INTERIM FINANCIAL INFORMATION

Camil Alimentos S.A.
May 31, 2020

Interim Financial Information

Camil Alimentos S.A.

May 31, 2020
with Independent Auditor's Report

Building a better
working world

COMMENTS ON FINANCIAL PERFORMANCE

INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED ON MAY 31st, 2020

Financial data is presented in accordance to the International Financial Reporting Standards (IFRS) and represents the Company's consolidated results in million Reais (R$) with comparisons referring to the first quarter of 2019 (1Q19 – Mar/2019 to May/2019; YoY comparisons) and fourth quarter of 2019 (4Q19 – Dec/2019 to Feb/2020; QoQ comparisons), unless otherwise indicated.

Message from Management

To address the results for the period, we would like to talk about the dynamics of the current scenario that has affected us all: the effects of Covid-19. In 60 years of history, we are going through an unprecedented period in our business, a moment that made us act quickly and with responsibility. Nurturing relationships is part of our business, which has led us to take care of people's safety first, with a special focus on our employees, customers and communities which we are part of. As a company in the food sector, we're entitled to a unique responsibility and therefore we act in ways to ensure that our consumers are served so that there is no food shortage in the communities and regions in which we operate in South America, without losing sight employees and customers safety, which has always been our priority.

At the very first signs of the pandemic, we established a crisis committee that prepares and monitors essential actions with the objective of ensuring the safety of our employees and the continuity of our business. We carried out intense internal communication with guidelines on preventing Covid-19, removing employees from the risk group, intensifying personal hygiene techniques and reinforcing the use of sanitary barriers in operational units. We replaced travel, events and face-to-face meetings with 100% remote meetings and adopted home office in our corporate office.

To guarantee production and meet the demand for the period, marked by high sales volume and increase in raw material costs, we reinforced the management of inventory levels for raw material and finished goods, also readjusting our organization in terms of production, logistics and transportation of employees, ensuring safe distancing and avoiding agglomerations in our plants. In addition to operational initiatives to guarantee supply, Camil has also strengthened its short-term financial liquidity. In view of the economic uncertainties, in a preventive manner, we met the financial needs for the year 2020 through means of financing approximately R$1.2 billion in the quarter.

We emphasize that, in addition to the initiatives in the face of the pandemic regarding the safety of our employees, customers, business and liquidity, we reinforce yet another commitment of the Company in this scenario: the social commitment to local communities. We bring a long history of growth with important values in our DNA of trust, proximity and responsibility. As one of the largest food companies in South America, we reaffirm our commitment to society, helping to combat the impacts of Covid-19 in the communities in which we operate, through means of purchasing health service equipment and utensils in the municipalities where we have production units and we distributed over 200 tons of products to the most vulnerable population.

As already widely publicized by the Company, Camil has been working on measures to reduce costs and expenses in recent years, which has positioned us in an even more competitive way to operate in this new environment. The Company's actions focused on efficiency, together with a scenario of high demand for sales volume and rise in raw material prices, allowed the recovery of historical levels of profitability. In the International market, we continue to have favorable dynamics and positive results. We observed a recovery in exports from Uruguay compared to the previous year, a resumption of sales growth in Peru and a continuous positive performance in Chile in terms of volume and profitability.

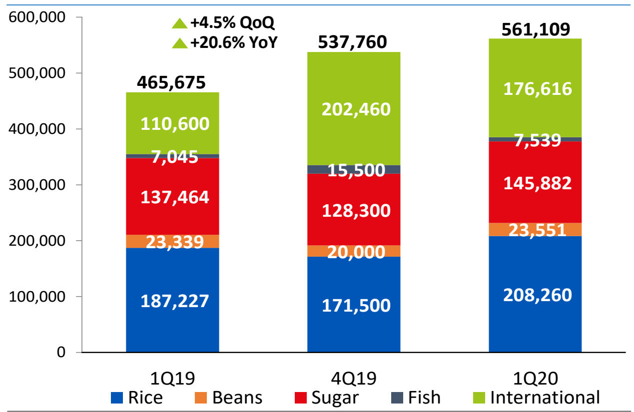
Camil continues to believe in the South American food market, which combines resilience, growth opportunities and tends to be one of the defensive sectors in the Covid-19 pandemic environment. Looking ahead, sustainable growth remains our top priority. With strong brands, differentiated platform and leadership positioning, we have multiple opportunities for growth in the segments in which we operate, development of new markets and entry into new categories. We started a new cycle, reinforcing our responsibility and agility in a pandemic scenario. We are increasingly confident that the Company is on track to anticipate trends and strengthen our position as a consolidator in the South American food sector.

Luciano Quartiero
Chief Executive Officer

Flavio Vargas
Chief Financial and Investor Relations Officer

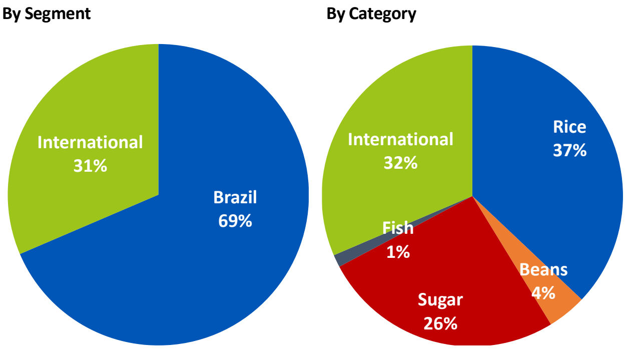
Operational Performance Highlights

Quarterly Volume Evolution (k ton)



Source: Company

Volume Breakdown (%)



Source: Company

Brazil

Quarter´s remarks include **annual increase in sales volumes (+8.5% YoY) of all categories, and sequential increase in grains and Sugar in Brazil, with growth in demand due to the Covid-19 pandemic scenario and market price increases**.

Rice

- **Volume:** 208.3k tons (+11.2% YoY; +21.4% QoQ)
- **Gross price:** R$2.86/kg (+19.1% YoY; +8.9% QoQ)
- **Net price:** R$2.56/kg (+22.2% YoY; +10.3% QoQ)
- **Sales Mix YoY:** Increase in Camil and Value pricing brands sales
- **Market:** Average price reached R$55.09/bag (+31.9% YoY and +11.6% QoQ)[1]

Beans

- **Volume:** 23,6 k tons (+0.9% YoY; +17.6% QoQ)
- **Gross price:** R$6.09/kg (+20.4% YoY; +25.0% QoQ)
- **Net price:** R$5.73/kg (+24.7% YoY; +25.3% QoQ)
- **Sales Mix YoY**: Increase in Camil and Value pricing brands sales
- **Market:** Average price reached R$265.21/bag (+3.4% YoY and +29.6% QoQ)[2]

Sugar

- **Volume:** 145.9k tons (+6.1% YoY;+13.7% QoQ)
- **Gross price:** R$2.34/kg (+18.6% YoY; -1.7% QoQ)
- **Net price:** R$2.05/kg (+21.9% YoY; +0.6% QoQ)
- **Sales Mix**: Increase in União and Value pricing brands sales
- **Market:** Average price reached R$76.74/bag (+12.0% YoY and +3.3% QoQ)[3]

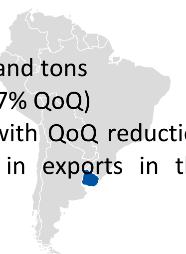
Pescados

- **Volume:** 7.5 k tons (+7.0% YoY; -51.5% QoQ)
- **Gross price:** R$20.72/kg (+1.0% YoY; -1.0% QoQ)
- **Net price:** R$16.06/kg (+10.4% YoY; +1.7% QoQ)
- **Sales Mix YoY:** Increase in Coqueiro and Value pricing brands sales (Pescador brand)
- **Market:** We emphasize the sales seasonality of the category in the sequential variation

International

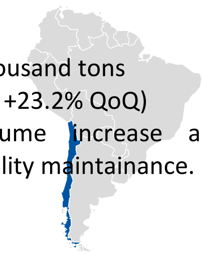
- Quarter remarks include **annual sales volumes increase in all categories in the International segment** (+59.6% YoY) in the quarter:

Uruguay



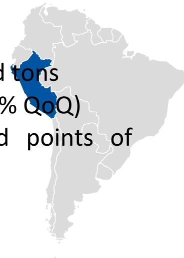
- **Volume**: 126.3 thousand tons (+82.0% YoY and -21.7% QoQ)
- Sales recovery YoY, with QoQ reduction driven by decrease in exports in the period.

Chile



- **Volume**: 23.9 thousand tons (+16.4% YoY and +23.2% QoQ)
- Continuous volume increase and positive profitability maintainance.

Peru



- **Volume**: 26.4 thousand tons (+27.5% YoY and +21.4% QoQ)
- Volumes increase and points of sales expansion.

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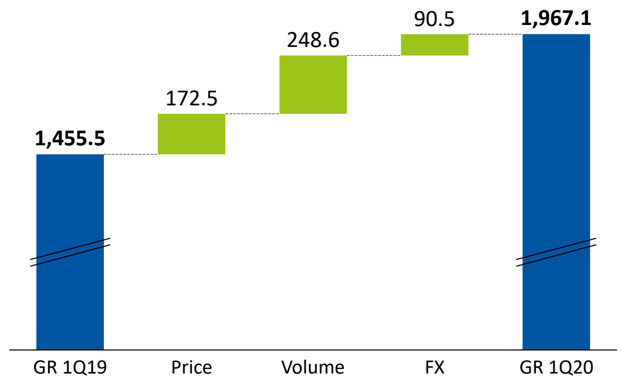
[1]Source: CEPEA; paddy rice's Indicator Esalq/Senar-RS 50kg
[2]Source: Agrolink; carioca beans' Indicator pouch 60kg
[3]Source: CEPEA; crystal sugar's Indicator Esalq-SP 50kg

Financial Performance Highlights

Gross Revenue reached R$2.0 billion in the quarter (+ 35.2% YoY), driven by the combined effect of the increase in volumes, prices and exchange rates in the period, as shown in the graph.

Net Revenue reached R$1.7 billion in the quarter (+39.8% YoY), with growth in the **Brazil Food Segment** (+28.5% YoY), driven by the growth in sales of grains, sugar and canned fish. This result was also driven by the growth in net revenue from the **International Food Segment** (+75.5% YoY), due to the exchange rate impact in the period of R$91 million and the growth in sales volume in all countries.

1Q20: Abertura Receita Bruta (R$mn)



Source: Company

Costs of Sales and Services reached R$1.3 billion (+38.4% YoY), or 76.1% of the quarter's net revenue, due to the growth in the **Brazil Food Segment** which reached R$944.1 million (+27.7% YoY), driven by the growth in the volume of sales of grains and sugar and the increase in the average market prices of rice (+31.9% YoY), beans (+3.4% YoY) and sugar (+12.0% YoY). This result was also driven by costs of sales and services in the **International Food Segment**, which reached R$371.3 million (+76.0% YoY) due to the exchange rate impact, increase in sales volume and the cost of raw materials in all countries.

Gross Profit

- **Gross Profit of R$413.6 million (+44.2% YoY) with 23.9% margin (+0.7pp YoY) in 1Q20**
- **We highlight the annual recovery of the gross margin, as a result of the gradual improvement in the ability to pass on the increase in the cost of raw material to prices mainly in grains in Brazil and cost dilution.**

SG&A reached **R$260.4 million (+9.2% YoY), equivalent to 15.1% of Net Revenue (-4.2pp YoY).** Nominal growth was impacted by the increase in International SG&A, with exchange rate impact and growth in expenses in Uruguay, Chile and Peru. This result was partially offset by the reduction in SG&A in Brazil, as a result of the dilution of expenses, as well as efforts made in the Company's cost and expense control plan for the period, which reflect greater efficiency and led to a reduction in the representativeness of SG&A in net revenue.

Other operating revenues reached R$2.6 million (vs. R$1.4 million in other operating revenues in 1Q19), due to non-recurring revenues from insurance claims.

EBITDA

- **EBITDA reached R$196.6 million (+136.9% YoY) with 11.4% margin (+4.7pp YoY)**
- **We highlight a better profitability in the period, as a result of the gradual resumption of the capacity to pass through raw material cost variations to prices in Brazil and dilution of SG&A costs and expenses**

Net Financial Result reached an expense of **R$16.8 million** in the quarter **(+55.5% YoY)** mainly due to the effects resulting from the increase in financial expenses from exchange variation, partially offset by the financial income from the result of derivatives.

Income Tax and CSLL reached an **expense of R $ 29.4 million**, or 21.2% of the result before taxes, mainly due to the exclusion of R $ 12.7 million related to ICMS subventions. We recall that the 1Q19 base was also affected by the exclusion related to IOE payment.

Net Income

- **Net Income reached R$109.5 million (+119.8% YoY) with 6.3% margin (+2.3pp YoY)**
- **Earnings per share reached R$0.30 (+139.5% YoY)**
- **We highlight the growth in net margin and earnings per share, driven by better profitability in the period and a reduction of the Company's total shares by -9.8% YoY**

About Camil Alimentos S.A.

Camil is one of the largest food companies in Brazil and Latin America, with a diversified brands portfolio in rice, sugar and canned fish segments as well as leadership positions in the countries where the company operates. Listed on 2017 in Novo Mercado, B3's highest level of corporate governance, Camil has operations in Brazil, Uruguay, Chile and Peru. For more information please visit www.camil.com.br/ri.

Responsibility Exemption

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. Operational data are not audited due to measures not recognized by IFRS or other accounting standards. This material contains future projections and expectations of the Company based on the perception of the Company's management about the current, known reality of its operations, and therefore, it is subjected to risks and uncertainties.

Camil Alimentos S.A.

Interim Financial Information

May 31, 2020

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A free translation from Portuguese into English of Report on the review of quartely information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 and the rules issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information (ITR)

Independent Auditor’s Review Report on Interim Financial Information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Camil Alimentos S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended May 31, 2020, which comprises the statement of financial position as of May 31, 2020 and the respective statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including explanatory notes.

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

Scope of the review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and the IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities Exchange Commission.

Other matters

Statement of value added

The interim financial information aforementioned includes the individual and consolidated statements of value added (SVA) for the three-month period ended May 31, 2020, prepared under Company's management responsibility and presented as supplementary information for IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and accounting records, as applicable, and if its format and content are in accordance with the criteria set forth in NBC TG 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, July 7, 2020.

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

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

Statements of financial position
May 31, 2020 and February 29, 2020
(In thousands of reais)

		Individual		Consolidated	
	Note	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Assets					
Current assets					
Cash and cash equivalents	3	**1,018,564**	405,601	**1,699,778**	537,764
Short-term investments	4	**32,565**	32,292	**146,517**	32,292
Accounts receivable	5	**550,484**	503,108	**863,679**	725,262
Advance to suppliers		**13,217**	5,720	**13,217**	7,084
Inventories	6	**902,219**	715,377	**2,080,878**	1,152,804
Financial instruments	21	**453**	605	**453**	605
Taxes recoverable	7	**125,876**	108,218	**162,260**	119,443
Related parties	14	**24,429**	14,651	**61,301**	43,766
Prepaid expenses		**7,230**	10,042	**14,537**	15,298
Prepayment of interest on equity		**11,972**	6,855	**11,972**	6,855
Assets held for sale		**38,309**	38,309	**38,309**	38,309
Other receivables		**10,327**	5,979	**25,297**	20,699
Total current assets		**2,735,645**	1,846,757	**5,118,198**	2,700,181
Noncurrent assets					
Taxes recoverable	7	**225,730**	241,553	**225,730**	241,553
Advance to suppliers		**1,876**	1,876	**27,590**	1,876
Related parties	14	**27,161**	27,161	**35,250**	54,797
Inventories	6	**7,285**	7,183	**8,400**	8,298
Judicial deposits	15	**2,091**	2,086	**554**	2,116
Other receivables		**264,143**	279,859	**297,524**	308,640
Investments	8	**1,539,861**	1,270,956	**39,632**	32,981
Property, plant and equipment	9	**641,975**	650,675	**1,066,367**	1,011,694
Intangible assets	10	**275,096**	275,638	**708,317**	665,666
Right-of-use asset	11	**70,295**	73,456	**90,100**	90,227
		2,527,227	2,270,725	**1,904,416**	1,800,568
Total noncurrent assets		**2,791,370**	2,550,584	**2,201,940**	2,109,208
Total assets		**5,527,015**	4,397,341	**7,320,138**	4,809,389

	Note	Individual 05/31/2020	Individual 02/29/2020	Consolidated 05/31/2020	Consolidated 02/29/2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	12	**392,346**	338,090	**1,176,206**	517,270
Loans, financing and debentures	13	**1,189,613**	490,880	**1,742,382**	560,639
Lease liabilities	11	**16,117**	17,835	**23,777**	25,952
Advances from customers		**20,057**	12,645	**20,112**	12,645
Related parties	14	**67,011**	43,313	**4,926**	4,188
Social obligations		**23,445**	18,848	**31,332**	25,731
Taxes payable		**12,690**	4,744	**21,751**	14,943
Accrued vacation pay, 13th monthly salary and related charges		**26,293**	21,854	**53,140**	40,696
Special installment payment program		**8,289**	8,304	**8,473**	8,462
Other accounts payable		**9,178**	7,420	**73,315**	34,315
Total current liabilities		**1,765,039**	963,933	**3,155,414**	1,244,841
Noncurrent liabilities					
Loans, financing and debentures	13	**956,098**	957,894	**1,300,088**	1,042,255
Lease liabilities	11	**55,941**	57,063	**66,072**	65,481
Special installment payment program		**13,981**	16,045	**14,335**	16,438
Deferred taxes	17	**89,978**	76,564	**122,813**	101,186
Provision for contingencies	15	**14,415**	32,640	**25,485**	42,243
Accounts payable		**42,837**	42,678	**42,837**	42,678
Other accounts payable		**1,537**	1,152	**5,905**	4,895
Total noncurrent liabilities		**1,174,787**	1,184,036	**1,577,535**	1,315,176
Equity					
Capital	16.a	**950,374**	950,374	**950,374**	950,374
(-) Share issue costs		**(12,380)**	(12,380)	**(12,380)**	(12,380)
Special goodwill reserve		**220**	220	**220**	220
Stock options granted	16.d	**6,043**	4,895	**6,043**	4,895
Income reserve		**907,894**	870,584	**907,894**	870,584
Retained earnings		**73,172**	-	**73,172**	-
Other comprehensive income and deemed cost		**661,866**	435,679	**661,866**	435,679
Total equity		**2,587,189**	2,249,372	**2,587,189**	2,249,372
Total liabilities and equity		**5,527,015**	4,397,341	**7,320,138**	4,809,389

Statement of profit or loss
Three-month period ended May 31, 2020 and 2019
(In thousands of reais, except for earnings per share, in reais)

	Note	Individual		Consolidated	
		05/31/2020	05/31/2019	05/31/2020	05/31/2019
Sales and service revenue, net	18	**1,214,178**	942,919	**1,728,984**	1,237,127
Cost of sales and services	19	**(951,512)**	(742,241)	**(1,315,391)**	(950,319)
Gross profit		**262,666**	200,678	**413,593**	286,808
Operating income (expenses)					
Selling expenses	19	**(108,167)**	(121,789)	**(176,414)**	(161,211)
General and administrative expenses	19	**(55,483)**	(55,541)	**(84,012)**	(77,309)
Equity pickup	8	**41,691**	18,351	**(149)**	(434)
Other operating income (expenses)		**1,966**	427	**2,616**	1,386
Income before finance income and costs		**142,673**	42,126	**155,634**	49,240
Finance costs	20	**(78,267)**	(44,882)	**(88,958)**	(50,599)
Finance income	20	**65,221**	34,815	**72,160**	39,797
Finance income (costs), net	20	**(13,046)**	(10,067)	**(16,798)**	(10,802)
Income before taxes		**129,627**	32,059	**138,836**	38,438
Income and social contribution taxes					
Current	17	**(7,353)**	15,710	**(14,566)**	9,206
Deferred	17	**(12,822)**	2,025	**(14,818)**	2,150
Total income and social contribution taxes		**(20,175)**	17,735	**(29,384)**	11,356
Net income for the period		**109,452**	49,794	**109,452**	49,794
Basic earnings per share - R$		**0.2958**	0.1233	**0.2958**	0.1233
Diluted earnings per share - R$		**0.2951**	0.1233	**0.2951**	0.1233

See accompanying notes.

Statements of comprehensive income
Three-month period ended May 31, 2020 and 2019
(In thousands of reais)

	Individual and Consolidated	
	05/31/2020	**05/31/2019**
Net income for the period	**109,452**	49,794
Other comprehensive income (loss)		
Other comprehensive income to be reclassified to profit or loss for the year in subsequent periods:		
Foreign exchange differences on foreign investments	**227,217**	26,035
Comprehensive income for the period, net of taxes	**336,669**	**75,829**

See accompanying notes.

Statements of changes in equity
May 31, 2020 and 2019
(In thousands of reais)

	Note	Capital	Share issue costs	Treasury shares	Capital reserves: Special goodwill reserve	Capital reserves: Stock options granted	Income reserves: Legal reserve	Income reserves: Tax incentives	Income reserves: Retained profits	Retained earnings	Additional dividends proposed	Other comprehensive income and deemed cost	Total
Balances at February 28, 2019		950,374	(12,380)	(45,234)	70,510	2,787	69,382	588,252	213,381	-	-	332,043	2,169,115
Realization/depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	1,067	-	(1,067)	-
Acquisition of treasury shares		-	-	(6,296)	-	-	-	-	-	-	-	-	(6,296)
Stock options granted		-	-	-	-	187	-	-	-	-	-	-	187
Deferred IRPJ/CSLL on stock options granted		-	-	-	-	(63)	-	-	-	-	-	-	(63)
Net income for the year		-	-	-	-	-	-	-	-	49,794	-	-	49,794
Foreign exchange differences on foreign investments		-	-	-	-	-	-	-	-	-	-	26,035	26,035
Proposed allocation:													
Recognition of tax incentive reserve		-	-	-	-	-	-	28,303	-	(28,303)	-	-	-
Additional proposed dividends		-	-	-	-	-	-	-	(20,000)	-	20,000	-	-
													-
Balances at May 31, 2019		950,374	(12,380)	(51,530)	70,510	2,911	69,382	616,555	193,381	22,558	20,000	357,011	2,238,772
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
Realization/depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	1,030	-	(1,030)	-
Stock options granted	16.d	-	-	-	-	1,740	-	-	-	-	-	-	1,740
Deferred IRPJ/CSLL on stock options granted	16.d	-	-	-	-	(592)	-	-	-	-	-	-	(592)
Net income for the period		-	-	-	-	-	-	-	-	109,452	-	-	109,452
Foreign exchange differences on foreign investments	8	-	-	-	-	-	-	-	-	-	-	227,217	227,217
Proposed allocation:													
Recognition of tax incentive reserve	16.d	-	-	-	-	-	-	37,310	-	(37,310)	-	-	-
Balances at May 31, 2020		**950,374**	**(12,380)**	**-**	**220**	**6,043**	**74,755**	**757,739**	**41,959**	**73,172**	**33,441**	**661,866**	**2,587,189**

See accompanying notes.

Statements of cash flows
Three-month period ended May 31, 2020 and 2019
(In thousands of reais)

	Individual		Consolidated	
	05/31/2020	**05/31/2019**	**05/31/2020**	**05/31/2019**
Cash flows from operating activities				
Income before income taxes from continuing operations	**129,627**	32,059	**138,836**	38,438
Reconciliation of P&L to cash provided by operating activities:				
Equity pickup	**(41,691)**	(18,351)	**149**	434
Accrued financial charges	**28,678**	25,238	**32,061**	27,862
Accrued interest - lease liability	**1,090**	1,225	**1,274**	1,397
(Reversal of) allowance for doubtful accounts	**(728)**	312	**(748)**	(1,180)
(Reversal of) provision for discounts	**2,159**	513	**2,159**	513
Provision for contingencies	**(1,498)**	3,124	**(958)**	3,582
(Reversal of) provision for other accounts	**(703)**	(839)	**(703)**	(839)
Depreciation	**17,232**	14,091	**30,300**	25,008
Amortization - intangible assets	**1,902**	740	**2,365**	865
Amortization - right-of-use assets	**5,970**	6,128	**8,344**	7,831
Write-off of property, plant and equipment	**6,452**	(171)	**7,829**	3,434
Write-off of intangible assets	**-**	46	**-**	18,054
Write-off - right-of-use asset	**(8)**	-	**(9)**	-
Shares granted	**1,740**	187	**1,740**	187
	150,222	64,302	**222,639**	125,586
Decrease (increase) in assets				
Accounts receivable	**(49,561)**	45,858	**(88,465)**	31,083
Inventories	**(185,582)**	3,052	**(814,609)**	(539,964)
Taxes recoverable	**(1,835)**	(127)	**(24,594)**	3,831
Other current and noncurrent assets	**(23,705)**	4,104	**(39,585)**	(5,259)
Total assets	**(260,683)**	52,887	**(967,253)**	(510,309)
(Decrease) increase in liabilities				
Trade accounts payable	**77,954**	(32,232)	**622,401**	480,316
Salaries and related charges	**9,036**	1,189	**12,816**	2,273
Tax obligations	**(1,103)**	(21,684)	**(7,046)**	(18,269)
Other current and noncurrent liabilities	**7,429**	2,437	**56,063**	27,582
Interest paid on loans	**(17,985)**	(15,532)	**(16,807)**	(17,409)
Income and social contribution taxes paid	**-**	-	**1,585**	(6,993)
Total liabilities	**75,331**	(65,822)	**669,012**	467,500
Cash provided by (used in) operating activities	**(35,130)**	51,367	**(75,602)**	82,777
Cash flows from investing activities:				
Short-term investments, net	**(273)**	(303,522)	**(114,225)**	(303,522)
Disposal of property, plant and equipment	**377**	8	**526**	8
Cash from acquisition of subsidiary	**-**	11,516	**-**	-
Additions to property, plant and equipment	**(14,983)**	(17,099)	**(18,440)**	(23,990)
Additions to intangible assets	**(1,360)**	(6,237)	**(2,395)**	(9,431)
Cash from (used in) investing activities	**(16,239)**	(315,334)	**(134,534)**	(336,935)
Cash flows from financing activities:				
Borrowings	**758,019**	618,166	**1,488,100**	732,133
Settlement of loans	**(71,623)**	(55,304)	**(96,556)**	(158,549)
Payments of lease liability	**(7,064)**	(6,954)	**(9,915)**	(8,579)
Prepayment of Interest on Equity (IOE)	**-**	(20,000)	**-**	(20,000)
Payment of IOE	**(15,000)**	-	**(15,000)**	-
Treasury shares acquired	**-**	(6,296)	**-**	(6,296)
Cash (used) in financing activities	**664,332**	529,612	**1,366,629**	538,709
Foreign exchange differences on cash and cash equivalents	-	-	**5,521**	(19,137)
Increase (decrease) in cash and cash equivalents	**612,963**	265,645	**1,162,014**	265,414
Cash and cash equivalents at beginning of period	**405,601**	312,027	**537,764**	365,302
Cash and cash equivalents at end of period	**1,018,564**	577,672	**1,699,778**	630,716
Increase (decrease) in cash and cash equivalents	**612,963**	265,645	**1,162,014**	265,414

See accompanying notes.

Statements of value added
Three-month period ended May 31, 2020 and 2019
(In thousands of reais)

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Revenues				
Sales of goods, products and services	**1.316.054**	1.032.232	**1.847.279**	1.335.732
Other revenues	**2.253**	1.235	**3.147**	2.536
(Reversal of) allowance for doubtful accounts	**(824)**	(312)	**(63)**	(312)
	1.317.483	1.033.155	**1.850.363**	1.337.956
Raw material acquired from third parties				
Costs of products, goods and services sold	**(850.113)**	(651.713)	**(1.154.422)**	(823.723)
Raw materials, power, services from suppliers and other	**(159.505)**	(170.386)	**(245.733)**	(223.771)
Other	**637**	(5.076)	**392**	(5.417)
	(1.008.981)	(827.175)	**(1.399.763)**	(1.052.911)
Gross value added	**308.502**	205.980	**450.600**	285.045
Retentions				
Depreciation, amortization and depletion	**(25.104)**	(20.959)	**(41.009)**	(33.704)
Net value added	**283.398**	185.021	**409.591**	251.341
Value added received from transfers				
Share of profit of a subsidiary, an associate and a joint venture	**41.691**	18.351	**(149)**	(434)
Finance income	**65.221**	34.815	**72.160**	39.797
	106.912	53.166	**72.011**	39.363
Total value added to be distributed	**390.310**	238.187	**481.602**	290.704
Value added to be distributed				
Employee benefits expense				
Salaries	**42.652**	42.438	**88.136**	68.279
Benefits	**19.386**	8.567	**23.991**	10.606
Unemployment Compensation Fund (FGTS)	**3.428**	5.040	**3.428**	5.040
Other	**1.134**	3.213	**1.142**	3.215
	66.600	59.258	**116.697**	87.140
Taxes and contributions				
Federal taxes	**53.550**	12.103	**63.082**	18.832
State taxes	**80.740**	69.310	**99.658**	80.001
Local taxes	**1.556**	1.473	**3.410**	2.823
	135.846	82.886	**166.150**	101.656
Debt remuneration				
Interest and exchange variation	**74.815**	41.903	**85.507**	47.621
Rentals	**804**	1.829	**1.002**	1.976
Other	**2.793**	2.517	**2.794**	2.517
	78.412	46.249	**89.303**	52.114
Equity remuneration				
Profits withheld for the period	**109.452**	49.794	**109.452**	49.794
	109.452	49.794	**109.452**	49.794
Total value added distributed	**390.310**	238.187	**481.602**	290.704

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 main brands include “Camil”, “Namorado”, “Pescador”, “Coqueiro”, “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 won a prominent position in the Brazilian and Latin American food markets.

The fiscal year of the Company and its subsidiaries ends in February every year, in order to align fiscal year end with rice harvest cycle, the main product of Camil. The rice crop occurs once a year, between the months of February and May, the main raw material used in the production process of the Company and its subsidiaries. This dynamic is influenced by price fluctuations and agricultural development, 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 the working capital of the period.

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

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

<u>Impacts of COVID-19</u>

The outbreak of the new coronavirus (Covid-19) was declared a pandemic by the World Health Organization (WHO) on March 11, 2020, with significant impacts on the economies and countries in which the Company operates, bringing volatility to the national and international markets. The pandemic triggered important actions by governments and private entities, which added to the impact on population health and global health systems, resulted in significant changes in people’s everyday lives.

In its 60-year history, the Company is going through an unprecedented period in its business, a moment that demanded actions in a fast and responsible manner. Nurturing relationships is part of its business, which led Camil to take care of people's safety first, with a special focus on its employees, customers and communities in which it operates. As a company in the food sector, Camil has sole responsibility and operates in a determined manner, ensuring that its consumers are served so that there is no shortage of food in the communities and regions where it operates, in South America, without losing sight of the safety of its employees and customers, which will always be the Company's priority.

Camil's operating segment is considered essential and, therefore, its operations have not been interrupted and is following the determinations of the legislation in Brazil and in the other South American countries in which it operates.

The restrictions imposed by governments on commercial and operational activities considered non-essential, the movement of people (lockdown) and phytosanitary requirements brought a new challenge to the population.

Camil continued to operate its plants, distribution centers, logistics, supply chain and corporate offices, albeit temporarily and partially remotely. There were no interruptions or interdictions in the operational units. In this sense, until the disclosure date of this interim financial information, there was no significant change in its production, operation and/or sale schedule.

During this period, it was possible to receive raw material during the rice crop period under conditions similar to prior periods, despite the demands for social distancing, hygiene and other requirements imposed by government entities. There were no impacts on the Company's inventories of raw material, semi-finished products or finished products that required a review of inventory obsolescence or an increase in the default on its development program, which required additional provisioning or write-off of inventories.

As a company in the food sector, Camil must ensure 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 various preventive measures necessary to ensure the continuity of its business and the safety of its employees and customers.

To guarantee production and meet the demand for the period, marked by high sales volume and increased raw material costs, Camil reinforced the management of the level of inventories of inputs and finished products, as well as readjusted its organization from the point of view of production, logistics and transportation of employees, ensuring safe distance and avoiding agglomerations in its plants.

Camil's customers and channels of operation observed an increase in the circulation of people and in demand in the short term, and despite the restrictions imposed, it was possible to operate without significant impacts on the logistics of delivery and replacement of gondolas in consumer markets. In addition, the same restrictions in the Company's main sales channels had no negative impact on the level of sales and turnover of its products in retail. The Company did not observe a significant increase in default of its customers or the need for an additional increase in the allowance for doubtful accounts.

For Camil, the safety and health of each employee are priorities, reason why it has invested more than R$1.5 million in equipment and initiatives to ensure safety among its employees.

Since the beginning of Covid-19 cases in Brazil and in international operations, the Company established a Crisis Committee involving all of its areas with the purpose of deliberating on actions to contain the disease in both administrative and operational areas. Among the main actions implemented, the Company highlights:

- Compliance with the determinations of the Ministry of Health and governmental entities in each country, such as the release of employees over 60 years of age, pregnant women and people belonging to the group risk, in addition to the living and behavior protocols and other guidelines related to prevention and hygiene;

- Monitoring of determinations of competent authorities in the regions where it operates, in Brazil and in international operations, adapting to the requirements and obligations related to the new guidelines;

- Reinforcement of safety procedures and use of personal protective equipment (PPE), provision of alcohol-based hand rub (ABHR), anticipation of the vaccination campaign, information on physical health and emotional balance;

- Adoption of remote work (Home Office) for all employees of the corporate office;

- Cancellation of travel, meetings, events, on-site training sessions, substituting by communication remotely, through electronic means;

- Intensive internal campaign about Covid-19, involving all employees who are in Home Office or in the Units (for example, use of chartered transportation, rules of distancing in cafeterias/dressing rooms/common areas);

- Campaign *#vamospracima* valuing the Company's employees in their day-to-day work, aligned with our purpose and values;

- Strengthening of the role of leadership in the face of the demand for productivity and remotely work, keeping the focus on results and engagement;

- Actions to ensure a safe distance between employees, avoiding agglomerations, substituting the participation of all of them in corporate events, face-to-face meetings and travel by communication between units remotely, through electronic means;

- Strengthening and intensification of the management of inventory level of raw materials, inputs and finished products as well as reorganization of production;

- Approaching investors and the financial community through the participation in events, non-deal roadshows, lives, meetings and other interactions in a virtual and remote way;

- Donations of food, purchase of equipment and assistance to communities in which the Company has units.

In addition to the initiatives described above, in a preventive manner in the face of economic uncertainties and market volatility, the Company and its subsidiaries reinforced their liquidity level by taking out and disbursing credit facilities from financial institutions in the countries in which they operate. In this sense, in order to ensure working capital requirements, maturity of commitments and debts over fiscal year 2020, the Company completed the short-term funding totaling R$1.2 billion.

The Company continues to monitor the effects arising from the COVID-19 pandemic and so far has not had a material financial impact.

Various initiatives of solidarity came from the private sector, whether by large companies, individuals, or even leaders in the countries where Camil operates, with examples of actions announced daily, aiming at minimizing and mitigating the impact on the life of the population. In addition, important donations were made to help healthcare professionals and other individuals who had their income sources impacted or that suffered from the loss of people close to their families and daily live a great challenge in facing the pandemic.

As one of the largest food companies in Brazil and South America, Camil reaffirms its commitment to society, helping to combat the impacts of Covid-19 in the communities where it operates. The Company has allocated more than R$1 million in donations for various initiatives: purchase of equipment and fixture for healthcare services in the municipalities where it has units and more than 200 tons of products distributed to the most vulnerable population.

The investments were made in the purchase of hospital equipment and materials for the Healthcare Services in the cities where the Company's plants are located. Since the beginning of the Pandemic, the Company has donated 202 tons of its products, in addition to donations made monthly. The Company prioritizes initiatives that operate in the cities where its Production Units are located, thus contributing to the community in which it operates, such as the City Administration of Aparecida de Goiânia (Goiás state), Cabo de Santo Agostinho (Pernambuco state) and Itapecuru (Maranhão state). To increase the impact of the Company's donations, it supports fundraising campaigns through Lives of singers like Luan Santana, Diogo Nogueira, Anitta and Joelma, which enabled the distribution of the Company's donations to reach those who need it most, for instance CUFA (a slum support center) and UNICEF. Also, an internal food donation campaign was carried out with our employees, which had a high participation and collaboration with this total donated food volume.

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

The Company continues to operate and reaffirms its commitment to the safety of its employees, ensuring the service of its customers and supply to the communities and regions where it operates in South America.

Camil understands that in view of the limited impact on its operations and financial results, and due to the measures taken by it, the projections of results and cash flows used in the impairment test of cash-generation units remain appropriate, with no need for recognition of losses or additional provisioning needs to date.

Due to the volatility and uncertainties regarding the duration and potential impacts of the pandemic, the Company continues to monitor this situation, assessing the impacts on the assumptions and considerations used in preparing the financial statements.

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

2. Accounting practices

2.1. Basis of preparation and presentation of interim financial information

The interim financial information, identified as Individual and Consolidated, was prepared and is presented based on NBC TG 21 (R4) - Interim Financial Reporting (accounting pronouncements CPC 21 (R1)) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information Form (ITR). The accounting practices, judgments, estimates and assumptions used are the same as those adopted in the preparation and presentation of the financial statements for the year ended February 28, 2020, as described in Note 2 to those financial statements.

Based on the judgment and assumptions adopted by management on the materiality and changes that should be disclosed in the notes, this quarterly information does not include all the notes presented in the annual financial statements, as allowed by Circular Letter No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM). Therefore, this interim financial information should be read in conjunction with the individual and consolidated financial statements as at February 29, 2020.

Nonfinancial data included in this interim financial information was not subject to review by the independent auditors.

The issue of this interim financial information was approved by Company management on July 7, 2020.

2.2. Consolidated financial statements

At May 31, 2020 and February 29, 2020, the Company held investments in the following subsidiaries and associates:

		05/31/2020		02/28/2020	
		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	Associate	-	49.19%	-	49.19%
Tacua S.A.	Associate	-	40.72%	-	40.72%
Agencia Marítima Sur S.A.	Associate	-	40.73%	-	40.73%
Comisaco S.A.	Associate	-	50.00%	-	50.00%
Galofer S.A.	Associate	-	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%	-

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

The interim financial information reporting period of subsidiaries included in the consolidation coincides with that of the Company, and accounting policies were uniformly applied on consolidated companies, being 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.

3. Cash and cash equivalents

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Cash and banks	**266**	2,029	**328,289**	73,967
Short-term investments	**1,018,298**	403,572	**1,371,489**	463,797
	1,018,564	405,601	**1,699,778**	537,764

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 102.70% of the Interbank Deposit Certificate (CDI) (100.01% at February 29, 2020), redeemable within 90 days from the investment date, against respective issuers, with no significant change in the earnings agreed. These short-term investments are maintained in solid institutions in the market with low credit risk.

4. Short-term investments

	Average rate p.a.	Consolidated	
		05/31/2020	02/29/2020
Current			
Fixed-income investments with grace period	0.25%	113,952	-
Restricted fixed-income investments with no grace period	98.90% of CDI	32,565	32,292
		146,517	32,292

Similarly, to investments classified as cash equivalents, there are investments represented substantially by CDBs, which are restricted since they were given as guarantees to tax proceedings, and are submitted to court assessment annually. Short-term investments are represented by fixed-income investments with a maturity of approximately 30 days in subsidiary Saman.

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

5. Trade accounts receivable

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Falling due	**566,593**	517,195	**790,915**	687,869
Overdue by up to 30 days	**2,713**	2,703	**73,168**	34,247
Overdue from 31 to 60 days	**944**	707	**5,357**	7,831
Overdue from 61 to 90 days	**542**	579	**3,577**	4,600
Overdue from 91 to 180 days	**908**	1,037	**5,876**	5,026
Overdue by over 181 days	**4,557**	5,229	**12,863**	11,941
	576,257	527,450	**891,756**	751,514
Discounts granted (a)	**(20,834)**	(18,675)	**(20,834)**	(18,675)
Allowance for doubtful accounts	**(4,939)**	(5,667)	**(7,243)**	(7,577)
	550,484	503,108	**863,679**	725,262

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

Changes in the provision for discounts granted are as follows:

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Prior balance	**(18,675)**	(18,172)	**(18,675)**	(19,772)
Merger of SLC Alimentos Ltda.	**-**	(1,600)	**-**	-
Additions	**(48,685)**	(177,223)	**(48,685)**	(177,223)
Write-offs	**46,526**	178,320	**46,526**	178,320
Closing balance	**(20,834)**	(18,675)	**(20,834)**	(18,675)

Changes in the allowance for doubtful accounts are as follows:

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Prior balance	**(5,667)**	(5,650)	**(7,577)**	(8,935)
Foreign exchange differences	**-**	-	**(414)**	(514)
Merger of SLC Alimentos Ltda.	**-**	(315)		-
Additions	**(568)**	(4,566)	**(687)**	(4,693)
Reversals	**472**	4,104	**489**	5,573
Write-offs	**824**	760	**946**	992
Closing balance	**(4,939)**	(5,667)	**(7,243)**	(7,577)

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

6. Inventories

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Finished product	**231,674**	231,471	**397,114**	342,922
Raw material and inputs (a)	**357,526**	149,477	**996,403**	231,181
Packaging material	**85,105**	72,894	**96,869**	81,327
Advances to suppliers (b)	**201,732**	271,983	**541,796**	493,266
Other	**53,343**	16,713	**83,946**	58,905
	929,380	742,538	**2,116,128**	1,207,601
Current	**902,219**	715,377	**2,080,878**	1,152,804
Noncurrent (c)	**27,161**	27,161	**35,250**	54,797

(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 material, of which R$27,161 (R$27,161 at February 29, 2020) 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$8,089 (R$6,318 at February 29, 2020).

7. Taxes recoverable

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Income and social contribution taxes	**127,739**	146,837	**129,095**	150,592
Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**180,410**	159,791	**180,414**	159,791
State VAT (ICMS)	**14,634**	14,490	**14,634**	14,490
Other taxes	**28,823**	28,653	**63,847**	36,123
	351,606	349,771	**387,990**	360,996
Current	**125,876**	108,218	**162,260**	119,443
Noncurrent	**225,730**	241,553	**225,730**	241,553

8. Investments

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Subsidiaries	**1,344,529**	1,075,624	**-**	-
Associates	**-**	-	**39,632**	32,981
Goodwill on acquisition of investment*	**195,332**	195,332	**-**	-
	1,539,861	1,270,956	**39,632**	32,981

(*) 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.

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

Changes in investments are as follows:

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Prior balance	**1,270,956**	1,258,591	**32,981**	29,789
Payment of capital in subsidiary (a)	**-**	6,388	**-**	-
Merger of investment (b)	**-**	(171,095)	**-**	-
Adjusted recognition of goodwill on acquisition of SLC*	**-**	(7,259)	**-**	-
Equity pickup	**41,691**	76,539	**(149)**	(620)
Exchange differences on investments (c)	**227,214**	107,792	**6,800**	3,812
Closing balance	**1,539,861**	1,270,956	**39,632**	32,981

(*) The adjustment includes R$6,656 relating to payments made by the Company, obligations of SLC Alimentos Ltda. that were not projected in the purchase price formation, and R$603 relating to the reversal of the amortization of deferred Corporate Income Tax and Social Contribution Tax on Net Profit (IRPJ/CSLL) on gains due to 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 to the financial statements as at February 29, 2020.

c) In the period ended May 31, 2020, the amount of R$227,214 (R$107,792 at February 29, 2020) was recorded referring to effects of foreign exchange differences from the translation into Brazilian reais of the financial statements of foreign subsidiaries originally prepared in US dollars (USD), Chilean pesos (CLP) and the new sol (PEN). These effects are recorded as other comprehensive income, in equity.

Investments in subsidiaries may be as follows:

Direct subsidiaries

	05/31/2020				Investment	
	Capital	Equity	Equity interest %	Equity pickup	05/31/2020	02/29/2020
Camilatam S.A.	**249,777**	**1,322,550**	**100%**	**41,148**	**1,322,550**	1,054,188
Ciclo Logística Ltda.	**32,387**	**21,979**	**100%**	**543**	**21,979**	21,436
				41,691	**1,344,529**	1,075,624

Associates

The Company's subsidiary S.A. Molinos Arroceros Nacionales (SAMAN) holds investments in the following associates and non-subsidiaries:

	05/31/2020					Investment	
	Capital	Equity	P&L for the period	Equity interest %	Equity pickup	05/31/2020	02/29/2020
SAMAN:							
Arrozur S.A.	**47,924**	**51,994**	**-**	**49.19%**	-	**25,576**	21,204
Tacua S.A.	**2,013**	**7,163**	**(253)**	**40.72%**	(103)	**2,917**	2,498
Agencia Marítima Sur	**1**	**1,125**	**(113)**	**40.72%**	(46)	**458**	424
Galofer S.A.	**50,723**	**23,736**	**-**	**45.00%**	-	**10,681**	8,855
					(149)	**39,632**	32,981

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

9. Property, plant and equipment

Individual	Land	Buildings and improvements	Machinery and equipment	Advance to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/29/2020	63,627	297,339	732,862	3,273	72,122	32,865	**1,202,088**
Acquisitions	-	-	280	1,677	12,924	102	**14,983**
Write-offs	-	(525)	(2,110)	(3,261)	(39)	(3,041)	**(8,976)**
Transfers	-	6,688	34,241	-	(41,128)	199	**-**
Balance at 05/31/2020	**63,627**	**303,502**	**765,273**	**1,689**	**43,879**	**30,125**	**1,208,095**
	-	-	-	-	-	-	-
Depreciation							
Balance at 02/29/2020	-	(88,986)	(440,383)	-	-	(22,044)	**(551,413)**
Depreciation	-	(3,115)	(13,724)	-	-	(393)	**(17,232)**
Write-offs	-	423	2,039	-	-	63	**2,525**
Balance at 05/31/2020	**-**	**(91,678)**	**(452,068)**	**-**	**-**	**(22,374)**	**(566,120)**
Balance at 02/29/2020	63,627	208,353	292,479	3,273	72,122	10,821	650,675
Balance at 05/31/2020	**63,627**	**211,824**	**313,205**	**1,689**	**43,879**	**7,751**	**641,975**

Consolidated	Land	Buildings and improvements	Machinery and equipment	Advance to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/29/2020	122,423	538,478	1,270,934	3,272	80,756	102,224	**2,118,087**
Foreign exchange variation	12,616	51,120	112,537	-	1,931	9,970	**188,174**
Acquisitions	-	-	300	1,678	16,711	430	**19,119**
Write-offs	-	(525)	(2,431)	(3,261)	(134)	(4,922)	**(11,274)**
Transfers	-	6,688	35,240	-	(42,243)	116	**-**
Balance at 05/31/2020	**135,039**	**595,761**	**1,416,580**	**1,689**	**57,021**	**108,017**	**2,314,107**
Depreciation							
Balance at 02/29/2020	-	(180,324)	(873,925)	-	-	(52,144)	**(1,106,393)**
Foreign exchange variation	-	(19,334)	(90,344)	-	-	(4,814)	**(114,492)**
Depreciation	-	(5,860)	(22,625)	-	-	(1,815)	**(30,300)**
Write-offs	-	423	2,352	-	(11)	681	**3,445**
Balance at 05/31/2020	**-**	**(205,095)**	**(984,542)**	**-**	**(11)**	**(58,092)**	**(1,247,740)**
Balance at 02/29/2020	122,423	358,154	397,009	3,272	80,756	50,080	1,011,694
Balance at 05/31/2020	**135,039**	**390,666**	**432,038**	**1,689**	**57,010**	**49,925**	**1,066,367**

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$30,933 (R$33,799 at February 29, 2020), 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$73,194 (R$67,189 at February 29, 2020), recorded under “Buildings and improvements”. Subsidiary S.A. Molinos Arroceros Nacionales - Saman has also taken out loans for which properties and machinery were given as collateral amounting to R$125,076 (R$103,695 at February 29, 2020), recorded under “Buildings and improvements" and "Machinery and equipment".

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

10. Intangible assets

Individual	Software	Goodwill	Trademarks and patents	Relationship with customers	Non-compete agreement	Software in progress	Total
Balance at 02.29.2020	26,036	-	240,085	5,653	1,165	2,699	275,638
Acquisitions	-	-	-	-	-	**1,360**	**1,360**
Amortization	**(1,644)**	-	-	**(180)**	**(78)**	-	**(1,902)**
Balance at 05/31/2020	**24,392**	-	**240,085**	**5,473**	**1,087**	**4,059**	**275,096**

Consolidated	Software	Goodwill	Trademarks and patents	Relationship with customers	Non-compete agreement	Software in progress	Total
Balance at 02/29/2020	35,009	292,641	328,499	5,653	1,165	2,699	665,666
Foreign exchange variation	**1,924**	**21,209**	**13,417**	-	-	6,071	**42,621**
Acquisitions	**1,035**	-	-	-	-	**1,360**	**2,395**
Amortization	**(2,107)**	-	-	**(180)**	**(78)**	-	**(2,365)**
Balance at 05/31/2020	**35,861**	**313,850**	**341,916**	**5,473**	**1,087**	**10,130**	**708,317**

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

Individual	CGU - fish		CGU - sugar		CGU - grains		Total	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Carrying amount of trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	55,130	**240,085**	240,085
Property, plant and equipment	**131,264**	132,222	**93,000**	94,159	**417,711**	424,294	**641,975**	650,675
Other intangible assets	**115**	116	**231**	218	**34,665**	35,219	**35,011**	35,553
	182,263	183,222	**227,302**	228,448	**507,506**	514,643	**917,071**	926,313

Consolidated	Food products – Brazil						Food products - International			
	CGU - fish		CGU - sugar		CGU - grains		CGU - grains		Total	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Carrying amount of trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	55,130	**101,831**	88,414	**341,916**	328,499
Property, plant and equipment	**131,264**	132,222	**93,000**	94,159	**433,469**	440,869	**408,634**	344,444	**1,066,367**	1,011,694
Other intangible assets	**115**	116	**231**	218	**34,666**	35,220	**17,539**	8,972	**52,551**	44,526
Carrying amount of goodwill	**17,670**	17,670	**144,142**	144,142	**33,520**	33,520	**118,518**	97,309	**313,850**	292,641
	199,933	200,892	**371,444**	372,590	**556,785**	564,739	**646,522**	539,139	**1,774,684**	1,677,360

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.

Considering the Covid-19 pandemic scenario, the Company has so far not suffered a material financial impact that could result in changes in the assumptions adopted for asset impairment testing.

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

11. Lease agreements

As of March 1, 2019, the Company applied NBC TG 06 (R3) / CPC R2) / 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 on the Company’s loans (nominal rate) of 0.49%, and the right-of-use assets were measured at the amount equal to the lease liability at present value. For agreements eligible for PIS and COFINS credit use, taxes recoverable are recognized as lease payments are effectively made.

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 the administrative headquarters, with a remaining term of 7 years.

a) Right-of-use assets

Individual	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Opening balance at 02/29/2020	62,194	9,055	-	2,207	**73,456**
Acquisitions	1,510	535	-	-	**2,045**
Amortization of deferred PIS and COFINS tax credits	(241)	(90)	-	-	**(331)**
Monetary restatement	1,247	-	-	-	**1,247**
Amortization	(4,807)	(806)	-	(357)	**(5,970)**
Write-offs	(140)	(12)	-	-	**(152)**
Balance at 05/31/2020	**59,763**	**8,682**	**-**	**1,850**	**70,295**

Consolidated	Properties	Machinery and equipment	IT equipment	Vehicles	Total
Opening balance at 02/29/2020	76,246	9,221	2,306	2,454	**90,227**
Exchange variation on first-time adoption	2,965	38	533	55	**3,591**
Acquisitions	1,554	536	1,771	-	**3,861**
Amortization of deferred PIS and COFINS tax credits	(241)	(89)	-	-	**(330)**
Monetary restatement	1,247	-	-	-	**1,247**
Amortization	(6,962)	(837)	(88)	(457)	**(8,344)**
Write-offs	(140)	(12)	-	-	**(152)**
Balance at 05/31/2020	**74,669**	**8,857**	**4,522**	**2,052**	**90,100**

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

b) Lease liability

	Individual	Consolidated
Opening balance at 02/29/2020	74,898	91,433
Exchange difference on first-time adoption	-	3,518
Additions of new contracts	1,985	2,377
APV recognized on additions of new lease contracts	(106)	(107)
Remeasurement of lease contracts	1,679	1,694
APV recognized on measurement	(264)	(264)
Write-off due to payment of lease liabilities	(7,064)	(9,915)
Amortization of accrued interest (APV)	1,090	1,274
Write-offs due to contractual amendment	(160)	(161)
Balance at 05/31/2020	**72,058**	**89,849**
Current	16,117	23,777
Noncurrent	55,941	66,072

The aging list of lease installments at book value is as follows:

	Individual				
	Properties	Machinery and equipment	IT equipment	Vehicles	Total
May/21	12,118	2,783	-	1,216	**16,117**
May/22	7,704	2,058	-	607	**10,368**
May/23	6,655	1,904	-	101	**8,660**
May/24	5,754	1,859	-	-	**7,613**
May/25	6,027	322	-	-	**6,349**
After May/25	22,950	-	-	-	**22,950**
	61,208	**8,926**	**-**	**1,924**	**72,058**

	Consolidated				
	Properties	Machinery and equipment	IT equipment	Vehicles	Total
May/21	18,835	2,908	487	1,547	**23,777**
May/22	10,586	2,111	372	607	**13,676**
May/23	8,851	1,904	428	101	**11,284**
May/24	7,804	1,859	321	-	**9,984**
May/24	7,509	322	(1)	-	**7,830**
After May/25	23,298	-	-	-	**23,298**
	76,883	**9,104**	**1,607**	**2,255**	**89,849**

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

c) P&L from leases

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Exemptions (Variable, low-value or shorter than 12-month leases)	(1,712)	(471)	(3,929)	(3,237)
Amortization of lease - rent	(5,970)	(6,128)	(8,344)	(7,831)
Finance costs - cumulative interest (PVA)	(1,090)	(1,225)	(1,274)	(1,397)
	(8,772)	**(7,824)**	**(13,547)**	**(12,465)**

d) Supplementary information

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

	Individual	Consolidated
Balance of right-of-use assets at 05/31/2020	71,397	89,904
Balance of lease liabilities at 05/31/2020	72,952	91,378
Amortization of right-of-use assets for the year	(25,704)	(28,000)
Amortization of Present Value Adjustment (PVA) for the year	4,048	4,235

12. Trade accounts payable

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Products – domestic market	**341,520**	262,398	**1,043,967**	371,928
Products – foreign market	**13,603**	34,369	**49,988**	69,187
Services	**9,549**	13,973	**46,991**	42,234
Freight payable	**27,049**	24,761	**34,635**	31,332
Other trade accounts payable	**625**	2,589	**625**	2,589
	392,346	338,090	**1,176,206**	517,270

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

13. Loans, financing and debentures

	Index	Annual average rate 05/31/2020	Individual		Consolidated	
			05/31/2020	02/29/2020	05/31/2020	02/29/2020
Working capital						
Local currency	CDI	6.51%	**652,671**	13,912	**652,671**	13,912
Local currency	IPCA	4.00%	**9,217**	9,416	**9,217**	9,416
Foreign currency (*)	USD	2.53%	**93,044**	28,162	**419,979**	28,162
Foreign currency (**)	CLP	4.00%	**-**	-	**407,703**	338
Foreign currency (***)	PEN	4.59%	**-**	-	**115,016**	115,114
FINAME (a)	-	4.37%	**30,933**	33,799	**30,933**	33,799
PPE financing - foreign currency (****)	USD	3.90%	**-**	-	**47,105**	38,668
			785,865	85,289	**1,682,624**	239,409
Debentures – Non-privileged guarantee						
Issued on 11/23/2016 – 2nd series	CDI	100% CDI p.a.	**188,628**	190,765	**188,628**	190,765
Issued on 05/19/2017 – 1st series	CDI	97% CDI p.a.	**241,065**	239,057	**241,065**	239,057
Issued on 05/19/2017 – 2nd series	CDI	98% CDI p.a.	**169,139**	167,715	**169,139**	167,715
Issued on 12/15/2017 - Single series	CDI	98% CDI p.a.	**170,851**	169,412	**170,851**	169,412
Issued on 04/16/2019 - 1st series	CDI	98% CDI p.a.	**272,542**	276,024	**272,542**	276,024
Issued on 04/16/2019 – 2nd series	CDI	101% CDI p.a.	**329,738**	334,081	**329,738**	334,081
Cost of transaction			**(12,117)**	(13,569)	**(12,117)**	(13,569)
			1,359,846	1,363,485	**1,359,846**	1,363,485
			2,145,711	1,448,774	**3,042,470**	1,602,894
Current			**1,189,613**	490,880	**1,742,382**	560,639
Noncurrent			**956,098**	957,894	**1,300,088**	1,042,255

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

a) In the individual, FINAME amounting to RR30,933 is guaranteed by statutory lien on property, plant and equipment (R$33,799 at February 29, 2020). As for subsidiary Costeño Alimentos S.A.C. the assets pledged as collateral were mentioned in Note 9.

Debenture are issued upon purchase of sugar from the Company and provide for compliance with the following covenants: Net debt/EBITDA equal to or lower than 3.5x (three and fifty hundredths). Additionally, 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.

The Company monitors the predictability of its financial and qualitative covenants and those of its subsidiaries on a quarterly basis. In the period ended May 31, 2020, all Group companies were compliant with the covenants.

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

The aging list of loans, financing and debentures installments at their carrying amounts is as follows:

Individual				Consolidated			
05/31/2020		02/29/2020		**05/31/2020**		02/29/2020	
(*) May/21	**1,194,165**	(*) Feb/21	495,899	(*) May/21	**1,746,935**	(*) Feb/21	565,658
May/22	**345,640**	Feb/22	345,866	May/22	**426,054**	Feb/22	389,127
May/23	**8,617**	Feb/23	9,651	May/23	**90,833**	Feb/23	32,845
May/24	**276,350**	Feb/24	276,819	May/24	**345,930**	Feb/24	294,725
May/25	**2,903**	Feb/25	3,667	May/25	**58,793**	Feb/25	3,666
After May/25	**330,153**	After Feb/25	330,441	After May/25	**386,042**	After Feb/25	330,442
Cost of transaction	**(12,117)**	Cost of transaction	(13,569)	Cost of transaction	**(12,117)**	Cost of transaction	(13,569)
	2,145,711		1,448,774		**3,042,470**		1,602,894

*Short-term installments are not net of the costs of debt issue transactions.

Changes in loans, financing and debentures are as follows:

	Individual		Consolidated	
	05/31/2020	**02/29/2020**	**05/31/2020**	**02/29/2020**
Opening balance for the period	1,448,774	1,042,934	1,602,894	1,428,859
Foreign exchange differences	-	-	32,929	-
Merger of SLC Alimentos Ltda.	-	148,166	-	-
Funds raised (a)	758,019	727,895	1,488,101	1,151,455
Allocation of interest and monetary and exchange differences	26,327	92,954	29,710	141,226
Transfer of lease liability	-	-	-	(508)
Realization of swap gains	-	149	-	149
Allocation of costs	2,351	6,532	2,351	6,532
Amortization of principal	(71,623)	(480,839)	(96,556)	(1,029,050)
Interest amortization	(18,137)	(89,017)	(16,959)	(95,769)
Closing balance	**2,145,711**	**1,448,774**	**3,042,470**	**1,602,894**

(a) Borrowing in the subsidiary was due to prevention, given the economic uncertainties with the Covid-19 pandemic. In the consolidated, we have borrowed from subsidiary Tucapel S/A for the acquisition of Pet Food from Empresas Lansa, as mentioned in Note 23.

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

14. Related-party transactions

The following balances are held between the Company, its subsidiaries, associates and other related parties:

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Current assets				
Accounts receivable				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	**1,207**	630	**-**	-
Ciclo Logística Ltda.	**1,752**	2,435	**-**	-
Associates:				
Galofer S.A.	**-**	-	**30,795**	25,090
Comisaco S.A.	**-**	-	**8,721**	6,932
Other related parties:				-
Climuy S.A.	**-**	-	**315**	158
Prepayment of interest on equity	**21,470**	11,586	**21,470**	11,586
	24,429	14,651	**61,301**	43,766

* Interest on own capital approved by the Board of Directors on February 20, 2020 and paid on March 12, 2020, referring to the proposed additional dividend for the year ended February 29, 2020.

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Current liabilities				
Trade accounts payable				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	**52,858**	31,323	**-**	-
Ciclo Logística Ltda.	**13,063**	10,905	**-**	-
Empresas Tucapel S.A.	-	-	**32**	**-**
Associates:				
Climuy S.A.	**-**	-	**63**	76
Arroz Uruguayo S.A. – Arrozur	**-**	-	**3,741**	2,712
Comisaco S.A.	**-**	-	**-**	315
Other related parties:				
Q4 Itajaí Empreendimentos e Participações Ltda.	**173**	173	**173**	173
Q4 Empreendimentos e Participações Ltda.	**917**	912	**917**	912
Total liabilities	**67,011**	43,313	**4,926**	4,188

Related-party transactions are conducted in the ordinary course of the Company's business and under conditions agreed upon between the parties. At May 31, 2020, the recognition of provision for losses involving related-party transactions was not necessary.

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

The amounts of transactions among the Company, its subsidiaries and associates are as follows:

	Individual		Consolidated	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Revenue from sale of rice husk				
Galofer S.A.	-	-	**20**	2,121
Expenses from purchase of processed rice				
S.A Molinos Arroceros Nacionales	**(20,478)**	(11,623)	-	-
Freight expenses				
Ciclo Logística Ltda.	**(18,521)**	(19,199)	-	-
Irrigation revenues (expenses)				
Comisaco S.A.	-	-	-	(89)
Expenses with rice parboiling				
Arrozur S.A	-	-	**(2,374)**	(2,076)
Expenses with port services				
Tacua S.A.	-	-	-	(122)
Total, net	**(38,999)**	(30,822)	**(2,354)**	(166)

Purchase transactions conducted with 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 associates 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.

The amounts of transactions with companies related to Company managing officers are as follows:

	Individual		Consolidated	
	03/01/2020 to 05/31/2020	03/01/2019 to 05/31/2019	03/01/2020 to 05/31/2020	03/01/2019 to 05/31/2019
Property lease income				
Camil Investimentos S.A.	-	65	-	65
Rent expenses				
Q4 Empreendimentos e Participações Ltda.	**(2,742)**	(4,860)	**(2,742)**	(4,860)
Q4 Sertãozinho Empreendimentos e Participações Ltda.	-	(1,651)	-	(1,651)
Q4 Itajaí Empreendimentos e Participações Ltda.	**(518)**	(487)	**(518)**	(487)
Total	**(3,260)**	(6,933)	**(3,260)**	(6,933)

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

The building and land on which the production unit 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 rent of R$829 and R$83 (RR$829 e R$83 at February 29, 2020), respectively, maturing on the first business day of the subsequent month.

The Itajaí Production Unit is leased by related party Q4 Itajaí Empreendimentos e Participações Ltda. for a monthly rent of R$172 (R$172 at February 29, 2020).

a) Sureties provided

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

Bank loans	05/31/2020	02/29/2020
Related parties		
Arroz Uruguayo S.A. – Arrozur	**712**	590
Comisaco S.A.	**1,657**	1,374
Galofer S.A.	**11,636**	10,680
	14,005	12,644
Third parties		
Balerel SRL	**3,256**	2,699
Rice producers		
Bank loans	**1,019**	845
Supplier transactions	**11,850**	7,663
	12,869	8,508
	30,130	**23,851**

b) Key management personnel compensation

Compensation paid to Statutory Officers and Directors for the quarter ended May 31, 2020 totaled R$1,180 (R$1,081 at May 31, 2019) and is carried as General and administrative expenses in the statement of profit or loss. The overall annual remuneration of the Company's management for the fiscal year ending February 28, 2021, approved at the Annual Shareholders' Meeting held on June 30, 2020, is R$15,000. The Company's executive officers are also part of the Share-Based Payment Plan (Stock Options) described in Note 16 c.

15. Provision for contingencies

15.1 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 its legal advisors, the Company records a provision in an amount deemed sufficient to cover probable losses, if any, on these proceedings. Changes in the three-month period ended May 31, 2020 mainly refer to the restatement of labor, civil, tax and environmental proceedings.

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

Provision for contingencies is as follows:

	Individual				
Contingencies	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 29, 2020	62	18,654	13,500	424	**32,640**
Additions	**2**	**113**	**-**	**32**	**147**
Write-offs	**-**	**(17,215)**	**(1,157)**	**-**	**(18,372)**
At May 31, 2020	**64**	**1,552**	**12,343**	**456**	**14,415**

	Individual				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 29, 2020	-	(670)	(4,810)	(1,703)	**(7,183)**
Additions	**-**	**-**	**(414)**	**-**	**(415)**
Write-offs	**-**	**-**	**312**	**-**	**312**
At May 31, 2020	**-**	**(670)**	**(4,912)**	**(1,703)**	**(7,285)**

	Consolidated				
Contingencies	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 29, 2020	62	20,927	20,830	424	**42,243**
Foreign exchange variation	**-**	**469**	**458**	**-**	**927**
Additions	**2**	**113**	**450**	**32**	**597**
Write-offs	**-**	**(17,215)**	**(1,067)**	**-**	**(18,282)**
At May 31, 2020	**64**	**4,294**	**20,671**	**456**	**25,485**

	Consolidated				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 29, 2020	-	(955)	(5,640)	(1,703)	**(8,298)**
Additions	**-**	**-**	**(414)**	**-**	**(414)**
Write-offs	**-**	**-**	**312**	**-**	**312**
At May 31, 2020	**-**	**(955)**	**(5,742)**	**(1,703)**	**(8,400)**

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.

15.1.1 Labor claims

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 loss and there were no significant developments in proceedings for this quarter.

15.1.2 Civil proceedings

The Company is currently a party to two material proceedings:

i) Lawsuit seeking indemnification brought against Camil Alimentos S.A. due to alleged non-compliance with a contract for 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 is R$17,210, which was settled on March 13, 2020, after an agreement with the plaintiff, for the amount of R$16,000.

ii) Proceeding for calculation of award resulting from the collection action filed against Camil Alimentos S/A due to alleged non-compliance with a service agreement. On September 10, 2019, a decision unfavorable to the Company was handed down, and the amounts deposited were partially converted into payment by the plaintiff. At May 31, 2020, the balance of the provision for this lawsuit is R$637, which corresponds to the remaining amount still under discussion.

15.1.3 Tax proceedings

The Company receive a tax assessment notice relating to IRPJ and CSLL for calendar years 2011 to 2012, arising from the tax amortization of goodwill resulting from the mergers between Femepe Indústria e Comércio de Pescados S.A. Canadá Participações Ltda., GIF Codajás Participações S.A. and Docelar Alimentos e Bebidas S.A., totaling R$306,981 (R$304,765 at February 29, 2020), including fine and interest.

Management understands that goodwill was appropriately 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$237,492 were assessed as possible loss tending to remote loss (including fine and interest) and R$69,488 were assessed as remote loss (50% of the qualified automatic fine and respective 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.

The matters involving IRPJ and CSLL were assessed by management and its legal advisors and were classified as a possible loss tending to remote loss, according to IFRIC 23/ICPC22.

The other significant lawsuits whose likelihood of loss is assessed as possible are mentioned in Note 18 to the annual financial statements.

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

16. Equity

a) Capital

The Company's capital amounts to R$950,374 at May 31, 2020 and February 29, 2020 (authorized capital of R$2,500,000), fully represented by common shares, and is distributed as follows:

Shareholders	05/31/2020		02/29/2020	
	Number of shares	(%)	Number of shares	(%)
Camil Investimentos S.A.	229,735,239	62.09%	229,735,239	62.09%
Controlling shareholders and managing officers	19,510,316	5.27%	19,010,264	5.14%
Outstanding shares (free float)	120,754,445	32.64%	121,254,497	32.77%
Total	370,000,000	100.00%	370,000,000	100.00%

b) Earnings per share

Calculation of earnings per share:	05/31/2020	05/31/2019
Net income for the period	**109,452**	49,794
Weighted average of common shares (*)	**370,000,000**	403,771,672
Basic earnings per share - R$	**0.2958**	0.1233
Diluted earnings per share - R$	**0.2951**	0.1233

(*) The Company's weighted average number of shares does not include treasury shares acquired due to the Stock Option plan for the quarter ended May 31, 2020.

c) Share buyback program

On December 12, 2017, the Board of Directors approved the share buyback program for the acquisition of up to 5,821,571 common shares issued by the Company, observing the limits of CVM Rule No. 567. The purpose of the buyback program is to acquire shares issued by the Company in the scope of grants already made under the Company's stock option plan, as well as for cancellation, holding in treasury or disposal purposes, without reducing capital, in order to efficiently invest the funds available in cash to maximize allocation of the Company's capital and to generate value for shareholders. The program is valid for 6 months, starting on December 13, 2017 and ending on June 12, 2018. The financial institutions that acted as intermediaries of the Buyback Program are: (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 represent 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, with the same purpose of the previous program. 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, totaling R$25,056, which correspond to an 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, totaling 9,386,846 shares at the time, 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 buyback and submitted it for decision at the Annual General Meeting that approved the buyback on November 7, 2019.

The 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. Thus, the total number of shares acquired in the year amounted to R$216,712.

All the shares acquired were canceled, according to the resolutions of the Board of Directors at the meetings held on November 8, 14 and 21, 2019, totaling 15,191,952 shares, 13,672,757 shares and 1,800,321 shares, respectively. Cancellations of shares approved in October and November 2019 totaled R$261,946, of which R$70,290 through the Special goodwill reserve, R$171,570 through the Retained profit reserve and R$20,086 through the balance of Retained earnings until the interim financial statement of August 31, 2019.

After the aforementioned buybacks and cancellations, the Company’s capital is now divided into 370,000,000 shares.

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, the second on December 12, 2017, and the third on April 1, 2019.

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

On April 2, 2020, 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 4,121,666 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$7.98 (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 thousands of reais - R$, unless otherwise stated)

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.

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 May 31, 2020 and the corresponding provisioned amount, net of provision for IRPJ and CSLL, totaling R$6,043 (R$4,895 at February 29, 2020):

Granting Date:	10/31/2017		12/12/2017		04/01/2019		04/02/2020		Total		Net provision at 05/31/2020
	Number of shares granted	Gross provision	Number of shares granted	Gross provision	Number of shares granted	Gross provision	Number of shares granted	Gross provision	Number of shares granted	Gross provision	
Exercise of options 20% - first anniversary (*)	455,419	609	497,276	494	781,355	674	825,533	97	**2,559,583**	**1,874**	**1,237**
30% - second anniversary	683,128	1,052	745,914	847	1,172,032	861	1,238,300	125	**3,839,374**	**2,885**	**1,903**
50% - third anniversary	1,138,547	1,605	1,243,190	1,337	1,953,387	1268	2,063,833	189	**6,398,957**	**4,399**	**2,903**
	2,277,094	**3,266**	**2,486,380**	**2,678**	**3,906,774**	**2,803**	**4,127,666**	**411**	**12,797,914**	**9,158**	**6,043**

(*) 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			
Issue date	10/31/2017				12/12/2017			
Date of amendment	04/01/2019				04/01/2019			
	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
Strike price (estimated) at the reporting date	9.60	10.24	11.00	N/A	9.51	10.14	10.94	N/A
Risk-free interest rate (%)	7.24%	8.40%	9.17%	N/A	6.89%	8.24%	9.22%	N/A
Contractual exercise term	2.00	3.00	4.00	N/A	2.00	3.00	4.00	N/A
Expected dividend yield	0%	0%	0%	N/A	0%	0%	0%	N/A
Share volatility in the market %	32%	32%	32%	N/A	32%	32%	32%	N/A
Total number of outstanding options	455,419	683,128	1,138,547	2,277,093	497,276	745,913	1,243,189	2,486,378
Number of options granted	575,513	863,269	1,438,782	2,877,563	588,802	883,202	1,472,004	2,944,008
Number of cancelled shares	120,094	180,141	300,235	600,470	91,526	137,289	228,815	457,630
Number of vested/exercisable shares	455,419	588,249	735,312	1,778,980	497,276	600,875	751,094	1,849,245
Number of exercised options	-	-	-	-	-	-	-	-
Number of options to be exercised	455,419	683,128	1,138,547	2,277,093	497,276	745,913	1,243,189	2,486,378
Estimated fair value (R$/share)	1.34	1.79	2.18	N/A	0.99	1.41	1.78	N/A

	Third grant				Four grant			
Issue date	04/01/2019				04/01/2020			
Date of amendment	04/01/2019				04/01/2020			
	Tranche I	Tranche II	Tranche III	Total	Tranche I	Tranche II	Tranche III	Total
Strike price	7.03	7.03	7.03	N/A	7.61	7.61	7.61	N/A
Strike price (estimated) at the reporting date	7.56	7.86	8.32	N/A	8.24	8.75	9.02	N/A
Risk-free interest rate (%)	7.40%	7.91%	8.46%	N/A	4.22%	5.90%	6.29%	N/A
Contractual exercise term	2.00	3.00	4.00	N/A	2.00	3.00	4.00	N/A
Expected dividend yield	0%	0%	0%	N/A	0%	0%	0%	N/A
Share volatility in the market %	32%	32%	32%	N/A	33%	33%	33%	N/A
Total number of outstanding options	781,355	1,172,032	1,953,387	3,906,774	825,533	1,238,300	2,063,833	4,127,666
Number of options granted	838,254	1,257,381	2,095,635	4,191,270	825,533	1,238,300	2,063,833	4,127,666
Number of cancelled shares	56,899	85,349	142,248	284,496	-	-	-	-
Number of vested/exercisable shares	781,355	455,790	569,738	1,806,883	68,794	68,794	85,993	223,581
Number of exercised options	-	-	-	-	-	-	-	-
Number of options to be exercised	781,355	1,172,032	1,953,387	3,906,774	825,533	1,238,300	2,063,833	4,127,666
Estimated fair value (R$/share)	1.48	1.89	2.22	N/A	1.41	1.82	2.19	N/A

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

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

	First grant				Second grant			
Position of options at 02/29/2020	455,419	683,128	1,138,547	2,277,094	497,276	745,914	1,243,190	2,486,380
Stock options granted	-	-	-	-	-	-	-	-
Cancelled options	-	-	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-	-	-
Balance of options at 05/31/2020	**455,419**	**683,128**	**1,138,547**	**2,277,094**	**497,276**	**745,914**	**1,243,190**	**2,486,380**
Options exercisable at 05/31/2020	455,419	588,249	735,312	1,778,980	497,276	600,875	751,094	1,849,245

	Third grant				Four grant			
Position of options at 02/29/2020	781,355	1,172,032	1,953,387	3,906,774	-	-	-	-
Options granted	-	-	-	-	825,533	1,238,300	2,063,833	4,127,666
Cancelled options	-	-	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-	-	-
Balance of options at 05/31/2020	**781,355**	**1,172,032**	**1,953,387**	**3,906,774**	**825,533**	**1,238,300**	**2,063,833**	**4,127,666**
Options exercisable at 05/31/2020	781,355	455,790	569,738	1,806,883	68,794	68,794	85,993	223,581

d) Tax incentive reserve

Tax incentives granted by the States or by the Federal District are now considered investment subsidies, deductible for the purposes of calculation of income and social contribution taxes. Thus, the Company computed an ICMS grant of R$37,310 at May 31, 2020 (R$132,177 at February 29, 2020) in the grain and fish CGUs.

17. Income and social contribution taxes

Reconciliation of amounts recorded in profit or loss

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Income (loss) before taxes	**129.627**	32.059	**138.836**	38.438
Statutory rates (*)	**34%**	34%	**34%**	34%
Income and social contribution taxes at statutory rate	**(44.073)**	(10.900)	**(47.204)**	(13.069)
Permanent (additions) exclusions				
Equity pickup	**14.175**	6.239	**(51)**	(148)
ICMS subsidy	**12.685**	9.618	**12.685**	9.618
Payment of interest on equity	**-**	6.800	**-**	6.800
Other permanent exclusions (additions)	**(2.962)**	5.978	**5.186**	8.155
Amount recorded in profit or loss	**(20.175)**	17.735	**(29.384)**	11.356
Effective rates	**15,6%**	-55,3%	**21,2%**	-29,5%

(*) 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 adopted the Taxable Profit regime from January 1, 2020, are also included in account “Other permanent exclusions (additions)”.

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

Deferred income and social contribution taxes

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Temporary differences – gains				
Allowance for doubtful accounts	**1,679**	1,927	**2,883**	2,658
Provision for profit sharing	**2,349**	2,787	**2,349**	2,787
Provision for contingencies	**4,901**	11,056	**5,175**	11,467
Income and social contribution tax losses	**6,799**	12,994	**6,799**	12,994
Provision for losses on advances to suppliers	**3,214**	3,214	**3,214**	3,214
Provision for inventory losses	**3,182**	3,610	**3,182**	3,610
Provision for losses of tax credits	**1,017**	1,017	**1,017**	1,017
Provision for sales discounts	**2,382**	2,581	**2,382**	2,581
Provision for loss on discontinued operations	**12,999**	13,084	**12,999**	13,084
Changes in IFRS 16 - Right-of-use asset	**25,758**	23,303	**27,114**	24,165
Other temporary provisions	**1,229**	3,965	**8,296**	9,314
Total	**65,509**	79,538	**75,410**	86,891

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Temporary differences - losses				
Difference between accounting goodwill and tax goodwill	**41,033**	41,032	**41,033**	41,032
On allocation to intangible assets	**38,986**	38,987	**62,402**	58,013
On allocation to property, plant and equipment	**15,803**	15,569	**15,803**	15,569
Property, plant and equipment deemed cost	**30,955**	31,890	**30,955**	31,890
Income from abroad	**3,627**	3,627	**3,627**	3,627
Changes in IFRS 16 - Lease liability	**25,159**	22,813	**26,490**	23,654
Other temporary differences	**(76)**	2,184	**17,913**	14,292
	155,487	156,102	**198,223**	188,077
Deferred income and social contribution taxes, net				
Noncurrent liabilities	**89,978**	76,564	**122,813**	101,186

The Company has tax credits arising from income and social contribution tax losses and temporary differences. The tax loss offset, limited by law to 30% of the taxable income for the year, implies a considerable increase in the recovery period for tax credits. According to a profitability study approved by the Audit Committee and in compliance with CVM Ruling No. 371 of June 27, 2002, the Company will realize these credits within 5 years, and may keep them fully recorded.

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

18. Sales and service revenue, net

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Gross revenue from sales and services				
Domestic market	**1,321,399**	1,089,715	**1,705,801**	1,340,137
Foreign market	**80,016**	36,665	**261,348**	115,374
	1,401,415	1,126,380	**1,967,149**	1,455,511
Sales deductions				
Sales taxes	**(100,813)**	(87,933)	**(117,230)**	(97,224)
Returns and rebates	**(86,424)**	(95,528)	**(120,935)**	(121,160)
	(187,237)	(183,461)	**(238,165)**	(218,384)
	1,214,178	942,919	**1,728,984**	1,237,127

19. Expenses by nature

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Expenses by function				
Cost of sales and services	**(951,512)**	(742,241)	**(1,315,391)**	(950,319)
Selling expenses	**(108,167)**	(121,789)	**(176,414)**	(161,211)
General and administrative expenses	**(55,483)**	(55,541)	**(84,012)**	(77,309)
	(1,115,162)	(919,571)	**(1,575,817)**	(1,188,839)
Expenses by nature				
Materials and raw material	**(849,371)**	(648,536)	**(1,122,012)**	(785,784)
Third-party services	**(22,319)**	(28,861)	**(30,196)**	(36,807)
Maintenance	**(25,100)**	(22,964)	**(31,292)**	(27,074)
Personnel	**(78,197)**	(70,999)	**(136,834)**	(116,748)
Freight	**(81,308)**	(86,223)	**(134,605)**	(120,275)
Sales commissions	**(6,823)**	(5,989)	**(9,739)**	(7,300)
Electricity	**(10,022)**	(8,620)	**(18,325)**	(11,501)
Depreciation and amortization	**(19,133)**	(14,831)	**(32,665)**	(25,873)
Amortization of the right-of-use asset	**(5,970)**	(6,128)	**(8,344)**	(7,831)
Lease	**(1,712)**	(471)	**(3,929)**	(3,237)
Taxes and charges	**(3,093)**	(2,373)	**(8,918)**	(6,000)
Export expenses	**(7,490)**	(4,737)	**(22,603)**	(6,344)
Others	**(4,624)**	(18,839)	**(16,355)**	(34,065)
	(1,115,162)	(919,571)	**(1,575,817)**	(1,188,839)

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

20. Finance income (costs)

	Individual		Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Finance costs				
Interest on loans	**(17,924)**	(22,627)	**(23,927)**	(25,682)
Interest on lease	**(1,090)**	(1,225)	**(1,274)**	(1,397)
Derivatives	**(32,740)**	(15,252)	**(32,740)**	(15,252)
Foreign exchange difference	**(22,379)**	(1,618)	**(22,825)**	(1,625)
Monetary difference	**(622)**	(1,170)	**(1,735)**	(2,704)
Others	**(3,512)**	(2,990)	**(6,457)**	(3,939)
	(78,267)	(44,882)	**(88,958)**	(50,599)
Finance income				
Interest	**1,595**	1,685	**7,890**	5,234
Discounts	**630**	1,061	**648**	2,039
Short-term investments	**5,429**	8,814	**5,429**	8,814
Derivatives	**46,690**	18,141	**46,690**	18,141
Foreign exchange difference	**10,514**	780	**10,746**	915
Monetary difference	**363**	4,334	**363**	4,334
Other	**-**	-	**394**	320
	65,221	34,815	**72,160**	39,797
	(13,046)	(10,067)	**(16,798)**	(10,802)

21. 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) Fair value measurement

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

Fair value measurement is based on the assumption that the transaction to sell the asset or transfer the 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 economic best interest.

Fair value measurement of a nonfinancial asset takes into consideration the capacity of a market participant to generate economic benefits through the best use of the asset, or selling it to other market participant that would also make best use of the asset. 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 consolidated financial statements are classified within the fair value hierarchy described below, based on the lowest level input that is significant to the overall fair value measurement:

- Level 1 - quoted prices (unadjusted) 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 either directly or indirectly observable;
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is not available.

For the purposes of fair value disclosures, the Company determined classes of assets and liabilities based on the nature, characteristics and risks of assets or liabilities and the fair value hierarchy level, as mentioned above. The corresponding fair value disclosures of financial instruments and nonfinancial assets measured at fair value or at the time of disclosure of fair values are summarized in their respective notes.

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:

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

	Level	Individual			
		05/31/2020		02/29/2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	550,484	550,484	503,108	503,108
		550,484	**550,484**	**503,108**	**503,108**
Measured at fair value through profit or loss					
Cash equivalents	2	1,018,298	1,018,298	403,572	403,572
Short-term investments	2	32,565	32,565	32,292	32,292
Financial instruments – derivatives	2	453	453	605	605
		1,051,316	**1,051,316**	**436,469**	**436,469**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable (*)	2	392,346	392,346	338,090	338,090
Loans and financing	2	2,145,711	2,148,745	1,448,774	1,448,862
Other accounts payable	2	42,837	42,837	40,123	40,123
		2,580,894	**2,583,928**	**1,826,987**	**1,827,075**

	Level	Consolidated			
		05/31/2020		02/29/2020	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	863,679	863,679	725,262	725,262
		863,679	**863,679**	**725,262**	**725,262**
Measured at fair value through profit or loss					
Cash equivalents	2	1,371,489	1,371,489	463,797	463,797
Short-term investments	2	146,517	146,517	32,292	32,292
Financial instruments – derivatives	2	453	453	605	605
		1,518,459	**1,518,459**	**496,694**	**496,694**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	1,176,206	1,176,206	517,270	517,270
Loans and financing (*)	2	3,042,470	3,053,739	1,602,894	1,606,201
Lease liabilities	2	1,608	1,385	1,098	1,385
Other accounts payable	2	42,837	42,837	40,123	40,123
		4,263,121	**4,274,167**	**2,161,385**	**2,164,979**

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 Future Market operations 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:

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

Risk	Currency	Number of contracts	Principal	Hedging instrument amount	Liability balance at 05/31/2020
Future imports	Dollar	310	15,500	83,473	393
Future imports	Euro	35	1,750	10,467	60
Balance at 05/31/2020		**345**	**17,250**	**93,940**	**453**

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 differences, estimated loss on doubtful accounts 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 rate 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 their operations involving short-term investments and accounts receivable.

i. Short-term investments

The Group's short-term investments are made only at prime financial institutions. Rating classification of amounts invested (Notes 4 and 5) are as follows:

	Individual		Consolidated	
Rating	05/31/2020	02/29/2020	05/31/2020	02/29/2020
AAA	-	-	-	-
AA+	-	-	353,191	60,225
A-1+	1,050,863	435,864	1,050,863	435,864
	1,050,863	**435,864**	**1,404,054**	**496,089**

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.

For the year ended May 31, 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.

Price risk - inputs and finished products

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 change, which may result in losses due to fluctuations in market prices. To minimize this risk, the Company continually 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. Foreign exchange rate 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 realization 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 operations 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 differences (CDI):

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Loans and financing	Debentures	Fluctuation of CDI	3.05%	(41,845)	(52,306)	(62,767)
Total				**(41,845)**	**(52,306)**	**(62,767)**
Difference (loss)					**(10,461)**	**(20,922)**

Investments of cash and cash equivalent 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	Short-term investments	Fluctuation of CDI	3.05%	32,046	24,034	16,023
Total				**32,046**	**24,034**	**16,023**
Difference (loss)					**(8,012)**	**(16,023)**

Investments of cash and cash equivalents and short-term investments (depreciation of Brazilian real)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Cash investments	Short-term investments	Fluctuation of BRL/CLP	0.0054	281,998	211,499	140,999
Total				**281,998**	**211,499**	**140,999**
Difference (loss)					**(70,500)**	**(140,999)**

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

Debt (foreign exchange variation)

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	79,734	(17,104)	(113,941)
Financing	Debt denominated in PEN*	Fluctuation of BRL/PEN	1.3331	18,215	(5,986)	(30,186)
Financing	Debt denominated in CLP**	Fluctuation of BRL/CLP	0.0054	82,181	800	(80,581)
Total				**180,130**	**(22,290)**	**(224,708)**
Difference (loss)					**(202,420)**	**(404,838)**

(*) PEN - Novo Sol / Peru
(**) CLP - pesos Chilenos

Derivatives designated as hedge (depreciation of Brazilian 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	(14,249)	(3,057)	(20,363)
Imports	Derivatives	Fluctuation of BRL/EURO	4.9307	(1,906)	(234)	(2,374)
Total				**(16,155)**	**(3,291)**	**(22,737)**
Difference (loss)					**12,864**	**(6,582)**

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 financed by own capital, the Company may use capital contributed by the current shareholders or funds from capitalization in capital market transactions with new shareholders. The use of third-party capital is an option to be considered mainly when management understands that its cost will be lower than the cost of using own capital, so as to optimize the cost of capital or when such cost is lower than the return generated by the acquired asset. It is only important to ensure that an efficient capital structure is maintained in order to optimize the cost of capital, and to provide financial strength while making the Company's business plan feasible.

Capital is managed through leverage ratios, i.e. net debt divided by the sum of EBITDA for 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 or below industry levels. Management includes in net debt loans and financing (including debentures), derivatives, cash and cash equivalents, current and noncurrent short-term investments, and current and noncurrent restricted marketable securities, based on the amounts recorded in the Debtor's consolidated statement of financial position. The Company has debenture issue agreements that provide for the following covenants: Net debt/EBTIDA equal to or lower than 3.5 (three and a half times).

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

22. Segment reporting

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	
	05/31/2020	02/29/2020	05/31/2020	02/29/2020	05/31/2020	02/29/2020
Assets						
Current assets	**2,803,175**	1,930,018	**2,363,975**	770,163	**5,167,150**	2,700,181
Noncurrent assets	**1,414,791**	1,492,681	**738,197**	616,527	**2,152,988**	2,109,208
Total assets	**4,217,966**	3,422,699	**3,102,172**	1,386,690	**7,320,138**	4,809,389
Liabilities						
Current liabilities	**1,773,049**	1,041,339	**1,382,365**	203,502	**3,155,414**	1,244,841
Noncurrent liabilities	**1,180,279**	1,189,245	**397,256**	125,931	**1,577,535**	1,315,176
Total liabilities	**2,953,328**	2,230,584	**1,779,621**	329,433	**4,732,949**	2,560,017

	Food products - Brazil		Food products – International		Food products – Consolidated	
	05/31/2020	05/31/2019	05/31/2020	05/31/2019	05/31/2020	05/31/2019
Gross sales revenue						
Domestic market	**1,321,631**	1,090,181	**384,171**	249,957	**1,705,801**	1,340,138
Foreign market	**80,016**	36,665	**181,332**	78,708	**261,348**	115,373
	1,401,647	1,126,846	**565,503**	328,665	**1,967,149**	1,455,511
Sales deductions						
Sales taxes	**(104,974)**	(89,700)	**(12,256)**	(7,524)	**(117,230)**	(97,224)
Returns and rebates	**(86,424)**	(95,582)	**(34,511)**	(25,578)	**(120,935)**	(121,160)
	(191,398)	(185,282)	**(46,767)**	(33,102)	**(238,165)**	(218,384)
Net sales revenue	**1,210,248**	941,564	**518,736**	295,563	**1,728,984**	1,237,127
Costs of sales and services	**(944,108)**	(739,277)	**(371,283)**	(211,042)	**(1,315,391)**	(950,319)
Gross profit	**266,140**	202,287	**147,453**	84,521	**413,593**	286,808
Selling expenses	**(108,744)**	(122,159)	**(67,671)**	(39,053)	**(176,415)**	(161,211)
General and administrative expenses	**(31,375)**	(35,034)	**(11,627)**	(8,571)	**(43,002)**	(43,605)
Depreciation and amortization	**(26,207)**	(22,041)	**(14,802)**	(11,663)	**(41,009)**	(33,704)
Other operating income (expenses) and equity pickup	**1,988**	669	**479**	283	**2,467**	952
Income before finance income and costs	**101,802**	23,722	**53,832**	25,518	**155,634**	49,240
Finance costs	**(78,292)**	(44,901)	**(10,666)**	(5,698)	**(88,958)**	(50,599)
Finance income	**65,238**	34,818	**6,922**	4,979	**72,160**	39,797
Income before taxes	**88,748**	13,639	**50,088**	24,799	**138,836**	38,438
IRPJ and CSLL	**(20,441)**	17,072	**(8,943)**	(5,717)	**(29,384)**	11,356
Net income	**68,307**	30,711	**41,145**	19,082	**109,452**	49,794

23. Events after the reporting period

a) Payment of interest on equity

On June 9, 2020, the Board of Directors approved payment of Interest on Equity to the Company's shareholders, in view of the Retained Profit Reserve balance recorded in the Company's financial statements for the year ended February 29, 2020, allocated net of income tax to the mandatory minimum dividend amount for the year ending February 28, 2021.

The approved gross amount was R$15,000, corresponding to the gross unit value of R$0.0405405405 per common share. IOE will be paid on June 24, 2020 to shareholders holding common shares issued by the Company at June 12, 2020.

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

On January 22, 2020, 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")* a subsidiary of ED&F Man.

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

On March 2, 2020, subsidiary Empresas Tucapel S.A. entered into a financing agreement in the amount of CLP37,000,000 thousand, equivalent to R$204,277 or USD45,449 thousand, 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.

This transaction was approved by the Chilean antitrust authority, *Fiscalía Nacional Económica ("FNE"),* on May 26, 2020 and its completion is subject to the other usual conditions for this type of transaction, which until May 31, 2020 had not been achieved.

Until this transaction is complete, the companies will continue to operate independently.

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.

AUDIT COMMITTEE REPORT
1ST ITR MAY/2020

The members of the Audit Committee of Camil Alimentos S.A. (“Company”), in the exercise of their duties, as provided for in the Internal Rules of the Audit Committee, proceeded to the analysis and review of the interim financial information for the 1st quarter of the current fiscal year, period from March 1st, 2020 to May 31st, 2020, accompanied by the report of EY Auditores Independentes and, favorably recommended, by unanimous vote of those present, the approval of the documents by the Company's Board of Directors.

São Paulo, June 30, 2020.

Members of the Committee:

CARLOS ROBERTO DE ALBUQUERQUE SÁ

RODRIGO TADEU ALVES COLMONERO

MARCELO MARCONDES LEITE DE SOUZA

MANAGEMENT DECLARATION ABOUT
INTERIM ACCOUNTING INFORMATION

Camil Alimentos S.A.'s Officers state that they reviewed, discussed and agree with the condensed accounting information referring to the quarter that ended in May 31, 2020.

The Company´s management approved and authorized the publication of the interim accounting information of May 31, 2020.

São Paulo, July 7, 2020.

Luciano Maggi Quartiero Chief Executive Officer	Flavio Jardim Vargas Chief Financial, Investor Relations and Tax Officer

MANAGEMENT DECLARATION ABOUT INDEPENDENT AUDITOR REPORT

Camil Alimentos S.A.'s Officers state that they reviewed, discussed and agree with the Independent Auditor Report issued over interim condensed accounting information referring to the quarter that ended in May 31, 2020.

São Paulo, July 7, 2020.

LUCIANO MAGGI QUARTIERO CHIEF EXECUTIVE OFFICER	FLAVIO JARDIM VARGAS CHIEF FINANCIAL, INVESTOR RELATIONS AND TAX OFFICER