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**Viana, November 12, 2019** – Fertilizantes Heringer (FHER3) – Under Judicial Recovery – announces today its results for the third quarter of 2019 – **Conference call on November 13, 2019.**

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**Conference Call in Portuguese**

12:00 p.m. BR (10:00 a.m. U.S. ET)

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**Conference Call in English**

(SIMULTANEOUS TRANSLATION)

12:00 p.m. BR (10:00 a.m. U.S. ET)

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**HIGHLIGHTS:**

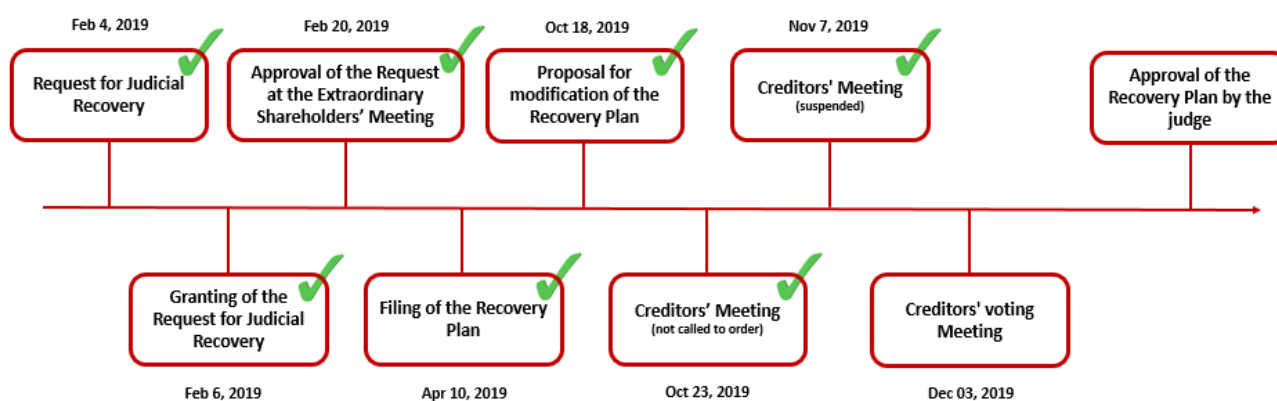
- ✓ On October 18, 2019, the Company submitted a proposal for modification of the original judicial recovery plan;
- ✓ On October 23, 2019, the scheduled creditors' meeting was not called to order because the legal quorum was not met; and
- ✓ On November 7, 2019, the creditors' meeting was held installed, suspended and rescheduled for December 3, 2019.



## JUDICIAL RECOVERY

On October 18, 2019, the Company submitted a proposal for modification of the original judicial recovery plan.

On October 23, 2019, the creditors' meeting was not installed because the legal quorum was not met, and as foreseen in the same call notice, on November 7, 2019, the meeting was installed without the need for a quorum, but was suspended and rescheduled for December 3, 2019.





## GEOGRAPHICAL DISTRIBUTION OF HERINGER'S MIXING UNITS



The mixing unit in Três Corações, located in Southern Minas Gerais, a region known for coffee growing, in which the Company has always had a strong presence, resumed production as of October 1, 2019.

Heringer currently has eight mixing units in full operation:

Viana – ES  
Manhuaçu – MG  
**Três Corações – MG**  
Iguatama – MG  
Paulínia – SP  
Ourinhos – SP  
Catalão – GO  
Candeias – BA

And seven units are not in operation at the moment:

Uberaba – MG  
Rosário do Catete – SE  
Paranaguá – PR  
Porto Alegre – RS  
Rio Grande – RS  
Dourados – MS  
Rio Verde – GO



## VOLUME DELIVERED

In the year-on-year comparison, delivered volume fell 71.9% in 3Q19 and 81.7% in 9M19. Special products represented 48% of total delivered volume in both periods.





## FINANCIAL RESULTS – 3Q19 and 9M19

	3Q19	% NR	3Q18	% NR	Δ % 19/18	9M19	% NR	9M18	% NR	Δ % 19/18
<b>Volume</b>	<b>246.165</b>		<b>876.359</b>		-71,9%	<b>449.837</b>		<b>2.464.119</b>		-81,7%
<b>Net Revenue</b>	<b>366.874</b>	100,0%	<b>1.185.895</b>	100,0%	-69,1%	<b>692.754</b>	100,0%	<b>3.112.500</b>	100,0%	-77,7%
<b>COGS</b>	<b>(322.601)</b>	-87,9%	<b>(1.110.890)</b>	-93,7%	-71,0%	<b>(662.184)</b>	-95,6%	<b>(2.954.860)</b>	-94,9%	-77,6%
<b>Gross Profit</b>	<b>44.273</b>	12,1%	<b>75.005</b>	6,3%	-41,0%	<b>30.570</b>	4,4%	<b>157.640</b>	5,1%	-80,6%
<b>Freight and Commissions</b>	<b>(12.625)</b>	-3,4%	<b>(60.604)</b>	-5,1%	-79,2%	<b>(23.725)</b>	-3,4%	<b>(149.863)</b>	-4,8%	-84,2%
<b>SG&amp;A</b>	<b>(30.397)</b>	-8,3%	<b>(49.515)</b>	-4,2%	-38,6%	<b>(100.333)</b>	-14,5%	<b>(156.082)</b>	-5,0%	-35,7%
<b>* EBITDA - Adjusted</b>	<b>8.648</b>	2,4%	<b>(24.150)</b>	-2,0%	135,8%	<b>(68.820) *</b>	-9,9%	<b>(116.115)</b>	-3,7%	-40,7%
<b>Net Financial Income (Expense)</b>	<b>(137.046)</b>	-37,4%	<b>(90.510)</b>	-7,6%	51,4%	<b>(144.248)</b>	-20,8%	<b>(311.079)</b>	-10,0%	-53,6%
<b>Net Income</b>	<b>(135.906)</b>	-37,0%	<b>(117.385)</b>	-9,9%	15,8%	<b>(246.479)</b>	-35,6%	<b>(441.451)</b>	-14,2%	-44,2%

\* R\$10.4 million in ICMS discount on sales (non-recurring event) in 9M19 (Explanatory Note 06 Quarterly Information)

Due to the reduction in delivered volume in the period, net revenue fell by 69.1%, from R\$1,185.9 million in 3Q18 to R\$366.9 million in 3Q19. In 9M19, net revenue was R\$692.8 million, 77.7% lower than the R\$3,112.5 million recorded in the same period in 2018.

Gross profit totaled R\$44.3 million in 3Q19, down from R\$75.0 million in 3Q18. Gross margin was 12.1% in 3Q19, up from 6.3% in 3Q18. In 9M19, gross profit totaled R\$30.6 million, lower than the R\$157.6 million recorded in 9M18. Gross margin was 4.4% in 9M19, down from 5.1% in 9M18.

Freight and commissions totaled R\$12.6 million in 3Q19, representing 3.4% of net revenue, versus R\$60.6 million in 3Q18, representing 5.1% of net revenue, in line with the reduction in delivery volume in the period. In 9M19, freight and commissions amounted to R\$23.7 million, representing 3.4% of net revenue, versus R\$149.9 million in 9M18, representing 4.8% of net revenue.

SG&A expenses (excluding freight and commissions) totaled R\$30.4 million in 3Q19 against R\$49.5 million in 3Q18, representing 8.3% of net revenue versus 4.2% in the same period of the previous year. In 9M19, SG&A expenses (excluding freight and commissions) totaled R\$100.3 million, against R\$156.1 million in 9M18, representing 14.5% of net revenue versus 5.0% in the same period of the previous year.

EBITDA was positive by R\$8.6 million in 3Q19, representing 2.4% of net revenue, higher than in the same period of the previous year, when it was negative by R\$24.1 million. In 9M19, EBITDA was negative by R\$68.8 million, representing 9.9% of net revenue, versus a negative EBITDA of R\$116.1 million in 9M18, corresponding to 3.7% of net revenue.

In 9M19, the Company recorded sales ICMS to third parties in the state of Minas Gerais totaling R\$20.2 million, with discounts in the amount of R\$10.4 million. The possibility of accumulating ICMS credits tends to cease to exist, as the ICMS legislation for the state of Minas Gerais no longer ensures the maintenance of credits in internal operations as a result of changes in RICMS/MG legislation on August 6, 2017.

And, as a non-recurring event, the EBITDA presented in 9M19 is adjusted and includes the discount of the period, in the amount of R\$10.4 million.





Financial expenses totaled R\$137.0 million in 3Q19, versus R\$90.5 million in 3Q18, impacted by the dollar valuation against the real in the period. This amount comprises net interest, discounts granted and expenses in APV (adjusted present value), among others, in the amount of R\$4.3 million, a negative exchange rate variation of R\$132.7 million. In 9M19, financial expenses totaled R\$144.2 million against R\$311.1 million in 9M18. This amount comprises net interest, discounts granted and expenses in APV (adjusted present value), among others, in the amount of R\$13.1 million, a negative exchange rate variation of R\$116.7 million and expenses related to hedge instruments in the amount of R\$14.4 million.

In 3Q19, the net result was negative by R\$135.9 million, higher than the negative net result of R\$117.4 million in 3Q18. In 9M19, the net result was negative by R\$246.5 million, higher than the negative net result of R\$441.5 million in 9M18.

#### PUBLIC CIVIL ACTION – PARANAGUÁ UNIT

	Fertilizer Distribution				SSP and Sulfuric Acid Production				Total (Company)	
	9M19	% NR	9M18	% NR	9M19		9M18	% NR	9M19	9M18
Net Revenue	692.754	100,0%	3.112.500	100,0%	-	0,0%	-	0,0%	692.754	3.112.500
COGS	(657.679)	-94,9%	(2.937.635)	-94,4%	(4.505)	-100,0%	(17.225)	-100,0%	(662.184)	(2.954.860)
Gross Profit	35.075	5,1%	174.865	5,6%	(4.505)	-100,0%	(17.225)	-100,0%	30.570	157.640
Freight and Commissions	(23.725)	-3,4%	(149.863)	-4,8%	-	0,0%	-	0,0%	(23.725)	(149.863)
SG&A	(100.333)	-14,5%	(156.082)	-5,0%	-	0,0%	-	0,0%	(100.333)	(156.082)
* EBITDA - Adjusted	(65.539)	10,0%	(106.824)	-3,4%	(3.281)	0,0%	(9.291)	-0,3%	(68.820) *	(116.115)

\* R\$10.4 million in ICMS discount on sales (non-recurring event) in 9M19 (Explanatory Note 06 Quarterly Information)

In May 2018, the decision rendered by the lower courts was partially accepted and determined the performance of a new licensing process, including the preparation of the Environmental Impact Study and Report ("EIA/RIMA") and the holding of the public hearing for the resumption of production activity at the Simple Super Phosphate (SSP), which is currently discontinued, and the Company was convicted of collective damages in the amount of R\$500,000; the adjusted accrued provision is R\$1,457,000.

Continuing with the environmental licensing process, Heringer filed with Paraná Environmental Institute (IAP) the EIA/RIMA documentation, which is currently under examination by the environmental entity, and is awaiting the scheduling of the public hearing.



## CASH FLOW

At end of 3Q19, Heringer's cash and cash equivalents totaled R\$28.2 million. Below are the main items that reconcile the difference:

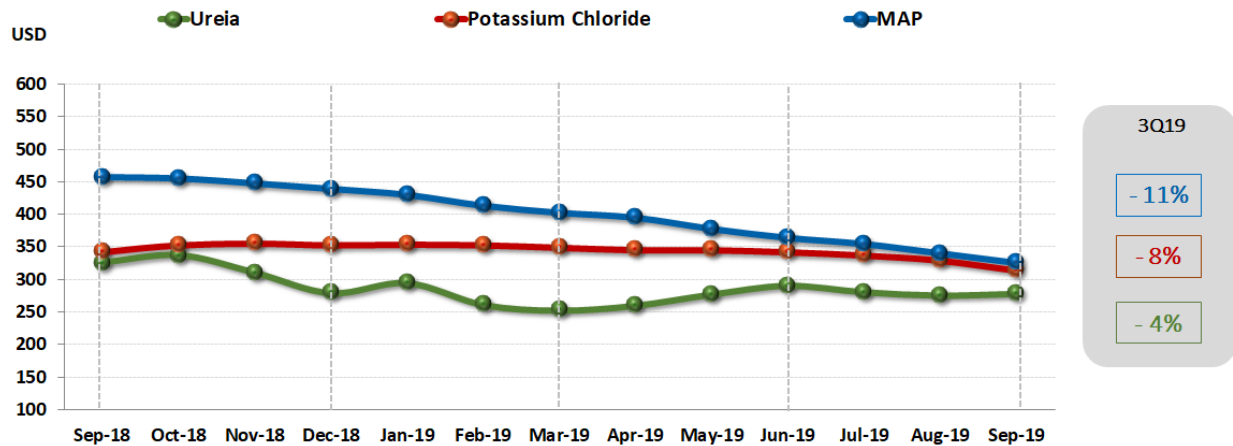
- Negative result before income tax and social contribution in the amount of R\$135.9 million;
- Non-cash expenses of R\$142.4 million, basically comprising unrealized exchange rate variation;
- Net asset increase in the amount of R\$125.0 million, basically due to the increase in inventories and trade receivables;
- Reduction in liabilities in the amount of R\$3.4 million, concentrated in the decrease of the suppliers line and increasing customer advances;
- Net investments in the amount of R\$0.1 million; and
- Positive net cash flow from financing activities in the amount of R\$107.5 million.

	3Q19	9M19
<b>Loss before Income Tax and Social Contribution</b>	<b>(135.907)</b>	<b>(246.479)</b>
Non-cash expenses (income)	142.441	117.322
Decrease (increase) in assets	(125.019)	(22.411)
(Decrease) increase in liabilities	(3.401)	(65.958)
<b>Cash flow from operating activities</b>	<b>(121.886)</b>	<b>(217.526)</b>
<b>Cash flow from investing activities</b>	<b>129</b>	<b>3.321</b>
<b>Free cash flow</b>	<b>(121.757)</b>	<b>(214.205)</b>
<b>Cash flow from financing activities</b>	<b>107.485</b>	<b>222.377</b>
	<b>(14.272)</b>	<b>8.171</b>
<b>Statement of Cash</b>		
Cash at the beginning of the period	42.442	19.999
Cash at the end of the period	28.170	28.170
<b>Changes in cash for the period</b>	<b>(14.272)</b>	<b>8.171</b>



## RAW MATERIAL PRICES – INTERNATIONAL MARKET

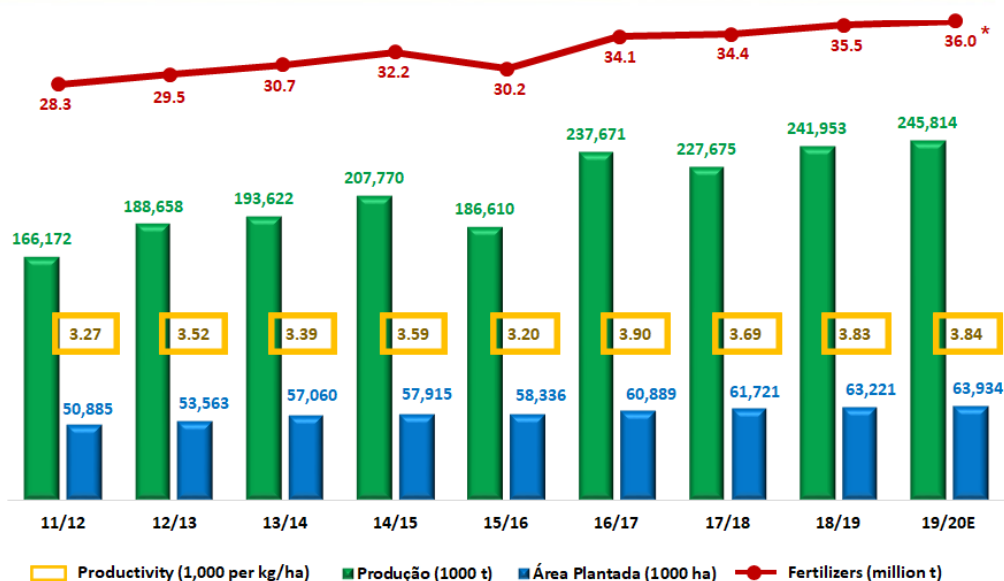
In the first nine months of 2019, MAP prices dropped sharply to 26%, mainly due to the over supply, with an increase in the production volume of the main global producers, and low demand in markets such as the United States, India, Pakistan, etc.



Source: Siacsp/ FOB Brasil

## PRODUCTION OF GRAINS AND CULTIVATED AREA

The production of grains in the 2019/20 harvest is estimated 245.8 million tons, according to CONAB, increasing by 1.6% or 3.9 million tons over than the previous harvest. The cultivated area is estimated at 63.9 million hectares, with growth versus the 2018/19 harvest estimated at 1.1%.



Grains: corn, soybean, rice, bean, sorghum, castor bean, cotton, sunflower, barley, rye, canola, oat, peanut, wheat and triticale  
Total Brazil (all crops) Source: CONAB 1<sup>st</sup> survey 19/20 harvest - October 2019

\* Heringer estimates





## BINDING LETTER OF INTENT

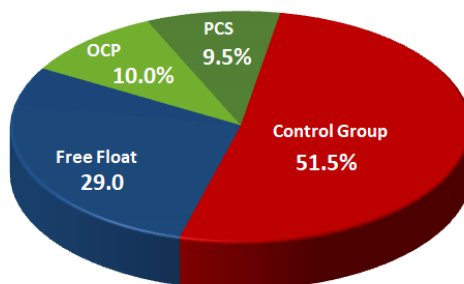
On September 23, 2019, the Company informed the market, its shareholders and the public in general that it has received a letter from its Controlling Shareholder, Heringer Participações Ltda., stating that, on September 21, 2019, the Controlling Shareholder and its quotaholders signed a “Binding Letter of Intent” with the Uralkali Group and the Uralchem Group (“Investors”), whereby the investors committed to subscribing to new common shares within the scope of a capital increase, subject to audit and compliance with certain conditions precedent, including the approval by the applicable antitrust agencies (including CADE).

The Uralkali Group is a Russian producer and exporter of potassium-based fertilizers. The Uralchem Group is a Russian producer and exporter of nitrogen and complex fertilizers.

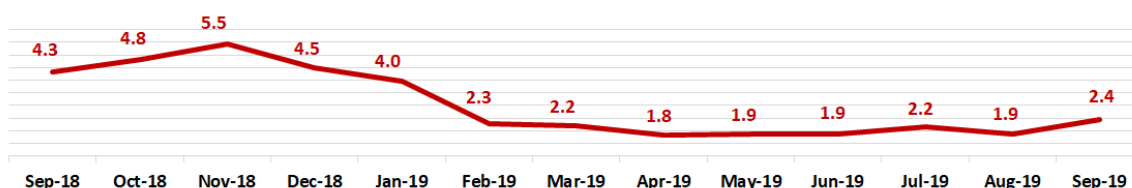
## SHAREHOLDING STRUCTURE

FHER3 is currently the only fertilizer producer listed on B3. Heringer’s shares have been listed in the Novo Mercado, B3’s highest corporate governance trading segment, since April 2007 under the ticker FHER3.

Fertilizantes Heringer, within in the context of its Judicial Recovery, is working to overcome the present challenges and to ensure its longevity; the Company has been maintaining strict financial discipline and taking the appropriate actions to resume its profitability and obtain operational efficiency gains, supported by a leaner and more dynamic structure. Heringer’s team will continue to be focused on pursuing excellence in all its areas of activity, through the work and effort of the entire team, in order to always offer quality products and services to its customers.



FHER3 (53,857,284 Shares)





## APPENDIX I – BALANCE SHEET

(in thousands of reais)

ASSETS	sept/19	dec/18	LIABILITIES AND DEFICIT EQUITY	sept/19	dec/18
<b>Current Assets</b>			<b>Current Liabilities</b>		
Cash and cash equivalents	28.170	19.999	Domestic suppliers	242.391	243.817
Trade receivables	156.901	157.669	Foreign suppliers	912.307	798.858
Inventories	442.949	293.422	Forfeit	180.742	186.204
Taxes recoverable	184.248	324.408	Borrowings and financing	1.054.638	959.469
Other receivables	37.466	156.004	Taxes payable	1.908	3.448
	<b>849.734</b>	<b>951.502</b>	Advances from customers	67.105	89.638
			Other payables	75.819	97.489
				<b>2.534.910</b>	<b>2.378.923</b>
<b>Non-Current Assets</b>			<b>Non-Current Liabilities</b>		
Taxes recoverable	350.559	353.380	Borrowings and financing	48	42.748
Other receivables	39.945	43.516	Other payables	25.642	25.887
<b>Long-Term Receivables</b>	<b>390.504</b>	<b>396.896</b>		<b>25.690</b>	<b>68.635</b>
			<b>Total LIABILITIES</b>	<b>2.560.600</b>	<b>2.447.558</b>
<b>Property, Plant and Equipment</b>	444.595	470.619	<b>Deficit Equity</b>		
<b>Intangible Assets</b>	7.452	6.705	Paid-up capital	585.518	585.518
	<b>452.047</b>	<b>477.324</b>	Retained earnings/accum. losses	-1.492.976	-1.246.931
	<b>842.551</b>	<b>874.220</b>	Equity valuation adjustments	39.143	39.577
				<b>-868.315</b>	<b>-621.836</b>
<b>Total ASSETS</b>	<b>1.692.285</b>	<b>1.825.722</b>	<b>Total LIABILITIES AND DEFICIT EQUITY</b>	<b>1.692.285</b>	<b>1.825.722</b>



## APPENDIX II – 3Q19 STATEMENT OF PROFIT AND LOSS

(in thousands of reais)					
	3Q19	%NR	3Q18	%NR	19 x 18
<b>Gross revenue from sales</b>	<b>372.172</b>		<b>1.204.481</b>		-69,1%
Taxes and other sale deductions	(5.298)		(18.585)		-71,5%
<b>Net revenue from sales</b>	<b>366.874</b>	100,0%	<b>1.185.895</b>	100,0%	-69,1%
Cost of goods sold	(322.601)	-87,9%	(1.110.890)	-93,7%	-71,0%
<b>Gross Profit</b>	<b>44.273</b>	12,1%	<b>75.005</b>	6,3%	-41,0%
<b>Operating (expenses) revenues</b>	<b>(43.133)</b>	-11,8%	<b>(110.556)</b>	-9,3%	-61,0%
Selling expenses	(22.562)	-6,1%	(84.531)	-7,1%	-73,3%
General and administrative expenses	(20.460)	-5,6%	(25.587)	-2,2%	-20,0%
Other operating revenue (expenses), net	(111)	0,0%	(438)	0,0%	-74,7%
<b>Operating Profit (Loss)</b>	<b>1.140</b>	0,3%	<b>(35.551)</b>	-3,0%	103,2%
<b>Financial income (expenses)</b>	<b>(137.046)</b>	-37,4%	<b>(90.510)</b>	-7,6%	51,4%
Financial revenue	7.629	2,1%	58.341	4,9%	-86,9%
Financial expenses	(11.919)	-3,2%	(80.174)	-6,8%	-85,1%
Exchange rate variation, net	(132.756)	-36,2%	(68.677)	-5,8%	93,3%
<b>Income before Income Tax and Social Contribution</b>	<b>(135.906)</b>	-37,0%	<b>(126.061)</b>	-10,6%	7,8%
<b>Income tax and social contribution</b>	<b>-</b>	0,0%	<b>8.676</b>	0,7%	-100,0%
Current	-	0,0%	-	0,0%	0,0%
Deferred	-	0,0%	8.676	0,7%	-100,0%
<b>Net loss for the period</b>	<b>(135.906)</b>	-37,0%	<b>(117.385)</b>	-9,9%	15,8%
<b>EBITDA</b>	<b>8.648</b>	2,4%	<b>(24.150)</b>	-2,0%	135,8%
Profit (loss) before financial result and taxes	1.140	0,3%	(35.551)	-3,0%	103,2%
Depreciation and amortization	7.508	2,0%	11.401	1,0%	-34,1%



## APPENDIX II – 9M19 STATEMENT OF PROFIT AND LOSS

(in thousands of reais)					
	9M19	% NR	9M18	% NR	19 x 18
<b>Gross revenue from sales</b>	<b>704.412</b>		<b>3.170.810</b>		-77,8%
Taxes and other sale deductions	(11.658)		(58.310)		-80,0%
<b>Net revenue from sales</b>	<b>692.754</b>	100,0%	<b>3.112.500</b>	100,0%	-77,7%
Cost of goods sold	(662.184)	-95,6%	(2.954.860)	-94,9%	-77,6%
<b>Gross Profit</b>	<b>30.570</b>	4,4%	<b>157.640</b>	5,1%	-80,6%
<b>Operating (expenses) revenues</b>	<b>(132.801)</b>	-19,2%	<b>(308.318)</b>	-9,9%	-56,9%
Selling expenses	(59.421)	-8,6%	(227.312)	-7,3%	-73,9%
General and administrative expenses	(64.637)	-9,3%	(78.633)	-2,5%	-17,8%
Other operating revenue (expenses), net	(8.743)	-1,3%	(2.373)	-0,1%	268,5%
<b>Profit (Loss) before Financial Result</b>	<b>(102.231)</b>	-14,8%	<b>(150.678)</b>	-4,8%	-32,2%
<b>Financial income (expenses)</b>	<b>(144.248)</b>	-20,8%	<b>(311.079)</b>	-10,0%	-53,6%
Financial revenue	165.014	23,8%	197.092	6,3%	-16,3%
Financial expenses	(192.513)	-27,8%	(215.755)	-6,9%	-10,8%
Exchange rate variation, net	(116.749)	-16,9%	(292.416)	-9,4%	-60,1%
<b>Operating Income (Loss)</b>	<b>(246.479)</b>	-35,6%	<b>(461.757)</b>	-14,8%	-46,6%
<b>Income tax and social contribution</b>	-	0,0%	<b>20.306</b>	0,7%	-100,0%
Current	-	0,0%	-	0,0%	0,0%
Deferred	-	0,0%	20.306	0,7%	-100,0%
<b>Net Income (Loss) for the Period</b>	<b>(246.479)</b>	-35,6%	<b>(441.451)</b>	-14,2%	-44,2%
<b>* EBITDA - Adjusted</b>	<b>(68.820) *</b>	-9,9%	<b>(116.115)</b>	-3,7%	-40,7%
<b>EBITDA</b>	<b>(79.220)</b>	-11,4%	<b>(116.115)</b>	-3,7%	-31,8%
Income (loss) before financial result and taxes	(102.231)	-14,8%	(150.678)	-4,8%	-32,2%
Depreciation and amortization	23.011	3,3%	34.563	1,1%	-33,4%

\* R\$10.4 million in ICMS discount on sales (non-recurring event) in 9M19 (Explanatory Note 06 Quarterly Information)



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EBITDA (earnings before interest, tax, depreciation and amortization) is presented as additional information, given our belief that it is an important indicator of our operating performance, as well as useful for comparing our performance with that of other companies in the sector. However, no single figure should be considered a substitute for net income calculated in accordance with Brazilian Corporate Law (BR GAAP) or even as a measure of Heringer's profitability. Moreover, our calculations may not be comparable with similar measures adopted by other companies in the sector.

We make forward-looking statements about future events that are subject to risks and uncertainties. These forward-looking statements are based on the beliefs and assumptions of Heringer's management and on information currently available. Forward-looking statements include information about our current plans, beliefs or expectations, as well as those of Heringer's Board of Directors and Executive Officers.

The reservations related to forward-looking statements and information also include information on possible or presumed operating results, as well as any statements preceded, followed or including words, such as « believe », « may », « will », « expect », « intend », « plan », « estimate » or similar expressions.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions because they refer to future events and, therefore, depend on circumstances that may or may not occur. Future results and value creation for shareholders may differ materially from those expressed or suggested by said forward-looking statements. Many factors that may determine these results and figures are beyond Heringer's control or ability to predict.