, the provisional constitution of an Independent Special Committee ("Independent Committee" or "Committee"), in accordance with the CVM Opinion 35, of September 1, 2008 ("CVM Opinion 35"), to negotiate the terms of the Reorganization, as well as appointed its respective members.

In the scope of the reorganization disclosed by MRV, the Company informed on the same date that it will take all necessary steps to approve, at an Extraordinary Shareholders' Meeting to be duly convened, the appropriate procedures related to the request for converting category "B" for category "A" at the CVM (Securities and Exchange Commission of Brazil), as well as the listing of its shares for trading in the Novo Mercado segment of B3 S.A.

Requests for conversion and listing will occur in the context of the corporate reorganization pretended by MRV and the Company, which comprises: (i) the partial spin-off of MRV, with the purpose of segregating the Company´s shares own by MRV (“Splitted Parcel” and “Spin-Off”); (ii) the incorporation of the Splitted Parcel by the Company ("Incorporation" and, when considered together with the partial spin-off, the “Corporate Transaction”), in exchange of delivering the mentioned shares to MRV´s shareholders, in proportion to their shareholdings.

Also, in the same Material Fact dated October 29, 2018, the Company's management announced that intends, after the Corporate Transaction has been completed, to propose an increase of its capital in the amount of at least R$100 million, whose preemptive right will be assigned to the Company's shareholders on the date of such increase, including, therefore, the Company's shareholders who have received shares due to the Corporate Transaction. The Menim family is committed to subscribe shares corresponding to R$100 million within the scope of the capital increase.

The Corporate Transaction aims to give the Company access to the capital market, becoming the first and only company focused on logistics warehouse to list the shares on the stock exchange in Brazil. This access to the capital market is important for the Company to dilute the cost of capital in order to take advantage of all the opportunities of this expanding market. In addition, the mentioned capital increase will further strengthen the capital structure, aiming to take advantage of all the excellent short-term opportunities that the Company has, to expand its cash generation, profitability and return to shareholders.

22. Approval of the interim financial statements

These interim financial statements were approved by the executive committee and authorized for issue on October 31, 2018.