

(A free translation of the original in Portuguese)

Interim Financial Statements

Três Tentos Agroindustrial S.A.

June 30, 2021
with independent auditor's review report



**Building a better
working world**

Três Tentos Agroindustrial S.A.

Interim financial statements

June 30, 2021

Contents

Unaudited interim financial statements

Balance sheet	3
Statement of income	5
Statement of comprehensive income	6
Statement of changes in shareholders' equity	7
Statement of cash flows	8
Statement of value added	9
Comments on performance	10
Notes to the interim financial statements	33
Independent auditor's review report on the interim financial statements	79

A free translation from Portuguese into English of the interim financial statements 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).

Três Tentos Agroindustrial S.A.

Balance sheet

June 30, 2021 and December 31, 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

Assets	Note	06/30/2021	12/31/2020
Current assets			
Cash and cash equivalents	4	161,896	252,692
Trade accounts receivable	5	68,131	634,246
Recoverable taxes	6	50,576	45,169
Advances to suppliers		7,445	12,392
Inventories	7	2,494,391	783,523
Financial instruments	8	231,065	6,869
Prepaid expenses		23,411	1,395
Related parties	20	7,629	7,267
Other		35,037	26,461
Total current assets		3,079,581	1,770,014
Non-current assets			
Long-term assets			
Recoverable taxes	6	119,301	121,959
Judicial deposits	19	214	290
Related parties	20	20,771	19,786
Other		2,201	1,504
Right-of-use in leases		10,954	926
Property, plant and equipment	9	497,774	406,564
Intangible assets		551	330
Total non-current assets		651,766	551,359
Total assets		3,731,347	2,321,373

Três Tentos Agroindustrial S.A.

Balance sheet

June 30, 2021 and December 31, 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

Liabilities	Note	06/30/2021	12/31/2020
Current liabilities			
Suppliers	10	1,282,911	866,549
Financial instruments	8	302,519	26,788
Loans and financing	11	719,340	406,155
Advances from customers		235,422	5,331
Lease liabilities		5,623	687
Tax obligations		26,897	17,441
Labor obligations		19,388	19,513
Installment payment of taxes	17	1,296	1,459
Other obligations		23,007	21,113
Total current liabilities		2,616,403	1,365,036
Non-current liabilities			
Loans and financing	11	237,644	235,400
Financial instruments	8	2,265	-
Lease liabilities		6,404	307
Installment payment of taxes	17	5,872	6,785
Deferred taxes	18	3,040	145
Provisions for litigation	19	2,669	1,568
Total non-current liabilities		257,894	244,205
Shareholders' equity	21		
Capital		400,000	400,000
Equity valuation adjustments		4,373	4,847
Capital reserve		5,324	-
Profit reserve		447,353	295,485
Proposed additional dividends		-	11,800
Total shareholders' equity		857,050	712,132
Total liabilities and shareholders' equity		3,731,347	2,321,373

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

Três Tentos Agroindustrial S.A.

Statement of income
June 30, 2021 and 2020

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

	Note	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Net operating revenue	14	1,205,380	1,974,653	791,262	1,257,707
Cost of goods and products sold	15	(1,019,842)	(1,681,870)	(672,347)	(1,086,169)
Gross profit		185,538	292,783	118,915	171,538
Operating income (expenses)		(70,029)	(127,300)	(47,355)	(80,467)
Selling expenses	15	(64,486)	(113,399)	(42,527)	(79,760)
Administrative expenses	15	(11,488)	(22,170)	(3,074)	(6,662)
Other operating income (expenses), net		5,945	8,269	(1,754)	5,955
Operating income		115,509	165,483	71,560	91,071
Financial income (loss)	16	24,467	19,382	(34,427)	(55,321)
Financial income		72,665	103,135	24,728	56,921
Financial expenses		(48,198)	(83,753)	(59,155)	(112,242)
Income before taxes and contributions		139,976	184,865	37,133	35,750
Income tax and social contribution	18	(25,700)	(19,550)	(2,041)	2,446
Current		(16,655)	(16,655)	-	-
Deferred		(9,045)	(2,895)	(2,041)	2,446
Net income for the period		114,276	165,315	35,092	38,196
Earnings per share (in R\$)	22				
Basic		0.2857	0.4133	0.0900	0.0979
Diluted		0.2837	0.4094	0.0900	0.0979

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

Três Tentos Agroindustrial S.A.

Statement of comprehensive income

June 30, 2021 e 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Net income for the period	114,276	165,315	35,092	38,196
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	114,276	165,315	35,092	38,196

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

Três Tentos Agroindustrial S.A.

Statement of changes in shareholders' equity

June 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	-	-	-	-	-	(473)	473	-
Net income for the period	-	-	-	-	-	-	38,196	38,196
Reserve for tax incentives	-	-	-	38,669	-	-	(38,669)	-
Dividends paid	-	-	-	(12,051)	-	-	-	(12,051)
Balances at June 30, 2020	200,000	-	3,045	217,600	-	5,321	-	425,966
Balances at December 31, 2020	400,000	-	3,045	292,440	11,800	4,847	-	712,132
Equity valuation adjustment	-	-	-	-	-	(474)	474	-
Net income for the period	-	-	-	-	-	-	165,315	165,315
Reserve for tax incentives	-	-	-	165,789	-	-	(165,789)	-
Expenses on option plan granted	-	5,324	-	-	-	-	-	5,324
Dividends paid	-	-	-	(13,921)	(11,800)	-	-	(25,721)
Balances at June 30, 2021	400,000	5,324	3,045	444,308	-	4,373	-	857,050

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Três Tentos Agroindustrial S.A.

Statement of cash flows

June 30, 2021 e 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

	06/30/2021	06/30/2020
Cash flow from operating activities:		
Income for the period before taxes	184,865	35,750
Adjustment to reconcile net income to cash from operating activities:		
Depreciation and amortization	10,746	8,955
Depreciation of right-of-use	1,843	1,086
Interest and monetary restatement on loans	18,839	24,205
Exchange variation on loans	14,689	28,941
Allowance for doubtful accounts	3,519	-
Provision for litigation	1,101	-
Expenses on option plan	5,324	-
Residual cost of written-off fixed assets	285	540
(Increase) decrease in assets:		
Trade accounts receivable	562,596	90,433
Financial instruments	(224,196)	194,426
Inventories	(1,710,868)	(350,032)
Recoverable taxes	(2,749)	(12,993)
Advances	4,947	(3,451)
Prepaid expenses	(22,016)	588
Related parties	(1,347)	-
Judicial deposits	76	(16)
Other assets	(9,273)	11,606
Increase (decrease) in liabilities		
Suppliers	416,362	(1,222)
Taxes payable	(7,199)	(12,666)
Salaries, provisions and payroll charges	(125)	215
Installment payment of taxes	(1,076)	(437)
Advances from customers	230,091	48,162
Financial instruments	277,996	(176,820)
Other liabilities	1,719	2,051
Cash flow used in operating activities	(243,851)	(110,679)
Cash flow from investing activities:		
Acquisition of property, plant and equipment	(102,420)	(40,570)
Acquisition of intangible assets	(42)	-
Net cash used in investment activities	(102,462)	(40,570)
Cash flow from financing activities		
Loans and financing raised	691,374	457,796
Payments of loans and financing	(409,471)	(371,047)
Payment of dividends	(25,721)	(12,051)
Payment of leases	(665)	(1,080)
Net cash from financing activities	255,517	73,618
Changes in cash and cash equivalents	(90,796)	(77,631)
Cash and cash equivalents – in the beginning of the period	252,692	163,970
Cash and cash equivalents - at the end of the period	161,896	86,339
Changes in cash and cash equivalents	(90,796)	(77,631)

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

Três Tentos Agroindustrial S.A.

Statement of value added

June 30, 2021 e 2020

(In thousands of reais)

(Free translation of the original in Portuguese)

	06/30/2021	06/30/2020
Income		
Income from sale of products, goods and services rendered	2,035,457	1,281,320
(-) Deductions from sales	(60,804)	(23,613)
	<u>1,974,653</u>	<u>1,257,707</u>
Inputs purchased from third parties		
Cost of goods sold	(1,671,231)	(1,076,244)
Third parties' services	(19,495)	(12,881)
Other operating expenses	8,269	5,955
	<u>(1,682,457)</u>	<u>(1,083,170)</u>
Gross value added	<u>292,196</u>	<u>174,537</u>
Retentions		
Depreciation and amortization	(12,589)	(10,041)
Net amount generated by the entity	<u>279,607</u>	<u>164,496</u>
Value added received on transfer		
Financial income	103,135	56,921
	<u>103,135</u>	<u>56,921</u>
Total value added to be distributed	<u>382,742</u>	<u>221,417</u>
Distribution of value added		
Personnel and charges	<u>38,871</u>	<u>24,903</u>
Direct compensation	17,182	11,495
Benefits	19,011	11,687
FGTS (Severance Pay Fund)	2,678	1,721
Taxes and contributions	<u>30,494</u>	<u>3,765</u>
Federal	29,071	3,056
State	905	436
Local	518	273
Interest and financial charges	<u>65,561</u>	<u>89,359</u>
Interest	29,658	20,425
Exchange variation	35,903	68,934
Other	<u>82,501</u>	<u>65,194</u>
Rentals	298	212
Freight	27,008	16,714
Other	55,195	48,268
Retained earnings for the period	<u>165,315</u>	<u>38,196</u>
	<u>382,742</u>	<u>221,417</u>

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

Três Tentos Agroindustrial S.A.

Comments on performance

Earnings Release

Santa Bárbara do Sul, August 12, 2021 – 3tentos (“3tentos” or “Company”), one of the largest agricultural ecosystems in Brazil, releases its results for the second quarter of fiscal year 2021 (“2Q21”). Unless otherwise stated, information in this document is expressed in local currency (R\$ million).

Below are the Company's main financial data for the second quarter of 2021 as compared to the same period of 2020. Additionally, the table below compares the Company's 2Q21 to the combined information from 3tentos and Tentos do Sul¹ (unaudited combination) to better reflect the comparability of the Company after the merger of Tentos do Sul on November 30, 2020.

Highlights of the Period – comparisons with 3T + TS

- **Net Operating Revenue of R\$ 1,205.4 million in 2Q21 (+39.3%)** with emphasis on the growth of the Retail and Industry Segments.
- **Gross Profit of R\$ 185.5 million in 2Q21 (+43.6%)** with gross margin of 15.4% (+0.5 p.p.), impacted mainly by the Retail and Industry Segments. Excluding the Mark to Market (“MTM”) of R\$22.6 million, **Adjusted Gross Profit of R\$162.9 million (+51.2%)** with a margin of 13.5% (+1.1 p.p.).
- **EBITDA of R\$122.3 million in 2Q21 (+55.3%)** benefited by an improvement of SG&A expenses with an EBITDA margin of 10.1% (+1.0 p.p.).
- **Adjusted EBITDA of R\$ 99.7 million in 2Q21 (+74.1%),** with Adjusted EBITDA margin of 8.3% (+1.7 p.p.).
- **Net income of R\$ 114.3 million in 2Q21 (+2,3x) with a net margin of 9.5% (+5.5 p.p.).**
- **Annualized ROE of 56.7% and annualized ROIC of 37.5% in 2Q21.**

In thousands of reais except for percentages and indexes	3 Tentos		Δ	3T + TS		Δ	3T + TS		Δ
	2Q21	2Q20	% or p.p.	2Q20	% or p.p.		6M21	6M20	% or p.p.
Net operating revenue	1,205,380	791,262	52.3%	865,488	39.3%		1,974,653	1,379,352	43.2%
Gross profit	185,538	118,915	56.0%	129,227	43.6%		292,783	197,481	48.3%
Gross Margin (%)	15.4%	15.0%	0.4	14.9%	0.5		14.8%	14.3%	0.5
Adjusted Gross Profit	162,911	102,469	59.0%	107,742	51.2%		284,809	184,423	54.4%
Adjusted Gross Profit (%)	13.5%	13.0%	0.6	12.4%	1.1		14.4%	13.4%	1.1
EBITDA	122,339	76,109	60.7%	78,763	55.3%		178,072	113,171	57.3%
Adjusted EBITDA	99,712	59,663	67.1%	57,278	74.1%		170,098	100,113	69.9%
EBITDA Margin (%)	10.1%	9.6%	0.5	9.1%	1.0		9.0%	8.2%	0.8
Adjusted EBITDA Margin (%)	8.3%	7.5%	0.7	6.6%	1.7		8.6%	7.3%	1.4
Net Income	114,276	35,092	2.3x	34,458	2.3x		165,315	44,152	2.7x
Net Margin (%)	9.5%	4.4%	5.0	4.0%	5.5		8.4%	3.2%	5.2
ROE	56.7%	31.9%	24.8	36.0%	24.8		56.7%	36.0%	20.8
ROIC	37.5%	31.4%	6.1	35.2%	6.1		37.5%	35.2%	2.2

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

The year 2021 has brought us a new horizon. After 25 years of history in Agribusiness, 3tentos joined forces and on July 12th, the company's shares began to be traded on B3. Undoubtedly, the 1st year of the next 25. With conviction, we can say that this achievement was only possible due to the commitment and engagement of a highly professional Team.

Since the first day after the IPO, we have been already focused on using the resources obtained from the offer in our expansion plan. Opening new business units in the state of Rio Grande do Sul, beginning the construction of a soy processing plant in Vera (State of Mato Grosso) for the production of meal and oil, and from this, biodiesel. Our achievement is to do more and better, in a crucial sector for the Brazilian and global economy, in which we have a deep knowledge. In addition, we are working on the construction of an Energy Cogeneration Plant in Ijuí, and the expansion of the soybean crushing plant in Cruz Alta (both in Rio Grande do Sul), which will have its capacity doubled. These investments were already on the roadmap and are being made with funds from the Company's current cash generation.

Brazil harvested a record soybean crop reaching 135.7² million tons. The State of Rio Grande do Sul harvested 22.32 million tons, accounting for the 2nd largest volume of soy in Brazil, only behind the State of Mato Grosso with 33.9² million of tons. With the record harvest and prices on average 70%³ higher than in the previous year, the scenario observed in the 2Q21 was: (i) the rural producer with a rising trend towards investments in farming, (ii) availability of soybeans for the Company's origination, which was reflected in a greater amount of working capital than in previous years.

AgInputs are essential for the implementation of any crop, and high yields are in line with the investments made by farmers. 3tentos remains firm in continuing to be an agribusiness solutions company, thus confirming that its customers may obtain the best results in their agricultural production. These goals are achieved due to differentiated technical assistance and the introduction of new products and solutions, which have been proven to be effective.

The Company's performance in the Retail segment kept the consistent growth shown in the previous quarter, indicating an important increase for fiscal year 2021.

Our results in this six-month period bring us an increase of 43.2% in revenue and 42.7% in volume as compared to the same period of the previous year. We credit a large part of this increase to the expansion of our coverage area and the increase in our market share, as the units are becoming mature.

We believe that these results entitle us to seek the estimated levels.

We are strengthening our administrative and operational structures to meet the demands of our plan for growth and our new position in the market.

² Source: Stone X

³ Source: CEPEA

Três Tentos Agroindustrial S.A.

Comments on performance

We have an ESG trend intrinsic in our creation, which has forged us since the beginning of our activities, and we are working tirelessly in search of even better levels. We remain optimistic about the future, committed to providing healthy food in modern and sustainable agriculture, in addition to the certainty of contributing to the generation of increasingly cleaner energy.

Luiz Osório Dumoncel
CEO and Founder

Três Tentos Agroindustrial S.A.

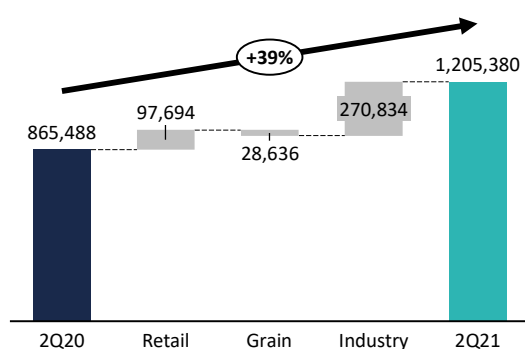
Comments on performance

Operating and Financial Performance of Our Segments

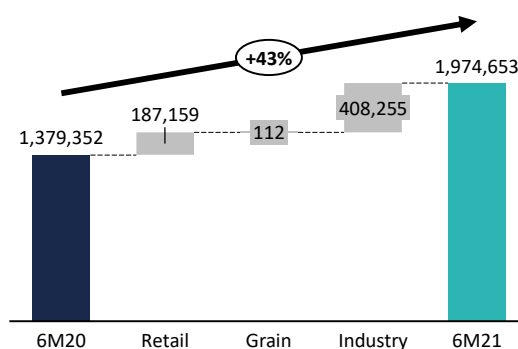
Net Operating Revenue in 2Q21 and 6M21⁴

Net Operating Revenue reached R\$1,205.4 million in 2Q21, an increase of 39.3% as compared to 2Q20. This result was mainly impacted by the growth in the Retail and Industry Segments, as detailed in the Segment analyses below.

Contribution to Revenue in 2Q21



Contribution to Revenue 6M21



Figures in R\$ thousands

Net Revenue			
Per Segment	2Q21	2Q20	Var. %
Retail	159,340	61,646	158.5%
Grain	380,374	409,010	-7.0%
Industry	665,666	394,832	68.6%
Total	1,205,380	865,488	39.3%

Net Revenue			
Per Segment	6M21	6M20	Var. %
Retail	450,810	263,651	71.0%
Grain	477,865	477,977	0.0%
Industry	1,045,978	637,723	64.0%
Total	1,974,653	1,379,352	43.2%

Adjusted Gross Profit in 2Q21 and 6M21

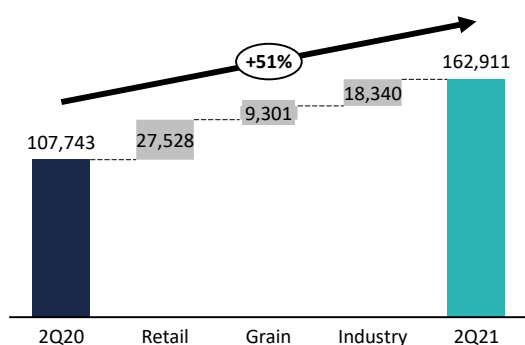
Adjusted Gross Profit reached R\$ 162.9 million in 2Q21, an increase of 51.2% as compared to 2Q20, and an adjusted gross margin of 13.5% (+1.1 p.p.). The performance is favored by the increase in revenue, mainly in the Retail and Industry Segments (as shown above), but mainly by the increase in the gross margin in the Retail (+9.8 p.p.) and Grains (+2.7 p.p.) Segments.

⁴ The 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.

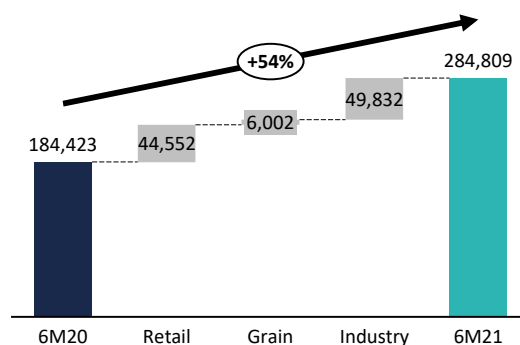
Três Tentos Agroindustrial S.A.

Comments on performance

Contribution to Gross Profit 2Q21



Contribution to Gross Profit in 6M21



Figures in R\$ thousands

Adjusted Gross Profit								
Per Segment	2Q21	Margin	2Q20	Margin	6M21	Margin	6M20	Margin
Retail	36,809	23.1%	9,281	15.1%	85,231	18.9%	40,678	15.4%
Grain	29,993	7.9%	20,692	5.1%	38,960	8.2%	32,958	6.9%
Industry	96,109	14.4%	77,769	19.7%	160,618	15.4%	110,787	17.4%
Total	162,911	13.5%	107,743	12.4%	284,809	14.4%	184,423	13.4%

Comments by Segment: Retail

We continue observing a good performance in the Retail Segment, in addition to that already noted in the previous quarter. The increase in the area of wheat planted in Rio Grande do Sul this year, combined with the growth in the Company's market share (also driven by the maturation of newly opened stores) favored the sales volume of Seeds and Crop Protection (respecting seasonality for the wheat crop) which increased, respectively, 6% and 31%. The volume of Fertilizers had a slight drop in the quarter, still reflecting a more selective commercial strategy started at the end of the previous year, in order to not give up profitability. It should be pointed out that for 3Q21, the volume of Fertilizers is already higher than in the same period in 2020.

Três Tentos Agroindustrial S.A.

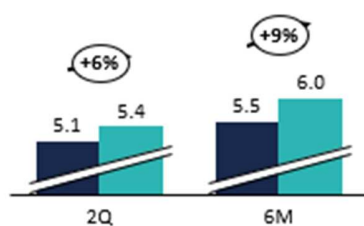
Comments on performance

Volume (thousand tons or kilo liter)

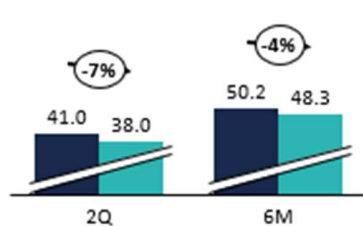
2020

2021

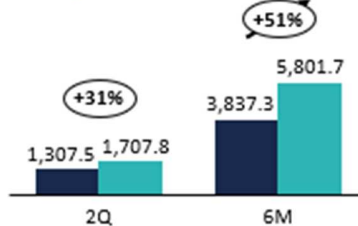
Seeds



Fertilizers

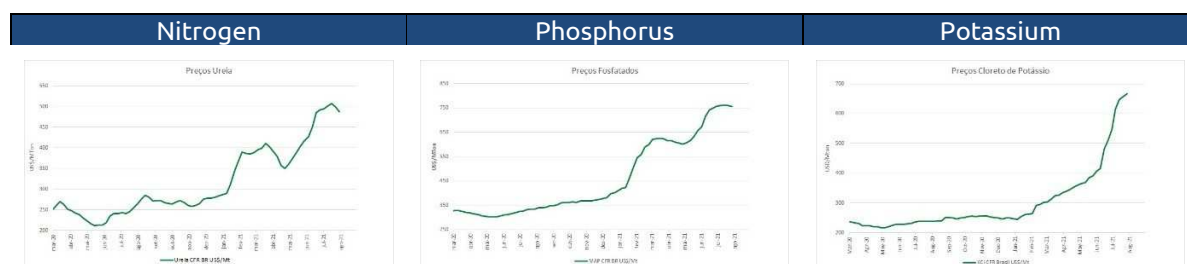


Crop Protection



Net Revenue

Net Operating Revenue of the Retail Segment was R\$ 159.3 million, representing a growth of 158.5% over the same quarter of 2020. Noteworthy is the growth in Seeds (+320.2%) which, with the 6% increase in sales volume also reflected the rise of commodities in pricing an cost of the seed, and in Fertilizers which, despite the slight contraction in volume (-7%), had the exchange rate impact and the increase in the cost of raw materials directly reflected in price (see charts below of the main raw materials used in Fertilizers) and, therefore, reflected in the 223% increase in 2Q21.



Crop Protection also contributed to the growth of Net Operating Revenue in the Retail Segment. It is worth mentioning that, in Crop Protection, the sale price of these products used in the wheat crop (winter crop and, therefore, applied in 2Q21) already reflects the higher costs of raw materials that were passed on to the rural producer.

Figures in R\$ thousands

Net Revenue				Contr.					Contr.
Per Product	2Q21	2Q20	Gr. %	Gr. %	6M21	6M20	Gr. %	Gr. %	
Seeds	18,098	4,307	320.2%	22.4%	23,500	6,353	269.9%	6.5%	
Fertilizers	96,584	29,934	222.7%	108.1%	119,537	43,443	175.2%	28.9%	
Crop Protection	44,658	27,406	63.0%	28.0%	307,773	213,855	43.9%	35.6%	
Total	159,340	61,646	158.5%	158.5%	450,810	263,651	71.0%	71.0%	

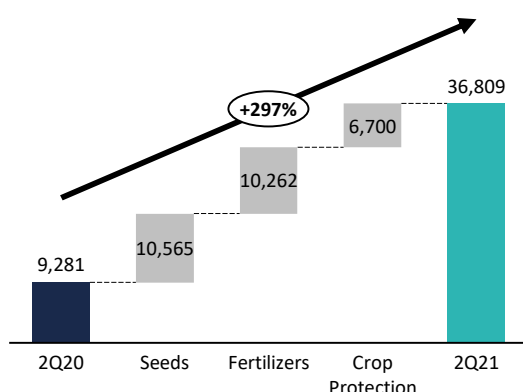
Três Tentos Agroindustrial S.A.

Comments on performance

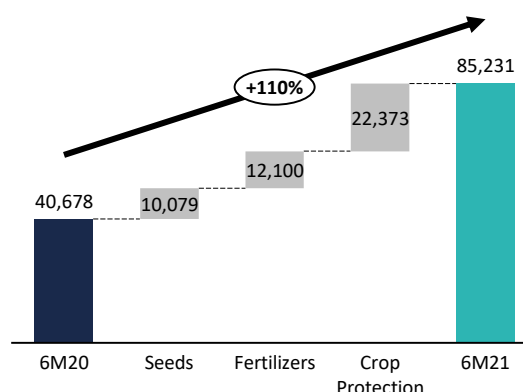
Gross Profit

Gross Profit of the Retail Segment almost quadrupled in 2Q21 (+297%) when compared to the same quarter of the previous year, totaling R\$36.8 million. It should be noted that the strong growth in Gross Profit was also boosted by the improvement in margins, (23.1% of gross margin, +8.0p.p.). As mentioned in the previous quarter, margins in this segment have been growing throughout the year, largely as a result of the seasonality of certain products, and the Company has shown gross margin gains in both quarters so far.

Contribution to Gross Profit in 2Q21



Contribution to Gross Profit in 6M21



The historical seasonality of 3Tentos' net revenue in the Retail Segment can be noted below, considering the cycles of different cultures that the Company serves, which may vary in different years.

Retail Seasonality					
	1Q	2Q	3Q	4Q	FY
2018	24.3%	5.3%	24.4%	45.9%	100.0%
2019	26.3%	7.3%	27.7%	38.7%	100.0%
2020	22.0%	6.3%	28.3%	43.5%	100.0%
Average	24.2%	6.3%	26.8%	42.7%	100.0%

Grain Segments

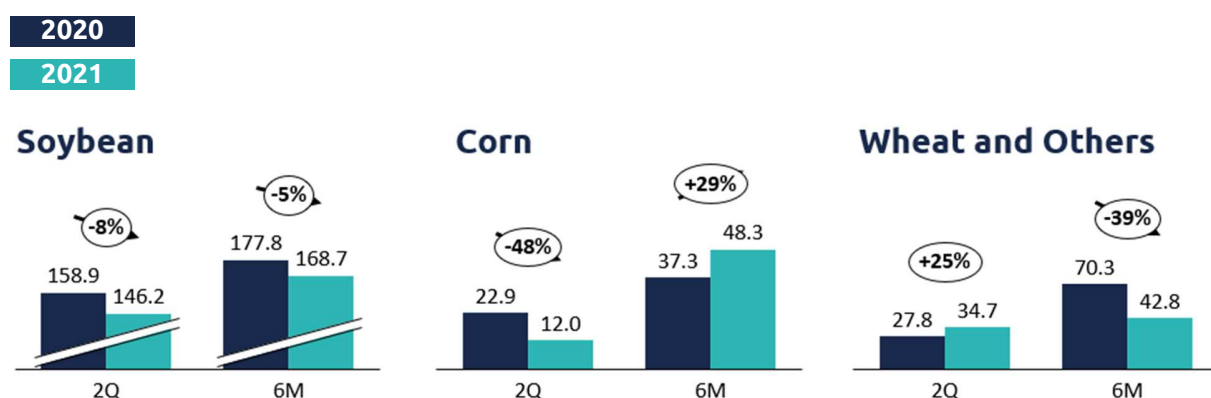
Regarding the Grain Segment, we observed an increase in the sales volume of Wheat in 2Q21 (+25%), partially offsetting the drop posted in 1Q21. However, volumes traded in the origination of Soybean and Corn decreased in 2Q21 (-8% and -48%, respectively). In the 6-month period of 2021, the volume of Soybeans sold continues to post a fall of -5%, whereas Corn exceeds the volume sold in the period by +29%.

Três Tentos Agroindustrial S.A.

Comments on performance

Even with a record harvest in Rio Grande do Sul (22.3 tons, +33% vs. previous year) both the impact of a weaker March on exports and the more intense soybean crushing pace contributed to the lower accumulated Soybean sales volume. This scenario is already showing signs of improvement in 3Q21, with good volumes exported in July and an improvement trend in August and September, which already contemplate a significant improvement in the line-up of ships at the port.

Volume (tons) (Grain: -8% 2T21, -9% 6M21)



It should be pointed out that the Company's Soybean origination volume in the 20/21 harvest was a record, with 1,025 thousand tons (total origination in the fiscal year of 1,175 thousand tons), with an expected trading volume of Soybeans for the 2021 fiscal year between 350 thousand and 400 thousand tons, and a large part of this volume already has a sales agreement with defined prices, but still to be delivered, and, therefore, without the possibility of recording revenue in 2Q21. For comparison purposes, the Company sold 231 thousand tons of Soybeans in the previous fiscal year.

Similarly to Soybeans, Corn will have a volume of 9.5 thousand tons for sale subject to delivery for accounting record in 3Q21, totaling 57.8 thousand tons in 9M21E (+45% vs. 9M20). Wheat, in turn, has 39.2 thousand tons to be delivered in 3Q21, which totaled 82 thousand tons in 9M21E (+17% vs. 9M20).

Net Revenue

The Net Operating Revenue of the Grain Segment was R\$380.4 million, which represents a decrease of 7.0% over the same quarter of 2020. Soybeans, the highest volume in the Grain Segment, in addition to the aforementioned lower volume sold, had prices in the sales agreements impacted by the low values contracted in the previous year (forward sales) reflecting the protection position (physical hedge) against barter operations carried out by the farmers, when they sell soy to the Company for a fixed price and therefore requires the Company to assess this long position within the commodity exposure matrix.

Três Tentos Agroindustrial S.A.

Comments on performance

Figures in R\$ thousands

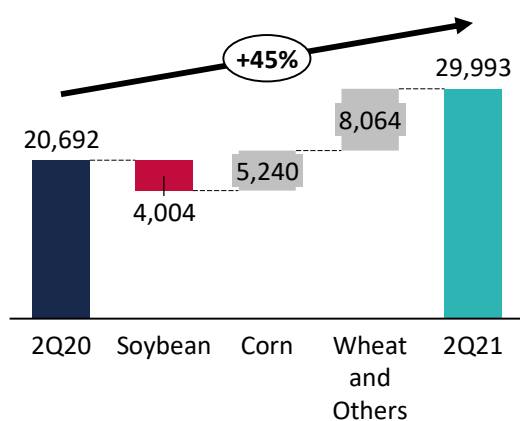
Net Revenue				Contr.				Contr.
Per Product	2Q21	2Q20	Gr. %	Gr. %	6M21	6M20	Gr. %	Gr. %
Soybean	304,720	359,639	-15.3%	-13.4%	355,091	385,027	-7.8%	-6.3%
Corn	19,587	18,000	8.8%	0.4%	54,031	27,668	95.3%	5.5%
Wheat and Others	56,067	31,371	78.7%	6.0%	68,743	65,282	5.3%	0.7%
Total	380,374	409,010	-7.0%	-7.0%	477,865	477,977	0.0%	0.0%

Gross Profit

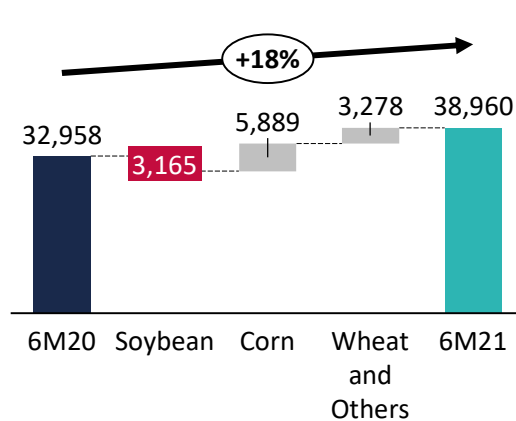
Gross Profit of Grain Segment posted a growth of 44.9%, totaling R\$30.0 million in 2Q21. Origination of Corn and Wheat in the 2020/2021 harvest began with a strong barter campaign and futures agreements, negotiations that were already protected with trading operations aimed at hedging the grain position. Respecting the company's risk policy, the Corn and Wheat sale strategy assumes the purchase of these grains at the time of the harvest and sale carried out throughout the year. In this 20/21 cycle, it was possible to store a greater volume of cereals, since the company expanded its static capacity with new branches. In addition, together with advance purchases (barter/agreements) a representative volume was created in the "to be fixed" modality, enabling the company, through the receipt, cleaning and drying of grains, to increase trading margins. Another important fact of this cycle is the break of the corn interim harvest in the Brazilian Center-West (drought and frost), responsible for supplying numerous feed mills, which considerably raised the prices of both Corn and Wheat in Rio Grande do Sul. Wheat is currently being used to replace corn in animal feed and this competition for feed between mills and feed mills is supporting the prices.

In terms of Soy, we have a reality similar to Corn and Wheat, in addition to a large volume of barter and agreements, the company broke an origination record and surpassed the 1 thousand tons landmark in the first half of the year. The strong demand for the oilseed, both for export and manufacturing, has supported prices, which are also backed by global stock levels below historical averages.

Contribution to Gross Profit in 2Q21



Contribution to Gross Profit in 6M21



Três Tentos Agroindustrial S.A.

Comments on performance

Figures in R\$ thousands

Gross Profit								
Per Segment	2Q21	Margin	2Q20	Margin	6M21	Margin	6M20	Margin
Soybean	4,695	1.5%	8,698	2.4%	8,252	2.3%	11,417	3.0%
Corn	7,227	36.9%	1,987	11.0%	8,568	15.9%	2,679	9.7%
Wheat and Others	18,071	32.2%	10,007	31.9%	22,140	32.2%	18,862	28.9%
Total	29,993	7.9%	20,692	5.1%	38,960	8.2%	32,958	6.9%

It should be emphasized that the seasonality of the Grain Segment, although the Company has historically operated with grains in all 3 crops, is weaker in the first quarter of the year, as noted in the table below. Although the second and third quarters are historically stronger in the trading of grains, it is possible to observe variation in the representativeness of the quarter in the Grain Segment revenue for the last 3 years.

Grain Seasonality						
	1Q	2Q	3Q	4Q	FY	
2018	14.1%	44.1%	32.1%	9.8%	100.0%	
2019	15.3%	39.6%	13.2%	31.9%	100.0%	
2020	14.2%	57.6%	18.1%	10.0%	100.0%	
Average	14.5%	47.1%	21.1%	17.2%	100.0%	

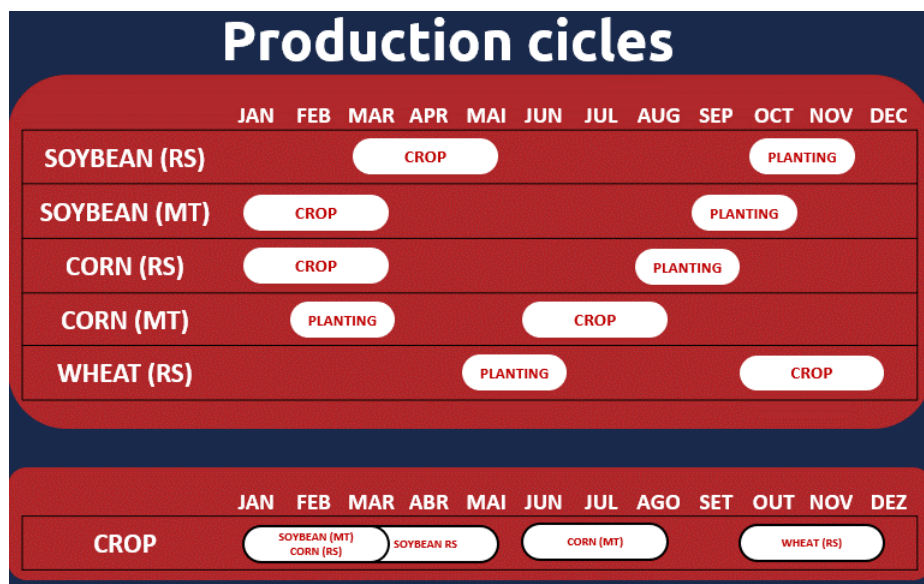
Wheat crop in Rio Grande do Sul is usually planted in May and June, reaching maturity and harvest period in October and November. Therefore, it is common to have cereal sales in the 4Q and 1Q of the following year, to allow producers to make sales during the harvest period and forward sales (export, animal feed or mills) and to support barter negotiations. Part of the originated volume is strategically stored in 3tentos structures, segregated and properly kept to meet the buyers' demands. This volume is usually traded in the off-season period, particularly in the 2Q and 3Q (as from June, since in April and May 3tentos' structure is dedicated to the origination of producers' soybeans).

Corn crop is usually grown in September, reaching maturity and harvest period in January and February. Similar to the Wheat trading strategy, the sale of Corn is partially made in the harvest (1Q) to support the "over-the-counter" purchase of producers and barter operations carried out throughout the year. Regarding the volume reserved for trade in the off-season, the 3Q and 4Q have historically shown higher volumes. Also similar to the seasonality of Wheat, the 2Q focuses on the origination of Soybeans and, for this reason, there may be a reduction in Corn sales.

It should be mentioned that, due to logistics and commercial strategy, Soybean and Corn sales are delayed. In the case of Soybeans (as explained), and in the case of Corn, in addition to the structure being focused on the receipt of Soybeans, we also have an important break in the Center-West off-season harvest, which could add value to our inventory. It should be emphasized that we originated more Soy and more Corn in 2021, and only the quarters' dynamics is different from 2020.

Três Tentos Agroindustrial S.A.

Comments on performance



Industry Segment

In 2021, there was no change in the soy processing capacity, whereas in biodiesel the production capacity was increased to 850 m³/day from 650 m³/day. The expansion of soybean processing at the Cruz Alta plant is expected to be completed in 2022, to 2,000 ton/day from 1,000 ton/day.

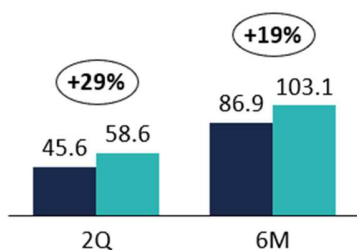
Changes for 2021 are more in the scope of raw material, since 3tentos had record soybean origination, enough to supply the factories and participate in trading. In addition, with the expansion of the biodiesel production capacity, we are actively taking part in the purchase of degummed oil from third parties. Also, regarding oil, it is important to emphasize that in 2022, due to the expansion of Cruz Alta, we will have more oil for the production of biodiesel.

Volume (tons and m³)

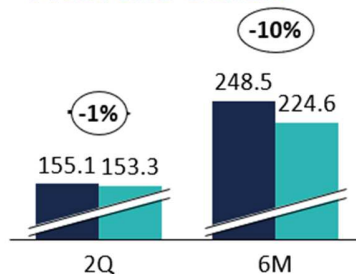
2020

2021

Biodiesel



Meal and Others



Três Tentos Agroindustrial S.A.

Comments on performance

3tentos actively participates in biodiesel auctions, and is recognized as one of the companies with the best quality in its product and with relevant participation in auctions in Rio Grande do Sul. The last two auctions (L79 and L80) had the percentage of the biodiesel mixture changed to 10% from 13%, reducing the aggregate demand in the respective auctions. This fact impacted the pricing and volume offered for this product in revenues from May to August 2021. In the L81 auction, the mix was changed to 12% and its results will be impacted in next September and October.

	Biodiesel (thousands m³)		Meal (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	52.5	133.5	180.0
4Q	44.2	67.5	154.5	180.0
Total	179.4	223.1	494.4	552.6

Net Revenue

The net revenue of the Industry Segment was R\$665.7 million, which represents a growth of 68.6% over the same quarter in 2020. The highlight was the performance of Biodiesel, with a contribution of 46.8 % to the growth.

Figures in R\$ thousands

Net Revenue Per Product				Contr.					Contr.	
	2Q21	2Q20	Gr. %	Gr. %		6M21	6M20	Gr. %	Gr. %	
Biodiesel	326,865	142,177	129.9%	46.8%		538,157	274,502	96.0%	41.3%	
Meal and Others	338,801	252,655	34.1%	21.8%		507,821	363,221	39.8%	22.7%	
Total	665,666	394,832	68.6%	21.8%		1,045,978	637,723	64.0%	22.7%	

Gross Profit

Gross profit of the Industry Segment grew by 24%, totaling R\$96.1 million in 2Q21. Currently, more than 70% of Brazilian biodiesel is produced from degummed soybean oil, a raw material that has shown growing demand for the production of biofuels, human nutrition, and animal food, which has supported firm quotations. 3tentos has expanded its production capacity, either with oil produced in its factories or purchased from third parties, and has participated with larger batches in the 2021 auctions.

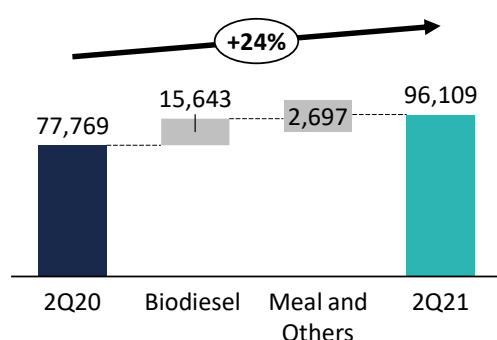
In line with the strong demand for vegetable oils, particularly soy, the meal, which is the noblest protein for animal feed, is also at firm prices, both in the domestic and foreign markets. 3tentos currently supplies a number of milk and meat producers in Rio Grande do Sul, in addition to cooperatives and animal feed factories. The feed segment has demanded large volumes of meal mainly because the production of pigs and chicken is facing huge increases to supply the national and international market, particularly China, which still suffers from some cases of African Swine Fever. It is important to emphasize that 3tentos, in addition to being recognized for the quality of its meal, is strategically located close to factories and large consumers of this product, which favors the pricing (and consequently gains in incremental margin) of this product in the domestic market.

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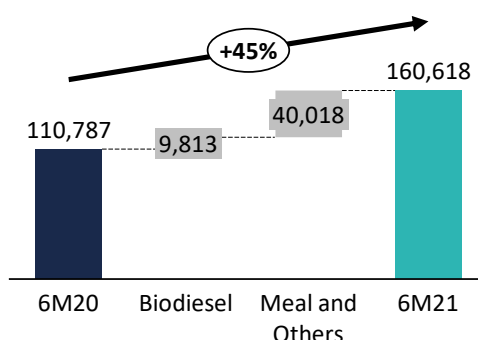
Comments on performance

In the foreign market, the company works with a frame agreement and sends the product to countries in Europe and Asia that also have growing demand. Currently, another relevant fact is the important drought that part of Argentina is experiencing: this country is a great producer of meal and loads a good part of the product on ships on the Paraná River. Due to the low draft with the restriction of rain, the ships are being loaded with reduced volume and need to complete the load by strengthening the premiums (basis) in other ports (top-off operation), one of them the Port of Rio Grande where 3tentos operates. In addition, noteworthy is the company's strategic and competitive logistics for sending the meal to the port. Today, 100% of the volume is transported by rail, both from the Ijuí and Cruz Alta plants, an important element for gaining competitiveness in this industry.

Contribution to Gross Profit in 2Q21



Contribution to Gross Profit in 6M21



Figures in R\$ thousands

Gross Profit								
Per Segment	2Q21	Margin	2Q20	Margin	6M21	Margin	6M20	Margin
Soybean	38,894	11.9%	23,251	16.4%	50,755	9.4%	40,942	14.9%
Meal and Others	57,215	16.9%	54,518	21.6%	109,863	21.6%	69,845	19.2%
Total	96,109	14.4%	77,769	19.7%	160,618	15.4%	110,787	17.4%

The seasonality of the Industry is less impacted by agricultural crops that show a more stable behavior over the quarters, specifically the first quarter is historically the weakest among the 4 quarters of the year. Despite this, the historical values of seasonality in revenue shown in the table below are impacted by the growing production volumes due to the increase in capacity.

It should be pointed out that in the second half of the year, the global trade of meal is stronger when departing from South America, favoring the seasonality of the meal.

Industry Seasonality					
	1Q	2Q	3Q	4Q	FY
2018	14.2%	27.9%	27.5%	30.3%	100.0%
2019	13.9%	25.5%	28.0%	32.6%	100.0%
2020	14.2%	14.5%	36.0%	35.2%	100.0%
Average	14.1%	22.6%	30.5%	32.7%	100.0%

Três Tentos Agroindustrial S.A.

Comments on performance

Company's Financial Performance Selling, General and Administrative Expenses

Selling, General and Administrative expenses totaled R\$ 70.0 million in 2Q21, a 25.8% increase when compared to the same quarter of 2020.

In thousands of reais, except for percentages and indexes	3 Tentos					3T + TS		
	2Q21	HA %	2Q20	HA %	VA %	2Q20	HA %	VA %
Net operating revenue	1,205,380	100.0%	791,262	100.0%	52.3%	865,488	100.0%	39.3%
Selling, Administrative and General Expense:	(70,029)	(5.8%)	(47,355)	(6.0%)	47.9%	(55,688)	(6.4%)	25.8%
Selling expenses	(64,486)	(5.3%)	(42,527)	(5.4%)	51.6%	(50,304)	(5.8%)	28.2%
Administrative expenses	(11,488)	(1.0%)	(3,074)	(0.4%)	273.7%	(3,631)	(0.4%)	216.4%
Other operating income/expenses	5,945	0.5%	(1,754)	(0.2%)	(438.9%)	(1,753)	(0.2%)	-

EBITDA and Reconciliation of Adjusted EBITDA

EBITDA was R\$122.3 million in 2Q21 (+55.3%, margin of 10.1%), due to the growth in revenue noted in our segments, mainly in Retail and Industry, and the better control of general and administrative expenses, as aforementioned. This result considers the positive market value adjustment (MTM) of R\$22.6 million. Adjusted EBITDA (excluding the MTM effect) was R\$99.7 million (+74.1% and 8.3% margin).

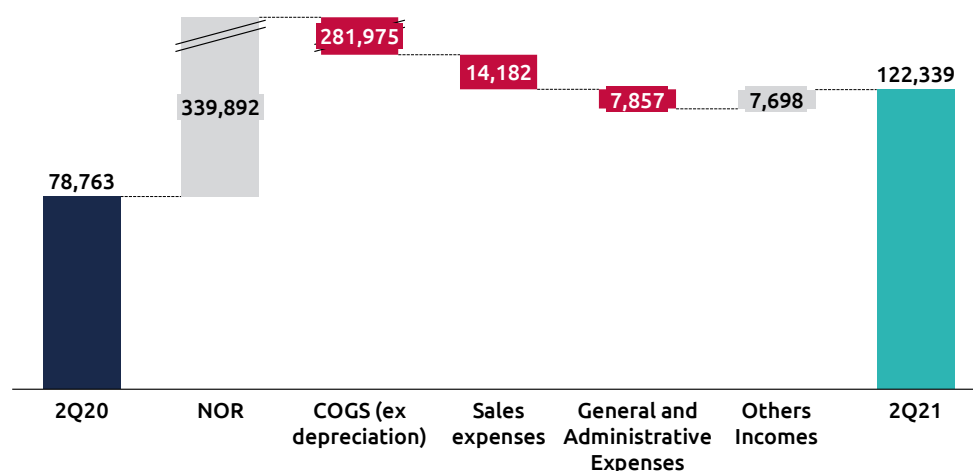
Accordingly, it is clear that margins were positively impacted in 2021, with a positive variation of 1.0 p.p. in the EBITDA margin and 1.7 p.p. in the adjusted EBITDA margin.

In thousands of reais except for percentages and indexes	3 Tentos		Δ % or p.p.	3T+TS 2TQ0	Δ % or p.p.
	2Q21	2Q20			
EBIT	115,509	71,560	61.4%	73,539	57.1%
(+) Depreciation and amortization	(6,830)	(4,549)	50.1%	(5,224)	30.7%
EBITDA	122,339	76,109	60.7%	78,763	55.3%
EBITDA margin	10.1%	9.6%	0.5	9.1%	1.0
(+/-) Present value adjustment	(22,627)	(16,445)	37.6%	(21,484)	5.3%
Adjusted EBITDA	99,712	59,663	67.1%	57,279	74.1%
Adjusted EBITDA Margin	8.3%	7.5%	0.7	6.6%	1.7

Três Tentos Agroindustrial S.A.

Comments on performance

Composition of EBITDA (R\$ thousands)



Net Financial Income

Net financial income was R\$ 24.5 million in 2Q21, impacted by the exchange variation of R\$32.3 million, and interest and discounts obtained of R\$ 20.3 million.

In thousands of reais, except for percentages and indexes	2Q21	2Q20	Variation
Active exchange variation	48,278	17,444	177%
Active monetary variation	320	1	31900%
Interest and discounts obtained	20,320	6,608	208%
Foreign exchange swap income	4,691	1,105	325%
(-) PIS/COFINS on financial income	(944)	(430)	120%
Financial income	72,665	24,728	194%
Passive exchange variation	(15,966)	(29,813)	(46%)
Passive monetary variation	(35)	-	-
Interest on loans and financing	(12,910)	(10,301)	25%
Interest, rates and discounts	(17,968)	(5,246)	243%
Foreign exchange swap expenses	(1,319)	(13,795)	(90%)
Financial expenses	(48,198)	(59,155)	(19%)
Financial result	24,467	(34,427)	-

Três Tentos Agroindustrial S.A.

Comments on performance

Net Income

The Company's net income grew by 2.3x, totaling R\$114.3 million in 2Q21 versus R\$35.1 million in the same period of 2020. This growth was caused mainly by the increase in sales and the improvement in the financial income (loss).

In thousands of reais except for percentages and indexes	3 Tentos		
	2Q21	2Q20	Variation
Net Income	114,276	35,092	2.3x
Net Margin	9.5%	4.4%	5,0 p.p.

Debt and Cash Position

The company's net debt ended 2Q21 at R\$795.1 million, a variation of R\$406.2 million as compared to the closing of 2020. This result was mainly impacted by the greater need for working capital in this quarter of the year, when the consumption of working capital is higher due to the need to purchase stock (soybeans) for the industry, although a large portion is financed by the rural producer (Grains to be Fixed).⁵

	12/31/2020	06/30/2021
Loans and financing	641,555	956,984
Cash and cash equivalents	(252,692)	(161,896)
Net Debt	388,863	795,088
Net Debt Variation		406,225
EBITDA (LTM) ¹	417,438	482,339
Net Debt/EBITDA	0.93	1.65
Net Debt Variation		406,225
Operational activities		(230,975)
Adjusted EBIT "Cash"		241,211
Inventories Variation		(1,710,868)
Clients Variation		564,972
Suppliers Variation		699,305
Other operational activities		(25,595)
Investment activities		(115,336)
Acquisition of Fixed Assets		(113,451)
Other investment activities		(1,885)
Financing activities		(59,914)
Payment of dividends		(25,721)
Other Financing Activities		(34,193)
Net Debt Variation (12/31/2020 x 06/30/2021)		(406,225)

¹ The LTM EBITDA corresponds to the EBITDA of the last 12 months of the Company. In the composition of the last 12 months, the periods referring to 2020 include 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.

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 set forth the opening of 6 stores in 2021; however, according to our implementation process, we should open 7 new stores;
- Throughout 2021, 3 new stores are already in operation (Santiago, São Borja and Palmeira das Missões);
- For the next quarters of 2021 (3Q and 4Q) we expect to open 4 new stores (Erechim, Vacaria, Alegrete, and Uruguiana).

New Stores



Santiago

- ✓ Beginning of **Comercial Operation** in 2Q21
- ✓ Land acquired
- ✓ Full-service site in construction (expected in 1Q22)
- ✓ **Grains Origination** in 1Q22



São Borja

- ✓ Beginning of **Comercial Operation** in 2Q21
- ✓ Land acquired
- ✓ Full-service site in construction (expected in 1Q22)
- ✓ **Grains Origination** in 1Q22



Palmeira das Missões

- ✓ **Comercial Operation** in 2Q21
- ✓ Full-service site rented
- ✓ **Grain Origination** in 2Q21



Erechim

- ✓ Comercial team hired
- ✓ Beginning of **Comercial Operation** in Q321
- ✓ Land Acquired
- ✓ Full-service site (expected in 1Q22)
- ✓ **Grain Origination** in 1Q22

Três Tentos Agroindustrial S.A.

Comments on performance

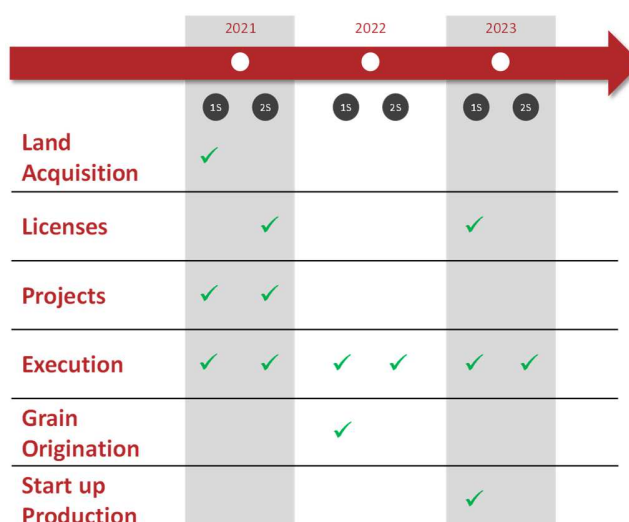
Vacaria	<ul style="list-style-type: none"> ✓ Comercial team hired ✓ Beginning of Comercial Operation in Q321 ✓ Land Acquired ✓ Full-service site(expected in 1Q22) ✓ Grain Origination in 1Q22
Alegrete	<ul style="list-style-type: none"> ✓ Comercial team hired ✓ Beginning of Comercial Operation in Q321 ✓ Land Acquired ✓ Full-service site(expected in 1Q22) ✓ Grain Origination in 1Q22
Uruguiana	<ul style="list-style-type: none"> ✓ Comercial team hired ✓ Beginning of Comercial Operation in Q321 ✓ Land aacquisition expected in 3Q21 ✓ Full-service site(expected in 2Q22) ✓ Grain Origination in 2Q22

2. Expansion Plan in the estate of Mato Grosso, continues as scheduled:

Expansion of new stores



Installation of Factory (Vera, MT)



About 3tentos

Três Tentos Agroindustrial S.A.

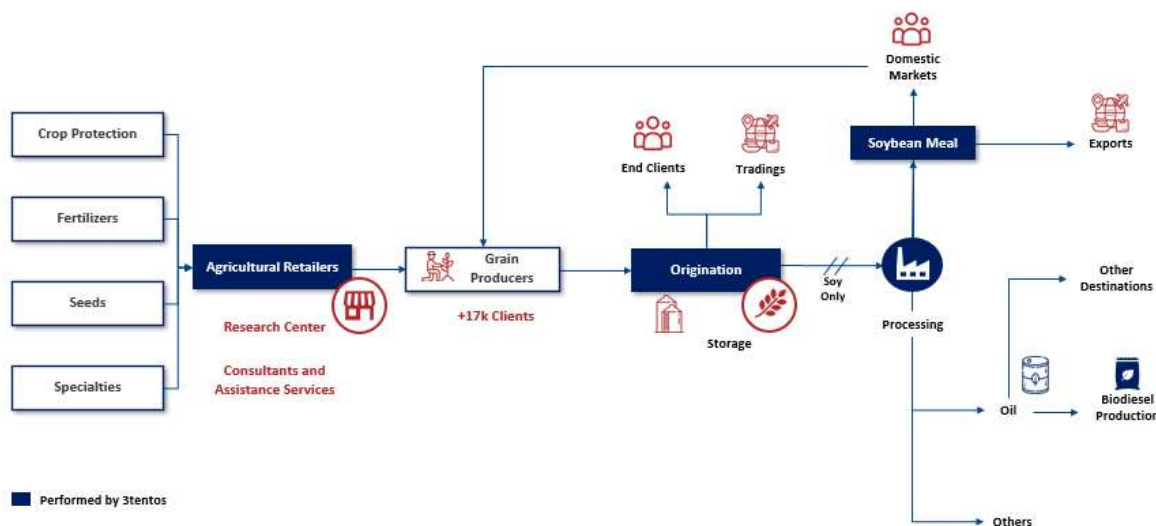
Comments on performance

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 17 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 ("Retail")**, 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

Annex – Accounting Statement of Income

In thousands of reais except for percentage and indexes	3 Tentos			3 Tentos		
	2Q21	2Q20	Var. %	6M21	6M20	Var. %
Net operating revenue	1,205,380	791,262	52.3%	1,974,653	1,257,707	57.0%
Cost of goods	(1,019,842)	(672,347)	51.7%	(1,681,870)	(1,086,169)	54.8%
Gross profit	185,538	118,915	56.0%	292,783	171,538	70.7%
Selling, Administrative and General Expenses	(70,029)	(47,355)	47.9%	(127,300)	(80,467)	58.2%
Selling expenses	(64,486)	(42,527)	51.6%	(113,399)	(79,760)	42.2%
Administrative expenses	(11,488)	(3,074)	273.7%	(22,170)	(6,662)	232.8%
Other operating income/expenses	5,945	(1,754)	-438.9%	8,269	5,955	38.9%
Operating income	115,509	71,560	61.4%	165,483	91,071	81.7%
Financial income (loss)	24,467	(34,427)	-171.1%	19,382	(55,321)	-135.0%
Financial income	72,665	24,728	193.9%	103,135	56,921	81.2%
Financial expenses	(48,198)	(59,155)	-18.5%	(83,753)	(112,242)	-25.4%
Income (loss) before taxes and contributions	139,976	37,133	277.0%	184,865	35,750	417.1%
Income tax and social contribution	(25,700)	(2,041)	1159.2%	(19,550)	2,446	-
Current	(16,655)	-	-	(16,655)	-	-
Deferred	(9,045)	(2,041)	343.2%	(2,895)	2,446	-218.4%
Net income for the period	114,276	35,092	225.6%	165,315	38,196	332.8%

Três Tentos Agroindustrial S.A.

Comments on performance

Annex – Balance Sheet

In thousands of reais, except for percentages and indexes	3 Tentos				
	June 2021		December 2020		AH % (A)/(B)
	(A)	AV %	(B)	AV %	
Current assets	3,079,581	82.5%	1,770,014	76.2%	74.0%
Cash and cash equivalents	161,896	4.3%	252,692	10.9%	-35.9%
Trade accounts receivable	68,131	1.8%	634,246	27.3%	-89.3%
Recoverable taxes and contributions	50,576	1.4%	45,169	1.9%	12.0%
Advances	7,445	0.2%	12,392	0.5%	-39.9%
Inventories	2,494,391	66.8%	783,523	33.8%	218.4%
Financial instruments	231,065	6.2%	6,869	0.3%	3263.9%
Prepaid expenses	23,411	0.6%	1,395	0.1%	1578.2%
Related parties	7,629	0.2%	7,267	0.3%	5.0%
Other accounts receivable	35,037	0.9%	26,461	1.1%	32.4%
Non-current assets	651,766	17.5%	551,359	23.8%	18.2%
Recoverable taxes	119,301	3.2%	121,959	5.3%	-2.2%
Other amounts receivable	2,201	0.1%	1,504	0.1%	46.3%
Judicial deposits	214	0.0%	290	0.0%	-26.2%
Deferred taxes	-	0.0%	-	0.0%	-
Related parties	20,771	0.6%	19,786	0.9%	5.0%
Right-of-use - Leases	10,954	0.3%	926	0.0%	1082.9%
Property, plant and equipment	497,774	13.3%	406,564	17.5%	22.4%
Intangible assets	551	0.0%	330	0.0%	67.0%
TOTAL ASSETS	3,731,347	100.0%	2,321,373	100.0%	60.7%
Current liabilities	2,616,403	70.1%	1,365,036	58.8%	91.7%
Suppliers	1,282,911	34.4%	866,549	37.3%	48.0%
Financial instruments	302,519	8.1%	26,788	1.2%	1029.3%
Loans and financing	719,340	19.3%	406,155	17.5%	77.1%
Advances from customers	235,422	6.3%	5,331	0.2%	4316.1%
Lease liabilities	5,623	0.2%	687	0.0%	718.5%
Tax obligations	26,897	0.7%	17,441	0.8%	54.2%
Payroll and labor obligations	19,388	0.5%	19,513	0.8%	-0.6%
Tax installment payments	1,296	0.0%	1,459	0.1%	-11.2%
Other obligations	23,007	0.6%	21,113	0.9%	9.0%
Non-current liabilities	257,894	6.9%	244,205	10.5%	5.6%
Loans and financing	237,644	6.4%	235,400	10.1%	1.0%
Lease liabilities	6,404	0.2%	307	0.0%	1986.0%
Financial instruments	2,265	0.1%	-	0.0%	-
Social security installment payments	5,872	0.2%	6,785	0.3%	-13.5%
Deferred taxes	3,040	0.1%	145	0.0%	1996.6%
Provisions for labor claims	2,669	0.1%	1,568	0.1%	70.2%
Shareholders' equity	857,050	23.0%	712,132	30.7%	20.3%
Capital	400,000	10.7%	400,000	17.2%	0.0%
Equity valuation adjustments	4,373	0.1%	4,847	0.2%	-9.8%
Legal reserve	5,324	0.1%	-	0.0%	-
Profit reserve	447,353	12.0%	295,485	12.7%	51.4%
Proposed additional dividends	-	0.0%	11,800	0.5%	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,731,347	100.0%	2,321,373	100.0%	60.7%

Três Tentos Agroindustrial S.A.

Comments on performance

Annex – Cash Flow

Statement of Cash Flow		3 Tentos	
In thousands of reais, except for percentages and indexes		6M20	6M21
Cash flow from operating activities:			
Income for the year before taxes		35,750	184,865
Adjustments to reconcile income with cash from operating activities:			
Depreciation and amortization		8,955	10,746
Amortization of right-of-use		1,086	1,843
Interest and monetary restatement on loans		24,205	18,839
Exchange variation on loans		28,941	14,689
Allowance for doubtful accounts		-	3,519
Provision for litigation		-	623
Expense on option plan		-	5,324
Residual cost of written-off fixed asset		540	285
(Increase) Decrease in assets:			
Trade accounts receivable		90,433	562,596
Financial instruments		194,426 -	224,196
Inventories		- 350,032 -	1,710,868
Recoverable taxes		- 12,993 -	2,749
Advances		- 3,451	4,947
Prepaid expenses		588 -	22,016
Related parties		- -	1,347
Judicial deposits		- 16	76
Other assets		11,606 -	9,273
Increase (Decrease) in liabilities			
Suppliers		- 1,222	416,362
Taxes payable		- 12,666	9,456
Salaries, provisions and payroll charges		215 -	125
Tax installment payments		- 437 -	1,076
Advance from customers		48,162	230,091
Financial instruments		- 176,820	277,996
Other liabilities		2,051	233
Net cash from operating activities		- 110,679 -	229,160
Cash flow from investing activities:			
Acquisition of property, plant and equipment		- 40,570 -	101,420
Acquisition of intangible assets		- -	42
Net cash used in investing activities		- 40,570 -	102,462
Cash flow from financing activities			
Loans and financing raised		457,796	676,684
Payments of loans and financing		- 371,047 -	409,472
Payment of dividends		- 12,051 -	25,721
Payment of leases		- 1,080 -	665
Net cash used in financing activities		73,618	240,826
Changes in cash and cash equivalents		- 77,631 -	90,796
Cash and cash equivalents - in the beginning of the period		163,970	252,692
Cash and cash equivalents - at the end of the period		86,339	161,896
Changes in cash and cash equivalents		- 77,631 -	90,796

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 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 and June 30, 2021 and to end September 30, 2021.

The Company has adopted the 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

June 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 at 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 bran, 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. 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.

The trading of its shares on B3 – Novo Mercado began on July 12, 2021, and the transaction financial settlement occurred on July 13, 2021.

As of June 30, 2021, the Company has an amount of R\$8,627 recorded in "prepaid expenses", related to offering costs, mainly legal, accounting advisory and audit services, which will be classified as transaction costs in a reduction of shareholders' equity, together with other costs incurred for the primary offering.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

1. Operations (Continued)

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"), a 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 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)

June 30, 2021

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

1. Operations (Continued)

a) Corporate reorganization

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)

June 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 and 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)

June 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, did not identify important issues related to these commitments, since the trade and delivery of the 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)

June 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 June 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 June 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 June 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)

June 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 August 12, 2021, Management authorized the 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)

June 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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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)

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.

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 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 a 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)

June 30, 2021

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

4. Cash and cash equivalents

	06/30/2021	12/31/2020
Cash and banks	71,007	152,455
Unrealized foreign exchange (*)	38,617	43,056
Financial investments	52,272	57,181
Total	161,896	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

Financial investments are short-term, highly liquid and readily convertible into cash, in an amount known and they are subject to an insignificant risk of change in value. The yields are correlated to the Interbank Deposit Certificate (CDI), at an average rate of 100.5% on June 30, 2021 (99.8% of the CDI on December 31, 2020).

5. Trade accounts receivable

	06/30/2021	12/31/2020
Accounts receivable in the domestic market	31,551	218,673
Accounts receivable in the foreign market	-	286,907
Rural producer note (CPR)	2,716	55,036
Accounts receivable from related parties (Note 20)	39,882	79,238
	74,149	639,854
(-) Allowance for doubtful accounts	(6,018)	(5,608)
Trade accounts receivable	68,131	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 June 30, 2021 and December 31, 2020, the analysis of the balances of trade accounts receivable by maturity is as follows:

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

5. Trade accounts receivable (Continued)

	06/30/2021	12/31/2020
Current	59,013	625,307
Past due	9,118	8,939
From 1 to 30 days	6,028	3,660
From 31 to 60 days	2,496	741
From 61 to 90 days	442	95
From 91 to 180 days	105	150
Over 181 days	47	4,293
	68,131	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:

	06/30/2021	12/31/2020
Balance in the beginning of the year/period	(5,608)	(7,246)
Additions	(3,519)	(4,212)
Realizations	3,109	5,850
Balance at the end of the year/period	(6,018)	(5,608)

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

6. Recoverable taxes

	06/30/2021	12/31/2020
IRPJ (Corporate Income Tax)	95,720	102,355
CSLL (Social Contribution on Net Income)	33,566	37,552
PIS (Social Integration Program)	6,691	4,585
COFINS (Tax for Social Security Financing)	32,839	22,331
Withholding	314	305
IRF (Withholding Tax) financial investments	747	-
Total	169,877	167,128
Current	50,576	45,169
Non-current	119,301	121,959

The PIS and COFINS balances to be recovered refer basically to the presumed credits calculated on sales of the extraction of soybean bran, 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 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.

7. Inventories

Commodity inventories are presented duly adjusted to fair value as a contra-entry to income.

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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

7. Inventories (Continued)

The inventory group is composed as follows:

	06/30/2021	12/31/2020
Recorded at acquisition/production cost		
Manure and fertilizers	63,563	9,032
Agrochemicals	250,575	424,089
Biodiesel	17,444	29,134
Advances to suppliers	275,897	4,661
Other	11,894	3,048
	619,373	469,964
Commodities at fair value		
Grains	1,765,081	264,656
Oil and bran	109,937	48,903
	1,875,018	313,559
Total	2,494,391	783,523

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:

	06/30/2021			12/31/2020		
	Value sacks	Quantity	Balance	Value sacks	Quantity	Balance
Soybeans*	150.00	9,931	1,489,472	150.00	950	142,531
Corn*	84.00	341	28,675	78.00	8	600
Wheat*	84.00	650	54,580	77.00	1,342	103,366
Soy seeds**	364.00	510	185,555	208.00	24	5,063
Wheat seeds**	110.00	7	770	96.00	89	8,935
Other seeds**	102.00	59	6,029	38.53	108	4,161
Bran***	2,246.00	47	106,664	2,240.00	7,059	15,811
Oil***	5,995.00	1	3,273	5,200.00	6,364	33,092
			1,875,018			313,559

(*) In thousands of 60kg sacks.

(**) In thousands of 40kg sacks.

(***) In thousands of tons.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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:

	06/30/2021	12/31/2020
	(Level 2)	(Level 2)
Financial asset instruments	233,781	61,905
Rural producer note (CPR) (Note 5)	2,716	55,036
Financial instruments	231,065	6,869
Commodity forward contracts	227,911	5,491
Loan swap transaction	3,154	1,378
Commodity inventories (Note 7)	1,875,018	313,559
Total assets	2,108,799	375,464
Financial liability instruments		
Suppliers of commodities to be fixed (Note 10)	929,990	174,308
Financial instruments (current and noncurrent)	304,784	26,788
Commodities forward contracts	287,680	26,309
Future contracts – CBOT	480	479
Loan swap transactions	16,624	-
Total liabilities	1,234,774	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)

June 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
Cost										
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 – Note 1)	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	-	618	80	5,896	1,624	672	570	95	92,865	102,420
Write-offs	-	-	-	(497)	(129)	(5)	(17)	-	-	(648)
Transfers*	1,268	33,141	4,925	-	19,380	-	17	193	(59,295)	(371)
Balance at 06/30/2021	26,163	233,982	27,583	48,322	127,282	3,576	4,413	2,918	135,916	610,155
Depreciation										
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 – Note 1)	-	(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	-	(2,118)	(1,245)	(2,484)	(4,142)	(160)	(281)	(124)	-	(10,554)
Depreciation write-off	-	-	-	265	84	3	11	-	-	363
Balance at 06/30/2021	-	(29,749)	(11,108)	(23,329)	(43,372)	(1,298)	(2,463)	(1,062)	-	(112,381)
Residual Value										
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 06/30/2021	26,163	204,233	16,475	24,993	83,910	2,278	1,950	1,856	135,916	497,774

(*) The residual amount of R\$371 refers to transfers from property, plant and equipment to intangible assets.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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 June 30, 2021 refer mainly to the expansion of the Company's units, with new deposits for grains and inputs, and the 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, Horizontina, Santiago, Vacaria, all of them in the State of Rio Grande do Sul, and Vera, in the State of Mato Grosso.

In the six-month period ended June 30, 2021, remodeling and expansion were completed in the warehouses, extraction sector, scales, offices, and railways, among others, at the Cruz Alta unit, in the State of Rio Grande do Sul. In the same period, expansion works were completed at the units in Camaquã, Campo Novo, Capão do Cipó, Dom Pedrito, Ijuí (grain receipt), Tupanciretã and Pelotas, all of them in the State of Rio Grande do Sul, in addition to the completion of the remodeling of the Events Center at the Company's Technology Center (Cetec) and expansions involving the acquisition of machinery and equipment at the Biodiesel plant.

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 June 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)

June 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:

	06/30/2021	12/31/2020
Suppliers in the domestic market	323,554	659,155
Suppliers in the foreign market	29,367	33,086
Suppliers of commodities to be fixed	929,990	174,308
	1,282,911	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)

June 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	06/30/2021		12/31/2020	
			Current	Non-current	Current	Non-current
Working capital	Jul/21 to Dec/25	3.92%	142,794	74,992	206,514	110,391
Financing	Jul/21 to Jul/35	5.89%	21,132	120,274	18,563	125,009
Foreign exchange contract advance	Jul/21 to Mar/22	2.53%	197,426	-	82,758	-
Advance for export	Jul/21 to Mar/23	4.87%	357,988	42,378	98,320	-
Total			719,340	237,644	406,155	235,400

	Balance at 06/30/2021	% on Total	Balance at 12/31/2020	% on Total
Foreign currency (US\$)	320,936	34%	121,115	19%
Local currency (R\$)	636,048	66%	520,440	81%
	956,984	100%	641,555	100%

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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:

	06/30/2021	12/31/2020
Fiduciary assignment – real estate	174,832	164,495
Fiduciary assignment (personal property) and mortgages	1,459	35,501
Collaterals	609,431	279,301
Inventories	171,262	162,258
	956,984	641,555

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

	06/30/2021	12/31/2020
2021	555,289	406,155
2022	239,998	99,731
2023	59,825	32,238
After 2023	101,872	103,431
	956,984	641,555

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

Credit facilities

As of June 30, 2021, the Company has R\$304,288 in credit facilities approved but not yet used.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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.

	06/30/2021	12/31/2020
Financial assets	524,554	948,053
Amortized cost	128,877	633,456
Accounts receivable	65,415	579,210
Other financial assets	63,462	54,246
Fair value through profit or loss	395,677	314,597
Cash and cash equivalents	161,896	252,692
Rural producer note (CPR)	2,716	55,036
Commodities forward contracts	227,911	5,491
Loan swap transactions	3,154	1,378
	06/30/2021	12/31/2020
Financial liabilities	2,567,341	1,551,039
Amortized cost	1,332,567	1,349,943
Suppliers	352,921	692,241
Loans and financing	956,984	641,555
Other obligations	22,662	16,147
Fair value through profit or loss	1,234,774	201,096
Suppliers of commodities to be fixed	929,990	174,308
Commodities forward contracts	287,680	26,309
Futures contracts - CBOT	480	479
Loan swap transactions	16,624	-

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

(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, 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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

(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 transaction 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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

13. Risk management (Continued)

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

	06/30/2021			12/31/2020		
	Soybeans	Corn	Wheat	Soybeans	Corn	Wheat
Inventories	9,931	341	650	950	8	1,342
Accounts receivable – CPR	289	41	69	2,433	349	52
Commodity forward contracts - purchase	1,166	31	79	2,298	245	37
Commodity forward contracts – sale	(3,084)	(212)	(423)	(2,992)	(487)	(50)
Suppliers of commodities to be fixed	(6,509)	(139)	(90)	(913)	(42)	(635)
Net exposure to price variation	<u>1,793</u>	<u>62</u>	<u>285</u>	<u>1,776</u>	<u>73</u>	<u>746</u>

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 a revenue of R\$7,974 as of June 30, 2021 (revenue of R\$2,618 as of June 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)

June 30, 2021

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

13. Risk management (Continued)

Soybeans	Sacks*	Quotation at 06/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventories	9,931	150.00	1,489,472	187.50	372,428	225.00	744,856	112.50	(372,428)	75.00	(744,856)
Accounts receivable – CPR	289	137.07	39,648	171.34	9,912	205.61	19,824	102.80	(9,912)	68.54	(19,824)
Forward contracts - purchase	1,166	143.62	23,653	179.53	41,877	215.43	83,754	107.72	(41,877)	71.81	(83,754)
Forward contracts – sale	(3,084)	159.21	(41,895)	199.01	(122,741)	238.82	(245,482)	119.41	122,741	79.61	245,482
Suppliers – grains to be fixed	(6,509)	140.12	(912,112)	175.15	(228,028)	210.18	(456,056)	105.09	228,028	70.06	456,056
	1,793		598,766		73,448		146,896		(73,448)		(146,896)

Corn	Sacks*	Quotation at 06/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventories	341	84.00	28,675	105.00	7,170	126.00	14,340	63.00	(7,170)	42.00	(14,340)
Accounts receivable – CPR	41	81.46	3,337	101.83	834	122.19	1,669	61.10	(834)	40.73	(1,669)
Forward contracts - purchase	31	62.65	253	78.31	492	93.98	984	46.99	(492)	31.33	(984)
Forward contracts – sale	(212)	83.85	(3,243)	104.81	(4,437)	125.78	(8,874)	62.89	4,437	41.93	8,874
Suppliers – grains to be fixed	(139)	75.70	(10,542)	94.63	(2,635)	113.55	(5,271)	56.78	2,635	37.85	5,271
	62		18,480		1,424		2,848		(1,424)		(2,848)

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

13. Risk management (Continued)

Wheat	Sacks*	Quotation at 06/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Financial instrument											
Inventories	650	84.00	54,580	105.00	13,647	126.00	27,294	63.00	(13,647)	42.00	(27,294)
Accounts receivable – CPR	69	82.97	5,723	103.71	1,431	124.45	2,862	62.23	(1,431)	41.48	(2,862)
Forward contracts - purchase	79	76.26	96	95.33	1,502	114.39	3,004	57.20	(1,502)	38.13	(3,004)
Forward contracts – sale	(423)	83.55	(2,886)	104.44	(8,831)	125.33	(17,662)	62.66	8,831	41.78	17,662
Suppliers – grains to be fixed	(90)	74.95	(6,709)	93.69	(1,677)	112.43	(3,355)	56.22	1,677	37.48	3,355
	285		50,804		6,072		12,143		(6,072)		(12,143)

Other inventories	Sacks*	Quotation at 06/30/2021	Current exposure	25% increase		50% increase		25% reduction		50% reduction	
				Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Inventory – soy seed *	510	364.00	185,555	455.00	46,396	546.00	92,793	273.00	(46,396)	182.00	(92,793)
Inventory – wheat seed *	7	110.00	770	137.50	193	165.00	385	82.50	(193)	55.00	(385)
Inventory - oil ***	1	5,995.00	3,273	7,493.75	818	8,992.50	1,637	4,496.25	(818)	2,997.50	(1,637)
Inventory - bran **	47	2,246.00	106,664	2,807.50	26,668	3,369.00	53,337	1,684.50	(26,668)	1,123.00	(53,337)

(*) In thousands of 60kg sacks.

(**) In thousands of 40kg sacks.

(***) In thousands of tons.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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	06/30/2021	12/31/2020
	US\$ thousand	US\$ thousand
Unrealized foreign exchange	7,720	8,285
Banks	7,583	24,100
Brokerage firms	1,674	528
Customers	-	10,858
Suppliers	(5,871)	(6,367)
Loans and financing	(64,159)	(23,306)
Net exposure to exchange variation	(53,053)	14,098
<hr/>		
Swap (Notional)	62,304	7,740

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)

June 30, 2021

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

13. Risk management (Continued)

Financial instrument	Accounting balance 06/30/2021	Quotation at 06/30/2021	25% increase		50% increase		25% reduction		50% reduction	
			Quotation	Effect	Quotation	Effect	Quotation	Effect	Quotation	Effect
Unrealized foreign exchange	38,617	5.00	6.25	9,654	7.50	19,308	3.75	(9,654)	2.50	(19,308)
Banks	37,931	5.00	6.25	9,483	7.50	18,965	3.75	(9,483)	2.50	(18,965)
Brokerage firms	8,374	5.00	6.25	2,094	7.50	4,187	3.75	(2,094)	2.50	(4,187)
Suppliers	(29,367)	5.00	6.25	(7,342)	7.50	(14,683)	3.75	7,342	2.50	14,683
Loans and financing	(320,936)	5.00	6.25	(80,234)	7.50	(160,468)	3.75	80,234	2.50	160,468
	(265,381)			(66,345)		(132,691)		66,345		132,691

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 06/30/2021	Indexing unit	25% increase		50% increase		25% reduction		50% reduction	
			Interest rate	Effect	Interest rate	Effect	Interest rate	Effect	Interest rate	Effect
Financial investments	52,272	3.78%	4.72%	2,469	5.67%	2,963	2.83%	1,481	1.89%	988
Loans and financing	(152,091)	3.76%	4.70%	(7,148)	5.64%	(8,578)	2.82%	(4,289)	1.88%	(2,859)
Export Credit Note	(134,228)	3.76%	4.70%	(6,309)	5.64%	(7,570)	2.82%	(3,785)	1.88%	(2,523)

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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.

	06/30/2021			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	1,282,911	-	-	866,549	-	-
Loans and financing	719,340	195,268	42,376	406,155	187,114	48,286
Lease liabilities	5,623	6,331	73	687	307	-
Installment payment of taxes	1,296	4,498	1,374	1,459	5,046	1,739
Other obligations	23,007	-	-	21,113	-	-
	2,032,177	206,097	43,823	1,295,963	192,467	50,025

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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:

	<u>06/30/2021</u>	<u>12/31/2020</u>
Loans and financing	956.984	641.555
Cash and cash equivalent	(161.896)	(252.692)
Net debt	795.088	388.863
Shareholders' equity	857.050	712.132
Sum of shareholders' equity and net debt	1.652.138	1.100.995
Leverage ratio	48%	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:

	<u>06/30/2021</u>	<u>12/31/2020</u>
Current liabilities (a)	2,616,403	1,365,036
Non-current liabilities (b)	257,894	244,205
Shareholders' equity (c)	857,050	712,132
Total (d)	3,731,347	2,321,373
Third parties' capital (a+b)/(d)	77.03%	69.32%
Equity (c/d)	22.97%	30.68%

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

14. Revenue

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Gross revenue	1,246,417	2,035,457	806,111	1,281,320
Sale – domestic market	1,007,673	1,768,469	622,278	1,048,857
Sale – foreign market	238,318	265,988	182,431	230,718
Services	426	1,000	1,402	1,745
Deductions	(41,037)	(60,804)	(14,849)	(23,613)
Returns	(32,147)	(38,326)	(13,268)	(16,605)
Sales taxes	(8,890)	(22,478)	(1,581)	(7,008)
Net revenue	1,205,380	1,974,653	791,262	1,257,707

15. Expenses by function and nature

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
<u>By function</u>	(1,095,816)	(1,817,439)	(717,948)	(1,172,591)
Cost of goods and products sold	(1,019,842)	(1,681,870)	(672,347)	(1,086,169)
Selling expenses	(64,486)	(113,399)	(42,527)	(79,760)
Administrative expenses	(11,488)	(22,170)	(3,074)	(6,662)
	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
<u>By nature</u>	(1,095,816)	(1,817,439)	(717,948)	(1,172,591)
Cost of goods sold	(472,911)	(804,484)	(372,843)	(561,852)
Costs of raw materials	(551,944)	(856,111)	(303,343)	(503,439)
Adjustment to fair value	22,627	7,974	16,445	2,618
Personnel	(31,202)	(53,481)	(14,062)	(30,390)
Freights/storage/shipments	(24,436)	(31,045)	(12,201)	(17,581)
Third parties' services	(12,501)	(19,495)	(8,303)	(12,881)
Depreciation and amortization expenses	(5,570)	(10,746)	(4,038)	(8,955)
Amortization of right-of-use	(1,260)	(1,843)	(511)	(1,086)
Fuels and lubricants	(3,331)	(6,265)	(2,618)	(4,788)
Water/electricity/telephone/gas	(4,539)	(6,414)	(3,618)	(6,342)
Maintenance and repair of vehicles	(2,038)	(4,438)	(1,924)	(3,489)
Maintenance of furniture/machines/equipment and facilities	(2,380)	(3,980)	(1,343)	(2,209)
Other revenues/expenses	(6,331)	(27,111)	(9,589)	(22,197)

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

16. Financial income

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Foreign exchange variation gain	48,278	71,893	17,444	41,307
Monetary variation gain	320	1,298	1	16
Interest and discounts obtained	20,320	24,942	6,608	11,905
Foreign exchange swap income	4,691	6,161	1,105	4,247
(-) PIS/COFINS on financial income	(944)	(1,159)	(430)	(554)
Financial income	72,665	103,135	24,728	56,921
Foreign exchange variation loss	(15,966)	(35,903)	(29,813)	(68,934)
Interest on loans and financing	(35)	(35)	-	-
Interest, tariffs and discounts	(12,910)	(24,622)	(10,301)	(19,349)
Foreign exchange swap expenses	(17,968)	(21,743)	(5,246)	(9,223)
Foreign exchange variation loss	(1,319)	(1,450)	(13,795)	(14,736)
Financial expenses	(48,198)	(83,753)	(59,155)	(112,242)
Financial income (loss)	24,467	19,382	(34,427)	(55,321)

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 50 and 100 installments, respectively.

	06/30/2021	12/31/2020
ICMS installment payment	3,877	4,669
PIS/COFINS installment payment	3,291	3,483
Other installment payments	-	92
	7,168	8,244
Current	1,296	1,459
Non-current	5,872	6,785

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

18. Income tax and social contribution

Breakdown of expense on income tax and social contribution:

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Income before taxes on income	139,976	184,865	37,133	35,750
Tax rate	34%	34%	34%	34%
Expected IRPJ and CSLL expenses, according to the current rate	(47,592)	(62,854)	(12,625)	(12,155)
Reconciliation of effective tax rate:				
Government subsidies (Note 23)	17,002	42,791	10,826	25,774
Dividends paid	(4,733)	(4,733)	-	-
Recognized deferred taxes from previous years (unrecognized)	11,692	7,143	(1,232)	(11,173)
Other	(2,069)	(1,897)	990	-
Income tax and social contribution in income(loss) for the period	(25,700)	(19,550)	(2,041)	2,446
Effective rate	18%	11%	5%	(7%)

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

	06/30/2021	12/31/2020
Provision for litigation	908	533
Allowance for doubtful accounts	2,046	1,907
Adjustment to fair value of financial instruments	299,687	4,543
Adjustment to fair value of inventories	(285,870)	12,246
Difference of depreciation rates	(15,051)	(14,420)
Property, plant and equipment – deemed cost	(3,291)	(3,452)
Other temporary differences	(1,469)	(1,502)
Deferred income tax, net	(3,040)	(145)

The recoverability of the balance of deferred tax assets is reviewed at the end of each period and when the generation of future taxable income for the recovery of the totality or part of the asset is no longer probable, it is written off. The estimated realization of deferred taxes involves the uncertainties of the other estimates. The Company has a base of unrecognized tax losses in the amount of R\$98,366 as of June 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 the calculation of income tax and social contribution.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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:

	06/30/2021	12/31/2020
Labor provisions	2,596	1,403
Civil provisions	73	79
Tax provisions	-	86
	<u>2,669</u>	<u>1,568</u>

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

Balance at December 31, 2019	1,556
Provisions recognized during the fiscal year	<u>12</u>
Balance at December 31, 2020	1,568
Provisions recognized during the period	<u>1,101</u>
Balance at June 30, 2021	<u>2,669</u>

	Judicial deposits
Balance at December 31, 2019	<u>274</u>
Deposits made and monetary restatements	<u>16</u>
Balance at December 31, 2020	290
Deposits made (redeemed) and monetary restatements	<u>(76)</u>
Balance at June 30, 2021	<u>214</u>

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\$498 as of June 30, 2021 (R\$1,472 as of December 31, 2020).

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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, restated annually 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 June 30, 2021 related to this transaction is R\$28,400 (R\$27,053 as of December 31, 2020).

Other transactions

The company has a legal consultancy agreement with a member of the board of directors effective with monthly installments of R\$50 until May 2021.

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			
	06/30/2021		12/31/2020	
	Current assets	Noncurrent assets	Current assets	Noncurrent assets
Parceria Agrícola Dumoncel (*)	39,882	-	79,314	-
Sinuelo Participações Ltda.	7,629	20,771	7,267	19,786
Total	47,511	20,771	86,581	19,786

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

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

20. Related parties (Continued)

Operations of the core activity (Continued)

	Statement of profit or loss			
	01/01/2021 to 06/30/2021		01/01/2020 to 06/30/2020	
	Sales	Purchases	Sales	Purchases
Tentos do Sul Comercial Agrícola Ltda.	-	-	28,308	158,638
Parceria Agrícola Dumoncel	48,269	46,202	26,331	18,742
Total	48,269	46,202	54,639	177,380

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

Management's fees

As of June 30, 2021, R\$2,946 were recorded in compensation and charges to management (R\$192 as of June 30, 2020), in addition to expenses of R\$5,324 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 amount 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)

June 30, 2021

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

21. Shareholders' equity

Capital

The limit of the Company's authorized capital is four hundred million (400,000,000) 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.

The Company's capital as of June 30, 2021 and December 31, 2020 is R\$400,000 and it is divided into 400 million common shares, with par value of one real (R\$1) each.

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

	Number of shares (thousands)	Total
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 12/28 – Merger of tax incentives reserve	190,000	190,000
December 31, 2020	400,000	400,000
June 30, 2021	400,000	400,000

Equity valuation adjustment

Refers to adjustments due to the adoption of the deemed cost of property, plant and equipment on the transition date, net of the respective deferred taxes, totaling R\$4,373 as of June 30, 2021 (R\$4,847 as of December 31, 2020).

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\$5,324 was recorded as of June 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 June 30, 2021 and December 31, 2020, there was no recognition of the legal reserve, since the income (loss) of the respective years was fully allocated to the reserve for tax incentives, in compliance with the tax legislation. As of June 30, 2021 and December 31, 2020, the legal reserve amount is R\$3,045.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

21. Shareholders' equity (Continued)

Profit reserve (Continued)

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 the 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 June 30, 2021, the Company recognized a reserve for tax incentives, related to the benefits described in Note 23, in the amount of R\$165,789 (R\$38,669 as of June 30, 2020), totaling R\$444,308.

As of June 30, 2021 did not recognize a reserve for tax incentives in the amount of R\$108.661 (R\$148,594 as of December 31, 2020). As permitted by article 30, paragraph 3 of Law 12973/14, the Company should recognize a reserve for tax incentives to the extent that profits are generated 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 for by law. Net income for the years ended December 31, 2020, 2019 and 2018 was fully allocated to the reserve for tax incentives.

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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

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.

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Net income for the period	114,276	165,315	35,092	38,196
Weighted average number of common shares issued (in thousands)	400,000	400,000	390,000	390,000
Weighted average number of common shares considering dilutive effects	402,858	403,811	390,000	390,000
Basic earnings per share - in reais (R\$)	0.2857	0.4133	0.0900	0.0979
Diluted earnings per share - in reais (R\$)	0.2837	0.4094	0.0900	0.0979

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).

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

(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 incentives) in the shareholders' equity.

As of June 30, 2021, the total amount related to this incentive recorded in the statement of profit or loss was R\$28,471 (R\$18,576 as of June 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 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 were recorded in the respective years.

As of June 30, 2021, the total amount related to this incentive recorded in the statement of profit or loss was R\$97,385 (R\$57,229 as of June 30, 2020).

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

23. Government subsidies (Continued)

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\$108,661 as of June 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.

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 June 30, 2021, the total amount related to this incentive recorded in the statement of profit or loss was R\$32,141 (R\$19,582 as of June 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.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

24. Stock-based compensation (Continued)

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.

We do not have a history of market prices for our common shares because they are 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 record. 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 June 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 exercise price	1.75
Weighted average share prices (R\$)	6.13

The stock option plan expense recognized in the period ended June 30, 2021 was R\$5,324.

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

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

25. Information by segment

Information referring to the results of each segment is presented below. Performance is assessed based on the segment's 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, agrochemicals, 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 bran and biodiesel.

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 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:

	04/01/2021 to 06/30/2021	01/01/2021 to 06/30/2021	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020
Net revenue				
Inputs	159,340	450,810	100,962	255,610
Grains	380,374	477,865	295,469	364,791
Industry	665,666	1,045,978	394,832	637,306
	1,205,380	1,974,653	791,263	1,257,707
Cost of goods and products sold				
Inputs	(122,531)	(365,579)	(92,198)	(225,085)
Grains	(350,381)	(438,905)	(279,534)	(336,767)
Industry	(569,557)	(885,360)	(317,061)	(526,935)
	(1,042,469)	(1,689,844)	(688,793)	(1,088,787)
Gross profit before fair value				
Inputs	36,809	85,231	8,764	30,525
Grains	29,993	38,960	15,935	28,024
Industry	96,109	160,618	77,771	110,371
	162,911	284,809	102,470	168,920
Adjustment to fair value	22,627	7,974	16,445	2,618
Gross profit	185,538	292,783	118,915	171,538

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

25. Information by segment (Continued)

Revenue by customer

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

Customer	06/30/2021	
	Product	% Net Revenue
Customer 1	Biodiesel	13.76%
Customer 2	Bran	12.73%
Customer 3	Biodiesel	6.52%
Customer 4	Biodiesel	4.45%
Customer 5	Grains	4.27%
Customer 6	Grains and Bran	2.94%

Customer	06/30/2020	
	Product	% Net Revenue
Customer 1	Bran	14.58%
Customer 2	Biodiesel	8.13%
Customer 3	Biodiesel	6.86%
Customer 4	Grains	4.91%
Customer 5	Biodiesel	4.60%
Customer 6	Grains	4.47%

Geographic location

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

Country	06/30/2021	06/30/2020
China	-	9,192
Italy	254,406	199,035
United Kingdom	-	7,766
Switzerland	-	2,672
Uruguay	11,582	12,053
	265,988	230,718

Três Tentos Agroindustrial S.A.

Notes to the interim financial statements (Continued)

June 30, 2021

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

26. Subsequent events

As detailed in Note 1, on July 12, 2021, the Company concluded its IPO process, and the shares started being traded on B3 - Novo Mercado, with the financial settlement of the transaction 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 Offer), intended exclusively for stabilization activities of the price of common shares issued by the Company.

Due to the conclusion 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.

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 June 30, 2021, comprising the balance sheet as of June 30, 2021 and the related statements of profit or loss and of comprehensive income for the three and six-month periods then ended, and of changes in shareholders' equity and of cash flows for the six-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 six-month period ended June 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, August 12, 2021.

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

Opinion and Statements / Officers' Statement on the Financial Statements

STATEMENT

FOR PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480

The Board of Executive Officers of Três Tentos Agroindustrial S.A., a corporation headquartered at Av. Principal, Distrito Industrial, No. 187, Zip Code 98.240-000, in the city of Santa Bárbara, State of Rio Grande do Sul, enrolled with the CNPJ/ME under No. 94.813.102/0001-70 ("Company"), states, pursuant to article 25, paragraph 1, items V and VI, of Instruction of the Brazilian Securities Commission No. 480, of December 7, 2009, as amended, that: (i) it reviewed, discussed and agreed with the opinions expressed in the report of the Company's independent auditors; and (ii) it reviewed, discussed and agreed with the Company's financial statements for the period ended June 30, 2021.

August 12, 2021.

Luiz Osório Dumoncel

Chief Executive Officer

Maurício Leonardo Hasson

Financial and Investor Relations Officer

Opinion and Statements / Officers' Statement on the Independent Auditor's Report

STATEMENT

FOR PURPOSES OF ARTICLE 25 OF CVM INSTRUCTION 480

The Board of Executive Officers of Três Tentos Agroindustrial S.A., a corporation headquartered at Av. Principal, Distrito Industrial, No. 187, Zip Code 98.240-000, in the city of Santa Bárbara, State of Rio Grande do Sul, enrolled with the CNPJ/ME under No. 94.813.102/0001-70 ("Company"), states, pursuant to article 25, paragraph 1, items V and VI, of Instruction of the Brazilian Securities Commission No. 480, of December 7, 2009, as amended, that : (i) it reviewed, discussed and agreed with the opinions expressed in the report of the Company's independent auditors; and (ii) it reviewed, discussed and agreed with the Company's financial statements for the period ended June 30, 2021.

August 12, 2021.

Luiz Osório Dumoncel

Chief Executive Officer

Maurício Leonardo Hasson

Financial and Investor Relations Officer