FINANCIAL STATEMENTS

Camil Alimentos S.A.
February 29th, 2020

Financial statements

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February 29, 2020
with Independent Auditor's Report

Existimos para alimentar relações que trazem mais sabor para o dia a dia!

Management Report 2019

Dear Shareholders,

We present the Management Report and Financial Statements of Camil Alimentos S.A. ("Camil" and "Company") financial and operating results for the period ended on February 29, 2020 ("2019") and February 28, 2019 ("2018"), ") accompanied by its notes and Independent auditor's report. The information presented is available on Camil's Investor Relations website (www.camil.com.br/ri) and the Brazilian Securities and Exchange Commission – CVM's website (www.cvm.gov.br).

1. Company's Profile

The Company is a public limited Company listed on "Novo Mercado", the special segment of B3 under the code "CAML3". Camil activities includes processing, producing, packing and distribution of rice, beans, sugar and canned fish (sardines and tuna), among other products in food sector. The Company has a diversified portfolio through widely traditional, consolidated and recognized brands in Brazil, Uruguay, Chile and Peru.

The Company's activities began on 1963 as a rice co-operative society and since than it has expanded organically and through acquisitions in Brazil and main countries in South America. Nowadays Camil has a wide portfolio of brands, including Camil, Namorado, União, Da Barra, Coqueiro and Pescador in Brazil, Saman in Uruguay, Tucapel in Chile, and Costeño and Paisana in Peru. Those brands positioned the Company in relevant market positions in which it operates.

2. Message from the Management

Camil faced a very competitive year in 2019, the Company leaves this scenario more prepared and robust to face future opportunities. We advanced in different initiatives in costs and expenses reduction, strengthening our operations, consistency in executing our organic growth strategy and expansion through the means of acquisitions. We reached a year remarked by the increase in volumes in all our operations in Brazil as well as international, with Gross Revenue above R$6.2 billion, a two-digit increase when compared to the previous year, due to larger sales volume and incorporation of SLC Alimentos, which promoted an expansion in our leadership in the Brazilian grains Market. Reinforcing the Company´s international expansion strategy to other categories, we announed the acquisition of the Pet Food Business unit from Empresas Iansa S.A. in Chile. The acquisition represents an important step towards the expansion of Camil´s Chilean operations in new categories and strengthening of it´s competitiveness in Chile, a country in which Camil has a constant growth and profitability history through the means of it´s subsidiary Tucapel.

We began the year with a scenario of raw material price increases in grains and sugar categories in Brazil, increase in competition and struggle in transferring raw material costs to Market prices. Facing this scenario, we took measures to address a competitive environment and minimize the negative effects in our profitability. Our actions showed good results: even with volumes increase in a scenario of increase in freight costs, we reduced the impact of sales expenses in our year´s net revenue. We were able to observe the same effect in general and administrative expenses, due to the initiatives of costs and expenses reduction implemented by the Company during 2019. Our focus in the pricing model and improvements made in systems and processes also helped us to make decisions in a more efficient manner and minimize the impacts of high competitiveness and struggle in transferring raw material costs to Market prices. From an industrial point of view, we adjusted our operations and launched two important units: i) in Suape/PE with a multicategory production in rice, beans and sugar and ii) Barra Bonita/SP for sugar production and packaging. We invested in modern and automated factories, aiding in expansion and strengthening presence in the Northeast and increasing competitiveness and sugar efficiency. In the Internacional Market we continue with positive dynamic and positive results. We observed exports recovery in Uruguay, sales increase in Peru and continuous positive performance in our Chilean operations in volume and profitability.

From a financial perspective, we concluded two share buyback programs in 2019, being the last of them in november 2019, with the acquisition of approximately 30.6 million shares at attractive prices, reinforcing our strategy of value generation to our shareholders. Additionally, we concluded the issuance of R$600 million in debentures in april 2019, linked to Agribusiness Receivables, instrument used since the beginning of our efforts in debt management, with costs proximate to 100% DI Rate, allowing the substitution of financing with higher costs. With that, the Company´s leverage ended the year at 2.3x.

As a subsequent event, we came across with the Covid-19 pandemic, bringing additional challenges to companies day-to-day in the most diverse segments and countries, for Camil this was not different. As a food company, Camil must guarantee to the population access to food in the segments it performs, not loosing from sight the health and safety of employees and communities it relates to. Therefore, the Company implemented a contingency plan with a series of measures to face the vírus, with the objective of guaranteeing the continuity of businesses and the safety of it´s employees and operations.

Facing the difficulties presented, we followed all guidelines put by the Ministry of Health and governemental entities in each country, and adapted our routine protecting and educating employees against threats of the desease. Among the main measures, we highlight: creating a crisis committee for the daily management of necessary actions to ensure the safety of our employees, implementing intense communication, discussion and orientation about the prevention ofcovid-19, withdrawing employees from risk groups, intensification of personal hygene techniques and reinforcement of sanitary barriers in operational units. Additionally, we reinforced management in inventory level for raw-materials, supplies and finished products and reorganized production, actions to ensure secure distancing between workers, avoiding agglomeration, we suspended the participation of all corporate events, presential meetings and work trips which take place elentronically and remotely, as well as we adopted home office in our corporate headquarters. We continue operating and reaffirming our commitment with employees safety, guaranteeing service to our clientes so that our products are always available in the communities and regions in which we perform in South America.

Besides initiatives to preserve health and safety of it´s employees and ensuring food supply to the population during the covid-19 pandemic, Camil strengthened it´s financial liquidity in the short term. As a precautionary action facing economical uncertainty, Camil guaranteed it´s financial needs for 2020 by means of debt uptake of approximately R$1.3 billion in march and april 2020, including the necessary resources to achieve the *Pet Food* business acquisition in Chile.

Camil continues believing in the food Market in South America, which combines resilience, growth opportunities and tends to be less impacted by the Covid-19 pandemic. Analysing future perspectives, sustained growth continues to be our biggest priority. With strong brands, differentiated platform and leading positioning, we have multiple growth opportunities in the segments in which we operate, development of new markets, and entry in new categories. We began a new year in a challenging pandemic scenario, however with our energy renewed, we will continue focused in our strategy. We opened structured discussion forums with space for all to contribute to the company´s strategy building for the following years, and we are more and more confident that we are on the right track to anticipate trends and strengthen our position as consolidator in the South American food sector.

Luciano Quartiero
Chief Executive Officer

Flavio Vargas
Chief Financial and Investor Relations Officer

3. Year Highlights

Notices and Material Facts

February 2020

A cquisition of Empresas Iansa´s Pet Food Business Unit in Chile: We announced the acquisition of Empresas Iansa´s Pet Food Business Unit in Chile ("LDA"). LDA operates as one of the leading supplier of branded pet food products with significant market share and growth potential in Chile. The acquisition is aligned to the Company's strategy and an important step to expand Camil's chilean operations into new categories. This most recent acquisition consists of an important step to strengthen competitiveness in Chile, country in which Camil has a constant growth and profitability track record through means of it´s subsidiary Tucapel.

The final value of the transaction totaled CLP37,0 billion chilean pesos, equivalent in february/2020 to approximately R$200 million (or US$48 million dollars). The completion of the Transaction is subjected to the approval by Chilean anti-trust authority – the Fiscalía Nacional Económica ("FNE"), among other approvals. During the analysis period of the Transaction by the FNE, the companies will continue to be operated independently.

Camil has a consistent track record of growth and Market share increases through the means of acquisitions. Would you like to know more about our transaction history? Access the M&A and Securities Market section of Camil´s Investor Relation website at http://ri.camilalimentos.com.br/?lang=en.

Interest on Equity Payment: The Board of Directors approved the payment of interest on equity of R$15,0 million, corresponding to the gross amount of approximately R$0.04 per share. The IOE was paid to shareholders registered in the Company's records on March 2nd, 2020, being the payment made on March 12th, 2020.

Dcember 2019

C Camil Day and Super Barra Site Visit 2019: Camil carried out Camil Day 2019 in a Cinema in São Paulo (SP) and a visit to it´s new sugar packaging plant Super Barra in Barra Bonita (SP). The events counted with the participation of over 150 investors and presentations of the Company´s officers, going through themes such as industrial efficiency, recente results and answering the market´s questions on Camil and the Market.

Interest on Equity Payment: The Board of Directors approved the payment of interest on equity of R$15,0 million, corresponding to the gross amount of approximately R$0.04 per share. The IOE was paid to shareholders registered in the Company's records on December 11th, 2019 being the payment made on December 23rd, 2019.

November 2019

Share Buyback Program: We concluded in november 2019 the third share buyback program, with acquisition in three operations which totaled approximately 30,6 million shares held by the shareholder Warburg Pincus, for R$6.25/share, reinforcing our strategy of value generation to our shareholders. The program was approved in Extraordinary General Meeting by shareholders. The total amount of shares held in treasury was canceled, leading Camil to detain, since November 2019, a total Capital Stock of 370 million shares.

August 2019

New sugar packaging line for União: New design of the União sugar line calls more attention to the consumer and helps to identify the products in any point of sale, besides bringing a more attractive visual unit which values the brand´s presence. The sucralose packagings also were refurbished and the sachets came with News: creative messages gained icons to illustrate the packagings.

Super Barra Launch: Camil launched in August 2019 it´s new plant in Barra Bonita (São Paulo countryside), installed next to the warehouse of a strategic sugar supplier. Camil´s 13th industrial unit, a result of the refined sugar packaging process internalization project aimed at retail, was launched with the objective of increasing competitiveness and efficiency in sugar.

June 2019

Interest on Equity Payment: shareholders in Annual and Extraordinary Shareholders Meeting approved the payment of Interest on Equity of R$6 million and the Company´s Board of Directors approved additional R$15 million, totaling R$21 million. Additionally, as a subsequent event, the Company approved the distribution of additional R$15 million in IOE, with payment in september 2019.

April 2019

Issuance of Camil Alimentos CRA IV: Co We concluded the 8th issue of Debentures linked to the issuance of Certificados de Recebíveis do Agronegócio – the Certificates of Agribusiness Receivables (CRA)– in the amount of R$ 600 million, with public distribution in accordance with CVM Instruction nº 400 and full amortization on maturity. The 1st series consists of compensatory interest corresponding to 98% of the DI Rate and due in April 2023. The second series consists of interest rates corresponding to 101% of the DI Rate, due in April 2025.

2nd Share Repurchase Program: The Board of Directors approved the 2nd Share Repurchase Program and we concluded 100% of the acquisition of 3.565.275 ordinary shares.

March 2019

Launch of new Factory in Suape (PE): The launch of the new unit in Suape, Pernambuco´s coast, occurred on March 12th. With an área of 6.500m² constructed and capacity 3,5 times larger than the previous factory in Recife, the plant is the most modern in the region with multicategory production (rice, beans and sugar), also counting with a distribution center. The Company´s strategy is in widening it´s leadership in the brazilian rice, beans and sugar markets, also increasing efficiency in the Northeast.

SLC Alimentos incorporation: The shareholders approved in Camil´s Extraordinary Shareholders 'Meeting, the merger of the total shareholders' equity of SLC Alimentos, a wholly owned subsidiary of Camil, with its consequent extinction, being that the Company's capital remains unchanged as a result of the Merger.

Interest on Equity Payment: The Board of Directors approved the payment of interest on equity of R$20,0 million, corresponding to the gross amount of approximately R$0.05 per share The IOE was paid to shareholders registered in the Company's records on March 29th, 2019, being the payment made on April 17th, 2019.

Subsequent Events

Financing for the Acquisition the Pet Food business unit of Empresas IANSA in Chile ("LDA"): in march/2020, Tucapel (Chile) firmed a local financing contract of CLP37 billion (equivalent to R$204,3 million or USD45,4 million) at an interest rate of 3.95%/year, looking to enable LDA´s acquisition. The amortization flow will bem ade in 9 semestrial installments, starting in march/2022 and ending in september/2025.

Covid-19 Impacts: As a subsequent event, we came across with the Covid-19 pandemic, bringing additional challenges to companies day-to-day in the most diverse segments and countries, for Camil this was not different. The Company´s segment is considered essential, therefore, it´s operations were not interrupted and is following all governamental guidelines in all it´s industrial park in the countries of operation in South America.

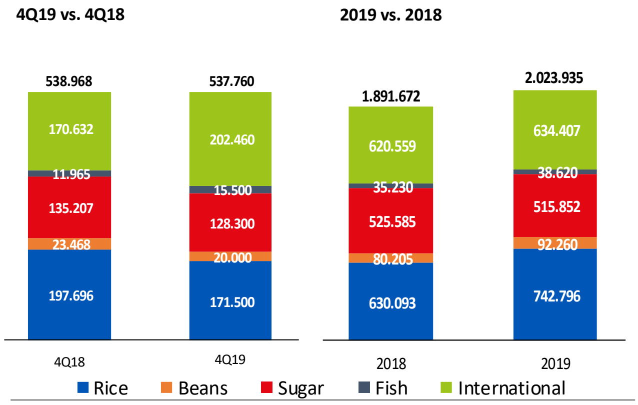
Facing the difficulties presented, we followed all guidelines put by the Ministry of Health and governemental entities in each country, and adapted our routine protecting and educating employees against threats of the desease. Among the main measures, we highlight: creating a crisis committee for the daily management of necessary actions to ensure the safety of our employees, implementing intense communication, discussion and orientation about the prevention ofcovid-19, withdrawing employees from risk groups, intensification of personal hygene techniques and reinforcement of sanitary barriers in operational units. Additionally, we reinforced management in inventory level for raw-materials, supplies and finished products and reorganized production, actions to ensure secure distancing between workers, avoiding agglomeration, we suspended the participation of all corporate events, presential meetings and work trips which take place elentronically and remotely, as well as we adopted home office in our corporate headquarters. We continue operating and reaffirming our commitment with employees safety, guaranteeing service to our clientes so that our products are always available in the communities and regions in which we perform in South America. Besides initiatives to preserve health and safety of it´s employees and ensuring food supply to the population during the covid-19 pandemic, Camil strengthened it´s financial liquidity in the short term. As a precautionary action facing economical uncertainty, Camil guaranteed it´s financial needs for 2020 by means of debt uptake of approximately R$1.3 billion in march and april 2020, including the necessary resources to achieve the *Pet Food* business acquisition in Chile.

The Company believes to be taking all the adequate measures to prevent the spread of Covid-19, as well as ensuring the continuity of businesses during the quarantine period. Although the Company´s operations have not been affected in a relevant manner up to this moment, the Management cannot estimate or predict the occurence of future events related to the pandemic. The Management continues monitoring future financial impacts and evaluating actions to be taken.

4. Results Highlights

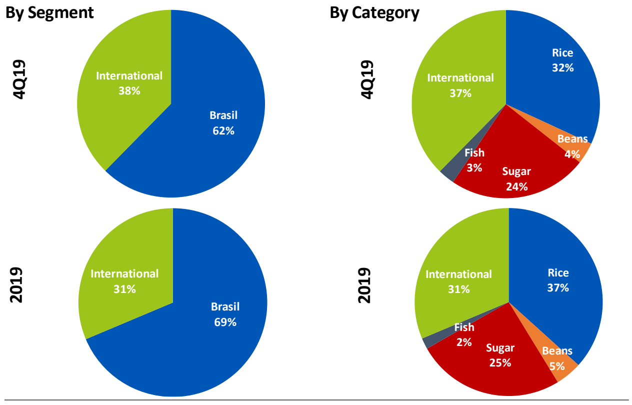
Operational Performance Highlights

Quarterly Volume Evolution (k ton)



Source: Company

Volume Breakdown (%)



Source: Company

4Q19 was remarked by **increase in canned fish sales volume (+29.5% YoY) and international (+18.7% YoY)** and 2019 was highlighted by **sales volumes increase in rice +17.9% YoY, beans +15.1% YoY, canned fish +9.7% YoY and international +2.2% YoY.**

Brazil

Rice

Mainstream / Value Pricing Brands

- **4Q19:** Volume of 171.5 k tons (-13.3% YoY)
- Gross Price R$2.63/kg (+6.7% YoY)
- Net Price R$2.32/kg (+8.3% YoY)
- **2019:** Volume of 742.9 k tons (+17.9% YoY)
- Gross Price R$2.51/kg (+2.0% YoY)
- Net Price R$2.21/kg (+2.9% YoY)
- **Sales Mix**: Leader and value pricing brands sales decrease in the quarter, and increase in value pricing brands in 2019
- **Market:** Average Price reached R$49.34/bag in 4Q19 (+23.1% YoY) and R$45.17/bag in 2019 (+11.8% YoY)[1]

Beans

Mainstream / Value Pricing Brands

- **4Q19:** Volume of 20.0 k tons (-14.8% YoY)
- Gross Price R$4.87/kg (+5.3% YoY)
- Net Price R$4.58/kg (+6.0% YoY)
- **2019:** Volume of 92.3 k tons (+15.1% YoY)
- Gross Price R$4.46/kg (+20.9% YoY)
- Net Price R$4.12/kg (+23.4% YoY)
- **Sales Mix**: Leader and value pricing brands sales decrease in the quarter and in 2019
- **Market:** Average Price reached R$204.66/ bag in 4Q19 (+7.1% YoY) and R$192.88/bag in 2019 (+57.3% YoY)[2]

Sugar

Mainstream / Value Pricing Brands

- **4Q19:** Volume of 128.3 k tons (-5.1% YoY)
- Gross Price R$2.39/kg (+18.2% YoY)
- Net Price R$2.04/kg (+18.8% YoY)
- **2019:** Volume of 515.9 k tons (-1.8% YoY)
- Gross Price R$2.21/kg (+8.1% YoY)
- Net Price R$1.91/kg (+8.7% YoY)
- **Sales Mix**: Leader and value pricing brands sales decrease in the quarter and in 2019
- **Market:** Average Price reached R$74.29/ bag in 4Q19 (+8.2% YoY) and R$66.87/bag in 2019 (+10.9% YoY)[3]

Canned Fish

Mainstream / Value Pricing Brands

- **4Q19:** Volume of 15.5 k tons (+29.5% YoY)
- Gross Price R$20.94/kg (+3.1% YoY)
- Net Price R$15.80/kg (+3.1% YoY)
- **2019:** Volume of] 38.7 k tons (+9.7% YoY)
- Gross Price R$20.61/kg (+1.1% YoY)
- Net Price R$15.60/kg (+1.0% YoY)
- **Sales Mix**: Leader and value pricing brands sales increase in the quarter and in 2019
- **Market:** We emphasize the continued difficulty of local fishing

International

Volume of 202.5 thousand tons (+18.7% YoY) in the quarter and 6345 thousand tons (+2.2% YoY) in the year. Highlight to volumes increase in all countries in 4Q19 and 2019.

Uruguay

- **4Q19:** Volume 161.3 thousand tons (+23.1% YoY)
- **2019:** Volume 461.5 thousand tons (+0.9% YoY)
- Increase in exports, with sales recovery in 4Q19 and 2019

Chile

- **4Q19:** Volume 19.4 thousand tons (+4.1% YoY)
- **2019:** Volume de 84.1 thousand tons (+6.0% YoY)
- Continuous volume growth and preservation of positive profitability 4Q19 and 2019

Peru

- **4Q19:** Volume 21.8 thousand tons (+3.7% YoY)
- **2019:** Volume 8.8 thousand tons (+6.3% YoY)
- Volume recovery and expansion in points of sale in 4Q19 e 2019

[1]Source: CEPEA; paddy rice's Indicator Casca Esalq/Senar-RS 50kg
[2]Source: Agrolink; carioca beans' Indicator Sc 60kg.
[3]Source: CEPEA; crystal sugar's Indicator Esalq-SP 50kg

Operational Performance

Highlights Volumes ('000 ton)	4T18 28-fev-19	3T19 30-nov-19	4T19 29-Feb-20	4Q19 vs 4T18	4Q19 vs 3T19	12M18 28-fev-19	12M19 29-fev-20	12M19 vs. 12M18
Brazil								
Volumes - Brazil								
Grains	221.2	216.1	191.6	-13.4%	-11.3%	710.3	835.2	17.6%
Rice	197.7	193.7	171.5	-13.3%	-11.5%	630.1	742.9	17.9%
Camil	147.3	139.5	124.3	-15.6%	-10.9%	579.7	545.3	-5.9%
SLC Alimentos[5]	50.4	54.2	47.2	-6.4%	-12.9%	50.4	197.5	291.9%
Beans	23.5	22.4	20.0	-14.8%	-10.7%	80.2	92.3	15.1%
Camil	19.4	15.9	14.7	-24.0%	-7.3%	76.1	69.4	-8.9%
SLC Alimentos[5]	4.1	6.5	5.3	29.4%	-18.8%	4.1	22.9	462.6%
Sugar	135.2	130.5	128.3	-5.1%	-1.7%	525.5	515.9	-1.8%
Canned Fish	12.0	10.0	15.5	29.5%	55.4%	35.2	38.7	9.7%
International								
Volumes - International	170.6	176.2	202.5	18.7%	14.9%	620.6	634.5	2.2%
Uruguay	131.0	129.1	161.3	23.1%	24.9%	457.6	461.5	0.9%
Chile	18.6	22.7	19.4	4.1%	-14.5%	79.4	84.1	6.0%
Peru	21.0	24.4	21.8	3.7%	-10.8%	83.6	88.8	6.3%

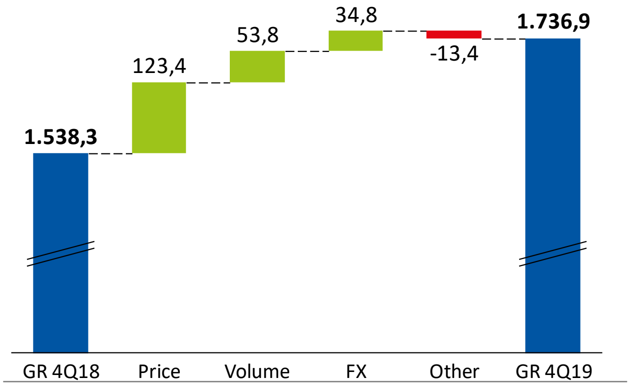
Gross Prices (R$/kg) Closing Date	4T18 28-fev-19	3T19 30-nov-19	4T19 29-Feb-20	4Q19 vs 4T18	4Q19 vs 3T19	12M18 28-fev-19	12M19 29-fev-20	12M19 vs. 12M18
Brazil								
Grains								
Rice	2.46	2.53	2.63	6.7%	3.9%	2.46	2.51	2.0%
Beans	4.62	4.18	4.87	5.3%	16.5%	3.69	4.46	20.9%
Sugar	2.02	2.33	2.39	18.2%	2.2%	2.04	2.21	8.1%
Canned Fish	20.31	20.37	20.94	3.1%	2.8%	20.39	20.61	1.1%
International								
Uruguay	1.81	2.12	1.85	2.6%	-12.5%	1.95	1.95	0.0%
Chile	5.32	5.64	5.33	0.3%	-5.4%	5.67	5.55	-2.1%
Peru	4.70	4.99	5.21	11.0%	4.4%	4.63	5.00	8.1%

Net Prices (R$/kg) Closing Date	4T18 28-fev-19	3T19 30-nov-19	4T19 29-Feb-20	4Q19 vs 4T18	4Q19 vs 3T19	12M18 28-fev-19	12M19 29-fev-20	12M19 vs. 12M18
Brazil								
Grains								
Rice	2.14	2.26	2.32	8.3%	2.7%	2.15	2.21	2.9%
Beans	4.32	3.81	4.58	6.0%	20.1%	3.34	4.12	23.4%
Sugar	1.72	2.04	2.04	18.8%	-0.2%	1.75	1.91	8.7%
Canned Fish	15.33	15.95	15.80	3.1%	-1.0%	15.45	15.60	1.0%
International								
Uruguay	1.78	2.09	1.83	2.7%	-12.7%	1.91	1.92	0.4%
Chile	4.53	4.69	4.49	-0.8%	-4.2%	4.83	4.69	-2.9%
Peru	4.16	4.44	4.56	9.7%	2.7%	4.12	4.37	6.1%

4 SLC Alimentos Results contemplate the Company´s results as of the conclusion of the acquisition (December 3 2018).

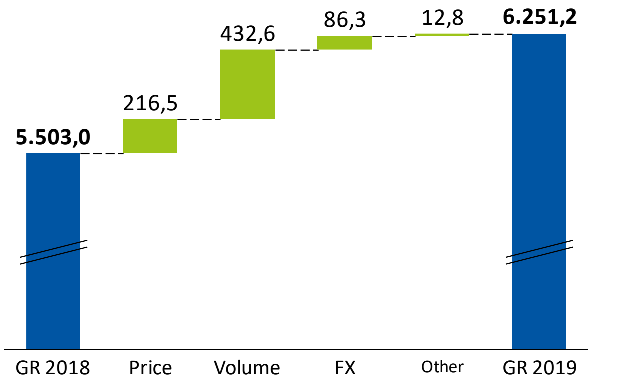
Financial Performance Highlights

4Q19: Gross Revenue Breakdown (R$mn)



Source: Company

2019: Gross Revenue Breakdown (R$mn)



Source: Company

Gross Revenue of R$1.7 billion in the quarter (+12.9% YoY) and R$6.2 billion in the year (+13.6% YoY), driven by the effects of volume, prices and FX in the period, as shown in the graphs above. **Net Revenue** of R$1.5 billion in the quarter (+12.0% YoY) and R$5.4 billion in the year (+13.6% YoY). **We highlight that the annual comparative basis is affected by the consolidation of SLC Alimentos as of 4Q18.**

Costs of Sales and Services in the quarter reached R$1.2 billion (+14.3% YoY) in the quarter, or 77.4% of net revenue, mainly due to increase in COGS in Brazil (+14.3% YoY), due to the increase in average market prices, and by the International (+22.2% YoY), driven by increase in sales volumes in the segment. **In the year**, **Costs of Sales and Services** reached R$4.1 billion (+17.5% YoY), or 76.8% of net revenue, mainly due to increase increase in costs of sales and services in Brazil (+21.2% YoY), driven by increase in average market prices, and International COGS (+8.4% YoY), driven by increase in sales volumes in the segment, foreign exchange and price increases in the period.

Gross Profit

Gross Profit reached **R$337.7 million (+4.7% YoY) with a 22.6% margin (-1.6pp YoY) in the quarter. In 2019, the same indicator reached R$1.3 billion (+2.4% YoY) with 23.2% margin (-2.5pp YoY).**

SG&A in the quarter reached R$244.0 million (-7.2% YoY), equivalente to 16.4% of net revenue (-3.4pp YoY). The reduction in the quarter was mainly due to SG&A in Brazil (-10.9% YoY) with volumes reductions in the period and due to costs and expenses reduction initiatives, implemented by the Company during the year. This result was partially offset by the increase in International SG&A (+2.4% YoY), with volumes increase and foreign exchange impact in the period. **In the year, SG&A reached R$954.5 million (+3.3% YoY), equivalente to 17.7% of net revenue (-1.8pp YoY).** The increase in the year was mainly due to Brazil SG&A (+4.0% YoY) with volume increases in the period and consolidation of SLC Alimentos results in the comparative basis as of 4Q18. **It is worth highlighting the decrease in the SG&A representativity in net revenue for the quarter and the year, reflecting the Company´s better efficiency, due to efforts made in the cost and expenses control plan in the period**, with highlight to freight and administrative costs control.

Other operating revenues (expenses) excluding equity equivalence reached **R$0.8 million in the quarter (vs. R$28.9 million in 4Q18) and R$2.5 million in 2019 (vs. R$85.2 million in 2018).** Reminding that last year´s comparative basis was affected by the acknowledgement of fiscal credit revenues, among other non recurring events.

EBITDA

EBITDA reached **R$137.1 million (+19.0% YoY)** with **9.2% margin (+0.5pp YoY) in** 4Q19 **and R$441.7 million (-8.6% YoY)** with **8.2% margin (-2.0pp YoY)** in the year
Compared to the adjusted result of 2018[5], **EBITDA** presented a **+57.0% YoY variation and +2,6pp margin YoY** in 4Q19 **and +9.3% YoY and -0.3pp** in the year

Net Financial result reached a R$13.7 million expense in the quarter (-17.6% YoY) mainly due to the results with derivatives YoY. In 2019, net financial result reached a R$62.1 million expense (vs. R$16 million in 2018). We highlight that the 2018 comparative basis was impacted by non recurring financial expenses referring to the acknowledgement of monetary restatements of fiscal credits acknowledged in the period.

Income Tax and Social Contribution reached expense of R$0.2 million (-99.1% YoY) in the quarter and R$3.5 million positive in the year (vs. -R$3.6 million in 2018), mainly due to effects of ICMS credits and IOE payment subventions exclusion.

Net Income

Net Income reached **R$83.6 million -16.6% YoY)** with **5.6% margin (-1.9pp YoY)** in 4Q19 **and R$239.6 million (-33.9% YoY)** with **4.4% margin (-3.2pp YoY)** in the year
Compared to the adjusted result of 2018[1], **Net Income** presented a **+7.8% change YoY and margin -0.2pp YoY** in 4Q19 **and -2.5% YoY and -0.7pp** in the year

5 2018 Adjusted Result excludes the effect of non-recurring revenues and expenses acknowledged in the period .

Consolidated Financial Performance

Statements (in R$ millions)	4Q18	3Q19	4T19	4Q19 vs	4Q19 vs	12M18	12M19	12M19 vs.
Closing Date	28-feb-19	30-nov-19	29-feb-20	4Q18	3Q19	28-feb-19	29-feb-20	12M18
Gross Revenues	**1,538.3**	**1,656.2**	**1,736.9**	*12.9%*	*4.9%*	**5,503.0**	**6,251.2**	*13.6%*
(-) Sales Deductions	(206.3)	(212.7)	(245.0)	*18.7%*	*15.2%*	(754.2)	(855.1)	*13.4%*
Sales Taxes	(97.4)	(102.8)	(119.5)	*22.7%*	*16.2%*	(357.3)	(407.5)	*14.1%*
Returns and Rebates	(108.9)	(109.8)	(125.5)	*15.2%*	*14.3%*	(396.9)	(447.6)	*12.8%*
Net Revenues	**1,332.0**	**1,443.5**	**1,491.9**	***12.0%***	***3.4%***	**4,748.8**	**5,396.1**	***13.6%***
(-) Cost of Sales and Services	(1,009.6)	(1,100.8)	(1,154.3)	*14.3%*	*4.9%*	(3,527.1)	(4,145.3)	*17.5%*
Gross Profit	**322.4**	**342.7**	**337.7**	***4.7%***	***-1.5%***	**1,221.7**	**1,250.8**	***2.4%***
(-) SG&A	(263.0)	(244.3)	(244.0)	***-7.2%***	***-0.1%***	**(923.9)**	**(954.5)**	***3.3%***
Selling Expenses	(184.1)	(164.0)	(169.0)	*-8.2%*	*3.0%*	(631.0)	(642.9)	*1.9%*
G&A Expenses	(78.9)	(80.3)	(75.1)	*-4.9%*	*-6.5%*	(292.9)	(311.5)	*6.4%*
(+/-) Equity (Earnings)/Losses in Uncons. Subs.	(0.4)	(0.9)	2.6	*-749.0%*	*-374.7%*	(1.0)	(0.6)	*-38.0%*
Other Operating Income	28.9	(0.5)	0.8	*-97.2%*	*n.a.*	85.2	2.5	*-97.1%*
EBIT	**87.9**	**97.0**	**97.0**	***10.4%***	***0.1%***	**382.0**	**298.2**	***-21.9%***
(+/-) Finacial Result	(16.6)	(19.4)	(13.7)	*-17.6%*	*-29.5%*	(16.0)	(62.1)	*288.0%*
(-) Debt Interest Expense	(47.2)	(43.3)	(46.2)	*-2.1%*	*6.6%*	(217.9)	(189.3)	*-13.1%*
(+) Interest Income	30.6	23.9	32.5	*6.3%*	*35.9%*	201.9	127.2	*-37.0%*
Pre-Tax Income	**71.3**	**77.6**	**83.4**	***16.9%***	***7.5%***	**366.0**	**236.2**	***-35.5%***
(-) Total Income Taxes	29.0	(11.5)	0.2	*-99.1%*	*-102.2%*	(3.6)	3.5	*-196.4%*
(-) Income Taxes	14.8	(10.2)	(0.6)	*-104.3%*	*-93.8%*	(33.3)	(22.1)	*-33.6%*
(-) Diferred Income Taxes	14.2	(1.3)	0.9	*-93.8%*	*n.a.*	29.7	25.6	*-13.8%*
Net Income	**100.3**	**66.1**	**83.6**	***-16.6%***	***26.5%***	**362.4**	**239.6**	***-33.9%***
Net Income / share	**0.25**	**0.18**	**0.23**	***-9.6%***	***26.5%***	**0.90**	**0.65**	***-28.0%***
Adj. Net Income²	**77.6**	**66.1**	**83.6**	***7.8%***	***26.5%***	**245.8**	**239.6**	***-2.5%***
Adj. Net Income / share¹	0.19	0.18	0.23	*19.4%*	*26.5%*	0.62	0.65	*4.5%*
EBITDA Reconciliation								
Net Income	100.3	66.1	83.6	*-16.6%*	*26.5%*	362.4	239.6	*-33.9%*
(-) Net Finacial Result	16.6	19.4	13.7	*-17.6%*	*-29.5%*	16.0	62.1	*288.0%*
(-) Income Taxes	(29.0)	11.5	(0.2)	*-99.1%*	*-102.2%*	3.6	(3.5)	*-196.4%*
(-) Depreciation and Amortization	27.3	36.0	40.0	*46.6%*	*11.1%*	101.4	143.5	*41.5%*
(=) EBITDA	**115.2**	**133.0**	**137.1**	***19.0%***	***3.1%***	**483.4**	**441.7**	***-8.6%***
(+/-) Non Recurring Revenues/Expenses²	**27.9**	-	-	-	-	**79.2**	-	-
(=) Adj. EBITDA²	**87.3**	**133.0**	**137.1**	***57.0%***	***3.1%***	**404.2**	**441.7**	***9.3%***
Margins								
Gross Margin	*24.2%*	*23.7%*	*22.6%*	*-1.6pp*	*-1.1pp*	*25.7%*	*23.2%*	*-2.5pp*
EBITDA Margin	*8.6%*	*9.2%*	*9.2%*	*0.5pp*	*0.0pp*	*10.2%*	*8.2%*	*-2.0pp*
Adj. EBITDA Margin²	*6.6%*	*9.2%*	*9.2%*	*2.6pp*	*0.0pp*	*8.5%*	*8.2%*	*-0.3pp*
Net Margin	*7.5%*	*4.6%*	*5.6%*	*-1.9pp*	*1.0pp*	*7.6%*	*4.4%*	*-3.2pp*
Adj. Net Margin²	*5.8%*	*4.6%*	*5.6%*	*-0.2pp*	*1.0pp*	*5.2%*	*4.4%*	*-0.7pp*

2018 Adjusted Result excludes the effect of non-recurring revenues and expenses acknowledged in the period .

5. Brands

Building Strong brands, reinforcing connection with out consumers through means of added value services and campaigns that contribute to the differentiation of our products is a priority to the Company. This strategy allows us to capture a brand premium in the Markets in which we perform and is an importante pillar to the Company´s value in the long run.

Our Marketing strategy is based on the relationship with the consumer. We strongly perform in digital platforms, following the main needs of our consumers day-to –day – be it to idealize the week´s menu, choosing a recipe for a special occasion or that Christmas desert. Our broad product line is part of the menu of our consumes, from breakfast to the snack at night. For that, we work thoroughly to demonstrate in digital media the broadness of our lines as well as their versatility, going far beyond classic recipes, following and influencing the consumes since the first moment of their journeys. Aligned to that, we guarantee National presence and communicate the grandness of out portfolio with high visibility through means of Masterchef Sponsorship – for the 5th consecutive year, our partnership provided a platform with high engagement both on TV and on digital media, teaching new uses and the versatility of our portfolio.

But it is in the sales point that we make the whole difference: besides owning the largest national promoter coverage in our industry, we work with differentiated materials and executions, with perfect store directioners, besides a robust activation calendar which counts with tasting, Buy&Win, approach and participation in networks. With that, we guarantee differentiated visibility in the most crucial moment in the consumer´s journey: the time of purchase. Our brands have Strong positioning in the minds of our consumers, with a clear purpose, which directs all our activations. This differentiation is built through means of campaigns and actions that set our territory. Below is a brief history of the year´s mais projects.

- **Vem Pra Mesa Brazil Promotion:** First multicategory promotion made by Camil, awarded a participant with R$500 thousand and raffled R$1 thousand/day during the whole activation period, counting with the participation of TV hostess Ana Maria Braga. The campaign, launched in a unusual manner through means of “memes” of the hostess, turning into a *trendtopic* in *Twitter* which ensured great visibility and *“talkability”* of the campaign between consumers and retailers. We impacted 94% of the target with average frequency of 6.3, we reached over 400 thousand POSs with our packaging, speeded sales and gained share in the period in our main category, Rice.

- **Cake Truck:** To give further visibility and bring innovation to campaigns of the kind buy and win, we developed a very differentiated experience and of great impact in the point of sales, in which the consumer won an already baked cake in a gift packaging when they bought 4 União cake mixes. Over 5 days of the campaign, na average of 150 cakes per day were gifted, the equivalent of over 3 thousand product units sold. The new model contributed with new arguments for the negotiation with stores, leading sales to a new threshold.

- **São João de Caruaru:** We returned to sponsoring this event, in the mais Market for Sardines, making campaigns in the main stage and with a stand with a photographic space and patês tasting. Also, we resumed the partnership with Fit Dance, launching a new *jingle* for the event, we also did a campaign with influencer Laurinha Marinho creating #DesafioCoqueiro, in which she learned the choreography in less than a month to dance with a group in event´s mais stage.

- **Masterchef:** For the fifth consecutive year, we sponsored both seasons (MasterChef Amadores 2019 and MasterChef: A Revanche) of the reality show, in which we made special contests: the first with grains, turning them into leaders of a dish with no animal protein; the secong, with a Christmas desert developed by chef Paola Carosella.

- **Me Poupe na TV:** We sponsored the vignettes of the first season of the program with the Camil brand presented by Nathália Arcuri, specialist in personal finances, which aided people to reorganize their financial lifes by means of wise choices in various aspects, including shopping.

- **Mara Cakes Fair:** União brand took part in the the first edition of the fair, destined to the confectioners, with an “instagramable” stand, product tasting and unique sponsorer of the International congress. The event, destined to the professional public, had over 20 thousand visitors, turning into the largest fair in the confectioner sector in Brazil.

- **União Secret Santa:** With promotional and social mechanics, we managed to engage over 10 thousand people in a virtual gift Exchange, which earned a R$10 thousand prize for two people and one donation of R$50 thousand for an ONG Gastromotiva. The promotion also counted with digital influencers of great reputation (such as the Bake Off Brazil hostess, Beca Milano) as a communication support, making a secret santa in social media to promote the action.

- **Hungerfree Christmas:** For the second consecutive year, we took part in one of the greatest solidary mobilizations in Brazil with a sales mechanics that generated donations. Over 84 tons of food were donated, double of the volume raised in 2018 and amplifying substantially our participation in the campaign. The mechanics was announced in the stored of 5 chains, where every 10kg of Camil Rice and Beans sold to consumers, we donated 1kg of food.

- **Beleza Na Lata Promotion:** The 2020 edition, which counted with the country music duo Maiara & Maraísa as the faces of the promotion, was the largest of all times, reaching historic results. Over 42 thousand people participated, totaling over 208 thousand registered products. This is the result of the route adjustments made from our experiences in the previous years: we brought more points of contact to help the consumer participation, giving the possibility of registering through WhatsApp as well, we also made QR Codes available in all promotional material to encourage direct participation of the point of sales. We also optimized communication creating a media conversion funnel, increasing the frequency of impacts by our pieces with different messages, for different moments of the consumers journey, besides bringing new vehicles to the communications plan (national and regional) which amplified the campaign´s visibility (such as sound equipped cars in PE and ISP, news cover helicopter calls in SP radios and e-mail releases with marketing for the YouIN promotion base).

- **CyberCook:** Looking to understand in more depth our brands´ consumer behavior, both in the way they use our products and their journey to acquire them, we began this partnership with one of the largest cooking sites in Brazil, belonging to the Carrefour group. There, we developed the Marmitaria space, making available to the consumer a curatorship of recipes to aid and give diversity to the menu of day-to-day, allowing us to create a new level of relationship with the consumer. Up to this moment, over 450 thousand users already used this platform.

- **X-Ray of Digital Platforms:**

Camil Brand	União Brand	Coqueiro Brand
Site: 1.490.218 users	Site: 1.357.792 users	Site: 391.171 users
2.552.196 page visualizations	3.502.022 page visualizations	1.250.759 page visualizations
88% of mobile device traffic	89% of mobile device traffic	86% of mobile device traffic
Facebook: 500 thousand followers	Facebook: 1,2 million followers	Facebook: 323 thousand followers
Instagram: 12 thousand followers	Instagram: 117 thousand followers	Instagram: 8,7 thousand followers
YouTube: 40,6 thousand subscribers	YouTube: 92 thousand subscribers	Youtube: 7,2 thousand subscribers

With regard to the efforts in long term building of our brands, we seek increase in purchase frequency and the preference of our consumer through means of unique positioning, with strong emotional connection. Highly recognized brands result in higher shelf turnover and differentiated value and profitability extraction. Additionally, the learning obtained in the exploration of multiple brands allow the Company to extract the most of it´s position as leader, preference and strength.

Awards

- IR Magazine 2019 Award– Best CFO (small caps); Nov-19
- Acknowledgement to the IR team by Institutional Investor 2019; Jun-19
- União is leader in the Sugar Category by Abase/Nielsen Awards 2019; Feb-19
- Nielsen Sales Leaders 2019, for União, as most recalled brand; Feb-19
- Best Supplier in the Grocery category in Prezunic chain; Mar-19
- Camil achieves three trofees in the EMBANEWS 2019 awards; May-19
- Top Of Mind Prize 2019 of Revista Amanhã. Namorado and União 1st place in the rice, beans and sugar categories; May-19
- Diário de Pernambuco Award Favorite Brands 2019; Jul-19
- Successful brands of Correio Popular, Camil was elected the most recalled brand in the Rice category of the 19th brand recall survey in Campinas; Sep-19
- Award for the Companies which best communicate with journalists 2019; Oct-19
- Companies which best communicate with journalists in the Agriculture category, realized by CECOM and by the magazine Negócios da Comunicação; Oct-19
- Estadão Empresa Mais 2019; Oct-19
- Época ReclameAqui Award 2019 – Food Category – Grocery; Nov-19
- APAS Acontece Prize 2019, Camil was the most mentioned by customers in the dry grocery category in SP, for the 3rd consecutive year; Nov-19
- The 500 largest from South 2019 – Ranking; Nov-19
- Best in Agribusiness 2019 –Globo Rural Magazine; Nov-19
- Bronze Alligator of Caio Prize 2019, for the incentive Company "Camil Campeões de Vendas 2018"; Dec-19

6. Strategy and Perspectives

We are one of the largest multinational consumer goods brands in the food segment in Brazil and South America. We perform in the grains category (specially rice and beans), sugar and canned fish (sardines and tuna, including sauces and pates) through the means of strongly recognized brands with leading Market participations in Brazil, Uruguay, Chile and Peru. Our strategy is to **strengthen Camil's position as a consolidator in South America's food sector**, which we believe is the Market in which we can exploit the value of our competitive advantages, business model diferentiation and sustainable profitability growth. Camil is proud to be part of our consumer's daily routine, being present in all relevant moments during the day, bringing experiences and participating of important moments in their lifes. Our leading brands are considered icons in their categories, and are distributed through our solid distribution platform, enabling them to reach the main consumer centers in the countries in which we are present.

We act in a responsible, sustainable and consistent manner, exploring our products and services` attributes whilst offering a quality experience with competitive and accessible prices. We participated in the evolution of South American food industry, being part of the main initiatives related to innovation, convenience and health in the industry. We perform in a Market which is highly competitive, fragmented and with tight margins and Camil, in over 60 years of history, generates value growth and return to our shareholders. Our business model is based on a wide portfolio of leader brands in various product categories.

We invest in modern and efficient manufacturing parks and in a solid distribution platform in the regions in which we operate. We diversify in the 3 categories in which we perform, own operations in 4 South American countries, besides exporting to over 50 countries in the world:

1. *Consolidating the highly fragmented rice and beans brazilian Market and increasing the leadership already owned by our brands;*
2. *Exporting the multiple category model performed in Brazil to other countries in which we operate ;*
3. *Widen the brand and product portfolio to new categories in dry goods, with high turnover and growth potential; and*
4. *Expand our operations in other countries in Latin America .*

We own a history of organic growth and also through acquisitions. With over 16 acquisitions made over the last years, we succeeded in integrating and exploring opportunities in new categories or geographies. We continue pursuing opportunities to expand our operations in a conservative and realistic manner, with focus in strengthening our competitive advantages, expanding our distribution and increasing our potential of obtaining synergies. We believe that the combination of brand leadership in various product categories, extensive distribution platform, solid and resilient business model and proven increase in operational results with profitability, puts us in a priviledged position to capture growth potential in the South America food sector, both organically and through acquisitions.

7. Dividends

According to the Company's Bylaws, it is guaranteed to shareholders the distribution of 25% of the net income after the deductibility, if there is, of the legal reserve and contingency reserve (if there is). The amount is distributed as mandatory dividend and/or IOE, except if the Company approves on a Shareholder's Meeting a distribution of supplementary dividends.

8. Corporate Governance

With Camil's IPO on September 2017, the Company joined "Novo Mercado", the special segment of B3, under the code "CAML3" and is also subject to other regulations established by "Novo Mercado".

Since 1998, we have had private equity funds as significant shareholders that have worked with us to develop corporate governance practices. We also have Mr. José Fay, former CEO of BRF – Brasil Foods S.A., and Mr. Carlos Júlio, former CEO of Tecnisa, as our independent members of the Board of Directors. The Company also has an ethics committee responsible for values that directs behaviors and attitudes of all stakeholders involved in our business. The Company has also a Fiscal Council and other management committees as the Audit Committee, Financial Committee, Personnel Management Committee and Ethics Committee.

The Company is compromised in having a high corporate governance standard, based on transparency, equal treatment to investors, accounts reporting, corporate responsibility and shareholders respect.

9. Sustainability and Social Responsibility

During the past year we concentrated efforts in revising actions of our units with internal employees and the external community, this resulted in building Camil´s Social Responsibility Strategy. Our focus is on acting in "**Feeding and Nourishing Relationships**", which unfolds into the pillars which support our directioners for the approval and search of projects aligned to our objectives. Described below are the main activities and pillars carried out during the past year:

Internal Relations: Contemplates all the care with employees in relation to Safety and Quality of Life:

- Implementation of the Quality of Life Program – Camil Healthy Life to all employees in the corporate headquarters, with directioners to other units, bringing support in physical, mental, social and financial aspects to the whole team; and
- Diagnosis Research with the Leadership about diversity and inclusion, serving as basis for the committee to plan the following year.

Relationships with the Environment: Focus on various steps in the productive chain, monitoring the impact in the environment and third-parties involved in the production and distribution of our products:

- Maintainance of the Dolphin Safe Certificate of our Tuna. Ensuring that fishind is made with fishing rods, reducing impact in sea life; and
- Revision in the way we act with reverse logistics: we are signatories in the Reverse Logistics Coalition at ABIA (Associação Brasileira da Indústria de Alimentos) and concentrate our efforts during the year searching for partners that increase our positive impact during the following years, starting in 2020.

Relationships with the Community: Actions that envolve Camil´s external communities, with focus on áreas surrounding our units, projects that support famine and malnutrition reduction, fighting food waste and responsible communication:

- Over 50 tons of food donates to various institutions, such as CREN (Centro de Referência de Educação Nutricional), Casa Hope and other regional projects;
- Donation of food which are close to the expiring date by our Experimental Kitchen to the Food Bank;
- AACD Partnership for the voluntary contribution of our employees via payroll deductions;
- Revitalize Project: sponsored by Lei de Incentivo (PROAC-ICMS), we made the revitalization in a community space and open to the public, so that the population could have a nice living space. Also offers workshops for Gardening, Grafiti and Urban Furniture to the community surrounding;
- Hungerfree christmas: for the 2nd year in a row, we were part of this campaign leaded by Citizenship Action, in total, 84 tons of food were donated, doubling the volume raised in 2018 and increasing substantially our participation in the campaign;
- União Secret Santa: campaign occured during the Christmas period and destined R$50 thousand to the Gastromotiva ONG, to be invested in education for low income students;
- Covid-19: R$300 thousand were donated to buy hospital material and equipment destined to Health Services in the cities in which our factories are located. Since the beggining of the Pandemic, we donated over 202 tons in products, beside monthly donations. We prioritized actions located in the cities in which we own production units, aiding the community in which we are installed, such as Aparecida de Goiânia (GO), Cabo de Santo Agostinho (PE) and Itapecuru (MA). To increase the impact of our donations, we supported Lives that counted with donation campaigns such as Luan Santana, Diogo Nogueira, Anitta and Joelma, allowing the distribution of our donations to reach to those who most need it, such as CUFA (Central Única das Favelas) and UNICEF. An internal food donation campaign also took place with our employees. representing high participation and colaboration with the total amount of food donated.

Our history of over 50 years was built by people. Our founders, clients, employees, suppliers and investors. We remain focused on our roll of working positively together for our business´s sustainability, in a developing and dedicated way to all those who make part of the process.

10. Personnel Management

Our employees are the protagonists of our success. We have a talented team, entrepreneurial, motivated and with experience and potential to make a difference in our results. We have more than 6,5 thousand employees in Brazil and Latin America engaged to our growth, proposal and values, acting to satisfy our client's needs (internal and external), always focused on the continued improvement of our processes and activities.

We have a robust personnel management aligned to our values and proposal, strategically driving the human and organizational development, in which we highlight:

- Structured processes of recruitment;
- Internship program focused on professionalization and sustainability of our business
- Challenging goals management, performance evaluation and results linked to success recognition for individuals and teams;
- Mapping of competencies to leaders focusing on their development and results;
- Evaluation of remuneration and benefits guaranteeing internal consistency, competitiveness, and reward to employees;
- Technical and behavioral skills of leaders and teams;
- Culture guided to assure a secure and health environment;
- Corporate Governance and operational management of the departments processes;
- Internal communication guided to engagement, values of the Company and strengthening of the culture; and

Consistent reinforcement of aspects and elements of our organizational culture to guarantee alignment and direction of our actions.

Additionally, we highlight action taken by the Company due to the Covid-19 scenario:

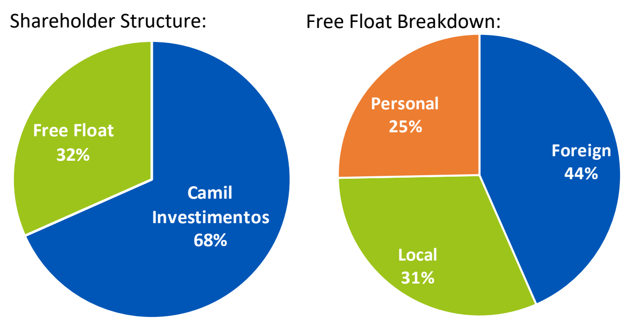
- Compliance with the Health Ministry´s determinations, such as licence to employees over 60 years old, pregnant women and people in the risk group, besides the interaction protocols, behaviors and other orientations linked to prevention and hygene;
- Travels and presential meetings, events and coaching were canceled.
- Strengthening of the leadership´s roll looking at the productivity demand and remote work, keeping focus in results and engagement;
- #vamospracima campaign giving value to all our employees in the day-to day work, aligned to our purpose and values;
- Intensive internal campaign about Covid-19, to all employees in Home Office or in other Units (Ex. Chartered transport, social distancing rules in the dining halls /dressing rooms/common areas;
- Reinforcement of security measures and use of IPE´s, Alcohol in Gel was made available, anticipation of the vaccination campaign, information on physical and emotional health.

11. Shareholder Structure

In 4Q19 , the Company had a capital stock of 370 million shares, being 117,2 million shares free float[1], representing approximately 32% of total capital. In the period, approximately 57% of our shares were held by local investors, and 43% with foreign investors, vs. 58% local and 42% foreign at the time of the IPO.

In number of shareholders, we registered 84 institutional investors (vs. 86 in Nov/19) and over 30 thousand personal investors (vs. 25 thousand in Nov/19), increase resulted from a larger research coverage for personal investors in the period as well as the increase in personal investors interest in the equities market.

Shareholder Structure Fev/20



Source: Company; Saldo da Camil Investimentos contemplates personal participation of controlling shareholders.

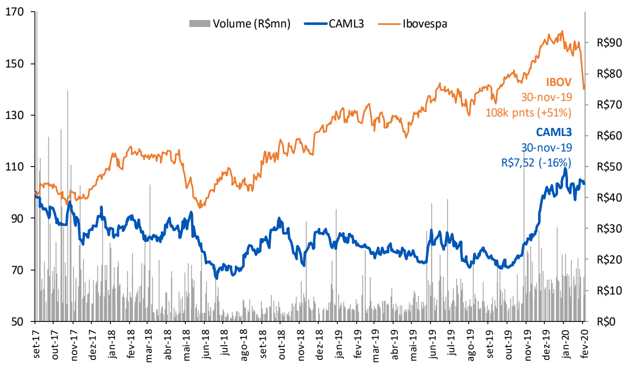
[1] *Free float* excludes participations of Camil Investimentos S.A., Luciano Maggi Quartiero, Jacques Maggi Quartiero, Thiago Maggi Quartiero, other administrators/relates parties and treasury shares. The balance of Camil Investimentos includes participation held by Luciano, Jacques e Thiago Maggi Quartiero.

12. Share Performance

On February 29th, 2020 Camil´s shares (B3: CAML3) closed at R$8.46/ação with a market cap of R$3.1 billion (US$ 698 million), an appreciation of 17.7% when compared to the closing of February 2019. The year´s average daily trading volume was 1.2 million shares, or R$9.2 million/day, an increase of 47.8% and 52.7% when compared to the year of 2018, respectively.

Since the IPO in September 2017, CAML3 quotes decreased by 6.0%. During the same period, IBOV index increased by 40.2%.

Price Evolution Since IPO vs. Ibovespa – 100 basis



13. Investor Relations

Our commitment to the Market is based on three pillars: Governance, Communication and Transparency and Excellence. Since the IPO, we served approximately 1.200 investors: over 400 investors via IR directly, and the remaining investors in conferences and events.

We also had site visits in our operations and the Camil's annual public meeting with analysts and investors (Camil Day 2018), with an institutional presentation and Q&A with all the Company's directors and management team. Both events counted with 134 participants.

14. Independent Auditors

According to Instruction CVM 381/03, the group informs that the financial statements referring to February 29, 2020 were audited by EY Auditores Independentes. The proceedings for the Company and its subsidiaries to contract Independent Auditing services aim to avoid conflicting interests and independency or objectivity loss, and sustains the principles to preserve auditing independency.

During the fiscal year ended in February 29, 2020, there were no contractions besides the external audit service. Ernst & Young Auditores Independentes S.S., in the scope of their services of independente audit, informed the Company that:

(i) Did not identify subjects or commercial Relations that can affect its independency;
(ii) In its professional judgement, it is independent in relation to the company and its subsidiaries according to Brazilian rules;
(iii) The auditee team and EY Auditores Independentes applied to ethic requirements regarding its independency; and
(iv) Protections were adopted to avoid threats related to its independency or to minimize it to an acceptable level.

15. Management Declaration

In observance to the general layout of CVM nº 480/2009 instruction, the management declares that discussed and reviewed the opinions expressed in the independente auditor´s report, agreeing entirely, as well as approves the financial statements relative to the fiscal year ended in February 29, 2020.

Disclaimer

Certain percentages and other amounts included in this document have been rounded to facilitate its presentation. Thus, numbers presented as total in some tables may not represent the arithmetic sum of the numbers that precede them and may differ from those presented in the financial statements. Quarterly data presented, as well as the operational data (not financial or accountable) are non audited/revised data, as they consist in non-recognized measures not acknowledged by IFRS or other accounting standards.

Camil Alimentos S.A.

Financial Statements

February 29, 2020

Contents

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Independent auditor's report on individual and consolidated financial statements

The Shareholders, Board of Directors and Officers
Camil Alimentos S.A.
São Paulo – SP

We have audited the individual and consolidated financial statements of Camil Alimentos S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as of February 29, 2020, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of the Company as of February 29, 2020, its individual and consolidated financial performance and its respective individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Restatement of corresponding figures in the statements of cash flows

As mentioned in Note 2.26, as a result of the amounts excluded relating to the acquisition of the business combination mentioned in Note 9, the corresponding figures for the previous year in the statements of cash flows, presented for comparison purposes, have been adjusted and are restated as provided for in NBC TG 23 - *Políticas Contábeis, Mudança de Estimativa e Retificação de Erro* (IAS 8 - Accounting Policies, Change in Estimates and Errors). We did no express any modified opinion with respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

- **Goodwill impairment testing**

  At February 29, 2020, as mentioned in Notes 10 and 12, goodwill balances, generated from business combinations occurred until then, totaled R$195,332 thousand and R$292,641 thousand, in Individual and Consolidated, accounting for 4.4% and 6.1% of total assets, respectively at said reporting date. At least once a year, the Company conducts an impairment test considering estimated future profitability based on business plans and annual budget, adopted by management. The methodology and modeling used to determine the recoverable amount of these assets were based on the Company's discounted cash flow, an estimate for which subjective assumptions were used by management, which involve a reasonable degree of judgment, information and expected market and economic conditions, mainly regarding the growth of sales and costs, discount rates and country risk.

  Monitoring of this matter was considered significant for our audit given the materiality of the amounts involved in relation to total assets and the potential risks to profit or loss for the year in case impairment loss is detected for this asset, in addition to the uncertainties inherent in determining the estimate of the expected recoverable amounts, given the use of market information and a high degree of judgment exercised by management in determining the assumptions used their calculation. A change in any of these assumptions may have a significant impact on the Company's individual and consolidated financial statements.

How our audit addressed the matter:

Our audit procedures included, among others, the involvement of valuation experts to support analyze and review the methodologies and models used by management, in evaluating the assumptions supporting the projections that have determined the business plan, budget, technical studies, and impairment analyses of the Company's assets. Our procedures also included evaluating the reasonableness and consistency of the data and assumptions used in the preparation of such documents, including growth rates, discount rates, country risk and cash flow projections, among others, as provided by Company management. We also analyzed the accuracy of arithmetic and mathematical calculations. We compared the completeness of projections made in previous periods in relation to the performance achieved by the Company. We analyzed information that could contradict the most significant assumptions and the selected methodologies, as well as analyzed data from comparable companies.

In addition, we compared the recoverable amount determined by Company management, based on the discounted cash flow, with the carrying amount of goodwill and assets of the cash-generating unit, and assessed the adequacy of the disclosures in Notes 10 and 12 to the financial statements at February 29, 2020.

Based on the results of the audit procedures performed on the impairment testing of goodwill, which are consistent with management's assessment, we considered that the criteria and assumptions relating to the impairment testing of goodwill, adopted by management, and the respective disclosures in Notes 10 and 12, are acceptable, in the context of the individual and consolidated financial statements as a whole.

- **Adoption of accounting pronouncement CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 – Leases**

As described in Note 2.20, the Company and its subsidiaries adopted Brazilian accounting pronouncement CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 as of March 1, 2019, using the retrospective modified approach as its transition method. This pronouncement establishes changes in accounting practices for the recognition, measurement, presentation, and disclosure of leases, substantially represented by leased properties, machinery, equipment and vehicles, and requires that lessees account for all leases using a single model in their financial statements. On the lease commencement date, the lessee recognizes a lease liability, referring to future minimum payments, and an asset representing the right-of-use asset, during the lease term, and separately recognizes expenses with financial charges on the lease liability, and the amortization expense of the right-of-use asset.

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At February 29, 2020, as mentioned in Note 13, balances referring to the right-of-use asset totaled: R$73,456 thousand and R$90,227 thousand, in Individual and Consolidated, accounting for 1.7% and 1.9% of total assets, respectively; and, lease liability balances totaled: R$74,898 thousand and R$91,433 thousand, in Individual and Consolidated, accounting for 3.5% and 3.6% of total current and noncurrent liabilities, respectively. In addition, for the year then ended, in Individual and Consolidated, right-of-use asset amortization amounted to R$24,830 thousand and R$33,054 thousand, respectively; finance costs totaled R$4,976 thousand and R$5,744 thousand, respectively; and lease liability payments totaled R$29,173 thousand and R$36,752 thousand, respectively.

This matter was considered significant for our audit, due to: i) the significance of amounts involved in the first year of adoption of the standard; ii) the assessment that involves significant judgments in determining the assumptions and estimates used to determine the right-of-use asset and lease liabilities; and, iii) the potential impacts on the indicators used to analyze compliance with covenants on loans, financing and debentures.

How our audit addressed the matter:

Our audit procedures included, among others: (i) assessing the adequacy of accounting policies for recognizing the Company's right-of-use asset and lease liabilities; (ii) checking and reviewing lease contracts, on a sample basis, for the adequacy to said standard; (iii) testing, on a sample basis, the measured values of the right-of-use asset and lease liabilities, both recorded at the present value of the minimum lease payments; (iv) testing, on a sample basis, the amortization values of the right-of-use asset; and (v) involving our specialist professionals in the analysis of the incremental interest rate calculated by the Company, used in the lease payment flow discount.

Based on the result of the audit procedures, we consider that the policies on initial recognition of the standard referring to the recognition of asset and liability effects resulting from the Company's leases, as well as the respective disclosures in Note 13, are acceptable, in the context of the individual and consolidated financial statements as a whole.

- **Covenants for loans, financing and debentures**

At February 29, 2020, as mentioned in Note 15, the Company recorded loans, financing and debentures in the amount of R$1,448,774 thousand and R$1,602,894 thousand, in Individual and Consolidated, accounting for, respectively, 67.4% and 62.6% of total current and noncurrent liabilities at the reporting date. These loans, financing and debentures are subject to annual covenants, which are calculated considering financial ratios based on the Company's consolidated financial statements. Failure to comply with these covenants could result in early termination of these loans, financing and debentures, which would require that the Company pay the respective outstanding amounts at the date of said termination immediately. This could significantly impact the Company's financial position, which is why we considered that compliance with these covenants is a significant risk for our audit.

How our audit has addressed this matter

Our audit procedures included, among others: (i) reading and understanding the annual covenants of these loans, financing and debentures, including addenda, where applicable; (ii) analyzing and reviewing the calculation of the indicators of these covenants prepared by management, (iii) confirming with the component audit teams about compliance with covenants for subsidiaries located abroad; and (iv) assessing the information made available by the trustee of these debentures. We have also assessed the adequacy of disclosures in Note 15 to the financial statements at February 29, 2020.

Based on the result of our audit procedures, we consider that the criteria and assumptions for analyzing compliance with covenants, adopted by management, and the respective disclosure in Note 15, are acceptable, in the context of the individual and consolidated financial statements as a whole.

- **Provisions for tax, civil and labor contingencies**

As disclosed in Note 18, at February 29, 2020, the Company and its subsidiaries are parties to various tax, civil and labor claims arising from the ordinary course of their business. Loss estimates are periodically evaluated by management, which takes into account the opinion of outside legal advisors in charge of the cases.

Brazil's legal and tax environments are highly complex, which increases the risk inherent in determining provisions for contingencies. Accordingly, assessment of exposure, measurement, recognition and disclosure of provisions and contingent liabilities relating to these lawsuits require significant professional judgment, which may result in substantial changes in the balances of provisions when new facts arise or as these lawsuits are analyzed in court.

Since provisions for contingencies involve management's judgment, even with the support of outside legal advisors, we consider this matter a key audit matter, considering the volume of existing cases and the materiality of the amounts involved, in addition to the implementation of the accounting pronouncement on the uncertainty related to ICPC22/IFRIC23, as mentioned in Notes 2.24 and 18. Changes in management's forecasts and/or critical judgments about the likelihood of success may have a material impact on the Company's individual and consolidated financial statements.

How our audit addressed the matter:

Our audit procedures included, among others: (i) assessing accounting policies applied by the Company and its subsidiaries to classify losses, including assessment of the judgment used to measure the amounts to be recorded as provision for contingencies; (ii) obtaining confirmations from the Company's and its subsidiaries' outside legal advisors, including the likelihood of loss for all proceedings pending judgment, and comparing these responses with management's estimates; (iii) assessing the reasonableness of estimates made by management and its legal advisors, with the support of our tax specialists for specific proceedings, considering their development and existing case laws, when applicable; and (iv) reviewing disclosures made by the Company on the main tax contingencies.

Based on the result of the audit procedures performed on provisions for tax, civil and labor contingencies, which is consistent with management's assessment, we consider that the criteria and assumptions adopted to determine the likelihood of loss in lawsuits, as well as the respective disclosures in Notes 2.24 and 18, are acceptable, in the context of the individual and consolidated financial statements as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended February 29, 2020, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by CPC 09 – *Demonstração do Valor Adicionado* (Statement of Value Added). In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast substantial doubt as to the Company's and its subsidiary's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, May 12, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

Statements of financial position
February 29, 2020 and 2019
(In thousands of reais)

	Note	Individual 02/29/2020	Individual 02/28/2019	Consolidated 02/29/2020	Consolidated 02/28/2019
Assets					
Current assets					
Cash and cash equivalents	4	**405,601**	312,027	**537,764**	365,302
Short-term investments	5	**32,292**	31,242	**32,292**	31,242
Trade accounts receivable	6	**503,108**	434,807	**725,262**	690,536
Advance to suppliers		**5,720**	9,468	**7,084**	9,832
Inventories	7	**715,377**	649,856	**1,152,804**	1,120,180
Derivative financial instruments	25	**605**	350	**605**	511
Taxes recoverable	8	**108,218**	135,220	**119,443**	142,025
Related parties	16	**14,651**	5,704	**43,766**	24,249
Prepaid expenses		**10,042**	12,049	**15,298**	18,521
Advance of interest on equity	19	**6,855**	-	**6,855**	-
Assets held for sale	11	**38,309**	39,939	**38,309**	39,939
Other receivables		**5,979**	4,988	**20,699**	41,238
Total current assets		**1,846,757**	1,635,650	**2,700,181**	2,483,575
Noncurrent assets					
Short-term investments	5	**-**	217	**-**	217
Taxes recoverable	8	**241,553**	147,903	**241,553**	245,621
Advance to suppliers		**1,876**	226	**1,876**	226
Inventories	7	**27,161**	19,379	**54,797**	24,261
Judicial deposits	18	**7,183**	7,759	**8,298**	9,861
Other receivables		**2,086**	2,539	**2,116**	15,975
		279,859	178,023	**308,640**	296,161
Investments	10	**1,270,956**	1,258,591	**32,981**	29,789
Property, plant and equipment	11	**650,675**	513,650	**1,011,694**	971,829
Intangible assets	12	**275,638**	230,353	**665,666**	655,306
Right-of-use asset	13	**73,456**	-	**90,227**	-
		2,270,725	2,002,594	**1,800,568**	1,656,924
Total noncurrent assets		**2,550,584**	2,180,617	**2,109,208**	1,953,085
Total assets		**4,397,341**	3,816,267	**4,809,389**	4,436,660

See accompanying notes.

Statements of financial position
February 29, 2020 and 2019
(In thousands of reais)

	Note	Individual		Consolidated	
		02/29/2020	02/28/2019	02/29/2020	02/28/2019
Liabilities and equity					
Current liabilities					
Trade accounts payable	14	**338,090**	284,004	**517,270**	423,204
Loans, financing and debentures	15	**490,880**	254,079	**560,639**	514,114
Lease liabilities	13	**17,835**	-	**25,952**	-
Advances from customers		**12,645**	6,475	**12,645**	6,708
Related parties	16	**43,313**	29,210	**4,188**	3,885
Social obligations		**18,848**	17,104	**25,731**	24,074
Taxes payable		**4,744**	26,575	**14,943**	49,701
Accrued vacation pay, 13th monthly salary and related charges		**21,854**	17,927	**40,696**	36,503
Special installment payment program	17	**8,304**	8,300	**8,462**	8,458
Other accounts payable		**7,420**	12,145	**34,315**	40,976
Total current liabilities		**963,933**	655,819	**1,244,841**	1,107,623
Noncurrent liabilities					
Loans, financing and debentures	15	**957,894**	788,855	**1,042,255**	914,745
Lease liabilities	13	**57,063**	-	**65,481**	-
Special installment payment program	17	**16,045**	26,882	**16,438**	27,433
Deferred taxes	20	**76,564**	89,756	**101,186**	128,811
Provision for contingencies	18	**32,640**	34,009	**42,243**	37,102
Accounts payable	9	**42,678**	50,901	**42,678**	50,901
Other accounts payable		**1,152**	930	**4,895**	930
Total noncurrent liabilities		**1,184,036**	991,333	**1,315,176**	1,159,922
Equity					
Capital	19a	**950,374**	950,374	**950,374**	950,374
(-) Share issue costs		**(12,380)**	(12,380)	**(12,380)**	(12,380)
Special goodwill reserve		**220**	70,510	**220**	70,510
(-) Treasury shares	19c	**-**	(45,234)	**-**	(45,234)
Stock options granted	19d	**4,895**	2,787	**4,895**	2,787
Income reserves	19e 19f	**870,584**	871,015	**870,584**	871,015
Other comprehensive income and deemed cost		**435,679**	332,043	**435,679**	332,043
Total equity		**2,249,372**	2,169,115	**2,249,372**	2,169,115
Total liabilities and equity		**4,397,341**	3,816,267	**4,809,389**	4,436,660

See accompanying notes.

Statements of profit or loss
February 29, 2020 and 2019
(In thousands of reais, except for earnings per share, in reais)

		Individual		Consolidated	
	Note	**02/29/2020**	**02/28/2019**	**02/29/2020**	**02/28/2019**
Sales and service revenue, net	**21**	**3,923,369**	3,236,885	**5,396,112**	4,748,825
Cost of sales and services	**22**	**(3,073,032)**	(2,434,625)	**(4,145,275)**	(3,527,068)
Gross profit		**850,337**	802,260	**1,250,837**	1,221,757
Operating income (expenses)					
Selling expenses	**22**	**(445,778)**	(411,854)	**(642,941)**	(631,117)
General and administrative expenses	**22**	**(219,671)**	(211,184)	**(311,537)**	(292,867)
Equity pickup	**10**	**76,539**	95,434	**(620)**	(996)
Other operating income (expenses)	**24**	**962**	66,953	**2,501**	85,204
Income before finance income and costs		**262,389**	341,609	**298,240**	381,981
Finance costs	**23**	**(161,567)**	(176,901)	**(189,329)**	(217,878)
Finance income	**23**	**108,538**	179,620	**127,245**	201,909
Finance income (costs), net		**(53,029)**	2,719	**(62,084)**	(15,969)
Income before taxes		**209,360**	344,328	**236,156**	366,012
Income and social contribution taxes					
Current		**2,065**	(10,591)	**(22,127)**	(33,287)
Deferred		**28,203**	28,650	**25,599**	29,662
Total income and social contribution taxes	**20**	**30,268**	18,059	**3,472**	(3,625)
Net income for the year		**239,628**	362,387	**239,628**	362,387
Basic earnings per share – R$	**19b**	**0.6123**	0.8960	**0.6123**	0.8960
Diluted earnings per share – R$	**19b**	**0.6109**	0.8960	**0.6109**	0.8960

See accompanying notes.

Statements of comprehensive income
February 29, 2020 and 2019
(In thousands of reais)

	Individual and Consolidated	
	02/29/2020	**02/28/2019**
Net income for the year	**239,628**	362,387
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods:		
Foreign exchange differences on foreign investments (Note 9)	**107,792**	74,249
Foreign exchange difference realized due to divestiture	**-**	(524)
Comprehensive income for the year, net of taxes	**347,420**	436,112

See accompanying notes.

Statements of changes in equity
February 29, 2020 and 2019
(In thousands of reais)

				Capital reserves			Income reserves						
	Note	Capital	Share issue costs	Special goodwill reserve	Treasury shares	Stock options granted	Legal reserve	Tax incentives	Retained profits	Retained earnings	Proposed additional dividends	Other comprehensive income and deemed cost	Total
Balances at February 28, 2018		950,374	(12,114)	70,510	(20,344)	725	56,634	78,896	433,951	-	-	262,465	1,821,097
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	4,147	-	(4,147)	-
Share issue costs		-	(266)	-	-	-	-	-	-	-	-	-	(266)
Acquisition of treasury shares		-	-	-	(24,890)	-	-	-	-	-	-	-	(24,890)
Stock options granted		-	-	-	-	3,497	-	-	-	-	-	-	3,497
Deferred IRPJ/CSLL on stock options granted		-	-	-	-	(1,435)	-	-	-	-	-	-	(1,435)
Net income for the year		-	-	-	-	-	-	-	-	362,387	-	-	362,387
Foreign exchange differences on foreign investments		-	-	-	-	-	-	-	-	-	-	74,249	74,249
Foreign exchange difference of foreign subsidiary realized due to divestiture		-	-	-	-	-	-	-	-	-	-	(524)	(524)
Proposed allocation of profit or loss:													
Recognition of legal reserve		-	-	-	-	-	12,748	-	-	(12,748)	-	-	-
Recognition of tax incentive reserve		-	-	-	-	-	-	509,356	(401,928)	(107,428)	-	-	-
Interest on equity		-	-	-	-	-	-	-	-	(65,000)	-	-	(65,000)
Recognition of retained profit reserve		-	-	-	-	-	-	-	181,358	(181,358)	-	-	-
Balances at February 28, 2019		950,374	(12,380)	70,510	(45,234)	2,787	69,382	588,252	213,381	-	-	332,043	2,169,115
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	**4,156**	-	**(4,156)**	-
Acquisition of treasury shares	**19c**	-	-	-	**(216,712)**	-	-	-	-	-	-	-	**(216,712)**
Cancellation of treasury shares	**19c**	-	-	**(70,290)**	**261,946**	-	-	-	**(171,570)**	**(20,086)**	-	-	-
Stock options granted	**19d**	-	-	-	-	**3,195**	-	-	-	-	-	-	**3,195**
Deferred IRPJ/CSLL on stock options granted	**19d**	-	-	-	-	**(1,087)**	-	-	-	-	-	-	**(1,087)**
Dividends approved in Annual Shareholders' Meeting, paid as interest on equity	**19e**	-	-	-	-	-	-	-	**(26,000)**	-	-	-	**(26,000)**
Net income for the year		-	-	-	-	-	-	-	-	**239,628**	-	-	**239,628**
Foreign exchange differences on foreign investments	**10**	-	-	-	-	-	-	-	-	-	-	**107,792**	**107,792**
Proposed allocation of profit or loss:													
Recognition of legal reserve	**19e**	-	-	-	-	-	**5,373**	-	-	**(5,373)**	-	-	-
Recognition of tax incentive reserve	**19f**	-	-	-	-	-	-	**132,177**	-	**(132,177)**	-	-	-
Recognition of retained profit reserve	**19e**	-	-	-	-	-	-	-	**41,148**	**(41,148)**	-	-	-
Interest on equity included in mandatory minimum dividends	**19e**	-	-	-	-	-	-	-	-	**(26,559)**	-	-	**(26,559)**
Proposed additional dividends to be approved in Annual Shareholders' Meeting	**19e**	-	-	-	-	-	-	-	**(15,000)**	**(18,441)**	**33,441**	-	-
Balances at February 29, 2020		**950,374**	**(12,380)**	**220**	**-**	**4,895**	**74,755**	**720,429**	**41,959**	**-**	**33,441**	**435,679**	**2,249,372**

See accompanying notes.

Statements of cash flows
February 29, 2020 and 2019
(In thousands of reais)

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019 (Restated*)
Cash flows from operating activities				
Income before income taxes from continuing operations	**209,360**	344,328	**236,156**	366,012
Adjustments to reconcile profit or loss to cash from operating activities:				
Equity pickup (Note 10)	**(76,539)**	(95,434)	**620**	996
Foreign exchange difference realized due to divestiture	**-**	(524)	**-**	(524)
Accrued financial charges	**99,635**	72,304	**106,985**	83,426
Provision for interest on lease liability (Note 13)	**4,976**	-	**5,744**	-
(Reversal of) allowance for doubtful accounts (Note 6)	**(298)**	(2,474)	**(1,872)**	(3,542)
Allowance for (reversal of) discounts (Note 6)	**(1,097)**	(10,035)	**(1,097)**	(8,435)
Provision for (reversal of) contingencies	**(1,962)**	840	**10,056**	1,160
Provision for losses on property, plant and equipment	**-**	4,737	**-**	4,737
Provision for (reversal of) other accounts	**1,558**	11,845	**1,558**	13,484
Depreciation of property, plant and equipment (Note 11)	**63,991**	50,579	**105,462**	95,572
Amortization of intangible assets (Note 12)	**4,051**	5,168	**4,963**	5,844
Amortization of the right-of-use asset (Note 13)	**24,830**	-	**33,054**	-
Write-off of property, plant and equipment (Note 11)	**830**	71,698	**2,244**	81,233
Write-off of intangible assets (Note 12)	**77**	-	**324**	737
Write-off of leases (Note 13)	**(654)**	-	**200**	-
Shares granted	**3,195**	3,497	**3,195**	3,497
	331,953	456,529	**507,592**	644,197
Decrease (increase) in assets				
Trade accounts receivable	**(18,646)**	(37,725)	**(7,388)**	18,814
Inventories	**(53,506)**	(154,739)	**(1,552)**	(193,124)
Taxes recoverable	**31,749**	(217,965)	**27,765**	(218,846)
Other current and noncurrent assets	**14,661**	(47,618)	**49,221**	(57,537)
	(25,742)	(458,047)	**68,046**	(450,693)
(Decrease) increase in liabilities				
Trade accounts payable	**58,501**	72,432	**71,040**	23,288
Payroll and related charges payable	**3,266**	6,562	**3,236**	(1,652)
Tax obligations	**(18,619)**	56,899	**(29,247)**	55,002
Other current and noncurrent liabilities	**5,307**	7,782	**(1,335)**	(10,648)
Interest paid on loans and derivatives (**)	**(89,272)**	(64,075)	**(95,863)**	(77,090)
Income and social contribution taxes paid	**-**	(18,296)	**(23,574)**	(39,534)
	(40,817)	61,304	**(75,743)**	(50,634)
Cash from operating activities	**265,394**	59,786	**499,895**	142,870
Cash flows from investing activities:				
Short-term investments redeemed (made), net	**(833)**	406,711	**(833)**	406,711
Cash received for the sale of property, plant and equipment	**186**	6,082	**494**	6,082
Additions to investments (Note 10)	**(6,388)**	(140,000)	**-**	(140,000)
Cash received for divestiture	**-**	120	**-**	-
Cash from merger/acquisition of subsidiary	**11,516**	-	**-**	26,433
Additions to property, plant and equipment	**(89,558)**	(145,201)	**(116,150)**	(185,540)
Additions to intangible assets (Note 12)	**(16,914)**	(8,643)	**(19,081)**	(10,066)
Cash from (used in) investing activities	**(101,991)**	119,069	**(135,570)**	103,620
Cash flows from financing activities:				
Loans raised (Note 15)	**727,895**	108,602	**1,151,455**	626,693
Loans settled (Note 15)	**(480,839)**	(126,422)	**(1,029,050)**	(697,348)
Payment of lease liabilities (Note 13)	**(29,173)**	-	**(36,752)**	-
Advance of interest on equity	**(18,441)**	-	**(18,441)**	-
Payment of interest on equity	**(52,559)**	(65,000)	**(52,559)**	(65,000)
Share issue costs	**-**	(266)	**-**	(266)
Treasury shares acquired (Note 19.c)	**(216,712)**	(24,890)	**(216,712)**	(24,890)
Cash used in financing activities	**(69,829)**	(107,976)	**(202,059)**	(160,811)
Foreign exchange differences on cash and cash equivalents abroad	**-**	-	**10,196**	3,157
Increase in cash and cash equivalents	**93,574**	70,879	**172,462**	88,836
Cash and cash equivalents at beginning of year	**312,027**	241,148	**365,302**	276,466
Cash and cash equivalents at end of year	**405,601**	312,027	**537,764**	365,302
Increase in cash and cash equivalents	**93,574**	70,879	**172,462**	88,836

(*) Restatement of consolidated changes of February 28, 2019, relating to the acquisition of SLC Alimentos.
(**) Reclassification of interest payment between cash flow from financing activities and cash flows from operating activities for the information related to February 28, 2019.

See accompanying notes.

Statements of value added
February 29, 2020 and 2019
(In thousands of reais)

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Revenues				
Sales of goods, products and services	**4,287,687**	3,552,347	**5,807,408**	5,110,486
Other revenues	**9,831**	185,672	**15,195**	211,481
(Reversal of) allowance for doubtful accounts	**(355)**	(1,371)	**(385)**	(3,373)
	4,297,163	3,736,648	**5,822,218**	5,318,594
Bought-in inputs				
Cost of goods, products and services sold	**(2,703,789)**	(2,141,743)	**(3,599,710)**	(3,071,320)
Bought-in materials, energy and services and others	**(644,652)**	(566,063)	**(900,493)**	(818,499)
Other	**(14,008)**	(125,498)	**(17,836)**	(133,128)
	(3,362,449)	(2,833,304)	**(4,518,039)**	(4,022,947)
Gross value added	**934,714**	903,344	**1,304,179**	1,295,647
Retentions				
Depreciation and amortization	**(92,872)**	(55,747)	**(143,479)**	(101,416)
Net value added produced	**841,842**	847,597	**1,160,700**	1,194,231
Value added received in transfer				
Equity pickup	**76,539**	95,434	**(620)**	(996)
Finance income	**108,538**	179,620	**127,245**	201,909
Other	**-**	404	**-**	404
	185,077	275,458	**126,625**	201,317
Total value added payable	**1,026,919**	1,123,055	**1,287,325**	1,395,548
Payment of value added				
Personnel				
Direct compensation	**164,508**	142,816	**294,261**	274,863
Benefits	**52,378**	51,386	**66,851**	67,207
Unemployment Compensation Fund (FGTS)	**17,961**	17,286	**17,961**	17,678
Other	**9,544**	9,978	**9,675**	10,474
	244,391	221,466	**388,748**	370,222
Taxes, charges and contributions				
Federal	**83,974**	74,525	**112,545**	99,636
State	**290,163**	258,366	**343,970**	309,947
Local	**4,300**	3,766	**9,604**	8,864
	378,437	336,657	**466,119**	418,447
Debt remuneration				
Finance costs	**149,288**	165,513	**177,049**	205,961
Rentals	**5,096**	30,047	**5,702**	31,206
Other	**10,079**	6,985	**10,079**	7,325
	164,463	202,545	**192,830**	244,492
Equity remuneration				
Interest on equity	**45,000**	65,000	**45,000**	65,000
Retained profit for the year	**194,628**	297,387	**194,628**	297,387
	239,628	362,387	**239,628**	362,387
Total value added distributed	**1,026,919**	1,123,055	**1,287,325**	1,395,548

See accompanying notes.

1. Operations

Camil Alimentos S.A. (“Camil” or “Company”) is a publicly-held corporation headquartered in the city and state of São Paulo which, jointly with its subsidiaries and affiliates (collectively the “Group”), is primarily engaged in the industrial processing and sale of rice, beans, fish and sugar.

The Company became operational in 1963 as a rice cooperative and has since then been expanding both through acquisitions of companies and/or food brands in Brazil and in some of the main countries in South America.

The Company owns a large portfolio of traditional and consolidated brands recognized by consumers. In Brazil, its major brands are “Camil”, “Namorado”, “Coqueiro”, “Pescador”, “União”, "Da Barra”, “Neve” and “Duçula”. In Latin America, it operates with brands “Saman” in Uruguay, “Tucapel” in Chile, and “Costeño” and “Paisana” in Peru. With these brands, the Company has won a prominent position in the Brazilian and Latin American food markets.

The financial year of the Company and its subsidiaries ends February every year, in order to align financial year end with rice harvest cycle, the main product of Camil. The harvest of rice, the main input used in the production process of the Company and its subsidiaries, occurs once a year, between February and May. This dynamic is influenced by fluctuations in prices and agricultural fostering, mainly in Brazil and Uruguay. In Brazil, for example, planting takes place in mid-September. At harvest time, the average price paid for rice is traditionally lower during the months immediately following the March harvest, an effect observed in the seasonality of working capital in the period.

On September 28, 2017, Camil Alimentos S.A. began to trade its shares on B3, in the Novo Market (New Market) segment.

On December 3, 2018, the Company acquired all shares of SLC Alimentos Ltda. (“SLC”), in order to strengthen competitiveness, accelerate growth in the South, Southeast and Northeast Regions, complement its distribution and logistics platform and, especially, consolidate operations and sales synergies. With this acquisition, brand “Namorado” and other brands became part of the portfolio, which is another step towards the solidification of its share in the Brazilian grain market. Referred to subsidiary was merged on March 1, 2019, as detailed in Note 9.

The Group has 14 plants in Brazil, nine plants in Uruguay, two in Chile and three in Peru.

2. Accounting policies

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, as well as with the International Financial Reporting Standards (IFRS) in force issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), implemented in Brazil by the Brazilian Financial Accounting Standards Board (CPC), through its interpretations (ICPC) and guidelines (OCPC), and approved by Brazil's National Association of State Boards of Accountancy (CFC) through the General Brazilian Accounting Standards (NBC TG), General Interpretations (ITG) and General Communications (CTG), and by the Brazilian Securities and Exchange Commission (CVM).

The financial statements at February 29, 2020 are comparable to the financial statements at February 28, 2019, except in relation to the accounting effects recorded as from March 1, 2019, in relation to the implementation of CPC 06 (R2) / NBC TG 06 (R3) / IFRS16 – Leases. As explained in Note 2.22, the Company adopted the modified retrospective approach. Specifically about interpretation ICPC 22 / ITG 22 / IFRIC 23 – Uncertainties over income tax treatments, the Company completed its analysis and concluded that it has no impacts on its accounting records and on the comparability of financial information, as mentioned in Note 2.24.

In accordance with OCPC 07/CTG 07 – Evidence in the Disclosure of General Purpose Financial Reporting, all relevant information specific to the financial statements, and only it, has been disclosed, and corresponds to that used by management in managing the companies.

The financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value and investments measured by the equity method.

Non-financial data included in these financial statements was not audited.

The individual and consolidated financial statements were approved by the Company management on May 12, 2020.

(In thousands of reais – R$, unless otherwise stated)

2.1. Consolidated financial statements

At February 29, 2020 and February 28, 2019, the Company held investments in the following subsidiaries and affiliates:

		02/29/2020		02/28/2019	
		Direct	Indirect	Direct	Indirect
Uruguay					
Camilatam S.A.	Subsidiary	100.00%	-	100.00%	-
Camil Uruguay Sociedad de Inversión S.A.	Subsidiary	-	100.00%	-	100.00%
S.A. Molinos Arroceros Nacionales – SAMAN	Subsidiary	-	100.00%	-	100.00%
Arroz Uruguayo S.A – Arrozur	Affiliate	-	49.19%	-	49.19%
Tacua S.A.	Affiliate	-	40.72%	-	40.72%
Agencia Marítima Sur S.A.	Affiliate	-	40.73%	-	40.73%
Comisaco S.A.	Affiliate	-	50.00%	-	50.00%
Galofer S.A.	Affiliate	-	45.00%	-	45.00%
Chile					
Empresas Tucapel S.A.	Subsidiary	-	99.94%	-	99.94%
Peru					
Costeño Alimentos S.A.C.	Subsidiary	-	100.00%	-	100.00%
Envasadora Arequipa S.A.C	Subsidiary	-	100.00%	-	100.00%
Brazil					
Ciclo Logística Ltda.	Subsidiary	100.00%	-	100.00%	-
SLC Alimentos Ltda.(*)	Subsidiary	-	-	100.00%	-

(*) Subsidiary acquired on December 3, 2018 and merged on March 1, 2019, as detailed in Note 9.

The year of the subsidiaries' consolidated financial statements included in the consolidation is the same as that of the parent company, with the exception of Costeño Alimentos S.A.C., whose year ends December 31 of each year. For purposes of security and quality of the information contained in these financial statements, the information for January and February of this subsidiary was audited for consolidation purposes. Accounting policies have been applied consistently on the consolidated component companies and are consistent with those used in the prior year.

The main consolidation procedures are:

- Elimination of asset and liability balances between consolidated companies;
- Elimination of interest in capital, reserves and retained earnings of consolidated companies; and
- Elimination of revenues, expenses and unrealized income from intercompany transactions.

Control over an investee is obtained specifically when the Company has:

- Power over the investee, i.e. existing rights ensuring its current capacity of directing the activities of the investee;
- Exposure or right to variable returns based on its involvement with the investee;
- The capacity of using its power over the investee to affect profit or loss.

2.2. Business combination and goodwill

The Company uses the acquisition method to account for business combinations. The cost of an acquisition is measured by the consideration transferred after measuring the fair value of the acquiree's equity and the non-controlling interest. Costs related to acquisitions are accounted for as expenses as incurred.

Upon acquiring a business, the Group assesses financial assets and liabilities assumed in order to classify and allocate them in accordance with contractual terms, economic circumstances and relevant conditions at the acquisition date, including the segregation, by the acquiree, of embedded derivatives existing in the acquiree's contracts. Any contingent portion to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability shall be recognized in accordance with CPC 48 / NBC TG 48 / IFRS 9 – Financial Instruments, in the statement of profit or loss.

Goodwill is initially measured as an excess amount of the transferred consideration in relation to acquired net assets (identifiable net assets acquired and liabilities assumed). If payment is lower than fair value of acquired net assets, the difference must be recognized as a gain in the statement of profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment test purposes, goodwill acquired in a business combination is, as of the acquisition date, allocated to each cash-generating unit (CGU) of the Group, which are expected to benefit from such combination synergy, regardless of other assets or liabilities of the acquiree being attributed to these units.

Where goodwill forms part of a CGU and a part of that unit is disposed of, the goodwill associated with the portion disposed of is included in the transaction cost when determining the respective gain or loss thereon. The goodwill disposed of under such circumstances is determined based on amounts proportional to the disposed of portion in relation to the CGU maintained.

2.3. Current vs. noncurrent classification

The Group presents assets and liabilities in the statement of financial position based on their classification as current or noncurrent. An asset is classified as current when:

- It is expected to be realized, or is intended to be sold or consumed in the normal course of the entity's operating cycle;
- It is maintained essentially for the purpose of being traded;
- It is expected to be realized within 12 months after the statement of financial position date; and
- It is cash or cash equivalent (as defined in Accounting Pronouncement CPC 03 (R2) / NBC TG 03 (R3) / IAS 7 - Statement of Cash Flows), unless its exchange or use for settlement of liabilities is prohibited for at least 12 months after the statement of financial position date.

All other assets are classified as noncurrent.

A liability is classified as current when:

- It is expected to be settled during the entity's normal operating cycle;
- It is maintained essentially for the purpose of being traded;
- It shall be settled within 12 months after the statement of financial position date; and
- The entity has no unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

The terms of a liability that may, at the counterparty's discretion, result in its settlement through the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as noncurrent.

2.4. Segment reporting

From the year ended February 2014, the Company started to organize its business segment by geographic area, consistently with the principles and concepts used by the Company's main decision-makers in assessing performance. Information is analyzed by segment as follows:

Food products – Brazil: It includes operations conducted by the units in Brazil with grains, fish and sugar.

Food products – international: It includes the operations conducted by the units in Uruguay, Chile and Peru with grains.

2.5. Translation of foreign currency-denominated balances

Functional and presentation currency

The Company's functional currency is the Brazilian real (BRL), which is the same currency used for preparation and presentation of the individual (Company) and consolidated financial statements. The financial statements of each consolidated subsidiary used as a basis for valuation of investments under the equity method are prepared based on the functional currency of each entity. Assets and liabilities of subsidiaries located abroad are translated into Brazilian Reais (BRL) at the exchange rate prevailing at the statement of financial position closing dates and profit or loss is determined by the average monthly rates for the years. Translation gains or losses are recorded in equity under Other Comprehensive Income.

Foreign currency-denominated transactions

Monetary assets and liabilities stated in foreign currency are translated into the functional currency (Real - BRL) at the exchange rate prevailing at the statement of financial position dates. Gains and losses arising from restatement of these assets and liabilities between the exchange rate prevailing on the transaction dates and the reporting period closing dates are recognized in profit or loss as finance income or costs.

(In thousands of reais – R$, unless otherwise stated)

In the table below, we disclosed the exchange rates in Reais in effect at the reporting date:

Final rate	02/29/2020	02/28/2019
US dollar (USD)	**4.4987**	3.7385
Chilean peso (CLP)	**0.0055**	0.0057
New Sol / Peru (PEN)	**1.3025**	1.1311

2.6. Revenue from contracts with customers

Revenue is recognized to the extent economic benefits are likely to flow to the Company and when it can be reliably measured. It is measured at fair value of the consideration received, net of sales discounts, rebates, and related taxes or charges. The Company measures revenue transactions in accordance with specific criteria to determine whether it is operating as an agent or a principal and eventually concluded that it has been operating as a principal in all its revenue contracts. The following specific criteria should also be met before revenue recognition:

Sale of goods

Sales revenue is recognized when significant risks and rewards of ownership of the goods are transferred to the buyer, which generally occurs upon delivery thereof.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the consideration amount to which it will be entitled in exchange for the transfer of goods to the customer. The variable consideration is estimated at the contract inception and is restricted until it is highly probable that there will be no reversal of a significant portion of revenue, in the amount of the accumulated revenue recognized, when the uncertainty associated with the variable consideration is subsequently resolved.

- Right of return

Certain contracts grant the customer the right to return goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned since this method better predicts the variable consideration amount to which the Group will be entitled.

- Discounts granted

The Group considers discounts granted under contracts and controls occasional discounts in its negotiations to ensure that the revenue recognized is net of these impacts. Incentive and discount programs include analysis of sales performance based on volume, and of marketing actions at the points of sale.

(ii) Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient contained in CPC 47 / NBC TG 47 / IFRS 15, the Group does not adjust the promised consideration for purposes of a significant financing component, if it is expected, at the contract inception, that the period between the transfer of promised goods to the customer and the date the customer pays for this good or service will be one year or less.

Contract balances

Trade accounts receivable

A receivable represents the Group's unconditional right to receive consideration (i.e. the consideration will be payable only due to passage of time).

Refund liability

A refund liability is an obligation to refund any consideration received (or receivable) from customers, fully or partially, and is measured by the amount the Group ultimately expects to return to the customer.

Cost of obtaining a contract

The Group pays sales commission to its sales representatives for each product sale made and the respective consideration received.

2.7. Government grants

Government grants are recognized when there is reasonable assurance that the entity will comply with all conditions. When the benefit refers to an expense item, it is recognized as revenue over the benefit period, in line with the credit reporting period under the accrual basis of accounting.

2.8. Taxes

Current income and social contribution taxes

Tax rates and laws used to calculate the amounts are those in force at the statement of financial position date.

In Brazil, income taxes include both income and social contribution taxes. Under the taxable profit based on accounting records regime ("*lucro real*"), income tax is calculated at the rate of 15% on taxable profit, plus 10% surtax on profit exceeding R$240 over 12 months, whereas social contribution tax is computed at the rate of 9% on taxable profit, both recognized on an accrual basis, therefore additions to book income of temporarily nondeductible expenses or exclusions of temporarily nontaxable income upon determination of current taxable profit generate deferred tax assets or liabilities. Under the taxable profit computed as a percentage of gross revenue regime ("*lucro presumido*"), adopted by subsidiary Ciclo Logística Ltda., income and social contribution tax rates are the same, but the tax base is 8% and 12% on billing for income and social contribution tax purposes, respectively, and the other revenues are subject to taxation considering 100% of the tax base.

In Uruguay, the tax rate is 25%, in Chile 27%, in Peru 29.5%, and in Brazil taxation is subject to the Provisional Executive Order (MP) No. 2159-70/2001 and Law No. 12973/14.

Deferred income and social contribution taxes

Deferred taxes are generated by temporary differences at the statement of financial position date between taxes bases of assets and liabilities and their book value.

Deferred tax liabilities are recognized for all temporary tax differences, except when such deferred tax liability arises upon initial recognition of goodwill or of an asset or liability in a transaction other than a business combination and, at the transaction date, has no impact on book income or tax income (loss); and on temporary differences related to investments in subsidiaries, in which the reversal period can be controlled and temporary differences are not likely to be reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and tax losses to the extent that it is probable that taxable profit will be available for the deductible temporary differences to be realized, and unused tax credits and tax losses to be used, except when the deferred tax asset related to the deductible temporary difference is generated upon initial recognition of an asset or liability in a transaction other than a business combination and, at the transaction date, has no impact on book income or tax income or loss.

The carrying amount of deferred taxes is reviewed at each reporting date and written off to the extent that taxable profits will not likely be available so that deferred tax assets can be used in total or in part. Deferred tax assets are reviewed at each statement of financial position date and recognized to the extent that future taxable profits are likely to allow deferred tax assets to be recovered.

Deferred tax assets and liabilities are recognized in noncurrent assets and liabilities and are measured at the tax rate that is expected to be applicable in the year in which the asset will be realized or the liability settled, based on tax rates (and tax law) in force at statement of financial position date.

Deferred taxes related to items recognized directly in equity are also recognized in equity, rather than in the statement of profit or loss. Deferred tax items are recognized based on the transaction that generated the deferred tax, in comprehensive income or directly in equity. Deferred tax assets and liabilities are presented net when there is a legal or constructive right to offset tax asset against tax liability and when such deferred tax assets and liabilities relate and are subject to the same tax authority.

Sales taxes

Revenues, expenses and assets are recognized net of sales taxes, except:

- When sales taxes incurred on the purchase of assets or services are not recoverable from tax authorities, in which case sales taxes are recognized as part of the acquisition cost of the asset or expense item, as applicable;
- When amounts receivable and payable are stated together with sales taxes, and
- When net sales taxes, either recoverable or payable, are included as a component of amounts receivable or payable in the statement of financial position.

(In thousands of reais – R$, unless otherwise stated)

Revenues from sales in Brazil are subject to the following taxes and contributions, at the basic rates below:

	Rates
State value-added tax (ICMS)	0.00% to 20.00%
Contribution tax on gross revenue for social security financing	0.00% to 7.60%
Contribution tax on gross revenue for social integration	0.00% to 1.65%
Federal value-added tax (IPI)	0.00% to 5%
Service tax (ISSQN)	2% to 5%
Social security contribution tax (INSS) (*)	1.5%

(*) Refers to the percentage payable by subsidiary Ciclo Logística Ltda., with enactment of the payroll tax exemption Act.

Non-cumulative PIS/COFINS credits are recorded as a deduction of cost of products sold or from general and administrative expenses in the statement of profit or loss, according to where the expenditure stems from. Recoverable taxes are stated under current or noncurrent assets according to their estimated realization. Revenues are stated net of taxes in the statement of profit or loss.

In Uruguay, sales are subject to Value-Added Tax (VAT) at rates ranging from 10% to 22%. In Chile, VAT rate is 19%. In Peru, VAT rate is 18%.

2.9. Noncurrent assets held for sale

The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered mainly through a sale transaction rather than its continued use. These noncurrent assets held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Cost to sell are represented by incremental expenses directly attributable to the sale, less finance costs and income taxes.

The criteria for classification of noncurrent assets held for sale are met when the sale is highly probable and the asset or group of assets held for sale is available for immediate sale under its current conditions, subject only to the terms that are customary for the sale of such assets held for sale. Group management is committed to the asset sale plan, and a program has been initiated to locate a buyer and complete the plan within one year from the classification date.

Property, plant and equipment and intangible assets are not depreciated or amortized when classified as held for sale, but are tested for impairment according to market expectations.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

2.10. Financial instruments – Initial recognition, subsequent measurement and derecognition

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets

Initial recognition and measurement

Pursuant to accounting pronouncement CPC 48 / NBC TG 48 / IFRS 9, financial assets are classified, at initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the characteristics of contractual cash flows of financial assets and the Group's business model for the management of these financial assets. Except for trade accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs in the case of a financial asset not measured at fair value through profit or loss. Trade accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with CPC 47 / NBC TG 47 / IFRS 15. See accounting policies in Note 2.6 – Revenue from contracts with customers.

The main financial assets recognized by the Company are cash and cash equivalents, short-term investments, derivative financial instruments, trade accounts receivable and related parties. These assets were classified as financial assets at fair value through profit or loss and receivables.

The main financial liabilities are trade accounts payable, related parties, derivative financial instruments, other accounts payable, loans, financing and debentures.

Subsequent measurement

Financial instruments are subsequently measured at each statement of financial position date according to their classification into the following categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through other comprehensive income, with reclassification of accumulated gains and losses (debt instruments);
- Financial assets designated at fair value through other comprehensive income, without reclassification of accumulated gains and losses at the time of derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

This category is the most relevant for the Group. The Group measures financial assets at amortized cost if both the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets to receive contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets to be mandatorily measured at fair value. Financial assets are classified as held for trading if acquired to be sold or repurchased within the short term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model. Notwithstanding the criteria for debt instruments to be classified as at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated as at fair value through profit or loss upon initial recognition if this eliminates, or significantly reduces, an accounting mismatch.

Financial assets measured at fair value through profit or loss are presented in the statement of financial position at fair value, and any net changes in fair value are recognized in the statement of profit or loss, e.g., derivative financial instruments and short-term investments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows of the asset or has assumed an obligation to fully pay the cash flows received, without significant delay to a third party under a ‘pass-through’ arrangement, and (a) the Group transferred substantially all risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all risks and rewards related to the asset, but has transferred control over the asset.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows payable under the contract and all the cash flows that the Group expects to receive.

For credit exposures for which there has been a significant increase in credit risk since initial recognition, an allowance is required for expected credit losses over the remaining life of the exposure, irrespective of the timing of default (a lifetime expected credit loss).

For trade accounts receivable and contract assets, the Group applies a simplified approach to calculate expected credit losses. Therefore, the Group, while monitoring changes in credit risk, recognizes an allowance for losses based on lifetime expected credit losses at each reporting date.

The Group considers a financial asset to be in default when the contractual payments are overdue for over 180 days. Nonetheless, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that it is unlikely that the Group will receive full contractual amounts outstanding before taking into account any credits enhancements maintained by the Group. A financial asset is derecognized when there is no reasonable expectation of recovery of contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are initially recognized as financial liabilities at fair value through profit or loss, loans and receivables, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are initially measured at fair value, plus or less, in the case of a financial liability other than at fair value through profit or loss, transaction costs that are directly attributable to the issue of a financial liability.

The Group's financial liabilities include trade accounts payable and other accounts payable, loans and financing, and derivative financial instruments.

Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities initially recognized at fair value through profit or loss.

Financial liabilities are classified as held for trading if incurred to be repurchased in the short term.
Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities initially recognized at fair value through profit or loss are designated at the initial recognition date, and only if the CPC 48 / NBC TG 48 / IFRS 9 criteria are met. The Group has not designated any financial liability as at fair value through profit or loss, as the closing balance of derivative financial instruments resulted in an asset.

Loans and receivables

After their initial recognition, interest-bearing loans and financing taken out and granted are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss upon derecognition of liabilities, as well as by the effective interest rate amortization process.

The amortized cost is calculated taking into account any negative goodwill or goodwill on acquisition and rates or costs that are an integral part of the effective interest rate method. Amortization by the effective interest rate method is recorded as a finance cost in the statement of profit or loss.

This category generally applies to interest-bearing loans and financing taken out and granted.

Debentures

Debentures are initially recorded at fair value plus transaction costs that are directly attributable to their issue. They are subsequently measured at amortized cost using the effective interest rate method. Interest and monetary restatement, where applicable, are recognized in profit or loss, when incurred.

Derecognition

A financial liability is derecognized when the obligation under the liability is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expires. When an existing financial liability is replaced by another from the same lender in substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is treated as derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

2.11. Derivative financial instruments

The Company uses derivative financial instruments, mainly financial hedge, to hedge against currency risk.

Derivatives are recorded as financial assets when the financial instrument's fair value is positive, and as financial liabilities when negative.

Any gains or losses arising from changes in the fair value of derivatives in the year are posted directly to profit or loss.

The Company did not use hedge accounting during the years ended February 29, 2020 and February 28, 2019.

2.12. Cash and cash equivalents

Cash and cash equivalents include cash, bank account balances and short-term investments redeemable within 90 days from the transaction dates, subject to insignificant risk of change in earnings, and readily convertible into cash. They are accounted for at face value, which is equivalent to their fair value. There was no change in the policy for determining components of cash and cash equivalents disclosed in the years. When short-term investments do not meet the criteria for cash equivalents, they are classified as short-term investments, separately.

2.13. Inventories

Inventories are valued at average cost of acquisition or production, not exceeding their market value. Provisions for slow-moving inventory items are set up whenever deemed necessary by management. The Company adopts the absorption costing method through weighted moving average for its inventory items.

In Uruguay, the terms and conditions of sale of a significant portion of rice production agreed with agricultural producers and industrial plants are established by formal agreement between such industrial plants (“Gremial de Molinos”) and the Rice Growers Association of that country (“Asociación de Cultivadores de Arroz”). The mechanism to calculate paddy rice bag price is established in a formal agreement based on the selling price obtained by industrial plants in trading rice for each harvest, net of costs and expenses previously agreed with the Rice Growers Association and a guaranteed minimum margin of the industrial plants. This price is set by the producers association and the industrial plants when approximately 90% of the Uruguayan harvest is effectively traded and sold by the industrial plants, which usually occurs in the first quarter of the year following the current year harvest.

To allow the granting of advances by the industrial plants and partial settlements of rice purchases, the producers association and the industrial plants set at each harvest end, usually in June each year, a provisional price for reference to the market. Partial payments made are complemented by the industrial plants or returned by producers when the definitive price is defined.

2.14. Investments

Investments in subsidiaries are recorded by the equity method for individual financial statements purposes. Other investments that do not fit in the category above are stated at acquisition cost less the provision for impairment, where applicable.

After the equity method is applied for disclosure of the individual financial statements, the Company determines whether it is necessary to recognize additional impairment losses on its investments in each subsidiary. The Company determines, at each statement of financial position date, whether there is objective evidence that its investments in subsidiaries are impaired. In this case, the Company calculates the impairment loss as a difference between the recoverable amount of the subsidiary and its carrying amount, and recognizes such amount in its statement of profit or loss.

(In thousands of reais – R$, unless otherwise stated)

2.15. Property, plant and equipment

Property, plant and equipment items are stated at cost, net of accumulated depreciation and/or accumulated impairment loss, if any, and of PIS/COFINS and ICMS credits, and the respective counterpart entry is recorded as taxes recoverable, where applicable. This cost includes replacement cost of a portion of property, plant and equipment and borrowing costs for long-term construction projects, when recognition criteria are met. When significant portions of property, plant and equipment are replaced, the Company recognizes such portions as an individual asset with a specific useful life and depreciation. Similarly, when a significant audit is performed, its cost is recognized in the carrying amount of property, plant and equipment, if the recognition criteria are met. All of the other repair and maintenance costs are recognized in the statement of profit or loss, as incurred.

Depreciation is calculated by using the straight-line method over the useful life of the asset, at rates that take into account the estimated useful lives of assets, as follows:

	Weighted annual depreciation	
	Individual	Consolidated
Buildings	4%	10%
Machinery and equipment	10%	16%
Furniture and fixtures	10%	10%
Vehicles	20%	17%
Facilities	10%	12%
Improvements	4%	9%
Computers and peripherals	20%	20%

A property, plant and equipment item is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the asset derecognition (calculated as the difference between the net disposal proceeds and the asset carrying value) is included in the statement of profit or loss for the year when the asset is derecognized.

There was no change in the rates applied for the year ended February 29, 2020 in relation to the rates applied in the prior year.

2.16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the underlying asset cost. All other borrowing costs are expensed for the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. In the Statement of Cash Flows, interest paid is presented under financing activities as provided for by CPC 03 (R2) / NBC TG 03 (R3) / IAS 7 - Statement of Cash Flows.

2.17. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. After initial recognition, intangible assets are stated at cost, less accumulated amortization and accumulated impairment losses. Intangible assets generated internally are not capitalized, and the expenditure is reflected in the statement of profit or loss for the year when it is incurred.

Intangible assets are assessed as having finite or indefinite useful lives. For finite-lived intangible assets, the Company uses the following annual amortization rates:

	Weighted annual amortization rates	
	Individual	Consolidated
Software	20%	14%
Relationship with customers	11%	11%
Non-compete agreement	20%	20%

Finite-lived intangible assets are amortized over their economic useful lives and are tested for impairment whenever there is any indication of impairment loss. The amortization period and method for finite-lived intangible assets are reviewed at least at each year-end. Changes in the estimated useful life or expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changes in the amortization period or method, as appropriate, treated as changes in accounting estimates. The amortization of finite-lived intangible assets is recognized in the statement of profit or loss as expenses consistently with the use of the intangible asset.

Intangible assets with indefinite useful lives (goodwill, brands and patents of companies acquired) are not amortized, but annually tested for impairment at the cash-generating unit (CGU) level, considering the segments defined by the Company. Indefinite useful life assessment is reviewed annually to determine whether such assessment continues to be justified. Otherwise, a change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains and losses on derecognition of an intangible asset are measured as the difference between the net disposal proceeds and carrying amount of the asset, and classified in the statement of profit or loss upon disposal.

Goodwill

Goodwill is initially measured at cost, and consists of the difference between the consideration transferred and the recognized amount of noncontrolling interest in assets acquired and liabilities assumed. If this payment is lower than the fair value of the acquired subsidiary's net assets, the difference is recognized in the statement of profit or loss as a gain on a bargain purchase.

After initial recognition, goodwill is measured at cost, less any impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, as of the acquisition date, allocated to each of the Company's cash-generating units (CGU) that are expected to benefit from the business combination, irrespective of whether other assets or liabilities of the acquiree are allocated to those CGUs, considering the business segments defined by management.

2.18. Impairment of nonfinancial assets

Management annually tests the net carrying amount of the assets in order to determine whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment loss. When such evidence is identified and the net carrying amount exceeds the recoverable amount, a provision for impairment is set up to adjust the net carrying amount to the recoverable amount. The recoverable amount of an asset or CGU is defined as the higher of value in use and fair value less costs to sell.

In estimating the value in use of an asset, estimated future cash flows consider five years plus perpetuity and are discounted to present value, using a pre-tax discount rate that reflects the weighted average cost of capital (WACC) for the industry in which the CGU operates. The fair value less costs to sell is determined, whenever possible, based on firm sales contracts on an arm’s length basis, between knowledgeable, willing parties, adjusted by costs to sell the asset, or, in the absence of a firm sales contract, based on the market price in an active market, or on the price in the most recent transaction involving similar assets.

At the statement of financial position dates, there was no need to set up a provision for impairment of assets were identified.

2.19. Provisions

<u>General considerations</u>

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, the settlement of which is likely to generate an outflow of economic benefits. The provisions are recorded based on the best estimate of the risk involved.

Provisions are classified as current when they are likely to be realized or settled within the following twelve months. Otherwise, they are stated as noncurrent.

Provision expenses are recognized in the statement of profit or loss, less any reimbursement.

<u>Provisions for contingencies</u>

Provisions are recognized for all contingencies in connection with legal proceedings for which it is likely that a cash outflow will be required to settle the contingency/obligation and a reasonable estimate can be made. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors.

Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

For other estimates and provisions, see Notes 2.22, 2.24 and 3.

2.20. Leases

Characterization of a lease contract is based on substantive aspects relating to the right of use of a certain asset, on the date of its execution.

CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 – Leases, which supersedes existing standards CPC 06 (R1) / NBC TG 06 (R2) / IAS 17 – Leases and related interpretations ICPC 03 / IFRIC 4, SIC 15 and SIC 27, as from January 1, 2019 (equivalent to March 1, 2019 for the Company), sets the principles for recognition, measurement, presentation and disclosure of leases, and requires that lessees recognize most leases in the statement of financial position. Significant changes in lessees' accounting practices are:

(i) Equalization of accounting standards for operating and finance leases to the lessee, so that all leases expiring after 12 months, with fixed consideration and significant asset value will be recognized in the lessee's statement of financial position as a right-of-use asset and a liability for future payments, both at present value;

(ii) Lease expenses will no longer be recognized on a straight-line basis. Profit or loss are impacted by depreciation expenses of the asset and by the allocation of liability interest.

Transition

The Company applied CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16, using the modified retrospective approach, which requires no comparison in the presentation of prior-year information.

Contracts are capitalized at lease commencement as Right-of-Use Assets, in noncurrent assets, at the present value of the fixed payments, with Lease Liabilities as a matching entry, segregated between current and noncurrent, considering the expected payment terms, as defined in contract. Initial direct costs incurred in the transaction are added to cost, where applicable.

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at inception (nominal rate), as the interest rate implicit in the lease cannot be readily determined.

Right-of-use asset depreciation is accounted for on a straight-line basis, over the contract term.

Financial interest of lease liabilities is accounted for as a finance cost, according to the amortization flow defined by the nominal rate calculated at inception.

The carrying amount of the right-of-use asset and lease liability is remeasured to reflect changes, changes in lease terms, in lease payments (e.g., changes in future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset. For the year ended February 29, 2020, events resulting from COVID-19 were not considered as a significant change in relation to the analyses conducted that supported the accounting records.

The characteristics of the Group's lease contracts classified as applicable to accounting pronouncement CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 - Leases are:

- Transfer of risks and rewards related to item ownership;
- Identification of the asset;
- Leased asset value greater than R$20 (twenty thousand reais);
- Effective term of more than one year.

The Company recognized the assets and liabilities for its lease contracts related to leased properties, machinery, equipment and vehicles, following the understanding expressed by Brazilian SEC (CVM) in Official Letter/CVM/SNC/SEP No. 02/2019 about CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16, which provided guidance on the application of the incremental interest rate, PIS and COFINS embedded in the lease liability and taxes recoverable on the realization of the lease liability. Thus, the lease liability balance considers the amount equivalent to approximately 9.25% for PIS/COFINS.

The impacts of this standard are described in Note 13.

2.21. Employee benefits

The benefits granted to Company employees and management include, in addition to fixed compensation (salaries and Social security contribution tax, vacation pay and 13th monthly salary), variable compensation such as profit sharing, luncheon voucher for management members, meals supplied to plant employees, health and dental care plans, subsidized transportation or chartered buses.

These benefits are recorded to profit or loss for the year when the Company has a liability accounted for on an accrual basis, as incurred.

2.22. Statement of value added

The statement of value added has been prepared in accordance with CPC 09 / NBC TG 09 and is presented as supplementary information for IFRS purposes.

2.23. Share-based payment

The provision for share-based payments is recognized in accordance with CPC 10 (R1) / NBC TG 10 (R3) / IFRS 2 - Share-based payment. This standard determines that equity-settled share-based payment transactions, with cash-settlement characteristics and subject to withholding taxes, shall be classified as equity-settled share-based payment transactions. Details on the Company's stock option plan can be found in Note 19.

2.24. Uncertainty over income tax treatments

IFRIC 23, interpretation issued by IASB on June 7, 2017, was translated into ICPC 22 – Uncertainty over income tax treatments, issued by CPC (Interpretation ITG 22 approved by Brazil's National Association of State Boards of Accountancy (CFC), and clarifies how to apply the recognition and measurement requirements of standard CPC 32 / NBC TG 32 (R4) / IAS 12 when there is uncertainty over income tax treatments. In this circumstance, the entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and determined tax rates.

The Company assessed uncertain tax treatments separately, and the assumptions about the examination of tax treatments by taxation authorities, and about how to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

Company management understands that there are no impacts on the financial statements resulting from treatments that could expose the Company to materially probable risks of loss, since the procedures adopted for calculating and paying income taxes are supported by legislation and precedents of Administrative and Legal Courts. The main topic subject to discussion is associated with the Assessment Notice corresponding to the amortization of goodwill, as disclosed in Note 18.2.

2.25. New standards, amendments and interpretations not yet in force

New standard: IFRS 17 – Insurance contracts

In May 2017, IASB issued IFRS 17 – Insurance Contracts (a standard not yet issued by CPC in Brazil, but which will be codified as CPC 50 - Insurance Contracts and will supersede CPC 11 – Insurance Contracts), a new comprehensive accounting standard for insurance contracts that includes recognition and measurement, presentation and disclosure. When it becomes effective, IFRS 17 will supersede IFRS 4 – Insurance Contracts, issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, elementary, direct and reinsurance), regardless of the type of entity issuing them, and certain guarantees and financial instruments with characteristics of discretionary participation.

As the general objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers, Group management sees no impacts on its accounting records and financial statements.

Changes in concepts and criteria for disclosure of CPC 00 (R2) / NBC TG Conceptual Framework / Framework

In March 2019, IASB issued a revised conceptual framework, and such amendments are reflected in revision 2 of CPC, which changed CPC 00 (R1), effective as from January 1, 2020. The second revision presents new concepts for presentation, measurement and disclosure of financial reports, updated the definition of assets and liabilities, and the criterial for recognition and derecognition of assets and liabilities in the financial statements.

The impacts generated by those changes will be prospective to the transactions or other events that occur on or after its first application.

Group management will assess the impact of the abovementioned changes.

Changes in the definition of “business” in CPC 15 (R1) / NBC TG 15 (R4) / IFRS 3 – Business combination

In October 2018, IASB issued amendments to the definition of business in IFRS 3, which are reflected in revision 14 of CPC, changing CPC 15 (R1) to help entities determine whether a set of activities acquired is a business.

The impacts generated by those changes will be prospective to the transactions or other events that occur on or after its first application.

Group management will assess the impact of the abovementioned changes.

(In thousands of reais – R$, unless otherwise stated)

Changes in the definition of "material omission" in CPC 26 (R1) / NBC TG 26 (R5) / IAS 1 – Presentation of Financial Statements, and CPC 23 / NBC TG 23 (R2) / IAS 8 – Accounting Policies, Changes in Estimates and Errors

In October 2018, IASB issued amendments to IAS 1 and IAS 8, changing CPC 26 (R1) and CPC 23 to align the definition of "material omission" or "material misstatement". The new definition states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity".

Group management will assess the impact of the abovementioned changes.

2.26. Restatement of prior-year balances

The consolidated Statement of Cash Flows for the year ended February 28, 2019 has been restated, to better reflect the effects of acquisition of SLC Alimentos, as per Note 9.

	Original statement of cash flows	Eliminations	Adjusted balances
Operating activities	16,818	203,142	219,960
Investing activities	61,744	41,876	103,620
Financing activities	15,652	(253,553)	(237,901)
Foreign exchange differences	(5,378)	8,535	3,157
Increase in cash and cash equivalents	88,836	-	88,836

In addition, payment of interest on loans and financing was reclassified from cash flow from financing activities to cash flow from operating activities. Closing balances after reclassification are as follows

	February 28, 2019		
	Adjusted statement of cash flows	Reclassifications	Closing balances
Operating activities	219,960	(77,090)	142,870
Investing activities	103,620	-	103,620
Financing activities	(237,901)	77,090	(160,811)
Foreign exchange differences	3,157	-	3,157
Increase in cash and cash equivalents	88,836	-	88,836

3. Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the financial statements of the Company and its subsidiaries requires that management make judgments and estimates and adopt assumptions that affect the amounts disclosed referring to revenues, expenses, assets and liabilities, as well as the disclosures of contingent liabilities, as at the financial statement reporting date. However, the uncertainty related to these assumptions and estimates could lead to results that would require significant adjustment to the carrying amount of the assets or liabilities affected in future years.

Estimates and assumptions

Significant assumptions regarding sources of uncertainty in future estimates and other major sources of uncertainty in estimates as at the statement of financial position date, involving a significant risk that a significant adjustment to the carrying amount of assets and liabilities may be required in the next financial year, are discussed below:

Impairment of nonfinancial assets

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset. Value in use is calculated by using the discounted cash flow method.

Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit under test.

The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, based on a five-year budget, as well as to expected future cash receipts and growth rate used for extrapolation purposes.

In the case of goodwill, recoverable amount is estimated every year at the same time. For purposes of goodwill impairment testing, the amount of goodwill determined in a business combination is allocated to the CGU expected to benefit from the business combination synergies. This allocation reflects the lowest level at which goodwill is monitored for internal purposes.

Determination and review of the useful life of property, plant and equipment and intangible assets

The useful lives of property, plant and equipment and intangible assets are determined based on assumptions that take into consideration the history of fixed and intangible assets already depreciated or amortized, as well as future projections based on estimates that may not materialize as expected, and that may significantly differ from the amount initially estimated.

Provisions for contingencies

The Company and its subsidiaries recognize a provision for civil, labor and tax claims. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

Taxes

There are uncertainties about the interpretation of complex tax regulations and the amount and timing of future taxable profit. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual instruments, differences arising between the actual results and the assumptions made, or future changes in such assumptions, could require future adjustments to tax income and expenses already recorded.

(In thousands of reais – R$, unless otherwise stated)

The Company and its subsidiaries set up provisions based on reasonable estimates, for the possible consequences of audits by tax authorities in the respective jurisdictions where they operate. The amount of these provisions is based on various factors, such as past tax audit experience and different interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company, its branches and subsidiaries.

Fair value of financial instruments

When the fair value of financial assets and liabilities stated in the statement of financial position cannot be obtained in active markets, it will be determined by using measurement techniques, including the discounted cash flow method. These methods use observable market data, whenever possible; otherwise, a given judgment call is required in order to determine the fair value. Judgment includes consideration of the data used, such as liquidity risk, credit risk and volatility. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

4. Cash and cash equivalents

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
cash and banks	**2,029**	1,343	**73,967**	33,527
Short-term investments	**403,572**	310,684	**463,797**	331,775
	405,601	312,027	**537,764**	365,302

Cash and banks substantially comprise noninterest bearing bank deposits. Short-term investments classified as cash equivalents comprise fixed-income investments, substantially represented by Bank Deposit Certificates (CDB) and Repurchase Agreements, with average earnings of 100.01% of the Interbank Deposit Certificate (CDI) variation (99.62% at February 28, 2019), redeemable within 90 days from investment date, against respective issuers, with no significant change in earnings agreed. These short-term investments are maintained in solid institutions in the market with low credit risk.

5. Short-term investments

		Individual and Consolidated	
	Average rate p.a.	02/29/2020	02/28/2019
Current			
Restricted fixed-income investments without grace period	99.12% of CDI	**32,292**	31,242
		32,292	31,242
Noncurrent			
Fixed-income investments with grace period		**-**	217
		-	217
		32,292	31,459

Similarly to investments classified as cash equivalents, there are investments, substantially comprising CDB, which are restricted as guarantees to tax proceedings, annually submitted to court assessment.

(In thousands of reais – R$, unless otherwise stated)

6. Accounts receivable

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Falling due	**517,195**	448,621	**687,869**	670,019
Overdue by up to 30 days	**2,703**	3,250	**34,247**	27,323
Overdue from 31 to 60 days	**707**	561	**7,831**	6,702
Overdue from 61 to 90 days	**579**	312	**4,600**	1,785
Overdue from 91 to 180 days	**1,037**	2,669	**5,026**	3,449
Overdue by over 181 days	**5,229**	3,216	**11,941**	9,965
	527,450	458,629	**751,514**	719,243
Discounts granted (a)	**(18,675)**	(18,172)	**(18,675)**	(19,772)
Allowance for doubtful accounts	**(5,667)**	(5,650)	**(7,577)**	(8,935)
	503,108	434,807	**725,262**	690,536

(a) Discounts granted are recognized through agreements with specific customers.

Changes in the provision for contractual discounts are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Prior balance	**(18,172)**	(28,207)	**(19,772)**	(28,207)
Merger of SLC Alimentos Ltda.	**(1,600)**	-	**-**	-
Additions	**(177,223)**	(158,634)	**(177,223)**	(165,861)
Reversals / write-offs	**178,320**	168,669	**178,320**	174,296
Closing balance	**(18,675)**	(18,172)	**(18,675)**	(19,772)

Changes in allowance for doubtful accounts are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Prior balance	**(5,650)**	(4,487)	**(8,935)**	(7,545)
Foreign exchange differences	**-**	-	**(514)**	(330)
Merger of SLC Alimentos Ltda.	**(315)**	-	**-**	-
Additions	**(4,566)**	(4,160)	**(4,693)**	(5,844)
Reversals	**4,104**	1,686	**5,573**	2,302
Write-offs	**760**	1,311	**992**	2,482
Closing balance	**(5,667)**	(5,650)	**(7,577)**	(8,935)

(In thousands of reais – R$, unless otherwise stated)

7. Inventories

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Finished products	**231,471**	224,707	**342,922**	357,102
Raw materials and inputs (a)	**149,477**	172,660	**231,181**	270,068
Packaging materials	**72,894**	55,650	**81,327**	67,330
Advances to suppliers (b)	**271,983**	199,757	**493,266**	393,285
Others	**16,713**	16,461	**58,905**	56,656
	742,538	669,235	**1,207,601**	1,144,441
Current	**715,377**	649,856	**1,152,804**	1,120,180
Noncurrent (c)	**27,161**	19,379	**54,797**	24,261

(a) Consolidated difference is mainly due to the increase in exchange difference offset by higher revenues in relation to the prior year's harvest.
(b) Advances to rice producers to ensure purchase of raw materials, of which R$27,161 (R$19,379 at February 28, 2019) in the individual financial statements and R$48,479 (R$32,584 at February 28, 2019) in the consolidated financial statements are classified as noncurrent assets according to the expected realization.
(c) The noncurrent consolidated balance is also composed of packaging materials and other inventory items, totaling R$6,318 (R$4,882 at February 28, 2019).

8. Taxes recoverable

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Income and social contribution taxes (a)	**146,837**	166,447	**150,592**	174,232
PIS and COFINS (b)	**159,791**	71,956	**159,791**	161,242
ICMS (c)	**14,490**	22,014	**14,490**	22,014
Other taxes (c)	**28,653**	22,706	**36,123**	30,158
	349,771	283,123	**360,996**	387,646
Current	**108,218**	135,220	**119,443**	142,025
Noncurrent	**241,553**	147,903	**241,553**	245,621

Breakdown of taxes recoverable is as follows:

a) Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL): For the year ended February 28, 2019, the Company recognized the effect of two untimely ICMS investment grants, backed by Supplementary Law No. 160/2017 and ICMS Agreement No. 190/2017. The first recognition, in October 2018, regarding the ICMS matching credits used from 2013 to 2016, totaled R$106,306, of which R$84,481 refer to principal, recognized under Other operating income, and R$21,825 refer to monetary restatement recognized in Finance income; the second recognition, effective in the fourth quarter ended February 28, 2019, concerning the benefits of reducing the ICMS base for interstate transactions involving rice conducted from 2014 to 2017, totaled R$10,727, of which R$8,529 refer to the principal recorded under Other operating income and R$2,198 refer to the monetary restatement recognized in Finance income. Both recognitions, in addition to the legal support, since they were made after the Certificates of Registration and Deposit of benefits were issued by CONFAZ, are backed by a technical opinion. In addition, the Company has tax credits on monthly estimate payments and tax losses amounting to R$49,414. In the year ended February 29, 2020, after partial use of credits, the unused balance amounts to R$146,837.

In the 2019 consolidated financial statements, the subsidiaries SLC Alimentos Ltda. and Empresas Tucapel S.A. should be pointed out as they presented negative IRPJ and CSLL credit balance, totaling R$7,785 and R$9,756, respectively. The credits of subsidiary SLC Alimentos Ltda. were incorporated by the Company on March 1, 2019. In the year ended February 29, 2020, the subsidiaries totaled R$11,225 in taxes recoverable.

b) PIS and COFINS: In October 2018, after an unappealable favorable decision was handed down for proceeding No. 2009.34.00.004032-0, through which the Company demanded the exclusion of ICMS from the PIS and COFINS base, as well as the right to recognize credits retroactively, restated unused PIS and COFINS credits were recognized from January 2004, amounting to R$62,939, of which R$43,228 related to principal, recognized under Other operating income (expenses), net. The monetary restatement recognized until February 2019 totals R$20,368, recognized under Finance income. In addition, the Company has R$9,017 relating to operating credits. In the 2019 consolidated financial statements, subsidiary SLC Alimentos Ltda. should be pointed out as it presented credits from PIS and COFINS recoverable of R$89,286, consisting of R$41,617 in operating credits and R$47,669 arising from the same legal basis applied by its parent company. The subsidiary's credits were incorporated by the Company on March 1, 2019. In the year ended February 29, 2020, after partial use of credits, the available balance recoverable is R$159,791.

c) ICMS and Other taxes: comprise ICMS tax credits generated by the transaction, withholding taxes, import duties, social security contributions, Federal Value-Added Tax (IPI) and Value-Added Tax (VAT) of subsidiaries S.A. Molinos Arroceros Nacionales (SAMAN) and Costeño Alimentos S.A.C. In February 2019, the Company recognized in this account a tax credit of RR14,488 due to double payment of an isolated fine applied in 2014, identified by the Brazilian Internal Revenue Service.

9. Business combination

a) Acquisition of SLC Alimentos Ltda.

On December 3, 2018, the Company completed the acquisition of 100% of the capital of SLC Alimentos Ltda., whose Agreement for Purchase and Sale of Units of Interest and Other Covenants was entered into on October 26, 2018. It agreed to pay R$180,000, of which R$140,000 were settled on the transaction closing date, and the remaining R$40,000 were retained by the Company to be disbursed in accordance with the contractual phases within 5 years, after deduction of possible losses incurred due to unexpected events relating to the transaction. In addition, the agreement provides for the contingent payment of R$10,296 relating to tax credits, net of attorneys' fees. Total remaining liabilities plus monetary restatement are allocated to Accounts payable (balance at February 29, 2020 of R$40,123).

The acquisition of SLC Alimentos Ltda. represents an increase in operational efficiency through the synergy estimated by the Company in all strategic areas of the grain category.

To comply with the corporate legislation and NBC TG 15 (R4) / CPC 15 (R1) / IFRS 3 – Business Combination, the Company has engaged a specialized advisory firm to prepare the fair value valuation report at the acquisition date.

(In thousands of reais – R$, unless otherwise stated)

The table below is a summary of the goodwill calculated (unallocated installment), in accordance with the report completed in November 2019 and adjustments determined until December 3, 2019:

	12/03/2018
Fixed portion of acquisition price	140,000
Retained portion	40,000
Contingent consideration	10,296
Total consideration	**190,296**
Preliminary fair value of net assets	
Equity at 12/03/2018	119,767
Portion paid in excess of the book value	**70,529**
(-) PPE identified at fair value	(35,587)
(-) Intangible assets identified at fair value	(17,645)
(-) Fair value adjustment of other assets and liabilities	(775)
Preliminary goodwill computed	**16,522**
(-) Decrease due to adjustment in the acquisition price (consideration) (*)	(6,656)
Final goodwill	**9,866**

(*) Amount comprising payments made by the Company for obligations of SLC Alimentos Ltda. not included in the purchase price.

The net assets acquired and the consideration are detailed below:

	Balances at 12/03/2018	Fair value originally computed/PPA	Adjustments to the calculated amounts	Closing balances
Fixed portion of acquisition price	140,000	-	-	140,000
Retained portion	40,000	-	-	40,000
Contingent consideration	10,296	-	-	10,296
(-) Decrease due to adjustment in the acquisition price	-	-	(6,656)	(6,656)
Total acquisition cost (Note 10)	**190,296**	**-**	**(6,656)**	**183,640**
Assets				
Cash and cash equivalents	26,433	-	-	26,433
Accounts receivable	61,492	-	-	61,492
Inventories	40,237	775	-	41,012
Taxes recoverable and deferred taxes	100,525	-	-	100,525
Property, plant and equipment	77,902	35,587	-	113,489
Intangible assets	15,858	17,645	-	33,503
Goodwill (Note 12)	-	34,884	(25,018)	9,866
Other accounts	4,075	122	-	4,197
Total assets	**326,522**	**89,013**	**(25,018)**	**390,517**
Liabilities				
Loans and financing, net of derivatives	176,463	-	-	176,463
Provision for contingencies	454	122	-	576
Trade accounts payable	15,148	-	-	15,148
Taxes payable and accrued vacation pay/charges	9,737	-	-	9,737
Deferred taxes	-	18,362	(18,362)	-
Other liabilities	4,953	-	-	4,953
Total liabilities	**206,755**	**18,484**	**(18,362)**	**206,877**
Calculated amount of net assets acquired	**119,767**	**70,529**	**(6,656)**	**183,640**

(In thousands of reais – R$, unless otherwise stated)

In order to integrate these synergies, at the Special General Meeting (SGM) held on March 1, 2019, the Company unanimously approved the merger of SLC Alimentos Ltda., whose net assets merged at March 1, 2019 amounted to:

	Merged balance
Assets	
Cash and cash equivalents	11,516
Accounts receivable	48,444
Inventories	25,618
Taxes recoverable	97,718
Property, plant and equipment, net (Note 11)	111,870
Intangible assets (Note 12)	32,499
Other accounts	6,773
Total assets	**334,438**
Liabilities	
Loans and financing (Note 15)	148,166
Provision for contingencies (Note 18.1)	593
Other liabilities	14,584
Total liabilities	**163,343**
Total net identifiable assets (Note 10)	**171,095**

The fair value of the consideration, in the amount of R$6,656, and the effect on deferred taxes, R$18,362, did not impact the merged data mentioned in the chart above, as accounting adjustments were carried directly in the Company, responsible for the merger of SLC Alimentos Ltda., as they were determined after the merger, but before one year from the acquisition date.

b) Acquisition of the Pet Food Business Unit of Empresas IANSA in Chile

On January 22, 2020, the subsidiary Empresas Tucapel S.A. entered into Purchase and Sale Agreement referring to units of interest and assets of LDA SpA and assets relating to the Pet Food Business Unit of Empresas IANSA S.A. ("LDA").

The final amount of this transaction totaled CLP37,000,000 (thirty-seven billion Chilean pesos) equivalent to approximately R$200,000.

The conclusion of the transaction is subject to the approval of Chile's antitrust authority - Fiscalía Nacional Económica ("FNE"), among other conditions that are usual for this type of transaction, which until February 29, 2020 has not been granted.

The Company has a consistent history of growth and market share expansion through acquisitions. This latest acquisition is an important step towards strengthening its competitiveness in Chile, a country in which Camil has a history of constant growth and profitability through its subsidiary Tucapel.

(In thousands of reais – R$, unless otherwise stated)

10. Investments

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Subsidiaries	**1,075,624**	1,038,241	**-**	-
Affiliates	**-**	-	**32,981**	29,789
Goodwill on acquisition of investment (*)	**195,332**	220,350	**-**	-
	1,270,956	1,258,591	**32,981**	29,789

(*) For consolidation purposes, the goodwill from acquisition of investments is allocated to Intangible assets, as provided for by CPC 15 (R1) / NBC TG 15 (R4) / IFRS 3 – Business Combinations.

Changes in investments are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Prior balance	**1,258,591**	877,129	**29,789**	26,657
Payment of capital in subsidiary (a)	**6,388**	25,000	**-**	-
Acquisition of investment (b) (Note 9.a)	**-**	190,296	**-**	-
Merger of investment (b) (Note 9.a)	**(171,095)**	-	**-**	-
Adjusted recognition of goodwill on SLC acquisition (Note 9.a) (*)	**(7,259)**	-	**-**	-
Income (loss) from disposal of equity interest in subsidiary	**-**	(120)	**-**	-
Equity pickup	**76,539**	95,434	**(620)**	(996)
Exchange differences on investments (c)	**107,792**	74,249	**3,812**	4,128
Transfer to capital deficiency in direct subsidiary	**-**	(3,397)	**-**	-
Closing balance	**1,270,956**	1,258,591	**32,981**	29,789

(*) Adjustment comprising R$6,656 for payments made by the Company, of obligations of SLC Alimentos Ltda., not included in the purchase price, and R$603 for the reversal of amortization of deferred IRPJ/CSLL on surplus, given the merger.

a) On July 16, 2019, the Company increase the capital of subsidiary Ciclo Logística Ltda. by R$6,388 through the issue of new units of interest, according to the 21st Amendment to the Articles of Incorporation.

b) Acquisition and merger of SLC Alimentos Ltda., as detailed in Note 9.a.

c) In the year ended February 29, 2020, R$107,792 (R$74,249 at February 28, 2019) were recorded referring to the effect of foreign exchange differences deriving from the translation into reais of the financial statements of foreign subsidiaries, which were originally prepared in US dollars (USD), in Uruguay, Chilean pesos (CLP) and the Peruvian new sol (PEN). These effects are recorded as other comprehensive income, in equity.

(In thousands of reais – R$, unless otherwise stated)

Investments in subsidiaries are as follows:

Direct subsidiaries

	02/29/2020				Investment	
	Capital	Equity	Equity interest %	Equity pickup	02/29/2020	02/28/2019
Camilatam S.A.	**205,121**	**1,054,188**	**100%**	**78,965**	**1,054,188**	867,431
Ciclo Logística Ltda.	**32,387**	**21,436**	**100%**	**(2,426)**	**21,436**	17,474
SLC Alimentos Ltda.	**-**	**-**	**100%**	**-**	**-**	153,336
				76,539	**1,075,624**	1,038,241

Affiliates

The Company's subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) holds investments in the following affiliates:

	02/29/2020					Investment	
	Capital	Equity	Profit or loss for the period	Equity interest %	Equity pickup	02/29/2020	02/28/2019
SAMAN:							
Arrozur S.A.	**39,732**	**43,106**	**450**	**49.19%**	**221**	**21,204**	19,028
Tacua S.A.	**1,669**	**6,135**	**5**	**40.72%**	**2**	**2,498**	2,073
Agencia Marítima	**1**	**1,040**	**(341)**	**40.72%**	**(139)**	**424**	516
Galofer S.A.	**42,052**	**19,678**	**(1,563)**	**45.00%**	**(704)**	**8,855**	8,172
					(620)	**32,981**	29,789

(In thousands of reais – R$, unless otherwise stated)

11. Property, plant and equipment

Individual	Land	Buildings and improvements	Machinery and equipment	Advance to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/28/2018	67,508	257,739	596,731	2,381	29,369	24,650	**978,378**
Acquisitions	2	41	498	84,726	43,688	16,246	**145,201**
Write-offs	-	-	(923)	-	(319)	(125)	**(1,367)**
Write-offs – São Gonçalo (a)	(15,105)	(70,660)	(66,868)	-	(1,950)	-	**(154,583)**
Provision for restructuring (b)	-	(299)	(4,346)	-	(49)	(43)	**(4,737)**
Transfers	6,255	7,382	31,842	(82,947)	47,323	(9,855)	**-**
Reclassifications (*)	-	13,772	(13,772)	-	(2,813)	-	**(2,813)**
Balance at 02/28/2019	58,660	207,975	543,162	4,160	115,249	30,873	**960,079**
Merger of SLC Alimentos Ltda. (Note 9.a)	**4,607**	**53,857**	**92,491**	**-**	**823**	**2,038**	**153,816**
Acquisitions	**360**	**132**	**3,310**	**23,566**	**62,552**	**56**	**89,976**
Write-offs	**-**	**(11)**	**(1,695)**	**-**	**-**	**(77)**	**(1,783)**
Transfers	**-**	**35,386**	**95,594**	**(24,453)**	**(106,502)**	**(25)**	**-**
Balance at 02/29/2020	**63,627**	**297,339**	**732,862**	**3,273**	**72,122**	**32,865**	**1,202,088**
Depreciation							
Balance at 02/28/2018	-	(88,383)	(373,769)	-	-	(17,950)	**(480,102)**
Depreciation	-	(9,575)	(39,582)	-	-	(1,422)	**(50,579)**
Write-offs	-	-	757	-	-	119	**876**
Write-offs – São Gonçalo (a)	-	29,414	53,962	-	-	-	**83,376**
Transfers	-	3	(96)	-	-	93	**-**
Balance at 02/28/2019	**-**	(68,541)	(358,728)	-	-	(19,160)	(446,429)
Merger of SLC Alimentos Ltda. (Note 9.a)	**-**	**(14,797)**	**(25,912)**	**-**	**-**	**(1,237)**	**(41,946)**
Depreciation	**-**	**(11,078)**	**(51,235)**	**-**	**-**	**(1,678)**	**(63,991)**
Write-offs	**-**	**7**	**890**	**-**	**-**	**56**	**953**
Transfers	**-**	**5,423**	**(5,398)**	**-**	**-**	**(25)**	**-**
Balance at 02/29/2020	**-**	**(88,986)**	**(440,383)**	**-**	**-**	**(22,044)**	**(551,413)**
Balance at 02/28/2019	58,660	139,434	184,434	4,160	115,249	11,713	513,650
Balance at 02/29/2020	**63,627**	**208,353**	**292,479**	**3,273**	**72,122**	**10,821**	**650,675**

(In thousands of reais – R$, unless otherwise stated)

Consolidated	Land	Buildings and improvements	Machinery and equipment	Advance to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/28/2018	114,740	432,846	987,215	2,375	52,295	84,507	1,673,978
Exchange variation	5,827	18,512	49,114	-	(2,150)	10,022	81,325
Business combination SLC Alimentos	4,607	53,444	93,936	43	569	2,058	154,657
Acquisitions	364	6,674	2,015	84,976	71,503	20,008	185,540
Write-offs	(1,722)	(5,267)	(12,201)	(288)	(918)	(9,710)	(30,106)
Write-offs – São Gonçalo (a)	(15,105)	(70,660)	(66,868)	-	(1,950)	-	(154,583)
Provision for restructuring (b)	-	(299)	(4,346)	-	(49)	(43)	(4,737)
Transfers	5,893	27,397	53,877	(82,947)	6,635	(10,855)	-
Reclassifications (*)	-	13,772	(13,772)	-	(2,813)	-	(2,813)
Balance at 02/28/2019	114,604	476,419	1,088,970	4,159	123,122	95,987	**1,903,261**
Exchange variation	**6,965**	**24,255**	**77,344**	**-**	**904**	**5,522**	**114,990**
Acquisitions	**360**	**132**	**3,338**	**23,566**	**81,080**	**8,092**	**116,568**
Write-offs	**-**	**(60)**	**(4,039)**	**-**	**-**	**(1,883)**	**(5,982)**
Transfers IFRS 16(*)	**-**	**-**	**-**	**-**	**-**	**(7,500)**	**(7,500)**
Transfers (**)	**494**	**37,732**	**105,321**	**(24,453)**	**(124,350)**	**2,006**	**(3,250)**
Balance at 02/29/2020	**122,423**	**538,478**	**1,270,934**	**3,272**	**80,756**	**102,224**	**2,118,087**
Depreciation							
Balance at 02/28/2018	-	(149,645)	(657,982)	-	-	(43,302)	**(850,929)**
Exchange variation	-	(6,762)	(38,377)	-	-	(2,081)	**(47,220)**
Business combination SLC Alimentos	-	(14,075)	(25,854)	-	-	(1,238)	**(41,167)**
Depreciation	-	(17,401)	(68,177)	-	-	(9,994)	**(95,572)**
Write-offs	-	2,576	9,046	-	-	8,458	**20,080**
Write-offs – São Gonçalo (a)	-	29,414	53,962	-	-	-	**83,376**
Transfers	-	(56)	(430)	-	-	486	**-**
Balance at 02/28/2019	-	(155,949)	(727,812)	-	-	(47,671)	**(931,432)**
Exchange variation	**-**	**(9,646)**	**(61,879)**	**-**	**-**	**(6,201)**	**(77,726)**
Depreciation	**-**	**(20,159)**	**(81,211)**	**-**	**-**	**(4,092)**	**(105,462)**
Write-offs	**-**	**7**	**2,375**	**-**	**-**	**1,356**	**3,738**
Transfer IFRS 16(*)	**-**	**-**	**-**	**-**	**-**	**4,489**	**4,489**
Transfers	**-**	**5,423**	**(5,398)**	**-**	**-**	**(25)**	**-**
Balance at 02/29/2020	**-**	**(180,324)**	**(873,925)**	**-**	**-**	**(52,144)**	**(1,106,393)**
Balance at 02/28/2019	114,604	320,470	361,158	4,159	123,122	48,316	971,829
Balance at 02/29/2020	**122,423**	**358,154**	**397,009**	**3,272**	**80,756**	**50,080**	**1,011,694**

(*) Changes related to IT equipment lease operations of subsidiary Empresas Tucapel S.A. formerly classified as property, plant and equipment and transferred to Right-of-use asset (Note 13), given the implementation of the new accounting standard.

(**) Reclassification of software in progress to intangible assets.

a) The Company's write-offs were mainly explained by the migration of operating activities from the São Gonçalo unit, located in Rio Janeiro state, to the Navegantes unit, located in Santa Catarina state, for purposes of operational efficiency. The book balance of this unit's property, plant and equipment was R$71,207 and, considering Company management's intention and in line with NBC TG 31 – Noncurrent Assets Held for Sale and Discontinuing Operations, R$39,939 was recorded as Assets Held for Sale, considering the lower of fair value, based on a report prepared by a specialized advisory firm, and carrying amount. For the year ended February 29, 2020, fair value of the São Gonçalo unit assets was restated, considering the firm intent to sell them in the short term, totaling R$38,309.

b) Additionally, operational activities were restructured and transferred from Sertãozinho unit to Barra Bonita unit, both located in the state of São Paulo. The balance for this unit was R$4,737, for which a provision for loss was recognized.

(In thousands of reais – R$, unless otherwise stated)

Construction in progress and advances to suppliers basically refer to the expansion of storage and production capacity.

The Company has loans and financing amounting to R$33,799 (R$41,968 at February 28, 2019), which are guaranteed by statutory lien on property, plant and equipment items recorded under "Machinery and equipment". Subsidiary Costeño Alimentos S.A.C. has also taken out loans for which properties were given as collateral amounting to R$67,189 (R$47,324 at February 28, 2019), recorded under "Buildings and improvements".

12. Intangible assets

Individual	Software	Goodwill	Trademarks and patents	Relationship with customers	Non-compete agreement	Software under development	Total
Balance at 02/28/2018	5,460	-	215,550	3,055	-	-	224,065
Acquisitions	4	-	-	-	-	8,639	8,643
Write-offs	-	-	-	-	-	-	-
Amortization	(2,113)	-	-	(3,055)	-	-	(5,168)
Reclassifications (*)	6,246	-	-	-	-	(3,433)	2,813
Balance at 02/28/2019	9,597	-	215,550	-	-	5,206	230,353
Merger of SLC Alimentos Ltda. (Note 9.a)	**113**	**-**	**24,535**	**6,375**	**1,476**	**-**	**32,499**
Acquisitions	**-**	**-**	**-**	**-**	**-**	**16,914**	**16,914**
Write-offs	**-**	**-**	**-**	**-**	**-**	**(77)**	**(77)**
Amortization	**(3,018)**	**-**	**-**	**(722)**	**(311)**	**-**	**(4,051)**
Transfers	**19,344**	**-**	**-**	**-**	**-**	**(19,344)**	**-**
Balance at 02/29/2020	**26,036**	**-**	**240,085**	**5,653**	**1,165**	**2,699**	**275,638**

Consolidated	Software	Goodwill	Trademarks and patents	Relationship with customers	Non-compete agreement	Software under development	Total
Balance at 02/28/2018	8,450	273,179	280,777	3,949	-	-	566,355
Exchange variation	413	(1,176)	15,030	-	-	-	14,267
Business combination - SLC Alimentos	122	34,884	25,271	6,555	1,554	-	68,386
Acquisitions	1,427	-	-	-	-	8,639	10,066
Write-offs	-	-	(737)	-	-	-	(737)
Amortization	(2,531)	-	-	(3,235)	(78)	-	(5,844)
Reclassifications (*)	6,246	-	894	(894)	-	(3,433)	2,813
Balance at 02/28/2019	14,127	306,887	321,235	6,375	1,476	5,206	655,306
Exchange variation	**298**	**10,772**	**7,264**	**-**	-	-	**18,334**
Acquisitions	**2,167**	**-**	**-**	**-**	**-**	**16,914**	**19,081**
Write-offs (*)	**(247)**	**-**	**-**	**-**	**-**	**(77)**	**(324)**
Business combination adjustment - SLC Alimentos (*)	**-**	**(25,018)**	**-**	**-**	**-**	**-**	**(25,018)**
Amortization	**(3,930)**	**-**	**-**	**(722)**	**(311)**	**-**	**(4,963)**
Transfers	**22,594**	**-**	**-**	**-**	-	**(19,344)**	**3,250**
Balance at 02/29/2020	**35,009**	**292,641**	**328,499**	**5,653**	**1,165**	**2,699**	**665,666**

(*) Refers to the reversal of R$18,362 of deferred IRPJ and CSLL on surplus of subsidiary SLC Alimentos Ltda. and to a R$6,656 adjustment to the acquisition price, matched against Other accounts payable, both reducing goodwill originally determined, as mentioned in Note 9.a.

The carrying amount of intangible assets and property, plant and equipment allocated to each cash-generating unit (CGU) is as follows:

(In thousands of reais – R$, unless otherwise stated)

Individual	CGU - fish		CGU - sugar		CGU - grains		Total	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	30,595	**240,085**	215,550
Property, plant and equipment	**132,222**	139,059	**94,159**	79,803	**424,294**	294,788	**650,675**	513,650
Other intangible assets	**116**	123	**218**	6	**35,219**	14,674	**35,553**	14,803
	183,222	190,066	**228,448**	213,880	**514,643**	340,057	**926,313**	744,003

Consolidated	Food products - Brazil						Food products - International		Total	
	CGU - fish		CGU - sugar		CGU - grains		CGU - grains			
	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	55,130	**88,414**	81,150	**328,499**	321,235
Property, plant and equipment	**132,222**	139,059	**94,159**	79,803	**440,869**	419,550	**344,444**	333,417	**1,011,694**	971,829
Other intangible assets	**116**	123	**218**	6	**35,220**	22,641	**8,972**	4,414	**44,526**	27,184
Carrying amount of goodwill	**17,670**	17,670	**144,142**	144,142	**33,520**	58,538	**97,309**	86,537	**292,641**	306,887
	200,892	207,736	**372,590**	358,022	**564,739**	555,859	**539,139**	505,518	**1,677,360**	1,627,135

Intangible assets and property, plant and equipment are annually tested for impairment. In the years ended February 29, 2020 and February 28, 2019, no assets recorded at an amount higher than their recoverable amount were identified.

The projections are in accordance with the Business Plan prepared by the Company management for the next five years and cash flows exceeding the five-year period are increased according to the expected growth for each CGU in order to consider perpetuity aspects. The growth projected for sales, costs and economic indicators are expected to be in line with the curve observed in prior years, and in line with the economic growth of countries where the Company operates.

Cash-Generating Unit is the smallest identifiable group of assets that generates cash inflows, which are largely independent from cash inflows of other assets or other groups of assets.

The process for determination of the value in use involved the use of assumptions, judgments and estimates on cash flows, such as revenue, cost and expense growth rates, estimated future investments and working capital, perpetuity and discount rates. Such understanding is in accordance with paragraph 35 of NBC TG 01 (R4) – Impairment of Assets. The assumptions used are:

- The first year of the model is based on the best estimate of cash flow for the current year; The other years are prepared by country and are based on external sources in relation to macroeconomic assumptions, developments in industry, inflation and exchange rates, past experience and initiatives in terms of market share, revenue, costs and working capital;

- Projections are made in the functional currency of the business unit and discounted at the Weighted Average Cost of Capital (WACC), considering the sensitivities in this metric. The discount rate before taxes applied to cash flow projections is 7.75% (9.49% p.a. at February 28, 2019);

(In thousands of reais – R$, unless otherwise stated)

- The growth rate used to extrapolate cash flow of all CGUs for a period of more than five years is 4.0% (5.0% at February 28, 2019), which reflects the Company's expected price increase in relation to future annual inflation rate (the Central Bank's target) plus a portion of actual business growth. The average growth rates of projected sales revenues of CGUs for the five-year period were: grains 6.2%; fish 5.1%, and sugar 3.0%.

In view of the COVID-19 pandemic scenario, the Company has not, to date, suffered any material financial impact, which could result in conclusions for changing the assumptions adopted to test assets for impairment.

13. Lease contracts

As of March 1, 2019, the Company applied CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 - Leases using the modified retrospective approach, which does not require comparative presentation of prior periods.

Upon initial adoption, the liabilities were measured at the present value of the remaining payments, discounted at the incremental rate (nominal rate) on the Company's loans of 0.49% per month, and the right-of-use asset was measured at the amount equal to the lease liability at present value. For contracts eligible to the use of PIS and COFINS credits, taxes recoverable are recognized according to the effective lease payments.

The Company applied the practical expedient regarding the definition of lease agreement, applying the criteria of right of control and obtaining benefits of the identifiable asset, contracting term exceeding 12 months, expectation of contract renewal term, fixed consideration and relevance of the value of the leased asset.

The Company's main lease agreements refer to the lease of properties of industrial plants with an average remaining term of 3 years and of the administrative headquarters, with a remaining term of 7 years.

a) Right-of-use asset

Individual	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Opening balance at 02/28/2019	-	-	-	-	**-**
Leases recognized during the transition to CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 at 03/01/2019	76,314	3,601	-	2,616	**82,531**
Acquisitions	38,758	9,002	-	841	**48,601**
Amortization of deferred PIS and COFINS tax credits	(1,176)	(287)	-	-	**(1,463)**
Monetary restatement	3,234	17	-	78	**3,329**
Amortization	(21,135)	(2,405)	-	(1,290)	**(24,830)**
Write-offs	(33,801)	(873)	-	(38)	**(34,712)**
Balance at 02/29/2020	**62,194**	**9,055**	**-**	**2,207**	**73,456**

(In thousands of reais – R$, unless otherwise stated)

Consolidated	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Opening balance at 02/28/2019	-	-	-	-	**-**
Leases recognized during the transition to CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 at 03/01/2019	94,299	3,871	-	2,980	**101,150**
Exchange variation on first-time adoption	2,069	(4)	-	(7)	**2,058**
Transfer to PPE – lease with purchase option (*)	-	-	3,011	-	**3,011**
Acquisitions	40,894	9,002	-	867	**50,763**
Amortization of deferred PIS and COFINS tax credits	(1,176)	(287)	-	-	**(1,463)**
Monetary restatement	3,234	17	-	78	**3,329**
Amortization	(28,418)	(2,505)	(705)	(1,426)	**(33,054)**
Write-offs	(34,656)	(873)	-	(38)	**(35,567)**
Balance at 02/29/2020	**76,246**	**9,221**	**2,306**	**2,454**	**90,227**

(*) Changes relating to lease with purchase option of subsidiary Empresas Tucapel S.A.

b) Lease liabilities

	Individual	Consolidate
Opening balance at 02/28/2019	-	
Leases recognized during the transition to CPC 06 (R2) / NBC TG 06 (R2) / IFRS 16	93,555	113,987
APV recognized upon transition to the standard	(11,248)	(13,061)
Exchange variation on first-time adoption	-	2,058
Transfer of loans and financing – lease (Note 15)	-	508
Additions of new contracts	61,804	63,977
APV recognized on additions of new lease contracts	(12,979)	(12,990)
Remeasurement of lease contracts	3,649	3,649
APV recognized on measurement	(320)	(320)
Payment of lease liability	(29,173)	(36,752)
Amortization of accrued interest (APV)	4,976	5,744
Write-offs due to contractual amendment	(35,366)	(35,367)
Balance at 02/29/2020	**74,898**	**91,433**
Current	17,835	25,952
Noncurrent	57,063	65,481

The acquisitions and losses presented in the tables above mainly refer to the change of lessor of the Santa Cruz plant, located in Rio de Janeiro, which changed the conditions provided for in the contract calculated upon transition to the standard on March 1, 2019.

(In thousands of reais – R$, unless otherwise stated)

The aging list of lease installments, at carrying amount, is as follows:

	Individual				
	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Feb/21	13,646	2,894	-	1,295	**17,835**
Feb/22	7,790	1,964	-	803	**10,557**
Feb/23	6,541	1,759	-	182	**8,482**
Feb/24	5,591	1,828	-	-	**7,419**
Feb/25	5,696	799	-	-	**6,495**
After Feb/25	24,110	-	-	-	**24,110**
	63,374	**9,244**	**-**	**2,280**	**74,898**

	Consolidated				
	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Feb/21	21,082	2,994	326	1,550	**25,952**
Feb/22	9,835	2,033	302	803	**12,973**
Feb/23	8,517	1,759	271	182	**10,729**
Feb/24	7,443	1,828	184	-	**9,455**
Feb/25	7,399	799	15	-	**8,213**
After Feb/25	24,111	-	-	-	**24,111**
	78,387	**9,413**	**1,098**	**2,535**	**91,433**

(*) Subsidiary Empresas Tucapel S.A. has lease operations with purchase option amounting to R$1,098.

c) P&L from leases

	Individual	Consolidated
	02/29/2020	
Exemptions (Variable, low-value or shorter than 12-month leases) - Note 22	(5,751)	(39,167)
Amortization of rent lease - Note 22	(24,830)	(33,054)
Finance costs – cumulative interests (APV) – Note 23	(4,976)	(5,744)
	(35,557)	**(77,965)**

d) Supplementary information

To comply with Memorandum Circular/CVM/SNC/SEP 02/19, the Group measured the balances of the right-of-use asset and lease liability and their impacts on profit or loss, considering the cash flow projections without inflation (real rate), discounted on the same basis, allowing comparison by investors, in relation to the balances calculated under nominal cash flows:

	Individual	Consolidated
Balance of right-of-use assets at 02/29/2020	83,938	99,806
Balance of lease liabilities at 02/29/2020	84,553	102,029
Amortization of right-of-use assets for the year	(20,858)	(28,312)
Amortization of Adjusted Present Value (APV) for the year	1,411	1,659

(In thousands of reais – R$, unless otherwise stated)

14 Trade accounts payable

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Products – domestic market	**262,398**	222,447	**371,928**	311,271
Products – foreign market	**34,369**	24,034	**69,187**	29,749
Services	**13,973**	11,151	**42,234**	49,129
Freight payable	**24,761**	24,133	**31,332**	28,646
Other trade accounts payable	**2,589**	2,239	**2,589**	4,409
	338,090	284,004	**517,270**	423,204

15. Loans, financing and debentures

Type of loans	Currency / Index	Average annual rate 02/29/2020	Individual		Consolidated	
			02/29/2020	02/28/2019	02/29/2020	02/28/2019
Working capital (a)						
Local currency	-	5.43%	**13,912**	-	**13,912**	129,464
Local currency	IPCA	4.00%	**9,416**	-	**9,416**	9,654
Foreign currency (*)	USD	1.31%	**28,162**	20,828	**28,162**	92,011
Foreign currency (**)	CLP	4.00%	**-**	-	**338**	7,166
Foreign currency (***)	PEN	4.59%	**-**	-	**115,114**	109,085
FINAME (a)	-	4.35%	**33,799**	41,968	**33,799**	51,165
PPE financing - foreign currency (****)	USD	3.90%	-	-	**38,668**	50,176
			85,289	62,796	**239,409**	448,721
Debentures – Non-privileged guarantee (b)						
Issued on 11/23//2016 - 1st series (b.i)	CDI	99% CDI	**-**	218,917	**-**	218,917
Issued on 11/23/2016 – 2nd series(b.i)	CDI	100% CDI	**190,765**	191,864	**190,765**	191,864
Issued on 05/19/2017 - 1st series(b.ii)	CDI	97% CDI	**239,057**	239,674	**239,057**	239,674
Issued on 05/19/2017 – 2nd series (b.ii)	CDI	98% CDI	**167,715**	168,152	**167,715**	168,152
Issued on 12/15/2017 - Single series (b.iii)	CDI	98% CDI	**169,412**	170,130	**169,412**	170,130
Issued on 04/16/2019 - 1st series (b.iv)	CDI	98% CDI	**276,024**	-	**276,024**	-
Issued on 04/16/2019 – 2nd series (b.iv)	CDI	101% CDI	**334,081**	-	**334,081**	-
Cost of transaction			**(13,569)**	(8,599)	**(13,569)**	(8,599)
			1,363,485	980,138	**1,363,485**	980,138
			1,448,774	1,042,934	**1,602,894**	1,428,859
Current			**490,880**	254,079	**560,639**	514,114
Noncurrent			**957,894**	788,855	**1,042,255**	914,745

(*) USD – US Dollar
(**) CLP – Chilean pesos
(***) PEN – Peruvian Nuevo Sol
(****) Financing taken out by subsidiary SAMAN

a) Part of the working capital in the individual statement amounting to R$3,660 is guaranteed by statutory lien on inventories, and FINAME amounting to RR33,799 is guaranteed by statutory lien on property, plant and equipment (R$41,968 at February 28, 2019). As for subsidiary Costeño Alimentos S.A.C. the assets pledged as collateral were mentioned in Note 11.

b) The history of debentures issued falling due is as follows:

i) Issue on November 23, 2016 - Agribusiness Receivables Certificate ("CRA")

On November 23, 2016, the Company issued debentures, according to the "Private Indenture for the 5th Issue of Unsecured Nonconvertible Debentures, totaling R$402,255, in two series, for public distribution with restricted efforts, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After acquisition by Securitizadora, the debentures were bound to the 91st and 92nd series of the 1st issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The first series debentures were issued at the cost of 99% of DI, maturing on December 12, 2019 and amounting to R$214 million, and with semiannual interest, with the first payment made on April 12, 2017 and settlement on December 12, 2019.

The second series debentures were issued at the cost of 100% of DI, maturing on December 12, 2019 and amounting to R$188 million, and with semiannual interest (except for the last payment, which will take place in December 2020), with the first payment made on May 12, 2017.

ii) Issue on May 19, 2017 - Agribusiness Receivables Certificate ("CRA")

On May 19, 2017, the Company issued debentures, according to the "Private Indenture for the 6th Issue of Unsecured Nonconvertible Debentures, amounting to R$405,000, in two series, for Public Distribution with Restricted Efforts, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After acquisition by Securitizadora, the debentures were bound to the 117th and 118th series of the 1st issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The first series debentures were issued at the cost of 97% of DI, maturing on July 20, 2020, amounting to R$238 million, bearing semiannual interest and with the first payment made on January 18, 2018.

The second series debentures were issued at the cost of 98% of DI, maturing on July 19, 2021, amounting to R$167 million, bearing semiannual interest and with the first payment made on January 18, 2018.

iii) Issue on December 15, 2017 - Agribusiness Receivables Certificate ("CRA")

On December 15, 2017, the Company issued debentures, according to the "Private Indenture for the 7th Issue of Unsecured Nonconvertible Debentures, amounting to R$168,050, in one series, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After the acquisition by Securitizadora, the debentures were associated with the 137th series of the 1st issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The debentures were issued at the cost of 98% of DI, maturing on December 17, 2021, amounting to R$168 million, bearing semiannual interest and with the first payment on June 15, 2018.

(In thousands of reais – R$, unless otherwise stated)

iv) Issue on April 16, 2019 - Agribusiness Receivables Certificate ("CRA")

On April 16, 2019, the Company issued debentures, according to the "Private Indenture for the 8th Issue of Unsecured Nonconvertible Debentures, amounting to R$600,000, in two series, for Private Placement, of Camil Alimentos S.A.", entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. After acquisition by Securitizadora, the debentures were bound to the 1st and 2nd series of the 5th issue of Agribusiness Receivables Certificates ("CRA") of Securitizadora.

The first series debentures were issued at the cost of 98% of DI, maturing on April 17, 2023, amounting to R$271,527, bearing semiannual interest and with the first payment made on October 15, 2019.

The second series debentures were issued at the cost of 101% of DI, maturing on April 15, 2025, amounting to R$328,473, bearing semiannual interest and with the first payment made on October 15, 2019.

The CRAs mentioned in b.i) to b.iv) derive from the purchase of sugar of the Company and provide that the following covenants shall be complied with: Net debt-to-EBITDA ratio equal to or lower than 3.5 times (three point five times). In addition, for all these issues, the Company may early redeem the debentures, in full or in part, from the issue date, upon written notice to the Trustee and publication of a notice to Debenture Holders.

Covenants

The Company monitors the predictability of its financial and qualitative covenants and those of its subsidiaries on a quarterly basis.

The calculation of the Company's covenants is shown below (based on consolidated numbers):

	02/29/2020	02/28/2019
Income before finance income (costs)	298,240	381,981
(+) Depreciation / amortization (PPE, intangible assets and right-of-use asset)	143,479	101,416
EBITDA *(non-accounting definition)*	**441,719**	**483,397**
Gross debt – Loans, financing, debentures	1,602,894	1,428,859
Lease operations with purchase option (*)	1,098	
Cash and cash equivalents, and short-term investments	(570,056)	(396,761)
Net debt	1,033,936	1,032,098
Net Debt/EBITDA ≤ 3.5	**2.34**	**2.14**

(*) Subsidiary Empresas Tucapel S.A. has leases with purchase option amounting to R$1,098 at February 29, 2020.

Subsidiaries Saman and Costeño financial and qualitative covenants in their loan and financing agreements. For the year ended February 29, 2020, all Group companies were compliant with the contractual covenants.

(In thousands of reais – R$, unless otherwise stated)

Loans, financing and debentures installments, at carrying amount, mature as follows:

Individual				Consolidated			
02/29/2020		02/28/2019		**02/29/2020**		**02/28/2019**	
(*) Feb/21	**495,899**	(*) Feb/20	258,921	(*) Feb/21	**565,658**	(*) Feb/20	518,956
Feb/22	**345,866**	Feb/21	435,163	Feb/22	**389,127**	Feb/21	501,338
Feb/23	**9,651**	Feb/22	343,676	Feb/23	**32,845**	Feb/22	386,369
Feb/24	**276,819**	Feb/23	7,912	Feb/24	**294,725**	Feb/23	14,403
Feb/25	**3,667**	Feb/24	3,617	Feb/25	**3,666**	Feb/24	8,012
After Feb/25	**330,441**	After Feb/24	2,244	After Feb/25	**330,442**	After Feb/24	8,380
Transaction costs	**(13,569)**	Cost of debentures	(8,599)	Cost of debentures	**(13,569)**	Cost of debentures	(8,599)
	1,448,774		1,042,934		**1,602,894**		1,428,859

*Short-term installments are not net of transaction costs related to the issue of debts.

Changes in loans, financing and debentures are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Opening balance	1,042,934	1,052,090	1,428,859	1,285,689
Business combination - SLC Alimentos Ltda. (Note 9.a)	-	-	-	176,669
Merger of SLC Alimentos Ltda. (Note 9.a)	**148,166**	-	-	-
Transfer of lease liability (Note 13)	**-**	-	**(508)**	-
Funds raised	**727,895**	108,602	**1,151,455**	636,067
Allocation of interest and monetary and exchange differences	**93,103**	67,194	**141,375**	108,745
Allocation of costs	**6,532**	5,109	**6,532**	5,109
Amortization of principal	**(480,839)**	(125,987)	**(1,029,050)**	(706,332)
Interest amortization	**(89,017)**	(64,074)	**(95,769)**	(77,088)
Closing balance	**1,448,774**	1,042,934	**1,602,894**	1,428,859

(In thousands of reais – R$, unless otherwise stated)

16. Related party transactions

The following balances are held by the Company, its subsidiaries, affiliates and other related parties:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Current assets				
Accounts receivable				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	**630**	2,655	-	-
Empresas Tucapel S.A.	**-**	101	-	-
Ciclo Logística Ltda.	**2,435**	2,926	-	-
Affiliates:				
Galofer S.A.	-	-	**25,090**	18,437
Comisaco S.A.	-	-	**6,932**	5,789
Arroz Uruguayo S.A. – Arrozur	-	-	**-**	1
Other related parties:				
Camil Investimentos S.A.	**-**	22		22
Climuy S.A.	**-**	-	**158**	-
Advance of interest on equity (Note 19.e (iii))(*)	**11,586**	-	**11,586**	-
Total assets	**14,651**	5,704	**43,766**	24,249

(*) Advance of interest on equity totals R$18,441, with R$6,855 paid to minority shareholders.

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Current liabilities				
Accounts payable for purchases				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales - SAMAN	**31,323**	17,280	-	-
Ciclo Logística Ltda.	**10,905**	6,944	-	-
SLC Alimentos Ltda.	**-**	3,071	-	-
Affiliates:				
Climuy S.A.	-	-	**76**	243
Arroz Uruguayo S.A. – Arrozur	-	-	**2,712**	1,719
Tacua S.A.	-	-	**-**	8
Comisaco S.A	-	-	**315**	-
Other related parties:				
Q4 Sertãozinho Empreendimentos e Participações Ltda.	**-**	135	**-**	135
Q4 Itajaí Empreendimentos e Participações Ltda.	**173**	162	**173**	162
Q4 Empreendimentos e Participações Ltda.	**912**	1,618	**912**	1,618
Total liabilities	**43,313**	29,210	**4,188**	3,885

Related-party transactions are conducted in the ordinary course of the Company's business and under conditions agreed upon between the parties. At February 29, 2020, the recognition of provision for losses involving related-party transactions was not necessary.

(In thousands of reais – R$, unless otherwise stated)

Transactions among the Company, its subsidiaries and affiliates are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Revenue from sale of rice husk				
Galofer S.A.	-	-	**2,470**	4,316
Expenses from purchase of processed rice				
S.A. Molinos Arroceros Nacionales – SAMAN	**(53,231)**	(73,638)	-	-
Freight expenses				
Ciclo Logística Ltda.	**(88,274)**	(65,508)	-	-
SLC Alimentos Ltda.	-	(4,612)	-	-
Irrigation expenses				
Comisaco S.A.	-	-	**(5,270)**	(5,563)
Climuy S.A.	-	-	-	(5,978)
Expenses with rice parboiling				
Arroz Uruguayo S.A. – Arrozur	-	-	**(13,770)**	(18,460)
Expenses with port services				
Tacua S.A.	-	-	**(122)**	(8,317)
Total, net	**(141,505)**	(143,758)	**(16,692)**	(34,002)

Purchase transactions conducted by subsidiary S.A. Molinos Arroceros Nacionales (SAMAN), located in Uruguay, refer to purchase of rice to supply the Northeastern region of Brazil. Payments are substantially made in advance. The sales terms and conditions agreed with agricultural producers and industrial plants in Uruguay are established by formal agreement between industrial plants ("Gremial de Molinos") and the Rice Growers Association of that country ("Asociación de Cultivadores de Arroz").

Transactions with other affiliates and related parties refer substantially to advances for services to be rendered to the Company and its subsidiary S.A. Molinos Arroceros Nacionales (SAMAN), at prices and conditions agreed by and between the parties, and the respective payments are made within the contracted due dates.

Below are the amounts involved in transactions with companies related to the managing officers:

	Individual		Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Property lease income				
Camil Investimentos S.A.	**195**	251	**195**	251
Gain on purchase of tax credits				
Camil Investimentos S.A.	-	1,020	-	1,020
Rent expenses				
Q4 Empreendimentos e Participações Ltda.	**(17,781)**	(17,876)	**(17,781)**	(17,876)
Q4 Sertãozinho Empreendimentos e Participações Ltda.	**(1,651)**	(1,572)	**(1,651)**	(1,572)
Q4 Itajaí Empreendimentos e Participações Ltda.	**(2,022)**	(1,887)	**(2,022)**	(1,887)
Total, net	**(21,259)**	(20,064)	**(21,259)**	(20,064)

The building and land on which the production units of São Paulo state and the production unit of Recife, in the state of Pernambuco, are located belong to related party Q4 Empreendimentos e Participações Ltda., which charges monthly rental of R$829 and R$83 (R$779 and R$76 at February 28, 2019), maturing on the first business day of the subsequent month, respectively. In the third quarter ended November 30, 2019, the property where the Santa Cruz unit, located in the state of Rio de Janeiro, is located was sold by Q4 Empreendimentos e Participações Ltda. and the Company entered into an agreement with the new owner.

(In thousands of reais – R$, unless otherwise stated)

Itajaí Production Unit is leased by related party Q4 Itajaí Empreendimentos e Participações Ltda. for a monthly fee of R$172 (R$162 at February 28, 2019).

Lastly, Sertãozinho Production Unit, leased by related party Q4 Sertãozinho Empreendimentos e Participações Ltda. for a monthly fee of R$135, ceased its activities, which consequently resulted in the termination of the lease and a termination penalty of R$1,516, recorded under “Other operating income (expenses)”.

a) Sureties provided

Subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) is the guarantor of the following transactions:

Bank loans	**02/29/2020**	02/28/2019
Related parties		
Arroz Uruguayo S.A. – Arrozur	**590**	981
Comisaco S.A.	**1,374**	1,713
Galofer S.A.	**10,680**	12,311
	12,644	15,005
Third parties		
Balerel SRL	**2,699**	2,991
Rice producers		
Bank loans	**845**	866
Supplier transactions	**7,663**	1,812
	8,508	2,678
	23,851	20,674

b) Key management personnel compensation

Compensation paid to Statutory Officers and Directors for the year ended February 29, 2020 totaled R$4,871 (R$6,017 at February 28, 2019) and is carried as general and administrative expenses in the statement of profit or loss. The Company’s executive officers are also part of the Share-Based Payment Plan (Stock Options) described in Note 19 d.

17. Special installment payment program

On October 10, 2018, the Company enrolled with the Agriculture Tax Settlement Program (PRR or Refis Rural), introduced by Law No. 13606/2018, aiming at a 100% amnesty of the fine and interest under the ongoing proceedings on withholding taxes and social contribution tax calculated based on gross revenue from the sale of third parties’ agricultural production, called Funrural (Agricultural Workers’ Support Fund), where recognized a total liability of R$42,506 (net of R$21,599 in amnesty), of which R$41,952 was recognized as “Other operating expenses” and R$554 as “Finance costs” relating to monetary restatement. The settlement of the installment program was agreed with a down payment of R$5,703, of which R$4,080 were credits acquired from parent company Camil Investimentos S.A., and 54 installments restated by the Selic.

In March 2019, R$2,519 relating to SAT (Occupational Accident Insurance) were prepaid at 1% on agricultural production acquisitions from 2014 to 2017.

(In thousands of reais – R$, unless otherwise stated)

Changes in the special installment program are as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Prior balance	**35,182**	2,778	**35,891**	3,644
Adoption of Funrural installment payment program – PRR	**-**	64,105	**-**	64,105
Amnesty of fine and interest – adoption of the installment payment program	**-**	(21,599)	**-**	(21,599)
Amortization of down payment with credits from the parent company	**-**	(4,080)	**-**	(4,080)
Amortization of the remaining portion of down payment + 3 installments	**(11,130)**	(3,699)	**(11,130)**	(3,699)
Restatement - Funrural	**428**	35	**428**	35
Amortization of other federal payables	**(109)**	(2,583)	**(267)**	(2,740)
Restatement of other federal payables	**5**	51	**5**	51
Installment payment / (settlement) of local taxes	**(27)**	174	**(27)**	174
Closing balance	**24,349**	35,182	**24,900**	35,891
Current	**8,304**	8,300	**8,462**	8,458
Noncurrent	**16,045**	26,882	**16,438**	27,433

18. Provision for contingencies

18.1 Probable risks

The Company is a party to various ongoing legal proceedings of a labor, civil, tax and environmental nature, arising in the ordinary course of its business. Based on managerial analyses and on the opinion of the Company's legal advisors, management set up a provision in an amount deemed sufficient to cover probable losses, if any. Changes for the year ended February 29, 2020 mainly refer to the restatement of labor, civil, tax and environmental proceedings.

Provision for contingencies is as follows:

	Individual				
Contingencies	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2018	73	18,942	13,210	944	33,169
Additions	2	2,138	1,480	127	3,747
Write-offs	(18)	(499)	(1,446)	(944)	(2,907)
At February 28, 2019	57	20,581	13,244	127	34,009
Merger of SLC Alimentos (Note 8)	**-**	**-**	**593**	**-**	**593**
Additions	**5**	**571**	**4,551**	**331**	**5,458**
Write-offs	**-**	**(2,498)**	**(4,888)**	**(34)**	**(7,420)**
At February 29, 2020	**62**	**18,654**	**13,500**	**424**	**32,640**

	Individual				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2018	-	(3,078)	(2,495)	(1,703)	(7,276)
Additions	-	-	(1,609)	-	(1,609)
Write-offs	-	-	1,126	-	1,126
At February 28, 2019	-	(3,078)	(2,978)	(1,703)	(7,759)
Merger of SLC Alimentos	**-**	**-**	**(686)**	**-**	**(686)**
Additions	**-**	**(770)**	**(3,539)**	**-**	**(4,309)**
Write-offs	**-**	**3,178**	**2,393**	**-**	**5,571**
At February 29, 2020	**-**	**(670)**	**(4,810)**	**(1,703)**	**(7,183)**

(In thousands of reais – R$, unless otherwise stated)

	Consolidated				
Contingencies	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2018	73	18,944	15,528	943	35,488
Additions	2	2,138	3,705	127	5,972
Write-offs	(18)	(499)	(2,898)	(943)	(4,358)
At February 28, 2019	57	20,583	16,335	127	37,102
Additions	**5**	**2,844**	**10,264**	**331**	**13,444**
Write-offs	**-**	**(2,500)**	**(5,769)**	**(34)**	**(8,303)**
At February 29, 2020	**62**	**20,927**	**20,830**	**424**	**42,243**

	Consolidated				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2018	-	(3,078)	(4,138)	(1,702)	(8,918)
Additions	-	(285)	(2,122)	(1)	(2,408)
Write-offs	-	-	1,465	-	1,465
At February 28, 2019	-	(3,363)	(4,795)	(1,703)	**(9,861)**
Additions	**-**	**(770)**	**(3,697)**	**-**	**(4,467)**
Write-offs	**-**	**3,178**	**2,852**	**-**	**6,030**
At February 29, 2020	**-**	**(955)**	**(5,640)**	**(1,703)**	**(8,298)**

Success fees are accrued by the Company for proceedings with remote likelihood of loss in accordance with the contractual provision established upon engagement of the legal advisors responsible for the tax proceedings.

18.1.1 Labor

The Company and its subsidiaries are parties to several labor claims, whose amounts are not considered material by management. The Company and its subsidiaries recorded a provision based on the likelihood of probable losses and there were no significant developments in proceedings for this year.

18.1.2 Civil

The Company is currently a party to two material proceedings:

i) Indemnification suit filed against Camil Alimentos S.A. due to the alleged non-compliance with a contract for the management and operation of effluents. On 6 December 2019, a decision to the appeal to the High Court of Justice was published ruling the case unfavorably against Camil. The amount accrued for this lawsuit was R$17,210, which was settled on March 13, 2020, after an agreement with the plaintiff.

ii) Proceeding for calculation of award resulting from the collection action against Alimentos S.A. for non-compliance with service agreement. On September 10, 2019, the Company was awarded an unfavorable decision, whereupon deposited amounts were partially converted into payment to the plaintiff. At February 29, 2020, the provision for this proceeding amounts to R$618, which corresponds to the remaining amount pending judgment.

18.2 Possible risks

The Company is party to legal and administrative proceedings whose likelihood of loss is rated as possible by management, supported by its legal advisors, for which no provision was set up. At February 29, 2020, contingencies classified as possible losses totaled R$541,539, of which R$519,377 for tax, R$14,643 for labor, R$6,540 for civil, and R$979 for environmental proceedings (R$386,672 in February 2019, of which R$366,228 for tax, R$13,711 for labor, and R$6,733 for civil proceedings).

Tax

ICMS

The Company is discussing the following matters related to this tax: (i) disallowance by the State of São Paulo of ICMS credits resulting from tax incentives granted without approval in a CONFAZ Agreement, the so-called “tax war”, in the amount of R$13,280 (R$11,800 at February 28.2019) in three proceedings originally filed by the Company, and in the amount of R$36,390 in two proceedings in which the Company took over SLC. As the tax benefits became valid (Supplementary Law No. 160/2017), the likelihood of loss changed from possible to remote; (ii) use of tax credits resulting from the acquisition of items subsequently shipped with reduced tax base (“basket of food staples”), in the amount of R$27,433 (R$26,918 at February 28, 2019), for periods to which laches apply.

Import duty

The Company has been discussing at the administrative court level the collection of import duty and of fine arising from the alleged incorrect classification of rice from 2005 to 2009, in the amount of R$53,699 (R$53,347 at February 28, 2019). The proceeding is currently pending judgment for an appeal made at the administrative level.

IRPJ and CSLL – The following matters were assessed by management and its legal advisors, who rated the likelihood of loss as possible to remote, under IFRIC 23/ICPC22.

i) The Company is discussing, through legal and administrative proceedings, the collection of IRPJ and CSLL for calendar years 1999 to 2003 and 2004, respectively, resulting from disallowance of expenses related to the amortization of goodwill, for tax purposes, generated on merger of Rice S.A. Administração e Participações, in the amount of R$20,291 (R$18,905 at February 28, 2019). Currently, the Company awaits trial at the administrative court of the appeal filed by it to the High Board of Tax Appeals (CSRF), and at the judicial court level, it awaits trial at the lower court.

ii) The Company was a warded a tax assessment notice requiring payment of IRPJ and CSLL for calendar years 2011 to 2012, resulting from amortization of goodwill, for tax purposes, generated on mergers of companies Femepe Indústria e Comércio de Pescados S.A., Canadá Participações Ltda., GIF Codajás Participações S.A., and Docelar Alimentos e Bebidas S.A., in the amount of R$304,765 (R$292,277 at February 28, 2019), including fine and late payment interest.

Management understands that the goodwill was duly recognized, in strict compliance with the tax legislation, according to the requirements set forth in article 385, paragraph 2, item II and paragraph 3, combined with article 386, item III, of the Income Tax Regulation (RIR/99). Based on the risk assessment carried out by the Company’s legal advisors, R$235,827 is assessed as possible loss, with the possibility of being remote (including fine and interest) and R$68,937 is assessed as remote loss (50% of qualified automatic fine and interest). The Company currently awaits judgment of the motions for clarification filed by it and of an appeal to the High Board of Tax Appeals (CSRF) brought by the Brazilian Internal Revenue Service.

(In thousands of reais – R$, unless otherwise stated)

iii) The Company filed a claim to guarantee the right to submit the E-Request for Federal Tax Recovery, Refund or Offset (PER/Dcomp) for 2013 and 2014, in view of the Brazilian IRS's claim that this period is now barred by laches. Management understands that, with Supplementary Law No. 160/2017, the tax benefits are now considered an investment grant; therefore, R$28,689 was excluded from the IRPJ and CSLL base.

iv) The Company has been discussing, at the administrative level, the disallowance of IRPJ and CSLL resulting from exclusion from their tax bases of operating expenses (raw material) acquired from a supplier considered knowledgeable by the Brazilian IRS, in the amount of R$19,578. The voluntary appeal filed by the Company is still pending judgment.

PIS and COFINS

The Company has been discussing in court the collection of PIS/COFINS related to offsetting with IPI credits that had not been approved, in the amount of R$20,609 (R$26,167 at February 28, 2019). The appeal filed by the Company is still pending judgment.

i) The Company has been discussing at the administrative court level the use of certain credits arising from the purchase of inputs used to offset federal taxes, whose amount, including fine, is RR167,892. Currently, the Company awaits judgment of the challenges/voluntary appeals to the Administrative Board of Tax Appeals (CARF) filed by it, and the likelihood of loss has been reclassified from remote to possible after the cases were reviewed.

19. Equity

a) Capital

The Company's capital amounts to R$950,374 at February 29, 2020 and February 28, 2019 (authorized capital of R$2,500,000), fully represented by common shares, and is distributed as follows:

	02/29/2020		02/28/2019	
Shareholders	**Number**	**(%)**	**Number**	**(%)**
Camil Investimentos S.A.	**229,735,239**	**62.09%**	229,735,239	56.03%
WP XII e Fundo de Investimentos em Participações	**-**	**-**	35,402,154	8.63%
Franklin Templeton Investments (*)	**-**	**-**	20,553,200	5.01%
Controlling shareholders and managing officers	**19,010,264**	**5.14%**	19,034,364	4.64%
Treasury	**-**	**-**	5,821,571	1.42%
Free float (*)	**121,254,497**	**32.77%**	120,058,548	24.27%
Total (**)	**370,000,000**	**100.00%**	410,051,876	100.00%

* At February 28, 2019, the shares held by Franklin Templeton make up the number of outstanding shares totaling 120,058,548 common shares. At February 29, 2020, free float does not include no investors with more than 5% interest.
** The total number of shares was impacted by cancellations determined at Meetings of the Board of Directors, after repurchase of shares held by WP XII e Fundo de Investimento em Participações Multiestratégia. Detailed information on this matter is provided in Note 19 c.

(In thousands of reais – R$, unless otherwise stated)

b) Earnings per share

Calculation of earnings per share:	02/29/2020	02/28/2019
Numerator – Basic		
Net income for the year	**239,628**	362,387
Denominator – Basic		
Weighted average number of common shares (*)	**391,354,828**	404,456,792
Net basic earnings per share – in Reais	**0.6123**	0.8960
Numerator – Diluted		
Net income for the year	**239,628**	362,387
Denominator – Diluted		
Weighted average number of common shares (*)	**391,354,828**	404,456,792
Exercisable options – 1st grant (Note 19.d)	**455,419**	-
Exercisable options – 2nd grant (Note 19.d)	**465,935**	-
Net diluted earnings per share – in Reais	**0.6109**	0.8960

(*) The Company's weighted average number of shares does not include treasury shares acquired due to the Stock Option plan for the year ended February 29, 2020.

c) Share buyback program

On December 12, 2017, the Board of Directors approved the first share buyback program for the acquisition of up to 5,821,571 common shares issued by the Company, observing the limits of CVM Ruling No. 567. The purpose of the buyback program was to acquire shares issued by the Company in the scope of grants already performed under the Company's stock option plan, as well as for cancellation, being held in treasury or being disposed of, without reducing capital, in order to efficiently apply the funds available in cash to maximize the Company's capital allocation and to generate value for shareholders. The program was valid for 6 months, starting on December 13, 2017, ending on June 12, 2018. The financial institutions that acted as intermediaries of the Buyback Program were: (i) Bank of America Merrill Lynch S.A. CTVM; (ii) Bradesco S.A. CTVM; (iii) Itaú Corretora de Valores S.A.; J.P. Morgan CCVM S.A.; and Santander CCVM S.A..

The buyback program was concluded on June 12, 2018. The shares acquired represented 4.85% of the outstanding shares and 1.42% of the Company's capital, totaling R$45,234 at February 28, 2019.

On April 1, 2019, the Board of Directors approved the second share buyback program for the same purpose of the preceding one. The referred to buyback program provided for the acquisition limit of 3,565,275 common shares until October 1, 2019. This objective was achieved on August 7, 2019, for R$25,056, corresponding to the average cost of R$7.02 per share.

On October 22, 2019, the Board of Directors decided on the first cancellation of the Company's shares held in treasury, which then totaled 9,386,846 shares, in order to meet the objective of approving the acquisition of 30,665,030 shares held by WP XII e Fundo de Investimento em Participações Multiestratégia ("FIP WP"), through a share purchase and sale agreement, at R$6.25 per share. The interest held by that shareholder on that date was equivalent to approximately 7.48% of capital and 20.19% of total outstanding shares. The Board of Directors was favorable to the repurchase and submitted it to be resolved in the Annual Shareholders' Meeting, which approved the repurchase on November 7, 2019.

This share buyback program was conducted in 3 stages, in accordance with Article 8 of CVM Rule No. 567 of September 17, 2015, which limits the number of treasury shares issued by the Company at 10% of total outstanding shares, and completed on November 27, 2019, totaling R$191,656. Accordingly, all shares acquired for the year amounted to R$216,712.

All shares acquired were cancelled, according to the resolutions of the Board of Directors, on November 8, 14 and 21, 2019, totaling 15,191,952 shares, 13,672,757 shares, and 1,800,321 shares, respectively. Share cancellation approved in October and November 2019 totaled R$261,946, of which R$70,290 through special goodwill reserve, R$171,570 through retained profit reserve, and R$20,086 through retained earnings balance until the interim financial statements at August 31, 2019.
After the aforementioned buybacks and cancellations, the Company's capital is now divided into 370,000,000 shares.

d) Share-based payment

At the Special General Meeting held on August 28, 2017, the shareholders approved the Stock Option Plan for managing officers and employees of the Company or companies under its control, to be selected and elected by the Board of Directors (Plan's administrators), limiting the total number of shares granted to four percent (4%) of total Shares representing the Company's total capital, on the date of approval of the Stock Option Plan. It has an indefinite term and may be terminated at any time, as decided at the General Meeting.

The first grant was approved by the Board of Directors on October 31, 2017 and the second on December 12, 2017.

On April 1, 2019, the Board of Directors approved the third grant of stock options under the Company's Stock Option Plan approved at the Special General Meeting held on August 28, 2017. The grants will be limited to 4,191,270 common shares. The new grant complies with the limit of 4% of the Company's capital as provided for in the Stock Option Plan.

The exercise price of each New Option will correspond to R$6.96 (six reais and ninety six cents) per share, equivalent to the weighted average quotation of shares issued by the Company of the 30 (thirty) trading sessions of B3 S.A. - Brasil, Bolsa, Balcão immediately prior to the Granting Date.

In addition to this fact, there were contractual dissolutions related to the two existing grants in the quarter ended May 31, 2019.

The Granting Plan has the following objectives:

i) encourage the expansion of the Company's social objectives;
ii) align the interests of the shareholders with those of the Plan's Beneficiaries;
iii) encourage the creation of value to the Company or other companies under its control through the Beneficiaries;
iv) share risks and gains among shareholders, managing officers and employees.

(In thousands of reais – R$, unless otherwise stated)

Exercise of options

The Options must be exercised within a maximum period of seven (7) years, subject to the vesting period below:

Number of Options	Vesting period
20%	2 years
30%	3 years
50%	4 years

Options not exercised by the deadline will be extinguished.

Position of options granted through February 29, 2020 and the corresponding provision, net of provision for IRPJ and CSLL, totaling R$4,895 (R$2,787 at February 28, 2019):

Granting Date:	10/31/2017		12/12/2017		04/01/2019		Total		
	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Net provision at 02/29/2020
Exercise of options									
20% - first anniversary (*)	455,419	673	497,276	560	781,355	286	**1,734,050**	**1,519**	**1,003**
30% - second anniversary	683,128	1,040	745,914	845	1,172,032	429	**2,601,074**	**2,314**	**1,527**
50% - third anniversary	1,138,547	1,575	1,243,190	1,319	1,953,387	689	**4,335,124**	**3,583**	**2,365**
	2,277,094	**3,288**	**2,486,380**	**2,724**	**3,906,774**	**1,404**	**8,670,248**	**7,416**	**4,895**

(*) The first anniversary of the first two grants was on October 31, 2019 and December 12, 2019, with a total of 455,419 and 497,276 shares, respectively.

The provisions governing the Stock Option Plan are set out in attachment II to the minutes of the aforementioned Meeting.

(In thousands of reais – R$, unless otherwise stated)

The assumptions that govern each stock option plan and the respective changes are detailed below:

	First grant				Second grant				Third grant			
Issue date	10/31/2017				12/12/2017				04/01/2019			
Date of amendment	04/01/2019				04/01/2019				04/01/2019			
	Tranche I	Tranche II	Tranche III	Total	Tranche I	Tranche II	Tranche III	Total	Tranche I	Tranche II	Tranche III	Total
Strike price	8.06	8.06	8.06	N/A	7.39	7.39	7.39	N/A	1.37	1.37	1.37	N/A
Strike price (estimated) at the reporting date	9.60	10.24	11.00	N/A	9.51	10.14	10.94	N/A	7.03	7.03	7.03	N/A
Risk-free interest rate (%)	7.24%	8.40%	9.17%	N/A	6.89%	8.24%	9.22%	N/A	7.40%	7.91%	8.46%	N/A
Contractual exercise term	2	3	4	N/A	2	3	4	N/A	2	3	4	N/A
Expected dividend yield	0%	0%	0%	N/A	0%	0%	0%	N/A	0%	0%	0%	N/A
Share volatility in the market %	35%	35%	35%	N/A	35%	35%	35%	N/A	31%	31%	31%	N/A
Total number of outstanding options	455,419	683,128	1,138,547	2,277,094	497,276	745,914	1,243,190	2,486,379	781,355	1,172,032	1,953,387	3,906,774
Number of vested options	575,513	863,269	1,438,782	2,877,563	588,802	883,202	1,472,004	2,944,008	838,254	1,257,381	2,095,635	4,191,270
Number of cancelled shares	120,094	180,141	300,235	600,469	91,526	137,289	228,815	457,629	56,899	85,349	142,248	284,496
Number of exercised options	-	-	-	-	-	-	-	-	-	-	-	-
Number of options to exercise	455,419	683,128	1,138,547	2,277,094	497,276	745,914	1,243,190	2,486,379	781,355	1,172,032	1,953,387	3,906,774
Estimated fair value (R$/share)	1.48	1.96	2.37	N/A	1.13	1.57	1.96	N/A	0.80	1.20	1.54	N/A

Changes in options of the three grants for the period are as follows:

	First grant				Second grant				Third grant			
	Tranche I	Tranche II	Tranche III	Total	Tranche I	Tranche II	Tranche III	Total	Tranche I	Tranche II	Tranche III	Total
Position of options at 02/28/2019	575,513	863,269	1,438,782	2,877,563	588,802	883,202	1,472,004	2,944,008	-	-	-	-
Options granted	-	-	-	-	-	-	-	-	838,254	1,257,381	2,095,635	4,191,270
Cancelled options	(120,094)	(180,141)	(300,235)	(600,469)	(91,526)	(137,289)	(228,815)	(457,629)	(56,899)	(85,349)	(142,248)	(284,496)
Options exercised	-	-	-	-	-	-	-	-	-	-	-	-
Balance of options at 02/29/2020	**455,419**	**683,128**	**1,138,547**	**2,277,094**	**497,276**	**745,914**	**1,243,190**	**2,486,379**	**781,355**	**1,172,032**	**1,953,387**	**3,906,774**
Options exercisable at 02/29/2020	455,419	-	-	**455,419**	465,935	-	-	**465,935**	-	-	-	**-**

e) Payment to shareholders and distribution of profit

The Company management decided on the distribution of profits at the Board of Directors' Meeting, as follows:

(i) On March 26, 2019, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the third quarter of the fiscal year ended February 28, 2019. The gross amount approved was R$20,000, corresponding to the gross unit value of R$0.04948 per common share. The payment was made on April 17, 2019 and realized in the Retained Earnings Reserve on the date of the distribution's approval at the Annual and Special General Meeting held on June 26, 2019.

(ii) At the Annual and Special General Meeting held on June 26, 2019, the shareholders approved the distribution of complementary dividends referring to the fourth quarter of the fiscal year ended February 28, 2019 as Interest on Equity in the amount of R$ 6,000, corresponding to the gross unit value of R$ 0.01492 per common share. The payment of IOE was made on July 11, 2019 to shareholders holding common shares issued by the Company at June 26, 2019.

(iii) On June 26, 2019, the Board of Directors approved payment of complementary dividends as Interest on Equity to the Company's shareholders referring to the fiscal year ended February 28, 2019. The gross amount approved was R$15,000, corresponding to the gross unit value of R$0.03731 per common share. The payment of IOE was made on July 16, 2019 to shareholders holding common shares issued by the Company at July 1, 2019. The transaction will be recorded under Prepayment of Interest on Equity (R$5,728 for minority shareholders) and under Related parties (R$9,272 for controlling shareholders), until the next Annual General Meeting (Note 16).

(iv) On August 23, 2019, the Board of Directors approved payment of Interest on Equity to the Company's shareholders referring to the first quarter of the fiscal year ended February 29, 2020, to be included in the mandatory minimum dividend amount for the year ended February 29, 2020. The gross amount approved was R$15,000, corresponding to the gross unit value of R$0.03744 per common share. IOE was paid on September 12, 2019 to shareholders holding common shares issued by the Company at September 2, 2019.

(v) On December 6, 2019, the Board of Directors approved payment of Interest on Equity to the Company's shareholders to be added to the mandatory minimum dividend for the fiscal year ended February 29, 2020. The gross amount approved was R$15,000, corresponding to the gross unit value of R$0.040540 per common share. The payment of IOE was made on December 23, 2019 to shareholders holding common shares issued by the Company at December 11, 2019.

(vi) On February 20, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders for the year ended February 29, 2020. The gross amount approved was R$15,000, corresponding to the gross unit value of R$0.040540 per common share. IOE was paid on March 12, 2020 to shareholders holding common shares issued by the Company at March 2, 2020.

(In thousands of reais – R$, unless otherwise stated)

In accordance with the corporation law and the Company's Articles of Incorporation, the distribution of profits as at February 29, 2020 and 2019 is as follows:

	02/29/2020	02/28/2019
Income for the year	239,628	362,387
Recognition of tax incentive reserve	(132,177)	(107,428)
Base for legal reserve establishment	107,451	254,959
Recognition of legal reserve (5% on income)	(5,373)	(12,748)
Deemed cost realization adjustment	4,156	4,147
Dividend base	**106,234**	246,358
Mandatory minimum dividend (25%)	(26,559)	(61,590)
Additional dividends for the year – proposed to Annual Shareholders' Meeting (*)	(18,441)	(3,410)
Total paid as interest on equity for the year	**(45,000)**	**(65,000)**
Use of retained earnings of August 31, 2019 to cancel shares (Note 19.c)	(20,086)	-
Recognition of retained profit reserve (**)	**41,148**	**181,358**

(*) Amount segregated in R$11,586 in Related Parties, for payments made to controlling shareholders, and R$6,855 in Advance of Interest on Equity, for non-controlling interests.
(**) The allocation of the retained profit reserve will be approved in the Annual Shareholders' Meeting, according to the capital budget proposal.

f) Tax incentive reserve

According to the legal basis described in Note 8, tax incentives granted by the States or by the Federal District are now considered investment subsidies, deductible for purposes of calculation of income and social contribution taxes. As a result, the Company computed in the grains and fish CGUs ICMS subsidy whose accumulated amount is R$720,472 at February 29, 2020, recognized as follows: i) R$78,896 related to the period from January 2017 to February 2018; ii) ICMS subsidy amounting to R$107,429 for the year ended February 28, 2019; iii) R$254,459 relating to ICMS matching credits for the period from 2013 to 2016, after incentives were measured and ancillary obligations for these years were adjusted; iv) R$147,468 relating to the restated credits generated by the reduction of the ICMS base for interstate transactions involving rice, according to ICMS Agreement No. 190/17, for the years 2014 to 2017; all these credits recognized in the year ended February 28, 2019; and v) ICMS subsidy amounting to R$132,177 for the year ended February 29, 2020. As set forth om article 30 of Law No. 12973/14, the tax incentive reserve may be used to absorb losses, provided that all other Income Reserves have been absorbed, except for the Legal Reserve, or to increase capital. Under the same legal provision, the tax incentive reserve does not form part of the mandatory minimum dividend base, and is subject to taxation in the event of distribution.

(In thousands of reais – R$, unless otherwise stated)

20. Income and social contribution taxes

Reconciliation of amounts recorded in profit or loss

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Income before taxes	**209,360**	344,328	**236,156**	366,012
Statutory rates (*)	**34%**	34%	34%	34%
Income and social contribution taxes at statutory rate	**(71,182)**	(117,072)	**(80,293)**	(124,444)
Permanent (additions) exclusions				
Equity pickup	**26,023**	32,448	**(211)**	1,493
ICMS subsidy – tax incentive	**44,940**	70,225	**44,940**	70,722
Payment of interest on equity	**29,240**	22,100	**29,240**	22,100
Amnesty of charges – enrollment with PRR (Funrural)	**-**	7,690	**-**	9,237
Other permanent exclusions (additions) (**)	**1,247**	2,668	**9,796**	17,267
Amount recorded in profit or loss	**30,268**	18,059	**3,472**	(3,625)
Effective rates	**-14.5%**	-5.2%	**-1.5%**	1.0%

(*) Income tax is calculated at the rate of 25% for subsidiaries located in Uruguay; 27% for those located in Chile; and 29.5% for those located in Peru. The rate difference is stated under "Other permanent exclusions (additions)". No social contribution tax is levied in these countries.
(**) The taxation effects of subsidiary Ciclo Logística Ltda., which elected the tax regime whereby taxable profit is computed as per accounting books as from January 1, 2020, are also included in Other permanent exclusions (additions).

Deferred income and social contribution taxes

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Temporary differences - gains				
Allowance for doubtful accounts	**1,927**	1,921	**2,658**	2,761
Provision for profit sharing	**2,787**	2,943	**2,787**	2,943
Provision for losses – State VAT (ICMS)	**-**	-	**-**	461
Provision for contingencies	**11,056**	11,563	**11,467**	11,723
Income and social contribution tax losses	**12,994**	4,379	**12,994**	4,379
Provision for losses on advances to suppliers	**3,214**	2,656	**3,214**	2,724
Provision for inventory losses	**3,610**	2,189	**3,610**	2,189
Provision for losses of tax credits	**1,017**	105	**1,017**	105
Provision for sales discounts	**2,581**	2,404	**2,581**	2,404
Provision for restructuring losses	**13,084**	12,242	**13,084**	12,242
Right-of-use assets (CPC 06/IFRS16)	**23,303**	-	**24,165**	-
Other temporary provisions	**3,965**	3,554	**9,314**	11,756
	79,538	43,956	**86,891**	53,687

(In thousands of reais – R$, unless otherwise stated)

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Temporary differences - losses				
Difference between accounting goodwill and tax goodwill	**41,032**	41,032	**41,032**	41,032
On allocation to intangible assets	**38,987**	38,985	**58,013**	56,912
On allocation to property, plant and equipment	**15,569**	17,135	**15,569**	17,135
Property, plant and equipment deemed cost	**31,890**	33,074	**31,890**	33,074
Unamortized costs - debentures	**-**	2,924	**-**	2,924
Deferral on fair value adjustment – SLC Alimentos Ltda. (*)	**-**	-	**-**	17,759
Income from abroad	**3,627**	-	**3,627**	-
Lease liabilities	**22,813**	-	**23,654**	-
Other temporary differences	**2,184**	562	**14,292**	13,662
	156,102	133,712	**188,077**	182,498
Deferred income and social contribution taxes, net				
Noncurrent liabilities	**76,564**	89,756	**101,186**	128,811

(*) Due to the merger of subsidiary SLC Alimentos Ltda., the goodwill calculated as per the preliminary report are now deductible for income and social contribution tax purposes. Accordingly, the respective deferred taxes were reversed (Note 9.a – Business combinations).

The Company has tax credits arising from income and social contribution tax losses and temporary differences. Offsetting of tax losses is limited by law to 30% of the taxable profit for the year, which entails considerable increase in the term to recover tax credits. According to a profitability study approved by the Audit Committee, and incompliance with CVM Rule No. 371, of June 27, 2002, the Company will realize such tax credits within 5 years, may record them for their totals.

21. Net revenue from sales and services

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Gross revenue from sales and services				
Domestic market	**4,420,867**	3,711,706	**5,543,281**	4,900,465
Foreign market	**202,721**	134,964	**707,931**	602,560
	4,623,588	3,846,670	**6,251,212**	5,503,025
Sales deductions				
Sales taxes	**(360,549)**	(311,099)	**(407,528)**	(357,296)
Returns and rebates	**(339,670)**	(298,686)	**(447,572)**	(396,904)
	(700,219)	(609,785)	**(855,100)**	(754,200)
	3,923,369	3,236,885	**5,396,112**	4,748,825

(In thousands of reais – R$, unless otherwise stated)

22. Expenses by nature

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Expenses by function				
Cost of goods sold	**(3,073,032)**	(2,434,625)	**(4,145,275)**	(3,527,068)
Selling expenses	**(445,778)**	(411,854)	**(642,941)**	(631,117)
General and administrative expenses	**(219,671)**	(211,184)	**(311,537)**	(292,867)
	(3,738,481)	(3,057,663)	**(5,099,753)**	(4,451,052)
Expenses by nature				
Materials and raw material	**(2,692,142)**	(2,128,876)	**(3,397,900)**	(2,936,865)
Third-party services	**(103,450)**	(105,112)	**(131,123)**	(143,277)
Maintenance	**(93,235)**	(71,756)	**(109,759)**	(83,918)
Personnel	**(289,725)**	(260,128)	**(457,399)**	(450,738)
Freight	**(313,847)**	(272,103)	**(471,568)**	(403,643)
Sales commissions	**(22,165)**	(16,147)	**(30,311)**	(23,762)
Electricity	**(36,585)**	(27,080)	**(56,149)**	(47,134)
Depreciation and amortization	**(68,042)**	(55,747)	**(110,425)**	(101,416)
Amortization of the right-of-use asset (Note 13)	**(24,830)**	-	**(33,054)**	-
Lease (Note 13)	**(5,751)**	(25,723)	**(39,167)**	(49,318)
Taxes and charges	**(8,807)**	(9,742)	**(28,820)**	(24,938)
Export expenses	**(22,432)**	(19,780)	**(67,661)**	(34,013)
Others	**(57,470)**	(65,469)	**(166,417)**	(152,030)
	(3,738,481)	(3,057,663)	**(5,099,753)**	(4,451,052)

23. Finance income (costs)

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Finance costs				
Interest on loans	**(87,493)**	(63,560)	**(101,180)**	(82,071)
Interest on leases (Note 13)	**(4,976)**	-	**(5,744)**	-
Derivatives	**(37,273)**	(87,950)	**(37,273)**	(88,251)
Foreign exchange differences	**(12,312)**	(5,887)	**(13,022)**	(21,329)
Monetary difference	**(6,923)**	(8,116)	**(13,012)**	(8,006)
Others	**(12,590)**	(11,388)	**(19,098)**	(18,221)
	(161,567)	(176,901)	**(189,329)**	(217,878)
Finance income				
Interest	**4,493**	1,999	**5,082**	5,870
Discounts	**3,364**	3,672	**6,761**	4,311
Sort-term investment yields	**32,106**	30,575	**43,350**	39,530
Derivatives	**47,855**	88,289	**47,855**	89,027
Foreign exchange differences	**9,160**	5,402	**12,621**	13,028
Monetary difference	**10,017**	10,900	**10,017**	11,375
Other monetary gains (*)	**1,543**	38,719	**1,543**	38,719
Others	**-**	64	**16**	49
	108,538	179,620	**127,245**	201,909
	(53,029)	2,719	**(62,084)**	(15,969)

(*) For the year ended February 28, 2019, this account includes monetary restatement of prior years' relating to IRPJ and CSLL tax credits on ICMS subsidy recognition for the period from 2013 to 2016 and PIS and COFINS credits generated by the ICMS exclusion from the tax base, for the period from 2004 to February 2018, amounting to R$20,923 and R$17,797.

(In thousands of reais – R$, unless otherwise stated)

24. Other operating income (expenses)

Other operating income (expenses) are detailed below:

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
IRPJ and CSLL tax credit on ICMS subsidy (a)	-	93,011	-	93,011
ICMS exclusion from PIS and COFINS tax bases (b)	-	41,015	-	41,015
PRR – Funrural (c)	-	(41,952)	-	(41,952)
Provision for plant loss (d)	(2,714)	(37,576)	(2,714)	(37,576)
Other operating income	3,676	12,455	5,215	30,706
	962	**66,953**	**2,501**	**85,204**

a) Recognition of tax credit on ICMS subsidy

As mentioned in Note 8 – Taxes recoverable, Supplementary Law No. 160/2017 was enacted on August 7, 2017, amending paragraph 4 of article 30 of Law No. 12973/14, which now includes the tax incentives granted by the States or the Federal District as investment grants, deductible for income and social contribution tax calculation purposes. Considering the retroactive effect of 5 years, the Company recorded tax credits amounting to R$93,011.

b) ICMS exclusion from PIS and COFINS tax bases

As explained in Note 8, R$41,015 in previously unused PIS and COFINS credits were recognized, calculated on the ICMS exclusion from these contributions bases.

c) Agricultural Tax Settlement Program – PRR (Refis Rural)

As mentioned in Note 17, on October 10, 2018, the Company enrolled with the Agricultural Tax Settlement Program introduced by Law No. 13606/2018, whereby it recognized a net tax liability of R$41,952.

d) Provision for plant loss

São Gonçalo plant – state of Rio de Janeiro (RJ)

In the year ended February 28, 2019, the Company discontinued its fish-related operation at the São Gonçalo unit, located in the state of Rio Janeiro, and transferred such operation to the Navegantes unit, located in the state of Santa Catarina; and, after calculating the recoverable amount, recorded a provision for restructuring amounting to R$31,269. In February 2020, the Company restated the provision amount by R$2,063.

Sertãozinho plant – state of São Paulo (SP)

In the year ended February 28, 2019, the Company discontinued its grain-related operation at Sertãozinho plant and transferred it to the Barra Bonita plant, both located in the state of São Paulo; and, after calculating the recoverable amount, recorded a provision for restructuring amounting to R$4,737. This plant was located in a leased property belonging to Q4 Sertãozinho Empreendimentos e Participações Ltda. for which the contract provides for a termination penalty of 40% on the remaining installments until July 2021. Considering the monthly rent of R$135, a provision for termination amounting to R$1,570 was recorded (the contract termination was settled in April 2019 for R$1,516). Thus, the total expense recognized for the year ended February 28, 2019 was R$6,307. Also, at February 29, 2019, the provision decreased by R$1,788 due to adjustments to the assets considered for loss.

Tarumã plant – state of São Paulo (SP)

After completion of the project to expand activities at the Barra Bonita unit, located in the state of São Paulo, that unit will absorb Tarumã's activities. The provision for loss of assets is R$1,275, accounted for at February 29, 2020.

Cuiabá plant (state of Mato Gross – MT) and Uruguaiana plant (state of Rio Grande do Sul – RS)

Due to restructuring of operating activities, these units will be closed and their assets written off to loss. The estimated provision for the Cuiabá plant's assets is R$1,016 and for Uruguaiana plant's assets is R$78, both recorded at February 29, 2020.

Porto Alegre administrative unit – state of Rio Grande do Sul

With the merger of SLC Alimentos, the administrative activities were distributed and part of the assets of the Porto Alegre unit will be relocated. The estimated provision for the retired assets is R$70 recorded at February 29, 2020.

25. Risk management and financial instruments

As mentioned in Note 1, the Company's business and that of its subsidiaries involves the industrial processing and sale in Brazil and abroad of various products, particularly rice, beans, sugar and fish.

The estimated realizable values of the financial assets and liabilities of the Company and its subsidiaries were determined based on available market information and proper valuation methodologies.

a) <u>Fair value measurement</u>

The Company measures financial instruments, such as short-term investments and derivatives, at fair value every reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction to sell an asset or transfer a liability will occur:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.0} The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. These valuation methodologies were not changed in the years presented.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and nonfinancial assets that are measured at fair value or where fair values are disclosed are summarized in the respective notes.

(In thousands of reais – R$, unless otherwise stated)

Based on its assessment, management understands that the fair values of significant financial instruments presented have no significant differences in relation to their corresponding carrying amounts, as follows:

		Individual			
		02/29/2020		02/28/2019	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
				(Restated*)	
Financial assets					
Amortized cost					
Accounts receivable	2	503,108	503,108	434,807	434,807
		503,108	**503,108**	**434,807**	**434,807**
Measured at fair value through profit or loss					
Cash equivalents	2	403,572	403,572	310,684	310,684
Sort-term investments	2	32,292	32,292	31,459	31,459
Financial instruments – derivatives	2	605	605	350	350
		436,469	**436,469**	**342,493**	**342,493**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	338,090	338,090	284,004	284,004
Loans and financing	2	1,448,774	1,448,862	1,042,934	1,042,993
Other accounts payable	2	40,123	40,123	50,901	50,901
		1,826,987	**1,827,075**	**1,377,839**	**1,377,898**

		Consolidated			
		02/29/2020		02/28/2019	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
				(Restated*)	
Financial assets					
Amortized cost					
Accounts receivable	2	725,262	725,262	690,536	690,536
		725,262	**725,262**	**690,536**	**690,536**
Measured at fair value through profit or loss					
Cash equivalents	2	463,797	463,797	331,775	331,775
Sort-term investments	2	32,292	32,292	31,459	31,459
Financial instruments – derivatives	2	605	605	511	511
		496,694	**496,694**	**363,745**	**363,745**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	517,270	517,270	423,204	423,204
Loans and financing	2	1,602,894	1,606,201	1,428,859	1,441,192
Lease liabilities (**)	2	1,098	1,385	-	-
Other accounts payable	2	40,123	40,123	50,901	50,901
		2,161,385	**2,164,979**	**1,902,964**	**1,915,297**

(*) Restatement of the fair value of loans and financing.
(**) Lease liabilities of subsidiary Empresas Tucapel S.A. that were transferred to loans after the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 – Leases.

(In thousands of reais – R$, unless otherwise stated)

The balances of cash and cash equivalents, as well as of short-term investments, are stated at fair value, which are equivalent to their carrying amounts at the reporting date.

Derivatives, arising from transactions in the Futures Market, are also recognized based on their respective estimated fair values based on the respective contracts and observable market inputs that include changes in the currencies in which the derivatives are designated. In these cases, the assets and liabilities are classified under Level 2. Below is additional information concerning derivatives and their measurement:

Risk	Currency	Number of contracts	Principal	Hedging instrument amount	Liability balance at 02/29/2020
Future imports	Dollar	355	17,750	80,081	529
Future imports	Euro	40	2,000	9,945	76
Balance at 02/29/2020		**395**	**19,750**	**90,026**	**605**

The balances of trade accounts receivable result from the Company's commercial operations and are recorded at their original amounts and subject to exchange and monetary restatement, allowance for expected credit losses and discounts granted occasionally.

The balances of trade accounts payable arise from the Company's commercial operations and are recorded at their original amounts, subject to foreign exchange and monetary restatements, as applicable.

Loans, financing and debentures are classified as financial liabilities measured at amortized cost by the effective interest method and are recorded for their contractual amounts that reflect the usual terms and conditions obtained in the market.

b) Risk factors that may affect the business of the Company and its subsidiaries

The operations of the Company and its subsidiaries are subject to the following main risks.

Credit risk

The Company and its subsidiaries are subject to counterparty credit risk in transactions involving short-term investments and accounts receivable.

i. Short-term investments

The Group's short-term investments are held in first-tier institutions. Rating of amounts invested are as follows (Notes 4 and 5):

	Individual		Consolidated	
Rating	02/29/2020	02/28/2019	02/29/2020	02/28/2019
AAA	-	217	-	217
AA+	-	-	60,225	21,091
A-1+	435,864	341,926	435,864	341,926
	435,864	**342,143**	**496,089**	**363,234**

ii. Trade accounts receivable

Sales policies of the Company and its subsidiaries are subject to the credit policies established by management and are designed to minimize any problems arising from customer default. This goal is achieved through a careful selection of customer portfolio that takes into consideration their credit worthiness (credit rating) and the diversification of sales (risk spread). The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk. Short-term investments are kept in banks listed among the 10 largest in the country at all times.

For the year ended February 29, 2020, the Company and its subsidiaries had no customers accounting for more than 10% of their total net revenue.

Liquidity risk

Liquidity risk represents shortage of funds intended for payment of debts (substantially loans and financing). The Company and its subsidiaries adopt cash monitoring policies to avoid mismatching of accounts receivable and payable. In addition, the Company has readily redeemable short-term investments to cover any mismatches between the maturity of its contractual obligations and its cash flow. The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk.

Risk of prices of raw materials and finished goods

The main inputs used in the Company's and its subsidiaries' industrial process are agricultural commodities, the prices of which are subject to fluctuations as a result of public agricultural fostering policies, seasonal crops and climate effects, which may result in losses due to fluctuations in market prices. To minimize this risk, the Company continuously monitors price fluctuations in the local and international markets. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

Market risk

i. Interest rate risk

This risk arises from the possibility of the Company incurring losses due to fluctuations in interest rates that increase its finance costs relating to loans and financing, or reduce the gains on its investments. The Company continuously monitors the volatility of the market interest rates. In order to reduce the possible impacts resulting from fluctuations in interest rates, the Company and its subsidiaries adopt the policy of keeping their funds invested in instruments pegged to the CDI. The Company has historically obtained satisfactory results in relation to its goals of mitigating this risk.

ii. Currency risk

The Company uses derivative financial instruments, mainly financial hedge, to hedge its imports against the risk of fluctuations in foreign exchange rates.

Gains and losses on derivative transactions are recognized on a daily basis in the statement of profit or loss, considering the realizable amount of these instruments (market value). The provision for unrealized gains and losses is recognized in "Derivatives financial instruments", in the statement of financial position, and matched against "Gains/losses on derivatives, net", in profit or loss.

(In thousands of reais – R$, unless otherwise stated)

c) Sensitivity analysis

The following table presents a sensitivity analysis of financial instruments, describing the risks that may generate material loss to the Company, with the most probable scenario (scenario 1) according to management's assessment, and considering a twelve-month time span at the end of which the next financial information containing such analysis shall be disclosed. In addition, two other scenarios are stated, in order to present 25% and 50% deterioration in the risk variable considered, respectively (scenarios 2 and 3).

Debts and short-term investments

Financial transactions relating to cash investment and funding pegged to currencies other than the Brazilian real and CDI are subject to exchange rate (USD/BRL, CLP/BRL, PEN/BRL, and EUR/BRL) and interest rate fluctuations (CDI).

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Loans and financing	Debentures	Fluctuation of CDI	4.21%	(57,974)	(72,467)	(86,961)
Total				**(57,974)**	**(72,467)**	**(86,961)**
Difference (loss)					**(14,493)**	**(28,987)**

Cash and cash equivalent investments and short-term investments (interest rate decrease)

Program	Instrument	Risk	Annual rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Cash investments	Sort-term investments	Fluctuation of CDI	4.21%	18,340	13,755	9,170
Total				**18,340**	**13,755**	**9,170**
Difference (loss)					**(4,585)**	**(9,170)**

Cash and cash equivalent investments and short-term investments (depreciation of Real)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Cash investments	Sort-term investments	Fluctuation of BRL/CLP	0.0052	60,244	45,183	30,122
Total				**60,244**	**45,183**	**30,122**
Difference (loss)					**(15,061)**	**(30,122)**

(In thousands of reais – R$, unless otherwise stated)

Debt (foreign exchange difference)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 25% R$	Scenario 3 50% R$
Financing	Debt denominated in USD	Fluctuation of BRL/USD	4.5000	(19)	(16,732)	(33,444)
Financing	Debt denominated in PEN*	Fluctuation of BRL/PEN	1.3013	(5,418)	(35,551)	(65,685)
Financing	Debt denominated in CLP**	Fluctuation of BRL/CLP	0.0052	-	(85)	(169)
Total				**(5,437)**	**(52,368)**	**(99,298)**
Difference (loss)					**(46,931)**	**(93,861)**

(*) PEN - New Sol / Peru
(**) CLP – Chilean pesos

Derivatives designated as hedge (depreciation of Real)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Imports	Derivatives	Fluctuation of BRL/USD	4.5000	23	(20,049)	(40,075)
Imports	Derivatives	Fluctuation of BRL/EURO	4.8582	(170)	(2,274)	(4,717)
Total				**(147)**	**(22,323)**	**(44,792)**
Difference (loss)					**(22,176)**	**(44,645)**

The sources of information for the rates used above were obtained from the Central Bank of Brazil (BCB).

Capital management

Assets can be financed by own capital or third-party capital. If the Company elects to use own capital, it may use funds from capital contributed by current shareholders of by funds raised in the capitals market with new shareholders. The use of funds financed by third parties will always be an option to be considered, mainly for management understands that this cost will always be lower than own capital cost, leveraging the cost of capital or, when this cost is lower than the return generated by the asset acquired. It is important to ensure that an efficient capital structure is maintained in order to optimize the cost of capital, which provides financial strength and, at the same time, makes the Company's business plan viable.

Capital is managed through leverage ratios, which are defined as net debt divided by the sum of EBITDA over the last 12 months, and net debt divided by the sum of net financial debt and total equity. Management seeks to maintain this ratio at levels equal to or below industry levels. Management includes loans and financing (including debentures), derivatives, cash and cash equivalents, current and noncurrent financial investments, and restricted, current and noncurrent marketable securities based on amounts extracted from the Debtor's consolidated statement of financial position. Management has debenture issue agreements that provide that the following covenants shall be complied with: Net debt/EBITDA: equal to or lower than 3.5 (three point five).

(In thousands of reais – R$, unless otherwise stated)

The Company is not subject to any externally imposed capital requirements. Total capital is defined as total equity plus net debt, as follows:

	Individual		Consolidated	
	02/29/2020	02/28/2019	**02/29/2020**	02/28/2019
Equity	2,249,372	2,169,115	2,249,372	2,169,115
Cash and cash equivalents (Note 4)	(405,601)	(312,027)	(537,764)	(365,302)
Short-term investments (Note 5)	(32,292)	(31,242)	(32,292)	(31,242)
Loans and financing (Note 15)	1,448,774	1,042,934	1,602,894	1,428,859
Lease liability (Note 13)	74,898	-	91,433	-
Total capital	**3,335,151**	**2,868,780**	**3,373,643**	**3,201,430**

26. Segment information

Management defined its strategic business model, based on the Company’s decisions, between the Brazil and International segments.

The Group’s segments conduct transactions among them and follow the same accounting practices described in Note 2.

Information on the Company segments is as follows:

	Food products - Brazil		Food products - International		Food products – Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Assets						
Current assets	**1,930,018**	1,635,202	**770,163**	848,373	**2,700,181**	2,483,575
Noncurrent assets	**1,492,681**	1,156,728	**616,527**	796,357	**2,109,208**	1,953,085
Total assets	**3,422,699**	2,791,930	**1,386,690**	1,644,730	**4,809,389**	4,436,660
Liabilities						
Current liabilities	**1,041,339**	629,708	**203,502**	477,915	**1,244,841**	1,107,623
Noncurrent liabilities	**1,189,245**	994,385	**125,931**	165,537	**1,315,176**	1,159,922
Total liabilities	**2,230,584**	1,624,093	**329,433**	643,452	**2,560,017**	2,267,545

(In thousands of reais – R$, unless otherwise stated)

	Food products - Brazil		Food products - International		Food products – Consolidated	
	02/29/2020	02/28/2019	02/29/2020	02/28/2019	02/29/2020	02/28/2019
Gross sales revenue						
Domestic market	**4,422,004**	3,838,684	**1,121,277**	1,061,781	**5,543,281**	4,900,465
Foreign market	**202,721**	134,964	**505,210**	467,596	**707,931**	602,560
	4,624,725	3,973,648	**1,626,487**	1,529,377	**6,251,212**	5,503,025
Sales deductions						
Sales taxes	**(370,098)**	(324,147)	**(37,430)**	(33,149)	**(407,528)**	(357,296)
Returns and rebates	**(339,794)**	(303,180)	**(107,778)**	(93,724)	**(447,572)**	(396,904)
	(709,892)	(627,327)	**(145,208)**	(126,873)	**(855,100)**	(754,200)
Net sales revenue	**3,914,833**	3,346,321	**1,481,279**	1,402,504	**5,396,112**	4,748,825
Cost of sales and services	**(3,054,648)**	(2,521,321)	**(1,090,627)**	(1,005,747)	**(4,145,275)**	(3,527,068)
Gross profit	**860,185**	825,000	**390,652**	396,757	**1,250,837**	1,221,757
Selling expenses	**(447,540)**	(424,479)	**(195,401)**	(206,638)	**(642,941)**	(631,117)
General and administrative expenses	**(131,498)**	(161,651)	**(36,560)**	(29,800)	**(168,058)**	(191,451)
Depreciation and amortization	**(96,832)**	(63,827)	**(46,647)**	(37,589)	**(143,479)**	(101,416)
Other operating income (expenses) and equity pickup	**1,131**	67,828	**750**	16,380	**1,881**	84,208
Income before finance income (costs)	**185,446**	242,871	**112,794**	139,110	**298,240**	381,981
Finance costs	**(161,652)**	(180,999)	**(27,677)**	(36,879)	**(189,329)**	(217,878)
Finance income	**108,546**	181,366	**18,699**	20,543	**127,245**	201,909
Income before taxes	**132,340**	243,238	**103,816**	122,774	**236,156**	366,012
IRPJ and CSLL	**28,324**	17,510	**(24,852)**	(21,135)	**3,472**	(3,625)
Net income	**160,664**	260,748	**78,964**	101,639	**239,628**	362,387

(In thousands of reais – R$, unless otherwise stated)

27. Insurance

The Company has a risk management program that seeks market coverage compatible with its size and operations. The Company took out insurance coverage in the following amounts, considered sufficient by management to cover any losses, considering the nature of its activity, operational risks involved and the guidance of insurance advisors.

Below is a table summarizing the insurance policies effective at February 29, 2020:

		Individual		Consolidated	
Risk	Coverage	Amount at risk	Policy cost	Amount at risk	Policy cost
Operational risks	Coverage against property damages to buildings, facilities, inventories, machinery and equipment, loss of profits	134,400	1,185	1,550,795	2,905
Freight transport	Goods in transit	2,000	1,059	574,320	1,848
Civil liability	Coverage of repairs for pain and suffering and/or property damages caused to third parties, as a result of the Company's operations	7,000	21	32,524	205
Civil liability (D&O)	Coverage against financial losses arising from claims filed against insured parties due to tort for which liability is sought	60,000	75	60,000	75
Legal proceedings	Coverage against various legal proceedings	93,952	1,090	93,952	1,090
Vehicles	Coverage against various claims	100% of the FIP table	24	*	499
Engineering risks	Coverage for construction work and against civil risks	6,591	99	6,591	99
Environmental insurance	Third-party claims relating to transport, personal injury, property damages and cleaning costs	400	15	400	15
Trade accounts receivable	Coverage of 90% of the debt of customers in default	90% of sales	126	90% of sales	299
Real estate lease insurance	Default by the Company related to property lease	13,604	44	13,604	44

* The amount at risk in the Consolidated comprises policies of Parent Company Camil Alimentos S.A., for which the insured amount corresponds to 100% of the FIP table in force and of subsidiary Ciclo Logística Ltda., for which the insurance policy ensures 80% of the FIP table.

28. Events after the reporting period

a) Financing for the acquisition of the Pet Food Business Unit of Empresas IANSA in Chile

On March 2, 2020, subsidiary Empresas Tucapel S.A. entered into a financing agreement in the amount of CLP37,000,000, equivalent to R$204,277 or USD45,449, subject to interest of 3.95% p.a. in order to acquire the Pet Food Business Unit of Empresas IANSA.

The principal will be repaid in 9 semiannual installments from March 2, 2022 to September 2, 2025. Interest will be amortized in semiannual installments from September 2, 2020.

b) Granting of new stock options

On April 2, 2020, the Company's Board of Directors approved the fourth grant of new stock options to the beneficiaries of the Stock Option Plan that was approved at the General Meeting held on August 28, 2017 ("Stock Option Plan").

The Company may grant stock options up to the limit of 4,127,666 common shares issued by it, corresponding to 1.12% of its capital on this date, and subject to the global limit of 4% of its capital. The strike price of each New Option will correspond to R$7.98 (seven reais and ninety-eight cents) per share.

c) Impact of COVID-19

CAMIL is monitoring the effects resulting from the COVID-19 pandemic and, so far, has not had any material financial impact. The Company's operating segment is considered essential and, therefore, its operations have not been interrupted and is following the determinations of the laws in Brazil and in the other South American countries where it operates.

As a company in the food industry, Camil must guarantee the population access to food, without losing sight of the safety and health of its employees and the communities with which it relates. Accordingly, the Company prepared and put in place a contingency plan covering several preventive measures necessary to ensure the continuity of its business and the safety of its employees and customers.

In view of the difficulties presented, we follow the guidelines of the Ministries of Health and government entities of each country, we adapt our routine by protecting and promoting educational actions for employees regarding the threats of the disease. Among the main measures we highlight: creation of a Crisis Committee for the daily management of the COVID-19 evolution and the possible impacts and necessary measures to ensure the safety of our employees, in addition to monitoring all the determinations of the competent authorities in the regions where it operates, intense communication, discussion forums and guidance on virus prevention, withdrawal of employees from the risk group, intensification of personal hygiene techniques, and reinforcement of the use of sanitary barriers in operational units.

In addition, we reinforced management of the inventory levels of raw materials, inputs and finished products, production reorganization, actions to ensure a safe distance between employees, avoiding agglomerations, we replaced the participation of everyone in corporate events, face-to-face meetings and travel with communication between units remotely, by electronic means. We also adopted remote work in the corporate office.

In the financial sphere, the Company and its subsidiaries, in the face of economic uncertainties, preventively strengthened their short-term liquidity by raising R$1,124,524.

Camil understands that it is taking appropriate measures to prevent the spread of COVID-19, and to ensure business continuity during the period that the pandemic lasts. While the Company's industrial operations, sales or financial position have not been significantly affected to date, management cannot estimate or predict the occurrence of future events related to the pandemic. However, it continues assessing the impacts on operations constantly and undertakes to inform possible new scenarios and necessary measures to be adopted.

We continue operating and reaffirming our commitment to the safety of our employees, guaranteeing the service to our customers and supply in the communities and regions where we operate in South America.

Annual Statutory Audit Committee Summarized Report on Camil Alimentos S.A.

About the Audit Committee

The statutory Audit Committee (“Committee”) at Camil Alimentos S.A. (“Company”), is a permanent and consulting organ, created by the board of directors, in a meeting which took place in January 11th, 2018, with the role of advising the referred board, being conducted by the 308 CVM instruction, January 14th, 1999, changed by 506 CVM Instrucion of November 16th, 2011, and other applicable regulations.

The Committee is composed of 4 (four) independent members, elected by the Board of Directors in meetings held in June 29, 2019 and January 9, 2020.

Mr. Carlos Roberto de Albuquerque Sá, the Committee´s coordinator, meets the requirements of renowned Corporate and Managerial Accounting experience, and Mr. Carlos Alberto Júlio also plays as a member of the Company´s Board of Directors. It is worth highlighting that none of the Committee´s members takes part in the Company´s management.

The Committee operates in accordance with the best practices of Corporate Governance and its Internal Regulations, it is incumbent upon the committee to advise the Board of Directors, with focus on the following subjects:

(a) supervise and monitor the independent auditors in the performance of its duties, with meetings to discuss the preparation of the reports, opinions and balance sheets made in accordance with the Quarterly Information (ITR) and the annual balance sheet;

(b) make recommendations to the Board of Directors on the hiring, supervision, evaluation and alteration of the external auditors;

(c) assist the Board of Directors and clarify doubts, and take action with respect to internal and external auditors' recommendations;

(d) verify the independence and qualification of the external auditors, including reviewing the services contracted by the Company (including consulting services), based on written correspondence, to be submitted by the external auditors periodically;

(e) oversee and monitor internal auditing, including verification of compliance with legal and regulatory provisions applicable to the Company, in addition to internal policies and standards; and

(f) analysis and opinion on risk management guidelines, specially on the estimate in the financial and operational impact.

1. Activities of the Audit Committee in 2019/2020

During the fiscal year between March 2019 and February 2020, the Committee assembled 08 (eight) times, in ordinary and extraordinary sessions. Besides the Committee´s Coordinator participation in the Company´s General Shareholder Meeting, the Committee assembled it´s members in an opportunity with the Board of Directors to discuss the main topics overseen during the period.

The meetings counted, when necessary and taking in consideration the meeting´s agenda, with the participation of the Company´s Chief Executive Officer, Chief Financial and Investor Relations Officer, and other Company Officers, Executive Managers, Managers for Internal Audit, Internal Controls and Risk Management, Independent Auditors and external advisors to allow the understanding of processes, internal controls, risks, possible deficiencies and eventual improvement plans, as well as to issue their recommendations to the Board of Directors and to the Company´s management.

Among the activities carried out during the year, we highlight the following:

- Discussion, approval and monitoring of the Annual Internal Audit Plan for the period between March 2019 and February 2020, its execution, reports issued, knowledge of the points raised and recommendations, as well as the steps taken by management;

- Knowledge, discussion and evaluation of the independence policies of the independent auditors, knowledge, evaluation and approval of the work planning for the period between March 2019 and February 2020, the levels of relevance and the areas of risk identified by them, as well as their satisfaction in obtaining of evidence on the main operations of the Company;

- Analysis and discussion, with the Company´s management, of the themes presented by the independent audit in it´s annual recommendation letter relative to the Company´s internal control structure, as well as the approval and monitoring of internal control and action plans drawn by the Management to mitigate risks presented by the independent auditors, avoiding the appointment by the independent auditors, of eventual significant deficiencies, or material weaknesses, relative to the Company´s control environment.

- Follow-up of the system of internal controls and risk management based on meetings with the internal auditors, external auditors and management;

- Monitoring of the internal controls system and the mapping and management of the risks based on meetings with internal auditors, independent auditors and Management;

- Monitoring of the strategic projects under implementation by the Information Technology department (“IT”), with a request to prepare a map of the risks map of business continuity;

- Monitoring the process of preparing the financial statements and quarterly information, through meetings with the Management and independent auditors.

- Evaluation and monitoring, with the Management and the independent auditors, the adequacy of the transactions with related parties executed by the Company and their respective disclosures;

- Monitoring of the activities of the tax and legal departments, especially in relation to lawsuits in progress and their recognition, or not, in the accounting.

- Knowledge of work in relevant departments of the Company, such as human resources, information technology, controllership, among others;

- Monitoring of the Company's critical processes, including the goods return procedure;

- Monitoring of the Company's contractual covenants, with Management and independent auditors

- Monitoring the implementation, by the Company, of the Policies and other regulations recommended by the IBGC

- Review of the Company's Reference Form disclosed to the market;

- Monitoring of the Company's compliance with the Personal Data Protection Law (“PDPL”); and

- Monitoring the denouncement channel and fraud prevention activities, by receiving and investigating any denunciation or suspected violation of the Code of Ethics, respecting the confidentiality and independence of the process and, at the same time, ensuring adequated levels of transparency of the procedure.

2. Independent Auditors

Ernst & Young Auditores Independentes S.S. (“EY”) is the firm responsible for examining and issuing the independent auditors' report on the financial statements and for issuing special reports on the reviews.

The Committee maintains a periodic communication with the independent auditors for a wide discussion of the results of their work and relevant accounting aspects, in a way that allows its members to base their opinion on the integrity of the financial statements and financial reports. In the period from March 2019 to February 2020, the Committee met with the independent auditors to discuss the Company's quarterly financial statements (ITRs), timely recommending their appreciation by the Board of Directors.

Finally, the Committee met with EY, took note of the independent auditors' opinion, was satisfied with the information and clarifications provided, in relation to the Company's financial statements, corresponding to the fiscal year ended on February 29, 2020.

In the progress of the work, there was no significant divergence between the Company's Management, the independent auditors and the Committee in relation to the financial statements.

3. Internal Audit

The Internal Audit, Internal Controls and Risk Management (“Internal Audit Management”) is linked to the structure of the Company's Financial and Investor Relations Executive Management, but it is functionally reporting to the Board of Directors and is directly supervised, by the Audit Committee, which allows it to develop its functions in a broad and independent manner, carrying out its work based on an annual plan, previously approved by the Committee, covering, in priority, all relevant operations and business units of the Company.

The Committee monitored the work carried out by the Internal Audit Management, by holding periodic meetings and approving the planning of its work for the fiscal year between March 2019 and February 2020 and monitoring its execution.

After the changes promoted by the Company in the Internal Audit Management, the Committee considers that there was a significant improvement in the coverage and quality of the works carried out by the area, and the results of the works presented by the current structure, at the Committee's meetings, brought greater comfort to the Committee regarding the treatment and monitoring of the Company's risk and internal control environment.

4. Crisis Management Committee

Although considered as a subsequent event to the end of the fiscal year of February 29,2020, the Committee has followed the execution of the action plans prepared by the Crisis Management Committee, established by the Company with the objective of discussing the main actions to be implemented by the Company as a result of the new coronavirus (COVID-19) pandemic.

In a meeting held on March, 25, 2020, the Committee became aware of the mains actions taken by the Company to prevent and deal with the pandemic and have been following the work since then.

The Committee also discussed with the Company´s Management the main points that should be disclosed in the Financial Statements in compliance with Official Letter nº 02/2020 (Brazilian Securities and Exchange Commission – "CVM"), regarding the Coronavirus impacts.

5. Recommendations

During the year between March 2019 and February 2020, the Committee periodically reported to the Board of Directors on the progress of its work, presenting opinions and making recommendations on various matters within its competence.

AUDIT COMMITTEE REPORT

The members of the Audit Committee of Camil Alimentos S.A., in the exercise of their legal duties, pursuant to the Audit Committee Bylaws, have examined and analyzed the financial statements for the year ended on February 28, 2019, and, considering the information provided by the Company's management and without objections by ERNST & YOUNG AUDITORES INDEPENDENTES ("E&Y"), as of February 28, 2019, and the management's annual report, considering information disclosed by the Company and independent auditors, by a unanimous vote, that the documents reflects the current situation of the Company, its financial position and its activities and have the requirements to be appreciated and approved by the Board of Directos and General Shareholders Meeting, for shareholders approval, as of the Brazilian Business Corporations Law.

São Paulo, May 12, 2020.

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CARLOS ROBERTO DE ALBUQUERQUE SÁ
Committee Coordinator

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CARLOS ALBERTO JÚLIO
Member of the Committee

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EDUARDO AUGUSTO ROCHA POCETTI
Member of the Committee

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MARCELO MARCONDES LEITE DE SOUZA
Member of the Committee

Officer´s Declaration on Financial Statements

Camil Alimentos S.A.´s Officers declared that they have reviewed, discussed and agree to the financial statements referring to the fiscal year ended on February 29, 2020.

The Company´s management approved and authorized the publication of financial statements of February 29, 2020.

São Paulo, May 12, 2020.

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Luciano Maggi Quartiero

Chief Executive Officer

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Flavio Jardim Vargas

Chief Financial, Investor Relations and Tax Officer

Declaration of the Officers on the Independent Auditor Report

Camil Alimentos S.A.'s Executive Board declares that it has reviewed, discussed and approved the Independent Auditor Report for the year ended February 29, 2020.

São Paulo, May 12, 2020.

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Luciano Maggi Quartiero

Chief Executive Officer

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Flavio Jardim Vargas

Chief Financial, Investor Relations and Tax Officer

CAPITAL BUDGETING

Capital Budgeting Proposal for 2020

The Company presents its capital budgeting proposal for the year from March 1st, 2020 to February 28th, 2021 for further approval in the Shareholders Meeting on a total amount of R$41.148.644,09 (forty one million, one hundred and forty eight thousand, six hundred and forty four reais and nine cents), approved by the Board of Directors on May 12, 2020.

Source	
Profit reserve from the year ended on February 29, 2020 (ar 196 of Law n.º 6.404/1976).	R$41.148.644,09
Investment	
Investment planned to comply the company´s commitments seeing it´s growth strategy in production capacity and process improvement.	R$41.148.644,09