



# Earnings Release 3Q20

***SLC*** *Agrícola*

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**Porto Alegre, November 6, 2020** – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3), one of world's largest producers of grains and fibers, announces today its results for the third quarter of 2020. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

**NOTE:** 3Q19 and 3Q20 refer to the cumulative three-month periods from July to September of the years 2019 and 2020, respectively. 9M19 and 9M20 refer to the cumulative nine-month period from January to September of the years 2019 and 2020, respectively. HA refers to the horizontal percentage variation between two periods and VA refers to the percentage representativeness of the account over a given total.

## 3Q20 Conference Call

Date: 11/9/2020

Monday

### Portuguese

10:00 a.m. (Brasília)

9:00 a.m. (New York)

2:00 p.m. (London)

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### English

12:00 a.m. (Brasília)

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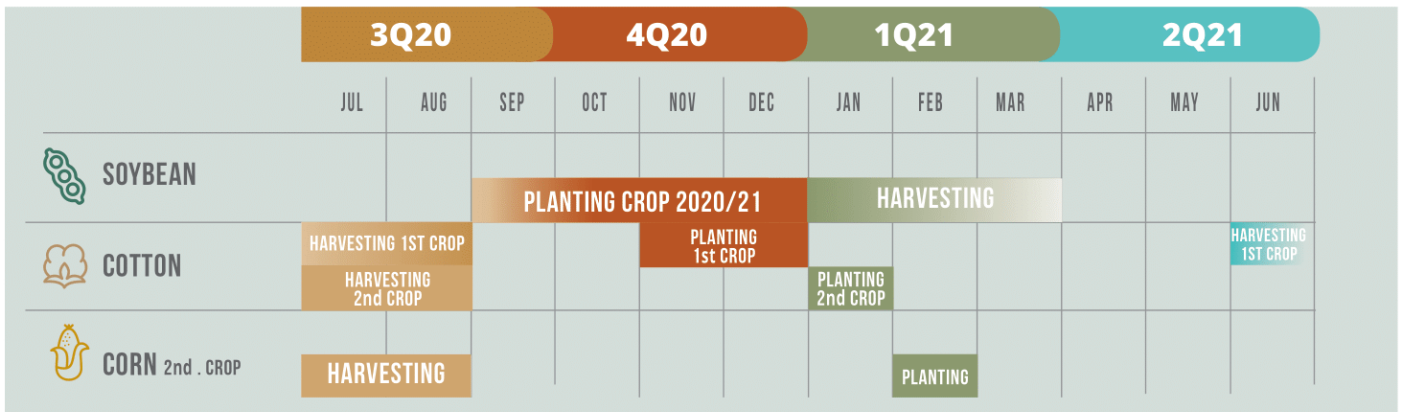
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# DASHBOARD

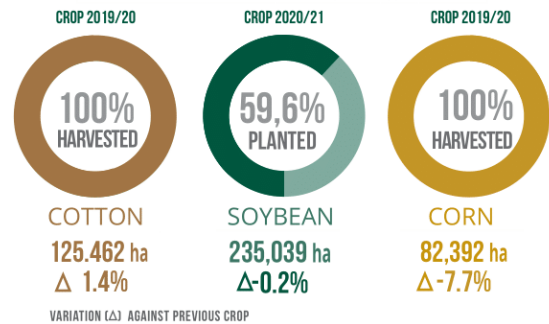
## WHERE WE ARE IN THE CYCLE



## MAIN OPERATING INDICATORS

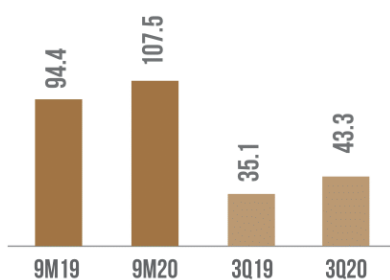
YIELDS (KG/ HA)	CROP 2019/20	CROP 2020/21	Δ%
	BUDGET	BUDGET	
COTTON LINT 1st CROP	1,842	1,863	1.1%
COTTON LINT 2nd CROP	1,749	1,638	-6.3%
COTTON SEED	2,261	2,221	-1.8%
SOYBEAN	3,607	3,755	4.1%
CORN 2nd CROP	7,385	7,622	3.2%

### HARVESTING STATUS CROP 2019/20 AND PLANTING STATUS CROP 2020/21

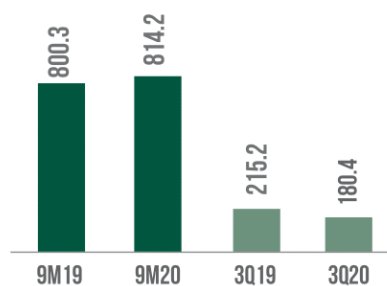


## VOLUME INVOICED (Thd Tons)

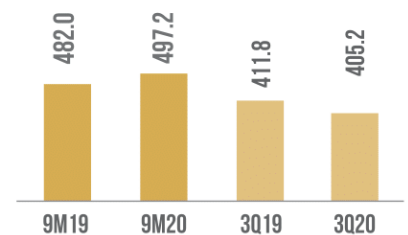
### COTTON



### SOYBEAN

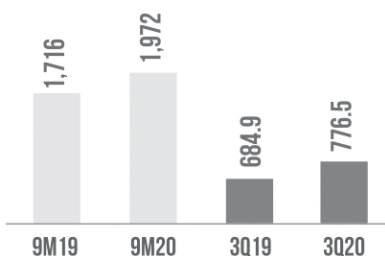


### CORN

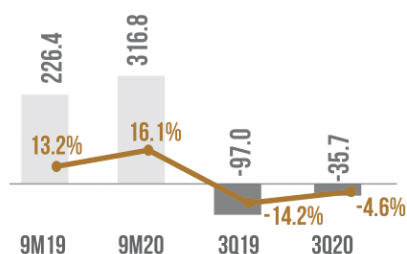


## FINANCIALS (R\$ MM)

### NET REVENUE



### NET INCOME



### ADJUSTED EBITDA

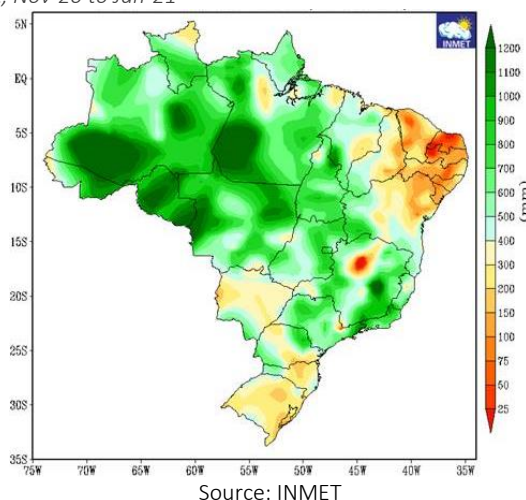




## Message from Management

**Operations.** The planted area planned for the new cycle is 471.7 thousand hectares, a new record, and with a 5.2% growth over 2019/20. The delay in the beginning of the rains in the mid-west region caused the postponement of soybean planting and, consequently, the reduction in the second-crop cotton planting window. As a result, part of the second crop area initially planned for cotton was transferred to corn, which has a more extensive planting window. Despite the delay in rainfall, given that the forecast for the 2020/21 harvest points out for the occurrence of the La Niña weather phenomenon, the estimate is for rains above average in the Cerrado region, and below average for the South portion of South America.

Figure 1 Rainfall Forecast, Nov-20 to Jan-21



**Financials.** Net revenue grew 14.9% in the comparison between 9M20 and 9M19, and the accumulated Adjusted EBITDA of 2020 reached the amount of R\$562.3 million with a margin of 28.5%. The combination of the devaluation of the Real over 2020 and the recovery in commodity prices in recent months contributed to the accumulated net profit for 9M20 of R\$316.8 million, 40% higher than 2019.

Free Cash Flow was positive in the quarter, at R\$315.1 million, reflecting the improvement in cash flow that is characteristic of the second half of the year (end of payment of crop inputs and increase in invoiced cotton volumes). As a result, the Company's Adjusted Net Debt ended the third quarter of 2020 at R\$1.2 billion, showing a decrease of R\$234.4 million compared to 2Q20, reflecting the positive free cash generation in the period due to the financial cycle. The Net Debt /EBITDA ratio also fell, to 1.46 times.

We also highlight that the Company's Board of Directors approved, at a meeting held on October 5, 2020, the issuance of a "Rural Financial Product Note" ("CPR-F") by the Company, in the amount of up to R\$480 million, for the benefit of ISEC Securitizadora SA, which will serve as a backing for the agribusiness receivables securitization operation that will result in the issuance of Agribusiness Receivables Certificates ("CRA") in the initial amount of R\$400 million, which can be increased up to R\$480 million, with coordinators Banco Bradesco BBI SA, Banco Santander (Brasil) SA and Banco Itaú BBA SA. The CRA's public offering is subject to analysis and registration by the Brazilian Securities and Exchange Commission, in accordance with CVM Instruction 400.

Additionally, we raised funds of R\$100 million on October 29 from Banco Santander in the first operation with the "Green Bond" seal carried out by the Company, enabling a differentiated loan rate, due to our practices in Environmental Management and Social Responsibility.

**Land Appraisal 2020.** In September, the new independent appraisal of the Company's land portfolio was concluded by Deloitte Touche Tohmatsu, which showed a total value of R\$3.962 billion, an increase of 4.62% in relation to 2019. The average value of the agricultural land owned by the Company is currently R\$19.343.

**Payment of Interest on Own Capital.** Considering the cash generation in the period, as well as the taxable profit, Management approved on this date the payment of R\$ 37.1 million as Interest on Own Capital to its shareholders. Payment will be made on December 16, with a cut-off date of November 13. The amount corresponding to the payment of interest on own capital will be imputed in the calculation of the mandatory dividend for fiscal year 2020, as provided for in the Company's Bylaws.

**Innovation Strategy and creation of SLC Ventures.** In the review of the 2020 Strategic Planning with Directors and Managers, which was carried out in digital format, among other deliberations, a plan for investments in new businesses in agriculture with a digital focus was outlined and approved with the Board, in connection with the new technological trends in course in the sector. The initiative gives a new mandate to the Innovation Strategy, with a view to renewing the business in the long-term and complements the various efforts already underway that aim at strengthening the current business (early-adopter of new technologies). The vehicle for carrying out the investments will be SLC Ventures.

**ESG.** In this Release, the section dedicated to the theme focuses on Environmental Management.

**Awards.** We are pleased to celebrate the following acknowledgments received during the quarter:

- 1<sup>st</sup> place in the Agribusiness Category of Época Negócios Magazine;
- 1<sup>st</sup> place in the Agribusiness sector of As Melhores da Dinheiro Rural Magazine;
- One of the Winners of the “Transparency Trophy”, promoted by the National Association of Finance, Administration and Accounting Executives (ANEFAC), which assesses the quality and transparency of the financial statements of companies based in Brazil;
- 6<sup>th</sup> Best Company to work for in the Large Companies Category of GPTW Agro;
- Best Corn Producer by A Granja Magazine;
- Among the 5 Best in the Country in People Management (in the category between 1,501 to 3,000 employees), by the Valor Econômico newspaper.

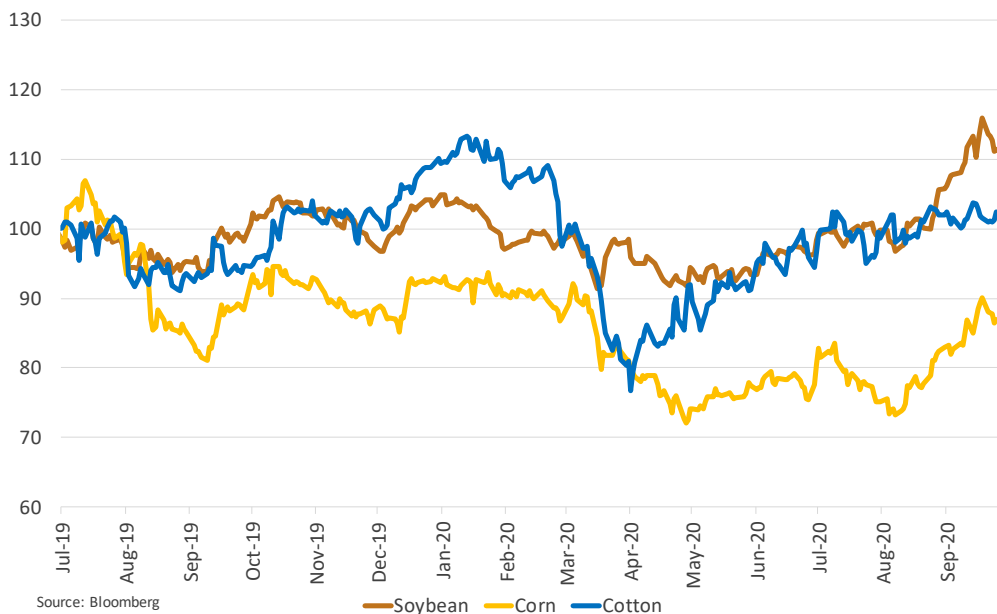
## The Administration



## Market Overview

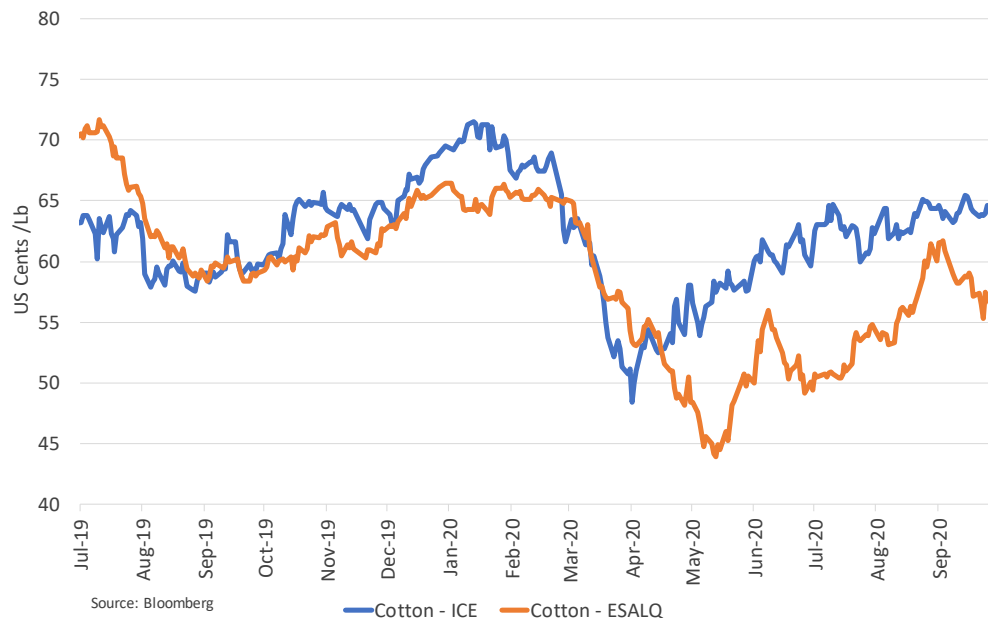
### Commodities

Figure 2 Price Variations, Select Commodities, Jul/2019 to Sept/2020



### Cotton

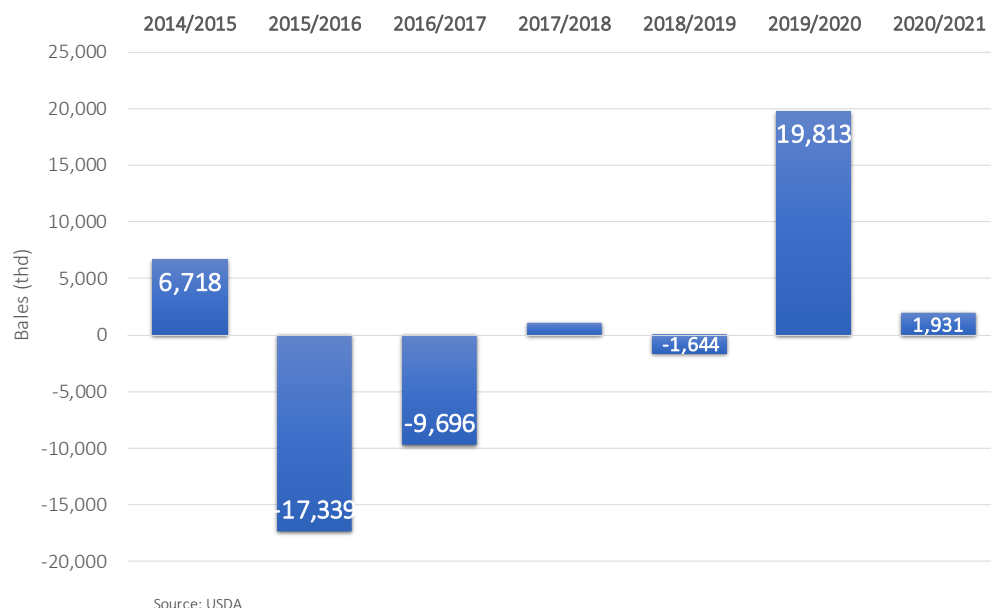
Figure 3 Cotton Prices in International Markets vs. Brazil.



The third quarter of 2020 was marked by significant events related to the cotton market.

The quarter was marked by a series of downward revisions in production estimates for countries in the Northern Hemisphere resulting from a scenario of unfavorable weather conditions combined with a scenario of stabilization in consumption. All these factors produced fundamentals for the world supply-demand scenario marked by a projected balance between world production and consumption that is considerably lower than in the previous cycle.

Figure 4 Cotton – World Supply-Demand Balance



*Cotton prices recovered do to the contraction in planting areas and unfavorable weather*

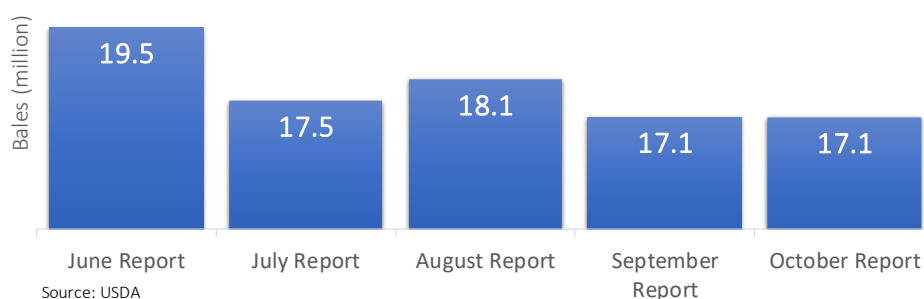
The economic uncertainties generated by the pandemic that severely affected markets in general led to declines of over 20% in cotton prices in USD, with this scenario showing signs of recovery in recent months.

The decline in prices, which initially was influenced by the weaker demand for the fiber from agents in the textile chain, created opportunities for consumers positioned in segments of the chain where economic activity recovered earlier than expected.

The decline in the commodity's prices during the year affected planting decisions in cotton-producing countries in the Northern Hemisphere (especially the United States), where, according to USDA data, the country's planted area for the 2020/21 crop year contracted by approximately 12% compared to the previous cycle.

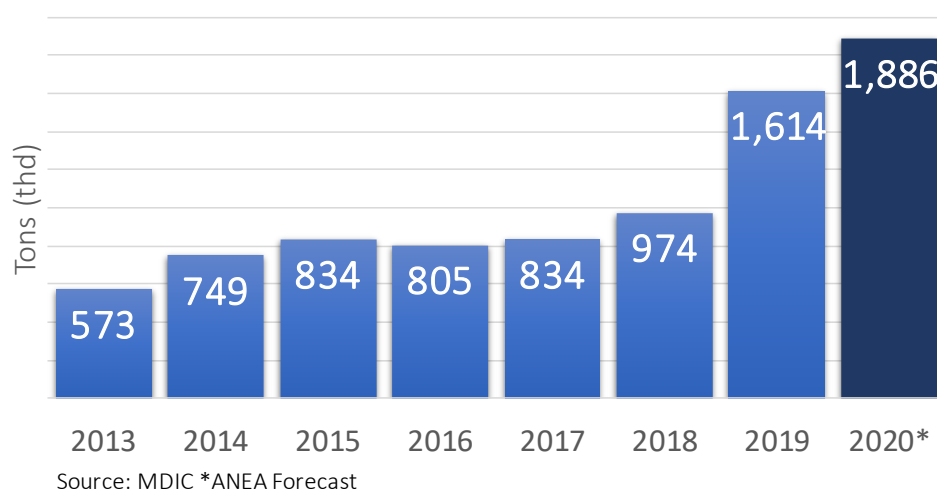
Combined with the smaller planted area, the world's main cotton exporter experienced a less favorable weather scenario for the crop's development, which led production estimates also to register successive declines in the Supply and Demand reports published by the USDA.

Figure 5 United States – Estimated production



Any challenges posed to U.S. production, which is mostly exported, could be factors supporting exports from Brazil, which, according to ANEA, will export 1.88 million tons of cotton, in line with the growth trend observed over the last four years.

Figure 6 Brazil - Annual Cotton Exports



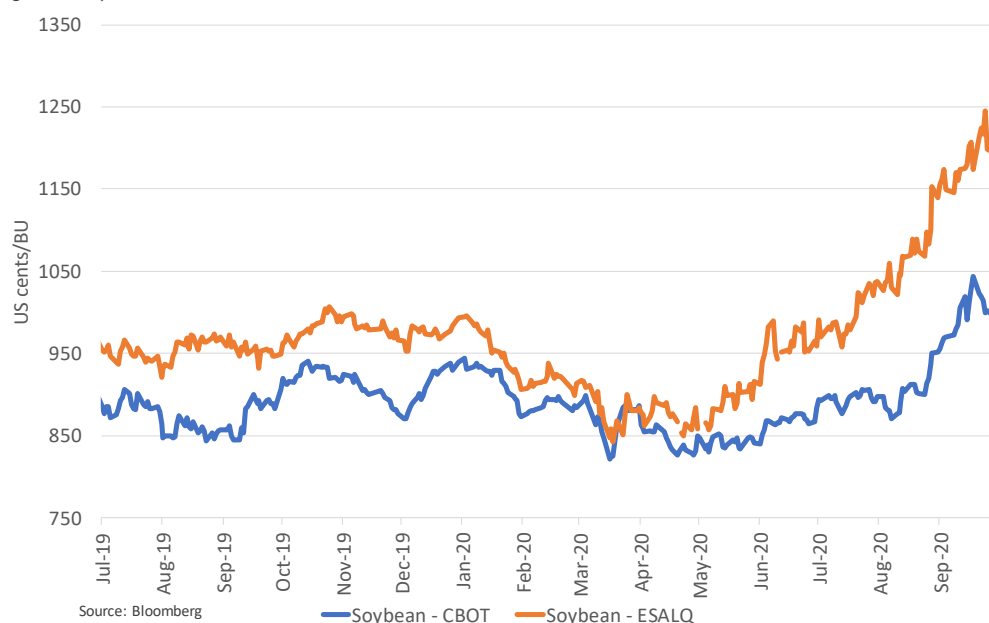
If achieved, this figure would be 17% higher than in 2019, in line with the country's growth trend in the segment, and would ensure the maintenance of Brazil as the world's second largest cotton exporter, according to USDA data.

Brazil's export data should continue to assure the country's position as an important player in the global market, consolidating its competitiveness supported by a continuation of record-high export shipments.

## Soybean

Soybean spot prices quoted on the Chicago Board of Trade (CBOT) and the prices paid for the grain based on the Paranaguá/CEPEA reference remained on a recovery path during the third quarter of 2020.

Figure 7 Soybean Price in International Market vs. Brazil

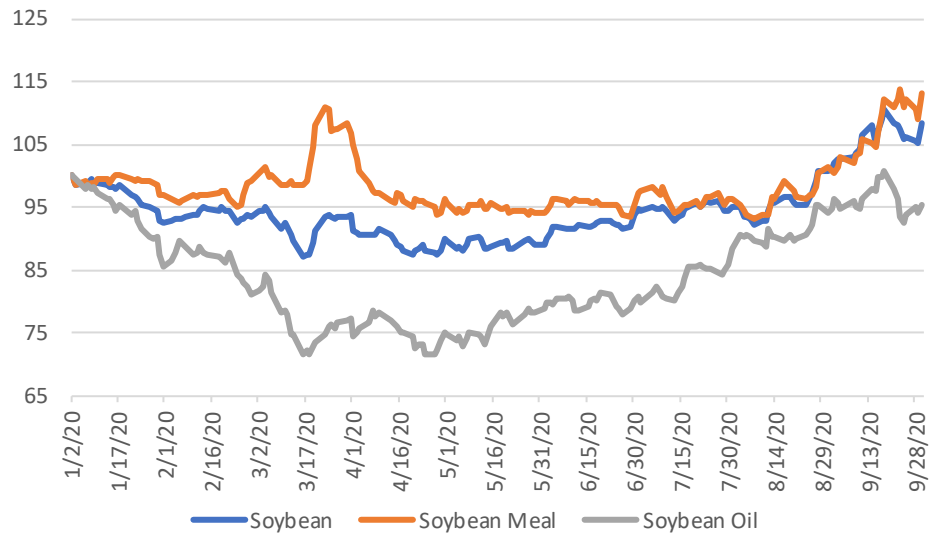


"Soybean prices in USD already have risen 15% this year"

Stability in the premiums paid and local currency depreciation enabled soybean prices to reach levels above those in same period last year and, more recently, resulted in quotes of over 150.00 R\$/SC, according to CEPEA data for Paranaguá.

In a quarter market by resilience in prices for the soy complex (bean, bran and oil) in Chicago, bran and grain prices ended the period registering an increase in the year to date of over 15%.

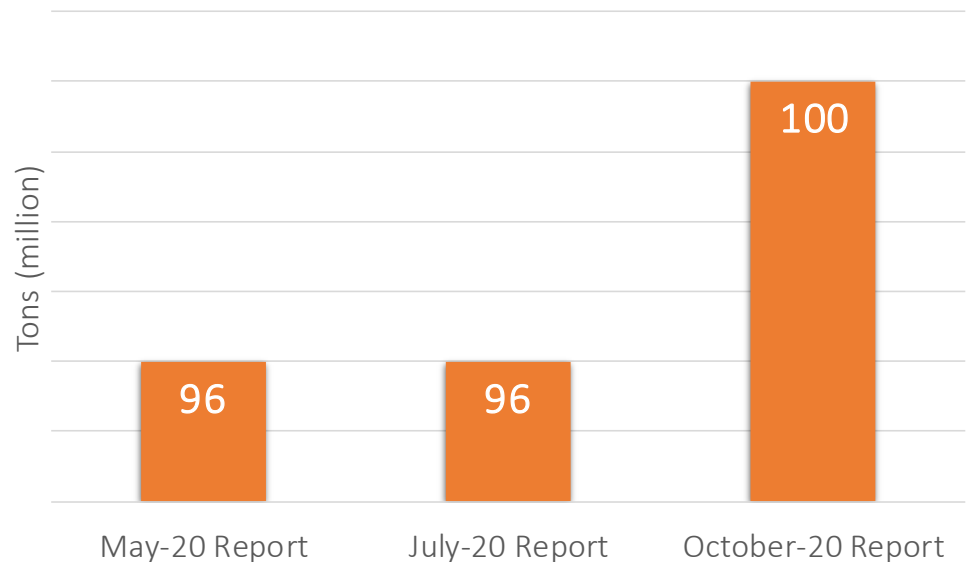
Figure 8 Soybean – Soybean Complex, January to September/2020



The resumption of imports by China driven by domestic demand in the country has been the main factor sustaining prices, especially after the past cycle marked by the U.S.-China trade war and African Swine Flu, which contributed to the scenario of depressed prices for the commodity in international markets in 2019.

Over the year, the USDA has been revising upwards its expectations for Chinese imports for the 2020/21 cycle, from its initial estimate of 96 million tons to 100 million tons for its calculation in October.

Figure 9 China – Soybean Import Estimates

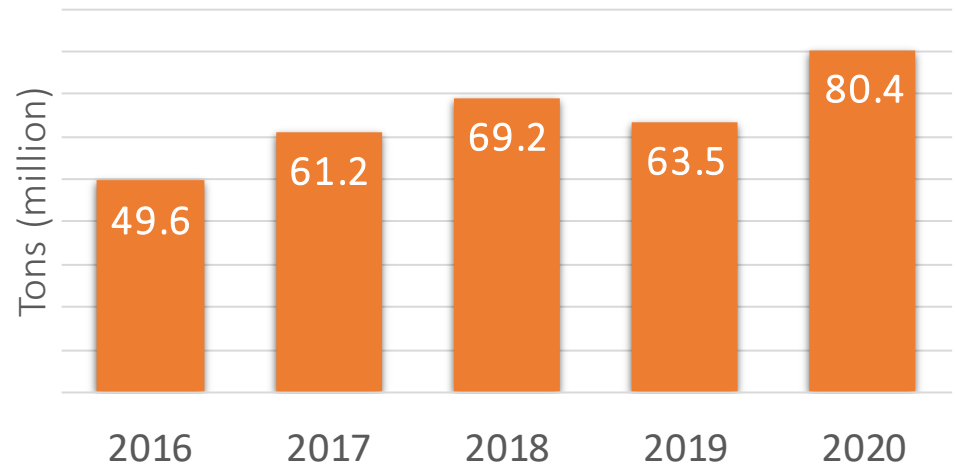


*“Over the year, the USDA has been revising upward its forecasts for soybean imports by China”*

Source: USDA

Brazilian soybean exports in 9M20 maintained their upward trend to register record shipments of 80.4 million tons, consolidating Brazil as an important soybean supplier in the international market.

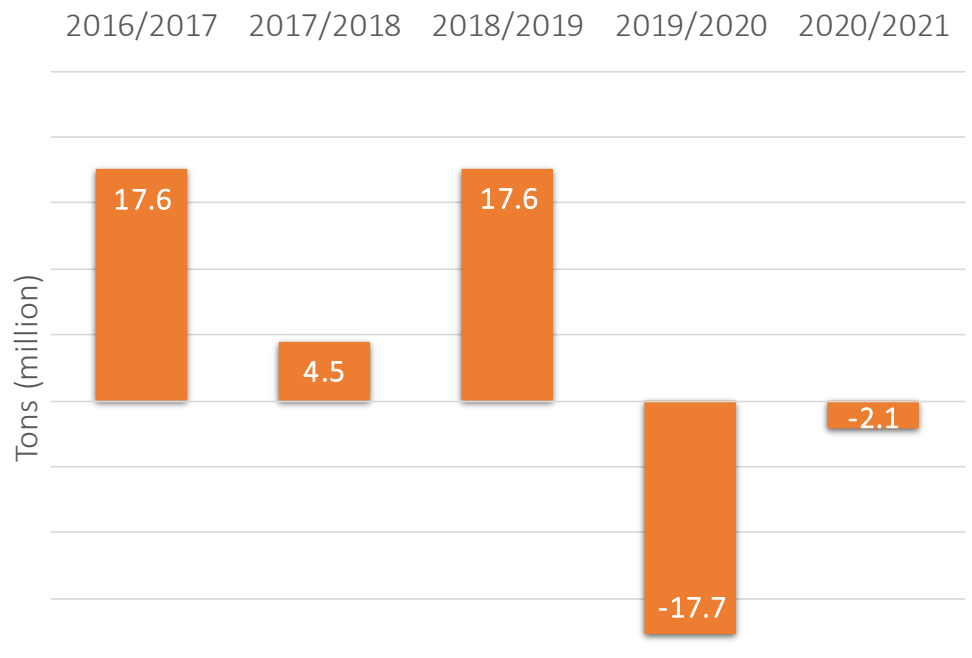
Figure 10 Soybean Exports, January to September 2020



Source: MDIC

For the current crop year (2020/21), the supply-demand balance is posting a deficit for the second straight year, with volume of approximately 2 million tons, following the deficit in the previous crop year of 17.7 million tons.

Figure 11 Soybean World Supply-Demand Balance

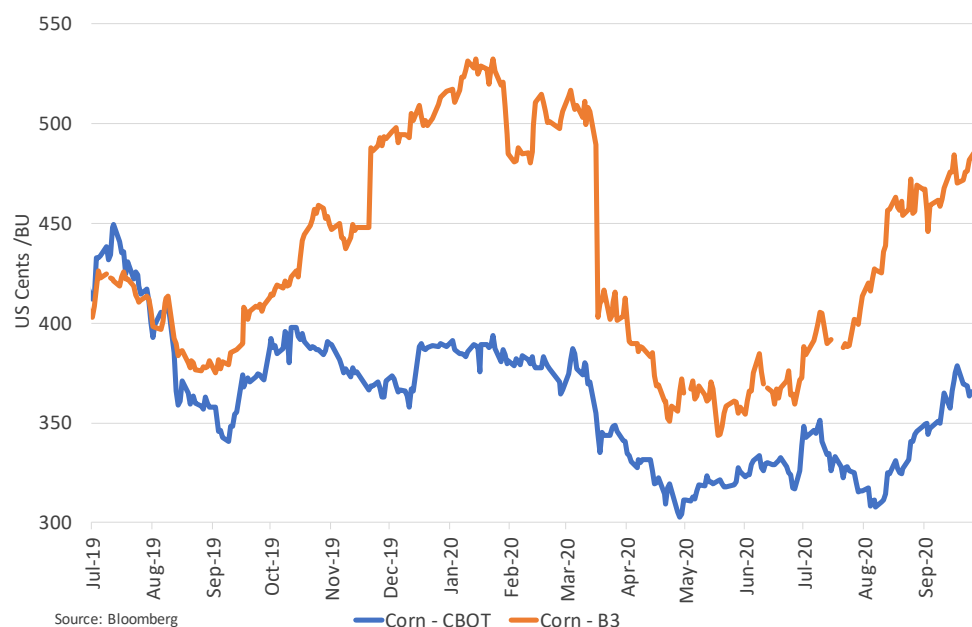


Source: USDA

## Corn

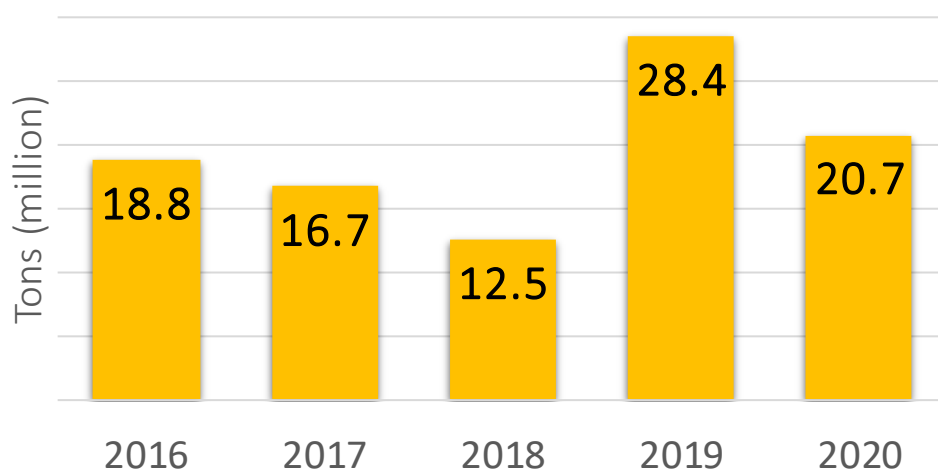
Similar to local prices (B3), corn prices in Chicago registered a sustained upward trend during the third quarter of 2020, reflecting the impacts on the corn planted area from weather events, such as storms and severe drought. As a result, the final U.S. corn planted area should be 6% smaller than the agency's initial estimates.

Figure 11 Corn Prices in International Market vs. Brazil



In Brazil, the market remained strong in the first half of the year due to demand from the animal protein industry and from export markets.

Figure 12 Corn – Brazilian Exports, January-September



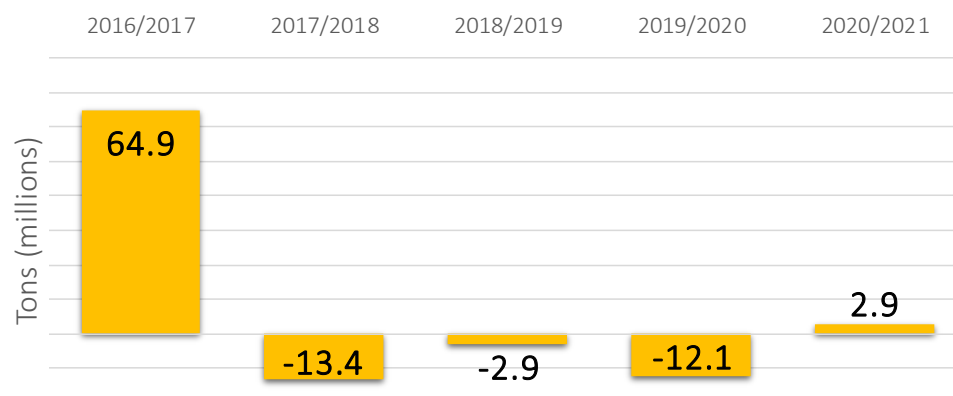
Source: MDIC

*“In Brazil, the market has proven robust during the first half due to demand from the animal protein and export markets”*

In exports, shipments from Brazil in the period from January to September reached approximately 21 million tons, which is slightly lower than in the prior-year period, but higher than the average of the last five years.

In the global scenario, the difference in supply and demand should result in a surplus of 2.9 million tons, revealing a shift in the scenario of recent years marked by deficits.

Figure 14 Corn – World Supply-Demand Balance



Source: USDA

## Operational Performance – 2019/20 Crop Year

The third quarter of 2020 was marked by the end of the harvest for cotton 1<sup>st</sup> crop and for the second crop of corn and cotton.

### Planted Area

The following table presents the final data on planted area for the 2019/20 crop year and a comparison with the previous crop year. For more details, see the Additional Information section of this document.

Table 1 Planted Area by Crop, 2018/19 vs. 2019/20

Crop Mix	Planted Area 2018/19	Planted Area 2019/20 <sup>(1)</sup>	Share 2019/20	Δ%
	ha	ha	%	
<b>Cotton</b>	<b>123,727</b>	<b>125,462</b>	<b>28.0</b>	<b>1.4</b>
Cotton lint 1 <sup>st</sup> crop	72,852	74,054	16.5	1.6
Cotton lint 2 <sup>nd</sup> crop	50,875	51,408	11.5	1.0
<b>Soybean (Commercial + Seed)</b>	<b>243,149</b>	<b>235,444</b>	<b>52.5</b>	<b>-3.2</b>
Corn 2 <sup>nd</sup> crop	89,311	82,392	18.4	-7.7
Other Crops <sup>(2)</sup>	1,912	5,270	1.1	175.6
<b>Total Area</b>	<b>458,099</b>	<b>448,568</b>	<b>100.0</b>	<b>-2.1</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.<sup>(2)</sup> Wheat, corn 1<sup>st</sup> crop, corn seed and brachiaria.

*“No Brasil, o mercado mostrou-se aquecido ao longo do primeiro semestre via setor de proteína animal e exportações”*

The planted area contracted 2.1% from the previous crop year, due to the delay in the start of rains in the state of Maranhão, which postponed the planting of soybean, thereby reducing the planting potential of second-crop corn.

Table 2 Achieved Yields for 2019/20 Crop Year

Yields (kg/ha)	2018/19 Crop Year	2019/20 Crop Year	2019/20 Crop Year	Δ%	Δ%	Δ%
	Achieved (a)	Budget (b)	Achieved (c)	(c) x (a)	(b) x (a)	(c) x (b)
Cotton lint 1 <sup>st</sup> crop	1,688	1,842	1,785	5.7%	9.1%	-3.1%
Cotton lint 2 <sup>nd</sup> crop	1,613	1,749	1,693	5.0%	8.4%	-3.2%
Cotton seed	2,090	2,261	2,175	4.1%	8.2%	-3.8%
Soybean (Commercial&Seed)	3,739	3,607	3,900	4.3%	-3.5%	8.1%
Corn 2 <sup>nd</sup> crop	7,121	7,385	7,179	0.8%	3.7%	-2.8%



## Commercial Soybean

For the third straight year, we set a new yield record, which is in line the Company's current strategy of focusing on maximizing operating efficiency. The final yield was 8.1% higher than our initial projection and 15.4% higher than the national average (Sep/2020 estimate from CONAB).

## Soybean Seed

120 thousand bags (40kg) were produced for internal consumption (as seeds for the 2020/21 harvest), and 128 thousand bags in the verticalized model with BASF. In addition, up to the date of November 03, 125 thousand bags had already been sold via the SLC Sementes (SLC Seeds) brand. The germination quality indicator was of 94.8%.

## First-crop cotton

The final yield attained was 1,785kg per hectare, down 3.1% from the projected rate **but up 5.7% from the previous crop year.**

## Second-crop cotton

Second-crop cotton ended the period with a yield of 1,693 kg/ha of cotton lint. The rate was down 3.2% from the projected rate but up **5.0% from the yield achieved in the 2018/19 crop year.**

## Second-crop corn

The yield of second-crop corn was **0.8% higher than in the 2018/19 crop year** and down 2.8% from the projected rate, reaching 7,179 kg/ha. In relation to the **national average, the yield was 31.6% higher** (based on the Sep/2020 estimate from CONAB).

Table 3 Achieved Production Cost in R\$/hectare, 2019/20 Crop Year

Total (R\$/ha)	Budget 2019/20	Achieved 2019/20 <sup>(1)</sup>	Δ%
Cotton 1 <sup>st</sup> crop	8,397	9,362	11.5%
Cotton 2 <sup>nd</sup> crop	7,727	8,264	6.9%
Soybean	2,901	3,015	3.9%
Corn 2 <sup>nd</sup> crop	2,410	2,545	5.6%
<b>Total average cost</b>	<b>4,368</b>	<b>4,597</b>	<b>5.2%</b>

<sup>(1)</sup> Figures may suffer changes by the end of cotton processing and the sale of grains.

<sup>(2)</sup> Weighted by areas in the 2019/20 crop year to avoid impacts from changes in the product mix.

The actual cost per hectare was 5.2% higher than in the estimate, mainly due to the higher actual exchange rate (USD/R\$) compared to the assumption adopted in the budget. The increase, however, was fully offset on the revenues, in accordance with the Company's hedge policy.

## Operational Performance – 2020/21 Crop Year

The following table presents initial planting intentions for the 2020/21 crop year and a comparison with the previous crop year.

### Planted Area

The planted area planned for the new cycle is 471,700 hectares, which represents a new record and growth of 5.2% on 2019/20.

The delay due to the start of rains in the Midwest led to the postponement of soybean planting and consequently shortened the window for the planting of second-crop cotton.

As a result, a portion of the second crop initially planned for cotton was transferred to corn, which has a longer planting window.

For more details on the planted area, see the Additional Information section of this document.

Table 4 Planted Area by Crop, 2020/21 vs. 2019/20

Crop Mix	Planted Area 2019/20 -----ha-----	Planted Area 2020/21 <sup>(1)</sup> -----ha-----	Share 2020/21 %	Δ%
<b>Cotton</b>	<b>125,462</b>	<b>115,748</b>	<b>24.5</b>	<b>-7.7</b>
Cotton lint 1st crop	74,054	74,180	15.7	0.2
Cotton lint 2nd crop	51,408	41,568	8.8	-19.1
<b>Soybean (Commercial + Seed)</b>	<b>235,444</b>	<b>235,039</b>	<b>49.8</b>	<b>-0.2</b>
<b>Corn 2<sup>nd</sup> crop</b>	<b>82,392</b>	<b>108,931</b>	<b>23.1</b>	<b>32.2</b>
Other <sup>(2)</sup>	5,270	12,001	2.5	127.7
<b>Total Area</b>	<b>448,568</b>	<b>471,719</b>	<b>100.0</b>	<b>5.2</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Wheat, 1<sup>st</sup> crop corn, corn seed and brachiaria and cattle raising.

Table 5 Projected Yields, 2020/21 Crop Year

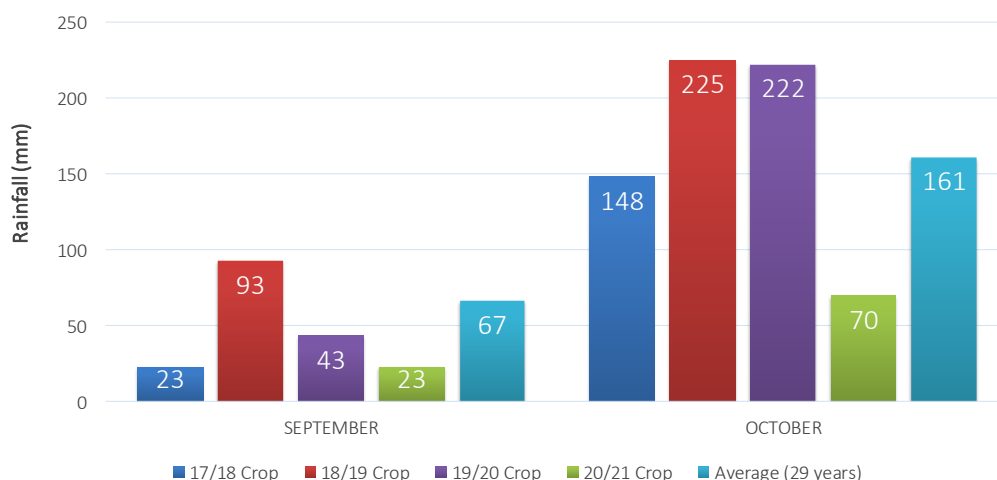
Yields (kg/ha)	2019/20 Crop Year Budget	2020/21 Crop Year Budget	Δ%
Cotton lint 1 <sup>st</sup> crop	1,842	1,863	1.1%
Cotton lint 2 <sup>nd</sup> crop	1,749	1,638	-6.3%
Cotton seed	2,261	2,221	-1.8%
Soybean (Commercial&Seed)	3,607	3,755	4.1%
Corn 2 <sup>nd</sup> crop	7,385	7,622	3.2%

### Commercial Soybean

In the last days of September, we started the new agricultural year 2020/21 with the planting of soybeans. This year, there was a delay in the beginning of the rains in the Midwest region, which made it impossible to advance planting at the same intensity as the historical average, effectively postponing the crop cycle. Until November 05, we had 59.6% of the total area planned for soybeans planted, against 62.4% in the same period of the previous year. In view of this delay, the Company transferred part of the area initially planned for planting second-crop cotton (which has a shorter planting window) to second-crop corn.

The following chart shows historical precipitation at the company's farms located in the state of Mato Grosso (MT) in the last four years in relation the historical average.

Figure 13 Farms in MT - SLC Agrícola – Precipitation (in last four crop years vs. historical)



## Soybean Seed

We estimate a production of 120 thousand bags for internal consumption, 150 thousand bags destined for external sale via the SLC Sementes (SLC Seeds) brand and 200 thousand bags of verticalized production with BASF.

## Second-crop cotton

Given that the delay in soybean planting will affect the second-crop cotton planting window, we are estimating a lower potential yield than in the previous crop year budget.

## Production Cost

Table 6 Breakdown of Projected Production Cost by Crop (R\$/ha), 2020/21 Crop Year

%	Cotton	Soybean	Corn	Average 2020/21	Average 2019/20
<b>Variable Costs</b>	<b>83.1</b>	<b>77.5</b>	<b>81.8</b>	<b>80.8</b>	<b>79.5</b>
Seeds	9.8	14.7	18.2	12.4	12.1
Fertilizers	21.3	21.3	36.4	22.5	22.1
Chemicals	28.6	24.3	14.5	25.3	23.8
Air Spraying	1.6	1.0	1.5	1.4	1.7
Fuels and Lubricants	2.9	3.3	3.0	3.0	3.6
Labor	0.9	0.7	0.4	0.6	0.6
Ginning	8.3	2.6	2.4	5.8	6.2
Maintenance	3.5	4.3	3.2	3.7	4.1
Others	6.2	5.3	2.2	6.1	5.3
<b>Fixed Costs</b>	<b>16.9</b>	<b>22.5</b>	<b>18.2</b>	<b>19.2</b>	<b>20.5</b>
Labor	7.3	9.3	7.4	8.0	8.1
Depreciation and amortizations	4.5	6.2	4.5	5.1	4.8
Right-of-Use Amortization - Leasing	3.1	4.5	4.3	3.8	5.1
Others	2.0	2.5	2.0	2.3	2.5

Table 7 Production Cost in R\$/hectare, 2020/21 Crop Year

Total (R\$/ha)	Achieved 2019/20 <sup>(1)</sup>	Budget 2020/21	Δ%
Cotton 1 <sup>st</sup> crop	9,362	9,899	5.7%
Cotton 2 <sup>nd</sup> crop	8,264	9,306	12.6%
Soybean	3,015	3,300	9.5%
Corn 2 <sup>nd</sup> crop	2,545	2,858	12.3%
<b>Total average cost</b>	<b>4,735<sup>(2)</sup></b>	<b>5,168<sup>(2)</sup></b>	<b>9.1%</b>

<sup>(1)</sup> Figures may suffer changes by the end of cotton processing and the sale of grains.

<sup>(2)</sup> Weighted by areas in the 2020/21 crop year to avoid impacts from changes in the product mix.

The costs per hectare estimated for the 2020/21 crop year registered an average increase in Brazilian real of 9.1% compared to the actual costs in the 2019/20 crop year, basically due to the currency's depreciation against the U.S. dollar in the period, since approximately 64% of costs are denominated in dollar.

## Financial Performance

### Income Statement Analysis

#### Adjusted EBITDA

Adjusted EBITDA was **R\$234.6 million and R\$562.3 million** in 3Q20 and 9M20, respectively.

In the quarter, Adjusted EBITDA **increased 30.8%** in relation to 3Q19. Adjusted EBITDA margin ended the period at 30.2, expanding 4% p.p. In 9M20, the margin **expanded 8.5 p.p.**, to 28.5%.

The main factor contributing to this performance in both periods was the increase in Gross Income (excluding the changes in Biological Assets) from the soybean and corn crops compared to 2019, which was partially offset by the reduction in Gross Income from cotton.

Table 8 Adjusted EBITDA Reconciliation

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Net Revenue</b>	<b>1,716,794</b>	<b>1,971,778</b>	<b>14.9%</b>	<b>684,900</b>	<b>776,517</b>	<b>13.4%</b>
Change in Fair Value of Biological Assets <sup>(3)</sup>	418,443	690,204	64.9%	(121,797)	(25,253)	-79.3%
<b>(-) Cost of Goods and/or Services Sold</b>	<b>(1,551,137)</b>	<b>(1,930,171)</b>	<b>24.4%</b>	<b>(625,331)</b>	<b>(734,459)</b>	<b>17.5%</b>
Cost of Goods	(1,151,899)	(1,364,838)	18.5%	(512,277)	(551,021)	7.6%
Realiz. of the Fair Value of Bio. Assets <sup>(4)</sup>	(399,238)	(565,333)	41.6%	(113,054)	(183,438)	62.3%
<b>Gross Income</b>	<b>584,100</b>	<b>731,811</b>	<b>25.3%</b>	<b>(62,228)</b>	<b>16,805</b>	<b>n.m.</b>
<b>(-) Sales Expenses</b>	<b>(89,498)</b>	<b>(101,873)</b>	<b>13.8%</b>	<b>(32,031)</b>	<b>(23,251)</b>	<b>-27.4%</b>
<b>(-) General and administrative expenses</b>	<b>(66,319)</b>	<b>(72,523)</b>	<b>9.4%</b>	<b>(19,663)</b>	<b>(25,169)</b>	<b>28.0%</b>
General and administrative	(47,053)	(48,315)	2.7%	(14,548)	(15,765)	8.4%
Participations Results	(19,266)	(24,208)	25.7%	(5,115)	(9,404)	83.9%
<b>(-) Administrative Fees</b>	<b>(10,772)</b>	<b>(11,468)</b>	<b>6.5%</b>	<b>(2,654)</b>	<b>(2,583)</b>	<b>-2.7%</b>
<b>(-) Other operating revenues (loss)</b>	<b>7,307</b>	<b>(152)</b>	<b>n.m.</b>	<b>6,701</b>	<b>(793)</b>	<b>n.m.</b>
Other revenue	7,307	(152)	n.m.	6,701	(793)	n.m.
<b>(=) Income from Activity</b>	<b>424,818</b>	<b>545,795</b>	<b>28.5%</b>	<b>(109,875)</b>	<b>(34,991)</b>	<b>-68.2%</b>
(+) Depreciation and amortization	75,816	84,982	12.1%	33,681	35,491	5.4%
<b>EBITDA</b>	<b>500,634</b>	<b>630,777</b>	<b>26.0%</b>	<b>(76,194)</b>	<b>500</b>	<b>n.m.</b>
(-) Variation Fair Val. of Biological Assets	(418,443)	(690,204)	64.9%	121,797	25,253	-79.3%
(+) Realization Fair Val. of Biolog. Assets <sup>(4)</sup>	399,238	565,333	41.6%	113,054	183,438	62.3%
(+) Low Fixed Assets <sup>(2)</sup>	8,654	6,046	-30.1%	2,103	1,216	-42.2%
(+) Other Trans. Prop., Plant and Equip <sup>(2)</sup>	335	916	173.4%	335	675	101.5%
(+) Amortization adjustment - IFRS 16 <sup>(5)</sup>	27,688	49,457	78.6%	18,251	23,545	29.0%
<b>Adjusted EBITDA<sup>(1)(2)</sup></b>	<b>518,106</b>	<b>562,325</b>	<b>8.5%</b>	<b>179,346</b>	<b>234,627</b>	<b>30.8%</b>
<b>Adjusted EBITDA Margin</b>	<b>30.2%</b>	<b>28.5%</b>	<b>-1.7p.p.</b>	<b>26.2%</b>	<b>30.2%</b>	<b>4.0p.p.</b>

<sup>(1)</sup> Excludes the effects from Biological Assets, since they are noncash. <sup>(2)</sup> Excludes Write-offs of Property, Plant and Equipment and Other Property, Plant and Equipment Transactions which are noncash; <sup>(3)</sup> Note 26 of the Quarterly Financial Information; <sup>(4)</sup> Note 25 of the Quarterly Financial Information

<sup>(5)</sup> Amortization of right-of-use assets - leases.

#### Net Revenue

Table 9 Net Revenue

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Net Revenue</b>	<b>1,716,794</b>	<b>1,971,778</b>	<b>14.9%</b>	<b>684,900</b>	<b>776,517</b>	<b>13.4%</b>
Cotton lint	619,224	809,902	30.8%	233,114	330,935	42.0%
Cotton seed	52,663	81,770	55.3%	40,508	52,040	28.5%
Soybean	916,932	1,098,854	19.8%	245,525	288,463	17.5%
Corn	186,068	241,519	29.8%	156,121	192,844	23.5%
Others	37,746	45,038	19.3%	30,187	41,146	36.3%
Hedge income	(95,839)	(305,305)	218.6%	(20,555)	(128,911)	527.2%

Table 10 Volume Invoiced (tons)

(tons)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Volume Invoiced</b>	<b>1,574,326</b>	<b>1,611,994</b>	<b>2.4%</b>	<b>803,400</b>	<b>755,096</b>	<b>-6.0%</b>
Cotton lint	94,444	107,499	13.8%	35,129	43,389	23.5%
Cotton seed	159,966	162,539	1.6%	124,504	104,986	-15.7%
Soybean	800,247	814,225	1.7%	215,246	180,426	-16.2%
Corn	481,994	497,225	3.2%	411,796	405,188	-1.6%
Others	37,675	30,506	-19.0%	16,725	21,107	26.2%

Net Revenue advanced 13.4% and 14.9% in relation to 3Q19 and 9M19, respectively. The quarter was marked by an increase in the volume of cotton invoiced and by better prices for the soybean and corn invoiced.

In 9M20, there was an increase in the volume invoiced of the main products and higher prices for the soybean and corn invoiced, with these factors partially offset by the lower price of cotton invoiced (based on the allocation of currency hedge by crop, as detailed in Table 14).

Table 11 Variation in Fair Value of Biological Assets

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Variation in Fair Value of Biol. Assets</b>	<b>418,443</b>	<b>690,204</b>	<b>64.9%</b>	<b>(121,797)</b>	<b>(25,253)</b>	<b>-79.3%</b>
Cotton lint	224,433	298,465	33.0%	(109,606)	(26,171)	-76.1%
Cotton seed	15,411	28,208	83.0%	(6,002)	(1,710)	-71.5%
Soybean	145,812	233,115	59.9%	-	-	-
Corn	17,933	62,353	247.7%	(6,256)	1,404	n.m.
Others	14,854	68,063	358.2%	67	1,224	n.m.

The calculation of Variation in Fair Value of Biological Assets ("VFVBA") reflects the estimated gross margin (sale price at farm less unit costs incurred) of crops presenting significant biological transformation in the calculation period.

In 3Q20, we concluded the recording of VFVBA for the cotton and corn crops. In the case of cotton, as occurred in 3Q19, in 3Q20 VFVBA was negative due to the downward revision of the yield estimate for the crop.

In 9M20 compared to 9M19, VFVBA increased 64.9%. For cotton and corn, VFVBA reflects the better expectations for the gross revenue of these products in relation to the previous crop year.

For soybean, the increase in VFVBA is partially due to the assumptions used in the calculation: in 2019, after calculating Variation in Fair Value of Biological Assets for the 2018/19 crop year, the crop's prices and yield improved, leading the Variation in Fair Value to underestimate the crop's result for that year. Furthermore, given the sharp increase in soybean prices over recent months, which allowed for moving forward with sales for the crop year at substantially higher prices than those obtained until then, actual soybean unit gross income will be higher than in the previous crop year, as can be seen in the Gross Income by Crop section.

## Cost of Goods Sold

Table 12 Cost of Goods Sold

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Cost of Goods Sold</b>	<b>(1,151,899)</b>	<b>(1,364,838)</b>	<b>18.5%</b>	<b>(512,277)</b>	<b>(551,021)</b>	<b>7.6%</b>
Cotton lint	(338,471)	(450,088)	33.0%	(158,855)	(176,509)	11.1%
Cotton seed	(42,857)	(51,852)	21.0%	(33,602)	(37,738)	12.3%
Soybean	(579,400)	(638,804)	10.3%	(172,413)	(166,542)	-3.4%
Corn	(152,861)	(176,620)	15.5%	(133,012)	(149,655)	12.5%
Others	(38,310)	(47,474)	23.9%	(14,395)	(20,577)	42.9%

Cost of Goods Sold increased 7.6% in the quarter, mainly due to the higher cotton volume invoiced in the period and to the increase in soybean and corn unit cost.

In 9M20, the increase in COGS compared to the prior-year period is explained by the combination of higher volumes invoiced of the main products and the higher unit costs.

Table 13 Realization of Fair Value of Biological Assets

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Realiz. of the Fair Value of Biological Assets</b>	<b>(399,238)</b>	<b>(565,333)</b>	<b>41.6%</b>	<b>(113,054)</b>	<b>(183,438)</b>	<b>62.3%</b>
Cotton lint	(161,397)	(139,140)	-13.8%	(41,530)	(65,911)	58.7%
Cotton seed	(11,066)	(12,530)	13.2%	(6,635)	(9,172)	38.2%
Soybean	(196,398)	(301,236)	53.4%	(52,912)	(63,466)	19.9%
Corn	(13,832)	(45,584)	229.6%	(9,279)	(40,009)	331.2%
Others	(16,545)	(66,843)	304.0%	(2,698)	(4,880)	80.9%

The Realization of Fair Value of Biological Assets (RFVBA) is the corresponding entry to Variation in Fair Value (calculated upon harvest) and is recognized as the products are invoiced.

RFVBA was 62.3% higher than in 3Q19, notably in cotton, given the higher volume invoiced in the period.

Compared to 9M19, RFVAB was 41.6% higher, with the main variations in the soybean and corn crops, mainly due to the higher volumes invoiced in the periods.

## Gross Income by Crop

To contribute to a better understanding of margins by crop, in this section the gain (loss) from currency hedge is allocated within cotton, soybean and corn.

### Cotton Lint and Cotton Seed

Table 14 Gross Income - Cotton Lint

<b>Cotton Lint</b>		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	94,444	107,499	13.8%	35,129	43,389	23.5%
Net Revenue	R\$/thd	619,224	809,902	30.8%	233,114	330,935	42.0%
Result of currency hedge	R\$/thd	(45,232)	(210,660)	365.7%	(13,187)	(100,401)	661.4%
Net inc. adj. for the result of cur. hed.	R\$/thd	573,992	599,242	4.4%	219,927	230,534	4.8%
Unit Price	R\$/ton	6,078	5,574	-8.3%	6,261	5,313	-15.1%
Total Cost	R\$/thd	(338,471)	(450,088)	33.0%	(158,855)	(176,509)	11.1%
Unit Cost	R\$/ton	(3,584)	(4,187)	16.8%	(4,522)	(4,068)	-10.0%
Unitary Gross Income	R\$/ton	2,494	1,387	-44.4%	1,739	1,245	-28.4%

Of the volume of cotton invoiced in 3Q20, 45% refers to the 2018/19 crop year and 55% to the 2019/20 crop year, while in 3Q19 the cotton invoiced almost entirely referred to the 2018/19 crop year. The 28.4% reduction in Unit Gross Income in the quarter was due to the lower price of the cotton invoiced, which was partially offset by the reduction in unit cost. The reduction in unit cost reflects the volume of the product related to the 2019/20 crop year.

In 9M20, Unit Gross Income decreased 44.4% from 9M19, which is mainly explained by the fact that 78% of cotton invoiced in this period was produced in the 2018/19 crop year, when Gross Income was lower than in the 2017/18 crop year due to the factors of yield (lower) and cost per hectare (higher).

Table 15 Gross Income - Cotton Seed

<b>Cotton Seed</b>		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	159,966	162,539	1.6%	124,504	104,986	-15.7%
Net Revenue	R\$/thd	52,663	81,770	55.3%	40,508	52,040	28.5%
Unit Price	R\$/ton	329	503	52.9%	325	496	52.6%
Total Cost	R\$/thd	(42,857)	(51,852)	21.0%	(33,602)	(37,738)	12.3%
Unit Cost	R\$/ton	(268)	(319)	19.0%	(270)	(359)	33.0%
Unitary Gross Income	R\$/ton	61	184	201.6%	55	136	149.1%

In 3Q20 and 9M20, cotton seed Unit Gross Income increased significantly. Despite the increase in unit cost, this performance is mainly due to the higher unit prices, which rose by 52.6% in the quarter (3Q20 vs. 3Q19) and by 52.9% in the year to date (9M20 vs. 9M19), reflecting domestic demand for animal food supplements and biodiesel production.

## Soybean

Table 16 Gross Income – Soybean

Soybean		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	800,247	814,225	1.7%	215,246	180,426	-16.2%
Net Revenue	R\$/thd	916,932	1,098,854	19.8%	245,525	288,463	17.5%
Result of currency hedge	R\$/thd	(45,268)	(76,604)	69.2%	(3,198)	(14,499)	353.4%
Net inc. adj. for the result of cur. hedg.	R\$/thd	871,664	1,022,250	17.3%	242,327	273,964	13.1%
Unit Price	R\$/ton	1,089	1,255	15.2%	1,126	1,518	34.8%
Total Cost	R\$/thd	(579,400)	(638,804)	10.3%	(172,413)	(166,542)	-3.4%
Unit Cost	R\$/ton	(724)	(785)	8.4%	(801)	(923)	15.2%
Unitary Gross Income	R\$/ton	365	471	28.8%	325	595	83.1%

In 3Q20 and 9M20 compared to the prior-year periods, Unit Gross Income from soybean increased 83.1% and 28.8%, respectively. The increases are due to the higher yield obtained in the 2019/20 crop year compared to 2018/19 crop year, combined with the significant increases in the average invoiced prices.

## Corn

Table 17 Gross Income – Corn

Corn		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	481,994	497,225	3.2%	411,796	405,188	-1.6%
Net Revenue	R\$/thd	186,068	241,519	29.8%	156,121	192,844	23.5%
Result of currency hedge	R\$/thd	(5,339)	(18,041)	237.9%	(4,170)	(14,011)	236.0%
Net inc. adj. for the result of cur. hedg.	R\$/thd	180,729	223,478	23.7%	151,951	178,833	17.7%
Unit Price	R\$/ton	375	449	19.7%	369	441	19.5%
Total Cost	R\$/thd	(152,861)	(176,620)	15.5%	(133,012)	(149,655)	12.5%
Unit Cost	R\$/ton	(317)	(355)	12.0%	(323)	(369)	14.2%
Unitary Gross Income	R\$/ton	58	94	62.1%	46	72	56.5%

The corn invoiced in 3Q20 was produced in the 2019/20 crop year. In 3Q20, unit gross income increased 56.5% in relation to 3Q19, mainly due to the higher average sales price, with this factor partially offset by the higher unit cost, reflecting the increases in costs per hectare in the 2019/20 crop year compared to the 2018/19 crop year.

In 9M20, 90% of the corn invoiced was from the 2018/19 crop year, while in 9M19 most of the volume was from the 2017/18 crop year. The 62.1% increase in unit Gross Income also reflects the better invoice prices, with this factor partially offset by the increase in unit cost, in this case resulting from the higher cost per hectare in the 2018/19 crop year compared to the 2017/18 crop year.

## Gross Income

Table 18 – Gross Income

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Gross Profit</b>	<b>584,100</b>	<b>731,811</b>	<b>25.3%</b>	<b>(62,228)</b>	<b>16,805</b>	<b>n.m.</b>
Cotton lint	235,521	149,154	-36.7%	61,072	54,025	-11.5%
Cotton seed	9,806	29,918	205.1%	6,906	14,302	107.1%
Soybean	292,264	383,446	31.2%	69,914	107,422	53.6%
Corn	27,868	46,858	68.1%	18,939	29,178	54.1%
Others	(564)	(2,436)	331.9%	15,792	20,569	30.2%
Biological Assets	19,205	124,871	550.2%	(234,851)	(208,691)	-11.1%

Excluding the effects from Biological Assets (Variation and Realization of Fair Value) will indicate the actual margins for the products invoiced.

Based on this calculation, In the quarter Gross Income increased 30.6%, due to the higher cotton volume invoiced in the period and the higher prices of the soybean and corn invoiced.

In 9M20 compared to 9M19, Gross Income advanced 7.4%. This variation was mainly due to the higher volumes invoiced for all products and to the higher invoice prices for soybean and corn.



## Selling Expenses

Selling Expenses decreased 27.4% in the quarter, mainly due to the reclassification of expenses with royalties from Selling Expenses to Prepaid Expenses, under Assets.

In 9M20 compared to 9M19, selling expenses increased 13.8%, mainly in the line Export Expenses, reflecting the depreciation in the Brazilian real against the U.S. dollar in the period, since these amounts are indexed to the dollar.

Table 19 - Selling Expenses

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Freight	29,436	34,448	17.0%	10,331	12,422	20.2%
Storage	26,167	30,577	16.9%	9,011	9,807	8.8%
Commissions	10,257	10,831	5.6%	2,157	2,369	9.8%
Classification of Goods	992	1,029	3.7%	704	571	-18.9%
Export Expenses	15,312	23,693	54.7%	4,797	8,150	69.9%
Others	7,334	1,295	-82.3%	5,031	(10,068)	n.m.
Total	89,498	101,873	13.8%	32,031	23,251	-27.4%
% Net Revenue	5.2%	5.2%	-	4.7%	3.0%	-1.7p.p.

## Administrative Expenses

Administrative Expenses (excluding amounts related to the Profit Sharing Program) increased 8.4% in 3Q20 and 2.7% in 9M20 in relation to the same periods last year.

In the quarter and year to date, the main variations were:

- (i) increase in Personnel Expenses, mainly due to adjustments to the Information Technology team to support improvements in digital tools and the automation of processes;
- (ii) decrease in expenses with travel due to COVID-19;
- (iii) decrease in contingency expenses due to lawsuits reclassified from "Probable" To "Possible" risks.

Table 20 Administrative Expenses

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Expenses with personnel	23,540	27,871	18.4%	7,882	9,556	21.2%
Fees	3,977	3,739	-6.0%	1,578	1,298	-17.7%
Depreciations and amortizations	1,404	1,521	8.3%	481	482	0.2%
Expenses with travels	1,871	832	-55.5%	659	(18)	n.m.
Software maintenance	4,547	3,599	-20.8%	1,604	1,262	-21.3%
Marketing/Advertisement	1,716	1,639	-4.5%	153	296	93.5%
Expenses with Communications	1,856	2,477	33.5%	688	884	28.5%
Rentals	713	827	16.0%	262	316	20.6%
Labor, Tax and Environmental Contingencies	1,663	34	-98.0%	(1,176)	(14)	-98.8%
Electricity	146	130	-11.0%	40	31	-22.5%
Taxes and other fees	1,077	977	-9.3%	301	354	17.6%
Contributions and donations	1,539	2,230	44.9%	544	598	9.9%
Other	3,004	2,439	-18.8%	1,532	720	-53.0%
Subtotal	47,053	48,315	2.7%	14,548	15,765	8.4%
% Net Revenue	2.7%	2.5%	-0.3p.p.	2.1%	2.0%	-0.1p.p.
Provision for profit share program	19,266	24,208	25.7%	5,115	9,404	83.9%
Total	66,319	72,523	9.4%	19,663	25,169	28.0%

## Net Financial Income (Expense)

Since all the Company's dollar-denominated debt is swapped to BRL (in line with the Risk Management Policy), the exchange variation on such debt does not affect Financial Income (Loss) when we analyze aggregated figures, since any gains or losses on such debt from FX variation are offset by gains/losses in equal proportion on the respective swap.

Table 21 Adjusted Net Financial Income (Expense)

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Interest	(72,782)	(50,562)	-30.5%	(31,002)	(14,920)	-51.8%
FX Variation	6,872	11,943	73.8%	3,213	4,439	38.2%
Monetary Variation	139	-	-100.0%	1	-	-100.0%
Adj. to pres. value of leas. contracts IFRS16	(33,424)	(43,547)	30.3%	(12,751)	(14,953)	17.3%
Other financial revenues (expenses)	469	(4,700)	n.m.	(767)	(968)	26.2%
<b>Total</b>	<b>(98,726)</b>	<b>(86,866)</b>	<b>12.0%</b>	<b>(41,307)</b>	<b>(26,401)</b>	<b>-36.1%</b>
<b>% Net Revenue</b>	<b>5.8%</b>	<b>4.4%</b>	<b>-1.3p.p.</b>	<b>6.0%</b>	<b>3.4%</b>	<b>-2.6p.p</b>

Adjusted Net Financial Income (Loss) decreased 36.1% in 3Q20 compared to the same period last year. The main impact refers to the "Interest" line, reflecting the decline in the CDI (Brazilian benchmark fixed-income rate), which is the main indexer adopted in debt agreements.

The increase in Adjustment to Present Value of Leases was due to the lengthening of the terms of certain leasing contracts and to the increase in the price of the soybean bag in BRL (adjustment indexer adopted in agreements). In addition, there was an increase in the line Other financial income (expenses) related to discount on the transfer of ICMS tax and the expenses with PIS/COFINS on financial income.

## Net Income (Loss)

Table 22 Net Income

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Income before taxes on profit</b>	<b>326,092</b>	<b>458,928</b>	<b>40.7%</b>	<b>(151,182)</b>	<b>(61,392)</b>	<b>-59.4%</b>
Income Tax and Social Cont. on Profit	(99,718)	(142,151)	42.6%	54,222	25,682	-52.6%
<b>Consolid. Net Income for the Period</b>	<b>226,374</b>	<b>316,777</b>	<b>39.9%</b>	<b>(96,960)</b>	<b>(35,710)</b>	<b>-63.2%</b>
Assigned to parent company	226,960	305,471	34.6%	(80,296)	(23,749)	-70.4%
Assigned to non-controlling members	(586)	11,306	n.m.	(16,664)	(11,961)	-28.2%
<b>Net Margin</b>	<b>13.2%</b>	<b>16.1%</b>	<b>2.9p.p.</b>	<b>-14.2%</b>	<b>-4.6%</b>	<b>9.6p.p.</b>

Net Income in 9M20 came to R\$316.8 million, representing growth of 40% compared to 9M19, which is explained by: (i) the R\$42.0 million increase in Gross Income from the crops invoiced (excluding impacts from Biological Assets), given the higher volumes and better prices (for soybean and corn); and (ii) the accounting dynamics of Biological Assets, which estimates higher Gross Income for cotton in the 2019/20 crop year compared to 2018/19 crop year, which already is implicit in net income for the year to date.

In 3Q20, the company reported a Net Loss of R\$35.7 million, basically due to the accounting dynamics of Variation and Realization of Fair Value of Biological Assets. Therefore, for a good understanding of the Net Loss for 3Q20, it is necessary to consider that, as already mentioned (in the section Variation of Fair Value of Biological Assets), the estimated yield for the cotton crop for the 2019/20 crop year was revised downward, which required an adjustment in the calculation of Fair Value, which was recognized in the quarter.

## Statement of Cash Flow Analysis

Free cash generation was positive in the quarter, at R\$315.1 million, reflecting the better cash flow characteristic of the second half of the year (the end of payments for agricultural inputs and the higher volumes invoiced of cotton).

In 9M20, however, free cash generation is still negative, at R\$113.5 million. This situation will be reversed in the fourth quarter, as the invoicing of cotton from the 2019/20 crop year accelerates and as working capital reflects the higher release of cash.

Table 23 Summarized Cash Flow

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Cash generated in operations</b>	<b>600,707</b>	<b>760,548</b>	<b>26.6%</b>	<b>200,524</b>	<b>291,507</b>	<b>45.4%</b>
<b>Changes in assets and liabilities</b>	<b>(532,059)</b>	<b>(533,420)</b>	<b>0.3%</b>	<b>28,668</b>	<b>91,513</b>	<b>219.2%</b>
<b>Net cash used in investment activities</b>	<b>(166,640)</b>	<b>(182,106)</b>	<b>9.3%</b>	<b>(35,160)</b>	<b>(51,762)</b>	<b>47.2%</b>
<i>In Fixed assets</i>	<i>(201,367)</i>	<i>(166,191)</i>	<i>-17.5%</i>	<i>(33,977)</i>	<i>(46,978)</i>	<i>38.3%</i>
<i>In Intangible assets</i>	<i>(4,272)</i>	<i>(15,915)</i>	<i>272.5%</i>	<i>(1,183)</i>	<i>(4,784)</i>	<i>304.4%</i>
<i>Receipt from sale of land</i>	<i>38,999</i>	<i>-</i>	<i>-100.0%</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Net cash bef. cash used in inv. act.</b>	<b>(97,992)</b>	<b>45,022</b>	<b>-145.9%</b>	<b>194,032</b>	<b>331,258</b>	<b>70.7%</b>
Net cash gen./ (cons.) in fin. act. <sup>(1)</sup>	(31,609)	(45,332)	43.4%	36,070	(11,704)	-132.4%
Paid leases <sup>(2)</sup>	(61,141)	(113,140)	85.0%	(12,823)	(4,406)	-65.6%
Payment of CRA Costs	(5,792)	-	-100.0%	(369)	-	-100.0%
<b>Adjusted Free Cash</b>	<b>(196,534)</b>	<b>(113,450)</b>	<b>-42.3%</b>	<b>216,910</b>	<b>315,148</b>	<b>45.3%</b>

<sup>(1)</sup> The variations of said account are non-cash.

<sup>(2)</sup> Due to the adoption of IFRS 16, the payment of leases is now accounted in the Statement of Cash Flows under Financing Activities. However, it should be considered as operating cash disbursement.

## Property, Plant and Equipment / CAPEX

Table 24 Capital Expenditure (R\$ thd)

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Machinery, implements and equipment	98,537	82,557	-16.2%	7,614	12,607	65.6%
Land acquisition	3,054	102	-96.7%	161	-	-100.0%
Soil correction	36,505	48,792	33.7%	25,394	37,439	47.4%
Buildings and facilities	41,822	17,101	-59.1%	10,917	5,442	-50.2%
Cotton ginning plant	32,055	3,409	-89.4%	3,470	1,500	-56.8%
Grains storage	1,503	2,185	45.4%	136	396	191.2%
Soil cleaning	2,734	8,974	228.2%	1,054	4,700	345.9%
Vehicles	3,795	1,136	-70.1%	774	917	18.5%
Aircraft	7,542	21	-99.7%	-	-	-
Software	4,277	13,988	227.1%	1,497	5,181	246.1%
Improvements in own properties	2	19	850.0%	-	19	100.0%
Improvements in Third Party Real Estate	1,722	998	-42.0%	535	322	-39.8%
Buildings	7,352	106	-98.6%	-	-	-
Others	-	9,763	100.0%	3,273	4,747	45.0%
<b>Total</b>	<b>240,900</b>	<b>189,151</b>	<b>-21.5%</b>	<b>54,825</b>	<b>73,270</b>	<b>33.6%</b>

Investments increased 33.6% in 3Q20 compared to 3Q19. The main investments in the quarter were in Machinery & Equipment and Soil Correction. In the line Machinery, the main acquisitions were in planters for the Planalto and Pioneira farms. Soil correction was carried out at all farms, led by the Piratini, Planeste, Parnaíba, Planorte and Pantanal farms.

In 9M20, CAPEX decreased by 21.5% compared to 2019. As commented in greater detail in the Earnings Release for 1Q20, due to the pandemic, and adopting a conservative approach, the Company reduced its investments for 2020 as a cash preservation measure. The main investments made, as in the quarter, were in Machinery & Equipment and Soil Correction.

## Debt

Adjusted Net Debt ended the third quarter of 2020 at R\$1.226 billion, representing a decrease of R\$234.4 million from 2Q20, reflecting the positive free cash generation in the period due to the cash conversion cycle. As a result, the Net Debt/EBITDA ratio also declined, to 1.46 times.

At a Board meeting held on October 5, 2020, the issuance of a Rural Financial Product note ("CPR-F") by the Company was approved, pursuant to Law 8,929, of August 22, 1994, as amended, in the amount of up to R\$ 480,000,000.00 (four hundred and eighty million reais), for the benefit of ISEC Securitizadora SA ("Securitizadora"), which will serve as a backing for the securitization of Agribusiness Receivables Certificates ("CRA") by ISEC Securitizadora in the initial amount of R\$400,000,000.00 (four hundred million reais), which can be increased up to R\$ 480,000,000.00 (four hundred and eighty million reais), and which will be coordinated by Banco Bradesco BBI SA, Banco Santander (Brasil) SA and Banco Itaú BBA SA. The CRA's public offering is subject to analysis and registration by the Securities and Exchange Commission, in accordance with CVM Instruction 400.

Additionally, we raised R\$100 million on October 29<sup>th</sup> from Banco Santander in the first Green Bond operation carried out by the Company, enabling a differentiated loan rate, due to our Environmental Management, Social Responsibility, Management and Security practices.

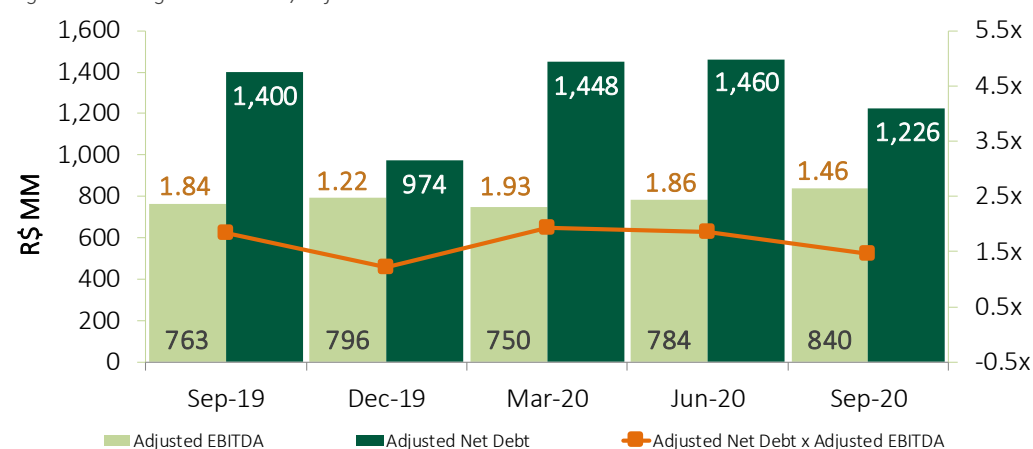
Table 25 Financial Net Debt

Credit Line (R\$ thd)	Index	Average rate (%)		Consolidated	
		2019	3Q20	2019	3Q20
<b>Applied in Fixed Assets</b>				<b>73,235</b>	<b>60,886</b>
Finame – BNDES	Pref. and Bask. Of Curr.	5.4%	5.4%	73,235	60,886
<b>Applied in working Capital</b>				<b>1,792,631</b>	<b>2,397,479</b>
Rural Credit	Pref.	6.0%	4.3%	108,483	12,057
CRA	CDI	4.4%	1.9%	561,447	563,750
Working Capital	CDI <sup>(1)</sup>	5.1%	3.3%	413,490	724,295
Export Loans	Pref.	6.5%	-	111,422	-
Export Loans	CDI <sup>(1)</sup>	5.1%	3.2%	597,789	1,097,377
<b>Total Indebtedness<sup>(4)</sup></b>		<b>5.0%</b>	<b>3.0%</b>	<b>1,865,866</b>	<b>2,458,365</b>
(+/-) Gains and losses with deriv. connected with applic. and debts				6,691	151,908
<b>(=) Adjusted Debt</b>				<b>1,859,175</b>	<b>2,306,457</b>
(-) Cash				885,418	1,080,491
<b>(=) Adjusted Net Debt</b>				<b>973,757</b>	<b>1,225,966</b>
Adjusted EBITDA (last 12 months)				795,521	839,737
<b>Adjusted Net Debt/Adjusted EBITDA</b>				<b>1.22</b>	<b>1.46</b>

<sup>(1)</sup> Final Interest Rate with swap; <sup>(3)</sup> Transactions with gains and losses from Derivatives (see note 22e of the Quarterly Financial Information).

<sup>(4)</sup> Total debt is different from the accounting position due to the costs of CRA transactions (see note 15 of the Quarterly Financial Information).

Figure 14 Change in Net Debt/Adjusted EBITDA Ratio



## Hedge Position

### Currency and agricultural commodity hedge

The Company's sales revenues are generated mainly by the trading of agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollar on international exchanges, such as the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE). Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities. To protect from currency variation we use derivative instruments, with the portfolio of these instruments basically comprising non-deliverable forwards (NDFs). In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established Adjusted EBITDA margin with a combination of factors such as Price, Foreign Exchange and Cost, most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). We also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions. The mark-to-market adjustments of future, swap and option transactions are recorded under financial income (expense).

The hedge position for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. Dollar) is shown below, broken down by commercial hedge and financial hedge and updated as of November 03:

Table 26 Hedge Position

FX Hedge – Soybean				Commercial Hedge – Soybean			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	98.70%	51.60%	-	%	99.70%	53.50%	13.80%
R\$/USD	4.4734	4.9429	-	USD/bu <sup>(2)</sup>	10.19	9.75	10.32
Commitments <sup>(1)</sup>	-	-	-	Commitments <sup>(1)</sup>	-	6.00%	14.30%
FX Hedge – Cotton				Commercial Hedge – Cotton			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	94.50%	48.9%	0.5%	%	96.70%	66.6%	-
R\$/USD	4.42	5.2680	5,5520	US\$/lb <sup>(2)</sup>	68.27	65.34	-
Commitments <sup>(1)</sup>	-	-	-	Commitments <sup>(1)</sup>	-	-	-
FX Hedge – Corn				Commercial Hedge – Corn			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	97.60%	44.00%	-	%	94.40%	55.00%	-
R\$/USD	4.4081	5.1148	-	R\$/bag <sup>(3)</sup>	32.95	35.16	-
Commitments <sup>(1)</sup>	-	-	-	Commitments <sup>(1)</sup>	-	-	-

<sup>(1)</sup> Commitments with payments for fixed-rate securities in U.S. dollar, natural hedge with payments related to land acquisitions and lease agreements based on soybean bags. <sup>(2)</sup> Based on FOB Port - prices at our production units also are influenced by transport expenses and any discounts for quality. <sup>(3)</sup> Farm price.

## Environment, Social & Corporate Governance (ESG)

### ENVIRONMENTAL MANAGEMENT

Preserving the environment is our commitment and part of our strategy, with Environmental, Social and Corporate Governance (ESG) criteria adopted as key pillars of our business. The company has set strategic goals to reduce greenhouse gas emissions, for which it adopts various Environmental Management practices. The use of new technologies, for example, aims to reduce the consumption of inputs and the generation of waste, while contributing to the protection of habitats.

### WATER & BIODIVERSITY

Initiatives on this front work to optimize water consumption and conserve water resources and biodiversity. To achieve this, we invest in eco-efficient production systems, conduct conservation and reforestation actions and adopt best management practices, as shown by the certifications attained by our operations.

#### Water

The rational use and conservation of natural resources, especially water, guide continuous research into optimal techniques for cultivating and managing crops. Today, around 99% of our planted area does not require mechanical irrigation, instead adopting a technique known as dry farming.

Crops on the remaining 1% already have infrastructure for irrigation based on the Sistema Irriga technology, whereby irrigation parameters are defined based on analyses of soil humidity at different depths, on the water needs of each crop in each cultivation phase and on the precipitation forecast for the regions.

At our farms, we draw water from rivers primarily for crop irrigation using the Center-Pivot Irrigation system, and from artesian aquifers for activities at operational facilities and in the field, such as for washing machinery and equipment.

For human use, the only source is groundwater. Every month, we monitor the amount consumed using hydrometers installed in the wells. The sewage generated by our Production Units is sent to septic tanks and the filter systems of our sewage treatment plants. Today, 100% of wastewater is treated by one of these systems.

#### Biodiversity

At our units, which include the 16 farms we operate and the Paineira Farm (leased by a third party), we have 99,400 hectares of conservation areas, which are home to the vegetation typical to the local biomes and the headwaters of the waterways, as well as the species of fauna. Designated as Legal Reserves and Permanent Preservation Areas (APP), as provided for by Brazilian environmental law, these lands represent 32.6% of our entire area.

In some cases, the legal reserves and APPs also are adjacent to conservation units or parks, environmental reserves and indigenous areas.

At all locations, we monitor continuously the geographical boundaries of the farms and rigorously adopt operational procedures, such as building firebreaks and installing signage on the boundaries of the farms to avoid any adverse effects on the environment.

**99%**

*of areas cultivated are  
dryland (no irrigation)*

**100%**

*of wastewater treated before  
discharged*

**99.4k  
hectares**

*designated as Legal  
Reserves and Permanent  
Protection Areas,  
equal to:*

**4 times**

*the city of Frankfurt*

**290**

*Central Parks*

**92k**

*football fields*

## Biodiversity conservation actions

Our Company supports and participates in projects to protect fauna and flora in the regions where our farms are located. Two important examples of these initiatives are Pantanal Headwaters Pact and the Cerrado Biodiversity Conservation Project. The Pantanal Headwaters Pact works to protect headwaters in the Cerrado biome that flow long distances to irrigate the wetlands and preserve ecological processes in the Pantanal, one of the biomes with the greatest diversity of species on the planet. The Cerrado Biodiversity Conservation program is conducted on the Planalto Farm in partnership with the Federal University of Rio Grande do Sul (UFRGS). Its goal is to support academic research in doctoral programs on the legal reserve and APPs of one of the production units located adjacent to Emas National Park and Taquari River Springs Park. The focus of the study is to assess the impact of agricultural activities as an inducer of the quality of support of the remnants of native Cerrado vegetation.

# 300 kg\*

*more carbon sequestered in the soil using direct seeding compared to conventional methods*

\* kg / year- Source: Bayer et al., 2006 (Carbon sequestration in two Brazilian Cerrado soils under no-till.

# X

# 90%

*the area of SLC Agrícola cultivated using direct seeding*

# =

# + 360k

# tCO2e

*equals the potential additional sequestration of carbon in our soil by adopting this technique, equivalent to planting 51k trees*

## CLIMATE & SOIL CHANGE

The efforts to mitigate climate change are based on two key approaches: minimizing the consumption of agricultural inputs, the generation of waste and the use of fossil fuels to ultimately reduce our carbon footprint; and improving soil quality on our cultivation areas to contribute to carbon sequestration.

### Better protected soils function as carbon stocks

Mitigating our contribution to climate change is one of the goals established by our company. In 2020, we will launch the implementation of a ten-year plan to reduce GHG emissions by up to 25% by 2030.

Today, 90% of the land of SLC Agrícola is cultivated using direct seeding methods, which contributes to increasing organic matter and to fixing carbon in the soil.

The new technologies that we have adopted for the localized application of pesticides potentially enable a reduction of up to 90% in the consumption of inputs and water.

We have reduced by 19.5% the impacts caused from fuel consumption by the fleet and agricultural machinery, mainly by adopting technologies and innovations that have optimized the management of these vehicles.

Our business model is focused on developed areas that do not require any transformation of the land (suppression of vegetation). Approximately 99% of our planted areas are currently well developed and with maturity of over three years. Our plan is to end, in 2020, the cycle of expansion by transforming areas so that we can disseminate our commitment to zero deforestation for agricultural production.



## Return Indicators

The Company believes that the calculation of Return on Equity, Return on Net Assets and Return on Invested Capital should consider, in addition to operating income in the period, the net annual appreciation (based on the report of an independent auditor prepared every year) in the value of its land.

Table 27 Return on Equity

(R\$ million)	2013	2014	2015	2016	2017	2018	2019
Net Profit <sup>(1)</sup>	97	70	121	16	289	405	293
Net Land Appreciation <sup>(2)</sup>	374	428	140	199	19	110	142
<b>Subtotal</b>	<b>471</b>	<b>498</b>	<b>261</b>	<b>215</b>	<b>308</b>	<b>515</b>	<b>435</b>
Shareholder's Equity <sup>(3)</sup>	3,087	3,771	3,911	4,346	4,438	4,641	4,973
<b>Return</b>	<b>15.3%</b>	<b>13.2%</b>	<b>6.7%</b>	<b>4.9%</b>	<b>6.9%</b>	<b>11.1%</b>	<b>8.7%</b>

<sup>(1)</sup> Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

<sup>(3)</sup> Adjusted for land price appreciation.

Table 28 Return on Net Assets

(R\$ million)	2013	2014	2015	2016	2017	2018	2019
Net Profit <sup>(1)</sup>	97	70	121	16	289	405	293
Net Land Appreciation <sup>(2)</sup>	374	428	140	199	19	110	142
<b>Subtotal</b>	<b>471</b>	<b>498</b>	<b>261</b>	<b>215</b>	<b>308</b>	<b>515</b>	<b>435</b>
<b>Net Assets</b>	<b>4,276</b>	<b>4,859</b>	<b>5,005</b>	<b>5,026</b>	<b>5,097</b>	<b>5,443</b>	<b>6,551</b>
Working Capital	641	733	739	561	613	603	912
Fixed Assets <sup>(3)</sup>	3,635	4,126	4,266	4,465	4,484	4,840	5,639
<b>Return</b>	<b>11.0%</b>	<b>10.2%</b>	<b>5.2%</b>	<b>4.3%</b>	<b>6.0%</b>	<b>9.5%</b>	<b>6.6%</b>

<sup>(1)</sup> Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

<sup>(3)</sup> Adjusted by land-price appreciation.

Table 29 Return on Invested Capital

(R\$ million)	2013	2014	2015	2016	2017	2018	2019
Operating Income <sup>(1)</sup>	150	190	285	110	513	657	536
IRPJ Rate	23.1%	21.3%	27.3%	0.0%	26.3%	30.5%	24.0%
Adjusted IR	(35)	(40)	(78)	20	(135)	(200)	(129)
Adjusted Operating Income	115	150	207	130	378	457	407
Net Land Appreciation <sup>(2)</sup>	374	428	140	199	19	110	142
<b>Operating results w/ land</b>	<b>489</b>	<b>578</b>	<b>347</b>	<b>329</b>	<b>397</b>	<b>567</b>	<b>549</b>
<b>Invested Capital</b>	<b>3,864</b>	<b>4,731</b>	<b>5,005</b>	<b>5,255</b>	<b>5,104</b>	<b>5,584</b>	<b>5,947</b>
Gross Debt (ST and LT)	1,170	1,332	1,795	1,974	1,578	1,586	1,859
Cash	393	372	701	1,065	749	643	885
Net Debt	777	960	1,094	909	829	943	974
Shareholder's Equity <sup>(3)</sup>	3,087	3,771	3,911	4,346	4,275	4,641	4,973
<b>Return</b>	<b>12.7%</b>	<b>12.2%</b>	<b>6.9%</b>	<b>6.3%</b>	<b>7.8%</b>	<b>10.2%</b>	<b>9.2%</b>

<sup>(1)</sup> Even in periods that encompass operational results from the land sales, in this analysis only the results of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

<sup>(3)</sup> Adjusted for land price appreciation.

## Additional Information

### Planted Area – 2020/21 Crop Year

Area Mix	Planted Area 2019/20 ----- ha -----	Planted Area 2020/21 <sup>(1)</sup> ----- ha -----	Share 2020/21 %	Δ%
<b>1<sup>st</sup> crop Area</b>	<b>313,458</b>	<b>323,722</b>	<b>68.6</b>	<b>3.3</b>
Owned Area	111,101	109,814	23.3	-1.2
Leased Area	129,946	136,550	28.9	5.1
Joint Ventures Areas <sup>(2)</sup>	40,148	41,771	8.9	4.0
SLC LandCo Areas <sup>(3)</sup>	32,263	35,587	7.5	10.3
<b>2<sup>nd</sup> crop Area</b>	<b>135,110</b>	<b>147,997</b>	<b>31.4</b>	<b>9.5</b>
Owned Area	54,156	56,734	12.1	4.8
Leased Area	53,604	62,968	13.3	17.5
Joint Ventures Areas <sup>(2)</sup>	9,876	12,035	2.6	21.9
SLC LandCo Areas <sup>(3)</sup>	17,474	16,260	3.4	-7.0
<b>Total Area</b>	<b>448,568</b>	<b>471,719</b>	<b>100.0</b>	<b>5.2</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Areas owned by Grupo Roncador and Mitsui.

<sup>(3)</sup> A SLC Agrícola holds an 81.23% interest in SLC LandCo.

### Planted Area – 2019/20 Crop Year

Table 30 Planted area by type (own, leased, joint operations and partnerships)

Area Mix	Planted Area 2018/19 ----- ha -----	Planted Area 2019/20 <sup>(1)</sup> ----- ha -----	Share 2019/20 %	Δ%
<b>1<sup>st</sup> crop Area</b>	<b>316,159</b>	<b>313,458</b>	<b>69.9</b>	<b>-0.9</b>
Owned Area	111,279	111,101	24.8	-0.2
Leased Area	130,669	129,946	29.0	-0.6
Joint Ventures Areas <sup>(2)</sup>	39,551	40,148	9.0	1.5
SLC LandCo Areas <sup>(3)</sup>	34,660	32,263	7.1	-6.9
<b>2<sup>nd</sup> crop Area</b>	<b>141,940</b>	<b>135,110</b>	<b>30.1</b>	<b>-4.8</b>
Owned Area	62,000	54,156	12.1	-12.7
Leased Area	56,611	53,604	11.9	-5.3
Joint Ventures Areas <sup>(2)</sup>	8,516	9,876	2.2	16.0
SLC LandCo Areas <sup>(3)</sup>	14,813	17,474	3.9	18.0
<b>Total Area</b>	<b>458,099</b>	<b>448,568</b>	<b>100.0</b>	<b>-2.1</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Areas owned by Grupo Roncador and Mitsui.

<sup>(3)</sup> A SLC Agrícola holds an 81.23% interest in SLC LandCo.

### Property portfolio

The portfolio of properties under our management on **November 6, 2020** is presented below:

Table 31 Property Portfolio

Area 2019/20 Crop (ha)	Owned <sup>(1)</sup>	SLC LandCo <sup>(2)</sup>	Leased	Joint Ventures	Under Control	Total Planted <sup>(3)</sup>
Farm State	----- ha -----					
Pamplona GO	17,994		3,857		21,851	20,992
Pantanal MS			26,014		26,014	44,599
Planalto MS	15,006		1,635		16,641	22,523
Planorte MT	23,454				23,454	31,346
Paiaguás MT	28,129		17,318		45,447	67,381
Perdizes <sup>(5)</sup> MT	28,893	13,288			42,181	26,947
Pioneira <sup>(4)</sup> MT				19,855	19,855	31,889
Panorama BA		10,373	14,253		24,626	21,806
Paladino <sup>(5)</sup> BA				21,917	21,917	21,917
Piratini BA		25,356			25,356	8,446
Palmares BA	16,195	831	16,293		33,319	23,916
Parnaíba MA	26,193		11,545		37,738	43,007
Palmeira MA		10,200	14,500		24,700	21,322
Planeste MA		22,785	20,339		43,124	62,069
Parceiro BA	27,564	3,680	10,796		42,040	14,313
Paineira <sup>(6)</sup> PI	12,892				12,892	-
Parnaguá PI	21,933				21,933	9,246
<b>Total</b>	<b>218,253</b>	<b>86,513</b>	<b>136,550</b>	<b>41,771</b>	<b>483,088</b>	<b>471,719</b>

<sup>(1)</sup> Own property, includes Legal Reserve. <sup>(2)</sup> SLC Agrícola currently owns 81.23% of SLC LandCo, while the Valiance fund owns 18.77%. <sup>(3)</sup> Including the second crop. Weather factors could affect the planted area forecast. <sup>(4)</sup> The Pioneira Farm is part of the joint arrangement with Grupo Roncador. <sup>(5)</sup> The Perdizes and Paladino Farms are part of the joint arrangements with Mitsui in SLC-Mit. <sup>(6)</sup> Farm leased to third parties.

## Landbank

The current position of our landbank is presented below:

Table 32 Landbank

Hectares	Under Transformation	Under Licensing
<b>SLC Agrícola</b>		
Parnaíba	-	1,464
Parnaguá	-	3,426
Parceiro	6,698	-
<b>Sub Total</b>	<b>6,698</b>	<b>4,890</b>
<b>SLC LandCo</b>		
Palmeira <sup>(1)</sup>	4,749	-
Piratini	9,993	-
Parceiro <sup>(1)</sup>	-	-
<b>Subtotal</b>	<b>14,742</b>	<b>-</b>
<b>Total</b>	<b>21,440</b>	<b>4,890</b>

<sup>(1)</sup> Areas acquired by SLC LandCo to be developed jointly with these farms.

## Property Appraisal

In September, a new independent appraisal of SLC Agrícola's property portfolio was concluded by the firm Deloitte Touche Tohmatsu, the result of which indicated a total value of R\$3.962 billion, representing appreciation of 4.62% in relation to 2019. The average price per arable hectare of the Company's properties is currently R\$19,343.

## Machinery base and Storage capacity

Table 33 Machinery Base and Storage Capacity

	2018	2019	9M20
Machinery (quantity)	867	873	870
Tractors	216	212	208
Grains Combiners	209	206	198
Cotton Pickers	76	85	92
Planters	212	209	210
Self propelled sprayers	154	161	162
Storage capacity (tons)			
Grains	764,000	764,000	764,000
% Production <sup>(1)</sup>	52%	52%	52%
Cotton	125,148	125,148	125,148
% Production <sup>(1)</sup>	60%	60%	60%

<sup>(1)</sup> Estimate based on the estimated planted area and yield for 2019/20.

## Net Asset Value

Table 34 Net Asset Value – NAV

(R\$ million)	3Q20
SLC Agrícola Farms <sup>(1)</sup>	2,767
SLC LandCo Farms <sup>(1)</sup>	755
Infrastructure (excl. land)	1,112
Accounts Receivable (excl. derivatives)	51
Inventories	1,842
Biological Assets	202
Cash	980
<b>Subtotal</b>	<b>7,709</b>
Suppliers	600
Gross debt adjusted by results of operations with derivatives	1,804
Outstanding debt related to land acquisition	-
<b>Subtotal</b>	<b>2,404</b>
<b>Net asset value</b>	<b>5,305</b>
<b>Net Asset value per share (190,595,000 shares)</b>	<b>27.8</b>

<sup>(1)</sup> Based on the independent appraisal report (Deloitte, 2020), net of taxes.

NOTE: All accounts are adjusted by SLC Agrícola's interests in subsidiaries/joint ventures.

## Debt

Figure 15 Change in Adjusted Gross Debt (R\$ '000)

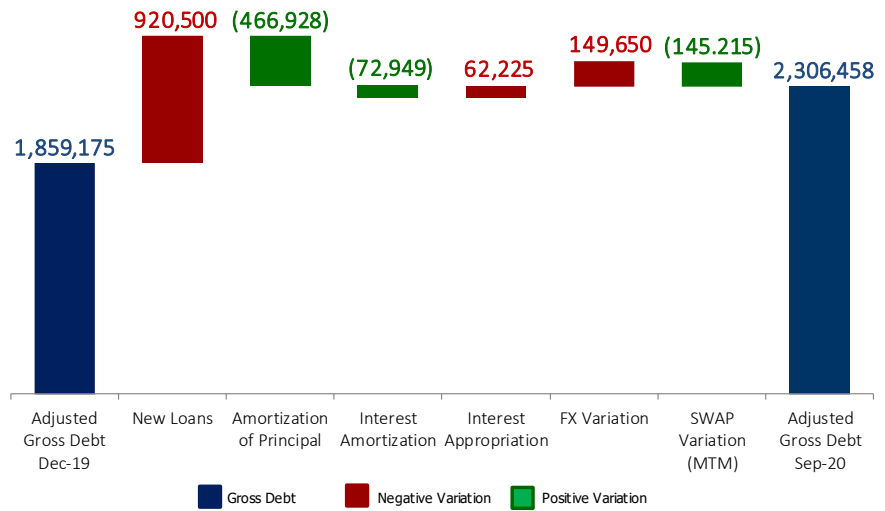


Figure 16 Adjusted Gross Debt Amortization Schedule (R\$ '000)

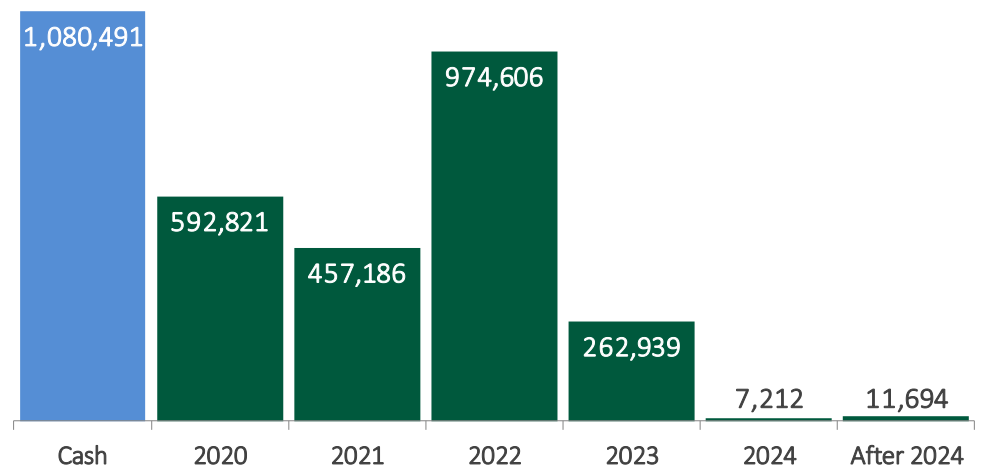
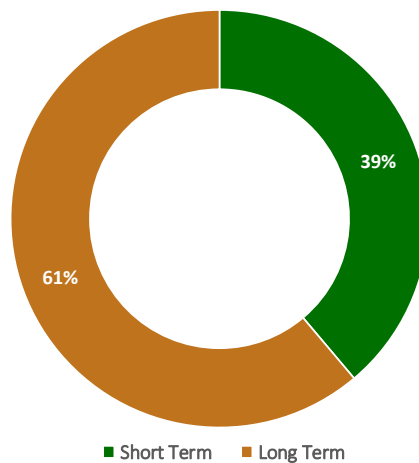
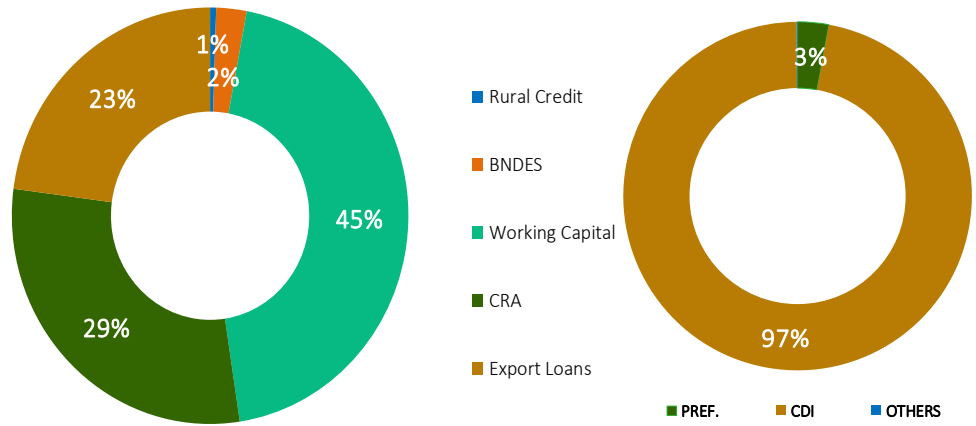
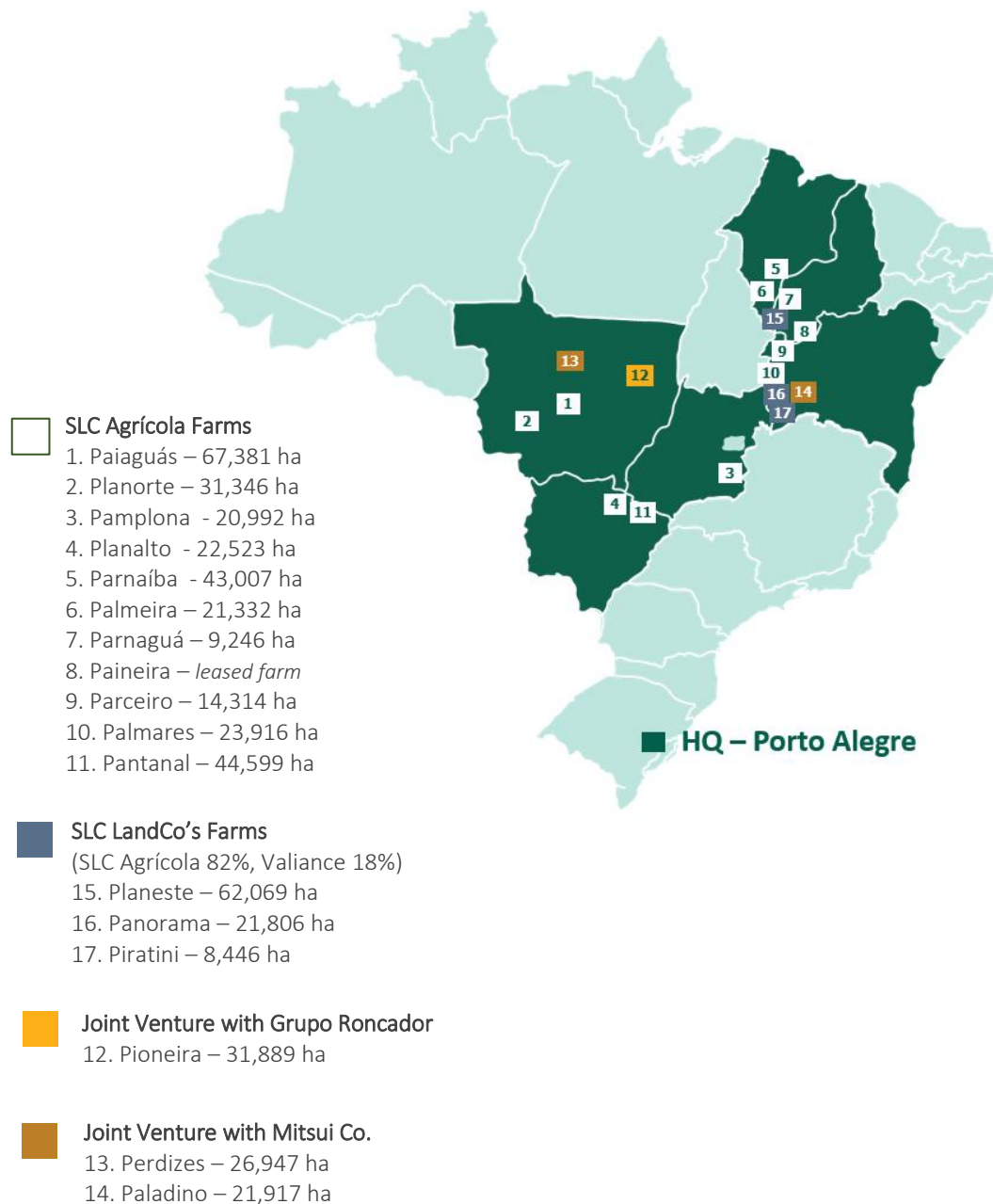


Figure 17 Adjusted Gross Debt Profile



*Figure 18 Adjusted Gross Debt by Index and Instrument*

## Location of Production Units and Headquarters



## Disclaimer

*This release makes statements concerning future events that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company. Forward-looking statements include information on our current plans, beliefs or expectations, as well as those of the Company's directors and officers. Forward-looking statements include information on potential or assumed operating results as well as statements that are preceded, followed by or include the words "believe," "may," "will," "continue," "expect," "project," "intend," "plan," "estimate" or similar expressions. Forward-looking statements and information provide no guarantee of performance. Because they refer to future events, they involve risks, uncertainties and assumptions and as such depend on circumstances that may or may not occur. The Company's future results and creation of value for shareholders may differ significantly from the figures expressed or suggested in the forward-looking statements. Many factors that will determine these results and values are beyond our capacity to control or predict.*



## Exhibit 1 – Balance Sheet – Assets

R\$ (thd)	2019	AV	3Q20	AV	AH
<b>Assets</b>	<b>3,090,810</b>	<b>44.4%</b>	<b>3,641,770</b>	<b>46.5%</b>	<b>17.8%</b>
Cash and cash equivalents	829,427	11.9%	1,069,831	13.7%	29.0%
Short-term interest earnings bank deposits	55,342	0.8%	10,000	0.1%	-81.9%
Accounts receivable	178,405	2.6%	109,170	1.4%	-38.8%
Advances to suppliers	2,443	0.0%	3,599	0.0%	47.3%
Inventories	1,071,354	15.4%	1,976,064	25.2%	84.4%
Biological assets	780,589	11.2%	225,479	2.9%	-71.1%
Recoverable taxes	41,943	0.6%	44,024	0.6%	5.0%
Securities and credits receivable	71,657	1.0%	73,759	0.9%	2.9%
Operations with derivatives	34,008	0.5%	86,161	1.1%	153.4%
Intercompany transactions	11	0.0%	-	-	-
Other accounts receivable	11,412	0.2%	10,577	0.1%	-7.3%
Prepaid expenses	14,030	0.2%	30,768	0.4%	119.3%
Assets held for sale	189	0.0%	2,338	0.0%	n.m.
<b>Non-current assets</b>	<b>3,867,319</b>	<b>55.6%</b>	<b>4,188,279</b>	<b>53.5%</b>	<b>8.3%</b>
Financial investments at fair value	650	0.0%	660	0.0%	1.5%
Recoverable taxes	122,469	1.8%	136,476	1.7%	11.4%
Deferred income and social contribution taxes	22,517	0.3%	31,745	0.4%	41.0%
Operations with derivatives	11,328	0.2%	90,409	1.2%	698.1%
Accounts receivable	5,248	0.1%	2,681	0.0%	-48.9%
Advances to suppliers	30,241	0.4%	28,676	0.4%	-5.2%
Prepaid expenses	528	0.0%	1,600	0.0%	203.0%
Other credits	7,945	0.1%	13,180	0.2%	65.9%
	<b>200,926</b>	<b>2.9%</b>	<b>305,427</b>	<b>3.9%</b>	<b>52.0%</b>
Property, plant and equipment	217,010	3.1%	216,835	2.8%	-0.1%
Right of use asset	555,031	8.0%	693,227	8.9%	24.9%
Property, plant and equipment	2,878,989	41.4%	2,944,290	37.6%	2.3%
Intangible	15,363	0.2%	28,500	0.4%	85.5%
	<b>3,666,393</b>	<b>52.7%</b>	<b>3,882,852</b>	<b>49.6%</b>	<b>5.9%</b>
<b>TOTAL ASSET</b>	<b>6,958,129</b>	<b>100%</b>	<b>7,830,049</b>	<b>100%</b>	<b>12.5%</b>

## Exhibit 2 – Balance Sheet – Liabilities

R\$ (thd)	2019	AV	3Q20	AV	AH
<b>Liabilities</b>	<b>2,043,561</b>	<b>29.4%</b>	<b>2,475,175</b>	<b>31.6%</b>	<b>21.1%</b>
Suppliers	922,000	13.3%	653,488	8.3%	-29.1%
Loans and financing	699,515	10.1%	959,531	12.3%	37.2%
Taxes, rates and sundry contributions	57,510	0.8%	22,398	0.3%	-61.1%
Social charges and labor legislation obligations	54,572	0.8%	69,922	0.9%	28.1%
Advances from clients	33,289	0.5%	162,971	2.1%	389.6%
Debts with realted parties	125	0.0%	117	0.0%	-6.4%
Operations with derivatives	55,230	0.8%	425,004	5.4%	669.5%
Securities payable	12,273	0.2%	12,273	0.2%	0.0%
Provisions for tax, environmental and labor risks	4,121	0.1%	5,276	0.1%	28.0%
Dividends payable	73,759	1.1%	12	0.0%	-100.0%
Leases payable	225	0.0%	408	0.0%	81.3%
Third party lease liability	114,567	1.6%	141,761	1.8%	23.7%
Others accounts payables	16,375	0.2%	22,014	0.3%	34.4%
<b>Non-current liabilities</b>	<b>1,930,147</b>	<b>27.7%</b>	<b>2,444,148</b>	<b>31.2%</b>	<b>26.6%</b>
Loans and financing	1,160,251	16.7%	1,494,494	19.1%	28.8%
Deferred taxes	247,531	3.6%	211,329	2.7%	-14.6%
Operations with derivatives	5,643	0.1%	110,268	1.4%	n.m.
Securities payable	1,412	0.0%	706	0.0%	-50.0%
Other debits	161	0.0%	128	0.0%	-20.5%
Third party lease liability	515,149	7.4%	627,223	8.0%	21.8%
<b>Shareholder's Equity</b>	<b>2,984,421</b>	<b>42.9%</b>	<b>2,910,726</b>	<b>37.2%</b>	<b>-2.5%</b>
Capital	947,522	13.6%	947,522	12.1%	-
Capital Reserves	97,760	1.4%	99,778	1.3%	2.1%
(-) Treasury shares	(64,321)	-0.9%	(58,618)	-0.7%	-8.9%
Profit reserves	680,719	9.8%	606,970	7.8%	-10.8%
Retained Earnings/Losses	-	-	308,039	3.9%	100.0%
Other comprehensive income	1,122,997	16.1%	814,081	10.4%	-27.5%
Non-controlling shareholders in subsidiaries	199,744	2.9%	192,954	2.5%	-3.4%
<b>TOTAL LIABILITIES</b>	<b>6,958,129</b>	<b>100%</b>	<b>7,830,049</b>	<b>100.0%</b>	<b>12.5%</b>

## Exhibit 3 – Income Statement For The Fiscal Year

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Net Operating Revenue</b>	<b>1,716,794</b>	<b>1,971,778</b>	<b>14.9%</b>	<b>684,900</b>	<b>776,517</b>	<b>13.4%</b>
Cotton lint	619,224	809,902	30.8%	233,114	330,935	42.0%
Cotton seed	52,663	81,770	55.3%	40,508	52,040	28.5%
Soybean	916,932	1,098,854	19.8%	245,525	288,463	17.5%
Corn	186,068	241,519	29.8%	156,121	192,844	23.5%
Others	37,746	45,038	19.3%	30,187	41,146	36.3%
Hedge Income/Loss	(95,839)	(305,305)	218.6%	(20,555)	(128,911)	527.2%
<b>Change of the Fair Value of Biological Assets</b>	<b>418,443</b>	<b>690,204</b>	<b>64.9%</b>	<b>(121,797)</b>	<b>(25,253)</b>	<b>-79.3%</b>
<b>Custos dos Produtos</b>	<b>(1,151,899)</b>	<b>(1,364,838)</b>	<b>18.5%</b>	<b>(512,277)</b>	<b>(551,021)</b>	<b>7.6%</b>
Cotton lint	(338,471)	(450,088)	33.0%	(158,855)	(176,509)	11.1%
Cotton seed	(42,857)	(51,852)	21.0%	(33,602)	(37,738)	12.3%
Soybean	(579,400)	(638,804)	10.3%	(172,413)	(166,542)	-3.4%
Corn	(152,861)	(176,620)	15.5%	(133,012)	(149,655)	12.5%
Others	(38,310)	(47,474)	23.9%	(14,395)	(20,577)	42.9%
<b>Realization of the Fair Value of Biological Assets</b>	<b>(399,238)</b>	<b>(565,333)</b>	<b>41.6%</b>	<b>(113,054)</b>	<b>(183,438)</b>	<b>62.3%</b>
<b>Gross Income</b>	<b>584,100</b>	<b>731,811</b>	<b>25.3%</b>	<b>(62,228)</b>	<b>16,805</b>	<b>n.m.</b>
Operating expenses/income	(159,282)	(186,016)	16.8%	(47,647)	(51,796)	8.7%
Sales expenses	(89,498)	(101,873)	13.8%	(32,031)	(23,251)	-27.4%
General and administrative expenses	(66,319)	(72,523)	9.4%	(19,663)	(25,169)	28.0%
General and administrative	(47,053)	(48,315)	2.7%	(14,548)	(15,765)	8.4%
Provision for profit share program	(19,266)	(24,208)	25.7%	(5,115)	(9,404)	83.9%
Management compensation	(10,772)	(11,468)	6.5%	(2,654)	(2,583)	-2.7%
Other operating income (expenses)	7,307	(152)	n.m.	6,701	(793)	n.m.
<b>Income (loss) before financial income (loss) and taxes</b>	<b>424,818</b>	<b>545,795</b>	<b>28.5%</b>	<b>(109,875)</b>	<b>(34,991)</b>	<b>-68.2%</b>
Financial income	115,649	316,266	173.5%	40,708	78,242	92.2%
Financial expenses	(214,375)	(403,133)	88.1%	(82,015)	(104,643)	27.6%
<b>Income (loss) before income tax</b>	<b>326,092</b>	<b>458,928</b>	<b>40.7%</b>	<b>(151,182)</b>	<b>(61,392)</b>	<b>-59.4%</b>
Income and social contribution taxes	(99,718)	(142,151)	42.6%	54,222	25,682	-52.6%
Current	(34,787)	(20,443)	-41.2%	(12,677)	(16,128)	-27.2%
Deffered	(64,931)	(121,708)	87.4%	66,899	41,810	-37.5%
<b>Net Income (loss) for the period</b>	<b>226,374</b>	<b>316,777</b>	<b>39.9%</b>	<b>(96,960)</b>	<b>(35,710)</b>	<b>-63.2%</b>
Assigned to Members of the Parent Company	226,960	305,471	34.6%	(80,296)	(23,749)	-70.4%
Attributed to Non-Controlling Partners	(586)	11,306	n.m.	(16,664)	(11,961)	-28.2%

## Exhibit 4 – Statement of Cash Flows

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
<b>Net cash from operational activities</b>	<b>68,648</b>	<b>227,128</b>	<b>230.9%</b>	<b>229,192</b>	<b>383,020</b>	<b>67.1%</b>
<b>Cash generated in operations</b>	<b>600,707</b>	<b>760,548</b>	<b>26.6%</b>	<b>200,524</b>	<b>291,507</b>	<b>45.4%</b>
Net income (loss) before income and social contri. taxes	326,092	458,928	40.7%	(151,177)	(61,392)	-59.4%
Depreciation and amortization	75,816	84,982	12.1%	33,682	35,491	5.4%
Income from write-off of permanent assets	8,654	6,046	-30.1%	2,103	1,216	-42.2%
Interest, foreign exch. variation and price-level restatement	127,351	213,201	67.4%	46,460	58,231	25.3%
Share-based compensation	3,960	4,597	16.1%	1,334	1,543	15.7%
Variation in biological assets	(19,205)	(124,871)	550.2%	234,852	208,687	-11.1%
Inventory adjustment provision at market value	-	(14)	n.m.	-	(345)	n.m.
Provision (reversal) of profit sharing and labor contingencies	18,860	24,251	28.6%	4,622	9,390	103.2%
Fair Value of Investment Properties	-	175	100.0%	-	59	100.0%
Other ajuts	(1,933)	249	n.m.	(2,348)	130	n.m.
Avp - Lease Liability (IFRS 16)	33,424	43,547	30.3%	12,751	14,952	17.3%
Amortization of right of use (IFRS 16)	27,688	49,457	78.6%	18,251	23,545	29.0%
<b>Changes in assets and liabilities</b>	<b>(532,059)</b>	<b>(533,420)</b>	<b>0.3%</b>	<b>28,668</b>	<b>91,513</b>	<b>219.2%</b>
Trade accounts receivable	(104,463)	69,235	n.m.	(181,553)	(70,346)	-61.3%
Inventories and biological assets	(188,894)	(187,683)	-0.6%	(130,061)	(42,725)	-67.2%
Recoverable taxes	11,523	(16,088)	n.m.	3,276	6,005	83.3%
Accounts receivable	31,609	45,332	43.4%	(36,070)	11,704	n.m.
Interest earnings bank deposits-pledged	(34,807)	(24,359)	-30.0%	(10,447)	(23,579)	125.7%
Other accounts receivable	13,292	409	-96.9%	1,555	17	-98.9%
Advances to suppliers	(189,425)	(269,890)	42.5%	357,794	331,207	-7.4%
Suppliers	(46,946)	(24,301)	-48.2%	(9,881)	(13,654)	38.2%
Taxes and social payables	123	3	-97.6%	(278)	9	n.m.
Debts with related parties	(4,080)	(148,416)	n.m.	5,291	(3,024)	n.m.
Operations with derivatives	2,118	(706)	n.m.	-	-	-
Advances from clients	81,806	129,682	58.5%	15,881	(100,514)	n.m.
Lease	(36,060)	183	n.m.	25,340	254	-99.0%
Other accounts payable	(1,814)	15,716	n.m.	10,516	10,391	-1.2%
Income tax and social contribution paid	(20,385)	(49,588)	143.3%	(4,980)	(3,104)	-37.7%
Loan interest paid	(45,656)	(72,949)	59.8%	(17,715)	(11,128)	-37.2%
<b>Net cash used in investment activities</b>	<b>(166,640)</b>	<b>(182,106)</b>	<b>9.3%</b>	<b>(35,160)</b>	<b>(51,762)</b>	<b>47.2%</b>
In Fixed assets	(201,367)	(166,191)	-17.5%	(33,977)	(46,978)	38.3%
In Intangible assets	(4,272)	(15,915)	272.5%	(1,183)	(4,784)	304.4%
Receipt from sale of land	38,999	-	-100.0%	-	-	-
<b>Net cash before cash used in investment activities</b>	<b>(97,992)</b>	<b>45,022</b>	<b>-145.9%</b>	<b>194,032</b>	<b>331,258</b>	<b>70.7%</b>
<b>Net cash generated/(consumed) in financing activities</b>	<b>189,614</b>	<b>195,382</b>	<b>3.0%</b>	<b>79,965</b>	<b>(130,909)</b>	<b>-263.7%</b>
Sale (repurchase) of shares	(41,745)	3,124	n.m.	18	463	n.m.
Loans and financing obtained	1,109,268	919,822	-17.1%	270,182	61,698	-77.2%
Loans and financing paid	(635,525)	(466,928)	-26.5%	(177,412)	(114,916)	-35.2%
Dividends paid	(181,243)	(147,496)	-18.6%	-	(73,748)	100.0%
Payd leases	(61,141)	(113,140)	85.0%	(12,823)	(4,406)	-65.6%
<b>Increase (decrease) in cash and cash equivalents</b>	<b>91,622</b>	<b>240,404</b>	<b>162.4%</b>	<b>273,997</b>	<b>200,349</b>	<b>-26.9%</b>
<b>Opening balance of cash and cash equivalents</b>	<b>512,308</b>	<b>829,427</b>	<b>61.9%</b>	<b>329,933</b>	<b>869,482</b>	<b>163.5%</b>
<b>Closing balance of cash and cash equivalents</b>	<b>603,930</b>	<b>1,069,831</b>	<b>77.1%</b>	<b>603,930</b>	<b>1,069,831</b>	<b>77.1%</b>
	-	-	-	-	-	-
<b>Presented Free Cash</b>	<b>(97,992)</b>	<b>45,022</b>	<b>-145.9%</b>	<b>194,032</b>	<b>331,258</b>	<b>70.7%</b>
Change in financial investments account <sup>(1)</sup>	(31,609)	(45,332)	43.4%	36,070	(11,704)	-132.4%
Paid Leases <sup>(2)</sup>	(61,141)	(113,140)	85.0%	(12,823)	(4,406)	-65.6%
Payment of CRA Costs	(5,792)	-	-100.0%	(369)	-	-100.0%
<b>Adjusted Free Cash</b>	<b>(196,534)</b>	<b>(113,450)</b>	<b>-42.3%</b>	<b>216,910</b>	<b>315,148</b>	<b>45.3%</b>

<sup>(1)</sup> The variations of said account are non-cash.

<sup>(2)</sup> Due to the adoption of IFRS 16, the payment of leases is now accounted in the Statement of Cash Flows under Financing Activities. However, it should be considered as operating cash disbursement.



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