

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Biosev S.A.

Individual and Consolidated
Interim Financial Statements
For the Three-month Period Ended
June 30, 2020

Interim Financial Statements

June 30, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

To the
Board of Directors and Shareholders
Biosev S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of **Biosev S.A.** ("Company"), contained in the Quarterly Information Form – ITR for the quarter ended June 30, 2020, which comprises the statement of financial position as of June 30, 2020, and the respective statements of profit or loss, other comprehensive income, changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board (IASB), as well for the presentation of this information in accordance with standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information – ITR, and presented in accordance with standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

Transactions with related parties

The Company and its subsidiaries have carried out significant transactions with related parties of the Louis Dreyfus Company Group. The effects on results of these transactions and the corresponding assets and liabilities are disclosed in note 20. Our opinion is not modified with respect to this matter.



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Other matters

Statements of Value Added

The quarterly information referred to above includes the individual and consolidated statements of value added for the three-month period ended June 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the individual and consolidated interim accounting information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, September 17, 2020.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Francisco de Paula dos Reis Júnior
Accountant CRC 1 SP 139268/O-6

Biosev S.A.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

BALANCE SHEET
AS AT JUNE 30, 2020
(In thousands of Brazilian reais - R\$)

		Company		Consolidated				Company		Consolidated	
ASSETS	Note	06.30.20	03.31.20	06.30.20	03.31.20	LIABILITIES AND EQUITY	Note	06.30.20	03.31.20	06.30.20	03.31.20
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	114,802	396,124	359,383	1,174,943	Borrowings and financing	16	421,054	2,935,559	1,168,611	7,225,234
Short-term investments	4	58,701	42,052	69,858	52,245	Lease liabilities	12	200,569	215,257	477,464	498,932
Derivative financial instruments	27	93,131	225,787	97,252	225,787	Advances from domestic customers		112,114	7,611	140,694	28,128
Trade receivables	5	244,271	210,771	448,749	202,050	Advances from foreign customers		836,233	968,764	2,292,160	2,585,641
Inventories	6	1,368,611	1,105,650	2,755,825	2,948,633	Trade payables	17	316,809	309,104	690,168	798,903
Biological assets	7	404,900	303,621	775,238	663,908	Accrued payroll and related taxes		56,607	47,218	110,115	90,483
Recoverable taxes	8	66,001	50,274	153,299	158,777	Taxes payable	18	21,203	21,314	69,442	75,152
Other receivables		51,891	44,364	100,907	88,170	Derivative financial instruments	27	338,255	575,188	353,256	586,843
		2,402,308	2,378,643	4,760,511	5,514,513	Other payables		68,228	80,594	114,509	118,051
Assets held for sale	10	37,777	45,165	37,777	45,165	Total current liabilities		2,371,072	5,160,609	5,416,419	12,007,367
Total current assets		2,440,085	2,423,808	4,798,288	5,559,678						
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Long-term receivables						Borrowings and financing	16	2,750,257	67,484	6,593,297	96,191
Advances to suppliers		35,723	34,719	59,136	56,602	Lease liabilities	12	531,816	516,857	1,215,719	1,182,337
Escrow deposits	9	189,656	192,166	383,113	385,413	Advances from foreign customers	20	845,311	802,505	-	626,116
Recoverable taxes	8	10,784	11,502	82,003	57,529	Trade payables	17	4,622	5,733	4,857	5,965
Derivative financial instruments	27	-	-	-	55,885	Deferred income tax and social contribution	11.1	-	-	36,383	36,883
Deferred income tax and social contribution	11.1	345,377	418,029	856,718	872,971	Derivative financial instruments	27	-	-	17,563	16,596
Other receivables		306,082	335,939	319,104	320,012	Provision for tax, labor, civil and environmental contingencies	19	112,810	108,081	308,175	294,668
Right to use the assets from lease operations	12	700,329	700,306	1,588,562	1,577,379	Taxes payable	18	18,324	18,501	18,324	18,501
Investments	13	1,264,952	1,240,462	157,457	160,393	Other payables		65,195	86,047	135,643	167,247
Property, plant and equipment	14	1,542,181	1,635,433	3,266,705	3,477,391	Provision for investment loss	13	1,467,473	1,251,234	-	-
Intangible assets	15	10,456	11,856	920,138	921,964	Total non-current liabilities		5,795,808	2,856,442	8,329,961	2,444,504
Total non-current assets		4,405,540	4,580,412	7,632,936	7,885,539						
						EQUITY					
						Capital	21	6,077,674	6,077,674	6,077,674	6,077,674
						Capital reserve	21	1,353,937	1,353,937	1,353,937	1,353,937
						Accumulated losses		(8,448,523)	(8,167,310)	(8,448,523)	(8,167,310)
						Other comprehensive loss		(304,343)	(277,132)	(304,343)	(277,132)
						Total equity attributable to the Company's owners		(1,321,255)	(1,012,831)	(1,321,255)	(1,012,831)
						Non-controlling interests		-	-	6,099	6,177
						Total equity		(1,321,255)	(1,012,831)	(1,315,156)	(1,006,654)
TOTAL ASSETS		6,845,625	7,004,220	12,431,224	13,445,217	TOTAL LIABILITIES AND EQUITY		6,845,625	7,004,220	12,431,224	13,445,217

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

Biosev S.A.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

STATEMENT OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020 (In thousands of Brazilian reais - R\$)

		<u>Company</u>		<u>Consolidated</u>	
		<u>Three-month period ended</u>		<u>Three-month period ended</u>	
	<u>Note</u>	<u>06.30.20</u>	<u>06.30.19</u>	<u>06.30.20</u>	<u>06.30.19</u>
NET REVENUE	22	935.830	1.002.036	2.669.626	1.718.364
Cost of sales and services	22 and 23	(676.028)	(837.691)	(2.258.454)	(1.487.628)
GROSS PROFIT		259.802	164.345	411.172	230.736
OPERATING INCOME (EXPENSES)		(223.339)	(240.956)	(185.621)	(217.837)
General, administrative and selling expenses	23	(42.500)	(52.637)	(154.667)	(109.237)
Equity in subsidiaries	13	(174.277)	(153.644)	(2.936)	(3.475)
Other operating income	25	6.348	3.497	8.414	8.409
Other operating expenses	25	(12.910)	(38.172)	(36.432)	(113.534)
OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)		36.463	(76.611)	225.551	12.899
Finance income	24	5.182	7.168	8.512	12.967
Finance costs	24	(83.382)	(74.789)	(160.221)	(149.531)
Derivatives	24	2.980	41.243	49.376	9.279
Exchange rate changes	24	(171.329)	40.866	(383.428)	76.284
LOSS BEFORE TAXES		(210.086)	(62.123)	(260.210)	(38.102)
INCOME TAX AND SOCIAL CONTRIBUTION	11.2	(71.127)	(106.698)	(21.081)	(130.792)
LOSS FOR THE PERIOD		(281.213)	(168.821)	(281.291)	(168.894)
Attributable to:					
Company's owners	26	(281.213)	(168.821)	(281.213)	(168.821)
Non-controlling interests		-	-	(78)	(73)
LOSS PER SHARE - R\$					
Basic	26	(0,59327)	(0,43694)	(0,59327)	(0,43694)
Diluted	26	(0,59327)	(0,43694)	(0,59327)	(0,43694)

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(Convenience Translation into English from the Original Previously Issued in Portuguese)

STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020
(In thousands of Brazilian reais - R\$)

		<u>Company</u>		<u>Consolidated</u>	
		<u>Three-month</u>		<u>Three-month</u>	
		<u>period ended</u>		<u>period ended</u>	
	<u>Note</u>	<u>06.30.20</u>	<u>06.30.19</u>	<u>06.30.20</u>	<u>06.30.19</u>
LOSS FOR THE YEAR		<u>(281.213)</u>	<u>(168.821)</u>	<u>(281.291)</u>	<u>(168.894)</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Items subsequently reclassified to profit or loss:					
Financial instruments - hedge accounting of futures	27	(48.611)	20.778	(48.611)	20.778
Financial instruments - hedge accounting of Libor swap	27	(934)	(6.205)	(934)	(6.205)
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	27	(10.164)	(19.111)	(10.164)	(19.111)
Financial instruments - hedge accounting of exchange differences	27	18.481	33.868	18.481	33.868
Deferred income tax and social contribution related to components of other comprehensive income (loss)	11.3	14.017	(9.972)	14.017	(9.972)
		<u>(27.211)</u>	<u>19.358</u>	<u>(27.211)</u>	<u>19.358</u>
COMPREHENSIVE LOSS FOR THE PERIOD		<u>(308.424)</u>	<u>(149.463)</u>	<u>(308.502)</u>	<u>(149.536)</u>
Attributable to:					
Company's owners		(308.424)	(149.463)	(308.424)	(149.463)
Non-controlling interests		-	-	(78)	(73)

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STATEMENT OF CHANGES IN EQUITY

FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020

(In thousands of Brazilian reais - R\$)

	Capital	Capital reserve	Other comprehensive income (loss)	Accumulated losses	Company's equity	Non-controlling interests	Total consolidated equity
BALANCES AS AT MARCH 31, 2019	6,077,674	1,353,937	(287,906)	(6,617,139)	526,566	6,280	532,846
Loss for the period	-	-	-	(168,821)	(168,821)	(73)	(168,894)
Other comprehensive income (loss):							
Adjusted derivatives (hedge accounting), net of taxes	-	-	19,358	-	19,358	-	19,358
Comprehensive income (loss) for the period	-	-	19,358	(168,821)	(149,463)	(73)	(149,536)
BALANCES AS AT JUNE 30, 2019	6,077,674	1,353,937	(268,548)	(6,785,960)	377,103	6,207	383,310
BALANCES AS AT MARCH 31, 2020	6,077,674	1,353,937	(277,132)	(8,167,310)	(1,012,831)	6,177	(1,006,654)
Loss for the period	-	-	-	(281,213)	(281,213)	(78)	(281,291)
Other comprehensive income (loss):							
Adjusted derivatives (hedge accounting), net of taxes	-	-	(27,211)	-	(27,211)	-	(27,211)
Comprehensive loss for the period	-	-	(27,211)	(281,213)	(308,424)	(78)	(308,502)
BALANCES AS AT JUNE 30, 2020	6,077,674	1,353,937	(304,343)	(8,448,523)	(1,321,255)	6,099	(1,315,156)

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020
(In thousands of Brazilian reais - R\$)

		Company		Consolidated	
		Three-month		Three-month	
		period ended		period ended	
	Note	06.30.20	06.30.19	06.30.20	06.30.19
CASH FLOW FROM OPERATING ACTIVITIES					
Loss for the period		(281.213)	(168.821)	(281.291)	(168.894)
Non-cash transactions:		-	-	-	-
Depreciation and amortization	23	220.965	236.092	453.749	436.155
Income (loss) from sale of property, plant and equipment	25	56	(504)	(613)	(5.428)
Equity in subsidiaries	13	174.277	153.644	2.936	3.475
Interest, exchange rate changes and inflation adjustments, net		213.162	23.711	488.385	56.974
Exchange, interest rate and commodities risk management		160.966	164.187	135.302	174.662
Recognition of provision for tax, labor, civil and environmental contingencies		6.142	7.537	27.123	25.506
Recognition (reversal) of estimated losses on doubtful accounts	5	7	389	(231)	590
Income from sale of intangible asset	15	141	-	251	-
Reversal of impairment loss	14	(141)	(376)	(260)	(1.704)
Impairment of assets held for sale	10	(119)	21.060	(119)	21.114
Provision for other losses	25	27	122	3.762	58.740
Recognition (reversal) of allowance for negative margin and realization of storeroom inventories	6	10.382	(2.278)	14.139	(1.433)
Losses (gains) on changes in fair value less estimated costs to sell biological assets	22 and 23	(177.049)	(71.508)	(213.829)	(93.397)
Deferred income tax and social contribution	11.2	77.669	106.698	29.770	133.575
Hedge operations		(32.228)	17.145	(41.228)	29.330
Derecognition of operating leases		3.568	-	7.468	-
		376.612	487.098	625.314	669.265
Decrease (increase) in assets:					
Trade receivables	5	(33.026)	(54.593)	(245.789)	(171.847)
Inventories	6	(140.301)	(368.101)	402.255	(1.109.780)
Derivative financial instruments	27	132.656	(20.635)	184.420	(29.768)
Escrow deposits	9	2.510	(7.121)	2.300	(6.757)
Recoverable taxes	8	(15.009)	7.613	(18.996)	4.321
Advances to suppliers		(1.004)	(480)	(2.534)	(5.667)
Other receivables		22.303	(25.579)	(15.591)	(4.412)
		(31.871)	(468.896)	306.065	(1.323.910)
Increase (decrease) in liabilities:					
Trade payables	17	6.672	(61.352)	(109.713)	(106.401)
Advances from foreign customers		(89.725)	292.211	(919.597)	812.072
Accrued payroll and related taxes		9.389	3.525	19.632	5.861
Taxes payable	18	(288)	(6.402)	(5.887)	(23.743)
Advances from domestic customers		104.503	5.098	112.566	3.792
Payments of labor, civil, tax and environmental contingencies	19	(1.413)	(1.523)	(13.616)	(5.484)
Derivative financial instruments	27.1	(397.899)	(300.134)	(367.922)	(304.709)
Other payables		(33.218)	(30.661)	(35.146)	(40.630)
		(401.979)	(99.238)	(1.319.683)	340.758
Cash used in operating activities, net interest		(57.238)	(81.036)	(388.304)	(313.887)
Interest on borrowings and financing		(48.854)	(68.514)	(91.124)	(157.889)
Cash used in operating activities		(106.092)	(149.550)	(479.428)	(471.776)
CASH FLOW FROM INVESTING ACTIVITIES					
Decrease (increase) in short- and long-term investments	4	(16.577)	18.743	(17.484)	67.830
Decrease (increase) in investments (provision for investment loss)	13	17.472	(27.653)	-	-
Additions to lease agreements	12	(52.406)	(707.460)	(136.139)	(1.617.191)
Increase in property, plant and equipment	14	(59.204)	(37.147)	(117.123)	(95.124)
Additions to biological assets	7	(71.420)	(63.210)	(126.968)	(113.227)
Additions to intangible assets	15	(189)	(5.585)	(190)	(6.475)
Cash used in investing activities		(182.324)	(822.312)	(397.904)	(1.764.187)
CASH FLOW FROM FINANCING ACTIVITIES					
Additions to lease operations	12	52.487	707.460	136.170	1.617.191
Payment of lease operations	12	(66.348)	(54.165)	(155.783)	(136.814)
Borrowings and financing	16	492.784	809.392	859.770	1.912.948
Payment of borrowings and financing	16	(471.829)	(862.904)	(778.384)	(1.921.867)
Cash provided by financing activities		7.094	599.783	61.773	1.471.458
DECREASE IN CASH AND CASH EQUIVALENTS		(281.322)	(372.079)	(815.559)	(764.505)
Cash and cash equivalents at the beginning of the period	3	396.124	577.523	1.174.943	1.189.112
Cash and cash equivalents at the end of the period	3	114.802	205.444	359.384	424.607
Non-cash items					
Transfer of depreciation and amortization to inventories		109.089	46.774	219.442	163.524
Transfer of assets and liabilities to held for sale - Estivas plant		7.506	21.060	7.506	17.609
Acquisition of financed property, plant and equipment		-	22.241	-	49.205

(Convenience Translation into English from the Original Previously Issued in Portuguese)

STATEMENT OF VALUE ADDED
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020
(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated	
		Three-month period ended		Three-month period ended	
		06.30.20	06.30.19	06.30.20	06.30.19
1 - REVENUE		965.225	1.062.551	2.736.124	1.852.699
1.1) Sales	22	958.884	1.059.443	2.727.479	1.844.880
1.2) Reversal of estimated losses on doubtful accounts	25	(7)	(389)	231	(590)
1.3) Other operating income	25	6.348	3.497	8.414	8.409
2 - INPUTS PURCHASED FROM THIRD PARTIES		(392.284)	(530.503)	(1.691.056)	(960.488)
2.1) Cost of sales and services		(13.251)	(45.471)	(229.979)	(248.810)
2.2) Materials, electric power, external services and other		(556.082)	(556.540)	(1.674.906)	(805.075)
2.3) Gains on changes in fair value of biological assets and other		177.049	71.508	213.829	93.397
3 - GROSS VALUE ADDED (1-2)		572.941	532.048	1.045.068	892.211
4 - DEPRECIATION AND AMORTIZATION	23	(220.965)	(236.092)	(453.749)	(436.155)
5 - VALUE ADDED CREATED BY THE ENTITY (3-4)		351.976	295.956	591.319	456.056
6 - VALUE ADDED RECEIVED IN TRANSFER		(166.114)	(105.233)	54.951	18.771
6.1) Equity in subsidiaries	13	(174.277)	(153.644)	(2.936)	(3.475)
6.2) Finance income		8.163	48.411	57.887	22.246
7 - VALUE ADDED FOR DISTRIBUTION (5+6)		185.862	190.723	646.270	474.827
8 - DISTRIBUTION OF VALUE ADDED		185.862	190.723	646.270	474.827
8.1) Personnel and payroll taxes	23	53.592	88.229	145.899	153.445
Direct compensation		33.047	67.120	97.294	106.116
Benefits		14.783	14.084	35.524	32.262
Severance pay fund (FGTS)		5.762	7.025	13.081	15.067
8.2) Taxes, rates and contributions		99.063	163.552	85.088	257.232
Federal		82.322	124.396	54.644	185.466
State		16.724	39.154	30.419	71.752
Municipal		17	2	25	14
8.3) Third-party capital use		314.420	107.763	696.574	233.044
Rentals		59.708	73.840	152.926	159.797
Interest and exchange rate changes		254.712	33.923	543.648	73.247
8.4) Equity capital		(281.213)	(168.821)	(281.291)	(168.894)
Loss for the period		(281.213)	(168.821)	(281.291)	(168.894)

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

Biosev S.A.

Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

1. GENERAL INFORMATION

Biosev S.A. ("Company"), a publicly-held company headquartered at Avenida Brigadeiro Faria Lima, 1355, 11º andar, Pinheiros, São Paulo, SP, and its subsidiaries (hereinafter referred to as, collectively, "Group") are mainly engaged in the production, processing and sale of agricultural products, primarily sugarcane and its by-products; the agricultural operations in Company-owned or third-party land; the export, import and sale of petroleum by-products, lubricants, fuel, grease and hydrated ethyl alcohol; the purchase, sale, import and export of agricultural products and its by-products; and the generation and sale of electricity and its by-products.

The Group comprises the activities of Biosev S.A. and Biosev Bioenergia S.A. ("Biosev Bioenergia"), based in Brazil, and Biosev Bioenergia International S.A. ("Biosev Bioenergia International"), based in Switzerland. Additionally, the Group consists of the subsidiaries of such companies, including Biosev Comercializadora S.A., a special-purpose entity established to sell ethanol by-products, sugar and electric power arising from the cogeneration assets of the Santa Elisa and Passa Tempo units, located in the State of São Paulo and State of Mato Grosso do Sul, respectively.

The Group is organized in industrial clusters, composed as follows, with their corresponding branches:

- North Ribeirão Preto Agri-Industrial Cluster: Continental (located in the State of São Paulo) and Lagoa da Prata (located in the State of Minas Gerais) plants;
- South Ribeirão Preto Agri-Industrial Cluster: Santa Elisa, Leme, Vale do Rosário and MB (Morro Agudo) (located in the State of São Paulo) plants;
- Mato Grosso do Sul Agri-Industrial Cluster: Passa Tempo and Rio Brilhante (located in the State of Mato Grosso do Sul) plants.

Biosev S.A. is a company of the Louis Dreyfus Company Group, directly controlled by Hédera Investimentos e Participações Ltda., which holds 79.43% of its shares.

The Company's Management had adopted measures to adjust the debt profile. Specifically, the Company has maintained its strategy to maximize the use of its assets, aligned with strict financial discipline, in order to increase the operational efficiency and the generation of positive free cash flow.

The Company has recorded net losses in the year ended June 30, 2020, mainly by virtue of the negative foreign exchange effects on foreign currency-denominated debts. The Company recorded net losses of R\$281,213 as at June 30, 2020. The Company's capacity to continue as a going concern depends on the obtaining of additional capital, renewal and extension of the credit facilities and, finally, generation of profitable transactions. Specifically, the Company's and its subsidiaries' debt levels may significantly impact the business, inclusive in relation to working capital financing and recurring capital disbursements, taking into account the necessary funds to pay the debt service. In addition, out of R\$2,292,160, in Consolidated, recorded in current liabilities, in line item "Advances from foreign customers", R\$1,732,798 refers to advances to commodities export performance operations with related parties. Moreover, the amount of R\$1,743,998, in Consolidated, was recorded in current assets, in line item "Inventories – advances to related-party suppliers". For further information, see Note 20.

Although there is no guarantee that the Company will be able to generate sufficient cash flow to finance the transactions and pay its debt, Management continues to implement actions to improve the operational activities and reduce costs and expenses, in addition to the negotiations in progress with the financial institutions that historically have supported the Company's activities. The Company's Management expects that the improvement actions, current cash balances, favorable liquidity developments and available credit facilities, and results from operations are sufficient to meet the working capital, capital expenses, debt service and other needs for the next year.

Should the Company is not able to generate sufficient cash to conduct the transactions in progress, the Company may need to seek for additional debt financing. The Company may fully or partially refinance its debt, which may be more costly, in addition to all other impacts.

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Covid-19 effects

In connection with the financial statements as at March 31, 2020, the Company continues to comply with all guidelines to prevent Covid-19 disclosed by the proper health bodies and maintain the measures to mitigate the risk of transmission of Covid-19 in work places.

Although the pandemic has not been fully eradicated, the Brazilian authorities began to loosen the restrictions, and the Company believes that the pandemic effects in the global economy has begun to be mitigated. As of the date, the Company has not identified significant effects on its operations; therefore, the Company has maintained the estimated production, sales and delivery of products. The agro industrial sector is deemed an essential activity by virtue of the essential supplies produced to the population, relating to the meal and transportation segments. In addition, there was no change in the measurement of the economic and financial impacts from Covid-19, as disclosed in the financial statements as at March 31, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

2.1 Statement of compliance and basis of preparation

The individual and consolidated interim financial statements have been prepared and is presented in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

These interim financial statements are presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR).

The preparation of the individual and consolidated interim financial statements under CPC 21 (R1) and IAS 34 requires the use of certain critical accounting estimates by the Company's Management. The interim financial statements have been prepared based on the historical cost, except for certain financial instruments, held-for-sale assets and biological assets measured at their fair values. The historical cost is generally based on the fair value of the consideration paid in exchange for assets on the transaction date.

Management undertakes that all relevant information related to the interim financial statements, and only such information, is being highlighted and corresponds to the information used by Management in its management.

The accounting practices and methods of calculating estimates adopted in the interim accounting information are the same as those applied in the preparation of the annual financial statements for the year ended March 31, 2020, filed with the CVM, and therefore should be read together.

2.1.1 New standards, changes and interpretations of standards

CPC 06 (R2)/IFRS 16 – Leases

The aforementioned pronouncement was changed as a result of the granting of benefits related to COVID-19 to tenants under lease agreements. The Company analyzed the content of this pronouncement and did not identify any impacts, since the clauses of the current lease agreements remain unchanged.

Biosev S.A.

Notes to the Interim Financial Statements

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

3. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Cash and banks	28,607	21,625	207,083	364,024
Short-term investments	41,288	3,004	70,792	41,792
Debentures	44,907	371,495	81,508	769,127
	114,802	396,124	359,383	1,174,943

Short- and long-term investments refer to floating rate Certificates of Bank Deposit (CDBs) and/or CDBs indexed at rates ranging from 95% to 96% of the Interbank Deposit Rate (CDI) as at June 30, 2020 (95% to 96% as at March 31, 2020). The CDBs investments are subject to repurchase commitments by the financial institutions issuers and/or custodians.

Debentures not subject to Tax on Financial Transactions (IOF) are issued from local prime financial institutions indexed at rates ranging from 70% to 75% of the CDI rate as at June 30, 2020 (73% to 80% as at March 31, 2020).

4. SHORT- AND LONG-TERM INVESTMENTS

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Short-term investments	58,701	42,052	69,858	52,245
	58,701	42,052	69,858	52,245

Short- and long-term investments refer to restricted deposits and are operations represented by (i) floating rate Certificates of Bank Deposit (CDBs) and/or CDBs indexed at rates ranging from 70% to 96% of the Interbank Deposit Rate (CDI) as at June 30, 2020 (95% to 96% as at March 31, 2020); (ii) margin deposits in derivative transactions; and (iii) foreign currency-denominated deposits related to prepayments of exports indexed at average rate of 0.10% p.a. performed by subsidiary Biosev Bioenergia Internacional S.A. These deposits may be considered, together with future agricultural production and sugar and ethanol inventories, for purposes of calculation of the indices set forth in the prepaid export agreements.

5. TRADE RECEIVABLES

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Related parties (Note 20)				
In Brazil	12,131	7,498	557	-
Abroad	180,902	133,503	219,167	2,505
	193,033	141,001	219,724	2,505
Third parties				
In Brazil	45,858	67,955	109,446	191,167
Abroad	6,153	2,581	133,540	22,570
	52,011	70,536	242,986	213,737
	245,044	211,537	462,710	216,242
(-) Estimated loss for doubtful accounts	(773)	(766)	(13,961)	(14,192)
	244,271	210,771	448,749	202,050

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Notes to the Interim Financial Statements

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The aging list of overdue receivables is as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Overdue				
Up to 30 days	33,991	24,648	108,765	3,457
31 to 60 days	24,982	2,083	687	6,462
61 to 90 days	1,565	20,887	784	452
91 to 180 days	435	20,455	742	325
Over 180 days	735	17,001	16,186	16,874
	61,708	85,074	127,164	27,570

The change in the estimated loss for doubtful accounts is as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
At the beginning of the period/year	(766)	(175)	(14,192)	(13,395)
Reversal (recognition) of estimated loss for doubtful accounts	(7)	(591)	231	(797)
	(773)	(766)	(13,961)	(14,192)

6. INVENTORIES

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Finished products				
Sugar	113,666	4,218	303,235	14,838
Ethanol	207,851	20,676	448,646	79,839
Sugar syrup	1,313	317	2,117	1,241
Other	70	247	258	331
Allow ance for negative inventory margin	(13,767)	(3,298)	(29,833)	(18,985)
	309,133	22,160	724,423	77,264
Raw materials and packaging materials				
Raw materials and packaging materials	560	1,033	624	1,166
Storeroom supplies	53,130	37,492	105,961	76,476
Allow ance for realization of storeroom inventories	(4,032)	(4,119)	(10,388)	(7,097)
Advances to suppliers (*)	1,009,820	1,049,084	1,935,205	2,800,824
	1,059,478	1,083,490	2,031,402	2,871,369
	1,368,611	1,105,650	2,755,825	2,948,633

(*) Out of the total amount as at June 30, 2020, R\$88.469, in Company, and R\$191,207 in Consolidated (R\$105.192 and R\$223,699 as at March 31, 2020, respectively), refer to advances to sugarcane suppliers that are adjusted on a monthly basis according to the specific conditions and indices set forth in the agreements, and R\$921,351, in Company, and R\$1,743,998 in Consolidated (R\$943,892, in Company, and R\$2.577.125, in Consolidated, as at March 31, 2020), refer to advances to export of commodities, as described in Note 20.

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The changes in the allowance for negative inventory margin and realization of storeroom inventories are broken down as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Negative inventory margin				
Opening balance	(3,298)	(7,410)	(18,985)	(25,793)
Additions	(13,767)	(3,298)	(29,833)	(18,985)
Reversals	3,298	7,410	18,985	25,793
	(13,767)	(3,298)	(29,833)	(18,985)
Realization of storeroom inventories				
Opening balance	(4,119)	(3,568)	(7,097)	(5,818)
Additions	(4,032)	(4,119)	(10,388)	(7,097)
Reversals	4,119	3,568	7,097	5,818
	(4,032)	(4,119)	(10,388)	(7,097)

The allowance for negative inventory margin is calculated by analyzing the average production cost of finished products as compared to their realizable value in the market, less costs to sell.

The allowance for realization of storeroom inventories, considering obsolete and slow-moving items, is recognized on a quarterly basis based on inventory management procedure of storeroom inventories duly approved by the Company.

7. BIOLOGICAL ASSETS

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Opening balance	303,621	264,480	663,908	501,124
Increases arising from expenses on sugarcane crops and crop treatments	145,533	430,597	334,089	911,744
	449,154	695,077	997,997	1,412,868
Gains (losses) on changes in fair value less estimated costs to sell	177,049	120,821	213,829	222,448
Transfer to assets held for sale	478	(13,682)	478	(13,682)
Sugarcane harvest at fair value in the year/period	(221,781)	(490,374)	(436,020)	(945,620)
Write-off	-	(8,221)	(1,046)	(12,106)
	404,900	303,621	775,238	663,908

The following assumptions were used to determine the fair value:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Estimated harvest area (in hectares)	127,949	123,816	227,512	222,421
Expected yields (in ton of sugarcane per hectare)	87,50	85,88	89,80	89,07
Total volume of recoverable sugar (in kilogram per ton of sugarcane)	129,66	126,29	132,07	129,90
Value of a kilogram of total recoverable sugar (in R\$) - CONSECANA	0,68	0,66	0,68	0,66
Discount rate	10,21%	10,21%	10,21%	10,21%

As at June 30, 2020, the Company provided as guarantee for the export prepayment 158,608 hectares (158,608 hectares as at March 31, 2020), equivalent to approximately 14,243,087 tons of sugarcane (14,127,348 as at March 31, 2020), at fair value of R\$540,451 (R\$473,432 as at March 31, 2020). Such prepayment falls due between March 2023 and April 2023.

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8. RECOVERABLE TAXES

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
State VAT (ICMS)	38,970	39,859	59,283	60,952
Taxes on revenue (PIS and COFINS) (a)	25,081	16,166	85,984	75,050
Withholding Income Tax (IRRF) on short-term investments and prepayments	9,929	2,978	65,258	55,466
Tax on manufactured products (IPI) and other taxes	2,805	2,773	24,777	24,838
	76,785	61,776	235,302	216,306
Current assets	66,001	50,274	153,299	158,777
Non-current assets	10,784	11,502	82,003	57,529

(a) Refers to taxes on revenues (PIS and COFINS) relating to: (i) Law 10637/02; (ii) Law 10833/03; (iii) Law 11774/200; and (iv) Law 13043/14.

9. ESCROW DEPOSITS

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Civil	3,490	3,500	7,770	7,365
Environmental	2,199	2,442	7,290	7,548
	5,689	5,942	15,060	14,913
Tax				
Tax on manufactured products (IPI)	-	-	18,704	18,673
Income tax (IRPJ) and social contribution (CSLL)	16,273	16,235	33,311	33,262
ICMS, PIS and COFINS	9,818	9,758	46,025	46,344
Social security contributions	21,843	21,738	27,546	27,419
Other	-	-	3,026	3,054
	47,934	47,731	128,612	128,752
Tax				
Labor appeals	136,033	138,493	239,441	241,748
	136,033	138,493	239,441	241,748
	189,656	192,166	383,113	385,413

The changes in the Company's escrow deposits are as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Opening balance	192,166	210,108	385,413	367,388
Additions	3,547	31,563	5,700	81,534
Offsets/redemptions	(6,057)	(49,505)	(8,000)	(63,509)
	189,656	192,166	383,113	385,413

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10. ASSETS AND LIABILITIES HELD FOR SALE

	Company and Consolidated	
	06.30.20	03.31.20
Assets held for sale	37,777	45,165
	<u>37,777</u>	<u>45,165</u>

The breakdown of assets and liabilities classified as held for sale is as follows:

Company and Consolidated	Note	Maracaju plant	06.30.20	03.31.20
Assets				
Biological assets	7	426	426	904
Fixed assets	14	112,086	112,086	119,114
Impairment losses	14	(74,735)	(74,735)	(74,853)
Total assets		<u>37,777</u>	<u>37,777</u>	<u>45,165</u>

11. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

11.1 Deferred income tax and social contribution assets and liabilities disclosed in balance sheet

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Deferred income tax and social contribution assets	345,377	418,029	856,718	872,971
Deferred income tax and social contribution liabilities	-	-	(36,383)	(36,883)
	<u>345,377</u>	<u>418,029</u>	<u>820,335</u>	<u>836,088</u>

11.2 Income tax and social contribution recognized in profit or loss for the period

	Company		Consolidated	
	06.30.20	06.30.19	06.30.20	06.30.19
Results from current income tax and social contribution	6,542	-	8,689	2,783
Results from deferred income tax and social contribution related to the origin and reversal of temporary differences and tax loss carryforwards	(77,669)	(106,698)	(29,770)	(133,575)
	<u>(71,127)</u>	<u>(106,698)</u>	<u>(21,081)</u>	<u>(130,792)</u>

11.3 Income tax and social contribution recognized in other comprehensive income (loss)

	Company		Consolidated	
	06.30.20	06.30.19	06.30.20	06.30.19
Results from deferred income tax and social contribution recognized in other comprehensive income (loss):				
Financial instruments - hedge accounting of futures	4,146	(722)	16,528	(7,065)
Financial instruments - hedge accounting of Swap Libor	-	-	317	2,110
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	871	2,935	3,456	6,498
Financial instruments - hedge accounting of exchange differences	-	-	(6,284)	(11,515)
	<u>5,017</u>	<u>2,213</u>	<u>14,017</u>	<u>(9,972)</u>
Effects on subsidiaries	<u>9,000</u>	<u>(12,185)</u>	<u>-</u>	<u>-</u>
	<u>14,017</u>	<u>(9,972)</u>	<u>14,017</u>	<u>(9,972)</u>

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11.4 Reconciliation of income tax and social contribution expenses at statutory and effective rates

	Company		Consolidated	
	06.30.20	06.30.19	06.30.20	06.30.19
Results before taxation	(210.086)	(62.123)	(260.210)	(38.102)
Statutory rate	34%	34%	34%	34%
Income from income tax and social contribution at statutory rate	71.429	21.122	88.471	12.955
Equity in subsidiaries	(59.254)	(52.239)	(998)	(1.182)
Unrecognized deferred income tax and social contribution credits	(76.031)	(76.751)	(104.180)	(135.669)
Tax revenue (grants)	4.422	9.124	4.422	9.124
Rate difference of foreign subsidiary	-	-	6.088	97
Subcapitalization rules	(7.750)	(5.739)	(14.326)	(15.208)
Other	(3.943)	(2.215)	(558)	(909)
Income from income tax and social contribution at effective rate	(71.127)	(106.698)	(21.081)	(130.792)

11.5 Balances of deferred income tax and social contribution assets and liabilities

Company	Opening balance as at 03.31.20	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 06.30.20
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	37,028	1,608	-	38,636
Adjustment at fair value of biological assets	(16,585)	(52,306)	-	(68,891)
Other receivables (AVP)	14,162	(914)	-	13,248
Hedge accounting of Libor swap, NDF and exchange rate changes	63,527	14,967	5,017	83,511
Unrealized exchange rate changes	412,077	30,438	-	442,515
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(11,144)	-	(50,192)
Impairment of fixed assets	65,310	(88)	-	65,222
Mark-to-market of derivatives	2,363	(55,618)	-	(53,255)
Impairment of assets held for sales	10,859	40	-	10,899
Other	11,661	(4,652)	-	7,009
	316,077	(77,669)	5,017	243,425
Unutilized tax losses and credits				
Tax loss carryforwards	74,616	-	-	74,616
Social contribution tax loss carryforwards	27,336	-	-	27,336
	418,029	(77,669)	5,017	345,377

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

<u>Company</u>	<u>Opening balance as at 03.31.19</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 06.30.19</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	47,227	2,045	-	49,272
Adjustment at fair value of biological assets	(15,389)	(18,165)	-	(33,554)
Other receivables (AVP)	1,795	(139)	-	1,656
Hedge accounting of Libor sw ap, NDF and exchange rate changes	7,817	3,111	2,213	13,141
Unrealized exchange rate changes	209,867	(36,712)	-	173,155
Amortization of tax goodw ill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(8,522)	-	(33,701)
Impairment	65,746	(59)	-	65,687
Mark-to-market of derivatives	(16,095)	(52,561)	-	(68,656)
Impairment of assets held for sales	18,003	7,160	-	25,163
Other	26,074	(2,856)	-	23,218
	74,589	(106,698)	2,213	(29,896)
Unutilized tax losses and credits				
Tax loss carryforw ards	74,616	-	-	74,616
Social contribution tax loss carryforw ards	27,336	-	-	27,336
	176,541	(106,698)	2,213	72,056

<u>Consolidated</u>	<u>Opening balance as at 03.31.20</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 06.30.20</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	100,468	4,592	-	105,060
Adjustment at fair value of biological assets	(71,630)	(67,396)	-	(139,026)
Other receivables (AVP)	14,162	(914)	-	13,248
Hedge accounting of Libor sw ap, NDF and exchange rate changes	159,955	-	14,017	173,972
Unrealized exchange rate changes	827,139	75,456	-	902,595
Amortization of tax goodw ill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(11,144)	-	(50,192)
Mark-to-market of derivatives	(10,244)	(31,121)	-	(41,365)
Impairment of property, plant and equipment	76,443	(127)	-	76,316
Appreciation of acquired assets	(231,020)	3,530	-	(227,490)
Impairment of fixed assets	906	-	-	906
Fair value of financial debts	1,161	(1,161)	-	-
Leases	35,367	205	-	35,572
Other	60,563	(2,618)	-	57,945
	678,945	(30,698)	14,017	662,264
Unutilized tax losses and credits				
Tax loss carryforw ards	115,532	682	-	116,214
Social contribution tax loss carryforw ards	41,611	246	-	41,857
	836,088	(29,770)	14,017	820,335

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

<u>Consolidated</u>	Opening balance as at 03.31.19	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 06.30.19
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	97,941	6,807	-	104,748
Adjustment at fair value of biological assets	(32,728)	(36,955)	-	(69,683)
Hedge accounting of Libor swap, NDF and exchange rate changes	165,790	-	(9,972)	155,818
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(8,522)	-	(33,701)
Mark-to-market of derivatives	(82,228)	(44,447)	-	(126,675)
Appreciation of acquired assets	(253,050)	4,537	-	(248,513)
Impairment of fixed assets	18,896	7,173	-	26,069
Fair value of financial debts	1,161	-	-	1,161
Other	50,545	18,616	-	69,161
	214,231	(133,575)	(9,972)	70,684
Unutilized tax losses and credits				
Tax loss carryforwards	109,760	-	-	109,760
Social contribution tax loss carryforwards	40,819	-	-	40,819
	364,810	(133,575)	(9,972)	221,263

As at June 30, 2020, the Company has tax loss carryforwards in the amount of R\$3,339,156, in Company, and R\$6,676,225 in Consolidated (R\$3,115,535 and R\$6,369,813 as at March 31, 2020, respectively) for which no deferred income tax and social contribution assets have been recognized.

12. LEASES

12.1 Asset use right in leases

This line item includes the amounts that correspond to the right to use the current agreements; the amount is equivalent to the present value of the obligations assumed with the counterparties. These agreements are payable on the respective maturity dates (between 1 and 13 years).

The changes for the period are broken down as follows:

	Company					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.20	121,329	134,947	1,533	2,488	440,009	700,306
Additions/adjustments	2,666	11,605	-	-	38,135	52,406
Derecognition	(3,568)	-	-	-	-	(3,568)
Amortization	(13,207)	(6,811)	(256)	(589)	(27,952)	(48,815)
06.30.20	107,220	139,741	1,277	1,899	450,192	700,329

	Company					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.19						
Initial adoption on April 1, 2019	142,669	112,768	2,554	4,845	393,697	656,533
Additions/adjustments	55,367	50,499	-	-	143,509	249,375
Derecognition	(19,991)	-	-	-	-	(19,991)
Amortization	(56,716)	(28,320)	(1,021)	(2,357)	(97,197)	(185,611)
03.31.20	121,329	134,947	1,533	2,488	440,009	700,306

Biosev S.A.

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For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.20	254,249	137,257	1,533	5,174	1,179,166	1,577,379
Additions/adjustments	21,084	11,664	-	-	103,391	136,139
Derecognition	(7,468)	-	-	-	-	(7,468)
Amortization	(28,178)	(7,178)	(256)	(1,225)	(80,651)	(117,488)
06.30.20	239,687	141,743	1,277	3,949	1,201,906	1,588,562

	Consolidated					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.19						
Initial adoption on April 1, 2019	296,896	115,195	2,554	10,075	1,068,666	1,493,386
Additions/adjustments	118,960	51,556	-	-	425,349	595,865
Derecognition	(34,675)	-	-	-	-	(34,675)
Amortization	(126,932)	(29,494)	(1,021)	(4,901)	(314,849)	(477,197)
03.31.20	254,249	137,257	1,533	5,174	1,179,166	1,577,379

12.2 Lease liabilities

Lease liabilities refer to future payments stated to present value at the discount rate, subject to possible effects from recoverable taxes (PIS and COFINS).

The incremental interest rate of the lease liability varies between 6.36% and 11.25% per year.

The changes for the period are broken down as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Present value of liability	732,385	732,114	1,693,183	1,681,269
	732,385	732,114	1,693,183	1,681,269
Classification:				
Current	200,569	215,257	477,464	498,932
Non-current	531,816	516,857	1,215,719	1,182,337
Total	732,385	732,114	1,693,183	1,681,269

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Opening balance	732,114	656,533	1,681,269	1,493,386
Additions	52,487	249,605	136,170	596,011
Derecognition	-	(4,065)	-	(6,065)
Payments	(66,348)	(221,208)	(155,783)	(521,309)
Financial charges	14,132	51,249	31,527	119,246
Closing balance	732,385	732,114	1,693,183	1,681,269

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The future payments are broken down as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Up to 1 year	200,569	215,257	477,464	498,932
Up to 2 years	157,929	161,243	367,714	365,273
Up to 3 years	111,791	109,793	269,040	260,574
Up to 4 years	89,650	87,311	216,082	210,009
Up to 5 years	95,423	86,462	214,338	193,298
Above 5 years	77,023	72,048	148,545	153,183
	732,385	732,114	1,693,183	1,681,269

13. INVESTMENTS (PROVISION FOR INVESTMENT LOSS)

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Investments in subsidiaries and jointly-controlled subsidiaries	1,262,450	1,237,960	154,955	157,891
Other investments	2,502	2,502	2,502	2,502
Investments	1,264,952	1,240,462	157,457	160,393
Provision for investment loss	(1,467,473)	(1,251,234)	-	-

a) Interest in subsidiaries and jointly-controlled entities

	Company			Consolidated
	Biosev Bioenergia S.A.	Biosev Bioenergia International S.A.	Biosev Comercializadora S.A.	TEAG
Capital	2,985,044	175	14,365	44,701
Profit (loss) for the period	(198,768)	30,430	(5,939)	(1,671)
Equity	(1,466,362)	356,444	561	36,939
Elimination of gains on the sale of property, plant and equipment with related parties	(1,111)	-	-	-
Shareholding interest	100%	100%	100%	50%
Value of investments in subsidiaries under equity method	(1,467,473)	356,444	561	18,470
Goodwill/realization of concession value, net	494,079	-	-	136,485
Elimination of gains on the sale of property, plant and equipment with related parties	-	-	-	-
Investments	(973,394)	356,444	561	154,955
Provision for investment loss	(1,467,473)	-	-	-
Equity pick up in subsidiaries	(198,768)	30,430	(5,939)	(835)

b) Changes in investments in subsidiaries, jointly-controlled entities and non-controlled entities

	Company							
	Goodwill						06.30.20	03.31.20
	Biosev Bioenergia S.A.	Biosev Bioenergia International S.A.	Biosev Comercializadora S.A.	Tavares de Melo (*)	Ampla (*)	Other		
Opening balance	(1.251.233)	326.014	6.500	-	-	2.502	(916.217)	(85.938)
Capital increase	-	-	-	-	-	-	-	4.000
Equity pick up in subsidiaries	(198.768)	30.430	(5.939)	-	-	-	(174.277)	(1.109.447)
Other comprehensive income	(17.472)	-	-	-	-	-	(17.472)	274.249
Other	-	-	-	-	-	-	-	919
Value of investments in subsidiaries under equity method	(1.467.473)	356.444	561	-	-	2.502	(1.107.966)	(916.217)
Goodwill	494.079	-	-	407.675	3.691	-	905.445	905.445
Value of investments	494.079	356.444	561	407.675	3.691	2.502	1.264.952	1.240.461
Provision for investment loss	(1.467.473)	-	-	-	-	-	(1.467.473)	(1.251.233)

(*) Companies merged in prior years.

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	Consolidated			
	TEAG	Other	06.30.20	03.31.20
Opening balance	157,891	2,502	160,393	169,913
Equity pick up in subsidiaries	(2,936)	-	(2,936)	(8,952)
Profit (loss)	(835)	-	(835)	(553)
Realization of concession value, net	(2,101)	-	(2,101)	(8,399)
Other comprehensive loss	-	-	-	-
Value of investments	154,955	2,502	157,457	160,393

c) Investments in jointly-controlled entities

The balances of the balance sheet and statement of operations of the company are broken down as follows:

	TEAG	
	06.30.20	03.31.20
Balance sheet		
Assets		
Total current assets	44,122	47,820
Long-term receivables	3,525	3,032
Property, plant and equipment and intangible assets	123,710	124,014
Total non-current assets	127,235	127,046
Total assets	171,357	174,866
Liabilities		
Total current liabilities	17,370	18,286
Total non-current liabilities	117,048	117,970
Equity		
Total equity	36,939	38,610
Total liabilities and equity	171,357	174,866

	TEAG	
	06.30.20	03.31.20
Statement of operations		
Net revenue	13,433	52,971
Operating expenses		
General, administrative and selling expenses	(14,796)	(51,652)
Other operating income	103	4,541
Operating income (loss) before finance income (costs)	(1,261)	5,860
Finance income (costs), net	(1,294)	(7,529)
Loss before taxation	(2,555)	(1,669)
Income tax and social contribution	884	563
Loss for the period	(1,671)	(1,106)

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14. PROPERTY, PLANT AND EQUIPMENT

	Company					
	06.30.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	15,095	-	15,095	15,095	-	15,095
Buildings	260,119	(93,531)	166,588	259,775	(92,431)	167,344
Improvements	25,588	(13,714)	11,874	25,587	(13,501)	12,086
Facilities	354,151	(211,251)	142,900	351,848	(208,192)	143,656
Furniture and fixtures	12,259	(8,334)	3,925	12,186	(8,193)	3,993
IT equipment	30,951	(28,930)	2,021	30,927	(28,672)	2,255
Machinery and equipment (*)	2,256,539	(1,451,286)	805,253	2,246,767	(1,388,282)	858,485
Vehicles	10,586	(8,669)	1,917	10,615	(8,567)	2,048
Agricultural machinery and implements (**)	962,828	(850,387)	112,441	960,728	(805,016)	155,712
Bearer plant	1,677,662	(1,410,218)	267,444	1,627,300	(1,366,804)	260,496
	5,605,778	(4,076,320)	1,529,458	5,540,828	(3,919,658)	1,621,170
Construction in progress (Note 14.1)	12,723	-	12,723	14,263	-	14,263
	5,618,501	(4,076,320)	1,542,181	5,555,091	(3,919,658)	1,635,433

	Consolidated					
	06.30.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	21,084	-	21,084	21,084	-	21,084
Buildings	477,944	(187,251)	290,693	475,559	(184,730)	290,829
Improvements	129,166	(61,142)	68,024	128,777	(60,118)	68,659
Facilities	555,011	(326,644)	228,367	545,312	(320,850)	224,462
Furniture and fixtures	20,940	(14,659)	6,281	20,731	(14,443)	6,288
IT equipment	61,358	(53,972)	7,386	60,607	(53,128)	7,479
Machinery and equipment (*)	5,646,155	(3,808,881)	1,837,274	5,595,046	(3,657,614)	1,937,432
Vehicles	35,177	(34,195)	982	35,459	(34,121)	1,338
Agricultural machinery and inputs (**)	1,736,989	(1,515,141)	221,848	1,734,333	(1,426,694)	307,639
Bearer plant	3,065,723	(2,505,707)	560,016	2,966,966	(2,427,778)	539,188
	11,749,547	(8,507,592)	3,241,955	11,583,874	(8,179,476)	3,404,398
Construction in progress (Note 14.1)	24,750	-	24,750	72,993	-	72,993
	11,774,297	(8,507,592)	3,266,705	11,656,867	(8,179,476)	3,477,391

(*) Includes deferred manufacturing costs.

(**) Includes deferred agricultural costs.

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The changes in the net value of property, plant and equipment are as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Opening balance	1,635,433	1,697,433	3,477,391	3,641,525
Acquisitions and additions	55,671	378,970	110,768	793,991
Residual value of write-offs	(16)	(53,726)	(606)	(58,913)
Transfer to assets held for sale	7,028	19,312	7,028	22,818
losses (*)	-	706	9	522
Depreciation for the period/year	(155,935)	(407,262)	(327,885)	(922,552)
	1,542,181	1,635,433	3,266,705	3,477,391

(*) See Note 14.3.

14.1 Construction in progress

Construction in progress is broken down by plant as follows:

The balance of construction in progress refers basically to the adaptation of industrial facilities, increase in sugar production and refurbishment of administrative facilities.

14.2 Fixed assets given in guarantee and commitments for acquisition of fixed assets

As at June 30, 2020, the Company had agreements with suppliers for acquisition of fixed assets, amounting to R\$19,041 (R\$21,607 as at March 31, 2020), and total fixed assets given in guarantee in the amount of R\$1,102,876 (R\$809,362 as at March 31, 2020).

14.3 Impairment

As at June 30, 2020, the reversal/impairment totaled R\$9 in Consolidated (R\$706, in Company, and R\$522, in Consolidated, as at March 31, 2020), due the sales and/or transfers of fixed assets between industrial clusters of the Group.

As at June 30, 2020, the accumulated balance of impairment is R\$61,491, in Company, and R\$190,952 in Consolidated (R\$61,491 and R\$190,961 as at March 31, 2020, respectively).

The main impaired assets comprise land, buildings, furniture and fixtures, computers, machinery and equipment, vehicles, and agricultural machinery and implements.

15. INTANGIBLE ASSETS

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Goodwill				
Biosev Bioenergia	-	-	494,079	494,079
Usinas Tavares de Melo	-	-	407,675	407,675
Ampla	-	-	3,691	3,691
	-	-	905,445	905,445
Software				
Licenses	10,456	11,856	11,475	12,997
	10,456	11,856	11,475	12,997
Other	-	-	3,218	3,522
	-	-	3,218	3,522
	10,456	11,856	920,138	921,964

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The changes in intangible assets are as follows:

	Company					
	03.31.20	Additions	Write-off	Amortization	Reversal Impairment	06.30.20
Software						
Licences	11,856	189	(141)	(1,589)	141	10,456
	11,856	189	(141)	(1,589)	141	10,456

	Company			
	03.31.19	Additions	Amortization	06.30.19
Software				
Licences	9,126	5,585	(1,463)	13,248
	9,126	5,585	(1,463)	13,248

	Consolidated					
	03.31.20	Additions	Write-off	Amortization	Reversal Impairment	06.30.20
Goodwill						
Biosev Bioenergia	494,079	-	-	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	-	-	407,675
Ampla	3,691	-	-	-	-	3,691
Software						
Licences	12,997	190	(251)	(1,712)	251	11,475
Other						
Other	3,522	-	-	(304)	-	3,218
	921,964	190	(251)	(2,016)	251	920,138

	Consolidated			
	03.31.19	Additions	Amortization	06.30.19
Goodwill				
Biosev Bioenergia	494,079	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	407,675
Ampla	3,691	-	-	3,691
Software				
Licences	9,726	6,475	(1,615)	14,586
Other				
Other	4,489	-	(424)	4,065
	919,660	6,475	(2,039)	924,096

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16. BORROWINGS AND FINANCING

					Company	
Description	Currency	Weighted average financial charges	Maturity (*)	Collaterals	06.30.20	03.31.20
Advance on Foreign Exchange Contract (ACC) (a)	US\$	Exchange rate change plus average interest rate of 5.37% p.a.	As at 03.31.23	Guarantee and promissory note	1,766,953	1,625,953
Export Prepayment - PFE (a)	US\$	Exchange rate change plus Libor plus average interest rate of 4% p.a.	As at 03.25.23	Promissory note, receivables and collateral	725,973	680,727
Constitutional Fund to Finance the the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	48,410	51,868
Finame	R\$	Average interest rate of 9.38% p.a. and TLP + 4.92% p.a.	From 04.17.23 to 04.15.25	Conditional sale, guarantee and promissory note	33,947	38,370
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2%	As at 04.29.22	Guarantee, promissory note and collateral	181,082	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	275,789	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2%	As at 03.30.23	Collection and assignment of receivables	139,157	139,434
					<u>3,171,311</u>	<u>3,003,043</u>
				Current liabilities	421,054	2,935,559
				Non-current liabilities	2,750,257	67,484

					Consolidated	
Description	Currency	Weighted average financial charges	Maturity (*)	Collaterals	06.30.20	03.31.20
Restructured debt (ex-Debentures) - R\$	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	100,925	99,771
Restructured debt - US\$	US\$	Exchange rate change plus Libor plus average interest rate of 2.47% p.a.	As at 07.10.23	Guarantee, receivables, mortgage and shares	789,201	741,176
Restructured debt (debenture) - R\$ (a)	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	142,420	140,590
Advance on Foreign Exchange Contract - ACC (a)	US\$	Exchange rate change plus average interest rate of 5.40% p.a.	As at 03.31.23	Guarantee and promissory note	3,839,390	3,642,512
Export Prepayment - PFE (a)/(b)	US\$	Exchange rate change plus Libor plus average interest rate of 5.64% p.a.	From 03.25.2023 to 04.30.23	Guarantee, promissory note, receivables and collateral	2,178,176	1,962,581
Constitutional Fund to Finance the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	48,410	51,868
Finame	R\$	Average interest rate of 9.55% p.a. and TLP + 4.92% p.a.	From 04.15.21 to 04.15.25	Conditional sale, guarantee and promissory note	67,358	76,802
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2% p.a.	As at 04.29.22	Guarantee, promissory note and collateral	181,082	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	275,789	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2% p.a.	As at 03.30.23	Collection and assignment of receivables	139,157	139,434
					<u>7,761,908</u>	<u>7,321,425</u>
				Current liabilities	1,168,611	7,225,234
				Non-current liabilities	6,593,297	96,191

(*) Refers to the last maturity date of the agreements.

(a) Net of commission costs and deferred expenses, in the amount of R\$2,758, in Company, and R\$8,934, in Consolidated, as at June 30, 2020 (R\$2,755, in Company, and R\$8,843, in Consolidated, as at March 31, 2020), monthly recorded in profit or loss through the maturity of such transaction.

(b) Include export prepayments, contracted on January 9, 2015, by subsidiary Biosev Bioenergia International S.A. with the trade union of foreign financial institutions, in the amount of R\$1,210,605 as at June 30, 2020 (R\$1,150,301 as at March 31, 2020). These operations are collateralized by a set of assets for settlement. As at June 30, 2020, the foreign currency-denominated deposits comprise, together with the agricultural production (sugarcane) of specific units and sugar and ethanol inventories, the ratio of 115.66% of the obligations.

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Non-current liabilities mature as follows (crop year):

	Company	Consolidated
	06.30.20	06.30.20
July 2021 to March 2022	1,019,395	2,673,689
April 2022 to March 2023	1,524,316	3,377,486
April 2023 to March 2024	53,062	378,721
April 2024 to March 2025	41,990	48,828
April 2025 to October 2027	111,494	114,573
	2,750,257	6,593,297

The verification of compliance with the restrictive clauses occurs annually, on the balance sheet date. On March 31, 2020, the Company did not reach certain indicators established for financial covenants, however the Company obtained a waiver from its financial creditors for contracts subject to the compliance with such indicators, being exempted from complying with the financial covenants not reached, maintaining the original maturity dates.

16.1 Changes in borrowings and financing

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Opening balance	3,003,043	2,508,176	7,321,425	5,979,328
Additions	492,784	1,840,335	859,770	4,459,444
Payment of principal	(475,322)	(1,961,531)	(785,958)	(4,733,209)
Interest, exchange rate changes and inflation adjustments and adjustment to fair value of loans, net	198,543	825,313	455,673	2,080,661
Payment of interest	(47,737)	(209,250)	(89,002)	(464,799)
Closing balance	3,171,311	3,003,043	7,761,908	7,321,425

17. TRADE PAYABLES

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Related parties (Note 20)				
In Brazil	3,919	6,068	5,049	8,001
Abroad	98,382	89,808	5,169	4,494
	102,301	95,876	10,218	12,495
Third parties				
In Brazil	218,954	215,843	623,669	662,534
Abroad	176	3,118	61,138	129,839
	219,130	218,961	684,807	792,373
	321,431	314,837	695,025	804,868
Current liabilities	316,809	309,104	690,168	798,903
Non-current liabilities	4,622	5,733	4,857	5,965

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

18. TAXES PAYABLE

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Payment in installments	79	125	2,099	2,137
Tax on manufactured products (IPI)	-	-	569	1,027
State VAT (ICMS)	3,408	6,916	3,408	8,152
Taxes on revenue (PIS and COFINS)	601	314	1,583	4,979
Social Security Tax (INSS)	9,064	3,867	21,209	11,083
Income tax (IRPJ) and social contribution (CSLL)	598	3,378	32,798	40,299
Withholding Income Tax (IRPF)	12,660	12,660	12,660	12,660
Other	13,117	12,555	13,440	13,316
	39,527	39,815	87,766	93,653
Current liabilities	21,203	21,314	69,442	75,152
Non-current liabilities	18,324	18,501	18,324	18,501

19. PROVISION FOR TAX, LABOR, CIVIL AND ENVIRONMENTAL CONTINGENCIES

The Company is a party to various ongoing lawsuits involving tax, labor, civil and environmental matters arising in the normal course of business.

	Company					06.30.20
	03.31.20	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
Income tax (IRPJ) and social contribution (CSLL)	78	-	-	-	-	78
	78	-	-	-	-	78
Labor	84,919	1,966	6,756	(2,909)	(1,413)	89,319
Environmental	1,696	(111)	326	(263)	-	1,648
Civil	20,783	374	290	(301)	-	21,146
Criminal	605	14	-	-	-	619
	108,003	2,243	7,372	(3,473)	(1,413)	112,732
	108,081	2,243	7,372	(3,473)	(1,413)	112,810

	Company					06.30.19
	03.31.19	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
Income tax (IRPJ) and social contribution (CSLL)	76	1	-	-	-	77
	76	1	-	-	-	77
Labor	128,197	(56)	11,148	(9,282)	(1,523)	128,484
Environmental	1,468	210	3	(73)	-	1,608
Civil	8,338	1,075	5,027	(516)	-	13,924
	138,003	1,229	16,178	(9,871)	(1,523)	144,016
	138,079	1,230	16,178	(9,871)	(1,523)	144,093

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated					06.30.20
	03.31.20	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
IPI levied on sugar sales	17,785	33	-	-	-	17,818
PIS and COFINS	3,406	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,852	-	-	-	-	2,852
Other	16	-	-	-	-	16
	24,059	33	-	-	-	24,092
Labor	227,868	3,714	23,933	(2,145)	(13,616)	239,754
Environmental	11,354	1,011	877	(304)	-	12,938
Civil	30,782	93	524	(627)	-	30,772
Criminal	605	14	-	-	-	619
	270,609	4,832	25,334	(3,076)	(13,616)	284,083
	294,668	4,865	25,334	(3,076)	(13,616)	308,175

	Consolidated					06.30.19
	03.31.19	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
IPI levied on sugar sales	17,584	57	-	-	-	17,641
PIS and COFINS	3,406	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,850	1	-	-	-	2,851
Other	16	-	-	-	-	16
	23,856	58	-	-	-	23,914
Labor	236,368	2,514	31,176	(14,686)	(5,484)	249,888
Environmental	7,611	385	3	(474)	-	7,525
Civil	19,402	1,695	5,943	(1,108)	-	25,932
	263,381	4,594	37,122	(16,268)	(5,484)	283,345
	287,237	4,652	37,122	(16,268)	(5,484)	307,259

Contingencies - court or out-of-court claims classified as possible losses and not accrued

Tax

The tax claims (court and out-of-court) as at June 30, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Tax	754,719	725,832	1,691,450	1,652,707
	754,719	725,832	1,691,450	1,652,707

Among the contingencies for which a provision has not been recognized and that have been assessed as possible loss is the collection of ICMS due to an alleged difference identified in inventories. Additionally, there is a discussion also involving ICMS on the reasonableness in levying ICMS on export of semi-finished products.

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Civil, environmental and labor

The civil, environmental and labor claims (court and out-of-court) as at June 30, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Civil	107,919	101,979	154,668	147,405
Environmental	11,257	12,278	73,754	74,433
Labor	73,117	76,297	124,949	126,742
	192,294	190,554	353,371	348,580

As at June 30, 2020, the Group was a party to labor, environmental and civil lawsuits whose likelihood of loss is considered possible based on the opinion of Group's legal counsel.

Labor claims are substantially related to (i) working hours; (ii) time in transit; (iii) additional premiums; (iv) refund of deductions, such as trade union fees; (v) contractual exclusivity; (vi) jointly-liability with service providers; (vii) occupational accidents and/or hazards/diseases; (viii) organizational climate; (ix) validity of the collective bargaining agreement, and (x) compensation costs in relation to the items mentioned above.

Civil lawsuits basically refer to discussions involving contractual issues and occupational and/or traffic accidents, collection, possession issues and general indemnities.

Environmental lawsuits are substantially related to: (i) burn of sugarcane straw; and (ii) alleged non-authorized intervention or damages in an area considered by environmental authorities as a permanent preservation area.

20. RELATED PARTIES

The information on related-party transactions has not significantly changed compared to the information disclosed in the financial statements as at March 31, 2020.

The related-party transactions described in the tables below refer basically to: (i) sales in the domestic and international markets at the price agreed between the parties, based on the market quotation; (ii) loan transactions; (iii) apportionment of costs relating to the shared facilities; (iv) provision of brokerage services involving derivative transactions; (v) commodities export performance operations; and (vi) lifting and sugar storage services.

The tables below show the balances and transactions as at June 30, 2020 between the Company and its subsidiaries, which are consolidated in its balance sheet:

Subsidiaries	Company		
	Assets		
	Trade receivables	Loan	Total
Biosev Bioenergia International S.A.	164,675	-	164,675
Biosev Bioenergia S.A.	10,399	-	10,399
Biosev Comercializadora S.A.	1,223	-	1,223
06.30.20	176,297	-	176,297
Biosev Bioenergia International S.A.	132,489	-	132,489
Biosev Bioenergia S.A.	4,164	26,736	30,900
Biosev Comercializadora S.A.	3,334	-	3,334
03.31.20	139,987	26,736	166,723

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Subsidiaries	Company			
	Liabilities			
	Advances from			Total
	Trade payables (*)	customers (**)	Loan (**)	
Biosev Bioenergia Internacional S.A.	101,607	870,768	-	972,375
Biosev Bioenergia S.A.	2,554	-	939	3,493
Biosev Comercializadora S.A.	496	-	-	496
Sociedade Operadora Portuária de São Paulo S/A	-	-	14,196	14,196
06.30.20	104,657	870,768	15,135	990,560
Biosev Bioenergia Internacional S.A.	95,932	814,736	-	910,668
Biosev Bioenergia S.A.	4,134	-	-	4,134
Sociedade Operadora Portuária de São Paulo S/A	-	-	14,108	14,108
03.31.20	100,066	814,736	14,108	928,910

(*) As at June 30, 2020, the amount of R\$3,225 (R\$3,062 as at March 31, 2020) was recorded in current liabilities, in line item "Other payables".

(**) As at June 30, 2020, the amounts of R\$25,457 (R\$12,231 as at March 31, 2020) and R\$845,311 (R\$802,505 as at March 31, 2020) were recorded in current liabilities and non-current liabilities, respectively.

Subsidiaries	Company					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest	Total	Purchases	Interest	Total
Biosev Bioenergia Internacional S.A.	138,314	-	138,314	(546)	(68,621)	(69,167)
Biosev Bioenergia S.A.	22,619	-	22,619	(176)	(84)	(260)
Biosev Comercializadora S.A.	4,902	-	4,902	(1,516)	-	(1,516)
Sociedade Operadora Portuária de São Paulo S/A	-	-	-	-	(245)	(245)
06.30.20	165,835	-	165,835	(2,238)	(68,950)	(71,188)
Biosev Bioenergia Internacional S.A.	20,174	10,425	30,599	-	(10,852)	(10,852)
Biosev Bioenergia S.A.	486	155	641	(817)	(5)	(822)
Biosev Comercializadora S.A.	6,021	61	6,082	-	-	-
Sociedade Operadora Portuária de São Paulo S/A	-	-	-	-	(195)	(195)
06.30.19	26,681	10,641	37,322	(817)	(11,052)	(11,869)

The tables below show the balances and transactions as at June 30, 2020 between the Company and other related parties:

Companies under common control	Company			
	Assets			
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
Louis Dreyfus Company Suisse S.A.	-	16,227	-	16,227
Louis Dreyfus Company Brasil S.A.	-	509	921,351	921,860
Term Commodities Inc.	39,565	-	-	39,565
06.30.20	39,565	16,736	921,351	977,652
Louis Dreyfus Company Suisse S.A.	-	1,014	-	1,014
Louis Dreyfus Company Brasil S.A.	-	-	885,170	885,170
Term Commodities Inc.	19,112	-	-	19,112
03.31.20	19,112	1,014	885,170	905,296

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Consolidated				
Assets				
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
Companies under common control				
Louis Dreyfus Company Ethanol Merchandising LLC	-	95	-	95
Louis Dreyfus Company Brasil S.A.	-	533	1.743.998	1.744.531
Louis Dreyfus Company Suisse S.A.	-	218.957	-	218.957
Louis Dreyfus Commodities Agroindustrial S.A.	-	24	-	24
Term Commodities Inc.	39.565	115	-	39.680
06.30.20	39.565	219.724	1.743.998	2.003.287
Companies under common control				
Louis Dreyfus Company Ethanol Merchandising LLC	-	91	-	91
Louis Dreyfus Company Brasil S.A.	-	-	2.506.685	2.506.685
Louis Dreyfus Company Suisse S.A.	-	2.153	-	2.153
Term Commodities Inc.	19.112	261	-	19.373
03.31.20	19.112	2.505	2.506.685	2.528.302

(*) As at June 30, 2020, the amount of R\$37,203 (R\$19,112 as at March 31, 2020) was recorded in line item "Short-term investments", relating to margin deposits in derivative transactions.

Company				
Liabilities				
	Derivatives	Trade payables	Advances from customers	Total
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	281	-	281
Louis Dreyfus Company Suisse S.A.	-	-	914,492	914,492
	-	281	914,492	914,773
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	588	-	588
06.30.20	-	869	914,492	915,361
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	185	-	185
Louis Dreyfus Company Suisse S.A.	-	-	878,580	878,580
Term Commodities Inc.	6,585	-	-	6,585
	6,585	185	878,580	885,350
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	1,749	-	1,749
	-	1,749	-	1,749
03.31.20	6,585	1,934	878,580	887,099

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For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated			
	Liabilities			
	Derivatives	Trade payables	Advances from customers	Total
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	406	-	406
Louis Dreyfus Company Suisse S.A.	1,862	4,657	1,732,798	1,739,317
LDC Trading and Services Co. S.A.	-	512	-	512
	<u>1,862</u>	<u>5,575</u>	<u>1,732,798</u>	<u>1,740,235</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	4,643	-	4,643
	-	<u>4,643</u>	-	<u>4,643</u>
06.30.20	<u>1,862</u>	<u>10,218</u>	<u>1,732,798</u>	<u>1,744,878</u>

Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	309	-	309
Louis Dreyfus Company Suisse S.A.	289	4,251	2,486,605	2,491,145
LDC Trading and Services Co. S.A.	-	243	-	243
Term Commodities Inc.	6,585	-	-	6,585
	<u>6,874</u>	<u>4,803</u>	<u>2,486,605</u>	<u>2,498,282</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	7,692	-	7,692
	-	<u>7,692</u>	-	<u>7,692</u>
03.31.20	<u>6,874</u>	<u>12,495</u>	<u>2,486,605</u>	<u>2,505,974</u>

	Company					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest and exchange rate changes	Total income	Sales	Interest and exchange rate changes	Total expenses
Companies under common control						
Louis Dreyfus Company Brasil S.A.	-	-	-	(243,066)	-	(243,066)
Louis Dreyfus Company Suisse S.A.	270,610	-	270,610	-	-	-
Macrofértil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(105)	-	(105)
Term Commodities Inc.	-	-	-	(3,871)	-	(3,871)
	<u>270,610</u>	<u>-</u>	<u>270,610</u>	<u>(247,042)</u>	<u>-</u>	<u>(247,042)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(237)	-	(237)
	-	-	-	<u>(237)</u>	-	<u>(237)</u>
06.30.20	<u>270,610</u>	<u>-</u>	<u>270,610</u>	<u>(247,279)</u>	<u>-</u>	<u>(247,279)</u>
Companies under common control						
Louis Dreyfus Company Brasil S.A.	-	5,144	5,144	(534,596)	-	(534,596)
Louis Dreyfus Company Suisse S.A.	529,760	-	529,760	-	(4,984)	(4,984)
Term Commodities Inc.	-	-	-	(1,476)	-	(1,476)
	<u>529,760</u>	<u>5,144</u>	<u>534,904</u>	<u>(536,072)</u>	<u>(4,984)</u>	<u>(541,056)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	877	-	877	(1,076)	-	(1,076)
	<u>877</u>	<u>-</u>	<u>877</u>	<u>(1,076)</u>	<u>-</u>	<u>(1,076)</u>
06.30.19	<u>530,637</u>	<u>5,144</u>	<u>535,781</u>	<u>(537,148)</u>	<u>(4,984)</u>	<u>(542,132)</u>

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest and exchange rate changes	Total income	Sales	Interest and exchange rate changes	Total expenses
Companies under common control						
LDC Trading and Services Co.S.A.	-	-	-	(370)	(26)	(396)
Louis Dreyfus Company Brasil S.A.	17	-	17	(1,094,483)	-	(1,094,483)
Louis Dreyfus Company Suisse S.A.	1,548,182	10,207	1,558,389	(78,112)	-	(78,112)
Macrofétil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(185)	-	(185)
Term Commodities Inc.	-	71	71	(4,088)	-	(4,088)
	<u>1,548,199</u>	<u>10,278</u>	<u>1,558,477</u>	<u>(1,177,238)</u>	<u>(26)</u>	<u>(1,177,264)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(3,340)	-	(3,340)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,340)</u>	<u>-</u>	<u>(3,340)</u>
06.30.20	<u>1,548,199</u>	<u>10,278</u>	<u>1,558,477</u>	<u>(1,180,578)</u>	<u>(26)</u>	<u>(1,180,604)</u>
Companies under common control						
LDC Trading and Services Co.S.A.	-	3	3	(274)	-	(274)
Louis Dreyfus Company Brasil S.A.	-	21,546	21,546	(628,332)	-	(628,332)
Louis Dreyfus Company Suisse S.A.	837,013	-	837,013	(1,837)	(22,002)	(23,839)
LDC Ethanol Interior Merchandising	-	1	1	-	-	-
Macrofétil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(674)	-	(674)
Term Commodities Inc.	-	-	-	(1,597)	(4)	(1,601)
	<u>837,013</u>	<u>21,550</u>	<u>858,563</u>	<u>(632,714)</u>	<u>(22,006)</u>	<u>(654,720)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	1,941	-	1,941	(1,324)	(1)	(1,325)
	<u>1,941</u>	<u>-</u>	<u>1,941</u>	<u>(1,324)</u>	<u>(1)</u>	<u>(1,325)</u>
06.30.19	<u>838,954</u>	<u>21,550</u>	<u>860,504</u>	<u>(634,038)</u>	<u>(22,007)</u>	<u>(656,045)</u>

a) Compensation of key management personnel

The compensation of officers and other key management personnel for the period is as follows:

	Company and Consolidated	
	06.30.20	06.30.19
Short-term benefits	6,640	6,453
Long-term benefits	2,302	1,458
	<u>8,942</u>	<u>7,911</u>

The short-term benefits of key management personnel comprise salaries, social security contributions, pension fund contributions, social charges, profit sharing and short-term performance bonus. Long-term benefits include performance bonus and deferred benefits that expired in each financial statements.

21. EQUITY

Capital

The changes in capital are as follows:

	Shares	In thousands of Brazilian reais - R\$	
	Common	Capital	Capital reserve
03.31.20	<u>1.020.429.426</u>	<u>6.077.674</u>	<u>1.353.937</u>
06.30.20	<u>1.020.429.426</u>	<u>6.077.674</u>	<u>1.353.937</u>

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

22. NET REVENUE AND COST OF SALES AND SERVICES

	Company		Consolidated	
	Three-month period ended		Three-month period ended	
	06.30.20	06.30.19	06.30.20	06.30.19
Gross revenue				
Domestic market				
Sugar	47,709	16,463	60,846	39,582
Ethanol	115,901	425,102	246,356	715,750
Energy	54,008	52,992	130,770	122,160
Other	393	938	12,502	5,616
	<u>218,011</u>	<u>495,495</u>	<u>450,474</u>	<u>883,108</u>
Foreign market				
Sugar	213,054	34,489	648,238	252,806
Ethanol	13,850	-	232,886	86,229
Other (a)	515,200	529,759	1,397,168	623,540
	<u>742,104</u>	<u>564,248</u>	<u>2,278,292</u>	<u>962,575</u>
	<u>960,115</u>	<u>1,059,743</u>	<u>2,728,766</u>	<u>1,845,683</u>
Taxes (b)	(23,054)	(57,407)	(57,853)	(126,516)
Sales rebates	(1,231)	(300)	(1,287)	(803)
Net revenue	<u>935,830</u>	<u>1,002,036</u>	<u>2,669,626</u>	<u>1,718,364</u>
Cost of sales and services (c)				
Domestic market				
Sugar	(37,433)	(19,238)	(48,857)	(30,361)
Ethanol	(113,951)	(309,481)	(234,845)	(526,742)
Energy	(10,666)	(13,447)	(71,274)	(74,523)
Other	(1,791)	(1,335)	(18,260)	(7,888)
	<u>(163,841)</u>	<u>(343,501)</u>	<u>(373,236)</u>	<u>(639,514)</u>
Foreign market				
Sugar (d)	(139,286)	(31,088)	(524,619)	(224,373)
Ethanol (d)	(11,475)	-	(168,698)	(88,789)
Other (a)	(538,475)	(534,610)	(1,405,730)	(628,349)
	<u>(689,236)</u>	<u>(565,698)</u>	<u>(2,099,047)</u>	<u>(941,511)</u>
Gains on changes in fair value less estimated costs to sell biological assets				
Sugar	103,553	10,002	123,906	19,842
Ethanol	73,496	61,506	89,923	73,555
	<u>177,049</u>	<u>71,508</u>	<u>213,829</u>	<u>93,397</u>
	<u>(676,028)</u>	<u>(837,691)</u>	<u>(2,258,454)</u>	<u>(1,487,628)</u>

(a) Amounts relating to the export of commodities.

(b) Include government grants, which reduced the taxable base on sales by R\$13,006, in Company, in the period ended June 30, 2020 (R\$26,834 as at June 30, 2019).

(c) Include PIS and COFINS credits in the amount of R\$2,171, in Company, and R\$4,503, in Consolidated, in the period ended June 30, 2020 (R\$4,471 and R\$8,199, as at June 30, 2019, respectively), as prescribed by article 3, of Law 10637/02, which addresses the non-cumulativeness of PIS/PASEP; and article 3, of Law 10833/03, which addresses the non-cumulativeness of COFINS.

(d) Include REINTEGRA credits, in the amount of R\$121, in Company, and R\$453, in Consolidated, in the period ended June 30, 2020 (R\$2,319 and R\$2,501, as at June 30, 2019, respectively), as set forth in article 21, of Law 13043, of November 13, 2014, which addresses the REINTEGRA reintroducing.

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23. EXPENSES BY NATURE

The information on the nature of cost of sales and services and general, administrative and selling expenses is as follows:

	Company		Consolidated	
	Three-month period		Three-month period	
	ended		ended	
	06.30.20	06.30.19	06.30.20	06.30.19
Cost of sales and services				
Personnel (*)	(49,163)	(64,654)	(117,709)	(114,618)
Depreciation and amortization (**)	(218,131)	(233,363)	(448,243)	(430,344)
Raw materials and inputs, net of taxes:				
Raw materials	(29,701)	(54,642)	(231,425)	(230,988)
Inputs and services	(13,941)	(4,793)	(45,893)	(31,659)
Products for resale	(542,141)	(551,747)	(1,629,013)	(773,416)
	(585,783)	(611,182)	(1,906,331)	(1,036,063)
Gains on changes in fair value less estimated costs to sell biological assets	177,049	71,508	213,829	93,397
	(676,028)	(837,691)	(2,258,454)	(1,487,628)
General, administrative and selling expenses				
Personnel (*)	(6,117)	(25,701)	(32,068)	(42,999)
Depreciation	(2,834)	(2,729)	(5,506)	(5,811)
Freight	(15,773)	(5,973)	(54,808)	(26,911)
Services	(12,387)	(11,734)	(31,496)	(19,523)
Shipping expenses	(859)	(259)	(22,919)	(5,392)
Other	(4,530)	(6,241)	(7,870)	(8,601)
	(42,500)	(52,637)	(154,667)	(109,237)

(*) As at June 30, 2020, the personnel expenses, in Company and Consolidated, comprise R\$53,592 and R\$145,899, respectively (R\$88,229 and R\$153,445 as at June 30, 2019), and R\$1,688 and R\$3,878 (R\$2,126 and R\$4,172 as at June 30, 2019) relating to INSS contribution, respectively.

(**) Includes biological asset and agricultural produce.

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24. FINANCE INCOME (EXPENSES)

	Company		Consolidated	
	Three-month period		Three-month period	
	ended		ended	
	06.30.20	06.30.19	06.30.20	06.30.19
Finance income				
Discounts obtained	442	24	802	169
Revenue from fixed income short-term investments	814	2,641	1,786	5,553
Interest	3,887	3,660	5,424	5,327
Other	39	843	500	1,918
	<u>5,182</u>	<u>7,168</u>	<u>8,512</u>	<u>12,967</u>
Finance costs				
Interest	(81,770)	(73,785)	(156,936)	(145,925)
Discounts granted	-	(37)	(7)	(37)
Tax on Financial Transactions (IOF)	(833)	(506)	(1,368)	(1,481)
Tax on Financial Transactions (IOF) - loan	-	(7)	(173)	(1,109)
Other	(582)	(133)	(1,387)	(402)
Taxes on revenue (PIS and COFINS) on finance income	(197)	(321)	(350)	(577)
	<u>(83,382)</u>	<u>(74,789)</u>	<u>(160,221)</u>	<u>(149,531)</u>
Derivatives				
Commodities derivatives - Commercial transactions	(43,180)	51,983	5,022	19,715
Commodities derivatives - Financial transactions	46,160	(10,740)	46,160	(10,740)
Interest rate derivatives - Libor sw ap	-	-	(1,806)	304
	<u>2,980</u>	<u>41,243</u>	<u>49,376</u>	<u>9,279</u>
Exchange rate changes	<u>(171,329)</u>	<u>40,866</u>	<u>(383,428)</u>	<u>76,284</u>
Finance costs	<u>(246,549)</u>	<u>14,488</u>	<u>(485,761)</u>	<u>(51,001)</u>

25. OTHER OPERATING INCOME (EXPENSES)

	Company		Consolidated	
	Three-month period		Three-month period	
	ended		ended	
	06.30.20	06.30.19	06.30.20	06.30.19
Recognition of provision for tax, labor, civil and environmental contingencies	(2,486)	(4,784)	(8,642)	(15,370)
Contratual fines and indemnities	(4,279)	(8,091)	(15,381)	(16,636)
Tax expenses	(1,122)	(2,075)	(3,268)	(1,566)
Reversal of Impairment of fixed assets	141	376	260	1,704
Gains (losses) on sale of property, plant and equipment	85	504	864	5,428
Impairment of assets held for sale	119	(21,060)	119	(21,114)
Reversal (recognition) of estimated losses on doubtful accounts	(7)	(389)	231	(590)
Provision for other losses	(27)	(122)	(3,762)	(58,740)
Other operating expenses, net	1,014	966	1,561	1,759
Total other operating income (expenses), net	<u>(6,562)</u>	<u>(34,675)</u>	<u>(28,018)</u>	<u>(105,125)</u>
Total other operating income	<u>6,348</u>	<u>3,497</u>	<u>8,414</u>	<u>8,409</u>
Total other operating expenses	<u>(12,910)</u>	<u>(38,172)</u>	<u>(36,432)</u>	<u>(113,534)</u>

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26. LOSS PER SHARE

The basic and diluted loss per share was calculated based on the loss attributable to the Biosev's owners divided by the weighted average number of outstanding common shares in the period.

	Company		Consolidated	
	Three-month period ended		Three-month period ended	
	06.30.20	06.30.19	06.30.20	06.30.19
Loss for the year attributable to the Company's owners	(281,213)	(168,821)	(281,213)	(168,821)
Weighted average number of shares used to calculate basic and diluted earnings per share	474,006,366	386,367,962	474,006,366	386,367,962
Total basic and diluted loss per share	(0.59327)	(0.43694)	(0.59327)	(0.43694)

27. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

I - Risk management

The Company is exposed to risks arising from its operations and considers market, credit, liquidity, and capital risks as the most significant risks to which it is exposed.

The objective of the Company's risk management program is to hedge its results against fluctuations in sugar, ethanol and electric power prices, foreign exchange and interest rates. These risks are managed using hedging financial instruments available in the financial market, such as: swaps and interest rate futures; currency forwards, futures and options; and commodity forwards, swaps, futures and options. Transactions carried out in the over-the-counter market are contracted through low-risk domestic and foreign banks. Transactions contracted on the stock exchange market are mainly traded in futures and options markets at the New York Commodities Exchange (NYSE: ICE), Chicago Commodities Exchange (NYSE: CME) and Brasil Bolsa Balcão (B3).

The use of these instruments is guided by the Financial and Risk Management Policy approved and reviewed by the Board of Directors on January 13, 2020. Additionally, the Company does not carry out transactions with any type of leverage, as well as does not have transactions with exotic derivatives.

The risk management policies, practices and instruments are oversight by the Executive Committee and the Strategic Committee (the body that supports the Company's Board of Directors).

The Executive Committee has the following responsibilities before the Board of Directors: (i) monitor the compliance with the policy and report eventual non-compliances; (ii) inform about the indebtedness of the Company and its subsidiaries, as well as the related debt instruments; (iii) inform about the burdens on the assets of the Company and its subsidiaries; and (iv) monitor the risk management instruments of the Company and its subsidiaries.

The Risk Management Department is subject to the Chief Financial Officer and is responsible for the calculation, measurement, analysis and monitoring of the exposure, by issuing daily reports based on which the necessary corrective measures are taken. It is also responsible for monitoring the compliance with the risk management policies.

27.1 Market risk

The Company is mainly exposed to risks related to foreign exchange, interest rate and agricultural commodity price fluctuations. In order to hedge against these market risks, the Company uses various derivative financial instruments, including:

- Foreign exchange forwards, options and futures to hedge fair value and cash flow items against exchange rate changes;
- Interest rate futures to supplement the hedging of such items;
- Interest rate swaps to mitigate LIBOR fluctuation risk;

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- Commodity forwards, swaps, futures and options to hedge inventory and future agricultural commodity delivery transactions.

The parameters used to manage these risks are based on hedging strategy monitoring tools, such as sensitivity analysis, stress tests, and a hedging scale, aimed at securing the future amount of sugar and ethanol sales, including the effects from foreign exchange rate, as well as interest rate exposure.

As at June 30, 2020, the assets and liabilities relating to the derivative transactions are broken down as follows:

	Company		Consolidated	
	06.30.20	03.31.20	06.30.20	03.31.20
Exchange risk management (Note 27.1.1)	(240.920)	(343.960)	(240.920)	(343.959)
Interest rate risk management (Note 27.1.2)	-	-	(30.702)	(27.963)
Agricultural commodity risk management (Note 27.1.3)	(4.204)	(5.441)	(1.945)	50.155
	(245.124)	(349.401)	(273.567)	(321.767)
Current assets	93.131	225.787	97.252	225.787
Non-current assets	-	-	-	55.885
Current liabilities	(338.255)	(575.188)	(353.256)	(586.843)
Non-current liabilities	-	-	(17.563)	(16.596)

27.1.1 Foreign exchange risk management

Because the Company's functional currency is the Brazilian real (R\$), the foreign currency-denominated operations are exposed to the foreign exchange risk. Foreign exchange positions are managed based on the Financial and Risk Management Policy, approved by the Company's Board of Directors on January 13, 2020. The Company carries out transactions with currency derivatives in order to reduce variability in its profit or loss due to the existence of US dollar denominated net cash flows from exports, costs and debts.

The Company may also contract derivative financial instruments to hedge its foreign exchange exposure that may impact assets and liabilities, as set forth in the policy.

The Company carries out transactions with interest rate derivatives traded on the B3 (one-day DI futures) in order to supplement foreign exchange rate hedges contracted under foreign exchange contracts traded on said exchange — future dollar financial instruments (DOL) and exchange coupon futures (DDI)). The consolidated use of such future contracts aims at having effects similar to those of one single DOL futures contract. This strategy is adopted by the Company without leverage. This is necessary because an individually traded DOL future contract does not have significant liquidity for terms above three months and, therefore, could not meet the Company's foreign exchange hedging requirements.

This practice is regulated by the B3 and has been widely disseminated among future market participants in Brazil for over a decade.

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The table below shows the Company's NDF, DOL, DI and DDI forward currency sale instruments, used for purposes of hedging foreign exchange risk and respective results:

	Company and Consolidated							
	Average exchange rate		Notional value				Fair value	
			Foreign currency		Domestic currency (*)			
	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20
			(Sale) purchase		(Sale) purchase			
<u>Outstanding forward contracts – NDF US Dollar</u>								
Hedge Accounting - Cash Flow								
Sale	4,8604	4,2685	(315.213)	(380.500)	(1.532.064)	(1.624.177)	(187.770)	(359.644)
			(315.213)	(380.500)	(1.532.064)	(1.624.177)	(187.770)	(359.644)
Non- Hedge Accounting								
Sale	4,5161	4,6227	(144.787)	(314.500)	(653.866)	(1.453.833)	(137.903)	(190.392)
Purchase	5,2530	4,7351	405.500	425.000	2.130.078	2.012.401	84.813	205.822
			260.713	110.500	1.476.212	558.568	(53.090)	15.430
<u>Futures B3 - Non-hedge Accounting</u>								
DOL - dollar futures	5,4760	5,1987	48.750	54.750	266.955	284.629	(1.981)	1.443
DDI - future exchange coupon			(58.304)	(85.160)	(319.272)	(442.721)	1.817	(1.511)
DI - 1 day:			42.955	70.725	235.222	367.677	103	322
			33.401	40.315	182.905	209.585	(60)	254
							(240.920)	(343.960)

(*) Convenience conversion.

27.1.2 Interest rate risk management

The Company uses Libor derivatives to hedge against interest rate fluctuations. These derivatives are traded on the Brazilian over-the-counter market with low-risk banks as counterparties, and are registered with CETIP S.A. - Balcão Organizado de Ativos e Derivativos (Brazilian organized OTC market), as required by prevailing legislation.

The table below shows the Company's Libor swap instruments with receipt of Libor interest and payment of fixed rates and presents the derivatives used for purposes of hedging Libor interest risk and respective results:

	Consolidated							
	Fixed average rate - %		Notional value					
			Foreign currency		Domestic currency (*)		Fair value	
	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20
Hedge Accounting								
Outstanding position:								
Less than 1 year	3.15%	3.15%	39,967	39,967	218,857	207,775	(13,139)	(11,367)
1 to 2 years	3.15%	3.15%	39,967	39,967	218,857	207,775	(10,870)	(10,659)
2 to 5 years	3.15%	3.15%	56,002	56,002	306,665	291,136	(6,693)	(5,937)
			135,936	135,936	744,379	706,686	(30,702)	(27,963)

(*) Convenience conversion.

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27.1.3 Agricultural commodity risk management

The Company carries out transactions with commodity derivatives (sugar and ethanol) in order to reduce the impact of the changes in the market prices considering that these changes may significantly affect the Company's future sales value. These risks are managed according to the Company's Financial and Risk Management Policy and the hedge strategy monitoring tool which determines the hedge volume and timeframe.

The Company's swaps, forwards, futures and options in the period used for commodity risk hedging and the related results are as follows:

	Company					
	Notional value					
	Foreign currency		Domestic currency (*)		Fair value	
	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20
<u>Sugar futures - ICE</u>						
Hedge Accounting - Cash Flow	(112,033)	(138,660)	(613,492)	(720,852)	2,687	(2,026)
Hedge Accounting - Fair Value	132,652	132,652	726,403	689,618	(5,571)	1,600
Non- Hedge Accounting	56,105	(5,365)	307,229	(27,889)	5,245	(6,159)
	76,724	(11,373)	420,140	(59,123)	2,361	(6,585)
<u>Sugar options - ICE</u>						
Non- Hedge Accounting	-	2,359	-	12,264	-	606
	-	2,359	-	12,264	-	606
<u>Sugar options - OTC</u>						
Non- Hedge Accounting	(9,325)	(10,545)	(51,062)	(54,820)	(6,565)	(836)
	(9,325)	(10,545)	(51,062)	(54,820)	(6,565)	(836)
<u>NDF sugar - OTC</u>						
Non- Hedge Accounting	-	(9,822)	-	(51,062)	-	1,156
	-	(9,822)	-	(51,062)	-	1,156
<u>Ethanol futures - B3</u>						
Non- Hedge Accounting	-	(425)	-	(2,211)	-	218
	-	(425)	-	(2,211)	-	218
					(4,204)	(5,441)

	Consolidated					
	Notional value					
	Foreign currency		Domestic currency (*)		Fair value	
	06.30.20	03.31.20	06.30.20	03.31.20	06.30.20	03.31.20
<u>Sugar futures - ICE</u>						
Hedge Accounting - Cash Flow	(112,033)	(138,660)	(613,492)	(720,852)	2,687	(2,026)
Hedge Accounting - Fair Value	132,652	132,652	726,403	689,618	(5,571)	1,600
Non- Hedge Accounting	56,105	(5,365)	307,229	(27,889)	5,245	(6,159)
	76,724	(11,373)	420,140	(59,123)	2,361	(6,585)
<u>Sugar Sales Agreements</u>						
Hedge Accounting - Fair Value	(132,652)	(132,652)	(726,403)	(689,618)	4,121	55,885
	(132,652)	(132,652)	(726,403)	(689,618)	4,121	55,885
<u>Sugar options - ICE</u>						
Non- Hedge Accounting	-	2,359	-	12,264	-	606
	-	2,359	-	12,264	-	606
<u>Sugar options - OTC</u>						
Non- Hedge Accounting	(3,313)	(14,035)	(18,144)	(72,964)	(1,862)	(1,125)
	(3,313)	(14,035)	(18,144)	(72,964)	(1,862)	(1,125)
<u>NDF sugar - OTC</u>						
Non- Hedge Accounting	(9,325)	(9,822)	(51,062)	(51,062)	(6,565)	1,156
	(9,325)	(9,822)	(51,062)	(51,062)	(6,565)	1,156
<u>Ethanol futures - B3</u>						
Non- Hedge Accounting	-	(425)	-	(2,211)	-	218
	-	(425)	-	(2,211)	-	218
					(1,945)	50,155

(*) Convenience conversion.

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27.2 Credit risk

The credit risk is managed through the careful analysis of the customer portfolio, the definition of credit limits, and the ongoing control of outstanding positions. In conformity with the Company's credit policy, using a risk assessment methodology, the Company adopted balanced scorecard techniques. The Company adopts hedging instruments, such as collaterals, pledges and guarantees, to mitigate potential credit exposures. Historically, the Company does not record significant losses in trade receivables.

27.3 Liquidity risk

The Company operates with a liquidity level considered sufficient for its operations and uses a number of sources of funds to finance its activities. In order to cover possible liquidity deficiencies or mismatches between cash and cash equivalents with short-term maturities, the Company has good relationship with first-class banks, in Brazil or abroad, as well as a credit line with its parent. Moreover, the products manufactured by the Company are highly liquid and can be easily sold to generate cash or also be provided as a guarantee for financial transactions. In addition, part of the investments, especially those related to sugarcane plantation treatments, is supported by short-term financing and will be realized in the following harvest campaign.

27.3.1 Liquidity and interest rate tables

The tables below show in detail the expected maturity of the Group's financial liabilities:

	Company			
	Less than 1 year	1 to 5 years	Over 5 years	Total
As at June 30, 2020				
Borrowings and financing	421.054	2.638.763	111.494	3.171.311
Lease liability	200.569	454.793	77.023	732.385
Derivative financial instruments	338.255	-	-	338.255
Trade payables	316.809	4.622	-	321.431
Accrued payroll and related taxes	56.607	-	-	56.607
Taxes payable	21.203	18.324	-	39.527
Other payables	68.228	65.195	-	133.423
	1.422.725	3.181.697	188.517	4.792.939
As at March 31, 2020				
Borrowings and financing	2.935.559	67.484	-	3.003.043
Lease liability	215.257	444.809	72.048	732.114
Derivative financial instruments	575.188	-	-	575.188
Trade payables	309.104	5.733	-	314.837
Accrued payroll and related taxes	47.218	-	-	47.218
Taxes payable	21.314	18.501	-	39.815
Other payables	80.594	86.047	-	166.641
	4.184.234	622.574	72.048	4.878.856

	Consolidated			
	Less than 1 year	1 to 5 years	Over 5 years	Total
As at June 30, 2020				
Borrowings and financing	1.168.611	6.478.724	114.573	7.761.908
Lease liability	477.464	1.067.174	148.545	1.693.183
Derivative financial instruments	353.256	17.563	-	370.819
Trade payables	690.168	4.857	-	695.025
Accrued payroll and related taxes	110.115	-	-	110.115
Taxes payable	69.442	18.324	-	87.766
Other payables	114.509	135.643	-	250.152
	2.983.565	7.722.285	263.118	10.968.968
As at March 31, 2020				
Borrowings and financing	7.225.234	96.191	-	7.321.425
Lease liability	498.932	1.029.154	153.183	1.681.269
Derivative financial instruments	586.843	16.596	-	603.439
Trade payables	798.903	5.965	-	804.868
Accrued payroll and related taxes	90.483	-	-	90.483
Taxes payable	75.152	18.501	-	93.653
Other payables	118.051	167.247	-	285.298
	9.393.598	1.333.654	153.183	10.880.435

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27.4 Capital risk

The Company manages its capital structure in order to safeguard a continuous return to the Company's shareholders. Company monitors capital through financial leverage index analysis; these indexes include adjusted net debt to adjusted EBITDA ratio. In turn, the net debt corresponds to total borrowings and financing (including short- and long-term borrowings and financing), less cash, cash equivalents, short-term investments and highly liquid inventory (ethanol, sugar and allowance for negative inventory margin).

The Company allocates the Libor swap contracts (see Note 27.1.2) to the adjusted net debt for capital risk analysis purposes.

The Company may change its capital structure, in conformity with economic and financial conditions, aiming at optimizing its financial leverage and/or debt management.

27.5 Margin calls

Derivative transactions in commodity exchanges (ICE and B3) require an initial margin call in guarantee.

To trade on the ICE, the margin call required, as at June 30, 2020, is R\$32,652 (R\$7,376 as at March 31, 2020), fully deposited by the Company's in cash, through fiduciary agent Term Commodities Inc., a company under common control.

To trade on the B3, the margin call required, as at June 30, 2020, is R\$13,716 (R\$26,502 as at March 31, 2020), deposited as Bank Deposit Certificate (CDB), in the amount of R\$10,000 and R\$11,371, in current account.

As at June 30, 2020, the Company's transactions in the over-the-counter market did not require an initial margin call in guarantee.

27.6 Categories of financial instruments

The financial instruments recorded in the balance sheet, such as cash and cash equivalents and borrowings and financing, are stated at contractual values, which approximate their fair values due to their short terms and/or characteristics.

The fair value of financial instruments not traded in active markets (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses several methods and makes assumptions that are based on existing market conditions at the end of the interim financial statements. The fair value of foreign exchange forwards is determined based on forward exchange rates quoted at the end of the interim financial statements.

The use of different market inputs and/or valuation techniques might result in amounts different from the recognized realizable value of financial instruments.

	Classification	Company		Consolidated	
	CPC 48 / IFRS 9	06.30.20	03.31.20	06.30.20	03.31.20
Financial assets:					
Cash and cash equivalents (Note 3)	Amortized cost	114.802	396.124	359.383	1.174.943
Short-term investments and debentures (Note 4)	Amortized cost	58.701	42.052	69.858	52.245
Trade receivables (Note 5)	Amortized cost	245.044	211.537	462.710	216.242
Derivatives designated as fair value hedge or not (Note 27)	VJR	90.444	225.676	94.564	281.561
Derivatives designated as cash flow hedge (Note 27)	VJORA	2.687	111	2.688	111
Financial liabilities:					
Borrowings and financing (Note 16)	Amortized cost	3.171.311	3.003.043	7.761.908	7.321.425
Lease liability (Note 12)	Amortized cost	732.385	732.114	1.693.183	1.681.269
Trade payables (Note 17)	Amortized cost	321.431	314.837	695.025	804.868
Other financial liabilities	Amortized cost	229.557	253.674	448.033	469.434
Derivatives designated as fair value hedge or not (Note 27)	VJR	65.583	361.781	67.444	389.743
Derivatives designated as cash flow hedge (Note 27)	VJORA	272.672	213.407	303.375	213.696

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For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

27.7 Measurement at fair value recognized in balance sheet

CPC 40 (R1) – Instrumentos Financeiros: Evidenciação/IFRS 7 - Financial Instruments: Disclosure defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the primary or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. CPC 40 (R1)/IFRS 7 also establishes a three-level fair value hierarchy, which prioritizes inputs for fair value measurement by an entity in order to maximize the use of observable data and minimize the use of unobservable data. CPC 40 (R1)/IFRS 7 describes the three levels of inputs that should be used to measure fair value, which are the following:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 – Inputs other than the data included in Level 1, where prices are quoted (unadjusted).

Fair value measurements of Level 2 are obtained based on other variables besides quoted prices included in Level 1, which are directly or indirectly observable for an asset or liability.

- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs) because market activity is insignificant or does not exist.

The Company's financial assets and liabilities measured at fair value on a recurring basis and subject to disclosure as required by CPC 40 (R1)/IFRS 7, as at June 30, 2020, are as follows:

	Company			Consolidated		
	06.30.20			06.30.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets at fair value through profit or loss						
Derivative financial assets	2,374	90,757	93,131	2,374	94,878	97,252
	<u>2,374</u>	<u>90,757</u>	<u>93,131</u>	<u>2,374</u>	<u>94,878</u>	<u>97,252</u>
Financial liabilities at fair value through profit or loss						
Derivative financial liabilities	(2,435)	(335,820)	(338,255)	(2,434)	(368,385)	(370,819)
	<u>(2,435)</u>	<u>(335,820)</u>	<u>(338,255)</u>	<u>(2,434)</u>	<u>(368,385)</u>	<u>(370,819)</u>
	Company			Consolidated		
	03.31.20			03.31.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets at fair value through profit or loss						
Derivative financial assets	15,885	209,902	225,787	15,886	265,786	281,672
	<u>15,885</u>	<u>209,902</u>	<u>225,787</u>	<u>15,886</u>	<u>265,786</u>	<u>281,672</u>
Financial liabilities at fair value through profit or loss						
Derivative financial liabilities	(22,000)	(553,188)	(575,188)	(21,999)	(581,440)	(603,439)
	<u>(22,000)</u>	<u>(553,188)</u>	<u>(575,188)</u>	<u>(21,999)</u>	<u>(581,440)</u>	<u>(603,439)</u>

27.8 Derivative and non-derivative financial instruments with the application of hedge accounting

In accordance with accounting practices adopted in Brazil, derivative financial instruments are accounted for at fair value through profit or loss, unless a derivative is designated for hedge accounting. A derivative only qualifies for hedge accounting when all the conditions set out by CPC 48/IFRS 9 are met. The adoption of hedge accounting is optional and aims at recognizing gains or losses on derivatives and debts only when the hedged item is realized on an accrual basis and, therefore, reducing the volatility of gains or losses from the mark-to-market of derivatives.

The Company applies hedge accounting to account for part of its derivative and non-derivative financial instruments.

27.8.1 Cash flow hedge

The cash flow hedge is characterized by the protection of a recognized liability (debt) and highly probable transactions (exports of sugar and ethanol expressed in US dollars) under CPC 48/IFRS 9, items 6.3.3/9 6.2.2. The hedge instruments are described below:

- Recognized liability hedge: swap contracts subject to the Libor interest rate contracted to mitigate the effects from interest rate changes of the long-term debts, in which case the respective exposure is subject to a fixed interest rate; and

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

- Highly probable transaction hedge: i) sugar futures contracts for purposes of price risk hedge; and ii) currency forward contracts (NDF) and US dollar-denominated debts (Natural HACC), both contracted to protect against exchange rate changes in the revenue from exports.

27.8.2 Fair value hedge

Such hedge comprises the use of "sugar futures" derivative instruments to protect against changes in fair value in connection with a sugar sales agreement.

27.8.3 Discontinued hedge accounting

As at March 31, 2019, the Company discontinued the revenue hedge accounting program (Natural HACC) with respect to the debts already designated. Such discontinuity resulted from the change in the Company's foreign exchange risk management, which aimed to offset the exchange rate changes of the debts against equity, which will be directly recorded in the finance income (costs) to be offset against the long positions expressed in foreign currency using derivative financial instruments – also recognized in finance income (costs) (CPC 48, items B6.5.26 (a) and B6.5.28 (b)).

The gains and losses recorded in equity, in line item "Other comprehensive income (loss), will be maintained in this reserve until the expected transaction is concluded, in which case the amounts will be reclassified to operating income (revenues) – aligned with revenues. In the event such transaction (revenue) is not concluded, the accumulated amounts will be fully reclassified to finance income (costs) under CPC 48.

As at June 30, 2020, the annual expected realization of derivatives recorded in equity is as follows:

		Company						
Hedge	Impact	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025 to 2028	Total
Exchange rate changes on future interest flows (*)	Finance income (costs)	(3,861)	(3,854)	(2,367)	(1,226)	(733)	(759)	(12,800)
		<u>(3,861)</u>	<u>(3,854)</u>	<u>(2,367)</u>	<u>(1,226)</u>	<u>(733)</u>	<u>(759)</u>	<u>(12,800)</u>

		Consolidated						
Hedge	Impact	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025 to 2028	Total
Exchange rate changes on future interest flows (*)	Finance costs	(3,861)	(3,854)	(2,367)	(1,226)	(733)	(759)	(12,800)
Natural HACC	Operating losses	(60,692)	(79,173)	(79,173)	(25,544)	-	-	(244,582)
		<u>(64,553)</u>	<u>(83,027)</u>	<u>(81,540)</u>	<u>(26,770)</u>	<u>(733)</u>	<u>(759)</u>	<u>(257,382)</u>

(*) Program discontinued in prior years.

27.8.4 Sensitivity analysis

The table below shows the Company's sensitivity to the presented risk factor, based on changes in the risk factor considered reasonably possible by management (probable scenario).

The probable scenario is obtained based on future dollar, sugar and ethanol (as at June 30, 2020) and the Group's expectations for each one of the variables indicated, over a twelve-month period.

As required by CVM Instruction 475/2008, the sensitivity analysis is also presented to changes in the fair value of financial instruments for another two scenarios, in which market conditions are stressed by 25% and 50%.

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

The derivative financial instruments are provided to hedge against risks from future cash flows. The non-derivative financial instruments must not be considered as the Company's net exchange exposure because the table below does not consider the biological asset, as it is not a financial instrument, but it is used in the production of sugar and ethanol for future exports. See Notes 7 and 27.8.

Company					
	Notional amount	Risk factor	Effects on fair value		
	Foreign currency		Probable scenario	25% stress	50% stress
Effects on profit or loss	(371.128)	Increase in US\$	(1.148.020)	(1.644.418)	(3.268.915)
Exchange risk	176.119	Decrease in price	(302.583)	(256.589)	(531.973)
Sugar hedge accounting	176.119	Decrease in price	(302.583)	(256.589)	(531.973)
Effects on equity	(195.009)		(1.450.603)	(1.901.007)	(3.800.888)
Exchange risk	(315.213)	Increase in US\$	(133.688)	(191.523)	(383.045)
Price risk	(112.033)	Increase in price	(178.259)	(152.536)	(305.072)
Sugar hedge accounting	(112.033)	Increase in price	(178.259)	(152.536)	(305.072)
Effects on equity	(427.246)		(311.947)	(344.059)	(688.117)

Consolidated					
	Notional amount	Risk factor	Effects on fair value		
	Foreign currency		Probable scenario	25% stress	50% stress
Exchange risk	(913.647)	Increase in US\$	(3.239.547)	(4.641.017)	(9.261.614)
Price risk	44.219	Decrease in price	(523.050)	(446.431)	(903.415)
Sugar hedge accounting	44.219	Decrease in price	(523.050)	(446.431)	(903.415)
Effects on equity	(869.428)		(3.762.597)	(5.087.448)	(10.165.029)
Exchange risk	(315.213)	Increase in US\$	(133.688)	(191.523)	(383.045)
Price risk	(112.033)	Increase in price	(178.259)	(152.536)	(305.072)
Sugar hedge accounting	(112.033)	Increase in price	(178.259)	(152.536)	(305.072)
Interest rate risk	135.935	Decrease in Libor rate	(343)	(685)	(1.370)
Effects on equity	(291.310)		(312.290)	(344.744)	(689.487)

As at June 30, 2020, the probable scenario considers the CDI rate projected for 12 months – disclosed at B3's website (DI swap reference rates x PRÉ) and the Libor rate for 12 months disclosed by Bloomberg. These rates were applied in the Company's exposure volume – composed of: borrowings and financing, advances from customers, cash and cash equivalents and short-term investments.

Based on the exposure in the probable scenario, a stress of 25% and 50% was applied taking into account the worst case scenarios in order to determine the impact on the Company's finance income (costs).

The consolidated sensitivity results are broken down below:

Company				
	Notional amount	Probable scenario	25% stress	50% stress
Operations indexed to CDI	(240,649)	(10,699)	(24,072)	(26,747)
Operations indexed to Libor	(698,693)	(13,360)	(30,060)	(33,400)
Total	(939,342)	(24,059)	(54,132)	(60,147)

Consolidated				
	Notional amount	Probable scenario	25% stress	50% stress
Operations indexed to CDI	(360,303)	(27,081)	(60,932)	(67,703)
Operations indexed to Libor	(2,266,615)	(43,173)	(97,139)	(107,932)
Total	(2,626,918)	(70,254)	(158,071)	(175,635)

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Notes to the Interim Financial Statements

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28. COMMITMENTS

a) Selling

The Group has several arrangements in the sugar and ethanol market under which it commits to sell volumes of these products in future crops. As at June 30, 2020, the volumes of these commitments total 1,750,036 tons of sugar (1,693,385 tons of sugar as at March 31, 2020), 480,268 cubic meters of ethanol (211,440 cubic meters as at March 31, 2020), and electricity supply commitments, assumed in power auctions and free market, which total 7,125 GWh to be supplied by 2035 (7,595 GWh as at March 31, 2020).

(b) Purchases

The Group has several commitments for the purchase of sugarcane from third parties to ensure part of its production in future crops. The volume of sugarcane to be purchased is estimated based on the expected productivity of the areas where the sugarcane plantations are located. The amount to be paid by the Group is determined at the end of each harvest campaign according to the price published by CONSECANA, plus or less other applicable contractual terms.

As at June 30, 2020, estimated purchase commitments by crop are as follows:

Harvest	Consolidated		
	Area (hectares)	Estimated quantity of cane (ton)	Estimated amount
2020/2021	140,181	10,337,768	861,697
2021/2022	88,059	6,458,077	538,308
2022/2023	63,855	4,682,435	390,301
2023/2024	47,907	3,396,903	283,146
After 2024	46,300	3,112,495	259,440
	386,302	27,987,678	2,332,893

The Group has commitments for the purchase of energy in the amount of 779 GWh (1,048 GWh as at March 31, 2020). The price of these agreements is bilaterally negotiated by the agents selling electric energy in the Free Trade Market (ACL).

c) Terminal de Exportação de Açúcar do Guarujá Limitada - TEAG

TEAG is a party to an agreement for the lease of a port terminal with Companhia Docas do Estado de São Paulo ("CODESP"), which provides for the payment by TEAG, as lease, of a fixed monthly installment of R\$3,1137/m² calculated on a minimum area of 74,206.410 m² equivalent to R\$231.06 per month or R\$2,773 per year, plus a guaranteed variable minimum installment equivalent to R\$5,328 per year payable to CODESP, corresponding to R\$2.8400/ton calculated on a minimum handling of one million and five hundred thousand tons of cargo. TEAG operates under the concession agreement entered into with Companhia Docas do Estado de São Paulo (CODESP), falling due on July 6, 2038.

d) Lawsuits against Instituto do Açúcar e do Alcool - IAA

The Company is a plaintiff in lawsuits seeking a compensation from the Federal Government for losses arising from pricing differences incurred in the period in which sugar and ethanol prices were frozen. In some cases, upon effective receipt of the indemnities, a portion of the amount received will be transferred on behalf of third parties in connection with the contractual obligations.

e) Bank guarantees and collateral insurance

As at June 30, 2020, the balances of (i) bank guarantee is R\$142,789 in Consolidated (R\$142,240 in Consolidated as at March 31, 2020); and (ii) collateral insurance relating to lawsuits of R\$250,624, in Company, and R\$603,454 in Consolidated (R\$277,600 and R\$588,780 as at March 31, 2020, respectively).

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

29. EMPLOYEES' BENEFIT

The consolidated amount invested by the Company in the pension plan was R\$364 in the period ended June 30, 2020 (R\$347 as at June 30, 2019), recognized in line item "General, administrative and selling expenses". Due to the features and design of the pension plan, the Company does not incur any future postemployment or actuarial obligations.

As at June 30, 2020, the Company booked a liability related to the deferred variable compensation that will be paid to some eligible employees, according to the policy, in the amount of R\$22,474 (R\$26,021 as at March 31, 2020). Additionally, the Company has recorded a liability related to PPR (Profit Sharing Program), as set forth in the Collective Labor Agreement, in the amount of R\$9,718 (R\$31,550 as at March 31, 2020).

30. SEGMENT INFORMATION

Information by product margin, and geographic areas, used by the key decision makers is as follows:

Consolidated					
Three-month period ended 06.30.20					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
Net revenue	702,109	441,787	116,882	1,408,848	2,669,626
Cost of sales and services	(449,570)	(313,620)	(71,274)	(1,423,990)	(2,258,454)
Gross profit	252,539	128,167	45,608	(15,142)	411,172
Gross margin	36%	29%	39%	-1%	15%
Selling expenses	(60,692)	(17,379)	(2,619)	(260)	(80,950)
Operating margin	191,847	110,788	42,989	(15,402)	330,222

Consolidated					
Three-month period ended 06.30.20					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	524,266	157,772	-	1,269,103	1,951,141
North America	21,592	48,943	-	-	70,535
South America	-	26,171	-	-	26,171
Africa	100,202	-	-	4,797	104,999
Europe	2,178	-	-	123,268	125,446
Foreign market	648,238	232,886	-	1,397,168	2,278,292
Domestic market	53,871	208,901	116,882	11,680	391,334
TOTAL	702,109	441,787	116,882	1,408,848	2,669,626

Consolidated					
Three-month period ended 06.30.19					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
Net revenue	285,757	696,154	108,007	628,446	1,718,364
Cost of sales and services	(234,892)	(541,976)	(74,523)	(636,237)	(1,487,628)
Gross profit	50,865	154,178	33,484	(7,791)	230,736
Gross margin	18%	22%	31%	-1%	13%
Selling expenses	(25,568)	(7,338)	(2,343)	-	(35,249)
Operating margin	25,297	146,840	31,141	(7,791)	195,487

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Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Consolidated					
Three-month period ended 06.30.19					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	135.403	-	-	512.390	647.793
North America	114.983	86.229	-	-	201.212
Africa	2.420	-	-	-	2.420
Europe	-	-	-	111.150	111.150
Foreign market	252.806	86.229	-	623.540	962.575
Domestic market	32.951	609.925	108.007	4.906	755.789
TOTAL	285.757	696.154	108.007	628.446	1.718.364

The Company's key decision makers use the operating margin as a tool to measure the recurring operating cash generation capacity and it also allows comparisons with other companies.

Consolidated		
Three-month period ended		
	06.30.20	06.30.19
Operating margin	330,222	195,487
Other operating expenses	(104,671)	(182,588)
Finance costs	(485,761)	(51,001)
Income tax and social contribution	(21,081)	(130,792)
Loss for the period	(281,291)	(168,894)

Information on key customers

In the period ended June 30, 2020, the Group has one customer, its related party Louis Dreyfus Company Suisse S.A., under common control, which accounts for 58% of the Group's consolidated revenue.

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Company's Management and authorized for issue on September 17, 2020.

Biosev S.A.

Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

NON-STATUTORY AUDIT COMMITTEE OPINION

The non-statutory Audit Committee of Biosev S.A. ("Company"), jointly with representatives of the Company and of BDO RCS Auditores Independentes, independent auditors of the Company, examined the interim financial statements of the Company related to the period ended on June 30th, 2020. Based in the analysis performed and considering the draft of the audit report, without remarks, prepared by BDO RCS Auditores Independentes, the non-statutory Audit Committee of the Company recommended to the Board of Directors of the Company, unanimously and without remarks, the approval of the referred interim financial statements.

São Paulo, September 16th, 2020

FEDERICO ADRIAN CERISOLI

PATRICK JULIEN TREUER

ADRIAN LIMA DA HORA

Biosev S.A.

Notes to the Interim Financial Statements

For the Three-month Period Ended June 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

OPINIONS AND STATEMENTS

As Executive Officers of Biosev SA, we declare under, Article 25, Paragraph 1st, Item V and VI, CVM Instruction 480 of December 7, 2009, as amended, that we reviewed, discussed and agreed with the interim financial statements and the terms of the external auditors report on the interim financial statements related to the period ended on June 30th, 2020.

São Paulo, September 17th, 2020

Juan Jose Blanchard

Chief Executive Officer

Leonardo Oliveira D'Elia

Chief Financial and Investor Relations Officer

Ricardo Lopes da Silva

Chief Operating Officer



HISTORICAL OPERATIONAL RECORDS

São Paulo, September 17, 2020 – Biosev, one of the world's largest sugarcane processors, announces its results for the first quarter of the 2020/21 crop.

1Q21 HIGHLIGHTS

- ✓ Historical operational records for the period:
 - ✓ Crushing volume totaled 11.6 million tons in the 1Q21, 6.9% higher than in 1Q20;
 - ✓ Product TRS totaled 129.0 kg TRS/ton, an increase of 10.6% compared to 1Q20;
 - ✓ Total Product TRS was 1,498 thousand tons, an increase of 18.3% compared to 1Q20, mainly due to the 739 thousand tons of sugar produced, also a record for the period;
- ✓ Consolidated agricultural yield (TCH) increased by 2.9% to 94.5 ton/ha in the quarter;
- ✓ Sugar mix was 51.6% in the 1Q21, due to its higher profitability in relation to ethanol, an increase of 17.9 p.p. compared to 1Q20. Anhydrous mix was 33.3%, in line with the same period of the previous crop;
- ✓ Industrial efficiency increased by 3.1% to 1.042 in the quarter.
- ✓ Net Revenue ex-HACC/other products of R\$ 1.3 billion, 13.8% higher than in 1Q20;
- ✓ Net Operating Result was an income of R\$ 186.5 million in the 1Q21, compared to the net operating result that was an expense of R\$ 13.2 million in 1Q20.
- ✓ Adjusted EBITDA ex-resale/HACC totaled R\$369.1 million, an increase of 8.9%; EBITDA per unit was R\$31.7 per ton, an increase of 1.8% and EBITDA Margin was 33.9%, stable compared to 1Q20;

B3: BSEV3

Stock price on 9/16/2020: **R\$5.00** | Number of shares: **1,020,429,426** | Market cap: **R\$5.1 billion**

Conference Call in Portuguese with translation into English: September 18, 2020

12:00 p.m. (Brasília - BRT) | 10:00 a.m. (NY - EST) | 3:00 p.m. (London - GMT)

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1. OPERATING PERFORMANCE

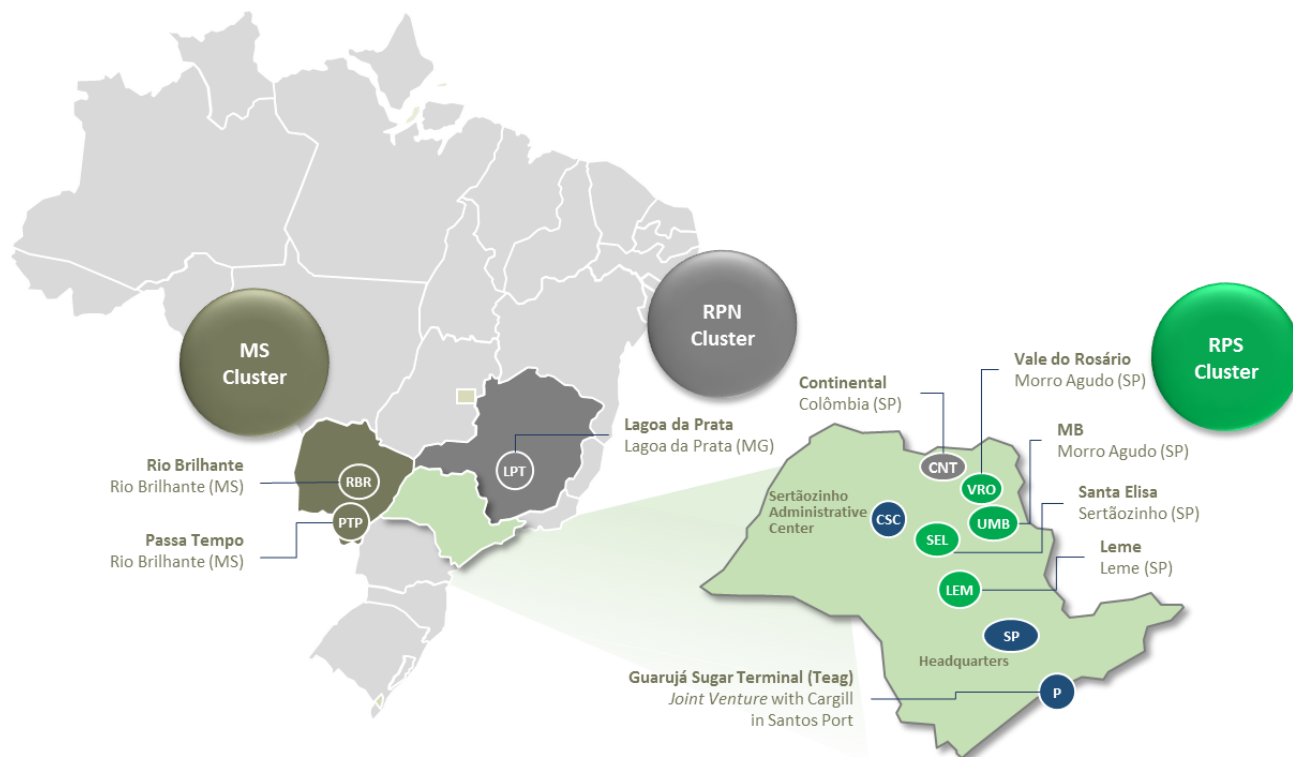
The following table presents key indicators for operating efficiency, productivity and production volumes, which are analyzed in this section:

Efficiency and Productivity	1Q21	1Q20	%
Crushing (thousand tons)	11,633	10,883	6.9%
TCH (ton/ha)	94.5	91.8	2.9%
Product TRS (Kg TRS/ton)	129.0	116.6	10.6%
Industrial efficiency	1.042	1.011	3.1%

Production	1Q21	1Q20	%
Sugar mix (%)	51.6%	33.7%	17.9 p.p.
Ethanol mix (%)	48.4%	66.3%	-17.9 p.p.
Anhydrous mix (%)	33.3%	33.7%	-0.4 p.p.
Production (thousand tons of Product TRS) ¹	1,498	1,266	18.3%
Sugar (thousand tons)	739	408	81.4%
Ethanol (thousand m³)	426	494	-13.8%
Cogeneration (GWh)	344.5	311.1	10.7%

¹ Considers the ratios of conversion of sugar and ethanol in the State of São Paulo, as disclosed in the Consecana Manual.

In order to improve the management of both industrial and agricultural assets, as from the 2020/21 crop, the Company changed the composition of its clusters. The Ribeirão Preto Norte cluster is now composed by the Continental and Lagoa da Prata plants and the Ribeirão Preto Sul cluster is now composed by the Santa Elisa, Leme, Vale do Rosário and MB (Morro Agudo) plants.





1.1. Crushing

The following table shows crushing volume on a consolidated basis and by cluster:

Efficiency	1Q21	1Q20	%
Crushing ('000 tons)	11,633	10,883	6.9%
Own	6,935	6,558	5.7%
Third Parties	4,698	4,325	8.6%
Ribeirão Preto Norte Cluster	2,175	1,838	18.3%
Ribeirão Preto Sul Cluster	6,798	6,222	9.3%
Mato Grosso do Sul Cluster	2,660	2,823	-5.8%

The Company reached total crushing volume of 11.6 million tons in 1Q21, historical record for the period, which represented an increase of 6.9% compared to 1Q20, mainly reflecting the higher yield measured by TCH (+2.9%), favorable (drier) weather conditions during the harvest period (April to June), and improved operational performance, partially offset by the frost mitigation strategy at the Mato Grosso do Sul Cluster.

At the Ribeirão Preto Norte Cluster, crushing volume was 2.2 million tons, 18.3% higher than in 1Q20, mainly supported by the 5.4% increase in TCH and improved operational performance.

At the Ribeirão Preto Sul Cluster, crushing volume was 6.8 million tons, 9.3% higher than in 1Q20, mainly supported by the 6.2% increase in TCH and improved operational performance.

At the Mato Grosso do Sul Cluster, crushing volume was 2.7 million tons, 5.8% lower than in 1Q20, reflecting the Company's strategy to mitigate the effects from the frost that affected the region in the previous crop and in the first quarter of the current crop (accelerating harvest and crushing operations as from the second quarter of the previous crop to mitigate impacts on sucrose quality and accumulation), which consequently reduced the cluster's TCH by 5.5% in 1Q21.

1.2. Tons of Cane per Hectare (TCH)

The following table shows the evolution in TCH on a consolidated basis and by cluster:

Productivity	1Q21	1Q20	%
TCH - Agricultural yield (ton/ha)	94.5	91.8	2.9%
Ribeirão Preto Norte Cluster	97.1	92.2	5.4%
Ribeirão Preto Sul Cluster	99.4	93.6	6.2%
Mato Grosso do Sul Cluster	83.3	88.2	-5.5%

Cane yield measured by consolidated TCH reached 94.5 ton/ha in the first quarter of the 2020/21 crop, 2.9% higher than in the first period of the previous crop, which is basically explained by the application of best agronomic practices in crop regeneration to the sugar plantations, such as vinasse handling, organic fertilization, foliar treatments, among others, in addition to the favorable weather conditions during the field development period (January to March), partially offset by the frost that affected the region of the Mato Grosso do Sul Cluster in the second quarter of the previous crop and the first quarter of the current crop.



1.3. Product Total Recoverable Sugar (TRS)

The following table shows the evolution of Product TRS and by cluster:

Productivity	1Q21	1Q20	%
Product TRS (Kg TRS/ton)	129.0	116.6	10.6%
Ribeirão Preto Norte Cluster	131.6	121.2	8.6%
Ribeirão Preto Sul Cluster	128.9	117.3	9.9%
Mato Grosso do Sul Cluster	127.1	112.0	13.5%

Product TRS content was 129.0 kg TRS/ton in the 1Q21, historical record for the period, an increase of 10.6% compared to 1Q20, which reflects the continuous impacts of the evolution of the phytosanitary quality of the sugarcane crop, the quality of the harvesting processes, the intensive use of ripening agents, an improved operational performance and favorable (drier) weather conditions during the harvest, which favors concentration of sugar content.

Industrial efficiency reached 1.042 in the quarter, an increase of 3.1% compared to 1Q20. The results demonstrate the higher efficiency in converting cane into the final products of sugar and ethanol, as well as the lower losses in production processes. Industrial efficiency is calculated based on the volume of TRS produced by the mills.

Total production in tons of Product TRS was 1,498 thousand tons, historical record for the period, an increase of 18.3% compared to 1Q20, mainly due to the evolution of the sugarcane crop and industrial efficiency gains (+3.1%).

Sugar mix was 51.6%, due to the higher allocation of TRS to sugar production, given the product's higher profitability in the period compared to ethanol, an increase of 17.9 p.p. compared to the same period of the previous crop, which was more focused on ethanol (mix of 66.3% in 1Q20).

Anhydrous mix (anhydrous ethanol as a share of total ethanol production) was 33.3% in 1Q21, in line with 1Q20, reflecting the commercial strategy to focus on higher-value products, including ethanol by-products.

1.4. Cogeneration

The following table presents productivity and cogeneration volume for sale:

Production	1Q21	1Q20	%
Total Cogen (GWh)	344.5	311.1	10.7%
Cogen for Sale (GWh)	344.5	311.1	10.7%
Ribeirão Preto Norte Cluster	45.9	33.3	37.9%
Ribeirão Preto Sul Cluster	165.8	145.1	14.2%
Mato Grosso do Sul Cluster	132.8	132.7	0.0%
Cogen for Sale/Crushing (kWh/ton)	32.5	31.0	4.9%
Ribeirão Preto Norte Cluster	40.7	33.9	20.0%
Ribeirão Preto Sul Cluster	24.4	23.3	4.6%
Mato Grosso do Sul Cluster	49.9	47.0	6.2%

The Company has cogeneration power plants at all its eight industrial sites and is energy self-sufficient during the harvesting period. Out of these units, seven produce surplus electricity for sale.

Total cogeneration for sale in 1Q21 increased by 10.7% compared to 1Q20, and reached a volume of



344.5 GWh, mainly due to the higher crushing volume compared to the previous period (+6.9%).

The cogeneration volume of the MS Cluster, despite lower crushing volume (-5.8%) compared to 1Q20, remained in line with the previous crop, which reiterates the superior industrial efficiency of the cluster in the period (+4.9%), in line with 1Q20. The cogeneration volume of the other clusters increased by 18.7% on average, compared to 1Q20.

The productivity of cogeneration units measured in kWh of power sold per ton of cane crushed stood at 32.5 kWh/ton in 1Q21, an increase of 4.9% compared to 1Q20. These results reflect the higher total crushing volume and the Company's strategy to optimize sales by prioritizing products and periods that generate higher added value.



2. ECONOMIC AND FINANCIAL PERFORMANCE

2.1. Net Revenue

Net revenue excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$2.7 billion, the Company's record quarterly revenue, an increase of 53.4% compared to 1Q20. The result is primarily explained by the growth in sugar export volumes, the higher crushing volume, the higher industrial efficiency in sugarcane conversion, the higher average ethanol export prices, and the revenues from export performance contracts associated with the rollover of foreign currency-denominated debt obligations, with these factors partially offset by the decrease in ethanol import volumes, the average sugar export prices, and by the fact that previous crop included revenue from the Nordeste Cluster. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 53.9% higher than in 1Q20.

Excluding the effects from resale operations (of finished products, such as (i) sugar, ethanol and energy; and (ii) other commodities, which are required to comply with export performance contracts associated with obligations denominated in foreign currency), the Company's net revenue was R\$1.1 billion, an increase of 9.7% compared to 1Q20, mainly due to the growth in sugar and ethanol export volumes and the higher average ethanol export prices, partially offset by the decrease in ethanol import volumes and respective average price and by the fact that previous crop included revenue from the Nordeste Cluster. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 10.3% higher than in the 1Q20.

The following table presents a breakdown of net revenue ex-HACC:

Net revenue ex-HACC (R\$ thousand)	1Q21	1Q20	%
Sugar	715,593	311,464	129.8%
Domestic market	53,871	32,951	63.5%
Export market	661,722	278,513	137.6%
Ethanol	446,785	704,315	-36.6%
Domestic	208,901	609,925	-65.7%
Export market	237,884	94,390	152.0%
Energy	116,882	108,007	8.2%
Total	1,279,259	1,123,786	13.8%
Other Products	1,408,848	628,446	124.2%
Bagasse, services and others	11,680	4,906	138.0%
Export performance contracts	1,397,168	623,539	124.1%
Total	2,688,107	1,752,231	53.4%

¹ 1Q20 includes amounts from the Nordeste Cluster.

Revenue from resale operations is detailed in the following table:

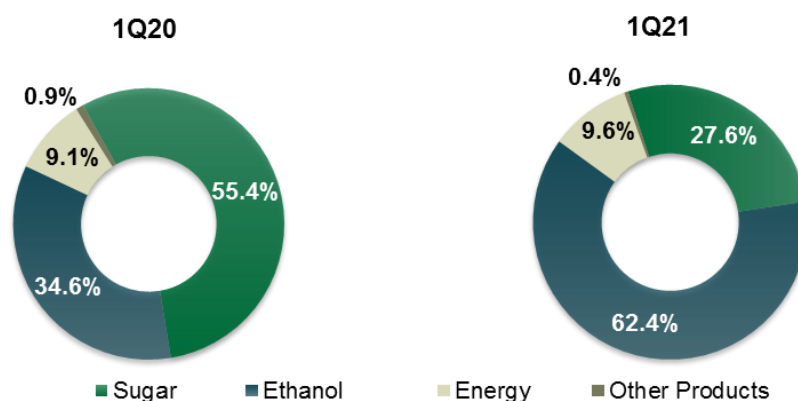
Resale operations (R\$ thousand)	1Q21	1Q20	%
Sugar, ethanol and energy ¹	202,214	136,579	48.1%
Export performance contracts	1,397,168	623,539	124.1%
Total	1,599,382	760,118	110.4%

¹ Revenue from resales of sugar, ethanol and energy is accounted for in the lines corresponding to the respective products in the table of Net Revenue ex-HACC.

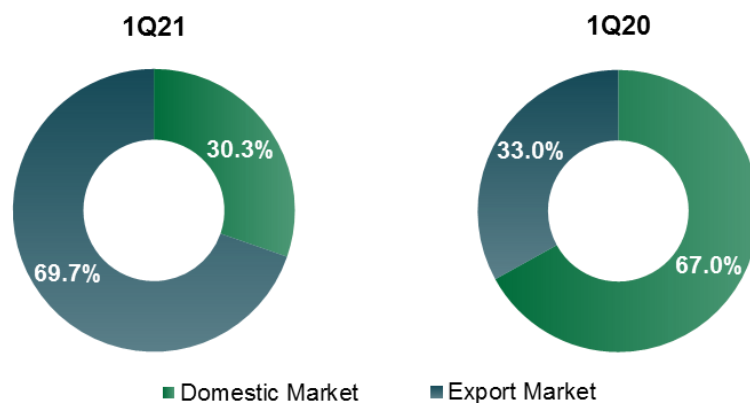


The following charts present a breakdown of net revenue ex-HACC, excluding the effects from hedge accounting and revenue from export performance contracts, by product and by market in the respective periods:

**Net revenue ex-HACC/export performance
by product (%)**



**Net revenue ex-HACC/export performance
by market (%)**



The following table presents the sugar and ethanol inventory balance variation when compared to the beginning of each crop, showing a higher carry out when compared to the same period of the previous crop due to the Company's strategy to optimize sales by prioritizing periods that capture higher value added:

Inventories - Variation	1Q21	1Q20	%
Sugar ('000 tons)	278	196	42%
Ethanol ('000 m3)	232	149	55%

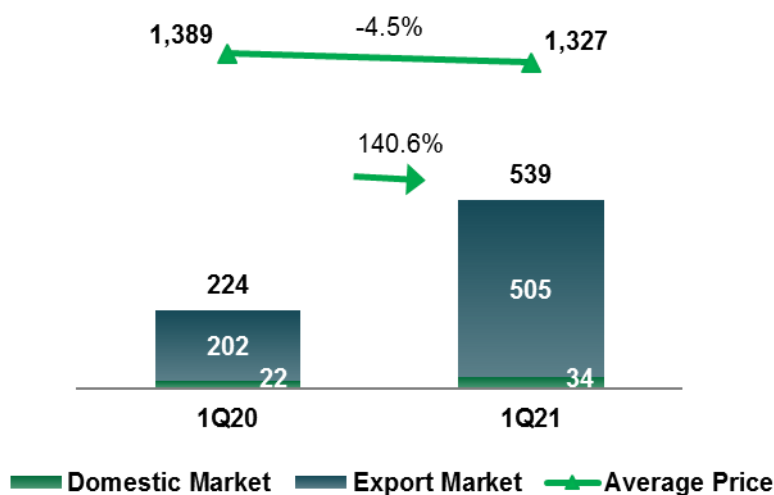


2.1.1. Sugar

Net revenue from sugar sales excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$715.6 million, an increase of 129.8% compared to the 1Q20, mainly due to the higher export volumes, partially offset by the lower average prices. This variation reflects (i) the production mix, which prioritized sugar, given the product's higher profitability in the period compared to ethanol; (ii) higher crushing volume; (iii) improved operational performance, which translates into higher efficiency in sugarcane conversion; and (iv) average prices of the product in the international market, compared to the previous crop.

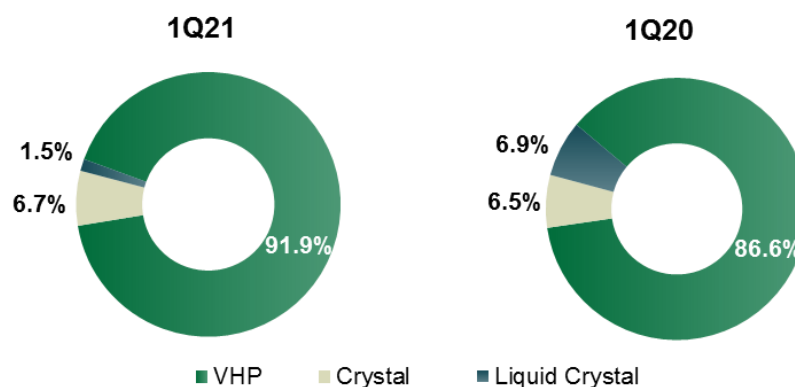
The following chart presents a comparison of sugar volumes and average prices, excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC):

Volume (thousand tons) and Average Price (R\$/ton)



The following charts present a breakdown by type of sugar, excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC):

**Net Revenue ex-HACC
by Sugar Type (%)**



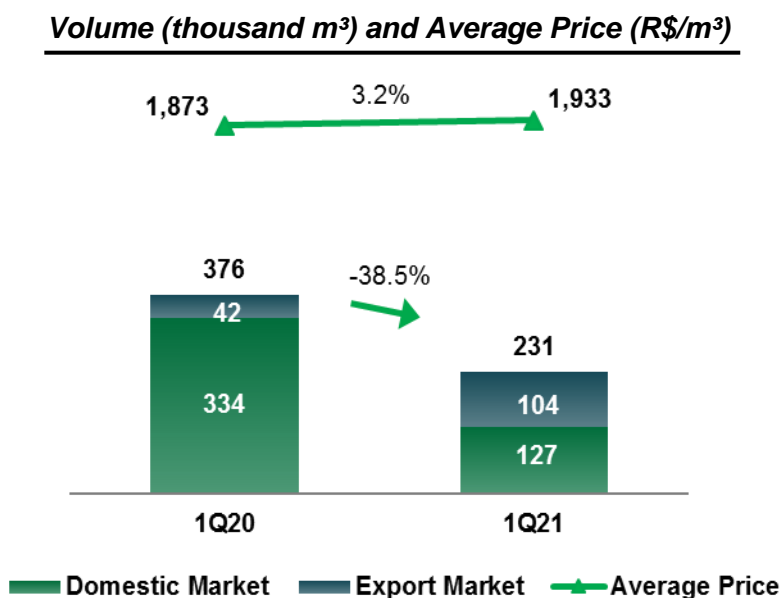


2.1.2. Ethanol

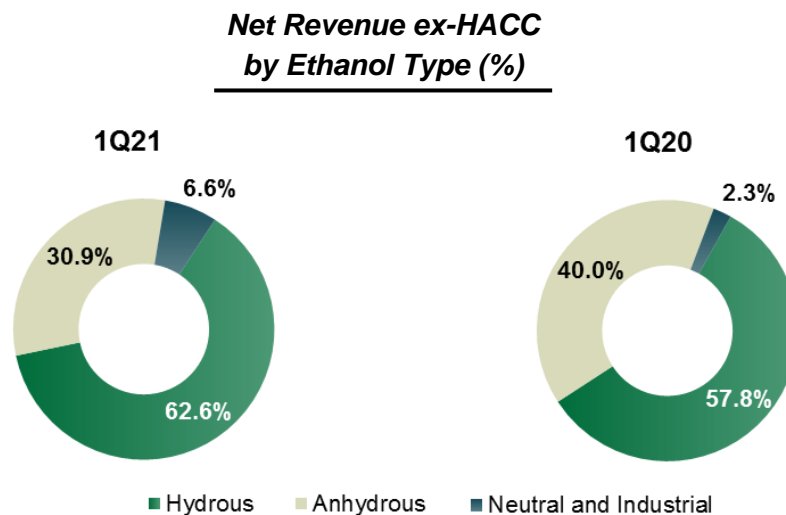
Net revenue from ethanol sales excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$446.8 million, a decrease of 36.6% compared to the 1Q20, when the sales volume in the period decreased 38.5% due to a shift in the sugar mix and higher carry out in the period.

The price increased 3.2% when compared to 1Q20, although the average market price decreased 12%, especially due to the increase in ethanol exports due to the Company's strategy to optimize sales by prioritizing products and periods that capture higher value added, reflecting the ethanol competitiveness in the foreign market, improved by the depreciation in the Brazilian real against the U.S. dollar. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 36.1% lower than in the 1Q20.

The following chart presents a comparison of ethanol sales volumes and average prices, excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC):



The following chart presents a breakdown of revenue by type of ethanol, excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC):



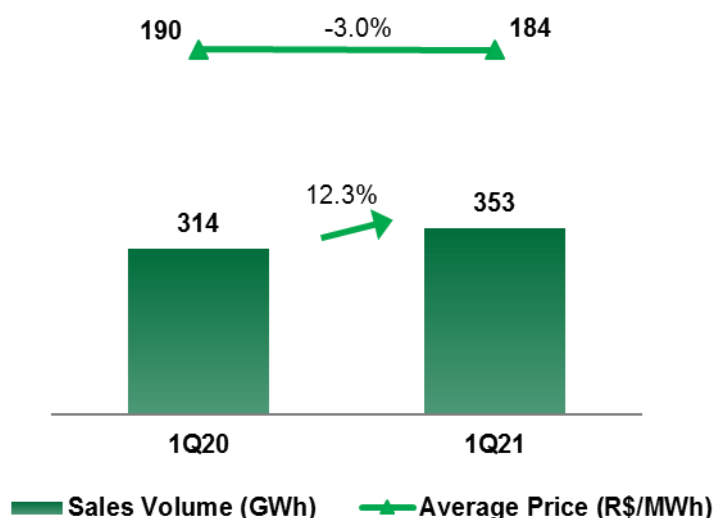


2.1.3. Energy

Net revenue from energy was R\$116.9 million, an increase of 8.2% compared to the 1Q20. This variation is mainly due to the higher sales volume impacted by the higher crushing volume and partially offset by lower average sales prices in the period of 3%, which were less than the decrease in the average market price of 43%.

The following chart presents a comparison of energy own sales volume and average own sales price.

Sales Volume (GWh) and Average Sales Price (R\$/MWh) - Own



2.1.4. Other products

The line item “Other products” records revenue from sales of raw bagasse, services and other items, in addition to revenue from the sale of commodities in the spot market to fulfill export contracts with the aim of settling debt obligations in foreign currency.

Revenue from the sale of other products totaled R\$1.4 billion, an increase of 124.2% compared to the 1Q20, mainly due to the growth in the above-referred export performance contracts.



2.2. Cost of Goods Sold (COGS)

The Company has continued to consistently deliver cost reductions, while consolidating initiatives to adjust structures and become more resilient in an environment of still highly challenging pricing.

In nominal terms, cash COGS ex-resale totaled R\$552.7 million, an increase of 6.2% compared to 1Q20, due to higher sales volumes, increase of 10.4% in the CONSECANA price index in the period, and advanced recognition of raw material costs in view of the higher crushing volume (to be compensated later in the crop), partially offset by the reductions in operating costs under the ongoing process to streamline costs and structures.

COGS per unit was R\$672 per ton, an increase of 4.5% compared to 1Q20, mainly impacted by the increase of 10.4% in the CONSECANA price index in the period, and advanced recognition of raw material costs in view of the higher crushing volume (to be compensated later in the crop).

The following tables present a breakdown of total COGS and cash COGS:

COGS and cash COGS (R\$ thousand) ³	1Q21	1Q20	%
Total COGS	(2,297,420)	(1,513,659)	51.8%
Non-cash items	(115,711)	(219,571)	-47.3%
Depreciation and amortization	(329,540)	(312,968)	5.3%
Gains (losses) in biological assets ¹	213,829	93,397	128.9%
Cash COGS	(2,181,709)	(1,294,088)	68.6%
Personnel	(117,709)	(114,618)	2.7%
Raw materials ²	(388,420)	(373,024)	4.1%
Inputs	(46,567)	(33,030)	41.0%
Resale of goods	(1,629,013)	(773,416)	110.6%
Sugar, ethanol and energy	(223,888)	(145,068)	54.3%
Export performance contracts	(1,405,125)	(628,348)	123.6%
Cash COGS ex-resale	(552,696)	(520,672)	6.2%

¹ Gains (losses) from the fair value adjustment less estimated cost of sales of biological assets.

² Sugarcane, lease and HLT. ³ Excluding the effect from IFRS16.

Cash COGS ex-resale (R\$ thousand) ¹	1Q21	1Q20	%
Agricultural costs	(462,563)	(447,808)	3.3%
HLT (own + third-party cane)	(142,020)	(163,949)	-13.4%
Land lease	(114,450)	(110,822)	3.3%
Purchases of third-party cane	(206,093)	(173,036)	19.1%
Industrial costs	(76,103)	(56,454)	34.8%
Others	(14,030)	(16,411)	-14.5%
Cash COGS ex-resale	(552,696)	(520,672)	6.2%
Product TRS sold ex-resale (thousand tons)	823	810	1.6%
Cash COGS ex-resale (R\$/ton)	(672)	(643)	4.5%

¹ Excluding the effect from IFRS16.



2.3. Selling, General and Administrative (SG&A) Expenses

SG&A expenses totaled R\$149.7 million, an increase of 43.9% compared to 1Q20.

Selling expenses totaled R\$80.9 million, an increase of 129.7% compared to 1Q20, due to the difference in the composition of the sales mix in the period, focused on the sugar mix and the increase in exports, which increased the demurrage and port storage expenses.

General and administrative expenses totaled R\$68.7 million, in line with with 1Q20, mainly due to the effects from the ongoing process to streamline operating and organizational structures, fully offset against the increase in consulting expenses in the period.

Depreciation expenses recognized under SG&A expenses totaled R\$5.0 million in 1Q21, compared to R\$5.3 million in 1Q20.

The following table presents a comparison of cash SG&A expenses between periods:

Cash SG&A (R\$ thousand) ¹	1Q21	1Q20	%
Selling	(80,950)	(35,249)	129.7%
Freight	(54,808)	(26,911)	103.7%
Shipping charges	(22,919)	(5,392)	325.1%
Commissions, wharfage and other	(3,223)	(2,946)	9.4%
General and administrative	(68,753)	(68,765)	0.0%
Personnel	(32,068)	(42,999)	-25.4%
Services	(31,496)	(19,523)	61.3%
Other	(5,189)	(6,243)	-16.9%
Cash SG&A	(149,703)	(104,014)	43.9%

¹ Excluding the effect from IFRS16.



2.4. EBITDA

The following table presents a breakdown of Adjusted EBITDA ex-resale/HACC:

EBITDA composition (R\$ thousand) ⁴	1Q21	1Q20	%
Net revenue	2,669,626	1,718,364	55.4%
Cash COGS	(2,181,709)	(1,294,088)	68.6%
Gross profit (cash)	487,917	424,276	15.0%
Cash SG&A	(149,703)	(104,014)	43.9%
TEAG – profit or loss ¹	(835)	(1,375)	-39.3%
Other operating income (expenses)	(28,018)	(105,125)	-73.3%
Non-recurring items	11,665	78,168	-85.1%
Adjusted EBITDA	321,026	291,930	10.0%
Adjusted EBITDA margin	12.0%	17.0%	-5.0 p.p.
Resale effect ²	29,631	13,298	122.8%
HACC effect ³	18,481	33,868	-45.4%
EBITDA ex-resale/HACC	369,138	339,095	8.9%
EBITDA margin ex-resale/HACC	33.9%	34.2%	-0.3 p.p.
Crushing (thousand tons)	11,633	10,883	6.9%
Adjusted EBITDA per unit (R\$/ton)	27.6	26.8	2.9%
EBITDA per unit ex-resale/HACC (R\$/ton)	31.7	31.2	1.8%

¹ Equivalent to the share of 50% held in the Guarujá Sugar Terminal (TEAG). ² Reverses the impacts of resale of sugar, ethanol, energy and export performance operations. ³ Reverses the non-cash effects from the hedge accounting of foreign currency-denominated debt. ⁴ Excluding the effect from IFRS16.

Adjusted EBITDA ex-resale/HACC (which excludes from the net revenue calculation the effects from resale operations, the non-cash hedge accounting of foreign currency-denominated debt, and IFRS 16) totaled R\$369.1 million, with EBITDA margin of 33.9% and EBITDA per unit of R\$31.7 per ton, mainly due to the increase in net revenue by virtue of the operational improvements, partially offset by the increase in COGS and SG&A expenses, reflecting the impact of 10.4% in the CONSECANA price index in the period and the changes in the sales mix composition.

The following table presents a reconciliation of Adjusted EBITDA with the Income Statement in the periods:

EBITDA reconciliation (R\$ thousand)	1Q21	1Q20	%
Profit or loss for the year/period	(281,291)	(168,894)	66.5%
Income tax and social contribution	21,081	130,792	-83.9%
Financial expenses, net	485,762	51,001	852.5%
Depreciation, amortization and depletion	453,749	436,155	4.0%
EBITDA CVM 527	679,301	449,054	51.3%
Losses (gains) in biological assets ¹	(213,829)	(93,397)	128.9%
Concession amortization – TEAG	2,100	2,100	0.0%
Non-recurring items	11,665	78,168	-85.1%
IFRS16 impacts	(158,211)	(143,995)	9.9%
Adjusted EBITDA	321,026	291,930	10.0%
Adjusted EBITDA Margin	12.0%	17.0%	-5.0 p.p.

¹ Losses (gains) from the fair value adjustment less estimated cost of sales of biological assets.



2.5. Hedge

The following table shows the aggregate position of our hedged sugar volumes and prices (via commodity and foreign exchange derivative contracts) as at June 30, 2020:

Hedge on 06/30/2020	20/21 Crop	21/22 Crop
Sugar (#NY11)		
Volume ('000 tons)	1,036	470
Average Price (cUS\$/lb)	13.13	13.81
FX (US\$)		
Amount (US\$ million)	306	115
Average Price (R\$/US\$)	4.455	4.278
Hedged Price (cR\$/lb) w/o Pol.	58.49	59.09
Hedged Price (cR\$/lb) w/ Pol.	60.95	61.57
Exposure Hedged (%) - Net Consecana	88.0%	54.0%



2.6. Financial Results

Excluding the effects from exchange variation, the net financial result was an expense of R\$62.6 million, compared to an expense of R\$93.3 million in 1Q20. The variation is mainly explained by the higher gains from the settlement and mark-to-market adjustment of derivatives positions, partially offset by the lower interest income from short-term investments in the period.

Including exchange variation, the net financial result was an expense of R\$446.0 million in 1Q21. Exchange variation had a negative impact mainly due to the 5.3% depreciation of the Brazilian real against the U.S. dollar; in 1Q20, the net financial result was an expense of R\$17.0 million, positively impacted by exchange rate changes (a 1.7% appreciation of the Brazilian real against the U.S. dollar), as shown in the following table:

PTAX in the period	1Q21	1Q20	%
Initial – as at March 31	5.1987	3.8967	33.4%
Final – as at June 30	5.4760	3.8322	42.9%
Variation	5.3%	-1.7%	7.0 p.p.

The following table shows the changes in the financial income (expenses) between the periods:

Financial income (expenses) (R\$ thousand) ¹	1Q21	1Q20	%
Net financial expenses	(446,007)	(16,994)	2524.5%
Exchange rate changes (FX)	(383,429)	76,284	-602.6%
Financial expenses before FX	(62,578)	(93,278)	-32.9%
Interest expenses	(117,181)	(111,918)	4.7%
Income from short-term investments	1,786	5,553	-67.8%
Derivative transactions	49,376	9,279	432.1%
Other income (expenses)	3,441	3,808	-9.6%

¹ Excluding the effect from IFRS16.



2.7. Profit or Loss for the Period

Net loss for the period totaled R\$280.8 million, compared to a loss of R\$163.7 million in 1Q20. In view of the aforementioned factors, net loss for the period was mainly caused by exchange variation, which was partially offset by higher net revenues and higher gains from the settlement and mark-to-market adjustment of derivatives.



3. INVESTMENTS

The Company invested R\$242.8 million in the period, a decrease of 5.8% compared to 1Q20. This variation reflects the strategy to cut costs and increase competitiveness, based on the pillars of managing cane fields for greater longevity and productivity, and crop treatment systems that maximize the use of inputs produced by the Company's own units.

The investments were again concentrated in planting and treatment, partially offset by lower allocations to industrial maintenance. The costs resulted from higher plantation volume and largest cultivation area, impacted by the exchange rate changes in input costs.

Investments (R\$ thousand) ¹	1Q21	1Q20	%
Expansion	3,254	2,629	23.8%
Operations	236,137	232,860	1.4%
Industrial	11,361	3,675	209.1%
Agriculture	665	18,469	-96.4%
Planting	115,596	112,048	3.2%
Treatment	106,114	92,216	15.1%
Other	2,401	6,451	-62.8%
Intercrop deferred costs	3,413	22,210	-84.6%
CAPEX	242,805	257,699	-5.8%

¹ 1Q20: Ex-NE cluster for comparison purposes.

4. EBITDA LESS CAPEX

EBITDA less CAPEX is presented in the table below:

(R\$ thousand) ¹	1Q21	1Q20	%
EBITDA ex-resale/HACC	369,138	339,095	8.9%
CAPEX	242,805	257,699	-5.8%
EBITDA ex-resale/HACC less CAPEX	126,333	81,396	55.2%

¹ Excluding the effect from IFRS16.



5. DEBT

The Company's gross debt totaled R\$7.8 billion as at June 30, 2020, an increase of 31.8% compared to June 30, 2019, mainly due to the effect from the 42.9% depreciation of the Brazilian real against the U.S. dollar on the dollar-denominated portion of its debt.

The balance of cash and short-term investments totaled R\$429 million, out of which 55.7% was denominated in U.S. dollar. This variation reflects the Company's strategy to optimize sales by prioritizing products and periods that capture higher value added.

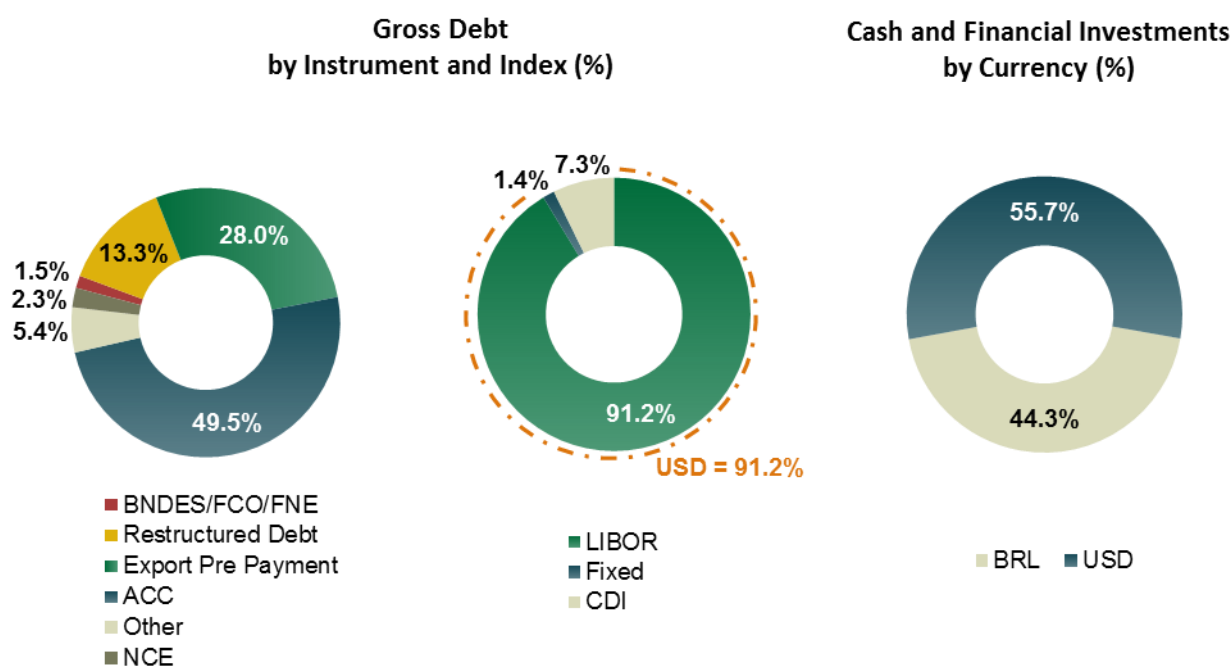
In view of the aforementioned factors, net debt totaled R\$7.3 billion, an increase of 36.0% compared to the position as at June 30, 2019.

The following table presents a breakdown of the debt position:

Debt (R\$ million) ¹	06/30/2020	06/30/2019	Variation
Gross debt	(7,762)	(5,891)	31.8%
Short term	(1,169)	(436)	168.2%
Long term	(6,593)	(5,455)	20.9%
Cash and short-term investments	429	498	-13.7%
Net debt	(7,333)	(5,393)	36.0%
Adjusted EBITDA LTM	2,141	1,704	25.7%
Net debt/adjusted EBITDA LTM	3.42x	3.17x	8.2%

¹ LTM: last twelve months

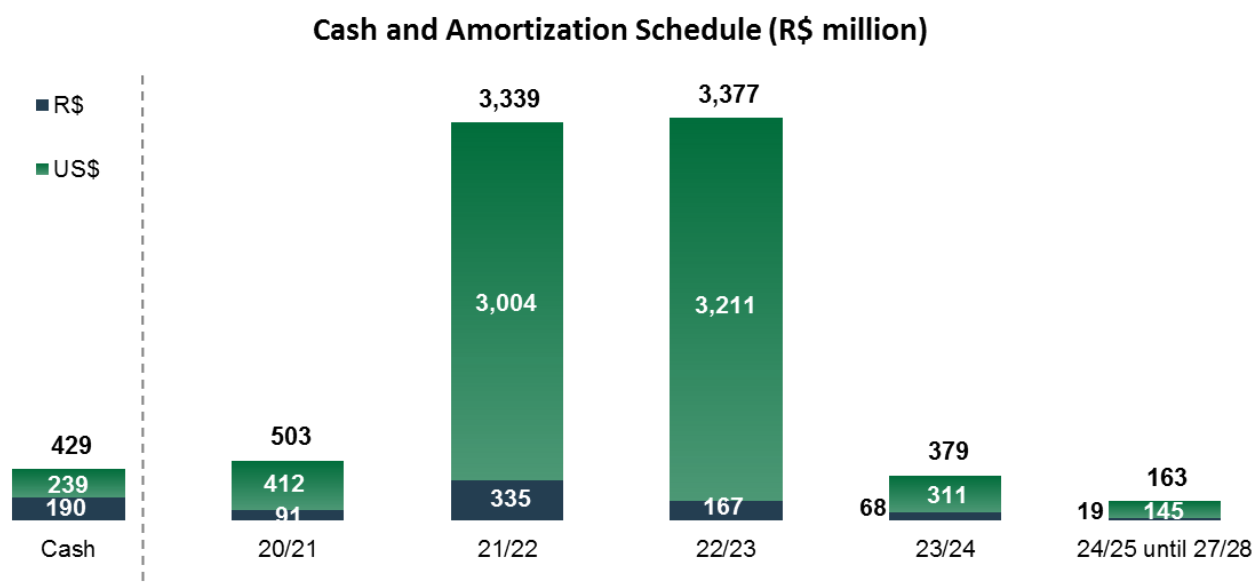
The following charts present a breakdown of debt by index and instrument as at June 30, 2020, as well as the cash position and short-term investments by currency:



The hedged position related to foreign currency indebtedness on June 30, 2020 was USD 252.5 million.



The following chart shows the cash position and debt amortization schedule:

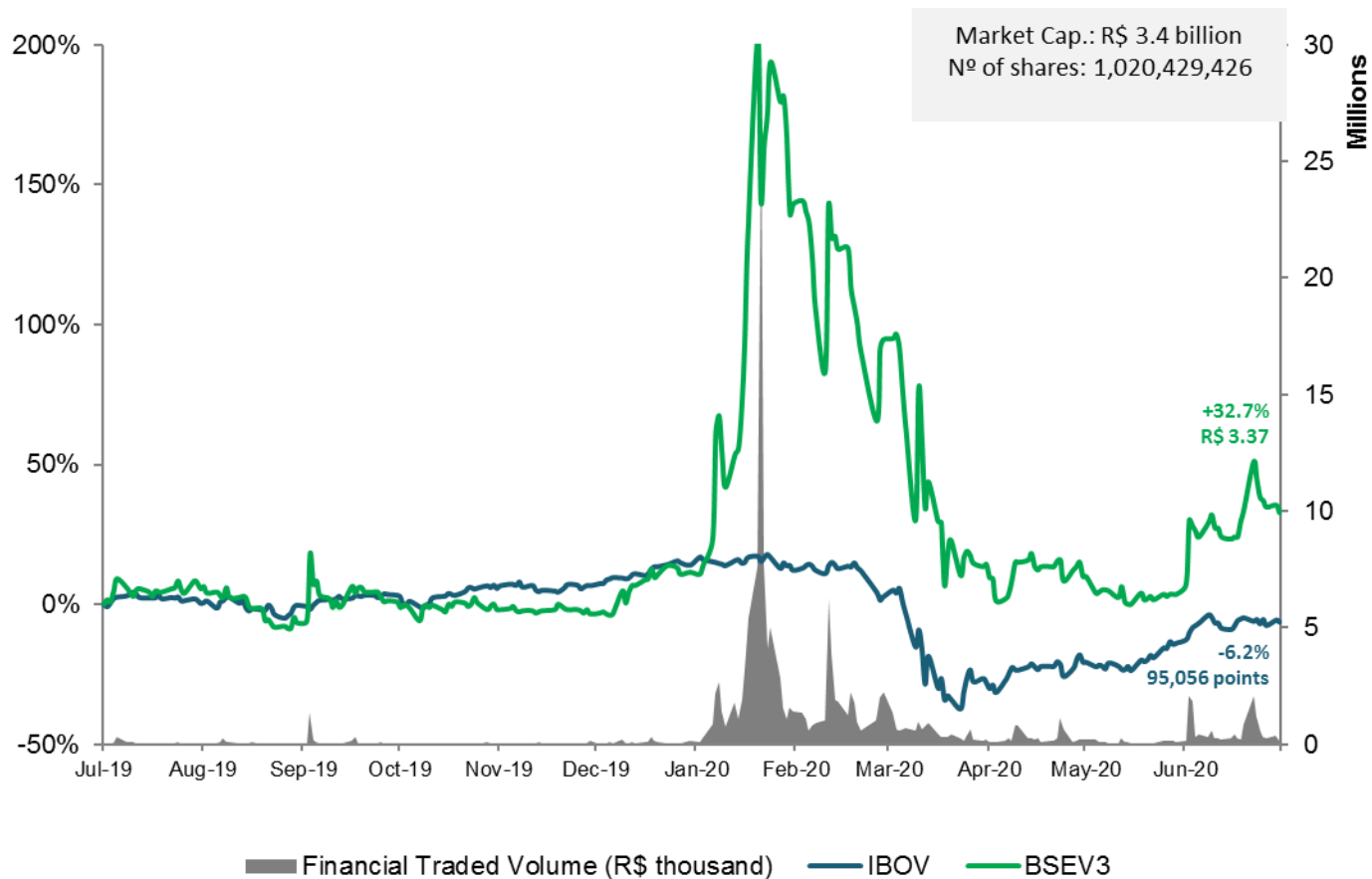




6. CAPITAL MARKETS

At the closing of 1Q21, the Company's market capitalization totaled R\$3.4 billion. Its stock performance in the last 12 months compared to Ibovespa is shown below:

Performance BSEV3 versus IBOV



Source: Bloomberg, June 30, 2020



7. APPENDICES

7.1. IFRS16

The IFRS 16/CPC 06 (R2) Leases standard, adopted as of April 1, 2019, changed accounting for lease agreements and agricultural partnerships, which are now treated similarly to financing transactions related to the acquisition of 'right of use of assets,' and payments for which, previously recorded as operating costs and expenses, are now recognized as depreciation or amortization and financial expenses.

Statement of Profit and Loss (R\$ thousand)	Before IFRS16	IFRS16 effects	After IFRS16	Before IFRS16	IFRS16 effects	After IFRS16
	1Q21			1Q20		
GROSS REVENUE	2,728,766	-	2,728,766	1,845,683	-	1,845,683
Taxes and sales deductions	(59,140)	-	(59,140)	(127,319)	-	(127,319)
NET REVENUE	2,669,626	-	2,669,626	1,718,364	-	1,718,364
COGS	(2,297,420)	38,966	(2,258,454)	(1,513,659)	26,031	(1,487,628)
Depreciation and amortization	(329,540)	(118,703)	(448,243)	(312,968)	(117,376)	(430,344)
Raw materials	(388,420)	156,995	(231,425)	(373,024)	142,036	(230,988)
Industrial inputs and services	(46,567)	674	(45,893)	(33,030)	1,371	(31,659)
GROSS PROFIT	372,206	38,966	411,172	204,705	26,031	230,736
OPERATING INCOME (EXPENSES)	(185,677)	57	(185,620)	(217,896)	59	(217,837)
SG&A expenses	(154,724)	57	(154,667)	(109,296)	59	(109,237)
Depreciation and amortization	(5,021)	(485)	(5,506)	(5,282)	(529)	(5,811)
Other	(5,189)	542	(4,647)	(6,243)	588	(5,655)
Equity income (loss) in subsidiaries	(2,935)	-	(2,935)	(3,475)	-	(3,475)
Other operating income (expenses)	(28,018)	-	(28,018)	(105,125)	-	(105,125)
PROFIT (LOSS) BEFORE FINANCIAL RESULT	186,530	39,022	225,552	(13,191)	26,090	12,899
Net financial income (expenses)	(446,007)	(39,755)	(485,762)	(16,994)	(34,007)	(51,001)
Financial Income	8,512	-	8,512	12,967	-	12,967
Financial Expenses	(120,466)	(39,755)	(160,221)	(115,524)	(34,007)	(149,531)
Interest Expenses	(117,181)	(39,755)	(156,936)	(111,918)	(34,007)	(145,925)
Derivatives	49,376	-	49,376	9,279	-	9,279
FX Variation	(383,429)	-	(383,429)	76,284	-	76,284
PROFIT (LOSS) BEFORE TAXES ON INCOME	(259,478)	(732)	(260,210)	(30,185)	(7,917)	(38,102)
Income tax and social contribution	(21,330)	249	(21,081)	(133,484)	2,692	(130,792)
NET INCOME (LOSS)	(280,808)	(483)	(281,291)	(163,669)	(5,225)	(168,894)



7.2. Statement of Profit and Loss for the Period

Statement of Profit and Loss (R\$ thousand)	1Q21	1Q20	%
GROSS REVENUE	2,728,766	1,845,683	47.8%
Taxes and sales deductions	(59,140)	(127,319)	-53.5%
NET REVENUE	2,669,626	1,718,364	55.4%
Cost of sales	(2,258,454)	(1,487,628)	51.8%
GROSS PROFIT	411,172	230,736	78.2%
OPERATING INCOME (EXPENSES)	(185,620)	(217,837)	-14.8%
General and administrative	(73,717)	(73,988)	-0.4%
Selling	(80,950)	(35,249)	129.7%
Equity income (loss) in subsidiaries	(2,935)	(3,475)	-15.5%
Other operating income (expenses)	(28,018)	(105,125)	-73.3%
PROFIT (LOSS) BEFORE FINANCIAL RESULT	225,552	12,899	1648.6%
Net financial income (expenses)	(485,762)	(51,001)	852.5%
Financial income	8,512	12,967	-34.4%
Finance expenses	(160,221)	(149,531)	7.1%
Derivatives	49,376	9,279	432.1%
Exchange rate changes	(383,429)	76,284	-602.6%
PROFIT (LOSS) BEFORE TAXATION	(260,210)	(38,102)	582.9%
Income tax and social contribution	(21,081)	(130,792)	-83.9%
PROFIT (LOSS) FOR THE PERIOD	(281,291)	(168,894)	66.5%



7.3. Balance Sheet – Assets

ASSETS (RS thousand)	06/30/2020	03/31/2020	%
CURRENT ASSETS			
Cash and cash equivalents	359,383	1,174,943	-69.4%
Short-term investments	69,858	52,245	33.7%
Derivative financial instruments	97,252	225,787	-56.9%
Trade receivables	448,749	202,050	122.1%
Inventories	2,755,825	2,948,633	-6.5%
Biological assets	775,238	663,908	16.8%
Recoverable taxes	153,299	158,777	-3.5%
Other receivables	100,907	88,170	14.4%
Assets held for sale	37,777	45,165	-16.4%
Total current assets	4,798,288	5,559,678	-13.7%
NON-CURRENT ASSETS			
Trade payables	59,136	56,602	4.5%
Escrow deposits	383,113	385,413	-0.6%
Recoverable taxes	82,003	57,529	42.5%
Derivative financial instruments	-	55,885	-100.0%
Deferred income tax and social contribution	856,718	872,971	-1.9%
Other receivables	319,104	320,012	-0.3%
Right to use leasehold assets	1,588,562	1,577,379	0.7%
Investments	157,457	160,393	-1.8%
Property, plant and equipment	3,266,705	3,477,391	-6.1%
Intangible assets	920,138	921,964	-0.2%
Total non-current assets	7,632,936	7,885,539	-3.2%
TOTAL ASSETS	12,431,224	13,445,217	-7.5%



7.4. Balance Sheet – Liabilities and Equity

LIABILITIES AND EQUITY (R\$ thousand)	06/30/2020	03/31/2020	%
CURRENT LIABILITIES			
Borrowings and financing	1,168,611	7,225,234	-83.8%
Liabilities from lease operations	477,464	498,932	-4.3%
Advances from domestic customers	140,694	28,128	400.2%
Advances from foreign customers	2,292,160	2,585,641	-11.4%
Trade payables	690,168	798,903	-13.6%
Accrued payroll and related taxes	110,115	90,483	21.7%
Taxes payable	69,442	75,152	-7.6%
Derivative financial instruments	353,256	586,843	-39.8%
Other payables	114,509	118,051	-3.0%
Total current liabilities	5,416,419	12,007,367	-54.9%
NON-CURRENT LIABILITIES			
Borrowings and financing	6,593,297	96,191	6754.4%
Liabilities from lease operations	1,215,719	1,182,337	2.8%
Advances from foreign customers	-	626,116	-100.0%
Trade payables	4,857	5,965	-18.6%
Deferred income tax and social contribution	36,383	36,883	-1.4%
Derivative financial instruments	17,563	16,596	5.8%
Provision for tax, labor, civil and environmental contingencies	308,175	294,668	4.6%
Taxes payable	18,324	18,501	-1.0%
Other payables	135,642	167,247	-18.9%
Total non-current liabilities	8,329,960	2,444,504	240.8%
EQUITY			
Paid-in capital	6,077,674	6,077,674	0.0%
Capital reserve	1,353,937	1,353,937	0.0%
Accumulated losses	(8,448,523)	(8,167,310)	3.4%
Other comprehensive income (loss)	(304,343)	(277,132)	9.8%
Total equity attributable to shareholders	(1,321,255)	(1,012,831)	30.5%
Non-controlling interest	6,100	6,177	-1.2%
Total equity	(1,315,155)	(1,006,654)	30.6%
TOTAL LIABILITIES AND EQUITY	12,431,224	13,445,217	-7.5%



7.5. Statement of Cash Flows

Cash Flows (R\$ thousand)	06/30/2020	06/30/2019	%
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period	(281,291)	(168,894)	66.5%
Non-cash transactions	837,922	868,922	-3.6%
Depreciation and amortization	453,749	436,155	4.0%
Exchange, interest rate and commodities risk management	162,191	174,662	-7.1%
Losses (gains) in biological assets ¹	(213,829)	(93,397)	128.9%
Interest, exchange rate changes and inflation adjustments, net	487,071	56,974	754.9%
Losses (gains) on hedge operations	(41,228)	29,330	-240.6%
Deferred income tax and social contribution	29,770	133,575	-77.7%
Other non-cash transactions	(39,802)	131,623	-130.2%
Decrease (increase) in assets	244,540	(1,323,910)	-118.5%
Increase (decrease) in liabilities	(1,346,573)	340,758	-495.2%
Interest paid on borrowings and financing	(89,809)	(157,889)	-43.1%
Net cash provided by (used in) operating activities	(635,211)	(441,013)	44.0%
CASH FLOW FROM INVESTING ACTIVITIES			
Decrease (increase) in short-term investments	(17,484)	67,830	-125.8%
Decrease (Increase) in provision for investment loss	1	-	100.0%
Additions to lease agreements	(136,139)	(1,617,191)	-91.6%
Increase in property, plant and equipment	(117,123)	(95,124)	23.1%
Additions to biological assets	(126,968)	(113,227)	12.1%
Increase in intangible assets	(190)	(6,475)	-97.1%
Net cash provided by (used in) investing activities	(397,903)	(1,764,187)	-77.4%
CASH FLOW FROM FINANCING ACTIVITIES			
Additions to lease liabilities	136,170	1,617,191	-91.6%
Payment of lease liabilities	31,527	(136,814)	-123.0%
Borrowings and financing	859,770	1,912,948	-55.1%
Payment of borrowings and financing	(778,384)	(1,921,867)	-59.5%
Net cash provided by (used in) financing activities	249,083	1,471,458	-83.1%
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(784,031)	(733,742)	6.9%
Cash and cash equivalents at the beginning of the period	1,174,943	1,189,112	-1.2%
Cash and cash equivalents at the end of the period	390,912	455,370	-14.2%

¹ Losses (gains) from the fair value adjustment less estimated cost of sales of biological assets.