Interim Financial Information

Camil Alimentos S.A.

November 30, 2019
with Independent Auditor's Review Report

COMMENTS ON FINANCIAL PERFORMANCE

INTERIM FINANCIAL INFORMATION
FOR THE PERIOD ENDED ON NOVEMBER 30TH, 2019

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 third quarter of 2018 (3Q18 – Sep/2018 to Nov/2018; comparisons YoY), unless otherwise indicated.

Message from Management

The third quarter results of 2019 showed gradual recovery and evolution of our business´ fundaments. Throughout the last months, we advanced in implementing costs and expenses reduction plans and adjustments in our operations with the objective of launching a new growth cycle. We managed to achieve a quarter highlighted by **sequential margins increase and sequential volume recovery in the international segment and in sugar, besides annual grain volume increase in Brazil**.

The period´s revenue presented double digit growth, a result of larger sales volumes and SLC Alimentos incorporation, which amplified our leadership in the Brazilian grain Market. We observed a scenery of soft improvement in cost transferring to final prices, bringing a gradual and modest increase to margins, as well as reinforcing our growth recovery strategy.

The measures taken by Camil to address a competitive scenery also provided positive results: we reduced by 1.2 percentual points the impact of sales, general and administrative expenses in our Net Revenue in the period when compared to 3Q18. This outcome was possible due to costs and expenses reduction initiatives implemented by the company during last year, mainly in freights, and better operational efficiency. The plan of cutting costs and expenses continues, and we take additional measures to reestablish adequate efficiency and profitability to our operations, with consequent transmission to our operating margins.

We concluded in November 2019 our third share buyback program, with the acquisition in three operations that totaled approximately 30,6 million shares, at attractive prices, reinforcing our strategy of value creation to our shareholders.

It is worth highlighting that the impact in sugar sales volumes in the previous quarter due to the start of operations in Super Barra, our new sugar packaging plant in Barra Bonita (SP), and temporary interruption in raw material supply from our strategic supplier was normalized. The recovery is already seen in this quarter's results.

With regards to our people, we also highlight that during the last months, we have been conducting various forums with our leadership in various levels of our structure with regards to the main strategic drivers and initiatives in the Company. These forums opened space so that everyone contributes with the construction of Camil´s strategy for the following years. We have conviction that the set of elements approached align Camil´s future vision and aid in directing the Company and our employees about our opportunities, challenges, and actions to execute our strategy.

In December 2019, the Company conducted Camil Day, it´s third public annual event since the IPO in São Paulo (SP), and the site visit to the new sugar packaging plant *Super Barra* in Barra Bonita (SP). The events counted with the participation of over 150 investors. We thank all participants for the interest and trust put in our business.

The results presented and our preparing to continue working in necessary improvements to reflect our competitive advantages, in conjunction with our growth strategy, maintains us confident that we are on the right track to anticipate trends and strengthen more and more our position as consolidator in the South American Food Segment.

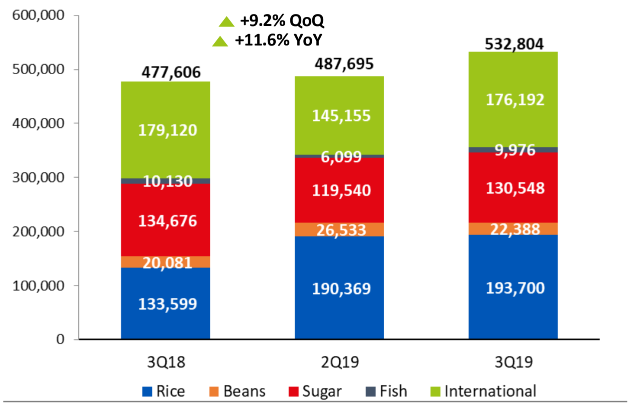
Luciano Quartiero
Chief Executive Officer

Flavio Vargas
Chief Financial and Investor Relations Officer

Results Highlights

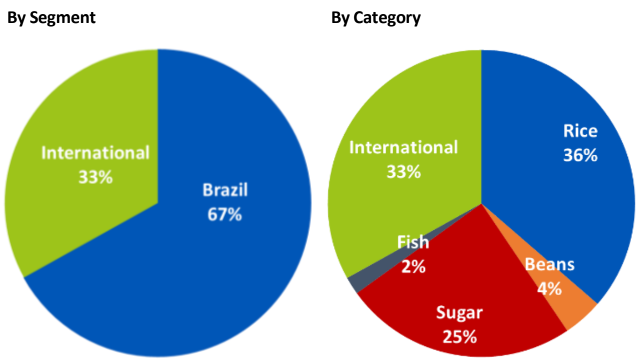
Operational Performance Highlights

Quarterly Volume Evolution (k ton)



Source: Company

Volume Breakdown (%)



Source: Company

Brazil

Quarter was highlighted by the **yearly increase in grains sales volumes (+40.6% YoY, or +4.4% YoY excluding the volume of the acquired Company SLC Alimentos and it´s brands) and increase in quarterly sugar sales (+9.2% QoQ)**.

Rice

- **Volume:** 193.7 k tons (+45,0% YoY +1.7% QoQ)
- **Gross Price:** R$2.53/kg (-2.9% YoY and +2.1% QoQ)
- **Net Price:** R$2.26/kg (-0.4% YoY and +3.2% QoQ)
- **YoY Sales Mix:** Increase in Camil brand sales and value pricing brands (ex-SLC Alimentos)
- **Market:** Average Price reached R$45.98/bag (+4.5% YoY and +5.4% QoQ)[1]

Beans

- **Volume:** 22.4 k tons (+11.5% YoY ; -15.6% QoQ)
- **Gross Price:** R$4.18/kg (+27.5% YoY and +8.0% QoQ)
- **Net Price:** R$3.81/kg (+27.4% YoY and +5.2% QoQ)
- **YoY Sales Mix**: Decrease in Camil brand sales and value pricing brands (ex-SLC Alimentos)
- **Market:** Average Price reached R$166.91/bag (+67.5% YoY and +16.3% QoQ)[2]

Açúcar

- **Volume:** 130.5 k tons (-3.1% YoY and +9.2% QoQ)
- **Gross Price:** R$2.33/kg (+11.9% YoY ; +9.3% QoQ)
- **Net Price:** R$2.04/kg (+13.4% YoY ; +8.2% QoQ)
- **YoY Sales Mix**: Decrease in sales of value pricing brands and increase in União sales
- **Market:** Average Price reached R$63.91/bag (-0.5% YoY and +5.2% QoQ)[3]

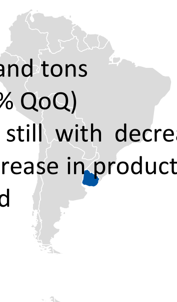
Canned Fish

- **Volume:** 10.0 k tons (-1.5% YoY and +63.6% QoQ)
- **Gross Price:** R$20.37/kg (+1.6% YoY and +0.5% QoQ)
- **Net Price:** R$15.95/kg (+3.9% YoY and +1.3% QoQ)
- **YoY Sales Mix:** Sales decrease in Coqueiro and increase in Value Pricing Brands (Pescador)
- **Market:** Sales seasonality in the period

International

- Volume of 176.2 thousand tons (-1.6% YoY and +21.4% QoQ) in the quarter, with highlights to **sequential volumes recovery in Uruguay and sales increase in Peru and Chile (YoY and QoQ):**

Uruguay



- **Volume**: 129.1 thousand tons (-5.4% YoY and +27.1% QoQ)
- Sales recovery QoQ, still with decrease YoY driven by the decrease in production and sales in the period

Chile

- **Volume**: 22.7 thousand tons (+10.8% YoY and +4.8% QoQ)
- Continuous volume growth and preservation of positive profitability

Peru

- **Volume**: 24.4 thousand tons (+9.9% YoY and +11.3% QoQ)
- Gradual recovery of sales and expansion in number of sales points

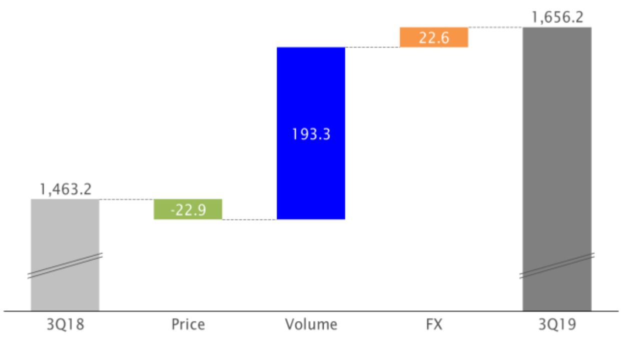
[1]Source: CEPEA; paddy rice's Indicator Esalq/Senar-RS 50kg
[2]Source: Agrolink; carioca beans' Indicator pouch 60kg.
[3]Source: CEPEA; crystal sugar's Indicator Esalq-SP 50kg

Financial Performance Highlights

Gross Revenue of R$1.7 billion in the quarter (+13.2% YoY), driven by the increase in volume and FX in the period, as shown in the graph in the right.

Net Revenue of R$1.4 billion in the quarter (+13.9% YoY), with the increase in the **Brazil Food Segment** (+16.9% YoY), driven by the acquisition of SLC Alimentos, with increase in Grains Sales. This result was also driven by the increase in Net Revenue in the **International Food Segment** (+7.8% YoY), with sales increase in Chile and Peru and Foreign Exchange impact in the period.

3Q19: Gross Revenue Breakdown (R$mm)



Source: Company

Costs of Sales and Services of R$1.1 billion (+16.3% YoY), or 76.3% of net revenue in the quarter, due to the growth in **Brazil Food Segment** R$771.0 million (+19.0% YoY), driven by the acquisition of SLC Alimentos, with sales increases in grains and increase in grains average Market prices. This result was amplified by the costs of sales and services in the **International Food Segment**, which reached R$329.8 million (+10.3% YoY).

Gross Profit

- **Gross Profit of R$342.7 million (+7.1% YoY) with 23.7% margin (-1.5pp YoY) in 3Q19**
- **We highlight the sequential gross margin recovery (+0.6pp QoQ) due to the modest and gradual improvement in the capacity of transfering raw material costs to sales prices in Brasil**

SG&A of **R$244.3 million (+5.7% YoY), equivalent to 16.9% of Net Revenue (-1.2pp YoY).** Nominal growth was impacted by the acquisition of SLC Alimentos, freight and Foreign Exchange impact expenses increase in the period, partially overcome by initiatives of reducing costs and expenses implemented by the Company during the year. It is also worth **highlighting the reduction of -1.2pp YoY of SG&A % in Net Revenue,** reflecting the Company´s **better efficiency**, due to the **efforts made in controlling costs and expenses** in the period.

Other operating expenses of R$0.5 million (vs. R$39.2 million in other Revenues in 3Q18). We reinforce that during the same period in the previous year we had the acknowledgement of tax credits and other non-recurring effects.

EBITDA

- **EBITDA reached R$133.0 million (-12.2% YoY) with 9.2% margin (-2.7pp YoY)**
- **Compared to adjusted 3Q18[6], EBITDA increased +15.2% YoY and margin +0.1pp YoY**
- **We highlight sequential margin recovery (+2.0pp QoQ)**

Net Financial result reached **expense of R$19.4 million** in the quarter **(vs. R$18.8 million positive in 3Q18, or -14.5% YoY compared to the adjusted result)**[6] mainly due to non-recurring effects from the comparative basis and acknowledgement of interest over leases in the period, partially compensated by the acquisition of SLC Alimentos.

Income Tax and Social Contribution reached **expense of R$ 11.5 million (vs. 3.8 million positive in 3Q18)**, or 14.8% of pre-tax result, mainly due to the exclusion of R$ 11.5 million relative to ICMS subventions.

Net Income

- **Net Income reached R$66.1 million (-56.0% YoY) with 4.6% margin (-7.3pp)**
- **Compared to adjusted 3Q18[6], Net Income reduced in -7.9% YoY and margin -1.1pp YoY**
- **We highlight sequential margin recovery (+1.3pp QoQ)**

4 3Q18 Adjusted Result excludes the effect of non-recurring revenues and expenses acknowledged in Other Operating Revenues and Financial Revenues in the quarter.

New Standards - IFRS 16 and IFRIC 23

As of January 1st, 2019, the new norm, IFRS 16 – Leases (NBC TG 06 (R3) / CPC 06 (R2) Leasing Operations) and the new interpretation IFRIC 23 (ITG 22/ ICPC 22 – Uncertainty over Income Tax Treatments, entered into effect).

The company presented financial results containing the effects of IFRS 16. The **adjusted EBITDA by the IFRS 16 norm application**, resulting of the increase in rental expenses converted into depreciation and interest, is **R$123.1 million (+6.7% YoY)** with **8.5% margin (-0.6pp YoY).**

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

November 30, 2019

Contents

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A free translation from Portuguese into English of Report on the review of quarterly 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)

Report on the review of quarterly information

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

Introduction

We have reviewed the individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Camil Alimentos S.A. ("Company") for the quarter ended November 30, 2019, comprising the statement of financial position as of November 30, 2019 and the respective statements of income and of comprehensive income, for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – *Demonstração intermediária* and in accordance with the international accounting rule IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in conformity with the rules issued by the Brazilian Securities Commission, 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 nine-month period ended November 30, 2019, 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, January 9, 2020.

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

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

Statements of financial position
November 30, 2019 and February 28, 2019
(In thousands of reais)

	Note	Individual 11/30/2019	Individual 02/28/2019	Consolidated 11/30/2019	Consolidated 02/28/2019
Assets					
Current assets					
Cash and cash equivalents	3	**253,613**	312,027	**302,368**	365,302
Short-term investments	4	**184,117**	31,242	**184,117**	31,242
Accounts receivable	5	**484,621**	434,807	**909,003**	690,536
Advances to suppliers		**6,065**	9,468	**6,065**	9,832
Inventories	6	**829,897**	649,856	**1,439,199**	1,120,180
Financial instruments	21	**89**	350	**89**	511
Taxes recoverable	7	**127,814**	135,220	**130,562**	142,025
Related parties	14	**10,029**	5,704	**39,337**	24,249
Prepaid expenses		**2,166**	12,049	**8,189**	18,521
Advance of interest on equity	16	**5,728**	-	**5,728**	-
Assets held for sale		**40,441**	39,939	**40,441**	39,939
Other receivables		**10,301**	4,988	**29,091**	41,238
Total current assets		**1,954,881**	1,635,650	**3,094,189**	2,483,575
Noncurrent assets					
Financial statements	4	**-**	217	**-**	217
Taxes recoverable	7	**242,601**	147,903	**242,601**	245,621
Advances to suppliers		**1,077**	226	**1,077**	226
Inventories	6	**23,564**	19,379	**29,985**	24,261
Judicial deposits	15	**6,539**	7,759	**7,644**	9,861
Other receivables		**2,429**	2,539	**13,162**	15,975
		276,210	178,023	**294,469**	296,161
Investments	9	**1,202,335**	1,258,591	**30,238**	29,789
Property, plant and equipment	10	**650,537**	513,650	**1,001,434**	971,829
Intangible assets	11	**274,172**	230,353	**661,133**	655,306
Right-of-use asset	12	**79,142**	-	**93,480**	-
		2,206,186	2,002,594	**1,786,285**	1,656,924
Total noncurrent assets		**2,482,396**	2,180,617	**2,080,754**	1,953,085
Total assets		**4,437,277**	3,816,267	**5,174,943**	4,436,660

See accompanying notes.

Camil

Statements of financial position
November 30, 2019 and February 28, 2019
(In thousands of reais)

	Note	Individual		Consolidated	
		11/30/2019	02/28/2019	11/30/2019	02/28/2019
Liabilities and equity					
Current liabilities					
Trade accounts payable		**240,454**	284,004	**509,406**	423,204
Loans, financing and debentures	13	**544,118**	254,079	**827,694**	514,114
Lease liabilities	12	**20,347**	-	**27,280**	-
Advances from customers		**24,475**	6,475	**24,476**	6,708
Related parties	14	**14,495**	29,210	**4,049**	3,885
Social obligations		**18,569**	17,104	**26,953**	24,074
Taxes payable		**2,939**	26,575	**9,737**	49,701
Accrued vacation pay, 13th monthly salary and related charges		**32,483**	17,927	**55,930**	36,503
Special installment payment program		**8,304**	8,300	**8,462**	8,458
Other accounts payable		**9,582**	12,145	**39,524**	40,976
Total current liabilities		**915,766**	655,819	**1,533,511**	1,107,623
Noncurrent liabilities					
Loans, financing and debentures	13	**1,147,929**	788,855	**1,224,339**	914,745
Lease liabilities	12	**59,847**	-	**67,958**	-
Special installment payment program		**18,125**	26,882	**18,558**	27,433
Deferred taxes	17	**83,581**	89,756	**106,916**	128,811
Provision for contingencies	15	**34,507**	34,009	**42,874**	37,102
Accounts payable	8	**53,225**	50,901	**53,225**	50,901
Other accounts payable		**1,095**	930	**4,360**	930
Total noncurrent liabilities		**1,398,309**	991,333	**1,518,230**	1,159,922
Equity					
Capital	16a	**950,374**	950,374	**950,374**	950,374
(-) Share issue costs		**(12,380)**	(12,380)	**(12,380)**	(12,380)
Special goodwill reserve		**70,510**	70,510	**70,510**	70,510
(-) Treasury shares	16c	**-**	(45,234)	**-**	(45,234)
Granted stock options	16d	**4,368**	2,787	**4,368**	2,787
Income reserves	16e / 16f	**673,821**	871,015	**673,821**	871,015
Retained earnings		**53,379**	-	**53,379**	-
Other comprehensive income and deemed cost		**383,130**	332,043	**383,130**	332,043
Total equity		**2,123,202**	2,169,115	**2,123,202**	2,169,115
Total liabilities and equity		**4,437,277**	3,816,267	**5,174,943**	4,436,660

See accompanying notes.

Statements of income
Three and nine-month periods ended November 30, 2019 and 2018
(In thousands of reais, except for earnings per share, in reais)

	Note	Individual		Consolidated		Individual		Consolidated	
		03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Sales and service revenue, net	18	**2,835,461**	2,362,497	**3,904,191**	3,416,838	**1,004,431**	858,631	**1,443,509**	1,266,836
Cost of sales and services	19	**(2,217,390)**	(1,765,459)	**(2,991,023)**	(2,517,483)	**(777,521)**	(650,883)	**(1,100,809)**	(946,899)
Gross profit		**618,071**	597,038	**913,168**	899,355	**226,910**	207,748	**342,700**	319,937
Operating income (expenses)									
Selling expenses	19	**(331,347)**	(295,235)	**(473,982)**	(447,033)	**(107,241)**	(102,491)	**(164,004)**	(159,536)
General and administrative expenses	19	**(166,766)**	(158,449)	**(236,467)**	(213,966)	**(54,462)**	(51,525)	**(80,273)**	(71,567)
Equity pickup	9	**54,841**	75,308	**(3,216)**	(589)	**21,860**	26,226	**(945)**	(353)
Other operating income (expenses)		**408**	40,225	**1,690**	56,203	**108**	38,815	**(500)**	39,222
Income before finance income and costs		**175,207**	258,887	**201,193**	293,970	**87,175**	118,773	**96,978**	127,703
Finance costs	20	**(122,215)**	(138,176)	**(143,128)**	(170,667)	**(35,359)**	(56,485)	**(43,347)**	(63,509)
Finance income	20	**81,890**	155,261	**94,715**	171,315	**20,191**	79,374	**23,942**	82,317
Finance income (costs), net		**(40,325)**	17,085	**(48,413)**	648	**(15,168)**	22,889	**(19,405)**	18,808
Income before taxes		**134,882**	275,972	**152,780**	294,618	**72,007**	141,662	**77,573**	146,511
Income and social contribution taxes									
Current		**(1,572)**	(29,874)	**(21,494)**	(48,108)	**(561)**	(4,670)	**(10,202)**	(10,624)
Deferred		**22,695**	15,828	**24,719**	15,416	**(5,350)**	13,303	**(1,275)**	14,408
Total income and social contribution taxes	17	**21,123**	(14,046)	**3,225**	(32,692)	**(5,911)**	8,633	**(11,477)**	3,784
Net income for the period		**156,005**	261,926	**156,005**	261,926	**66,096**	150,295	**66,096**	150,295
Basic earnings per share - R$	16b	**0.3915**	0.6475	**0.3915**	0.6475	**0.1693**	0.3715	**0.1693**	0.3715
Diluted earnings per share - R$	16b	**0.3911**	0.6475	**0.3911**	0.6475	**0.1691**	0.3715	**0.1691**	0.3715

See accompanying notes.

Statements of comprehensive income
Three and nine-month periods ended November 30, 2019 and 2018
(In thousands of reais)

	Individual and Consolidated		Individual and Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Net income for the period	**156,005**	261,926	**66,096**	150,295
Other comprehensive income (loss)				
Other comprehensive income (loss) to be reclassified to profit or loss for the year in subsequent periods:				
Foreign exchange differences on foreign investments (Note 9)	**54,213**	97,338	**(10,421)**	(57,231)
Foreign exchange difference realized due to divestiture	**-**	(524)	**-**	-
Comprehensive income for the period, net of taxes	**210,218**	**358,740**	**55,675**	**93,064**

See accompanying notes.

Camil

Statements of changes in equity
Nine-month periods ended November 30, 2019 and 2018
(In thousands of reais)

	Note	Capital	Capital reserves				Income reserves					Other comprehensive income and deemed cost	Total
			Share issue costs	Special goodwill reserve	Treasury shares	Granted stock options	Legal reserve	Tax incentives	Retained profits	Retained earnings	Proposed additional dividends		
Balances as of February 28, 2018		950,374	(12,114)	70,510	(20,344)	725	56,634	78,896	433,951	-	-	262,465	1,821,097
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	3,138	-	(3,138)	-
Share issue costs		-	(266)	-	-	-	-	-	-	-	-	-	(266)
Acquisition of treasury shares		-	-	-	(24,890)	-	-		-	-	-	-	(24,890)
Granted stock options		-	-	-	-	2,658	-	-	-	-	-	-	2,658
Deferred IRPJ/CSLL on granted stock options		-	-	-	-	(1,150)	-	-	-	-	-	-	(1,150)
Net income for the period		-	-	-	-	-	-	-	-	261,926	-	-	261,926
Foreign exchange differences on foreign investments		-	-	-	-	-	-	-	-	-	-	97,338	97,338
Foreign exchange difference of foreign subsidiary realized due to divestiture		-	-	-	-	-	-	-	-	-	-	(524)	(524)
Proposed allocation:													
Interest on equity		-	-	-	-	-	-	-	-	(65,000)	-	-	(65,000)
Recognition of tax incentive reserve		-	-	-	-	-	-	284,262	(254,459)	(29,803)	-	-	-
Balances as of November 30, 2018		950,374	(12,380)	70,510	(45,234)	2,233	56,634	363,158	179,492	170,261	-	356,141	2,091,189
Balances as of February 28, 2019		950,374	(12,380)	70,510	(45,234)	2,787	69,382	588,252	213,381	-	-	332,043	2,169,115
Realization of depreciation of fair value, net of taxes		-	-	-	-	-	-	-	-	**3,126**	-	**(3,126)**	-
Acquisition of treasury shares	**16c**	-	-	-	**(216,712)**	-	-	-	-	-	-	-	**(216,712)**
Cancellation of treasury shares	**16c**	-	-	-	**261,946**	-	-	-	**(261,946)**	-	-	-	-
Granted stock options	**16d**	-	-	-	-	**2,397**	-	-	-	-	-	-	**2,397**
Deferred IRPJ/CSLL on granted stock options	**16d**	-	-	-	-	**(816)**	-	-	-	-	-	-	**(816)**
Proposed payment of interest on equity	**16e**	-	-	-	-	-	-	-	**(15,000)**	-	**15,000**	-	-
Net income for the period		-	-	-	-	-	-	-	-	**156,005**	-	-	**156,005**
Foreign exchange differences on foreign investments	**9**	-	-	-	-	-	-	-	-	-	-	**54,213**	**54,213**
Proposed allocation:													
Interest on equity	**16e**	-	-	-	-	-	-	-	**(26,000)**	**(15,000)**	-	-	**(41,000)**
Recognition of tax incentive reserve	**16f**	-	-	-	-	-	-	**90,752**	-	**(90,752)**	-	-	-
Balances as of November 30, 2019		**950,374**	**(12,380)**	**70,510**	**-**	**4,368**	**69,382**	**679,004**	**(89,565)**	**53,379**	**15,000**	**383,130**	**2,123,202**

See accompanying notes.

Statements of cash flows
Nine-month periods ended November 30, 2019 and 2018
(In thousands of reais)

	Individual		Consolidated	
	11/30/2019	11/30/2018	11/30/2019	11/30/2018
Cash flows from operating activities				
Income before income taxes on continuing operations	**134,882**	275,972	**152,780**	294,618
Adjustments to reconcile profit or loss to cash from operating activities:				
Equity pickup	**(54,841)**	(75,308)	**3,216**	589
Foreign exchange difference realized due to divestiture	**-**	(524)	**-**	(524)
Accrued financial charges	**80,562**	56,186	**87,680**	65,988
Interest accrued on lease liability	**3,813**	-	**4,355**	-
(Reversal of) Allowance for doubtful accounts	**20**	(893)	**(1,510)**	(1,302)
Set-up (reversal) of provision for discounts	**2,313**	(10,889)	**2,313**	(10,889)
Provision for contingencies	**(95)**	1,753	**5,772**	2,974
Provision for losses on property, plant and equipment	**-**	44,116	**-**	44,116
Provision for (reversal of) other accounts	**(1,011)**	4,523	**(1,011)**	1,304
Depreciation of property, plant and equipment	**44,792**	37,546	**76,457**	69,215
Amortization of intangible assets	**2,208**	4,621	**2,799**	4,919
Amortization of the right-of-use asset	**18,902**	-	**24,208**	-
Write-off of property, plant and equipment	**103**	346	**4,373**	4,890
Write-off of intangible assets	**77**	-	**915**	-
Write-off of lease	**(636)**	-	**(636)**	-
Shares granted	**2,397**	2,658	**2,397**	2,658
	233,486	340,107	**364,108**	478,556
Decrease (increase) in assets				
Accounts receivable	**(3,871)**	(20,439)	**(208,203)**	(24,296)
Inventories	**(160,310)**	(236,484)	**(287,909)**	(409,243)
Taxes recoverable	**11,595**	(179,450)	**16,306**	(180,998)
Other current and noncurrent assets	**17,682**	(3,350)	**31,662**	(933)
	(134,904)	(439,723)	**(448,144)**	(615,470)
(Decrease) increase in liabilities				
Trade accounts payable	**(67,535)**	(315)	**72,347**	18,303
Payroll and related charges payable	**13,616**	15,486	**21,102**	16,219
Tax obligations	**(19,428)**	38,195	**(32,082)**	32,146
Other current and noncurrent liabilities	**21,585**	8,316	**24,238**	11,325
Income and social contribution taxes paid	**(131)**	(18,296)	**(17,053)**	(28,198)
	(51,893)	43,386	**68,552**	49,795
Net cash from (used in) operating activities	**46,689**	(56,230)	**(15,484)**	(87,119)
Cash flows from investing activities:				
Short-term investments, net	**(152,658)**	199,344	**(152,658)**	199,344
Cash from sale of property, plant and equipment	**170**	5,880	**478**	5,880
Additions to investments	**(6,388)**	-	**-**	-
Cash from divestiture	**-**	120	**-**	-
Cash from merger of subsidiary	**11,516**	-	**-**	-
Additions to property, plant and equipment	**(69,912)**	(100,296)	**(90,360)**	(130,787)
Additions to intangible assets	**(13,605)**	(5,252	**(17,678)**	(6,523)
Net cash from (used in) investing activities	**(230,877)**	99,796	**(260,218)**	67,914
Cash flows from financing activities:				
Proceeds from new loans	**692,169**	81,390	**1,139,071**	419,467
Loans repayment	**(201,919)**	(99,993)	**(554,439)**	(366,200)
Interest on loans paid	**(69,604)**	(45,856)	**(74,651)**	(54,539)
Payments – lease liability paid	**(22,160)**	-	**(27,301)**	-
Advance of interest on equity	**(15,000)**	(20,000)	**(15,000)**	(20,000)
Payment of interim dividends	**(41,000)**	-	**(41,000)**	-
Share issue costs	**-**	(266)	**-**	(266)
Treasury shares acquired	**(216,712)**	(24,890)	**(216,712)**	(24,890)
Net cash from (used in) financing activities	**125,774**	(109,615)	**209,968**	(46,428)
Foreign exchange differences on cash and cash equivalents abroad	-	-	**2,800**	11,802
Decrease in cash and cash equivalents	**(58,414)**	(66,049)	**(62,934)**	(53,831)
Cash and cash equivalents at beginning of period	**312,027**	241,148	**365,302**	276,466
Cash and cash equivalents at end of period	**253,613**	175,099	**302,368**	222,635
Decrease in cash and cash equivalents	**(58,414)**	(66,049)	**(62,934)**	(53,831)

See accompanying notes.

Statements of value added
Nine-month periods ended November 30, 2019 and 2018
(In thousands of reais)

	Individual		Consolidated	
	11/30/2019	11/30/2018	11/30/2019	11/30/2018
Revenues				
Sales of goods, products and services	**3,094,242**	2,594,846	**4,195,188**	3,889,997
Other revenues	**3,243**	161,830	**9,607**	182,991
(Reversal of) allowance for doubtful accounts	**(355)**	(2,306)	**(379)**	(4,308)
	3,097,130	2,754,370	**4,204,416**	4,068,680
Bought-in inputs				
Costs of products, goods and services sold	**(1,946,826)**	(1,539,982)	**(2,594,311)**	(2,380,969)
Materials, energy, services and other expenses	**(475,167)**	(406,397)	**(662,415)**	(586,189)
Others	**(10,162)**	(126,725)	**(15,243)**	(131,907)
	(2,432,155)	(2,073,104)	**(3,271,969)**	(3,099,065)
Gross value added	**664,975**	681,266	**932,447**	969,615
Retentions				
Depreciation and amortization	**(65,902)**	(42,167)	**(103,464)**	(74,134)
Net value added produced	**599,073**	639,099	**828,983**	895,481
Value added received in transfer				
Equity pickup	**54,841**	75,308	**(3,216)**	(589)
Finance income	**81,890**	155,261	**94,715**	171,315
Other	**-**	404	**-**	404
	136,731	230,973	**91,499**	171,130
Total value added to be distributed	**735,804**	870,072	**920,482**	1,066,611
Distribution of value added				
Personnel				
Direct compensation	**123,060**	109,006	**215,619**	203,708
Benefits	**37,930**	40,624	**47,592**	50,994
Unemployment Compensation Fund (FGTS)	**13,975**	13,908	**13,975**	13,908
Others	**7,887**	7,783	**7,987**	7,937
	182,852	171,321	**285,173**	276,547
Taxes, charges and contributions				
Federal	**55,606**	87,637	**74,802**	107,374
State	**213,474**	188,981	**250,986**	223,922
Local	**3,378**	2,991	**7,668**	6,776
	272,458	279,609	**333,456**	338,072
Debt remuneration				
Interest income	**112,100**	129,436	**133,015**	161,926
Leases	**4,274**	22,409	**4,718**	22,769
Others	**8,115**	5,371	**8,115**	5,371
	124,489	157,216	**145,848**	190,066
Equity remuneration				
Interest on equity	**15,000**	65,000	**15,000**	65,000
Retained profits for the period	**141,005**	196,926	**141,005**	196,926
	156,005	261,926	**156,005**	261,926
Total value added distributed	**735,804**	870,072	**920,482**	1,066,611

See accompanying notes.

1. Operations

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

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

The Company owns a large portfolio of traditional and consolidated brands recognized by consumers. In Brazil, its 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 consolidation of its share in the Brazilian grain market. Referred to subsidiary was merged on March 1, 2019, as detailed in Note 8.

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

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 Brazilian Technical Accounting Standard NBC TG 21 (R4) - Interim Financial Reporting (Accounting Pronouncement CPC 21 (R1)) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), in accordance with the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of the Quarterly Information Form (ITR), using the same accounting practices, judgments, estimates and assumptions as those adopted in the preparation and presentation of the financial statements for the year ended February 28, 2019, as described in Note 2 to those financial statements, except for adoption of NBC TG 06 (R3) – Leases (CPC 06 (R2) / IFRS 16), the effects of which are already reflected in this interim quarterly information (Notes 2.3 and 12), and ITG – Uncertainty over Income Tax Treatment (technical interpretation ICPC 22 / IFRIC 23), addressed in Note 2.3.
Based on the judgment and assumptions adopted by management on significance and amendments that should be disclosed in the accompanying notes, this quarterly information does not include all the explanatory notes presented in the annual financial statements, as permitted by Circular Letter No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM). Accordingly, the respective information must be read in conjunction with the individual and consolidated financial statements as at February 28, 2019.

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

The interim financial information was approved to be issued by Company’s management on January 9, 2020.

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

2.2. Consolidated interim financial information

At November 30, 2019 and February 28, 2019, the Company had investments in the following subsidiaries and affiliates:

		11/30/2019		02/28/2019	
		Direct	Indirect	Direct	Indirect
Uruguay					
Camilatam S.A.	Subsidiary	100.00%	-	100.00%	-
Camil Uruguay Sociedad de Inversión S.A.	Subsidiary	-	100.00%	-	100.00%
S.A. Molinos Arroceros Nacionales – SAMAN	Subsidiary	-	100.00%	-	100.00%
Arroz Uruguayo S.A – Arrozur	Affiliate	-	49.19%	-	49.19%
Tacua S.A.	Affiliate	-	40.72%	-	40.72%
Agencia Marítima Sur S.A.	Affiliate	-	40.73%	-	40.73%
Comisaco S.A.	Affiliate	-	50.00%	-	50.00%
Galofer S.A.	Affiliate	-	45.00%	-	45.00%
Chile					
Empresas Tucapel S.A.	Subsidiary	-	99.94%	-	99.94%
Peru					
Costeño Alimentos S.A.C.	Subsidiary	-	100.00%	-	100.00%
Envasadora Arequipa S.A.C	Subsidiary	-	100.00%	-	100.00%
Brasil					
Ciclo Logística Ltda.	Subsidiary	100.00%	-	100.00%	-
SLC Alimentos Ltda.(*)	Subsidiary	-	-	100.00%	-

(*) Subsidiary acquired on December 3, 2018 and merged on March 1, 2019, as detailed in Note 8.

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.

2.3. New standards, amendments and interpretations to standards in force

As of January 1, 2019, new standard IFRS 16 - Leases - (NBC TG 06 (R3) / CPC 06 (R2) – Leases) and the new interpretation IFRIC 23 - Uncertainty over Income Tax Treatments (ITG 22 / ICPC 22 – Uncertainty over Income Tax Treatments) became effective.

The Company's considerations on the applicability and impact of these standards on the financial statements as of March 1, 2019 are as follows:

<u>NBC TG 06 (R3) (accounting pronouncement CPC 06 (R2)) / IFRS 16 – Leases</u>

Standard issued by IASB in January 2016, replacing IAS 37 – Leases and related interpretations IFRIC 4, SIC 15 and SIC 27. It has been translated and turned into a standard in Brazil through NBC TG 06 (R3) – Leases (accounting pronouncement CPC 06 (R2)). Significant changes include:

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

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

On December 18, 2019, CVM SNC/SEP Circular Letter No. 02/2019 was issued, providing guidance on how to apply the incremental borrowing rate, PIS and COFINS embedded in lease liabilities, and taxes recoverable on lease liability realization. The Company, which already calculates leases at the nominal rate and considers tax impacts according to the practices reported by the document issued does not expect other significant impacts on its financial statements.

The impacts of this standard are described in Note 12.

<u>ITG 22 (technical interpretation ICPC 22) / IFRIC 23 – Uncertainty over Income Tax Treatments</u>

This interpretation of IAS 12/CPC 32 – Income Taxes clarifies how to apply this standard's recognition and measurement requirements when there is uncertainty over income tax treatments. In this circumstance, the entity shall recognize and measure its current or deferred tax asset or liability by applying the requirements based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and determined tax rates.

Company management understands that there are no significant impacts on the interim accounting information resulting from treatments that could potentially expose the Company to materially probable risks of losses, as the procedures adopted to compute and pay income taxes are supported by the legislation and case law of Administrative and Legal Courts. The main topic subject to discussion is associated with Assessment Notice (AI) No. 16561.720082/2017-43 corresponding to the amortization of goodwill from years 2011 to 2015, relating to the following companies merged: Femepe Comércio de Pescados S.A., Canadá Participações Ltda., GIF Codajás Participações S.A. and Docelar Alimentos e Bebidas S.A. This proceeding has not been provisioned, as the likelihood of loss is possible, as disclosed in Note 17.2 to the annual financial statements.

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

3. Cash and cash equivalents

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Cash and cash equivalents	**1,847**	1,343	**31,893**	33,527
Short-term investments	**251,766**	310,684	**270,475**	331,775
	253,613	312,027	**302,368**	365,302

Cash and cash equivalents are substantially represented by non-interest 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 98.02% of the Interbank Deposit Certificate (CDI) variation (99.62% at February 28, 2019), redeemable within 90 days from investment date, against respective issuers, with no significant change in the agreed yield. These short-term investments are held in strong financial institutions with low credit risk in the market.

4. Short-term investments

	Average annual rate	Individual and Consolidated	
		11/30/2019	02/28/2019
Current			
Fixed-income investments with grace period	102.00% of CDI	**150,999**	-
Restricted fixed-income investments with grace period	98.93% of CDI	**33,118**	31,242
		184,117	31,242
Noncurrent			
Fixed-income investments with grace period		**-**	217
		-	217
		184,117	31,459

Similarly to investments classified as cash equivalents, the other investments, substantially represented by CDBs, are held in institutions with good credit rating and low risk in the financial market.

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

5. Accounts receivable

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Falling due	**495,278**	448,621	**863,637**	670,019
Overdue within 30 days	**9,286**	3,250	**48,121**	27,323
Overdue from 31 to 60 days	**981**	561	**10,133**	6,702
Overdue from 61 to 90 days	**432**	312	**3,018**	1,785
Overdue from 91 to 180 days	**1,088**	2,669	**4,452**	3,449
Overdue above 181 days	**5,626**	3,216	**9,479**	9,965
	512,691	458,629	**938,840**	719,243
Discounts granted (a)	**(22,085)**	(18,172)	**(22,085)**	(19,772)
Allowance for doubtful accounts	**(5,985)**	(5,650)	**(7,752)**	(8,935)
	484,621	434,807	**909,003**	690,536

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

Changes in the provision for contractual discounts are as follows:

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Opening balance	**(18,172)**	(28,207)	**(19,772)**	(28,207)
Merger of SLC Alimentos Ltda.	**(1,600)**	-	**-**	-
Additions	**(126,935)**	(158,634)	**(126,935)**	(165,861)
Reversals / write-offs	**124,622**	168,669	**124,622**	174,296
Closing balance	**(22,085)**	(18,172)	**(22,085)**	(19,772)

Changes in the allowance for doubtful accounts are as follows:

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Opening balance	**(5,650)**	(4,487)	**(8,935)**	(7,545)
Foreign exchange differences	**-**	-	**(327)**	(330)
Merger of SLC Alimentos Ltda.	**(315)**	-	**-**	-
Additions	**(3,473)**	(4,160)	**(3,560)**	(5,844)
Reversals	**2,983**	1,686	**4,576**	2,302
Write-offs	**470**	1,311	**494**	2,482
Closing balance	**(5,985)**	(5,650)	**(7,752)**	(8,935)

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

6. Inventories

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Finished products	**297,051**	224,707	**471,381**	357,102
Raw material (a)	**187,654**	172,660	**416,076**	270,068
Packaging material	**76,918**	55,650	**86,459**	67,330
Advances to suppliers (b)	**262,485**	199,757	**435,584**	393,285
Other	**29,353**	16,461	**59,684**	56,656
	853,461	669,235	**1,469,184**	1,144,441
Current	**829,897**	649,856	**1,439,199**	1,120,180
Noncurrent (c)	**23,564**	19,379	**29,985**	24,261

(a) Consolidated variation is mainly explained by the increase in acquisitions of raw materials of subsidiaries due to the harvest.
(b) Advances made to rice producers to ensure purchase of rice, of which R$23,564 (R$19,379 at February 28, 2019), Individual, is classified is noncurrent assets, according to expected realization.
(c) The noncurrent consolidated balance also comprises packaging materials and other inventory items, totaling R$6,421 (R$4,882 at February 28, 2019).

7. Taxes recoverable

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Income and social contribution taxes	**150,052**	166,447	**150,052**	174,232
PIS and COFINS	**176,958**	71,956	**176,958**	161,242
ICMS	**14,423**	22,014	**14,423**	22,014
Other taxes	**28,982**	22,706	**31,730**	30,158
	370,415	283,123	**373,163**	387,646
Current	**127,814**	135,220	**130,562**	142,025
Noncurrent	**242,601**	147,903	**242,601**	245,621

8. Business combination

On December 3, 2018, the Company completed the acquisition of 100% of the capital of SLC Alimentos Ltda., whose Agreement for Purchase and Sale of Units of Interest and Other Covenants was entered into on October 26, 2018. It agreed to pay R$180,000, of which R$140,000 was settled on the transaction closing date, and the remaining R$40,000 was retained by the Company to be disbursed in accordance with the contractual phases within 5 years, after deduction of possible losses incurred due to unexpected events relating to the operation. In addition, the agreement provides for the contingent payment of R$10,296 relating to tax credits, net of attorneys' fees. Total remaining liabilities plus monetary restatement are allocated to Accounts payable (balance as of November 30, 2019 de R$53,225).

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

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

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

The Company is in the final phase of evaluating and adjusting the fair value measurement of net assets and the final value of the consideration, observing the one-year period after the acquisition. A summary of the calculation of goodwill (unallocated portion), as per the report concluded in November 2019, is as follows:

	03/12/2018
Fixed portion of acquisition price	140,000
Retained portion	40,000
Contingent consideration	10,296
Total consideration	**190,296**
Preliminary fair value of assets, net	
Equity	119,767
Portion paid in excess of carrying amount	**70,529**
(-) Property, plant and equipment at fair value	(35,587)
(-) Intangible assets at fair value	(17,645)
(-) Fair value adjustment – other assets and liabilities	(775)
Goodwill (portion of unallocated price)	**16,522**

Details on net assets acquired and consideration are as follows:

	Closing balances at 12/03/2018	Fair value determined /PPA (preliminary)	Value adjustments determined	Adjusted balances
Fixed portion of acquisition price	140,000	-	-	140,000
Retained portion	40,000	-	-	40,000
Contingent consideration	10,296	-	-	10,296
Total acquisition cost	**190,296**	**-**	**-**	**190,296**
Assets				
Cash and cash equivalents	26,433	-	-	26,433
Accounts receivable	61,492	-	-	61,492
Inventories	40,237	775	-	41,012
Taxes recoverable and deferred taxes	100,525	-	-	100,525
Property, plant and equipment	77,902	35,587	-	113,489
Intangible assets	15,858	17,645	-	33,503
Goodwill (Note 11)	-	34,884	(18,362)	16,522
Other assets	4,075	122	-	4,197
Total assets	**326,522**	**89,013**	**(18,362)**	**397,173**
Liabilities				
Loans and financing, net of derivatives	176,463	-	-	176,463
Provision for contingencies	454	122	-	576
Trade accounts payable	15,148	-	-	15,148
Taxes payable and accrued vacation pay/charges	9,737	-	-	9,737
Deferred taxes	-	18,362	(18,362)	-
Other liabilities	4,953	-	-	4,953
Total liabilities	**206,755**	**18,484**	**(18,362)**	**206,877**
Preliminary fair value of net assets acquired	**119,767**	**70,529**	**-**	**190,296**

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

In order to integrate these synergies, at the Special General Meeting (SGM) held on March 1, 2019, the Company unanimously approved the merger of SLC Alimentos Ltda.Com, whose net assets merged at March 1, 2109 were as follows:

	Merged balance
Assets	
Cash and cash equivalents	11,516
Accounts receivable	48,444
Inventories	25,618
Taxes recoverable	97,718
Property, plant and equipment, net (Note 10)	111,870
Intangible assets (Note 11)	32,499
Other assets	6,773
Total assets	**334,438**
Liabilities	
Loans and financing (Note 13)	148,166
Provision for contingencies (Note 15.1)	593
Other liabilities	14,584
Total liabilities	**163,343**
Total identifiable assets, net	**171,095**

9. Investments

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Subsidiaries	**1,000,347**	1,038,241	**-**	-
Affiliates	**-**	-	**30,238**	29,789
Goodwill on investment acquisition (*)	**201,988**	220,350	**-**	-
	1,202,335	1,258,591	**30,238**	29,789

(*) For consolidation purposes, the goodwill generated by the acquisition of investments is allocated to intangible assets, as set forth in NBC TG 15 (R4) / CPC 15 (R1) /IFRS 3 – Business Combination.

Changes in investments are as under:

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Opening balance	**1,258,591**	877,129	**29,789**	26,657
Payment of capital in subsidiary (a)	**6,388**	25,000	**-**	-
Acquisition of investment (b)	**-**	190,296	**-**	-
Merger of investment (b)	**(171,095)**	-	**-**	-
Adjusted recognition of goodwill on SLC acquisition	**(603)**	-	**-**	-
Income (loss) from disposal of equity interest in subsidiary	**-**	(120)	**-**	-
Equity pickup	**54,841**	95,434	**(3,216)**	(996)
Foreign exchange difference on investments (c)	**54,213**	74,249	**3,665**	4,128
Transfer to capital deficiency in direct subsidiary	**-**	(3,397)	**-**	-
Closing balance	**1,202,335**	1,258,591	**30,238**	29,789

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

a) On July 16, 2019, the Company increased capital of subsidiary Ciclo Logística Ltda. in the amount of R$6,388 through issue of new units of interest in the subsidiary, according to the 21st amendment to the Articles of Organization.

b) Acquisition and merger of SLC Alimentos Ltda., as detailed in Note 8.

c) In the nine-month period ended November 30, 2019, the amount of R$54,213 (R$74,249 at February 28, 2019) was recorded referring to effects of foreign exchange differences from the translation of the financial statements of foreign subsidiaries, originally prepared in US dollars (USD), Chilean pesos (CLP) and the new sol (PEN), into reais. These effects are recorded as other comprehensive income, in equity.

10. Property, plant and equipment

Consolidated	Land	Buildings and improvements	Machinery and equipment	Advances to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/28/2019	58,660	207,975	543,162	4,160	115,249	30,873	**960,079**
Merger of SLC Alimentos Ltda. (Note 8)	**4,607**	**53,857**	**92,491**	**-**	**823**	**2,038**	**153,816**
Acquisitions	**361**	**112**	**3,159**	**14,815**	**51,441**	**24**	**69,912**
Write-offs	**-**	**(11)**	**(917)**	**-**	**-**	**(76)**	**(1,004)**
Transfers	**-**	**53,288**	**62,957**	**(9,847)**	**(101,985)**	**(4,413)**	-
Balance at 11/30/2019	**63,628**	**315,221**	**700,852**	**9,128**	**65,528**	**28,446**	**1,182,803**
Depreciation							
Balance at 02/28/2019	-	(68,541)	(358,728)	-	-	(19,160)	**(446,429)**
Merger of SLC Alimentos Ltda. (Note 8)	**-**	**(14,797)**	**(25,912)**	**-**	**-**	**(1,237)**	**(41,946)**
Depreciation	**-**	**(7,868)**	**(35,655)**	**-**	**-**	**(1,269)**	**(44,792)**
Write-offs	**-**	**7**	**826**	**-**	**-**	**68**	**901**
Transfers	**-**	**397**	**(397)**	**-**	**-**	**-**	**-**
Balance at 11/30/2019	**-**	**(90,802)**	**(419,866)**	**-**	**-**	**(21,598)**	**(532,266)**
Balance at 02/28/2019	58,660	139,434	184,434	4,160	115,249	11,713	513,650
Balance at 11/30/2019	**63,628**	**224,419**	**280,986**	**9,128**	**65,528**	**6,848**	**650,537**

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

Consolidated	Land	Buildings and improvements	Machinery and equipment	Advances to suppliers	Construction in progress	Other	Total
Cost							
Balance at 02/28/2019	114,604	476,419	1,088,970	4,159	123,122	95,987	**1,903,261**
Foreign exchange differences	**4,134**	**11,271**	**46,093**	**-**	**452**	**2,804**	**64,754**
Acquisitions	**361**	**112**	**3,186**	**14,815**	**64,471**	**7,530**	**90,475**
Write-offs	**-**	**(11)**	**(3,078)**	**-**	**(3,052)**	**(1,507)**	**(7,648)**
Transfers	**472**	**54,813**	**66,963**	**(9,847)**	**(109,783)**	**(2,618)**	**-**
Balance at 11/30/2019	**119,571**	**542,604**	**1,202,134**	**9,127**	**75,210**	**102,196**	**2,050,842**
Depreciation							
Balance at 02/28/2019	-	(155,949)	(727,812)	-	-	(47,671)	**(931,432)**
Foreign exchange differences	**-**	**(4,878)**	**(37,820)**	**-**	**-**	**(2,096)**	**(44,794)**
Depreciation	**-**	**(14,320)**	**(56,901)**	**-**	**-**	**(5,236)**	**(76,457)**
Write-offs	**-**	**(128)**	**2,234**	**-**	**-**	**1,169**	**3,275**
Transfers	**-**	**397**	**(397)**	**-**	**-**	**-**	**-**
Balance at 11/30/2019	**-**	**(174,878)**	**(820,696)**	**-**	**-**	**(53,834)**	**(1,049,408)**
Balance at 02/28/2019	114,604	320,470	361,158	4,159	123,122	48,316	971,829
Balance at 11/30/2019	**119,571**	**367,726**	**381,438**	**9,127**	**75,210**	**48,362**	**1,001,434**

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$36,948 (R$41,968 at February 28, 2019), which are guaranteed by statutory lien on property, plant and equipment items recorded under “Machinery and Equipment”. Subsidiary Costeño Alimentos S.A.C. has also taken out loans for which properties were given as collateral amounting to R$64,109 (R$47,324 at February 28, 2019), recorded under “Buildings and improvements”.

11. Intangible assets

Individual	Software	Goodwill	Trademarks and patents	Customer relationship	Non-compete agreement	Software under development	Total
Balance at 02/28/2019	9,597	-	215,550	-	-	5,206	230,353
Merger of SLC Alimentos Ltda. (Note 8)	**113**	**-**	**24,535**	**6,375**	**1,476**	**-**	**32,499**
Acquisitions	**-**	**-**	**-**	**-**	**-**	**13,605**	**13,605**
Write-offs	**-**	**-**	**-**	**-**	**-**	**(77)**	**(77)**
Amortization	**(2,208)**	**-**	**-**	**-**	**-**	**-**	**(2,208)**
Balance at 11/30/2019	**7,502**	**-**	**240,085**	**6,375**	**1,476**	**18,734**	**274,172**

Consolidated	Software	Goodwill	Trademarks and patents	Customer relationship	Non-compete agreement	Software under development	Total
Balance at 02/28/2019	14,127	306,887	321,235	6,375	1,476	5,206	655,306
Foreign exchange differences	**83**	**6,317**	**3,222**	**-**	**-**	**-**	**9,622**
Acquisitions	**4,073**	**-**	**-**	**-**	**-**	**13,605**	**17,678**
Write-offs (*)	**(235)**	**(18,362)**	**-**	**-**	**-**	**(77)**	**(18,674)**
Amortization	**(2,799)**	**-**	**-**	**-**	**-**	**-**	**(2,799)**
Balance at 11/30/2019	**15,249**	**294,842**	**324,457**	**6,375**	**1,476**	**18,734**	**661,133**

(*) Impact from the reversal of deferred income and social contribution taxes on the surplus values of subsidiary SLC Alimentos Ltda. due to its merger, matched against deferred taxes (Note 8).

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

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

Individual	Fish CGU		Sugar CGU		Grains CGU		Total	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Carrying amount of trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	30,595	**240,085**	215,550
Property, plant and equipment	**132,827**	139,059	**96,512**	79,803	**421,198**	294,788	**650,537**	513,650
Other intangible assets	**121**	123	**219**	6	**33,747**	14,674	**34,087**	14,803
	183,832	190,066	**230,802**	213,880	**510,075**	340,057	**924,709**	744,003

Consolidated	Food products - Brazil						Food products - International		Total	
	Fish CGU		Sugar CGU		Grains CGU		Grains CGU			
	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Carrying amount of trademarks and patents	**50,884**	50,884	**134,071**	134,071	**55,130**	55,130	**84,372**	81,150	**324,457**	321,235
Property, plant and equipment	**132,827**	139,059	**96,512**	79,803	**438,477**	419,550	**333,618**	333,417	**1,001,434**	971,829
Other intangible assets	**121**	123	**219**	6	**33,748**	22,641	**7,746**	4,414	**41,834**	27,184
Carrying amount of goodwill	**17,670**	17,670	**144,142**	144,142	**40,176**	58,538	**92,854**	86,537	**294,842**	306,887
	201,502	207,736	**374,944**	358,022	**567,531**	555,859	**518,590**	505,518	**1,662,567**	1,627,135

Intangible assets and property, plant and equipment are annually tested for impairment. For the year ended February 28, 2019, no assets were detected recorded at an amount exceeding their recoverable amount, as disclosed in Note 12 to the financial statements at February 28, 2019.

12. 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 8 years.

As mentioned in Note 2.3, the Company does not expect significant impacts on CVM Circular Letter SNC/SEP 02/2019.

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

a) Right-of-use assets

Individual	Real properties	Machinery and equipment	Vehicles	Total
Opening balance at 02/28/2019	-	-	-	**-**
Leases recognized during the transition to NBC TG 06 (R3) / CPC 06 (R2) / IFRS 16 at 03/01/2019	76,314	3,601	2,616	**82,531**
Acquisitions	38,758	8,070	508	**47,336**
Amortization of deferred PIS and COFINS tax credits	(950)	(183)	-	**(1,133)**
Monetary restatement	3,234	9	50	**3,293**
Amortization	(16,496)	(1,470)	(936)	**(18,902)**
Write-offs	(33,098)	(873)	(12)	**(33,983)**
Balance at 11/30/2019	**67,762**	**9,154**	**2,226**	**79,142**

Consolidated	Real properties	Machinery and equipment	Vehicles	Total
Opening balance at 02/28/2019	-	-	-	**-**
Leases recognized during the transition to NBC TG 06 (R3) / CPC 06 (R2) / IFRS 16 at 03/01/2019	94,299	3,871	2,980	**101,150**
Foreign exchange difference on first-time adoption	892	(16)	(23)	**853**
Acquisitions	38,929	8,070	509	**47,508**
Amortization of deferred PIS and COFINS tax credits	(950)	(183)	-	**(1,133)**
Monetary restatement	3,234	9	50	**3,293**
Amortization	(21,490)	(1,541)	(1,177)	**(24,208)**
Write-offs	(33,098)	(873)	(12)	**(33,983)**
Balance at 11/30/2019	**81,816**	**9,337**	**2,327**	**93,480**

b) Lease liabilities

	Individual	Consolidated
Opening balance at 02/28/2019	-	-
Leases recognized during the transition to NBC TG 06 (R2) / IFRS 16	93,555	113,987
PVA recognized during the transition to IFRS 16	(11,248)	(13,161)
Foreign exchange difference on first-time adoption	-	853
Additions of new lease agreements	60,540	60,715
PVA recognized on additions of new lease agreements	(12,980)	(12,983)
Remeasurement of lease agreements	3,611	3,611
PVA recognized on measurement	(318)	(318)
Write-off due to payment of lease liabilities	(22,160)	(27,302)
Amortization of accrued interest (PVA)	3,813	4,356
Write-offs due to contractual amendment	(34,619)	(34,620)
Balance at 11/30/2019	**80,194**	**95,238**
Current	20,347	27,280
Noncurrent	59,847	67,958

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

The acquisitions and losses presented in the tables above refer mainly to the change of the leaser of the Santa Cruz plant, located in Rio de Janeiro, changing the conditions laid down in the calculated contract of the transition of the standard on March 1, 2019.

Lease payment schedule is as follows:

	Individual			
	Real properties	Machinery and equipment	Vehicles	Total
Nov/20	16,507	2,577	1,263	**20,347**
Nov/21	8,420	1,940	859	**11,219**
Nov/22	6,694	1,688	177	**8,559**
Nov/23	5,824	1,797	-	**7,621**
Nov/24	5,616	1,268	-	**6,884**
After Nov/24	25,564	-	-	**25,564**
	68,625	**9,270**	**2,299**	**80,194**

	Consolidated			
	Real properties	Machinery and equipment	Vehicles	Total
Nov/20	23,237	2,685	1,358	**27,280**
Nov/21	11,053	1,940	949	**13,942**
Nov/22	8,545	1,688	177	**10,410**
Nov/23	7,717	1,797	-	**9,514**
Nov/24	6,963	1,268	-	**8,231**
After Nov/24	25,861	-	-	**25,861**
	83,376	**9,378**	**2,484**	**95,238**

c) Lease gains/losses

	Individual	Consolidated
	11/30/2019	
Exemptions (Variable, low-value or shorter than 12-month leases) - Note 19	(4,911)	(36,030)
Amortization of rent lease - Note 19	(18,902)	(24,208)
Finance costs – Accrued interest (PVA) – Note 20	(3,813)	(4,356)
	(27,626)	**(64,594)**

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

13. Loans, financing and debentures

	Currency / Index	Weighted average annual rate 11/30/2019	Individual		Consolidated	
			11/30/2019	02/28/2019	11/30/2019	02/28/2019
Working capital (a)						
Local currency	-	6.74%	**27,654**	-	**27,654**	129,464
Local currency	IPCA	4.00%	**9,410**	-	**9,410**	9,654
Foreign currency (*)	USD	2.77%	**39,615**	20,828	**259,858**	92,011
Foreign currency (**)	CLP	4.00%	**-**	-	**1,422**	7,166
Foreign currency (***)	PEN	4.59%	**-**	-	**95,633**	109,085
FINAME (a)	-	4.35%	**36,948**	41,968	**36,948**	51,165
Property, plant and equipment financing – foreign currency	USD	2.92%	**-**	-	**42,688**	50,176
			113,627	62,796	**473,613**	448,721
Debentures – Non-privileged guarantee						
Issued on 11/23/2016 - 1st series	CDI	99% CDI p.a.	**215,334**	218,917	**215,334**	218,917
Issued on 11/23/2016 – 2nd series	CDI	100% CDI p.a.	**188,780**	191,864	**188,780**	191,864
Issued on 05/19/2017 – 2nd series	CDI	97% CDI p.a.	**242,796**	239,674	**242,796**	239,674
Issued on 05/19/2017 – 2 nd series	CDI	98% CDI p.a.	**170,365**	168,152	**170,365**	168,152
Issued on 12/15/2017 - Single series	CDI	98% CDI p.a.	**172,370**	170,130	**172,370**	170,130
Issued on 04/16/2019 - 1st series (b)	CDI	98% CDI p.a.	**273,209**	-	**273,209**	-
Issued on 04/16/2019 – 2 nd series (b)	CDI	101% CDI p.a.	**330,570**	-	**330,570**	-
Cost of transaction			**(15,004)**	(8,599)	**(15,004)**	(8,599)
			1,578,420	980,138	**1,578,420**	980,138
			1,692,047	1,042,934	**2,052,033**	1,428,859
Current			**544,118**	254,079	**827,694**	514,114
Noncurrent			**1,147,929**	788,855	**1,224,339**	914,745

(*) USD – US dollar
(**) CLP – Chilean pesos
(***) PEN – Peruvian Nuevo Sol

a) Part of the working capital in the Parent Company amounting to R$8,178 is guaranteed by statutory lien on inventories and FINAME amounting to R$36,948 is guaranteed by statutory lien on property, plant and equipment (R$41,968 at February 28, 2019). As for subsidiary Costeño Alimentos S.A.C. the assets pledged as collateral were mentioned in Note 10 - Property, plant and equipment.

b) *Eighth issue of Nonconvertible Unsecured Debentures – Agribusiness Receivables Certificate (“CRA”)*

On April 16, 2019, the Company issued debentures, according to the “Private Indenture for the 8th issue of unsecured nonconvertible debentures, amounting to R$600,000, in two series, for Private Placement, of Camil Alimentos S.A.”, entered into by and between the Issuer and Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. A.

After the acquisition by Securitizadora, the debentures were associated with the 1st and 2nd series of the 5th issue of Agribusiness Receivables Certificates (“CRA”) of Securitizadora.

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

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

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

The CRA issued derives from the purchase of sugar of the Company contracted with Raízen Energia S.A. ("Raízen") and provides for performance of the following covenant: Net debt/EBITDA equal to or lower than 3.5x (three point fifty hundredths).

For all issue dates, the Company may early redeem, in full or in part, the debentures from the issue date, upon written notice to the Trustee and publication of a notice to Debenture Holders.

The Company monitors quarterly the predictability of its covenants and its subsidiaries. In the quarter ended November 30, 2019, some financial indices contained in the restrictive lending clauses of subsidiary Costeño Alimentos S.A.C. were defaulting. The waiver letter was obtained within the quarter, granting the exemption from maintaining the financial indices provided for in the contract. Subsequently, that subsidiary provided with the financial adjustments in its indebtedness, in order to be in place with established covenants.

Loans, financing and debentures installments mature as follows:

Individual				Consolidated			
11/30/2019		02/28/2019		11/30/2019		02/28/2019	
Nov/20	**544,118**	Feb/20	254,079	Nov/20	**827,694**	Feb/20	514,114
Nov/21	**362,802**	Feb/21	432,300	Nov/21	**392,700**	Feb/21	498,475
Nov/22	**175,775**	Feb/22	342,782	Nov/22	**201,460**	Feb/22	385,475
Nov/23	**276,048**	Feb/23	7,912	Nov/23	**295,375**	Feb/23	14,403
Nov/24	**2,810**	Feb/24	3,617	Nov/24	**4,311**	Feb/24	8,012
After Nov/24	**330,494**	After Feb/24	2,244	After Nov/24	**330,493**	After Feb/24	8,380
	1,692,047		1,042,934		**2,052,033**		1,428,859

Changes in loans, financing and debentures are as follows:

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Opening balance	**1,042,934**	1,052,090	**1,428,859**	1,285,689
Business combination - SLC Alimentos Ltda.	**-**	-	**-**	176,669
Merger of SLC Alimentos Ltda. (Note 8)	**148,166**	-	**-**	-
Funds raised	**692,169**	108,602	**1,139,071**	636,067
Allocation of interest and monetary and exchange differences	**75,464**	67,194	**108,517**	108,745
Allocation of costs	**5,098**	5,109	**5,098**	5,109
Amortization of principal	**(201,919)**	(125,987)	**(554,439)**	(706,332)
Interest amortization	**(69,865)**	(64,074)	**(75,073)**	(77,088)
Closing balance	**1,692,047**	1,042,934	**2,052,033**	1,428,859

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

14. Transactions with related parties

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

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Current assets				
Accounts receivable				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales – SAMAN	**745**	2,655	**-**	-
Empresas Tucapel S.A.	**-**	101		-
Ciclo Logística Ltda.	**12**	2,926	**-**	-
Affiliates:				
Galofer S.A.	**-**	-	**23,502**	18,437
Comisaco S.A.	**-**	-	**6,428**	5,789
Arroz Uruguayo S.A. – Arrozur	**-**	-	**84**	1
Other related parties:				
Camil Investimentos S.A.	**-**	22	**-**	22
Climuy S.A.	**-**	-	**51**	-
Advance of interest on equity (Note 16.e (iii))	**9,272**	-	**9,272**	-
Total assets	**10,029**	5,704	**39,337**	24,249

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Current liabilities				
Accounts payable for purchases				
Subsidiaries:				
S.A. Molinos Arroceros Nacionales - SAMAN	**3,534**	17,280	**-**	-
Ciclo Logística Ltda.	**9,876**	6,944	**-**	-
SLC Alimentos Ltda.	**-**	3,071	**-**	-
Affiliates:				
Climuy S.A.	**-**	-	**49**	243
Arroz Uruguayo S.A. – Arrozur	**-**	-	**2,220**	1,719
Tacua S.A.	**-**	-	**9**	8
Comisaco S.A	**-**	-	**686**	-
Other related parties:				
Q4 Sertãozinho Empreendimentos e Participações Ltda.	**-**	135	**-**	135
Q4 Itajaí Empreendimentos e Participações Ltda.	**173**	162	**173**	162
Q4 Empreendimentos e Participações Ltda.	**912**	1,618	**912**	1,618
Total liabilities	**14,495**	29,210	**4,049**	3,885

Related-party transactions are conducted in the course of Company's business, under conditions agreed by the parties. At November 30, 2019, no provision for losses was set up for related-party transactions.

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

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

	Individual		Consolidated	
	11/30/2019	11/30/2018	11/30/2019	11/30/2018
Revenue from sale of rice husk				
Galofer S.A.	**-**	-	**2,463**	1,282
Expenses from purchase of processed rice				
S.A. Molinos Arroceros Nacionales - SAMAN	**(23,496)**	(53,442)	**-**	-
Freight expenses				
Ciclo Logística Ltda.	**(61,590)**	(50,634)	**-**	-
Irrigation expenses				
Comisaco S.A.	**-**	-	**(4,782)**	(4,173)
Climuy S.A.	**-**	-	**-**	(3,878)
Expenses with rice parboiling				
Arroz Uruguayo S.A. – Arrozur	**-**	-	**(8,997)**	(8,008)
Expenses with port services				
Tacua S.A.	**-**	-	**(122)**	(3,290)
Total, net	**(85,086)**	(104,076)	**(11,438)**	(18,067)

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

	Individual		Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/302019	03/01/2018 to 11/30/2018
Property lease income				
Camil Investimentos S.A.	**195**	195	**195**	195
Gain on purchase of tax credit				
Camil Investimentos S.A.	**-**	1,020	**-**	1,020
Rental expenses				
Q4 Empreendimentos e Participações Ltda.	**(15,045)**	(13,022)	**(15,045)**	(13,022)
Q4 Sertãozinho Empreendimentos e Participações Ltda.	**(1,651)**	(1,166)	**(1,651)**	(1,166)
Q4 Itajaí Empreendimentos e Participações Ltda.	**(1,504)**	(1,400)	**(1,504)**	(1,400)
Total, net	**(18,005)**	(14,373)	**(18,005)**	(14,373)

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

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

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

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

a) Sureties provided

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

Bank loan transactions	11/30/2019	02/28/2019
Related parties		
Arroz Uruguayo S.A. – Arrozur	**554**	981
Comisaco S.A.	**1,935**	1,713
Galofer S.A.	**10,998**	12,311
	13,487	15,005
Third parties		
Balerel SRL	**3,379**	2,991
Rice producers		
Bank loan transactions	**-**	866
Supplier transactions	**-**	1,812
	-	2,678
	16,866	20,674

b) Management compensation

Compensation paid to Statutory Officers and Independent Directors for the nine-month period ended November 30, 2019, totaled R$3,255 (R$4,235 at November 30, 2018) and is carried as general and administrative expenses in profit or loss. The Company's executives are also inserted in the Stock Options-Based Payment Plan, described in explanatory note No. 16 d.

15. Provision for contingencies

15.1 Probable risks

	Individual				
Risks	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2019	57	20,581	13,244	127	**34,009**
Merger of SLC Alimentos (Note 8)	**-**	**-**	**593**	**-**	**593**
Additions	**3**	**413**	**4,851**	**45**	**5,312**
Write-offs	**-**	**(2,484)**	**(2,889)**	**(34)**	**(5,407)**
At November 30, 2019	**60**	**18,510**	**15,799**	**138**	**34,507**

	Individual				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2019	-	(3,078)	(2,978)	(1,703)	**(7,759)**
Merger of SLC Alimentos	**-**	**-**	**(686)**	**-**	**(686)**
Additions	**-**	**(770)**	**(1,708)**	**-**	**(2,478)**
Write-offs	**-**	**3,176**	**1,208**	**-**	**4,384**
At November 30, 2019	**-**	**(672)**	**(4,164)**	**(1,703)**	**(6,539)**

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

	Consolidated				
Risks	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2019	57	20,583	16,335	127	**37,102**
Additions	**3**	**413**	**11,325**	**45**	**11,786**
Write-offs	**-**	**(2,484)**	**(3,496)**	**(34)**	**(6,014)**
At November 30, 2019	**60**	**18,512**	**24,164**	**138**	**42,874**

	Consolidated				
Judicial deposits	**Environmental**	**Civil**	**Labor**	**Tax**	**Total**
At February 28, 2019	-	(3,363)	(4,795)	(1,703)	**(9,861)**
Additions	**-**	**(770)**	**(1,846)**	**-**	**(2,616)**
Write-offs (a)	**-**	**3,176**	**1,657**	**-**	**4,833**
At November 30, 2019	**-**	**(957)**	**(4,984)**	**(1,703)**	**(7,644)**

15.1.1 Labor

The Company and its subsidiaries are parties to several labor claims, whose individual amounts are considered immaterial by management. The Company and its subsidiaries set up a provision based on the probable likelihood of loss, and there were no changes in proceedings for this quarter.

15.1.2 Civil

Currently, the Company is a party to two significant proceedings:

i) Collection action No. 0100208-33.2013.8.19.0001 (SAAL)

Lawsuit filed by the entity Soluções Ambientais Águas do Brasil Ltda. (SAAL) against Camil Alimentos S.A. due to the alleged non-compliance of a contract signed between the parties for effluent management and operation in the São Gonçalo/RJ unit. On 6 December 2019, the judgment of the special appeal which dismissed Camil was published and the case currently awaits the final transit. The amount provisioned is R$16,781 (updated with monetary correction and interest).

ii) Proceeding for calculation of award No. 001/1.11.0066033-0 (Bankruptcy estate of VFB Comércio e Representações Ltda.)

Liquidation process resulting from the collection action filed by Camil in the face of VFB Comércio e Representações Ltda. through which compensation was sought for non-compliance with service contracts. In turn, VFB's bankrupt mass filed a separate collection action in the face of Camil, requiring compensation for losses and damages. After the settlement of sentences, it was determined, in the first degree, that there would be a debt of Camil vis-à-vis VFB in the historical value of approximately R$1,500.

In the third quarter ended November 30, 2019, the proceeding had changes that were not favorable to the Company, so the judicial deposit amounting to R$3,154 was written off against the provision set up.
Other significant lawsuits whose likelihood of loss is assessed as possible are mentioned in Note 17 to the annual financial statements.

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

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

16. Equity

a) Capital

Composition of the share capital of R$950,374 (common shares) as of November 30, 2019 and February 28, 2019 (authorized capital of R$2,500,000):), fully represented by common shares:

	11/30/2019		02/28/2019	
Shareholders	**Number**	**(%)**	**Number**	**(%)**
Camil Investimentos S.A.	**229,735,239**	**62.09%**	229,735,239	56.03%
WP XII e Fundo de Investimentos em Participações	**-**	**-**	35,402,154	8.63%
Franklin Templeton Investments (*)	**-**	**-**	20,553,200	5.01%
Controlling shareholders and managing officers	**19,010,264**	**5.14%**	19,034,364	4.64%
Treasury	**-**	**-**	5,821,571	1.42%
Outstanding shares (free float) (*)	**121,254,497**	**32.77%**	120,058,548	24.27%
Total (**)	**370,000,000**	**100.00%**	410,051,876	100.00%

* On February 28, 2019, shareholder Franklin Templeton's shares comprised the volume of outstanding shares totaling 120,058,548 common shares. As of November 30, 2019, in the composition of outstanding shares there are no investors with more than 5% stake.
** The total number of shares was impacted by the deliberate cancellations at Meetings of the Board of Directors, after repurchase of shares of shareholder WP XII and Multistrategy Equity Investment Fund. More details are described in the explanatory note 16 c.

b) Earnings per share

Cálculo do lucro por ação:	**03/01/2019 to 11/30/2019**	**03/01/2018 to 11/30/2018**	**09/01/2019 to 11/30/2019**	**09/01/2018 to 11/30/2018**
Net income for the period	**156.005**	261.926	**66.096**	150.295
Weighted average number of common shares (*)	**398.473.104**	404.532.287	**390.443.353**	404.230.305
Basic earnings per share – R$	**0,3915**	0,6475	**0,1693**	0,3715
Diluted earnings per share – R$	**0,3911**	0,6475	**0,1693**	0,3715

(*) The Company's weighted average number of shares does not include treasury shares acquired due to the Stock Option plan for the period ended November 30, 2019.

(**) For the quarter ended November 30, 2019, such shares were cancelled, and the treasury share balance is zero.

c) Share buyback program

On April 1, 2019, the Board of Directors approved the second share buyback program, whose purpose is the acquisition of common shares issued by the Company comprising grants already performed under the Company's stock option plan, as well as the cancellation, being held in treasury or being disposed of, without reducing capital, in order to efficiently apply the funds available in cash to maximize Company's capital allocation and generation of shareholder value.

The new share buyback program provides for the acquisition limit of 3,565,275 common shares until October 1, 2019. This objective was achieved on August 7, 2019.

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

On October 22, 2019, the Board of Directors resolved the first cancellation of shares issued by the Company held in treasury, in compliance with the objective to approve the acquisition of 30,665,030 shares held by shareholder WP XII e Fundo de Investimento em Participações Multiestratégia ("FIP WP"), through a share purchase and sale agreement at the price of R$6.25 per share. Equity held in said shareholder was equivalent to approximately 7.48% of capital, and 20.19% of total outstanding shares. The share buyback program approval was confirmed in the Special General Shareholders' Meeting held on November 7, 2019.

The share buyback program was conducted in three phases, in conformity with article 8 of CVM Rule No. 567, of September 17, 2015, which limits maintenance of treasury shares issued by the Company to 10% of outstanding shares. It was completed on November 27, 2019. All shares acquired were cancelled, as resolved by the Board of Directors, as follows: 15,191,952 shares on November 8, 2019; 13,672,757 on November 14, 2019; and 1,800,321 on November 21, 2019.

After repurchases and cancellations, capital comprised 370,000,000 shares.

d) Share-based payment

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

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

In addition to this fact, there were contractual dissolutions related to the two existing grants in the first three-month period ended May 31, 2019.

The Granting Plan has the following objectives:

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

Option exercise

The Options must be exercised within a maximum period of 7 (seven) years observing 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.

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

Position of options granted through November 30, 2019 and the corresponding provisioned amount, net of provision for IRPJ and CSLL, totaling R$4,368 (R$2,787 at February 28, 2019):

Granting Date:	10/31/2017		12/12/2017		04/01/2019		Total		
	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Number of shares granted	Gross amount	Net provision at 11/30/2019
Option exercise									
20% - first anniversary	455,419	673	497,276	536	781,355	357	**1,734,050**	**1,566**	**1,034**
30% - second anniversary	683,128	929	745,914	748	1,172,032	357	**2,601,074**	**2,034**	**1,343**
50% - third anniversary	1,138,547	1,405	1,243,190	1,167	1,953,387	446	**4,335,124**	**3,018**	**1,991**
	2,277,094	**3,007**	**2,486,380**	**2,451**	**3,906,774**	**1,160**	**8,670,248**	**6,618**	**4,368**

(*) On October 31, 2019, there was the first anniversary of the first deliberate grant. Total exercisable shares are 455,419.

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

e) Shareholders' compensation

The following events occurred in the nine-month period related to the distribution of earnings to shareholders:

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

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

(iii) On June 26, 2019, the Board of Directors approved the payment of supplementary dividends as interest on equity to the Company's shareholders for the fiscal year ended February 28, 2019. The approved gross amount was R$15,000, corresponding to the gross unit value of R$0.03731 per common share. The payment of the interest on equity was made on July 16, 2019 to the shareholders holding common shares issued by the Company on the base date of July 1, 2019. The amount will be maintained under the heading Interest on Equity Advance, (R$5,728 relating to minority shareholders) and related parties (R$9,272 relating to controlling shareholders), until the next Annual Shareholders' Meeting (Note 14).

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

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

f) 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 a subsidy of R$90,752 in the nine-month period ended November 30, 2019 (R$363,158 at November 30, 2018).

17. Income and social contribution taxes

Reconciliation of amounts recorded in profit or loss

	Individual		Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Income before taxes	**134,882**	275,972	**152,780**	294,618
Statutory rates (*)	**34%**	34%	34%	34%
Income and social contribution taxes at statutory rate	**(45,860)**	(93,830)	**(51,945)**	(100,170)
Permanent (additions) exclusions				
Equity pickup	**18,646**	25,605	**(1,093)**	1,595
ICMS subsidy	**30,856**	43,449	**30,856**	43,449
Payment of interest on equity	**19,040**	22,100	**19,040**	22,100
Amnesty of charges – enrollment with PRR (Funrural)	**-**	7,690	**-**	7,690
Taxation on foreign gain from disposal of subsidiary	**-**	(4,148)	**-**	(4,148)
Other permanent exclusions (additions)	**(1,559)**	(14,912)	**6,367**	(3,208)
Amount recorded in profit or loss	**21,123**	(14,046)	**3,225**	(32,692)
Effective rates	**-15.7%**	5.1%	**-2.1%**	11.1%

(*) 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.

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

Deferred income and social contribution taxes

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Temporary differences - assets				
Allowance for doubtful accounts	**2,035**	1,921	**2,715**	2,761
Provision for profit sharing	**2,787**	2,943	**2,787**	2,943
Provision for losses - ICMS	**-**	-	**-**	461
Provision for contingencies	**11,988**	11,563	**11,988**	11,723
Income and social contribution tax losses	**26,355**	4,379	**26,355**	4,379
Provision for losses on advances to suppliers	**2,719**	2,656	**2,719**	2,724
Provision for inventory losses	**2,704**	2,189	**2,704**	2,189
Provision for losses of tax credits	**1,017**	105	**1,017**	105
Provision for sales discounts	**3,596**	2,404	**3,596**	2,404
Provision for restructuring losses	**12,161**	12,242	**12,161**	12,242
Right-of-use asset	**20,635**	-	**21,295**	-
Other temporary provisions	**3,423**	3,554	**8,391**	11,756
	89,420	43,956	**95,728**	53,687

	Individual		Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Temporary differences – liabilities				
Difference between accounting goodwill and tax goodwill	**41,032**	41,032	**41,032**	41,032
On allocation to intangible assets	**38,985**	38,985	**57,148**	56,912
On allocation to property, plant and equipment	**16,271**	17,135	**16,271**	17,135
Property, plant and equipment deemed cost	**31,890**	33,074	**31,890**	33,074
Costs to be amortized - debentures	**5,102**	2,924	**5,102**	2,924
Deferral on fair value adjustment – SLC Alimentos Ltda. (*)	**-**	-	**-**	17,759
Profit from abroad	**20,278**	-	**20,911**	-
Lease liabilities	**18,963**	-	**18,963**	-
Other temporary differences	**480**	562	**11,327**	13,662
	173,001	133,712	**202,644**	182,498
Deferred income and social contribution taxes, net				
Noncurrent liabilities	**83,581**	89,756	**106,916**	128,811

(*) Due to the merger of subsidiary SLC Alimentos Ltda., the surplus values calculated as per the preliminary report are now deductible for income and social contribution tax purposes. Accordingly, the respective deferred taxes were reversed (Note 8).

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

18. Sales and service revenue, net

	Individual		Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Gross sales and service revenue				
Domestic market	**3,202,284**	2,705,332	**4,048,386**	3,524,072
Foreign market	**128,842**	102,605	**465,927**	440,617
	3,331,126	2,807,937	**4,514,313**	3,964,689
Sales deductions				
Sales taxes	**(255,844)**	(229,381)	**(288,057)**	(259,823)
Returns and rebates	**(239,821)**	(216,059)	**(322,065)**	(288,028)
	(495,665)	(445,440)	**(610,122)**	(547,851)
	2,835,461	2,362,497	**3,904,191**	3,416,838

19. Expenses by nature

	Individual		Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Expenses by function				
Cost of products sold	**(2,217,390)**	(1,765,459)	**(2,991,023)**	(2,517,483)
Selling expenses	**(331,347)**	(295,235)	**(473,982)**	(447,033)
General and administrative expenses	**(166,766)**	(158,449)	**(236,467)**	(213,966)
	(2,715,503)	(2,219,143)	**(3,701,472)**	(3,178,482)
Expenses by nature				
Materials and raw material	**(1,938,866)**	(1,533,775)	**(2,454,183)**	(2,075,829)
Third-party services	**(77,075)**	(76,419)	**(98,723)**	(99,051)
Maintenance	**(66,490)**	(53,133)	**(78,482)**	(64,065)
Personnel	**(217,168)**	(200,930)	**(337,976)**	(339,999)
Freight	**(239,188)**	(190,977)	**(343,489)**	(285,196)
Sales commissions	**(16,538)**	(11,643)	**(22,612)**	(16,391)
Electric power	**(27,038)**	(19,812)	**(40,005)**	(35,676)
Depreciation and amortization	**(47,000)**	(42,167)	**(79,256)**	(74,134)
Amortization of the right-of-use asset (Note 12)	**(18,902)**	-	**(24,208)**	-
Lease (Note 12)	**(4,911)**	(19,182)	**(36,030)**	(35,557)
Taxes and rates	**(6,677)**	(7,008)	**(20,859)**	(17,688)
Export expenses	**(14,340)**	(15,914)	**(46,435)**	(25,790)
Other	**(41,310)**	(48,183)	**(119,214)**	(109,106)
	(2,715,503)	(2,219,143)	**(3,701,472)**	(3,178,482)

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

20. Finance income (costs)

	Individual		Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Finance costs				
Interest on loans	**(72,133)**	(48,000)	**(83,321)**	(59,966)
Interest on leases (Note 12)	**(3,813)**	-	**(4,356)**	-
Derivatives	**(29,301)**	(69,656)	**(29,301)**	(69,867)
Foreign exchange differences	**(3,910)**	(4,858)	**(3,932)**	(20,205)
Monetary variation	**(2,943)**	(6,921)	**(8,184)**	(6,814)
Other	**(10,115)**	(8,741)	**(14,034)**	(13,815)
	(122,215)	(138,176)	**(143,128)**	(170,667)
Finance income				
Interest income	**3,786**	1,337	**4,312**	3,711
Discounts	**2,655**	3,096	**5,099**	3,576
Short-term investments	**29,313**	27,225	**37,700**	33,720
Derivatives	**33,452**	73,191	**33,452**	73,191
Foreign exchange differences	**3,132**	4,945	**4,586**	11,447
Monetary variation	**9,550**	8,921	**9,550**	9,140
Other monetary gains (*)	**-**	36,521	**-**	36,521
Other	**2**	25	**16**	9
	81,890	155,261	**94,715**	171,315
	(40,325)	17,085	**(48,413)**	648

(*) The nine-month period ended November 30, 2019 includes prior-year monetary restatement relating to IRPJ and CSLL tax credits on ICMS subsidy recognition for the period from 2013 to 2016 and PIS and COFINS credits generated by the ICMS exclusion from their tax base, for the period from 2004 to February 2018, amounting to R$21,825 and R$19,711, respectively, as described in Note 8 to the annual financial statements.

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.

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

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

		Individual			
		11/30/2019		02/28/2019	
	Level	Carrying amount	Fair value	Carrying amount (Restated)	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	484,621	484,621	434,807	434,807
		484,621	**484,621**	**434,807**	**434,807**
Measured at fair value through profit or loss					
Cash equivalents	2	251,766	251,766	310,684	310,684
Short-term investments	2	184,117	184,117	31,459	31,459
Derivative financial instruments	2	89	89	350	350
		435,972	**435,972**	**342,493**	**342,493**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	240,454	240,454	284,004	284,004
Loans and financing	2	1,692,047	1,692,047	1,042,934	1,042,934
Accounts payable	2	53,225	53,225	50,901	50,901
		1,985,726	**1,985,726**	**1,377,839**	**1,377,839**

		Consolidated			
		11/30/2019		02/28/2019	
	Level	Carrying amount	Fair value	Carrying amount (Restated)	Fair value
Financial assets					
Amortized cost					
Accounts receivable	2	909,003	909,003	690,536	690,536
		909,003	**909,003**	**690,536**	**690,536**
Measured at fair value through profit or loss					
Cash equivalents	2	270,475	270,475	331,775	331,775
Short-term investments	2	184,117	184,117	31,459	31,459
Derivative financial instruments	2	89	89	511	511
		454,681	**454,681**	**363,745**	**363,745**
Financial liabilities					
Measured at amortized cost					
Trade accounts payable	2	509,406	509,406	423,204	423,204
Loans and financing	2	2,052,033	2,052,033	1,428,859	1,428,859
Accounts payable	2	53,225	53,225	50,901	50,901
		2,614,664	**2,614,664**	**1,902,964**	**1,902,964**

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 statement of financial position date.

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

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

Risk	Currency	Number of agreements	Principal	Hedging instrument amount	Liability balance at 11/30/2019
Future imports	US dollar	120	6,000	25,411	65
Future imports	Euro	40	2,250	10,513	24
Balance at 11/30/2019		**160**	**8,250**	**35,924**	**89**

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.

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 the careful selection of customer portfolio that takes into consideration their creditworthiness (credit rating) and the diversification of sales (risk dilution). The Company and its subsidiaries have historically obtained satisfactory results in relation to their goals of mitigating this risk. Short-term investments are always kept in banks listed among the 10 largest in the country.

In the nine-month period ended November 30, 2019, there was no individual customer accounting for more than 10% of the Company's and its subsidiaries' 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 transactions relating to cash investment and funding pegged to currencies other than the Brazilian real and CDI are subject to exchange rate (USD/BRL, CLP/BRL, PEN/BRL, and EUR/BRL) and interest rate fluctuations (CDI).

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Loans and financing	Debentures	Fluctuation of CDI	4.90%	(81,859)	(102,324)	(122,789)
Total				**(81,859)**	**(102,324)**	**(122,789)**
Variation (loss)					**(20,465)**	**(40,930)**

Debt (foreign exchange difference)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 25% R$	Scenario 3 50% R$
Financing	Debt denominated in USD	Fluctuation of BRL/USD	4.1568	4,817	(69,616)	(144,048)
Financing	Debt denominated in PEN*	Fluctuation of BRL/PEN	1.2287	1,086	(22,551)	(46,187)
Financing	Debt denominated in CLP**	Fluctuation of BRL/CLP	0.0054	(43)	(409)	(775)
Total				**5,860**	**(92,576)**	**(191,010)**
Variation (loss)					**(98,436)**	**(196,870)**

(*) PEN – Peruvian Nuevo Sol
(**) CLP – Chilean pesos

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

Program	Instrument	Risk	Annual rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Cash investments	Short-term investments	Fluctuation of CDI	4.90%	21,295	15,971	10,647
Total				**21,295**	**15,971**	**10,647**
Variation (loss)					**(5,324)**	**(10,648)**

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

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

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Cash investments	Short-term investments	Fluctuation of BRL/CLP	0.0054	19,273	14,455	9,636
Total				**19,273**	**14,455**	**9,636**
Variation (loss)					**(4,818)**	**(9,636)**

Derivatives designated as hedge (depreciation of Real)

Program	Instrument	Risk	Rate	Scenario 1 Probable R$	Scenario 2 (-) 25% R$	Scenario 3 (-) 50% R$
Imports	Derivatives	Fluctuation of BRL/USD	4.1568	(423)	(6,114)	(12,652)
Imports	Derivatives	Fluctuation of BRL/EURO	4.6440	(30)	(2,300)	(4,630)
Total				**(453)**	**(8,414)**	**(17,282)**
Variation (loss)					**(7,961)**	**(16,829)**

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

22. Segment information

Management defined its strategic business model with Company's decisions based on two segments Brazil and International.

The Group segments conduct operations with each other and have the same accounting policies described in Note 2.

Detailed information on Company segments is as follows:

	Food products - Brazil		Food products - International		Food products – Consolidated	
	11/30/2019	02/28/2019	11/30/2019	02/28/2019	11/30/2019	02/28/2019
Assets						
Current assets	**1,961,590**	1,635,202	**1,132,599**	848,373	**3,094,189**	2,483,575
Noncurrent assets	**1,345,120**	1,156,728	**735,634**	796,357	**2,080,754**	1,953,085
Total assets	**3,306,710**	2,791,930	**1,868,233**	1,644,730	**5,174,943**	4,436,660
Liabilities						
Current liabilities	**921,148**	629,708	**612,363**	477,915	**1,533,511**	1,107,623
Noncurrent liabilities	**1,403,220**	994,385	**115,010**	165,537	**1,518,230**	1,159,922
Total liabilities	**2,324,368**	1,624,093	**727,373**	643,452	**3,051,741**	2,267,545

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

	Food products - Brazil		Food products - International		Food products – Consolidated	
	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018	03/01/2019 to 11/30/2019	03/01/2018 to 11/30/2018
Gross sales revenue						
Domestic market	**3,203,278**	2,706,832	**845,108**	817,240	**4,048,386**	3,524,072
Foreign market	**128,842**	102,606	**337,085**	338,011	**465,927**	440,617
	3,332,120	2,809,438	**1,182,193**	1,155,251	**4,514,313**	3,964,689
Sales deductions						
Sales taxes	**(261,983)**	(234,208)	**(26,073)**	(25,615)	**(288,056)**	(259,823)
Returns and rebates	**(239,941)**	(216,462)	**(82,125)**	(71,566)	**(322,066)**	(288,028)
	(501,924)	(450,670)	**(108,198)**	(97,181)	**(610,122)**	(547,851)
Sales revenue, net	**2,830,196**	2,358,768	**1,073,995**	1,058,070	**3,904,191**	3,416,838
Cost of sales and services	**(2,203,267)**	(1,759,623)	**(787,756)**	(757,860)	**(2,991,023)**	(2,517,483)
Gross profit	**626,929**	599,145	**286,239**	300,210	**913,168**	899,355
Selling expenses	**(332,774)**	(296,195)	**(141,208)**	(150,838)	**(473,982)**	(447,033)
General and administrative expenses	**(104,268)**	(116,561)	**(28,735)**	(23,271)	**(133,003)**	(139,832)
Depreciation and amortization	**(68,765)**	(46,451)	**(34,699)**	(27,683)	**(103,464)**	(74,134)
Other operating income (expenses) and equity pickup	**579**	41,273	**(2,105)**	14,341	**(1,526)**	55,614
Income before finance income and costs	**121,701**	181,211	**79,492**	112,759	**201,193**	293,970
Finance costs	**(122,281)**	(138,336)	**(20,847)**	(32,331)	**(143,128)**	(170,667)
Finance income	**81,898**	155,262	**12,817**	16,053	**94,715**	171,315
Pretax income	**81,318**	198,137	**71,462**	96,481	**152,780**	294,618
IRPJ and CSLL	**19,075**	(15,933)	**(15,850)**	(16,759)	**3,225**	(32,692)
Net income	**100,393**	182,204	**55,612**	79,722	**156,005**	261,926

23. Subsequent events

a) Distribution of Interest on Equity

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

b) Settlement of the first series of the fifth issue of Nonconvertible Unsecured Debentures – Agribusiness Receivables Certificate (“CRA”)

On December 12, 2019, the Company settled the first series of the fifth issue of Nonconvertible Unsecured Debentures – Agribusiness Receivables Certificate (“CRA”), restated at 99% of CDI, in the amount of R$215,697, paid to Eco Securitizadora de Direitos Creditórios do Agronegócio S.A.

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 November 30, 2019.

The Company´s management approved and authorized the publication of the interim accounting information of November 30, 2019.

São Paulo, January 9, 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 November 30, 2019.

São Paulo, January 9, 2020.

Luciano Maggi Quartiero

Chief Executive Officer

Flavio Jardim Vargas

Chief Financial Investor Relations and Tax Officer