

(A free translation of the original in Portuguese)

Interim Financial Statements

Três Tentos Agroindustrial S.A.

September 30, 2021
with independent auditor's review report



Building a better
working world

Três Tentos Agroindustrial S.A.

Interim financial statements

September 30, 2021

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A free translation from Portuguese into English of Independent auditor's review report on quarterly information prepared in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

To the Shareholders, Board of Directors and Officers

Três Tentos Agroindustrial S.A.

Santa Bárbara do Sul - RS

Introduction

We have reviewed the accompanying interim financial information, contained in the Quarterly Information Form (ITR) of Três Tentos Agroindustrial S.A. for the quarter ended September 30, 2021, comprising the balance sheet as of September 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and of changes in shareholders' equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing 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 interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).



Other matters

Statements of value added

The abovementioned quarterly information includes the statement of value added (SVA) for the nine-month period ended September 30, 2021, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall interim financial information.

Porto Alegre, November 08, 2021.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/F-7

Guilherme Ghidini Neto
Accountant CRC-RS 067795/O-5

Três Tentos Agroindustrial S.A.

Balance sheet

September 30, 2021 and December 31, 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

Assets	Note	09/30/2021	12/31/2020
Current assets			
Cash and cash equivalents	4.1	560,333	252,692
Financial investments	4.2	769,428	-
Trade accounts receivable	5	249,281	634,246
Recoverable taxes	6	67,794	45,169
Advances to suppliers		4,777	12,392
Inventories	7	1,818,822	783,523
Financial instruments	8	29,801	6,869
Prepaid expenses		20,191	1,395
Related parties	20	7,841	7,267
Other		27,609	26,461
Total current assets		3,555,877	1,770,014
Non-current assets			
Long-term assets			
Recoverable taxes	6	119,828	121,959
Judicial deposits	19	214	290
Deferred taxes	18	11,336	-
Related parties	20	21,348	19,786
Other		2,301	1,504
Right-of-use in leases		9,808	926
Property, plant and equipment	9	631,917	406,564
Intangible assets		507	330
Total non-current assets		797,259	551,359
Total assets		4,353,136	2,321,373

Três Tentos Agroindustrial S.A.

Balance sheet

September 30, 2021 and December 31, 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

Liabilities	Note	09/30/2021	12/31/2020
Current liabilities			
Suppliers	10	1,218,823	866,549
Financial instruments	8	25,217	26,788
Loans and financing	11	672,549	406,155
Advances from customers		54,260	5,331
Lease liabilities		3,260	687
Tax obligations		14,162	17,441
Labor obligations		24,039	19,513
Installment payment of taxes	17	1,296	1,459
Other obligations		30,571	21,113
Total current liabilities		2,044,177	1,365,036
Non-current liabilities			
Loans and financing	11	229,325	235,400
Lease liabilities		6,399	307
Installment payment of taxes	17	5,548	6,785
Deferred taxes	18	-	145
Provisions for litigation	19	2,496	1,568
Total non-current liabilities		243,768	244,205
Shareholders' equity	21		
Capital		1,506,212	400,000
Equity valuation adjustments		4,136	4,847
Capital reserve		9,318	-
Profit reserve		545,525	295,485
Proposed additional dividends		-	11,800
Total shareholders' equity		2,065,191	712,132
Total liabilities and shareholders' equity		4,353,136	2,321,373

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

Três Tentos Agroindustrial S.A.

Statement of income

September 30, 2021 and 2020

(In thousands of reais, except earnings per share) (Free translation of the original in Portuguese)

	Note	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Revenue	14	1,729,545	3,704,198	853,626	2,111,333
Cost of goods and products sold	15	(1,516,545)	(3,198,415)	(702,892)	(1,789,061)
Gross profit		213,000	505,783	150,734	322,272
Operating income (expenses)		(100,727)	(228,027)	(62,115)	(142,582)
Selling expenses	15	(92,027)	(205,426)	(63,628)	(143,388)
Administrative expenses	15	(17,758)	(39,928)	(3,547)	(10,209)
Other operating income (expenses)		9,058	17,327	5,060	11,015
Operating income		112,273	277,756	88,619	179,690
Financial income (loss)	16	(15,308)	4,074	10,328	(44,993)
Financial income		52,631	155,766	41,004	97,925
Financial expenses		(67,939)	(151,692)	(30,676)	(142,918)
Income before taxes and contributions		96,965	281,830	98,947	134,697
Income tax and social contribution	18	970	(18,580)	(2,334)	112
Current		10,666	(5,989)	(2,844)	(2,844)
Deferred		(9,696)	(12,591)	510	2,956
Net income for the period		97,935	263,250	96,613	134,809
Net income per share (in R\$)	22				
Basic		0.2007	0.6127	0.2477	0.3457
Diluted		0.1984	0.6064	0.2477	0.3457

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Três Tentos Agroindustrial S.A.

Statement of comprehensive income

September 30, 2021 and 2020

(In thousands of reais) (Free translation of the original in Portuguese)

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Net income for the period	97,935	263,250	96,613	134,809
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	97,935	263,250	96,613	134,809

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

Três Tentos Agroindustrial S.A.

Statement of changes in shareholders' equity

September 30, 2021 and 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

	Capital	Capital reserve	Profit reserves		Proposed additional dividends	Equity valuation adjustment	Retained earnings	Total
			Legal reserve	Reserve for tax incentives				
Balances at December 31, 2019	200,000	-	3,045	190,982	-	5,794	-	399,821
Equity valuation adjustment	-	-	-	-	-	(710)	710	-
Net income for the period	-	-	-	-	-	-	134,809	134,809
Reserve for tax incentives	-	-	-	135,519	-	-	(135,519)	-
Dividends paid	-	-	-	(15,650)	-	-	-	(15,650)
Balances at September 30, 2020	200,000	-	3,045	310,851	-	5,084	-	518,980
Balances at December 31, 2020	400,000	-	3,045	292,440	11,800	4,847	-	712,132
Equity valuation adjustment	-	-	-	-	-	(711)	711	-
Capital increase, through contribution in IPO	1,152,941	-	-	-	-	-	-	1,152,941
(-) Share issue costs	(70,801)	-	-	-	-	-	-	(70,801)
Deferred taxes on share issue costs	24,072	-	-	-	-	-	-	24,072
Net income for the period	-	-	-	-	-	-	263,250	263,250
Reserve for tax incentives	-	-	-	263,961	-	-	(263,961)	-
Expenses on option plan granted	-	9,318	-	-	-	-	-	9,318
Dividends paid	-	-	-	(13,921)	(11,800)	-	-	(25,721)
Balances at September 30, 2021	1,506,212	9,318	3,045	542,480	-	4,136	-	2,065,191

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

Três Tentos Agroindustrial S.A.

Statement of cash flows
September 30, 2021 e 2020
(In thousands of reais)

	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
Cash flow of operating activities:		
Income for the period before taxes	281,830	134,697
Adjustments to reconcile net income to cash from operating activities:		
Depreciation and amortization	16,763	12,810
Depreciation of right-of-use	2,989	1,598
Interest and monetary restatement on loans	33,457	22,789
Exchange variation on loans	42,697	32,727
Allowance for doubtful accounts	680	3,569
Provision for litigation	928	-
Expense on stock options granted	9,318	-
Adjustment to present value of lease liability	781	107
Residual cost of written-off fixed assets	942	2,299
(Increase) decrease in assets:		
Trade accounts receivable	384,285	(32,457)
Financial instruments	(22,932)	7,130
Inventories	(1,035,299)	(344,912)
Recoverable taxes	(20,494)	(24,318)
Advances	7,615	5,455
Prepaid expenses	(18,796)	707
Related parties	(2,136)	-
Judicial deposits	76	(16)
Other assets	(1,945)	18,311
Increase (decrease) in liabilities		
Suppliers	352,274	58,157
Taxes payable	(9,268)	(426)
Salaries, provisions and payroll charges	4,526	2,563
Installment payment of taxes	(1,400)	4,601
Advances from customers	48,929	(14,658)
Financial instruments	(1,571)	66,056
Other liabilities	9,458	(4,243)
Cash flow from (used in) operating activities	83,707	(47,454)
Cash flows of investment activities:		
Financial investment	(769,428)	-
Acquisition of property, plant and equipment	(242,902)	(54,565)
Acquisition of intangible assets	(333)	-
Net cash used in investment activities	(1,012,663)	(54,565)
Cash flows of financing activities		
Capital increase through IPO	1,152,941	-
(-) Share issue costs	(70,801)	-
Loans and financing raised	695,249	511,315
Payments of loans and financing	(511,084)	(431,556)
Payment of dividends	(25,721)	(15,650)
Payment of leases	(3,987)	(1,753)
Net cash from financing activities	1,236,597	62,356
Changes in cash and cash equivalents	307,641	(39,663)
Cash and cash equivalents – in the beginning of the period	252,692	163,970
Cash and cash equivalents – at the end of the period	560,333	124,307
Changes in cash and cash equivalents	307,641	(39,663)

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

Três Tentos Agroindustrial S.A.

Statement of value added
September 30, 2021 and 2020
(In thousands of reais)

	01/01/2021 to 09/30/2021	01/01/2020 to 09/30/2020
Income		
Income from sale of products, goods and services rendered	3,779,756	2,146,265
(-) Deductions from sales	(75,558)	(34,932)
	<u>3,704,198</u>	<u>2,111,333</u>
Inputs purchased from third parties		
Cost of goods sold	(3,172,910)	(1,770,633)
Third parties' services	(40,998)	(23,079)
Other operating expenses	17,327	11,015
	<u>(3,196,581)</u>	<u>(1,782,697)</u>
Gross value added	<u>507,617</u>	<u>328,636</u>
Retentions		
Depreciation and amortization	(19,752)	(14,408)
Net amount generated by the entity	<u>487,865</u>	<u>314,228</u>
Value added received on transfer		
Financial income	155,766	97,925
	<u>155,766</u>	<u>97,925</u>
Total value added to be distributed	<u>643,631</u>	<u>412,153</u>
Distribution of value added		
Personnel and charges	72,168	40,349
Direct compensation	26,611	17,217
Benefits	41,274	20,475
FGTS (Severance pay fund)	4,283	2,657
Taxes and contributions	18,016	9,457
Federal	16,224	8,547
State	1,214	529
Local	578	381
Interest and financial charges	111,906	114,524
Interest	44,062	28,874
Exchange variation	67,844	85,650
Other	178,291	113,014
Rentals	524	282
Freight	45,429	29,171
Other	132,338	83,561
Retained earnings for the period	<u>263,250</u>	<u>134,809</u>
	<u>643,631</u>	<u>412,153</u>

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

Três Tentos Agroindustrial S.A.

Comments on performance

3tentos records historical net revenue of R\$1.7 billion in 3Q21, growth of 103.9%

Santa Bárbara do Sul, November 8, 2021 – 3tentos (“3tentos” or “Company”), Brazil’s agricultural ecosystem, releases its results for the third quarter of fiscal year 2021 (“3Q21”). Except when otherwise indicated, information in this document is denominated in national currency (R\$ million).

Below are the Company's main financial data for the third quarter of 2021 compared to the same period of 2020. Additionally, the table below compares the Company's 3Q21 with the combined information of 3tentos and Tentos do Sul¹ (unaudited combination) to better reflect the Company's comparability after the merger of Tentos do Sul on November 30, 2020.

Highlights of the Period – comparisons with 3tentos + Tentos do Sul

- **Net Operating Revenue** of R\$1,729.5 million in 3Q21 (+103.9%) with growth in all our businesses. YTD growth was 76.2%, reaching R\$ 3,704.2 million
- **Adjusted Gross Profit** of R\$ 241.1 million in 3Q21 (+33.1%) with adjusted gross margin of 13.9% (-7.4 p.p.). YTD adjusted gross profit was R\$ 525.9 million (+43.9%) with adjusted gross margin of 14.2% (-3.2 p.p.)
- **Adjusted EBITDA** of R\$ 147.6 million in 3Q21 (+26.6%), with Adjusted EBITDA margin of 8.5% (-5.2 p.p.). YTD Adjusted EBITDA was R\$317.7 million (+46.6%), with Adjusted EBITDA margin of 8.6% (-1.7 p.p.)
- **Net Income** of R\$ 97.9 million in 3Q21 (-21.2%) with net margin of 5.7% (-9.0 p.p.). YTD net income was R\$ 263.2 million (+56.2%), with net margin of 7.1% (-0.9 p.p.)
- **ROE*** of 46.3% and **ROIC** of 28.9% in 3Q21

In thousands of reais except for percentages and indexes	3 Tentos		Δ	3T + TS		Δ	3T + TS		Δ
	3Q21	3Q20	% or p.p.	3Q20	% or p.p.		9M21	9M20	% or p.p.
Net operating revenue	1,729,545	853,626	102.6%	848,033	103.9%		3,704,198	2,102,364	76.2%
Gross profit	213,000	150,734	41.3%	196,112	8.6%		505,783	393,593	28.5%
Gross Margin (%)	12.3%	17.7%	(5.3)	23.1%	(10.8)		13.7%	18.7%	(5.1)
Adjusted Gross Profit	241,121	168,612	43.0%	181,134	33.1%		525,930	365,557	43.9%
Adjusted Gross Profit (%)	13.9%	19.8%	(5.8)	21.4%	(7.4)		14.2%	17.4%	(3.2)
EBITDA	119,436	92,986	28.4%	131,538	(9.2%)		297,508	244,709	21.6%
Adjusted EBITDA	147,557	110,864	33.1%	116,560	26.6%		317,655	216,673	46.6%
EBITDA Margin (%)	6.9%	10.9%	(4.0)	15.5%	(8.6)		8.0%	11.6%	(3.6)
Adjusted EBITDA Margin (%)	8.5%	13.0%	(4.5)	13.7%	(5.2)		8.6%	10.3%	(1.7)
Net Income	97,935	96,613	1.4%	124,333	(21.2%)		263,250	168,485	56.2%
Net Margin (%)	5.7%	11.3%	(5.7)	14.7%	(9.0)		7.1%	8.0%	(0.9)
ROE*	46.3%	41.5%	4.8	49.3%	(3.0)		46.3%	49.3%	(3.0)
ROIC	28.9%	32.2%	(3.3)	33.2%	(3.3)		28.9%	33.2%	(4.4)

*ROE Adjusted by IPO capitalization

¹ Tentos do Sul was audited in 2020 by Allianssa Auditores Independentes and upon its merger, in November 2020, it ended its activities on that date. Therefore, for purposes of better comparability of activities, we present the managerial version of the combined financial information of the two companies in 2020, already eliminating intercompany transactions. *Only the financial statements of 3tentos are attached.*

Três Tentos Agroindustrial S.A.

Comments on performance

Message from the CEO

3tentos' performance throughout 2021 is being marked by the dedicated and committed work of a team, made up of more than 1,500 employees, including more than 135 agricultural consultants, focused on delivering positive results for the company, customers and society. I am convinced that 3tentos will continue to grow sustainably in Brazilian agribusiness, bringing new technologies and services to more than 18 thousand customers.

Over the past 26 years, we have faced several challenging scenarios, such as crop loss, strong fluctuations in agricultural commodity prices, economic crises and many other events, but with a forged knowledge in Agro, security in decision-making and an action always seeking to strengthen the relationship with the rural producer, our business model has proven to allow us to move forward, doing more of the same.

Our expansion plan continues at a strong pace, aiming at achieving more market presence. In 2021, we are expanding our presence in Rio Grande do Sul (RS) with 7 new stores, in the cities of Alegrete, Erechim, Palmeira das Missões, Santiago, São Borja, Uruguai and Vacaria. It is worth remembering that the initial plan was for six stores and it was expanded to seven stores, observing good conditions for the next crop. In Mato Grosso, we are taking an important step to expand our operations, in the BR-163 region, with the opening of 8 stores by 2025 and the construction of a soybean processing and biodiesel production plant. In 2021 we opened a store in Sinop/MT, and in July/2021 we started building the factory in Vera/MT, currently with 14% of the work completed. We are very confident in sharing this very important moment for 3tentos, the construction of the new plant, in the largest soy-producing state in the world, and confirming, as early as next year, the operation of originating grains. We have sales teams and consultants being hired to work in new stores, both in RS and MT, they are highly qualified professionals identified with the company's values, ready to serve the producer in the field.

Our performance in agribusiness is divided into 3 segments, Ag Inputs, Grain and Industry, and together they form the most complete agricultural ecosystem in Brazil. In this context, Brazilian agribusiness has been playing an important role in the global scenario for years and the recent challenges observed in the supply chain of agricultural inputs, such as the scarcity of some products and the increase in raw material costs can generate uncertainties for rural producers. In view of this scenario, the Company, which has a wide base for purchasing raw materials and finished products, such as Fertilizers, Seeds and Crop Protection, has managed to ensure that 100% of its customers, rural producers, are able to implement their crops efficiently, and thus, not giving rise to limitations for a positive expectation for the 21/22 crop. Our team, committed and passionate for agriculture, works side by side with the producer, so that together we can overcome daily challenges and bring solutions and improvements to agribusiness.

The record 20/21 crop, the increase in market share and the expansion of static capacity, enabled the largest origination of grains in the company's history, making an important contribution to the result in 2021. In Industry, recent changes in the percentage of biodiesel blend showed that even in temporarily adverse scenarios, the Company performs well. Our fully integrated business model allows us to take advantage of the best market opportunities to sell products that add more value at certain times. This "possibility of arbitration" reflects the strength of our Ecosystem.

Digital technologies are already a reality in agribusiness, and 3tentos has been leading this technological evolution. In view of this important movement, we have developed some digital solutions such as the "3tentos app", which aims to add convenience to the life of rural producers in activities such as grain sales and purchase of inputs, being possible to carry them out remotely, from their rural properties. Our app is used by more than 3,200 producers who represent 80% of our A-curve of customers.

Três Tentos Agroindustrial S.A.

Comments on performance

Initiatives for the development of more sustainable practices are increasingly present in society, and at 3tentos, since its inception, we have been committed to providing healthy food in modern and sustainable agriculture, in addition to contributing to the generation of increasingly cleaner energy. ESG practices are a huge potential little explored in the producer's knowledge, such as the generation of carbon credits. Over 2021, we should increase our generation of carbon credits by 15%, reaching the mark of more than 160 thousand CBIOS.

As recognition, between September and October 2021, we received the award for the best Brazilian agribusiness company by Revista Exame, and the Market Highlight award at the 49th RS Export Award, held by ADVB, for the fifth consecutive year.

We are confident in the execution of our announced Expansion Plan, which strength 3tentos' presence in the market and make our ecosystem ever more complete, adding value to the entire Brazilian agribusiness chain.

Luiz Osório Dumoncel
CEO and Founder

Três Tentos Agroindustrial S.A.

Comments on performance

Operating and Financial Performance of Our Segments

Information for the 2020 period includes the financial information of Tentos do Sul, already eliminating intercompany transactions. Tentos do Sul was audited in 2020 by Allianssa Auditores Independentes and, upon its merger in November 2020, it ended its activities on that date.

Net Operating Revenue in 3Q21 and 9M21

Figures in R\$ thousands

Net Revenue					Net Revenue				
Per Segment	3Q21	3Q20	Var. %	Contr. Var. %	Per Segment	9M21	9M20	Var. %	Contr. Var. %
Ag Inputs	444,121	301,270	47.4%	16.8%	Ag Inputs	894,931	564,922	58.4%	15.7%
Grain	599,303	81,380	636.4%	61.1%	Grain	1,077,168	434,336	148.0%	30.6%
Industry	686,121	465,383	47.4%	26.0%	Industry	1,732,099	1,103,106	57.0%	29.9%
Total	1,729,545	848,033	103.9%	103.9%	Total	3,704,198	2,102,364	76.2%	76.2%

Net Operating Revenue reached R\$1,729.5 million in 3Q21, an increase of 103.9% compared to 3Q20. We showed growth in all of our three segments, particularly in Grain. The analyses of each segment are detailed below.

Adjusted Gross Profit in 3Q21 and 9M21

Figures in R\$ thousands

Adjusted Gross Profit					Adjusted Gross Profit				
Per Segment	3Q21	Margin	3Q20	Margin	Per Segment	9M21	Margin	9M20	Margin
Ag Inputs	95,882	21.6%	54,719	18.2%	Ag Inputs	181,113	20.2%	95,397	16.9%
Grain	40,488	6.8%	6,907	8.5%	Grain	79,448	7.4%	39,865	9.2%
Industry	104,751	15.3%	119,508	25.7%	Industry	265,369	15.3%	230,295	20.9%
Total	241,121	13.9%	181,134	21.4%	Total	525,930	14.2%	365,557	17.4%

Adjusted Gross Profit reached R\$ 241.1 million in 3Q21, growth of 33.1% compared to 3Q20, and adjusted gross margin of 13.9% (-7.4 p.p.). The reduction in the 3Q21 margin compared to the same period of the previous year is associated with the greater participation of the Grain Segment in the Company's consolidated result, mainly due to the greater trade of soybeans, which have the lowest margins in our ecosystem. Even so, the grain segment contributed with an increase of R\$ 33.6 million in gross profit for the quarter.

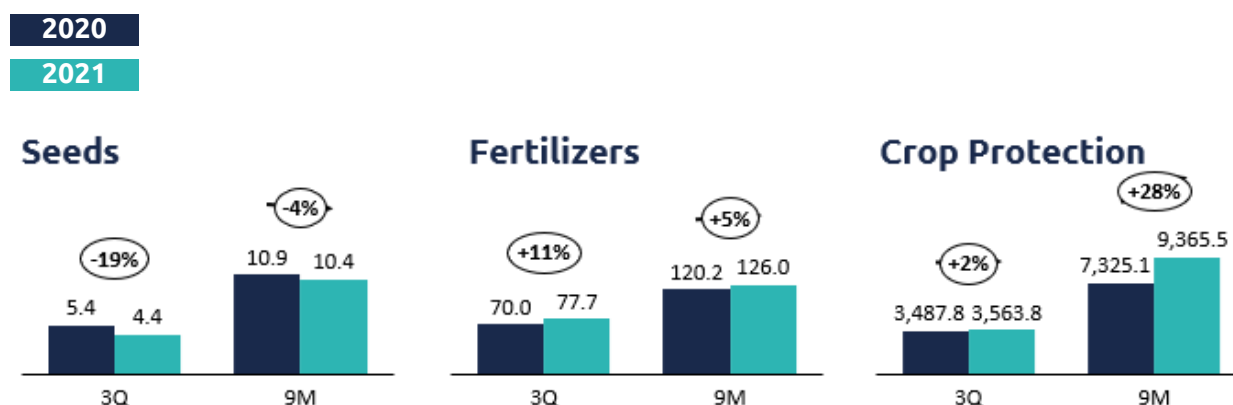
Adjusted Gross Profit grew 43.9% in YTD 2021, reaching R\$ 525.9 million, and the largest contributor to growth was the Ag Inputs Segment, notably the strong operating performance and good management in the purchase of raw materials. The Grain and Industry Segments also contributed positively to the increase in the Company's gross profit by expanding its static capacity in grain origination and biodiesel production.

Três Tentos Agroindustrial S.A.

Comments on performance

Comments by Segment: Ag Inputs

Volume (thousand tons or kiloliter)



The performance in our Ag Inputs Segment is related to factors that make the Company increasingly relevant in the sector, such as the expansion of new stores, increase in market share in the regions where we operate, and frequent monitoring of our consultants with rural producers offering the best agricultural management to its production. As a result, the Ag Inputs Segment grew in 3Q21, mainly in Fertilizers, recording in a single quarter a record sales volume of 77.7 thousand tons (+11.0% over the record volume of 3Q20) and Crop Protection, with demand growth noted in recent quarters compared to the same period of the previous year.

In addition to said factors, the expectation of a good 21/22 crop and better grain prices, encourage producers to increase the planted area. In Seeds, due to seasonality the planting of the summer crop starts between September and October there are some variations between 3Q and 4Q. The expectation is very positive for the sale of Seeds in the last quarter of 2021.

Net Revenue

Figures in R\$ thousands

Net Revenue	Contr.				Contr.			
Per Product	3Q21	3Q20	Gr. %	Gr. %	9M21	9M20	Gr. %	Gr. %
Seeds	45,598	50,964	-10.5%	-1.8%	69,098	57,318	20.6%	2.1%
Fertilizers	225,983	140,353	61.0%	28.4%	345,519	183,796	88.0%	28.6%
Crop Protection	172,540	109,953	56.9%	20.8%	480,313	323,808	48.3%	27.7%
Total	444,121	301,270	47.4%	47.4%	894,931	564,922	58.4%	58.4%

The Net Operating Revenue of the Ag Inputs Segment was R\$ 444.1 million, representing a 47.4% growth over the same quarter of 2020. Noteworthy is the growth of Fertilizers (+61.0%), reflecting the 11% increase in sales volume posting a historic record and price recomposition. In Crop Protection, despite the slight increase in volume (+2%), net revenue grew by 56.9%, reflecting the higher price of raw materials.

In Seeds, price conditions remain stable and, as already mentioned, we have positive expectations for the last quarter of the year, reflecting an increase in planted area by rural producers and a gain in market share.

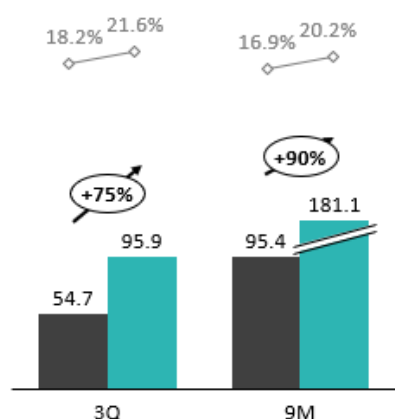
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Comments on performance

Year-to-date, we showed strong growth in all our products, reflecting the offer of quality products and services, driven by the expansion of new stores and the strong performance of the sales team and consultants with rural producers. It should be remembered that, seasonally, the last quarter of the year ends up being the strongest for the Ag Inputs segment, since it is the period in which the summer crop planting starts (corn and soybeans).

Gross Profit and Margin

Figures in R\$ mm, %



The Gross Profit of the Ag Inputs Segment grew by 75.2% in 3Q21 when compared to the same quarter of the previous year, totaling R\$ 95.9 million. Noteworthy is that the strong growth in Gross Profit is related to the efforts to reduce costs and obtain the best conditions for the purchase of raw materials, in addition to the contribution to the mix of margins between products. The gross margin was 21.6%, an increase of 3.4 p.p.

It should be noted that, throughout 2021, the Company achieved consistent growth with improved margins, reaching a gross margin of 20.2%. This is a reflection of good management in the purchase of raw materials and price recovery.

The historical seasonality of 3tentos' net revenue in the Ag Inputs segment can be seen below, considering the cycles of the different cultures that the Company serves, which may show variations in different years.

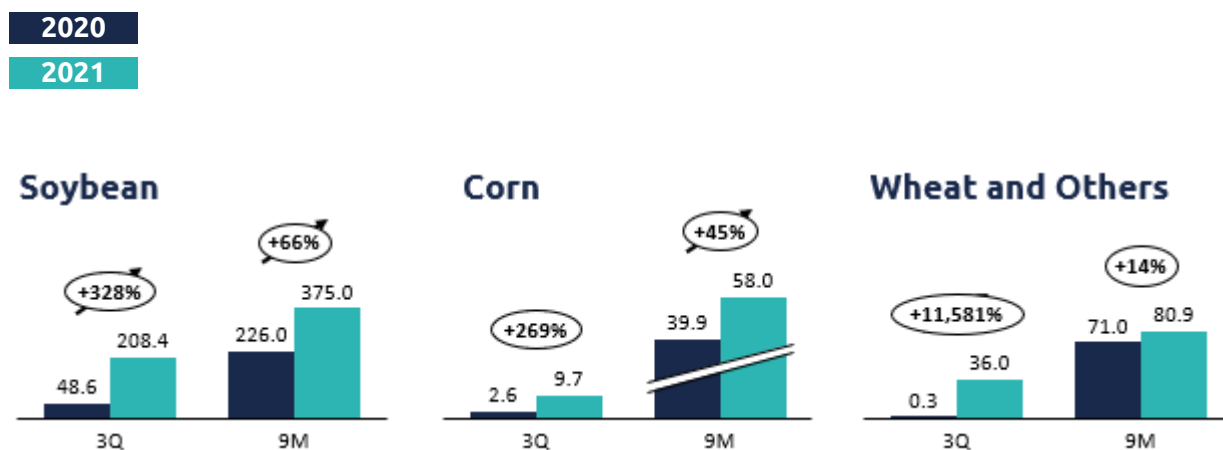
	Ag Inputs Seasonality				
	1Q	2Q	3Q	4Q	FY
2018	24.4%	5.4%	24.5%	45.7%	100.0%
2019	26.4%	7.4%	27.7%	38.5%	100.0%
2020	22.0%	6.7%	32.8%	38.5%	100.0%
Average	24.2%	6.5%	28.3%	40.9%	100.0%

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Comments on performance

Grain Segment

Volume (thousand tons) (Grains: +393% 3Q21, +52% 9M21)



Regarding the Grain Segment, we observed growth in all crops, in Soybeans the reflection of the record 20/21 crop in the state of Rio Grande do Sul (RS), together with the expansion of the Company's business, permitted greater grain origination.

During 3Q21, we advanced the sale of part of the volume projected for 4Q, taking advantage of the better price conditions, resulting from the exchange rate variation and the exporters' greater appetite. Corn crops of the 21/21 cycle are already implemented in the state of RS and, as we approach the crop period with continued favorable weather conditions, we expect better grain origination. The Wheat crop showed strong growth in volume in 3Q21 compared to the same period of the previous year, due to the lower basis of comparison. At this time, part of the production has already been harvested by certain producers, as we are reaching the final maturation stage of the planted area.

It is worth noting that the Company's soybean origination volume in the 20/21 crop was a record with 1,025 thousand tons (total origination in the fiscal year of 1,182 thousand tons), with a trading volume of Soybeans for the 2021 fiscal year expected between 350 thousand and 400 thousand tons. For comparison, in the previous fiscal year, the Company sold 231 thousand tons of Soybeans.

For the last quarter of 2021, we expect a lower volume of Soybean sales, since the strongest trading periods take place between 2Q and 3Q, in terms of Corn we will still have around 9,000 tons, and in the Wheat crop we forecast to sell about 53 thousand tons in 4Q, considering that between 4Q and 1Q there is the harvest and trading period.

Net Revenue

Figures in R\$ thousands

Net Revenue					Contr.			
Per Product	3Q21	3Q20	Gr. %	Gr. %	9M21	9M20	Gr. %	Gr. %
Soybean	522,680	78,576	565.2%	545.7%	877,771	338,581	159.2%	124.1%
Corn	16,240	2,366	586.4%	17.0%	70,271	30,034	134.0%	9.3%
Wheat and Others	60,383	438	13686.1%	73.7%	129,126	65,720	96.5%	14.6%
Total	599,303	81,380	636.4%	636.4%	1,077,168	434,336	148.0%	148.0%

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Comments on performance

The Net Operating Revenue of the Grain Segment was R\$599.3 million, which represents a 636.4% growth over the same quarter of 2020. Soybean origination exceeded our expectations, given a booming market on the part of the grain exporters in August and September, providing strong revenue growth, together with higher volume sold and better price conditions.

Noteworthy is that the performance of the grain segment in YTD 2021 has already exceed the result of 2020, with all crops contributing to growth.

Gross Profit

Figures in R\$ thousands

Adjusted Gross Profit								
Per Product	3Q21	Margin	3Q20	Margin	9M21	Margin	9M20	Margin
Soybean	18,523	3.5%	6,369	8.1%	26,775	3.1%	17,787	5.3%
Corn	5,496	33.8%	262	11.1%	14,064	20.0%	2,941	9.8%
Wheat and Others	16,469	27.3%	275	62.8%	38,609	29.9%	19,137	29.1%
Total	40,488	6.8%	6,907	8.5%	79,448	7.4%	39,865	9.2%

The Gross Profit of the Grain Segment increased by 486.2%, totaling R\$ 40.5 million in 3Q21. Corn and Wheat prices suffered some pressure on prices during the quarter due to changes in the destination of cereals, which would initially be for the foreign market and ended up being traded in the domestic market. In case of Corn, we are entering the last quarter of the year, when inventories have been historically tighter (harvest period in February and March, companies are organized to receive the new crop) and good opportunities may arise in the spot market to serve consumers of this cereal.

In the case of Wheat, the last quarter is marked by the harvest period, which means historically comfortable inventories. Still regarding wheat, Rio Grande do Sul posted an increase in the planted area of c. 10% and should have productivity growth. This increase in the total volume produced in the state has not impacted prices so far, since the export path (supported by good prices in Chicago, in addition to the dollar) has shown good liquidity and competitiveness with mills and animal feed factories.

In Soybeans we have a reality similar to Corn and Wheat, in addition to a large volume of barter and contracts, the Company broke an origination record, surpassing the 1 million ton mark in the first half. The strong demand for the oilseed, both for export and for industrialization, has supported prices, which are also reinforced by global stock levels which are below historical averages.

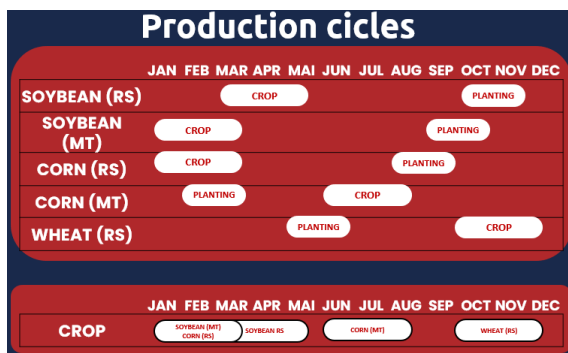
It should be emphasized that the seasonality of the Grain Segment, although the Company operates with grains in 3 crops, historically, the second and third quarters have been the strongest in grain trading, it is possible to observe variation in the quarters representativeness in the Grain Segment revenue in the last 3 years.

	Grain Seasonality				FY
	1Q	2Q	3Q	4Q	
2018	14.0%	44.0%	32.0%	10.0%	100.0%
2019	24.6%	41.7%	20.9%	12.7%	100.0%
2020	14.2%	58.4%	16.7%	10.7%	100.0%
Average	17.6%	48.0%	23.2%	11.1%	100.0%

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Comments on performance

The wheat crop in Rio Grande do Sul is usually planted in May and June, reaching maturity and harvest period in October and November. Thus, it is common to have cereal sales in 4Q and 1Q of the following year, to allow producers to sell during the harvest period and forward sales (export, feed or mills) and to support barter negotiations. Part of the originated volume is strategically stored in 3tentos structures, segregated and properly maintained to meet the buyers' demand. This volume is usually sold in the off-season period, particularly in 2Q and 3Q (from June onwards, since in April and May 3tentos' structure is focused to the origination of soybeans).

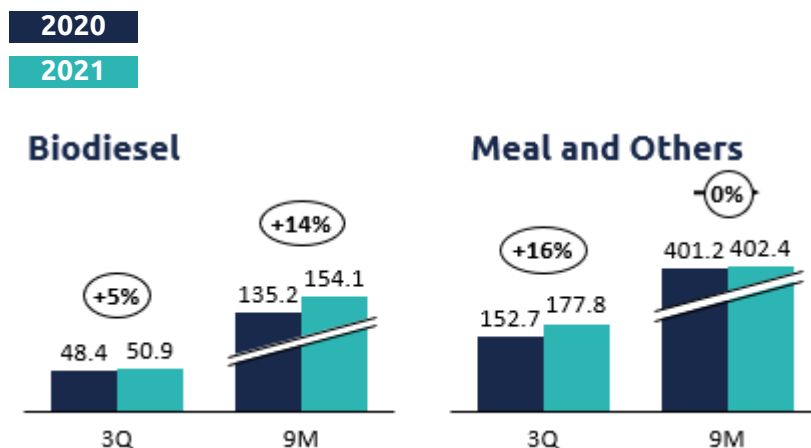


The corn crop is usually planted in September, reaching maturity and harvest period in January and February. Similarly to the Wheat trading strategy, the sale of Corn is partially traded in the harvest (1Q) to support the "over-the-counter" purchase of producers and barter operations carried out during the year. Regarding the volume reserved for trading in the off-season, 3Q and 4Q have historically presented higher volume. Also similar to the seasonality of Wheat, 2Q has all the attention focused on the origination of Soybeans, reason why it may present a

reduction in Corn sales.

Industry Segment

Volume (thousand tons and thousand m³)



The Industry Segment has been showing over 2021 a mix of effects related to 3tentos products, (i) increase in soybean oil prices in the international market, as a result of the growing demand for biofuels and human and animal feed; (ii) variation in the percentage in the blend of biodiesel to diesel oil established by the ANP (Brazilian National Oil Agency), ranging from 10% to 13%.

Depending on market conditions, the 3tentos ecosystem allows directing the trading of products that bring better profitability for the business. This means that, upon receipt of the soybean, 3tentos has 3 destinations: (i) to trade the grain; (ii) to process in the industry and sell soybean oil and meal; (iii) to process in the industry and sell the soybean meal and biodiesel.

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Comments on performance

Accordingly, we continue to invest in the industry by increasing the biodiesel production capacity from 650 m³/day to 850 m³/day in 2021. For the beginning of 2022, the expansion of soybean processing at the Cruz Alta/RS plant is scheduled to be completed, from 1,000 ton/day to 2,000 ton/day, and in total, adding the Cruz Alta/RS and Ijuí/RS plants, we will have a soybean processing capacity of around 4,000 ton/day.

3tentos actively participates in biodiesel auctions, and it is recognized as one of the companies with the best quality in its product and with relevant participation in auctions in RS. If we consider the average percentage of biodiesel blend in 3Q21 compared to 3Q20, we can see a reduction from 11.3% to 10.7%. For the last auction of the year (L81) for delivery in November and December, the blending rate was set at 10%.

	Biodiesel (thousand m ³)		Meal (thousand tons)	
	2020	2021E	2020	2021E
1Q	41.2	44.5	75.4	56.8
2Q	45.6	58.6	131.0	135.8
3Q	48.4	50.9	133.5	160.9
4Q	44.2	51.0	154.5	180.0
Total	179.4	205.0	494.4	533.5

Net Revenue

Figures in R\$ thousands

Net Revenue					Contr.			
Per Product	3Q21	3Q20	Gr. %	Gr. %	9M21	9M20	Gr. %	Gr. %
Biodiesel	299,651	215,131	39.3%	18.2%	837,808	489,633	71.1%	31.6%
Meal and Others	386,470	250,252	54.4%	29.3%	894,291	613,473	45.8%	25.5%
Total	686,121	465,383	47.4%	47.4%	1,732,099	1,103,106	57.0%	57.0%

The Net Operating Revenue of the Industry Segment was R\$686.1 million, which represents a growth of 47.4% over the same quarter of 2020. In Biodiesel, we presented revenue growth with an increase in the volume sold, corresponding to the increased production capacity, and driven by 3tentos' greater participation in the most recent auctions.

3tentos' biodiesel stands out as a quality product with a high degree of energy efficiency, contributing to a cleaner and more sustainable society. Meal, which is the noblest protein for animal feed, also has firm prices, both in the domestic and foreign markets. 3tentos currently supplies a number of milk and meat producers in Rio Grande do Sul, in addition to cooperatives and feed factories.

It is worth mentioning that, even though 4Q has historically been the strongest one, in YTD 2021 we have already surpassed the result obtained in 2020, with an important contribution from the sale of Biodiesel.

Gross Profit

Figures in R\$ thousands

Adjusted Gross Profit								
Per Product	3Q21	Margin	3Q20	Margin	9M21	Margin	9M20	Margin
Biodiesel	46,298	15.5%	56,935	26.5%	97,053	11.6%	97,876	20.0%
Meal and Others	58,453	15.1%	62,573	25.0%	168,316	18.8%	132,419	21.6%
Total	104,751	15.3%	119,508	25.7%	265,369	15.3%	230,295	20.9%

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Comments on performance

The gross profit of the Industry Segment decreased by 12.3%, totaling R\$ 104.8 million in 3Q21. The raw material for biodiesel production has shown support both for the soybean processing activity and for biodiesel prices. Considering the performance in the most recent auctions, margins were pressured due to the increase in raw material and greater price competitiveness due to the lower demand for biofuel. We believe in the continued increase in the blend of biodiesel and diesel oil due to the need for a cleaner and more sustainable environment, in line with the Brazilian energy matrix.

Noteworthy is that, with the growing global demand for vegetable oils in recent years, a factor attributed to healthier human and animal nutrition, we should note a continued increase in the consumption of vegetable oils. 3tentos, as a degummed oil producer, can take advantage of opportunities in this thriving market, since the Company has this integrated and verticalized product model.

It should be emphasized that 3tentos, in addition to being recognized for the quality of its meal, is strategically located close to the factories and large consumers of this product, which favors its pricing (and consequently the incremental margin gain) in the domestic market.

In the foreign market, the company works with frame contracts and sends product to countries in Europe and Asia that also have growing demand. In addition, the Company's strategic and competitive logistics for sending meal to the port should be pointed out. Today, 100% of the volume is transported by rail, both from Ijuí and Cruz Alta plants, an important element for gaining competitiveness in this industry.

It is worth emphasizing that, even in a challenging scenario for the industry segment, we remain confident with a growing demand for 3tentos products. As a result, we posted a 15.2% growth in gross profit for YTD 2021, totaling R\$265.4 million.

Industry seasonality is less impacted by crops, having a more stable behavior over the quarters. The first quarter has been historically and specifically the weakest among the 4 quarters of the year. In spite of this, the historical values of revenue seasonality shown in the table below are impacted by the higher production volumes due to the increased capacity.

	Industry Seasonality				
	1Q	2Q	3Q	4Q	FY
2018	14.2%	27.9%	27.5%	30.4%	100.0%
2019	13.8%	25.3%	28.0%	33.0%	100.0%
2020	14.2%	23.1%	27.3%	35.3%	100.0%
Average	14.1%	25.4%	27.6%	32.9%	100.0%

Company's Financial Performance

Selling, General and Administrative Expenses

In thousands of reais, except for percentage and indexes	3 Tentos					3 Tentos				
	3Q21	HA %	3Q20	HA %	VA %	9M21	HA %	9M20	HA %	VA %
Net operating revenue	1,729,545	100.0%	853,626	100.0%	102.6%	3,704,198	100.0%	2,111,333	100.0%	75.4%
SG&A	(100,727)	(5.8%)	(62,115)	(7.3%)	62.2%	(228,027)	(6.2%)	(142,582)	(6.8%)	59.9%
Selling expenses	(92,027)	(5.3%)	(63,628)	(7.5%)	44.6%	(205,426)	(5.5%)	(143,388)	(6.8%)	43.3%
Administrative expenses	(17,758)	(1.0%)	(3,547)	(0.4%)	400.6%	(39,928)	(1.1%)	(10,209)	(0.5%)	291.1%
Other oper. income/expenses	9,058	0.5%	5,060	0.6%	79.0%	17,327	0.5%	11,015	0.5%	57.3%

Três Tentos Agroindustrial S.A.

Comments on performance

Selling, General and Administrative Expenses totaled R\$ 100.7 million in 3Q21, a 62.2% increase compared to the same quarter in 2020. If we analyze them as a percentage of net operating revenue, they represented 5.8%, 1.5 p.p. lower than in 3Q20. At the same time that we are increasing selling expenses, impacted by the expansion of new stores with sales teams and consultants, we have been able to increase the Company's sales.

It is worth remembering that Tentos do Sul was incorporated in 3tentos' results in November 2020, therefore, expenses related to 2021 already include the merger. Therefore, if expenses are adjusted on the same comparison base, there was a 44.8% increase in expenses, and a 2.4 p.p. reduction, if analyzed as a percentage of net revenue. For 9M21, if expenses are adjusted on the same comparison base, we had a 38.3% increase and a 1.6 p.p. reduction if analyzed as a percentage of net revenue.

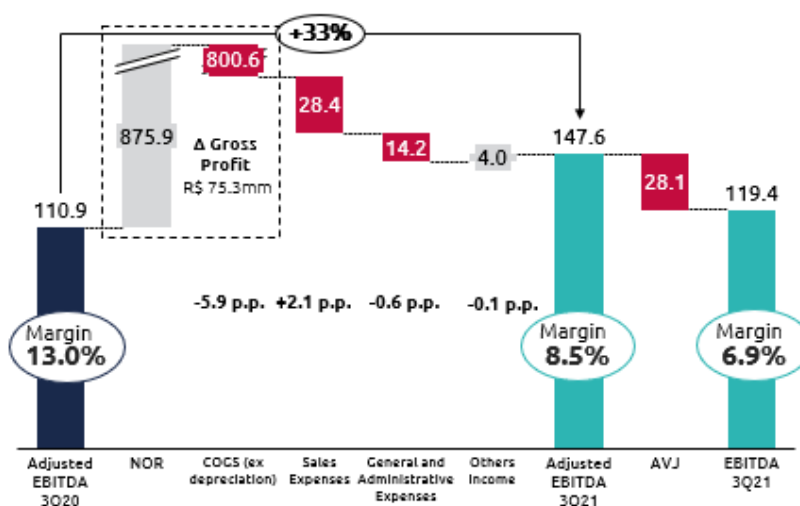
EBITDA and Reconciliation with Adjusted EBITDA

In thousands of reais, except for percentage and indexes	3 Tentos			Δ	3 Tentos		
	3Q21	3Q20	% or p.p.		9M21	9M20	% or p.p.
EBIT	112,273	88,619	26.7%		277,756	179,690	54.6%
(+) Depreciation and amortization	7,163	4,367	64.0%		19,752	14,408	37.1%
EBITDA	119,436	92,986	28.4%		297,508	194,098	53.3%
EBITDA Margin	6.9%	10.9%	(4.0)		8.0%	9.2%	(1.2)
(+/-) Present value adjust	28,121	17,878	57.3%		20,147	15,260	32.0%
Adjusted EBITDA	147,557	110,864	33.1%		317,655	209,358	51.7%
Adjusted EBITDA Margin	8.5%	13.0%	(4.5)		8.6%	9.9%	(1.3)

EBITDA was R\$ 119.4 million in 3Q21, a 28.4% increase compared to the same period of the previous year. The EBITDA margin of 6.9% decreased by 4.0 p.p. compared to 3Q20, which is explained mainly by the higher share of the grain business (lower margins) and the increase in expenses related to the expansion of new stores. This result considers the negative market value adjustment (MTM) of R\$28.1 million. Adjusted EBITDA (excluding the MTM effect) was R\$147.6 million (+33.1% and margin of 8.5%).

In YTD 2021, we posted strong EBITDA growth of 53.3%, totaling R\$297.5 million, due to the contribution of all our segments, mainly Ag Inputs. Adjusted EBITDA (excluding the MTM effect) was R\$317.7 million (+51.7 and margin of 8.6%).

Breakdown of Adjusted EBITDA (R\$ thousands)



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Comments on performance

Net Financial Result

The net financial result was negative by R\$15.3 million in 3Q21, impacted by the exchange variation of R\$18.9 million. YTD 2021, we presented a net financial result positive by R\$ 4.1 million.

In thousands of reais, except for percentage and indexes	3 Tentos			3 Tentos		
	3Q21	3Q20	Variation	9M21	9M20	Variation
Active exchange variation	13,063	17,883	(27%)	84,956	59,190	44%
Active monetary variation	-	53	-	1,298	69	1781%
Interest and discounts obtained	21,799	14,491	50%	46,741	26,396	77%
Gain on hedge operations	-	2,438	-	6,161	6,685	(8%)
Foreign exchange swap income	18,784	6,812	176%	18,784	6,812	176%
(-) PIS/COFINS on financial income	(1,015)	(673)	51%	(2,174)	(1,227)	77%
Financial income	52,631	41,004	28%	155,766	97,925	59%
Passive exchange variation	(31,941)	(16,716)	91%	(67,844)	(85,650)	(21%)
Passive monetary variation	-	-	-	(35)	-	-
Interest on loans and financing	(12,615)	(1,886)	569%	(37,237)	(21,235)	75%
Interest, rates and discounts	(5,319)	(11,387)	(53%)	(27,062)	(20,610)	31%
Foreign exchange swap expenses	(18,064)	(687)	2529%	(19,514)	(15,423)	27%
Financial expenses	(67,939)	(30,676)	121%	(151,692)	(142,918)	6%
Financial result	(15,308)	10,328	-	4,074	(44,993)	-

Net Income

The Company's net income grew 1.4%, totaling R\$97.9 million in 3Q21 versus R\$96.6 million in the same period in 2020. YTD 2021, net income reached 263.2 million, a 56.2% increase compared to the same period of the previous year.

In thousands of reais, except for percentage and indexes	3 Tentos			3 Tentos		
	3Q21	3Q20	Δ % or p.p.	9M21	9M20	Δ % or p.p.
Net Income	97,935	96,613	1.4%	263,250	168,485	56.2%
Net Margin	5.7%	11.3%	(5.7)	7.1%	8.0%	(0.9)

Três Tentos Agroindustrial S.A.

Comments on performance

Debt and Cash Position

The Company closed 3Q21 with net cash of R\$427.9 million (net debt of R\$683.7, if we exclude the IPO capitalization), a variation of R\$816.7 million compared to the end of 2020. This result was mainly impacted by the resources from the IPO in July 2021, and part of the amount has already being disbursed for the expansion plan of new stores and the factory in Vera (MT).

	12/31/2020	09/30/2021	IPO Adjusted 09/30/2021
Loans and financing	641,555	901,874	901,874
Cash and cash equivalents	(252,692)	(1,329,761)	(218,150)
Net Debt	388,863	(427,887)	683,724
Net Debt Variation		(816,750)	294,861
EBITDA (LTM)	417,438	484,127	484,127
Net Debt/EBITDA	0.9x	-0.9x	1.4x
Net Debt Variation		(816,750)	294,861
Operational activities		104,401	33,947
Adjusted EBIT "Cash"		390,385	390,385
Inventories variation		(1,035,299)	(1,035,299)
Clients variation		135,737	409,602
Suppliers variation		608,035	106,003
Other operational activities		5,543	163,256
Investment activities		(263,929)	(222,946)
Acquisition of fixed assets		(260,607)	(219,624)
Other investment activities		(3,322)	(3,322)
Financing activities		976,278	(105,862)
Payment of dividends		(25,721)	(25,721)
IPO resources		1,082,140	-
Other financing activities		(80,141)	(80,141)
Net Debt Variation		816,750	(294,861)

Três Tentos Agroindustrial S.A.

Comments on performance

Update of the Company's Expansion Plan

1. Expansion plan in 2021 in the state of Rio Grande do Sul:

- The Company's expansion plan forecasted the opening of 6 stores in 2021, however, we increased the speed in 2021 and opened 7 new stores;

City	Commercial Operation	Grain Origination
1 – Santiago	✓	1Q22
2 – São Borja	✓	1Q22
3 – Palmeira das Missões	✓	✓
4 – Erechim	✓	1Q22
5 – Vacaria	✓	1Q22
6 – Alegrete	✓	1Q22
7 - Uruguaiana	✓	-

- At this time, we are selling ag inputs through rented stores, during the construction of fully-structured stores, with grain origination and input warehouse, to be completed in 1Q22 and ready for the summer crop grain origination.

- For the coming quarters (4Q21 and 1Q22) we should have all 7 stores concluded, in order to receive the grains from the producer in the 21/22 crop, and to start the expansion forecasted for the new stores in 2022.

2. Expansion plan in the state of Mato Grosso continues as scheduled:

- In conformity with Company's expansion plan, we opened a new store in Sinop/MT in 2021 and subsequently in Sorriso/MT and Matupá/MT;
- We are developing a very solid work with the sales team and consultants in the region, we are already capturing some sales, and additionally, we are working on grain origination for the 2022 (corn) and 2023 (soybeans) crops;
- We should achieve more relevant results in the coming quarters. The expectation is that Mato Grosso accounts for 3% in 2021 and 12% in 2022 in the sale of ag inputs;
- The construction of the factory in Vera/MT is proceeding as planned, and we are currently preparing the ground to begin construction of the first buildings. The factory is expected to be completed in the first half of 2023.

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Comments on performance

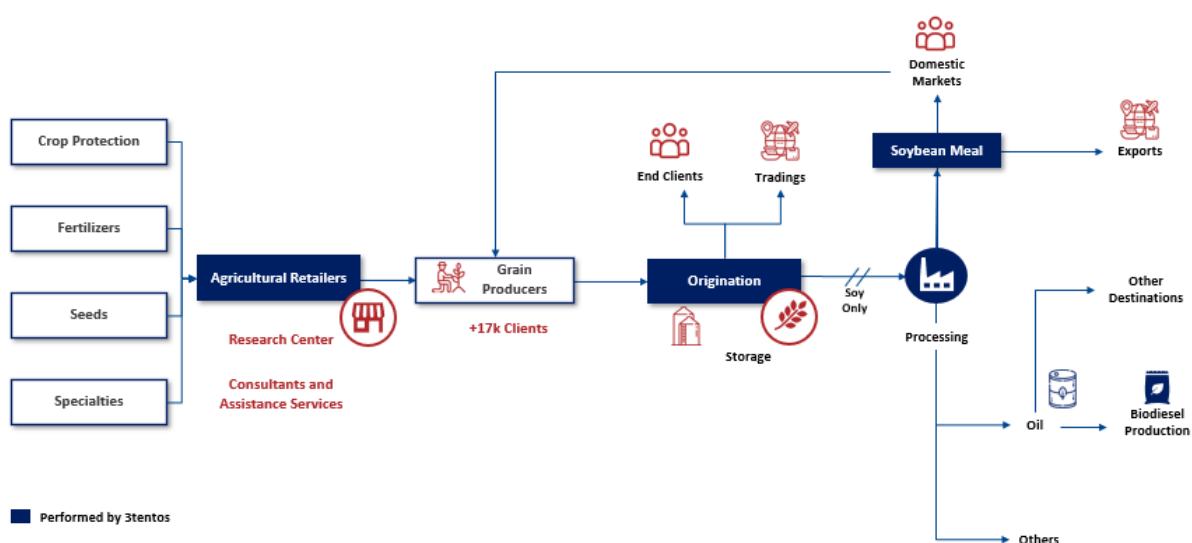
About 3tentos

The Company is a family business, with over 26 years of operation, which offers vertically and integrated solutions for the farmer, through an ecosystem strategy, with a wide range of products in retail, grain and industry. This business model creates a long-term relationship with farmers. The company currently has approximately 18 thousand active customers. In addition to providing inputs and purchasing production, the Company also offers training, consulting and technical services to producers, adding value through technical sales, making producers to obtain higher productivity and better results in their crops.

We operate mainly through three business segments:

- **Retail of agricultural inputs ("Ag Inputs")**, which has a range of agricultural inputs and aims at meeting all the needs of the rural producer by selling various types of seeds, fertilizers for plantations and crop protection for crops of soybeans, corn, wheat, and rice.
- **Origination and trading of grain ("Grain")**, in which it purchases and sells grain from farmers, with a static storage capacity of 900 thousand tons for soybean, corn and wheat.
- **Industrialization of grain ("Industry")**, in two factories located in the cities of Ijuí and Cruz Alta, in the State of Rio Grande do Sul, the Company industrializes soybeans producing meal, an important component for animal feed in poultry, swine and cattle farming; soy oil and biodiesel.

The business model flowchart is shown below, in which it is possible to see the synergies existing within the ecosystem, which are based on (i) a large network of stores, (ii) sale of inputs to rural producers, (iii) technical consulting services for administration and management of crops, (iv) purchase of grain from rural producers, (v) industrialization of grain and (vi) development of long-lasting relationships with our customers based on credibility and trust.



Três Tentos Agroindustrial S.A.

Comments on performance

Accounting Statement of Income

In thousands of reais, except for percentages and indexes	3 Tentos			3 Tentos		
	3Q21	3Q20	Var. %	9M21	9M20	Var. %
Net operating revenue	1,729,545	853,626	102.6%	3,704,198	2,111,333	75.4%
Cost of goods	(1,516,545)	(702,892)	115.8%	(3,198,415)	(1,789,061)	78.8%
Gross profit	213,000	150,734	41.3%	505,783	322,272	56.9%
Selling, Administrative and General Expenses	(100,727)	(62,115)	62.2%	(228,027)	(142,582)	59.9%
Selling expenses	(92,027)	(63,628)	44.6%	(205,426)	(143,388)	43.3%
Administrative expenses	(17,758)	(3,547)	400.6%	(39,928)	(10,209)	291.1%
Other operating income/expenses	9,058	5,060	79.0%	17,327	11,015	57.3%
Operating income	112,273	88,619	26.7%	277,756	179,690	54.6%
Financial income (loss)	(15,308)	10,328	-	4,074	(44,993)	-
Financial income	52,631	41,004	28.4%	155,766	97,925	59.1%
Financial expenses	(67,939)	(30,676)	121.5%	(151,692)	(142,918)	6.1%
Income (loss) before taxes and contributions	96,965	98,947	-2.0%	281,830	134,697	109.2%
Income tax and social contribution	970	(2,334)	-	(18,580)	112	-
Current	10,666	(2,844)	-	(5,989)	(2,844)	110.6%
Deferred	(9,696)	510	-	(12,591)	2,956	-
Net income for the period	97,935	96,613	1.4%	263,250	134,809	95.3%

Três Tentos Agroindustrial S.A.

Comments on performance

Balance Sheet

In thousands of reais, except for percentages and indexes	3 Tentos				HA % (A)/(B)
	September 2021 (A)	VA %	December 2020 (B)	VA %	
Current assets	3,555,877	81.7%	1,770,014	76.2%	100.9%
Cash and cash equivalents	560,333	12.9%	252,692	10.9%	121.7%
Financial investments	769,428	17.7%	-	0.0%	-
Trade accounts receivable	249,281	5.7%	634,246	27.3%	-60.7%
Inventories	1,818,822	41.8%	783,523	33.8%	132.1%
Recoverable taxes and contributions	67,794	1.6%	45,169	1.9%	50.1%
Prepaid expenses	20,191	0.5%	1,395	0.1%	1347.4%
Financial instruments	29,801	0.7%	6,869	0.3%	333.8%
Advances	4,777	0.1%	12,392	0.5%	-61.5%
Related parties	7,841	0.2%	7,267	0.3%	7.9%
Other amounts receivable	27,609	0.6%	26,461	1.1%	4.3%
Non-current assets	797,259	18.3%	551,359	23.8%	44.6%
Recoverable taxes	119,828	2.8%	121,959	5.3%	-1.7%
Judicial deposits	214	0.0%	290	0.0%	-26.2%
Deferred taxes	11,336	0.3%	-	-	-
Related parties	21,348	0.5%	19,786	0.9%	7.9%
Other amounts receivable	2,301	0.1%	1,504	0.1%	53.0%
Right-of-use - Leases	9,808	0.2%	926	0.0%	959.2%
Property, plant and equipment	631,917	14.5%	406,564	17.5%	55.4%
Intangible assets	507	0.0%	330	0.0%	53.6%
TOTAL ASSETS	4,353,136	100.0%	2,321,373	100.0%	87.5%
Current liabilities	2,044,177	47.0%	1,365,036	58.8%	49.8%
Suppliers	1,218,823	28.0%	866,549	37.3%	40.7%
Financial instruments	25,217	0.6%	26,788	1.2%	-5.9%
Loans and financing	672,549	15.4%	406,155	17.5%	65.6%
Advances from customers	54,260	1.2%	5,331	0.2%	917.8%
Lease liabilities	3,260	0.1%	687	0.0%	374.5%
Tax obligations	14,162	0.3%	17,441	0.8%	-18.8%
Payroll and labor obligations	24,039	0.6%	19,513	0.8%	23.2%
Tax installment payments	1,296	0.0%	1,459	0.1%	-11.2%
Other obligations	30,571	0.7%	21,113	0.9%	44.8%
Non-current liabilities	243,768	5.6%	244,205	10.5%	-0.2%
Loans and financing	229,325	5.3%	235,400	10.1%	-2.6%
Lease liabilities	6,399	0.1%	307	0.0%	1984.4%
Social security installment payments	5,548	0.1%	6,785	0.3%	-18.2%
Deferred taxes	-	0.0%	145	0.0%	-100.0%
Provisions for labor claims	2,496	0.1%	1,568	0.1%	59.2%
Shareholders' equity	2,065,191	47.4%	712,132	30.7%	190.0%
Capital	1,506,212	34.6%	400,000	17.2%	276.6%
Equity valuation adjustments	4,136	0.1%	4,847	0.2%	-14.7%
Legal reserve	9,318	0.2%	-	0.0%	-
Profit reserve	545,525	12.5%	295,485	12.7%	84.6%
Proposed additional dividends	-	0.0%	11,800	0.5%	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,353,136	100.0%	2,321,373	100.0%	87.5%

Três Tentos Agroindustrial S.A.

Comments on performance

Cash Flow

Statement of Cash Flow In thousands of reais, except for percentages and indexes	3 Tentos	
	9M20	9M21
Cash flow from operating activities:		
Income for the year before taxes	134,697	281,830
Adjustments to reconcile income with cash from operating activities:		
Depreciation and amortization	12,810	16,763
Depreciation of right-of-use	1,598	2,989
Interest and monetary restatement on loans	22,789	33,457
Exchange variation on loans	32,727	42,697
Allowance for doubtful accounts	3,569	680
Provision for litigation	-	928
Stock option	-	9,318
Adjustment to present value of lease liability	107	781
Residual cost of written-off fixed asset	2,299	942
(Increase) Decrease in assets:		
Trade accounts receivable	(32,457)	384,285
Financial instruments	7,130	(22,932)
Inventories	(344,912)	(1,035,299)
Recoverable taxes	(24,318)	(20,494)
Advances	5,455	7,615
Prepaid expenses	707	(18,796)
Related parties	-	(2,136)
Judicial deposits	(16)	76
Other assets	18,311	(1,945)
Increase (Decrease) in liabilities		
Suppliers	58,157	352,274
Taxes payable	(426)	(9,268)
Salaries, provisions and payroll charges	2,563	4,526
Tax installment payments	4,601	(1,400)
Advance from customers	(14,658)	48,929
Financial instruments	66,056	(1,571)
Other liabilities	(4,243)	9,458
Net cash from operating activities	(47,454)	83,707
Cash flow from investing activities		
Financial investments	-	(769,428)
Acquisition of property, plant and equipment	(54,565)	(242,902)
Acquisition of intangible assets	-	(333)
Net cash used in investing activities	(54,565)	(1,012,663)
Cash flow from financing activities		
Capital Increase	-	1,152,941
(-) Share issue costs	-	(70,801)
Loans and financing raised	511,315	695,249
Payments of loans and financing	(431,556)	(511,084)
Payment of dividends	(15,650)	(25,721)
Payment of leases	(1,753)	(3,987)
Net cash used in financing activities	62,356	1,236,597
Changes in cash and cash equivalents	(39,663)	307,641
Cash and cash equivalents - in the beginning of the period	163,970	252,692
Cash and cash equivalents - at the end of the period	124,307	560,333
Changes in cash and cash equivalents	(39,663)	307,641

Três Tentos Agroindustrial S.A.

Comments on performance

Relationship with Independent Auditors

In compliance with the Instruction of the Brazilian Securities Commission ("CVM") No. 381/03, we inform that Ernst & Young Auditores Independentes S.S. was contracted to provide the following services:

(i) Independent audit of the Company's statements prepared in accordance with accounting practices adopted in Brazil and international financial reporting standards (IFRS) for the fiscal years ended December 31, 2018, 2019 and 2020 and 2021, and review of the Company's interim financial information included in the Quarterly Information – ITR, prepared in accordance with CPC 21 and IAS 34 for the periods ended March 31, June 30, and September 30, 2021.

The Company has adopted as a fundamental principle of maintaining the auditors' independence, ensuring that they do not have influence by auditing their own services and not having participated in the Company's management function.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

1. Operations

Três Tentos Agroindustrial S.A. ("Company"), CNPJ 94.813.102/0001-70, headquartered at Av. Principal nº 187, Distrito Industrial in the city of Santa Bárbara do Sul, State of Rio Grande do Sul (RS), was organized on August 12, 1992, and its articles of incorporation are registered with the Board of Trade of Rio Grande do Sul (JUCERGS) on October 14, 1992 under No. 43.202.481.056.

The Company became a privately-held corporation on August 2, 2011, through a contractual amendment with a change in the form of business organization from a limited liability company to a corporation, registered with JUCERGS under the new National Corporate Registration Number (NIRE) 43.300.053.504. It is mainly engaged in the trade and export of grains, the trade of inputs and processing and trade of cereal seeds, oilseeds and the manufacture of meal, oil and biodiesel.

Public offering registration

On February 23, 2021, the Company filed for the application for registration of the Public Offering of Primary and Secondary Distribution of Common Shares before the Brazilian Securities Commission (CVM), concurrently with the application for registration as a publicly-held company - category A. On April 20, 2021, considering the continuous impact on the market conditions, the Company filed the request for interruption of the offer with the CVM, without prejudice to the continuity of its registration as a category A publicly-held company. On June 21, 2021 the Company was registered as a publicly-held company with the Brazilian Securities and Exchange Commission (CVM).

On June 28, 2021, the Company's Extraordinary Shareholders' Meeting ("ESM"), approved the public offering of primary and secondary distribution of common shares, all registered, book-entry and without par value, free and clear of any liens or encumbrances ("Shares"), issued by the Company, observing that the number of Shares initially offered could be increased due to the possibility of placing the Additional Shares and the Over-allotment of Shares (as defined in the ESM minutes), with placement restricted efforts, pursuant to CVM Instruction 476 ("Restricted Offering"). The Restricted Offering consisted of the public distribution: (i) primary of 94,117,647 Shares ("Primary Offering"); and (ii) secondary, initially of 15,686,275 Shares held by certain individual selling shareholders.

The meeting of the Company's Board of Directors held on July 7, 2021 approved the price per share and the Company's capital increase, within the authorized capital limit established in its Bylaws. Due to the company's capital increase under the Restricted Offering, the Company's new capital is now R\$1,552,941, divided into 494,117,647 common shares, all registered, book-entry and without par value.

On July 12, 2021, the Company completed its IPO process, when the trading of shares on B3 – Novo Mercado started, and the transaction financial settlement occurred on July 13, 2021.

On August 11, 2021, the Company issued a Notice to the Market informing about the settlement of the stabilization process and, thus, an Over-allotment equivalent to 1.8670% of the total shares initially offered was added, i.e., 2,050,000 Shares held by the selling shareholders, under the same conditions and at the same price as the shares initially offered. This was due to the partial exercise of the Over-allotment stock option (as set forth in the Relevant Facts of the Restricted Offering), intended exclusively for stabilization activities of the price of common shares issued by the Company.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

1. Operations (Continued)

Public offering registration (Continued)

Due to the completion of the Restricted Offering, considering the placement of the Over-allotment Shares, 111,853,922 common shares issued by the Company, representing approximately 22.6371% of its capital, are outstanding in the market.

a) Corporate reorganization

Corporate reorganization – Merger of Tentos do Sul Comercial Agrícola Ltda.

On November 30, 2020, the merger of the affiliate Tentos do Sul Comercial Agrícola Ltda. ("Tentos do Sul"), legal entity headquartered at Estrada Municipal Cascata, No. 935, Distrito Industrial I, Zip Code: 96050-500, in the city of Pelotas, State of Rio Grande do Sul (RS), enrolled with the CNPJ under No. 22.654.772/0001-80 was carried out by the Company, pursuant to the Minutes of the Extraordinary Shareholders' Meeting held on November 30, 2020. Tentos do Sul used to be part of the same economic group of the Company, and, therefore, they were under common control.

The shareholders' equity value was appraised on October 31, 2020, according to the Accounting Appraisal Report for Merge Purposes issued by a specialized independent company. The merged value does not differ from the amounts included in the accounting records and the equity variations occurred between the date of the appraisal report and the date of the effective merger on November 30, 2020 were absorbed by the Company. Thus, the book value of assets and liabilities merged by the Company on November 30, 2020 were as follows:

	<u>11/30/2020</u>
Cash and cash equivalents	3,591
Trade accounts receivable	132,556
Recoverable taxes	19,418
Advances to suppliers	279
Inventories	83,704
Property, plant and equipment	92,820
Intangible assets	39
Suppliers	(155,682)
Loans and financing	(56,009)
Advances from customers	(1,560)
Labor obligations	(2,973)
Tax obligations	(192)
Dividends payable	(20,000)
Other accounts payable	(392)
Deferred taxes	(21,301)
Net assets merged	<u>74,298</u>

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

1. Operations (Continued)

a) Corporate reorganization (Continued)

Corporate reorganization – Merger of Tentos do Sul Comercial Agrícola Ltda. (Continued)

Of the total net assets merged into the Company, R\$ 1,000 were used to increase the Company's capital and R\$ 73,298 were allocated the reserve for tax incentive (non-cash transaction).

The operation was carried out to meet the interests of partners and shareholders, and the intention was to carry out their activities in a single company, to achieve a better performance of its resources, and to reduce operational and administrative costs through the unification of activities.

Capital increase

At the Extraordinary Shareholders' Meeting held on November 30, 2020, the Company's capital increase by R\$9,000 was also approved, through the issue of nine million (9,000,000) registered common shares, capitalized by the new shareholders Sixth Participações Ltda. and Eduardo Augusto Pereira de Menezes Filho, through the capitalization of credits they had with the Company (non-cash transaction).

Corporate reorganization – Merger of the spun-off assets of Sinuelo Participações Ltda.

On December 1, 2020, at the Extraordinary Shareholders' Meeting, the Company merged part of the spun-off assets of Sinuelo Participações Ltda. ("Sinuelo"), a limited liability company headquartered in the city of Santa Bárbara do Sul, State of Rio Grande do Sul, at Avenida Principal, No. 187, Sala 03, Distrito Industrial, Zip Code: 98.240-000, registered with CNPJ/ME under No. 14.795.252/0001-69, which was until then the Company's parent company. The merged value, pursuant to the Accounting Appraisal Report for Merger Purposes, issued by a specialized independent company, does not differ from the amounts included in the accounting records, and was composed of the Company's own shares.

The merger of the spun-off assets meets the interests of the Company and shareholders, and its purpose was to join the ownership structure of the Company of Sinuelo's partners, which now hold direct interest, and it did not result in any change in the capital amount nor in the number of shares issued by the Company.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

1. Operations (Continued)

b) Effects of COVID-19 on the interim financial statements

In compliance with Circular Letter SNC/SEP 02/2020, which deals with the guidance on the disclosure of the potential impacts of COVID-19 on the financial statements of publicly-held companies, carefully considering the main risks and uncertainties arising from this analysis and observing the accounting standards, the Company analyzed particularly these possible impacts: a) Actions taken by the Company due to COVID-19 and possible impacts on its internal controls; b) Increased risk of losses on financial assets (IFRS 9/CPC 48 – Financial Instruments); c) Realizable value of inventories (IAS 02/CPC 16 – Inventories); d) Impairment of property, plant and equipment and intangible assets (IAS 36/CPC 01 – Impairment of assets); e) Measurement of fair value of biological assets; f) Impacts on revenue for the period and on margins; g) Analysis of the Company's operating continuity; and h) Cash flow, impacts on access to credit for loans and financings and covenants.

The Company carried out a study of the aforementioned items and it has not identified any relevant impacts on its interim financial statements. Accordingly, it is important to mention that the Company's operations continue to be monitored by a crisis management model and that strategies were applied so that the Company can go through this period with the minimum negative impact possible. The Company acted quickly and assertively to create a Committee in 2020, which was responsible for the preparation of the COVID-19 Contingency Plan and the COVID19 Survival Guide and it started to carry out continuous monitoring of these operating instruments on a regular basis. Its aim was to minimize risks and vulnerabilities, in addition to establishing measures to protect, control and contain any possible proliferation of COVID-19 in the Company.

Regarding its business, it should be mentioned that the Company is part of a sector considered essential in relation to the maintenance of its productive activity, since its main products are used by the food and biofuels industry as a source of energy.

Another noteworthy factor directly involving the Company is the demand for exports, favored by the appreciation of the dollar together with an increase in the price of the main commodities it trades. Regarding the logistics chain, it should be noted that there were no disruptions in export operations and logistics in general, as well as in the input receipt operations.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

1. Operations (Continued)

b) Effects of COVID-19 on the interim financial statements (Continued)

Regarding firm sales commitments to customers, the Company does not expect relevant changes in their composition, as their origin lies in a strong correlation with the way negotiations are carried out and the players chosen as business partners, it did not identify important issues related to these commitments, since products have been traded and delivered with no disruption. Additionally, at times like this, concerns about cash, financial leverage, cost efficiency and debt subject to exchange variation are raised and, therefore, the Company has positioned itself to overcome the effects from COVID-19, and the risk management policy consistently applied by the Company in recent years can also be pointed out. Short and long-term liquidity are preserved and, even possible rescheduling, is sized so that it does not materially affect the Company's financial position. Thus, the Company did not identify significant risks related to its ability to continue as a going concern.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

2. Presentation and summary of the main accounting practices

2.1. Basis of preparation and presentation of the interim financial statements

The interim financial statements were prepared and are being presented for the period ended September 30, 2021 in accordance with CPC 21 (R1) – Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (“CPC”), and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (“IASB”), consistently with the rules issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information – ITR.

The Company adopted all standards, reviews to standards and interpretations issued by the CPC, the IASB and regulatory bodies and which were in force as of September 30, 2021.

The interim financial statements were prepared by the Company to update users on the relevant information presented in the period and should be analyzed together with the complete financial statements for the year ended December 31, 2020.

The Company, in the preparation of these interim financial statements, followed the same accounting policies and calculation methods applied to the financial statements as of December 31, 2020. Therefore, in order to avoid redundancy in the presentation of the interim financial statements as of September 30, 2021, the accounting policies were not subject to full completion or are not in the same level of detail as the notes in the annual financial statements.

The Company's Management understands that all relevant information specific to the interim financial statements are being evidenced and correspond to those used in its management, as set forth in technical guidance OCPC 7, approved by CVM Resolution No. 727/14, meeting the minimum requirements and concurrently disclosing only relevant information that helps readers in their decision-making process. Therefore, all relevant information used in business management is evidenced in this document.

The interim financial statements were prepared using historical cost as the value basis, except for the valuation of certain assets and liabilities as financial instruments, which are measured at fair value.

The Company's interim financial statements are subject to seasonal variations resulting from the harvest period, which occurs at different times throughout the year, depending on the products originated. Additionally, weather factors, commodity prices and financial market constraints can change the need for working capital over the period, as well as directly impact inventory levels, loans and suppliers and sales volume.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

2. Presentation and summary of the main accounting practices (Continued)

2.1. Basis of preparation and presentation of the interim financial statements (Continued)

Management assessed the Company's ability to continue as a going concern and is convinced that it has the resources to continue its business in the future. Additionally, Management is not aware of any material uncertainty that could raise significant doubts about its ability to continue as a going concern. Thus, these interim financial statements were prepared based on the assumption of continuity.

On November 8, 2021, Management authorized the interim financial statements for issue.

2.2. Conversion of balances into foreign currency

The financial statements are presented in Reais (R\$), which is the Company's functional and presentation currency.

Transactions in foreign currency are translated into the functional currency using the exchange rate prevailing on the transaction date. Gains and losses resulting from the difference between the translation of asset and liability balances in foreign currency at the end of each reporting year, and the translation of transaction values are recognized in the statement of profit or loss.

2.3. New accounting standards

There are no new standards and interpretations issued and not yet adopted that may, in the Management's opinion, have a significant impact on income (loss) or shareholders' equity disclosed by the Company.

Interest Rate Benchmark Reform (phase 2) – Amendments to standards IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The regulatory changes, applicable as from January 1, 2021, are related to the interest rate benchmark reform (IBOR), resulting from the recommendations established in the Financial Stability Board (FSB) report. The amendments establish new requirements on: basis for determining contractual cash flows of financial assets and liabilities measured at amortized cost within the scope of IFRS 9, lease liabilities; hedge accounting; and disclosures.

This change had no impact on the Company's interim financial statements.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

3. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires that Management makes judgments and estimates and adopts assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, and the respective disclosures, as well as the disclosures of contingent liabilities.

In the process of applying the Company's accounting policies, Management made the following judgments that have the most significant effect on the amounts recognized in the financial statements:

Inventories and commitments to buy and sell commodities and derivative financial instruments

The Company values accounts receivable linked to the receipt of commodities, as well as its inventory of commodities, and accounts payable to suppliers of commodities to be fixed at fair value on the reporting date, and changes in fair value are recorded as a contra-entry to the cost of goods and products sold in the statement of profit or loss.

Tradable commodities are negotiated freely in an active market and can be sold without significant additional processing. Management estimates the market value based on prices quoted on stock exchanges, adjusted to reflect differences in local markets.

As part of its price risk management, mainly for commercial purposes, the Company contracts derivative financial instruments, represented by commodity purchase and sale forward contracts, as well as stock exchange futures contracts (CBOT), which are also measured at fair value, with their changes recorded as a contra-entry to the cost of goods and products sold in the statement of profit or loss.

Management recognizes in the books the fair value of accounts receivable from rural producer notes and forward purchase and sale contracts that are settled with physical delivery, since this is the Company's practice for similar contracts, with the purpose of negotiating and obtaining margins in its commodity trading operations.

Estimates and assumptions

The financial statements were prepared based on the various valuation bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported by objective and subjective factors, based on Management's judgment to determine the appropriate amount to be recorded in the interim financial statements.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the interim financial statements due to the probabilistic treatment inherent in the estimation process. The Company reviews its estimates at least on an annual basis.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

3. Significant accounting judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

The main assumptions related to sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the balance sheet date involving a significant risk of causing a significant adjustment in the book value of assets and liabilities are highlighted below:

Taxes on income

There are uncertainties regarding the interpretation of complex tax regulations, including those related to government subsidies enjoyed by the Company, and the amount and timing of future taxable income. In view of the broad aspect of tax legislation and the long-term nature and complexity of existing contractual instruments, differences between actual results and the assumptions adopted, or future changes to these assumptions could require future adjustments to tax revenue and expense already recorded.

In determining current and deferred income tax, the Company considers the impact of uncertainties related to the tax positions adopted. The Company believes that the provision for income tax is adequate based on an assessment of various factors, including interpretations of tax laws and the opinion of its legal advisors.

The Company recognizes provisions, based on applicable estimates, for possible consequences of inspections by the tax authorities of the respective jurisdictions in which it operates. The amount of these provisions is based on various factors, such as experience with previous inspections and divergent interpretations of tax regulations by the taxable entity and the tax authority in charge. These differences in interpretation may arise on a wide variety of subjects, depending on the conditions in effect at the Company's respective domicile.

A significant judgment by Management is required to determine the amount of deferred tax assets that may be recognized, based on the probable term and level of future taxable income, together with future tax planning strategies.

Measurement at fair value of financial instruments

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on prices quoted in active markets, the fair value is measured based on valuation techniques, including the discounted cash flow model. The inputs considered in these models are obtained in observable markets, whenever possible. In situations where these inputs cannot be obtained in observable markets, a degree of judgment is necessary to establish the respective fair values. Associated judgments include assessment of liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors could affect the fair value of financial instruments. Note 13 presents more details and disclosures about this topic.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

4. Cash, cash equivalents and financial investments

4.1 Cash and cash equivalents

	09/30/2021	12/31/2020
Cash and banks	112,891	152,455
Unrealized foreign exchange (*)	88,795	43,056
Immediate liquidity investments	358,647	57,181
Fixed income (**)	121,654	57,181
Exclusive investment fund (Note 4.2)	236,993	-
Total	560,333	252,692

(*) Unrealized foreign exchange refers to receipts from exports held at a financial institution, pending the closing of foreign exchange contracts on the closing date of the interim financial statements.

(**) They include bank deposit certificates (CDB) and investments in securities with earnings linked to the Interbank Deposit Certificate (Monthly CDI), at an average rate of 92.09% as of September 30, 2021.

Immediate liquidity investments are readily convertible into cash, presented in a known amount and they are subject to an insignificant risk of change in value.

4.2 Financial investments

	09/30/2021	12/31/2020
Financial investments	769,428	-
Exclusive investment fund (a)	769,428	-
Total	769,428	-

(a) Exclusive investment fund

	09/30/2021
Cash and cash equivalents (Note 4.1)	236,993
CDB	221,981
Repurchase agreement IPCA (NTN-B)	8,015
Repurchase agreement Over (LTN)	6,997
Financial investments	769,428
CDB	398,589
National Treasury Notes (NTN-B)	162,858
Financial Bills	207,981
Total	1,006,421

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

4. Cash, cash equivalents and financial investments (Continued)

4.2 Financial investments (Continued)

The Hat Trick RF CP exclusive investment fund is a private and public credit fixed income fund under the management, administration and custody of Banco BTG Pactual. There is no grace period for redemption of quotas, i.e., they may be redeemed on D+0.

Since August 3, 2021, the fund has been exclusively for the Company's benefit. Thus, in compliance with CVM Instruction 408/04, each of the fund's assets was registered according to their characteristics, observing its liquidity and maturity, which is translated into availability for redemption. The purpose of creating the fund is to segregate the funds raised in the IPO and maintain its purchasing power to carry out the investments set forth in the Company's investment plan. Accordingly, the invested funds may be redeemed without significant risk of loss.

The investment fund has no significant financial obligations. Financial obligations are limited to asset management fees, custody fees, audit fees and expenses.

As of September 30, 2021, the remuneration of the fund's investments is 137.41% of the monthly CDI. The assets are comprised of 61.7% of CDB, 20.7% of Financial Bills, 16.9% of National Treasury Notes (NTN-B) and 0.7% of National Treasury Bills (LTN).

The Company adopts financial investment policies that determine that investments are concentrated in low-risk securities and investments in prime financial institutions; they are remunerated based on variation percentages of the Interbank Deposit Certificate (CDI) or Extended National Consumer Price Index (IPCA).

As of September 30, 2021, the Company does not have investments pledged as guarantee with financial institutions.

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Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

5. Trade accounts receivable

	09/30/2021	12/31/2020
Accounts receivable in the domestic market	174,549	211,266
Accounts receivable in the foreign market	-	55,036
Rural producer note (CPR)	39,454	294,314
Accounts receivable from related parties (Note 20)	41,566	79,238
	255,569	639,854
 (-) Allowance for doubtful accounts	(6,288)	(5,608)
Total accounts receivable	249,281	634,246

"Accounts receivable - rural producer note" originate from the sale of products to customers upon receipt of payment in grains. These accounts receivable are valued at fair value, as described in Note 8. The trade of inputs for receipt in agricultural commodities is part of the Company's grain origination strategy, for performance of its agricultural commodities trading activity.

As of September 30, 2021 and December 31, 2020, the analysis of the balances of trade accounts receivable by maturity is as follows:

	09/30/2021	12/31/2020
Current	247,053	625,307
Past due	2,228	8,939
From 1 to 30 days	1,546	3,660
From 31 to 60 days	674	741
From 61 to 90 days	8	95
From 91 to 180 days	-	150
Over 181 days	-	4,293
	249,281	634,246

The Company's sales policies are subordinated to the credit policies established by its Management and aim at minimizing any problems arising from the default of its customers, with no significant losses expected considering the Company's history and existing guarantees. The allowance for doubtful accounts recognized by the Company is considered sufficient to cover probable losses on accounts receivable.

Changes in the allowance for doubtful accounts were as follows:

	09/30/2021	12/31/2020
Balance in the beginning of the year/period	(5,608)	(7,246)
Additions	(5,326)	(4,212)
Realizations	4,646	5,850
Balance at the end of the year/period	(6,288)	(5,608)

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Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

6. Recoverable taxes

	09/30/2021	12/31/2020
IRPJ (Corporate Income Tax)	104,058	102,355
CSLL (Social Contribution on Net Income)	36,545	37,552
PIS (Social Integration Program)	7,993	4,585
COFINS (Tax for Social Security Financing)	36,353	22,331
Withholding	363	305
IRF (Withholding Tax) financial investments	2,310	-
Total	187,622	167,128
Current	67,794	45,169
Non-current	119,828	121,959

The PIS and COFINS balances to be recovered refer basically to the presumed credits calculated on sales of the extraction of soybean meal, degummed oil and soybean hulls, in addition to the production of biodiesel. These credits are used by the Company upon the offset of taxes payable or when cash refund requests are made.

The income tax and social contribution balances to be recovered refer substantially to untimely tax credits arising from the benefit of government subsidies for investment, pursuant to Note 23. The realization of these credits occurs upon the offset of taxes payable or through requests for cash reimbursement.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

7. Inventories

Commodity inventories are presented duly adjusted to fair value as a contra-entry to the profit or loss.

Inventories of inputs, seeds, finished products and agricultural parts were valued at the average acquisition cost, which does not exceed market values in effect at the balance sheet date.

The inventory group is composed as follows:

	09/30/2021	12/31/2020
Recorded at acquisition/production cost		
Manure and fertilizer	70,759	9,032
Crop protection	358,018	424,089
Biodiesel	29,888	29,134
Advances to suppliers (*)	219,871	4,661
Other	12,465	3,048
	691,001	469,964
Commodities at fair value		
Grains	1,030,660	264,656
Oil and meal	97,161	48,903
	1,127,821	313,559
Total	1,818,822	783,523

(*) Advances were granted in negotiations with suppliers of crop protection and fertilizers. These advances were made as a result of negotiations on the price and volume of products.

The average quotations used for the valuation of commodity inventories on the financial statements date were obtained from independent public sources, and are as follows:

	09/30/2021			12/31/2020		
	Value - bags	Quantity	Balance	Value - bags	Quantity	Balance
Soybeans*	170.00	4,726	803,145	150.00	950	142,531
Corn*	90.00	180	16,199	78.00	8	600
Wheat*	86.00	86	7,403	77.00	1,342	103,366
Soy seeds**	431.00	463	199,834	208.00	24	5,063
Wheat seeds **	110.00	7	770	96.00	89	8,935
Other seeds**	344.00	26	3,309	38.53	108	4,161
Meal***	2,197.00	43	93,721	2,240.00	7,059	15,811
Oil***	6,503.00	1	3,440	5,200.00	6,364	33,092
			1,127,821			313,559

(*) In thousands of 60kg bags.

(**) In thousands of 40kg bags.

(***) In thousands of tons.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

8. Fair value

The table below presents an analysis of the financial instruments and inventories measured after the initial recognition at fair value:

	09/30/2021	12/31/2020
	(Level 2)	(Level 2)
Financial asset instruments	69,255	61,905
Rural producer note (CPR) (Note 5)	39,454	55,036
Financial instruments	29,801	6,869
Commodity forward contracts	23,565	5,491
Loan swap transaction	6,236	1,378
Commodity inventories (Note 7)	1,127,821	313,559
Total assets	1,197,076	375,464
Financial liability instruments		
Suppliers of commodities to be fixed (Note 10)	773,816	174,308
Financial instruments	25,217	26,788
Commodities forward contracts	23,086	26,309
Future contracts – CBOT	-	479
Loan swap transactions	2,131	-
Total liabilities	799,033	201,096

The increase in the balances of financial assets and liabilities recorded at fair value and in commodity inventories is particularly related to the soybean crop, which is harvested by producers and received by the Company in the first half of each fiscal year.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

9. Property, plant and equipment

	Land	Buildings	Installations	Vehicles	Machinery and equipment	Furniture and fixtures	IT Equipment	Other	Property, plant and equipment in progress	Total
<u>Cost</u>										
Balance at 12/31/2019	16,554	153,492	15,209	34,964	82,581	2,047	2,683	5,224	27,520	340,274
Additions	455	16	29	2,624	2,156	235	985	132	70,902	77,534
Additions (Merger)	7,886	46,293	6,861	6,731	20,408	636	399	479	8,383	98,076
Write-offs	-	-	-	(1,396)	(952)	(51)	(231)	(3,722)	(778)	(7,130)
Transfers (-)	-	422	479	-	2,214	42	7	517	(3,681)	-
Balance at 12/31/2020	24,895	200,223	22,578	42,923	106,407	2,909	3,843	2,630	102,346	508,754
Additions	2,300	618	208	17,522	2,201	884	964	126	218,079	242,902
Write-offs	-	-	-	(728)	(175)	(5)	(17)	-	-	(925)
Transfers (-) *	2,590	42,600	6,436	880	27,061	18	262	264	(80,491)	(380)
Balance at 09/30/2021	29,785	243,441	29,222	60,597	135,494	3,806	5,052	3,020	239,934	750,351
<u>Depreciation</u>										
Balance at 12/31/2019	-	(21,976)	(7,636)	(17,622)	(31,163)	(798)	(1,680)	(1,204)	-	(82,079)
Depreciation	-	(4,791)	(1,709)	(2,522)	(6,894)	(265)	(385)	(680)	-	(17,246)
Depreciation write-off	-	-	-	1,008	255	51	59	1,018	-	2,391
Depreciation (Merger)	-	(864)	(518)	(1,974)	(1,512)	(129)	(187)	(72)	-	(5,256)
Balance at 12/31/2020	-	(27,631)	(9,863)	(21,110)	(39,314)	(1,141)	(2,193)	(938)	-	(102,190)
Depreciation	-	(3,280)	(1,964)	(3,979)	(6,483)	(254)	(457)	(190)	-	(16,607)
Depreciation write-off	-	-	-	265	84	3	11	-	-	363
Balance at 09/30/2021	-	(30,911)	(11,827)	(24,824)	(45,713)	(1,392)	(2,639)	(1,128)	-	(118,434)
<u>Residual Value</u>										
Balance at 12/31/2020	24,895	172,592	12,715	21,813	67,093	1,768	1,650	1,692	102,346	406,564
Balance at 09/30/2021	29,785	212,530	17,395	35,773	89,781	2,414	2,413	1,892	239,934	631,917

(*) The residual amount of R\$380 refers to transfers from property, plant and equipment to intangible assets.

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Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

9. Property, plant and equipment (Continued)

a) Property, plant and equipment in progress

Property, plant and equipment in progress as of September 30, 2021 refer mainly to the expansion of the Company's units, with new deposits for grains and inputs, expansion and remodeling of the Cruz Alta plant to double the crushing capacity, with completion of works forecasted for the fiscal year 2021, to the energy cogeneration project at the city of Ijuí unit, in addition to new branches in the cities of Alegrete/RS, Erechim/RS, Horizontina/RS, Santiago/RS, São Borja/RS, Uruguaiana/RS, Vacaria/RS and Vera/MT.

In the period ended September 30, 2021, remodeling and expansion were completed in the warehouses, extraction & scales sectors, offices, and railways, among others, at the Cruz Alta/RS unit. In this period, expansion works were completed at the units in Camaquã/RS, Campo Novo/RS, Capão do Cipó/RS, Dom Pedrito/RS, Ijuí/RS (grain receipt), Tupanciretã/RS and Pelotas/RS, in addition to the completion of the remodeling of the Events Center at the Company's Technology Center, expansions involving the acquisition of machinery and equipment at the Biodiesel plant, and also the partial completion of works at the Horizontina/RS unit, and the energy cogeneration project at the Ijuí/RS unit.

b) Guarantees

On the dates when the interim financial statements were prepared, property and equipment items were pledged to third parties as guarantees related to loans and financing, linked to their own financing, as shown in Note 11.

c) Impairment

The recoverable amount of property, plant and equipment is analyzed at least on an annual basis and for the fiscal year ended December 31, 2020, date of the last evaluation, Management did not identify any indicators that property, plant and equipment could present indications of impairment, and no changes were identified for September 30, 2021.

d) Donations received

The Company received a donation of urban land measuring 4,829.55 sq.m., valued at R\$507, from the City Council of Santa Bárbara do Sul, pursuant to the deed dated February 2020 (non-cash transaction).

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

10. Suppliers

The suppliers of goods and services are represented by:

	09/30/2021	12/31/2020
Suppliers in the domestic market	419,971	659,155
Suppliers in the foreign market	25,036	33,086
Suppliers of commodities to be fixed	773,816	174,308
	1,218,823	866,549

The operation of suppliers of commodities to be fixed refers to the Company's obligation to the rural producer who has already delivered agricultural products, but has not yet defined the date and, consequently, the final amount of the operation, which is linked to the market value of the delivered asset until the date on which it is fixed; it can be performed at any time, by decision of the rural producer, being valued at fair value, as described in Note 8. As there is no specific term for settlement, the total balance of these operations is classified in current liabilities.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

11. Loans and financing

Loans and financing are represented as follows:

Type	Maturity date	Average rate	09/30/2021		12/31/2020	
			Current	Non-current	Current	Non-current
Working capital	Oct/21 to Dec/25	3.77%	136,530	75,974	206,514	110,391
Financing	Oct/21 to Jul/35	5.69%	25,948	119,319	18,563	125,009
Foreign exchange contract advance	Oct/21 to Mar/22	2.51%	204,159	-	82,758	-
Advance for export	Oct/21 to Mar/23	4.86%	305,912	34,032	98,320	-
Total			672,549	229,325	406,155	235,400

	Balance at 09/30/2021	% on Total	Balance at 12/31/2020	% on Total
Foreign currency (US\$)	286,001	32%	121,115	19%
Local currency (R\$)	615,873	68%	520,440	81%
	901,874	100%	641,555	100%

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

11. Loans and financing (Continued)

The Company's guarantees for loans and financing are represented as follows:

	09/30/2021	12/31/2020
Fiduciary assignment – real estate	164,031	164,495
Fiduciary assignment (personal property) and mortgages	7,338	35,501
Collaterals	585,526	279,301
Inventories	144,979	162,258
	901,874	641,555

The maturity schedule of the amounts recorded in liabilities as of September 30, 2021 and December 31, 2020 is as follows:

	09/30/2021	12/31/2020
2021	444,602	406,155
2022	285,003	99,731
2023	68,354	32,238
After 2023	103,915	103,431
	901,874	641,555

As of September 30, 2021, the Company does not have loan agreements that establish the fulfillment of financial commitments ("covenants").

Credit facilities

As of September 30, 2021, the Company has R\$493,507 in credit facilities approved but not yet used.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

12. Financial instruments

The Company classifies its financial assets under the following categories: measured at fair value through profit or loss and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets upon initial recognition.

The Company's activities are exposed to risks related to its financial instruments, which are, respectively, market risk, credit risk and liquidity risk, and these are mitigated by management, aiming at minimizing and foreseeing possible adverse effects on the Company's financial performance.

The transactions carried out by the Company through financial instruments are shown below.

	09/30/2021	12/31/2020
Financial assets	1,666,187	948,053
Amortized cost	267,171	633,456
Accounts receivable	209,827	579,210
Other financial assets	57,344	54,246
Fair value through profit or loss	1,399,016	314,597
Cash and cash equivalents	560,333	252,692
Financial investments	769,428	-
Rural producer note (CPR)	39,454	55,036
Commodity forward contracts	23,565	5,491
Loan swap transactions	6,236	1,378
	09/30/2021	12/31/2020
Financial liabilities	2,189,986	1,551,039
Amortized cost	1,390,953	1,349,943
Suppliers	445,007	692,241
Loans and financing	901,874	641,555
Other obligations	44,072	16,147
Fair value through profit or loss	799,033	201,096
Suppliers of commodities to be fixed	773,816	174,308
Commodity forward contracts	23,086	26,309
Futures contracts - CBOT	-	479
Loan swap transactions	2,131	-

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

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(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

12. Financial instruments (Continued)

Cash and cash equivalents - They include cash, balances in current account and financial investments, with amounts available for realization on the date of preparation of the financial statements.

Trade accounts receivable/accounts receivable from suppliers - They arise directly from the Company's operations, recorded at their original value, less provisions for possible losses.

Accounts receivable – CPR/Suppliers of commodities to be fixed - They arise directly from the Company's operations, recorded at fair value on the transaction date and, subsequently, their fair value is linked to the changes in the price of commodities (soybeans, corn and wheat).

Loans and financing - Agreements entered into with financial institutions, recorded under the amortized cost method in accordance with the contractual conditions.

Other financial assets – Balances arising from other transactions with third parties, which will be converted into cash, in addition to the balance arising from transactions with related parties.

Other obligations – Balance arising from other transactions and which will be settled in cash.

Derivative financial instruments (Commodities futures contracts (CBOT) and loan swaps) - The Company is exposed to market risks related mainly to the fluctuation of exchange rate variations and commodity prices. The Company maintains transactions with protection financial instruments to mitigate its exposure to these risks.

Forward contacts – commodities - Amounts classified as commodity forward contracts refer to the fair value of future commodity purchase and sale transactions through forward contracts with rural producers and customers.

13. Risk management

General considerations on financial risk management

The Company maintains transactions with financial instruments, the risks of which are managed through strategies of financial positions and systems to control the exposure limits. These risks include market risk (commodity price risk, foreign exchange risk, and interest rate risk), credit risk and liquidity risk.

Global risk management, established by the Company's internal policy, is focused on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures to risk.

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Notes to the interim financial statements (Continued)

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(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

13. Risk management (Continued)

The table below summarizes the type and extent of the risks arising from financial instruments and the way the Company manages its exposure.

	Exposure	Methodology used to measure the impact	Management
Market risk – foreign exchange	Financial assets and liabilities in foreign currency	Sensitivity analysis	Loan swap transactions and analysis of net exposure
Market risk - interest rate	Cash equivalents and loans with variable rates	Sensitivity analysis	Analysis of net exposure
Market risk - volatility in commodities price	Inventories and transactions linked to agricultural commodities	Sensitivity analysis	Inventories, CPR, suppliers of commodities to be fixed, futures and forward contracts
Credit risk	Cash and cash equivalents, trade accounts receivable, derivative financial instruments	Analysis of maturity and credit assessment	Diversification of financial institutions and monitoring of credit ratings/ limits
Liquidity risk	Loans and other liabilities	Cash flow forecasts	Credit facilities available

a) Market risks

i) Commodities price risks

The availability and prices of agricultural commodities are subject to fluctuations due to factors such as changes in weather conditions, pests, planting, government programs and policies, competition, changes in global demand resulting from population growth and changes in standards of living and global production of similar and competing crops.

The Company manages its position of exposure to the price of commodities through exchange-traded futures contracts, CPR transactions, suppliers of commodities to be fixed, as well as fixed-price forward purchase and sale contracts with the purpose of reducing the price risk arising from market fluctuations in agricultural commodities.

The results of these strategies may be significantly impacted by factors such as volatility in the relationship between long and short positions in commodities, contractual default by the counterparty and volatility in freight markets.

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13. Risk management (Continued)

Below is a summary of the Company's commodity exposures as of September 30, 2021 and December 31, 2020, as well as the instruments contracted by management to reduce physical exposures (in thousands of 60kg bags):

	09/30/2021			12/31/2020		
	Soybeans	Corn	Wheat	Soybeans	Corn	Wheat
Inventories*	4,726	180	86	950	8	1,342
Accounts receivable - CPR*	745	91	140	2,433	349	52
Commodity forward contracts - purchase*	1,671	(213)	284	2,298	245	37
Commodity forward contracts - sale*	(1,513)	234	837	(2,992)	(487)	(50)
Suppliers of commodities to be fixed *	(4,683)	(95)	(49)	(913)	(42)	(635)
Net exposure to price variation*	946	197	1,298	1,776	73	746

(*) In thousands of 60kg bags

Variation in the measurement at fair value of the contracts included in commodity price risk management is recorded as a contra-entry to the cost of goods and products sold, and totaled an expense of R\$20,147 as of September 30, 2021 (expense of R\$15,260 as of September 30, 2020).

Commodity price sensitivity analysis

The sensitivity analysis presented below was determined based on the exposure to commodity prices at the end of the period. This scenario reflects the expectations of the Company's Management in relation to this risk factor, which could affect income before taxes.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

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13. Risk management (Continued)

Soybeans Financial instrument	Bags*	Quotation at 09/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventories	4,726	170.00	803,145	212.50	200,834	255.00	401,668	127.50	(200,834)	85.00	(401,668)
Accounts receivable - CPR	745	166.51	124,057	208.14	31,014	249.77	62,029	124.89	(31,014)	83.26	(62,029)
Forward contracts - purchase	1,671	167.77	9,279	209.72	70,109	251.66	140,217	125.83	(70,109)	83.89	(140,217)
Forward contracts - sale	(1,513)	175.27	(15,568)	219.09	(66,309)	262.91	(132,618)	131.45	66,309	87.64	132,618
Supplies – grains to be fixed	(4,683)	162.60	(761,417)	203.26	(190,354)	243.91	(380,709)	121.95	190,354	81.30	380,709
	946		159,496		45,294		90,587		(45,294)		(90,587)

Corn Financial instrument	Bags*	Quotation at 09/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventories	180	90.00	16,199	112.50	4,051	135.00	8,101	67.50	(4,051)	45.00	(8,101)
Accounts receivable - CPR	91	88.16	8,058	110.21	2,014	132.25	4,029	66.12	(2,014)	44.08	(4,029)
Forward contracts - purchase	(213)	85.07	(343)	106.34	(4,524)	127.61	(9,048)	63.80	4,524	42.54	9,048
Forward contracts - sale	234	90.85	1,306	113.56	5,311	136.28	10,621	68.14	(5,311)	45.43	(10,621)
Suppliers – grains to be fixed	(95)	83.91	(8,006)	104.89	(2,001)	125.86	(4,003)	62.93	2,001	41.95	4,003
	197		17,214		4,851		9,700		(4,851)		(9,700)

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13. Risk management (Continued)

Wheat Financial instrument	Bags*	Quotation at 09/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventories	86	86.00	7,403	107.50	1,851	129.00	3,702	64.50	(1,851)	43.00	(3,702)
Accounts receivable - CPR	140	85.97	12,073	107.47	3,018	128.96	6,036	64.48	(3,018)	42.99	(6,036)
Forward contracts - purchase	284	80.42	374	100.53	5,704	120.63	11,409	60.32	(5,704)	40.21	(11,409)
Forward contracts - sale	837	86.30	5,432	107.88	18,059	129.45	36,117	64.73	(18,059)	43.15	(36,117)
Suppliers – grains to be fixed	(49)	78.62	(3,831)	98.28	(958)	117.94	(1,915)	58.97	958	39.31	1,915
	1,298		21,451		27,674		55,349		(27,674)		(55,349)

Other inventories	Quantity	Quotation at 09/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventory – soy seed *	463	431.00	199,834	538.75	49,901	646.50	99,801	323.25	(49,901)	215.50	(99,801)
Inventory – wheat seed *	7	110.00	770	137.50	193	165.00	385	82.50	(193)	55.00	(385)
Inventory -oil ***	1	6,503.00	3,440	8,128.75	860	9,754.50	1,720	4,877.25	(860)	3,251.50	(1,720)
Inventory - meal **	43	2,197.00	93,721	2,746.25	23,427	3,295.50	46,853	1,647.75	(23,427)	1,098.50	(46,853)
Inventory – other seeds**	26	344.00	3,309	430.00	2,218	516.00	4,437	258.00	(2,218)	172.00	(4,437)

(*) in thousands of 60kg bags.

(**) in thousands of 40 bags.

(***) in thousands of tons.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

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13. Risk management (Continued)

(i) Foreign exchange risk

The Company is exposed to the foreign exchange risk arising from foreign currency exposures, basically in relation to the US dollar. Management has established a policy that requires the Company to manage its foreign exchange risk in relation to its functional currency. Exchange rate risk occurs when future commercial transactions, recorded assets or liabilities are held in a currency other than the entity's functional currency.

The Company uses derivative financial instruments to hedge against variations in exchange rates, in addition to periodically monitoring the net foreign currency exposure of its operations. The table below shows the Company's net exposure in thousands of US dollars:

Financial instrument	09/30/2021	12/31/2020
	US\$	US\$
	thousand	thousand
Unrealized foreign exchange	16,324	8,285
Banks	15,364	24,100
Brokerage firms	1,879	528
Customers	-	10,858
Suppliers	(4,603)	(6,367)
Loans and financing	(52,579)	(23,306)
Net exposure to exchange variation	(23,615)	14,098

Swap (Notional)	51,898	7,740
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Foreign exchange risk sensitivity analysis

The sensitivity analysis below was determined based on the exposure to foreign exchange variation at the end of the period. This scenario reflects the expectations of the Company's Management about how this risk factor could affect income before taxes.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

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13. Risk management (Continued)

Financial instrument	Accounting balance 09/30/2021	Quotation at 09/30/2021 (*)	25% increase		50% increase		25% reduction		50% reduction	
			Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Unrealized foreign exchange	88,795	5.44	6.80	22,199	8.16	44,398	4.08	(22,199)	2.72	(44,398)
Banks	83,573	5.44	6.80	20,893	8.16	41,787	4.08	(20,893)	2.72	(41,787)
Brokerage firms	10,218	5.44	6.80	2,555	8.16	5,109	4.08	(2,555)	2.72	(5,109)
Suppliers	(25,036)	5.44	6.80	(6,259)	8.16	(12,518)	4.08	6,259	2.72	12,518
Loans and financing	(286,001)	5.44	6.80	(71,500)	8.16	(143,000)	4.08	71,500	2.72	143,000
	(128,451)			(32,112)		(64,224)		32,112		64,224

(*) Source: BACEN – Central Bank of Brazil.

ii) Interest rate risk

The Company's main interest rate risk arises from cash equivalents and variable-rate loans, exposing the Company to the cash flow risk associated with the interest rate.

Interest rate risk sensitivity analysis

The sensitivity analysis presented below was determined based on the exposure to interest rates at the end of the period. This scenario reflects the expectations of the Company's Management in relation to how this risk factor could affect income before taxes.

Financial instrument	Accounting balance 09/30/2021	Indexing unit	25% increase		50% increase		25% reduction		50% reduction	
			Interest rate	Effect	Interest rate	Effect	Interest rate	Effect	Interest rate	Effect
Financial investments	121,654	5.00%	6.25%	1,521	7.50%	3,042	3.75%	(1,521)	2.50%	(3,042)
Investments – Hat Trick RF CP fund	1,006,421	7.46%	9.33%	18,773	11.19%	37,546	5.60%	(18,773)	3.73%	(37,546)
Loans and financing	(158,325)	5.43%	6.79%	(2,149)	8.15%	(4,299)	4.07%	2,149	2.72%	4,299
Export Credit Note	(134,815)	5.43%	6.79%	(1,830)	8.15%	(3,660)	4.07%	1,830	2.72%	3,660

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13. Risk management (Continued)

(iii) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows arising from financial assets measured at amortized cost, at fair value through profit or loss, favorable derivative financial instruments, deposits at banks and other financial institutions, as well as from credit exposures to customers, including outstanding accounts receivable.

Credit risk is managed on a corporate basis. Customers are classified by the credit analysis area, which assesses the quality of the customer's credit considering their financial position, past experience and other factors. The individual risk limits are determined based on internal or external ratings according to the limits established by the Company. The use of credit limits is monitored on a regular basis.

No credit limit was exceeded during the period, and management does not expect any loss resulting from default by these counterparties higher than the amount already provided for.

Trade accounts receivable

The Company applies the simplified approach of CPC 48 (IFRS 9) for measurement of the expected credit losses considering a provision for expected losses over the useful life for all trade accounts receivable.

Thus, credit losses are accounted for considering the individual risk factor of each overdue customer, in addition to the history of loss, and thereby generating the necessary provision to cover possible losses, according to the Management's opinion.

Trade accounts receivable are written off when there is no reasonable expectation of recovery.

The aging of receivable balances is presented in Note 5.

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Notes to the interim financial statements (Continued)

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13. Risk management (Continued)

(iv) Liquidity risk

Liquidity risk is the risk that the Company will experience difficulties in fulfilling the obligations associated with its financial liabilities that are settled with payments in cash or with another financial asset.

Management monitors the Company's continued forecasts of liquidity requirements to ensure that it has sufficient cash to meet operating needs. It also maintains sufficient free space in its committed credit lines, available at any time, so that the Company does not violate loan limits or clauses (when applicable) in any of its credit facilities. This forecast considers the Company's debt financing plans, compliance with clauses, compliance with the internal targets of the balance sheet quotient and, as applicable, external or legal regulatory requirements - such as currency restrictions.

The Company manages liquidity risk by maintaining adequate reserves, bank credit facilities, loans and financing, continuously monitoring the budgeted and real cash flow and honoring the maturity profiles of financial assets and liabilities.

The following table analyzes the Company's non-derivative financial liabilities that are settled on a net basis, by maturity ranges, corresponding to the remaining period between the balance sheet date and the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential to understand the cash flows. The amounts disclosed in the table are the accounting balances at the end of the periods.

	09/30/2021			12/31/2020		
	Up to one year	Between one and five years	Over five years	Up to one year	Between one and five years	Over five years
Suppliers	1,218,823	-	-	866,549	-	-
Loans and financing	672,549	192,598	36,727	406,155	187,114	48,286
Lease liabilities	3,260	6,344	55	687	307	-
Installment payment of taxes	1,296	4,653	895	1,459	5,046	1,739
Other obligations	30,571	-	-	21,113	-	-
	1,926,499	203,595	37,677	1,295,963	192,467	50,025

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Notes to the interim financial statements (Continued)

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13. Risk management (Continued)

(v) Capital management

The Company conducts capital management to ensure that it is in a position to continue in a normal operating system, while it maximizes return to shareholders by optimizing the debt/equity ratio. The Company's general strategy remains unchanged for the current period.

The Company monitors capital based on the financial leverage ratio. This index corresponds to the net debt expressed as a percentage of total capital. Net debt, in turn, corresponds to total loans and financing (including current and non-current loans), less the amount of cash and cash equivalents. Total capital is calculated by adding shareholders' equity, as presented in the balance sheet, to net debt.

The Company's Management reviews the capital structure on an annual basis. As part of this review, Management considers the cost of capital and the risks associated with each class of capital.

The financial leverage ratios are as follows:

	09/30/2021	12/31/2020
Loans and financing	901,874	641,555
Cash and cash equivalents	(560,333)	(252,692)
Financial investments	(769,428)	-
Net debt	(427,887)	388,863
Shareholders' equity	2,065,191	712,132
Sum of shareholders' equity and net debt	1,637,304	1,100,995
Leverage ratio	-26%	35%

The division of the Company's capital structure between equity (represented by shareholders' equity) and third parties' capital (corresponding to liabilities) is shown below:

	09/30/2021	12/31/2020
Current liabilities (a)	2,044,177	1,365,036
Non-current liabilities (b)	243,768	244,205
Shareholders' equity (c)	2,065,191	712,132
Total (d)	4,353,136	2,321,373
Third parties' capital (a+b)/d)	52.56%	69.32%
Equity (c/d)	47.44%	30.68%

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Notes to the interim financial statements (Continued)

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(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

14. Revenue

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Gross revenue	1,744,299	3,779,756	864,945	2,146,265
Sale – domestic market	1,510,410	3,278,879	702,931	1,751,788
Sale – foreign market	228,836	494,824	160,990	391,708
Services	5,053	6,053	1,024	2,769
Deductions	(14,754)	(75,558)	(11,319)	(34,932)
Returns	(7,195)	(45,521)	(2,464)	(19,069)
Sales taxes	(7,559)	(30,037)	(8,855)	(15,863)
Net revenue	1,729,545	3,704,198	853,626	2,111,333

15. Expenses by function and nature

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
<u>By function</u>	(1,626,330)	(3,443,769)	(770,067)	(1,942,658)
Cost of goods and products sold	(1,516,545)	(3,198,415)	(702,892)	(1,789,061)
Selling expenses	(92,027)	(205,426)	(63,628)	(143,388)
Administrative expenses	(17,758)	(39,928)	(3,547)	(10,209)
<u>By nature</u>	(1,626,330)	(3,443,769)	(770,067)	(1,942,658)
Cost of goods sold	(907,054)	(1,711,538)	(339,139)	(900,991)
Cost of raw materials	(562,746)	(1,418,857)	(333,617)	(837,056)
Adjustment to fair value	(28,121)	(20,147)	(17,878)	(15,260)
Personnel	(42,975)	(96,456)	(18,577)	(48,967)
Freights/storage/shipments	(23,339)	(54,384)	(14,000)	(31,581)
Third parties' services	(21,503)	(40,998)	(10,198)	(23,079)
Depreciation and amortization expenses	(6,017)	(16,763)	(3,855)	(12,810)
Depreciation of right-of-use	(1,146)	(2,989)	(512)	(1,598)
Share issue expenses	(2,890)	(2,890)	-	-
Fuels and lubricants	(3,099)	(9,364)	(2,298)	(7,086)
Water/electricity/telephone/gas	(7,921)	(14,335)	(3,085)	(9,427)
Royalties expenses	(7,414)	(11,014)	(11,715)	(13,810)
Maintenance and repair of vehicles	(1,921)	(6,359)	(1,558)	(5,047)
Maintenance of furniture/machines/equipment/facilities	(2,738)	(6,718)	(2,101)	(4,310)
Other revenue/expenses	(7,446)	(30,957)	(11,534)	(31,636)

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

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16. Financial income

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Foreign exchange variation gain	13,063	84,956	17,883	59,190
Monetary variation gain	-	1,298	53	69
Interest and discounts obtained	21,799	46,741	14,491	26,396
Hedge transactions gain	-	6,161	2,438	6,685
Foreign exchange swap revenue	18,784	18,784	6,812	6,812
(-) PIS/COFINS on financial income	(1,015)	(2,174)	(673)	(1,227)
Financial income	52,631	155,766	41,004	97,925
Foreign exchange variation loss	(31,941)	(67,844)	(16,716)	(85,650)
Monetary variation loss	-	(35)	-	-
Interest on loans and financing	(12,615)	(37,237)	(1,886)	(21,235)
Interest, tariffs and discounts	(5,319)	(27,062)	(11,387)	(20,610)
Foreign exchange swap expenses	(18,064)	(19,514)	(687)	(15,423)
Financial expenses	(67,939)	(151,692)	(30,676)	(142,918)
Financial income (loss)	(15,308)	4,074	10,328	(44,993)

17. Installment payment of taxes

The balance of installment payment of taxes arises basically from outstanding balances of ICMS and PIS/COFINS, paid in installments to tax authorities. Outstanding balances will be amortized in 47 and 97 installments, respectively.

	09/30/2021	12/31/2020
ICMS installment payment	3,649	4,669
Pis/Cofins installment payment	3,195	3,483
Other installment payments	-	92
	6,844	8,244
Current	1,296	1,459
Non-current	5,548	6,785

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Notes to the interim financial statements (Continued)

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18. Income tax and social contribution

Breakdown of expense on income tax and social contribution:

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Income before taxes on income	96,965	281,830	98,947	134,697
Tax rate	34%	34%	34%	34%
Expected IRPJ and CSLL expenses, according to the current rate	(32,968)	(95,822)	(33,642)	(45,797)
Reconciliation of effective tax rate:				
Government subsidies (Note 23)	34,247	77,038	22,497	48,271
Dividends paid	-	(4,733)	-	-
Deferred taxes from previous years (unrecognized)	(4,569)	2,574	12,400	1,227
Taxes on undue payment – SELIC lawsuit	6,508	6,508	-	-
Other	(2,248)	(4,145)	(3,589)	(3,589)
Income tax and social contribution on income (loss) for the period	970	(18,580)	(2,334)	112

Deferred income tax and social contribution as of September 30, 2021 and December 31, 2020 refer to:

	09/30/2021	12/31/2020
Provision for litigation	849	533
Allowance for doubtful accounts	2,138	1,907
Adjustment to fair value of financial instruments	223,220	4,543
Adjustment to fair value of inventories	(200,783)	12,246
Difference of depreciation rates	(15,985)	(14,420)
Property, plant and equipment – deemed cost	(2,662)	(3,452)
Other temporary differences	(1,949)	(1,502)
Taxes on undue payment – SELIC lawsuit (*)	6,508	-
Deferred income tax, net	11,336	(145)

(*) On September 24, 2021, the Federal Supreme Court (STF) recognized by majority vote the unconstitutionality of the levy of IRPJ and CSLL on amounts related to the Selic rate received due to recovery of undue payment. The decision of the Extraordinary Appeal (RE) 1.063.187, with recognized general repercussion, addresses the understanding that the default interest and monetary restatement, given their indemnity nature, do not consist of an equity increase, as they are intended only to repair monetary losses suffered in the period of discussion of the undue payment.

The Company has a similar lawsuit, filed in October 2020, and in the judgment of the Company's Management, the IRPJ and CSLL credit on the SELIC of previous years is practically certain and, therefore, it recognized in pursuant to the provisions of IFRIC 23/ICPC 22 the amount of R\$6,508, which is recorded in non-current assets. The Company awaits the continuity of the necessary procedural steps to start using the amounts.

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18. Income tax and social contribution (Continued)

The following shows the reconciliation of deferred tax assets:

	09/30/2021
Opening balance	(145)
Tax credit on share issue costs	24,072
Tax expense recognized in income (loss)	(12,591)
Ending balance	11,336

The recoverability of the deferred tax assets balance is reviewed at the end of each period, and it is written off when it is no longer probable that future taxable income will be generated for the recovery of the totality or part of the asset. Estimating the realization of deferred taxes involves the uncertainties of other estimates. The Company has a base for unrecognized tax losses, in the amount of R\$111,804 as of September 30, 2021 (R\$119,375 as of December 31, 2020), which can be offset against future taxable income. As disclosed in Note 23, the Company benefits from government subsidies that reduce taxable income in its calculation of income tax and social contribution.

19. Provision for litigation

Management, based on information from its legal advisors, has a provision for litigations in an amount considered sufficient to cover probable losses with the lawsuits in progress, classified in the non-current liabilities, as shown below:

	09/30/2021	12/31/2020
Labor provisions	2,397	1,403
Civil provisions	11	79
Tax provisions	88	86
Total	2,496	1,568

Changes in the provision for contingencies and judicial deposits are shown below:

	Provisions
Balance at December 31, 2019	1,556
Provisions recognized during the fiscal year	12
Balance at December 31, 2020	1,568
Provisions recognized during the period	928
Balance at September 30, 2021	2,496

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	Judicial deposits
Balance at December 31, 2019	274
Deposits made and restatements	16
Balance at December 31, 2020	290
Deposits made (redeemed) and restatements	(76)
Balance at September 30, 2021	214

In addition, the Company was informed by its lawyers about the existence of civil and labor lawsuits with the probability of possible loss, assessed in the amount of R\$1,044 as of September 30, 2021 (R\$1,472 as of December 31, 2020).

20. Related parties

Disposal of investment

In November 2014, the Company disposed of the totality of its 25% interest in 4 Ventos Agroindustrial S.A. to its parent company Sinuelo Participações Ltda., for the amount of R\$40,000. The transaction was carried out under conditions agreed to between the parties. The installments will be settled in 10 years, with an annual monetary restatement by the IPCA index. Outstanding balances at the end of the fiscal years are presented at restated amounts classified according to the maturity date.

The balance receivable as of September 30, 2021 related to this transaction is R\$29,189 (R\$27,053 as of December 31, 2020).

Other transactions

The Company had a legal consultancy agreement with a law firm controlled by a member of the board of directors, in effect until May 2021 with monthly installments of R\$50. In August 2021, with the completion of the initial public offering of shares issued by the Company, the additional amount equivalent to 0.5% of the total amount involved in said liquidity event was paid, and the agreement was terminated.

On September 1, 2021, the Company entered into a consulting agreement for active management of people with a company controlled by a member of the board of directors, in effect until February 2022 with monthly installments of R\$20.

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Notes to the interim financial statements (Continued)

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20. Related parties (Continued)

Operations of the core activity

The Company has operations for the sale of inputs and the purchase of grain within the normal operations of the activity, carried out under conditions agreed between the parties, with the related company Tentos do Sul Comercial Agrícola Ltda. (affiliated company merged on November 30, 2020) and with João Osório Dumoncel and Luiz Osório Dumoncel (shareholders).

	Balance sheet			
	09/30/2021		12/31/2020	
	Current assets	Noncurrent assets	Current assets	Noncurrent assets
Parceria Agrícola Dumoncel (*)	41,566	-	79,238	-
Sinuêlo Participações Ltda.	7,841	21,348	7,267	19,786
Total	49,407	21,348	86,505	19,786

(*) Asset balances classified under the captions trade accounts receivable.

	Statement of profit or loss			
	01/01/2021 a 09/30/2021		01/01/2020 a 09/30/2020	
	Sales	Purchases	Sales	Purchases
Tentos do Sul Comercial Agrícola Ltda. (*)	-	-	137,161	179,529
Parceria Agrícola Dumoncel	77,532	48,332	44,559	18,742
Total	77,532	48,332	181,720	198,271

The increase in operations with Parceria Dumoncel Agrícola is linked to the variation in the price of products and also to the increase in the planting area.

Management's fees

As of September 30, 2021, R\$4,888 were recorded in compensation and charges to management (R\$288 as of September 30, 2020), in addition to expenses of R\$9,318 related to options granted to the Company's management.

At the Extraordinary Shareholders' Meeting held on February 19, 2021, the Company's shareholders approved a stock option plan, limited to ten million shares (10,000,000), resulting in a dilution of up to 2.5% of the Company's capital, pursuant to Note 24. At the Extraordinary Shareholders' Meeting held on June 4, 2021, the annual overall compensation for 2021 for the Company's management members was changed, and the maximum amounts of R\$23,260 for these members and R\$120 for possible Advisory Committees were established.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

September 30, 2021

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21. Shareholders' equity

Capital

The limit of the Company's authorized capital is five billion (5,000,000,000) common shares, all of them without par value. Within the limits authorized in the Bylaws and upon resolution of the Board of Directors, capital may be increased regardless of statutory reform. The Board of Directors will establish the issue conditions, including price and payment term.

On July 7, 2021, the Company approved, in a meeting of the Board of Directors, a capital increase of R\$1,152,941, divided into 94,117,647 common shares, all registered, book-entry and without par value.

The Company's capital as of September 30, 2021 is R\$1,552,941 (one billion, five hundred fifty-two million, nine hundred and forty-one thousand reais) divided into 494,118 million common shares and as of December 31, 2020 it was R\$400,000, divided into 400 million common shares, with a par value of R\$1 (one real) each.

Changes in capital and paid-up shares are presented below.

	R\$ thousand	Number of shares (thousand)
December 31, 2019	200,000	200,000
ESM 11/30 – Merger of affiliate	1,000	1,000
ESM 11/30 – Capital increase	9,000	9,000
ESM 28/12 – Merger of tax incentives reserve	190,000	190,000
December 31, 2020	400,000	400,000
ESM 07/07 – Capital increase (Note 1)	1,152,941	94,118
September 30, 2021	1,552,941	494,118

Transaction costs with the issue of shares

In connection with the Company's IPO process carried out in the third quarter of 2021, the Company incurred transaction costs with the issue of shares in the amount of R\$70,801 (R\$46,729, net of tax effects), which were recorded as a contra-entry to shareholders' equity, under the caption capital, pursuant to CPC 08 (R1).

Equity valuation adjustment

Refers to adjustments due to the adoption of the deemed cost of property, plant and equipment on the transition date to IFRS, net of the respective deferred taxes, totaling R\$4,136 as of September 30, 2021 (R\$4,847 as of December 31, 2020).

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Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

21. Shareholders' equity (Continued)

Capital reserve

Capital reserve was recognized as a result of the implementation of the Company's stock option plan, pursuant to Note 24, and the amount of R\$9,318 was recorded as of September 30, 2021.

Profit reserve

Legal reserve

It is recognized in accordance with the Brazilian Corporation Law and the Bylaws; it is equivalent to 5% of the profit for each year, before any allocation and limited to 20% of capital. As of September 30, 2021 and December 31, 2020 there was no recognition of the legal reserve, since net income of the respective years was fully allocated to reserve for tax incentives, in compliance with the tax legislation. As of September 30, 2021 and December 31, 2020, the legal reserve amount was R\$3,045.

Reserve for tax incentives

The reserve for tax incentives is recognized in accordance with Article 195-A of the Brazilian Corporation Law, and in compliance with the provisions of Article 30 of Law 12,973/14. This reserve receives the portion of the tax incentives as described in Note 23 and allocated thereto from retained earnings; it may only be used for: i) absorbing losses, provided that the other Profit Reserves have already been fully absorbed, except for the Legal Reserve; or ii) capital increase.

As of September 30, 2021, the Company recognized a reserve for tax incentives, referring to the benefits described in Note 23, in the amount of R\$263,961 (R\$250,040, net of the dividend realization effect), and R\$135,519 as of September 30, 2020 (R\$119,869, net of dividend realization effect).

As of September 30, 2021, the Company no longer recognized a reserve for tax incentives in the amount of R\$111,217 (R\$148,594 on December 31, 2020). As permitted by article 30, paragraph 3, of Law 12,973/14, the Company should recognize a reserve for tax incentives as profits are calculated in subsequent periods.

Dividends

In accordance with the Bylaws, the minimum mandatory dividend is computed based on 5% of the remaining net income for the year, after recognition of the reserves set forth by law. Net income for the years ended December 31, 2020, 2019 and 2018 was fully allocated to the reserve for tax incentives.

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Notes to the interim financial statements (Continued)

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(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

21. Shareholders' equity (Continued)

Dividends (Continued)

In the year ended December 31, 2020, the Company distributed and paid dividends from the profit reserve account, in the amount of R\$17,250. Additionally, at the Annual and Extraordinary Shareholders' Meeting held on February 19, 2021, the distribution of additional dividends on the profit reserve in the amount of R\$11,800 was approved. On June 7, 2021, the Extraordinary Shareholders' Meeting approved the distribution of additional dividends on the profit reserve in the amount of R\$13,921.

As determined by article 30, paragraph 2, of Law 12,973/14, the Company applied income tax and social contribution taxation to the amounts that comprised the calculation basis of distributed dividends.

22. Earnings per share

In compliance with CPC 41 – Earnings per share (IAS 33), the table below reconciles net income for the period to the amounts used to calculate the basic and diluted earnings per share.

The Company has a category of potential dilutive common shares that refer to stock option plans. For these plans, a calculation is made to determine the number of shares that could have been acquired at fair value, based on the monetary value of subscription rights linked to the stock option plans.

The number of shares calculated as described above is compared to the number of shares issued, assuming the period of the stock option plans.

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Net income for the period	97,935	263,250	96,613	134,809
Weighted average number of common shares issued (in thousands)	487,980	429,649	390,000	390,000
Weighted average number of common shares considering dilutive effects	493,696	434,095	390,000	390,000
Basic earnings per share - in reais (R\$)	0.2007	0.6127	0.2477	0.3457
Diluted earnings per share - in reais (R\$)	0.1984	0.6064	0.2477	0.3457

The weighted average number of common shares issued considers capital increases through the incorporation of tax incentive reserves, as if they had occurred on January 1, 2020, as required by paragraph 28 of CPC 41 (IAS 33).

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Notes to the interim financial statements (Continued)

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(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

23. Government subsidies

Government subsidies received by the Company correspond to: (i) ICMS state tax incentives; and (ii) PIS and COFINS federal tax incentives. State subsidies have the nature of an investment subsidy, whereas the federal grants have the nature of a cost subsidy.

State tax incentives

ICMS presumed credit

The Company calculates ICMS presumed credit in accordance with decree 37,699/97, from the State Government of Rio Grande do Sul (RS), calculated based on 57% over the tax levied on biodiesel sales, provided that the crushed soybeans are originated in the State.

The amounts calculated as incentives are recorded under the ICMS caption to be collected as a contra entry to the sales tax caption in the statement of profit or loss, and are subsequently allocated to the profit reserve (reserve for tax incentive) in the shareholders' equity.

As of September 30, 2021, the total amount related to this incentive recorded in income (loss) was R\$47,344 (R\$30,568 as of September 30, 2020).

Exemption from and reduction of the ICMS calculation basis

Government subsidies received by the Company corresponding to the exemption from and reduction of the ICMS calculation basis result from ICMS agreements No. 100 of 1997 and No. 52 of 1991, as well as by Supplementary Law No. 160/2017, which consider that tax incentives related to ICMS are investment grants, provided that the registration and deposit requirements with CONFAZ (National Council for Farm Policy) are met and the conditions of which have been duly fulfilled by the Company.

In 2020, the Company rectified its ancillary obligations for the fiscal years 2015 to 2019 to reflect the effects of government subsidies resulting from the exemption from and reduction of the ICMS calculation basis in the calculation of income tax and social contribution, recognizing the amount of R\$110,382 of credits of IRPJ and CSLL overpaid, of which R\$101,120 refer to principal and R\$9,261 to interest and monetary restatement. The amounts are presented under the caption recoverable taxes and contributions and were recorded in the respective accrual years.

As of September 30, 2021, the total amount related to this incentive recorded in the statement of profit or loss was R\$179,240 (R\$111,405 as of September 30, 2020).

As determined by article 30 of Law 12,973/14, the Company should recognize a reserve for tax incentives in the amount corresponding to the subsidized amounts. However, since in certain fiscal years the Company presented a tax loss or insufficient net income for the full recognition of said reserve, the Company was not able to recognize a tax incentive reserve in the amount of R\$111,217 as of September 30, 2021 (R\$148,594 as of December 31, 2020). As permitted by article 30 of Law 12,973/14, the Company should restore the reserve for tax incentives in future fiscal years.

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Notes to the interim financial statements (Continued)

September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

23. Government subsidies (Continued)

Federal tax incentive

PIS and COFINS presumed credit

The Company calculates PIS and COFINS presumed credit in accordance with federal law No. 12,865 of 10/10/2013, available to companies that manufacture soybeans in grain, calculated through the sales revenue of each product.

The amounts calculated as incentives are recorded in the caption PIS and COFINS to be recovered as a contra-entry in the caption sales taxes in the statement of profit or loss.

As of September 30, 2021, the total amount related to this incentive was R\$53,136 (R\$33,703 as of September 30, 2020).

24. Stock-based compensation

At the Extraordinary Shareholders' Meeting held on February 19, 2021, the Company's shareholders approved a stock option plan, limited to ten million shares (10,000,000), resulting in a dilution of up to 2.5% of the Company's capital. The dilution corresponds to the percentage represented by the number of shares backing the options by the total number of shares issued by the Company.

The "First Stock Option Plan Program" was approved by the Board of Directors, with the grant of eight million stock options. Beneficiaries may exercise their options within 5 years as from the date of the respective grant, which occurred on March 3, 2021. The vesting period is 1 year with 20% annual releases as from the first anniversary. The Company has a 30-day term for the issuance of shares as from the date of delivery of the stock option exercise instrument.

The strike price of the first program was established at R\$1.75 and the average fair value of the options granted was calculated at R\$4.39.

The Company recognizes the cost of the stock option plan based on the fair value of the options granted, considering the fair value on the grant date. The model used for pricing the fair value of options is the Binomial.

One of the assumptions for this model is the estimate of the fair value of the Company's underlying common shares on the grant date. Other assumptions include an estimate of the expected volatility of stock price, the expected term of an option, the risk-free interest rate over the option's expected term, the option strike price and expectations regarding dividends.

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Notes to the interim financial statements (Continued)

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24. Stock-based compensation (Continued)

Upon the grant of the first program, we did not have a history of market prices for our common shares because they were not publicly traded. Therefore, with the assistance of valuation advisors, we established the fair value of the underlying common shares based on the Company's economic-financial valuation following the income approach (Discounted Cash Flow method (DCF)). The income approach involves applying an appropriate discount rate, adjusted to reflect projected cash flow risks, based on capital structure and forecasted revenues and costs. We use observable data for a group of comparable companies to help develop our volatility assumption.

If factors change and we use different assumptions, the cost of future stock option plans could be significantly different from what we have currently recorded. Higher volatility and longer expected terms result in an increase in stock option plan expenses, determined on the grant date.

The table below presents a list of information on the model used in the plan granted in the period ended September 30, 2021:

	First Option Purchase Plan Program
Number of options granted	8,000,000
Grant date	03/03/2021
Weighted average fair value on the measurement date (R\$)	4.39
Dividend yields (%)	1.15
Expected average volatility (%)	36.76
Average risk-free rate of return (%)	6.49
Expected life of shares (years)	5
Option strike price	1.75
Weighted average share prices (R\$)	6.13

The stock option plan expense recognized in the period ended September 30, 2021 was R\$9,318.

During the period ended September 30, 2021, there was no cancellation, expiration or exercise of stock options.

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Notes to the interim financial statements (Continued)

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25. Information by segment

Information referring to the results of each segment is presented below. Performance is assessed based on the segment income (loss) up to gross profit, since Management understands that such information is the most relevant in the evaluation of income (loss) of the respective segments for comparability with other entities that operate in the same industries.

The Company's assets and liabilities are managed jointly for all segments and are not separately assessed by segments by the Company's Management.

The following operating segments are organized consistently with the internal report of those segments:

- (i) Agricultural inputs: comprise the trade in fertilizers, crop protection, and soy, corn and wheat foliar and seeds. The result of this segment is determined by the sales revenue calculated from the sale of these products, measured up to the moment when the Company transfers the control over the products sold to the customer.
- (ii) Soybeans, corn and wheat: comprise the operations resulting from the physical receipt, standardization and trade of grains acquired from third parties, as well as grains originated in the "CPR" operations. The result of this segment is determined by the profit (loss) obtained from the purchase and sale of agricultural commodities, including the variation in the financial instruments linked to the trade of these commodities, as well as the related non-monetary assets.
- (iii) Industry: comprises operations resulting from the industrialization of soybeans, with the production of meal and biodiesel.

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September 30, 2021

(In thousands of reais, except when otherwise stated) (Free translation of the original in Portuguese)

25. Information by segment (Continued)

The company understands its segments as inputs, grains and industry and their breakdown is as follows:

	07/01/2021 to 09/30/2021	01/01/2021 to 09/30/2021	07/01/2020 to 09/30/2020	01/01/2020 to 09/30/2020
Net revenue				
Inputs	444,121	894,931	307,043	562,653
Grains	599,303	1,077,168	81,200	445,991
Industry	686,121	1,732,099	465,383	1,102,689
	1,729,545	3,704,198	853,626	2,111,333
Cost of goods and products sold				
Inputs	(348,239)	(713,818)	(257,254)	(482,339)
Grains	(558,815)	(997,720)	(81,884)	(418,651)
Industry	(581,370)	(1,466,730)	(345,876)	(872,811)
	(1,488,424)	(3,178,268)	(685,014)	(1,773,801)
Gross profit before adjustment to fair value				
Inputs	95,882	181,113	49,789	80,314
Grains	40,488	79,448	(684)	27,340
Industry	104,751	265,369	119,507	229,878
	241,121	525,930	168,612	337,532
Adjustment to fair value	(28,121)	(20,147)	(17,878)	(15,260)
Gross profit	213,000	505,783	150,734	322,272

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25. Information by segment (Continued)

Revenue by costumer

The revenue amount arising from the main customers is represented as follows:

Customer	09/30/2021	
	Product	% Net revenue
Customer 1	Meal	12.98%
Customer 2	Biodiesel	12.07%
Customer 3	Grains	6.89%
Customer 4	Biodiesel	4.66%
Customer 5	Grains	3.76%
Customer 6	Biodiesel	3.51%

Customer	09/30/2020	
	Product	% Net revenue
Customer 1	Meal	16.46%
Customer 2	Biodiesel	9.84%
Customer 3	Inputs	6.54%
Customer 4	Biodiesel	6.50%
Customer 5	Grains	5.33%
Customer 6	Biodiesel	4.63%

Geographic location

The information below about export revenue considered the customer's location.

Country	09/30/2021	09/30/2020
China	-	9,192
Italy	478,887	360,025
United Kingdom	-	7,766
Switzerland	4,354	2,672
Uruguay	11,583	12,053
	494,824	391,708