

(Convenience Translation into English from the  
Original Previously Issued in Portuguese)

## **Biosev S.A.**

Individual and Consolidated  
Interim Financial Statements  
For the Six-month Period ended  
September 30, 2020

# Interim Financial Statements

September 30, 2020

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## **INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION**

To the  
Board of Directors and Shareholders  
**Biosev S.A.**  
São Paulo - SP

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of **Biosev S.A.** (the "Company"), contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2020, which comprises the statement of financial position as of September 30, 2020, and the respective statements of profit or loss and other comprehensive income for the three and six-month periods then ended and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB), as well for the presentation of this information in accordance with standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with the Brazilian and International standards on review engagements of interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity 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 the 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 the audit standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion on the interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with Technical Pronouncement CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information - ITR, and presented in accordance with standards issued by the Brazilian Securities and Exchange Commission.

## Emphasis of matter

### Transactions with related parties

The Company and its subsidiaries have carried out significant transactions with related parties of the Louis Dreyfus Company Group. The effects on results of these transactions and the corresponding assets and liabilities are disclosed in note 20. Our conclusion is not modified with respect to this matter.

## Other matters

### Statements of Value Added

The quarterly information referred to above includes the individual and consolidated statements of value added for the six-month period ended September 30, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the individual and consolidated interim accounting information taken as a whole.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

São Paulo, November 12, 2020.

# Biosev S.A.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2020**  
(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated			Note	Company		Consolidated	
		09.30.20	03.31.20	09.30.20	03.31.20			09.30.20	03.31.20	09.30.20	03.31.20
<b>ASSETS</b>						<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	3	142,098	396,124	583,647	1,174,943	Borrowings and financing	16	1,205,008	2,935,559	2,899,005	7,225,234
Short-term investments	4	56,887	42,052	83,444	52,245	Lease liabilities	12	199,746	215,257	495,857	498,932
Derivative financial instruments	27	143,550	225,787	143,550	225,787	Advances from domestic customers		117,340	7,611	121,312	28,128
Trade receivables	5	332,282	210,771	384,475	202,050	Advances from foreign customers		374,308	968,764	1,399,838	2,585,641
Inventories	6	929,931	1,105,650	2,056,928	2,948,633	Trade payables	17	342,181	309,104	716,891	798,903
Biological assets	7	627,226	303,621	1,098,499	663,908	Accrued payroll and related taxes		63,381	47,218	125,848	90,483
Recoverable taxes	8	58,262	50,274	149,766	158,777	Taxes payable	18	17,422	21,314	63,263	75,152
Other receivables		24,645	44,364	79,997	88,170	Derivative financial instruments	27	264,013	575,188	332,766	586,843
		<u>2,314,881</u>	<u>2,378,643</u>	<u>4,580,306</u>	<u>5,514,513</u>	Other payables		52,030	80,594	76,326	118,051
Assets held for sale	10	28,298	45,165	28,298	45,165	<b>Total current liabilities</b>		<b>2,635,429</b>	<b>5,160,609</b>	<b>6,231,106</b>	<b>12,007,367</b>
<b>Total current assets</b>		<b>2,343,179</b>	<b>2,423,808</b>	<b>4,608,604</b>	<b>5,559,678</b>						
<b>NON-CURRENT ASSETS</b>						<b>NON-CURRENT LIABILITIES</b>					
Long-term receivables		-	-	14,210	-	Borrowings and financing	16	2,076,422	67,484	4,741,036	96,191
Long-term investments	4	-	-	-	-	Lease liabilities	12	578,584	516,857	1,275,932	1,182,337
Advances to suppliers		36,219	34,719	58,500	56,602	Advances from foreign customers	20	749,115	802,505	-	626,116
Escrow deposits	9	185,615	192,166	372,029	385,413	Trade payables	17	4,453	5,733	4,691	5,965
Recoverable taxes	8	9,932	11,502	78,453	57,529	Deferred income tax and social contribution	11.1	-	-	35,884	36,883
Derivative financial instruments	27	-	-	-	55,885	Derivative financial instruments	27	-	-	11,340	16,596
Deferred income tax and social contribution	11.1	228,845	418,029	743,016	872,971	Provision for tax, labor, civil and environmental contingencies	19	110,174	108,081	309,826	294,668
Other receivables		313,865	335,939	326,788	320,012	Taxes payable	18	18,324	18,501	18,324	18,501
Lease asset use right	12	738,973	700,306	1,647,883	1,577,379	Other payables		71,061	86,047	145,942	167,247
Investments	13	1,317,403	1,240,462	156,485	160,393	Provision for investment loss	13	1,202,784	1,251,234	-	-
Property, plant and equipment	14	1,425,322	1,635,433	3,017,598	3,477,391	<b>Total non-current liabilities</b>		<b>4,810,917</b>	<b>2,856,442</b>	<b>6,542,975</b>	<b>2,444,504</b>
Intangible assets	15	9,107	11,856	918,705	921,964						
<b>Total non-current assets</b>		<b>4,265,281</b>	<b>4,580,412</b>	<b>7,333,667</b>	<b>7,885,539</b>	<b>EQUITY</b>					
						Capital	21	6,077,674	6,077,674	6,077,674	6,077,674
						Capital reserve	21	1,353,936	1,353,937	1,353,936	1,353,937
						Accumulated losses		(8,167,309)	(8,167,310)	(8,167,309)	(8,167,310)
						Profit for the period		142,384	-	142,384	-
						Other comprehensive loss		(244,571)	(277,132)	(244,571)	(277,132)
						<b>Total equity attributable to the Company's owners</b>		<b>(837,886)</b>	<b>(1,012,831)</b>	<b>(837,886)</b>	<b>(1,012,831)</b>
						Non-controlling interests		-	-	6,076	6,177
						<b>Total equity</b>		<b>(837,886)</b>	<b>(1,012,831)</b>	<b>(831,810)</b>	<b>(1,006,654)</b>
<b>TOTAL ASSETS</b>		<b>6,608,460</b>	<b>7,004,220</b>	<b>11,942,271</b>	<b>13,445,217</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,608,460</b>	<b>7,004,220</b>	<b>11,942,271</b>	<b>13,445,217</b>

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

# Biosev S.A.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

## STATEMENT OF OPERATIONS FOR THE THREE- AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2020

(In thousands of Brazilian reais - R\$)

	Note	Company				Consolidated			
		Three-month period		Six-month period		Three-month period		Six-month period	
		09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
<b>NET REVENUE</b>	22	1,297,881	819,460	2,233,711	1,821,496	2,984,603	1,552,459	5,654,229	3,270,823
Cost of sales and services	22 and 23	(733,057)	(577,692)	(1,409,085)	(1,415,383)	(1,968,180)	(1,290,815)	(4,226,632)	(2,778,443)
<b>GROSS PROFIT</b>		<b>564,824</b>	<b>241,768</b>	<b>824,626</b>	<b>406,113</b>	<b>1,016,423</b>	<b>261,644</b>	<b>1,427,597</b>	<b>492,380</b>
<b>OPERATING INCOME (EXPENSES)</b>		<b>319,543</b>	<b>(215,077)</b>	<b>96,204</b>	<b>(456,033)</b>	<b>(193,147)</b>	<b>(34,091)</b>	<b>(378,768)</b>	<b>(251,928)</b>
General, administrative and selling expenses	23	(66,549)	(54,377)	(109,049)	(107,014)	(175,552)	(151,598)	(330,219)	(260,835)
Equity in subsidiaries	13	392,450	(229,637)	218,173	(383,281)	(972)	(3,167)	(3,908)	(6,642)
Other operating income	25	5,456	78,062	11,804	81,559	8,757	164,224	17,171	172,633
Other operating expenses	25	(11,814)	(9,125)	(24,724)	(47,297)	(25,380)	(43,550)	(61,812)	(157,084)
<b>OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)</b>		<b>884,367</b>	<b>26,691</b>	<b>920,830</b>	<b>(49,920)</b>	<b>823,276</b>	<b>227,553</b>	<b>1,048,829</b>	<b>240,452</b>
Finance income	24	4,565	6,113	9,747	13,281	7,053	8,731	15,565	21,698
Finance costs	24	(77,583)	(138,221)	(160,965)	(213,010)	(153,290)	(226,493)	(313,511)	(376,024)
Derivatives	24	(254,186)	(59,437)	(251,206)	(18,194)	43,725	(58,102)	93,101	(48,823)
Exchange rate changes	24	(107,743)	(224,432)	(279,072)	(183,566)	(209,931)	(462,731)	(593,359)	(386,447)
<b>INCOME (LOSS) BEFORE TAXES</b>		<b>449,420</b>	<b>(389,286)</b>	<b>239,334</b>	<b>(451,409)</b>	<b>510,833</b>	<b>(511,042)</b>	<b>250,625</b>	<b>(549,144)</b>
INCOME TAX AND SOCIAL CONTRIBUTION	11.2	(25,823)	85,033	(96,950)	(21,665)	(87,261)	206,707	(108,342)	75,915
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>423,597</b>	<b>(304,253)</b>	<b>142,384</b>	<b>(473,074)</b>	<b>423,574</b>	<b>(304,335)</b>	<b>142,283</b>	<b>(473,229)</b>
<b>Attributable to:</b>									
Company's owners	26	423,597	(304,253)	142,384	(473,074)	423,597	(304,253)	142,384	(473,074)
Non-controlling interests		-	-	-	-	(23)	(82)	(101)	(155)
<b>EARNINGS (LOSS) PER SHARE - R\$</b>									
Basic	26	0.88246	(0.71426)	0.28919	(1.15120)	0.88246	(0.71426)	0.28919	(1.15120)
Diluted	26	0.88246	(0.71426)	0.28919	(1.15120)	0.88246	(0.71426)	0.28919	(1.15120)

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

# Biosev S.A.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

**STATEMENT OF COMPREHENSIVE INCOME (LOSS)  
FOR THE THREE- AND SIX-MONTH PERIODS ENDED SEPTEMBER 30, 2020  
(In thousands of Brazilian reais - R\$)**

	Note	Company				Consolidated			
		Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
		09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b><u>423,597</u></b>	<b><u>(304,253)</u></b>	<b><u>142,384</u></b>	<b><u>(473,074)</u></b>	<b><u>423,574</u></b>	<b><u>(304,335)</u></b>	<b><u>142,283</u></b>	<b><u>(473,229)</u></b>
OTHER COMPREHENSIVE INCOME (LOSS)									
Items subsequently reclassified to profit or loss:									
Financial instruments - hedge accounting of futures	27	(116,019)	12,019	(164,630)	32,797	(116,019)	12,019	(164,630)	32,797
Financial instruments - hedge accounting of Libor sw ap	27	2,378	(1,441)	1,444	(7,646)	2,378	(1,441)	1,444	(7,646)
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	27	143,512	(1,465)	133,348	(20,576)	143,512	(1,465)	133,348	(20,576)
Financial instruments - hedge accounting of exchange differences	27	60,692	199,569	79,173	233,437	60,692	199,569	79,173	233,437
Deferred income tax and social contribution related to components of other comprehensive income (loss)	11.3	<u>(30,791)</u>	<u>(70,952)</u>	<u>(16,774)</u>	<u>(80,924)</u>	<u>(30,791)</u>	<u>(70,952)</u>	<u>(16,774)</u>	<u>(80,924)</u>
		<b><u>59,772</u></b>	<b><u>137,730</u></b>	<b><u>32,561</u></b>	<b><u>157,088</u></b>	<b><u>59,772</u></b>	<b><u>137,730</u></b>	<b><u>32,561</u></b>	<b><u>157,088</u></b>
<b>COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b><u>483,369</u></b>	<b><u>(166,523)</u></b>	<b><u>174,945</u></b>	<b><u>(315,986)</u></b>	<b><u>483,346</u></b>	<b><u>(166,605)</u></b>	<b><u>174,844</u></b>	<b><u>(316,141)</u></b>
<b>Attributable to:</b>									
Company's owners		483,369	(166,523)	174,945	(315,986)	483,369	(166,523)	174,945	(315,986)
Non-controlling interests		-	-	-	-	(23)	(82)	(101)	(155)

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



# Biosev S.A.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2020**  
(In thousands of Brazilian reais - R\$)

	Capital	Assessable capital stock	Capital reserve	Accumulated losses	Company's equity	Non-controlling interests	Total consolidated equity
<b>BALANCES AS AT MARCH 31, 2019</b>	<b>6,077,674</b>	<b>1,353,936</b>	<b>(287,906)</b>	<b>(6,617,139)</b>	<b>526,566</b>	<b>6,280</b>	<b>532,846</b>
Loss for the period	-	-	-	(473,074)	(473,074)	(155)	(473,229)
Adjusted derivatives (hedge accounting), net of taxes	-	-	157,088	-	157,088	-	157,088
<b>Comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>157,088</b>	<b>(473,074)</b>	<b>(315,986)</b>	<b>(155)</b>	<b>(316,141)</b>
<b>BALANCES AS AT SEPTEMBER 30, 2019</b>	<b>6,077,674</b>	<b>1,353,936</b>	<b>(130,818)</b>	<b>(7,090,213)</b>	<b>210,580</b>	<b>6,125</b>	<b>216,705</b>
<b>BALANCES AS AT MARCH 31, 2020</b>	<b>6,077,674</b>	<b>1,353,936</b>	<b>(277,132)</b>	<b>(8,167,309)</b>	<b>(1,012,831)</b>	<b>6,177</b>	<b>(1,006,654)</b>
Profit (loss) for the period	-	-	-	142,384	142,384	(101)	142,283
Other comprehensive income	-	-	32,561	-	32,561	-	32,561
<b>Comprehensive income (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>32,561</b>	<b>142,384</b>	<b>174,945</b>	<b>(101)</b>	<b>174,844</b>
<b>BALANCES AS AT SEPTEMBER 30, 2020</b>	<b>6,077,674</b>	<b>1,353,936</b>	<b>(244,571)</b>	<b>(8,024,925)</b>	<b>(837,886)</b>	<b>6,076</b>	<b>(831,810)</b>

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

**STATEMENT OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2020  
(In thousands of Brazilian reais - R\$)**

	Note	Company		Consolidated	
		Six-month period ended		Six-month period ended	
		09.30.20	09.30.19	09.30.20	09.30.19
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Profit (loss) for the period		142,384	(473,074)	142,283	(473,229)
Non-cash transactions:					
Depreciation and amortization	23	542,026	514,471	1,089,152	991,036
Income (loss) from sale of property, plant and equipment	25	5,358	(405)	4,015	(6,434)
Investments sold		-	62,418	-	62,418
Equity in subsidiaries	13	(218,173)	383,281	3,908	6,642
Interest, exchange rate changes and inflation adjustments, net		355,312	259,644	816,538	591,380
Exchange, interest rate and commodities risk management		83,877	91,259	2,594	137,975
Recognition of provision for tax, labor, civil and environmental contingencies		6,963	4,474	40,770	33,965
Recognition (reversal) of estimated losses on doubtful accounts	5	(24)	259	(411)	457
Reversal of impairment loss	15	264	-	374	-
Reversal of impairment loss	14	(3,013)	(555)	(4,178)	(1,976)
Impairment of assets held for sale	10	(119)	(53,271)	(119)	(53,271)
Provision for other losses	25	17	126	3,654	61,592
Recognition (reversal) of allowance for negative margin and realization of storeroom inventories	6	2,941	(6,736)	(1,611)	(20,947)
Gains (losses) on changes in fair value less estimated costs to sell biological assets	22 and 23	(533,227)	(149,846)	(734,544)	(195,362)
Deferred income tax and social contribution	11.2	103,491	21,665	112,182	(75,934)
Hedge operations		118,253	168,473	49,335	238,012
Derecognition of operating leases		5,873	-	11,529	-
		<b>612,203</b>	<b>822,183</b>	<b>1,535,471</b>	<b>1,296,324</b>
Decrease (increase) in assets:					
Trade receivables	5	(121,006)	(128,366)	(181,335)	(284,158)
Inventories	6	415,550	(245,118)	1,256,773	(1,244,236)
Derivative financial instruments	27	82,237	7,108	138,122	(38,559)
Escrow deposits	9	6,551	(22,734)	13,384	(61,034)
Recoverable taxes	8	(6,418)	17,367	(11,913)	(15,445)
Advances to suppliers		(1,500)	(1,332)	(1,898)	(16,399)
Other receivables		41,775	(146,599)	(2,259)	(57,690)
		<b>417,189</b>	<b>(519,674)</b>	<b>1,210,875</b>	<b>(1,717,521)</b>
Increase (decrease) in liabilities:					
Trade payables	17	31,875	(55,531)	(83,156)	(22,633)
Advances from foreign customers		(647,846)	121,208	(1,811,919)	861,760
Accrued payroll and related taxes		16,163	8,812	35,365	22,922
Taxes payable	18	(4,069)	(1,517)	(12,066)	(16,869)
Advances from domestic customers		109,729	7,484	93,184	11,137
Payments of labor, civil, tax and environmental contingencies	19	(4,870)	(508)	(25,612)	(7,146)
Derivative financial instruments	27.1	(395,052)	(175,501)	(261,927)	(214,592)
Other payables		(43,550)	(18,760)	(63,030)	16,923
		<b>(937,620)</b>	<b>(114,313)</b>	<b>(2,129,161)</b>	<b>651,502</b>
<b>Cash used in operating activities, net interest</b>		<b>91,772</b>	<b>188,196</b>	<b>617,185</b>	<b>230,305</b>
Interest on borrowings and financing		(71,866)	(101,398)	(158,265)	(224,565)
<b>Cash used in operating activities</b>		<b>19,906</b>	<b>86,798</b>	<b>458,920</b>	<b>5,740</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Decrease (increase) in short- and long-term investments	4	(14,713)	16,010	(45,112)	121,402
Decrease (increase) in investments (provision for investment loss)	13	92,783	(138,990)	-	-
Additions to lease agreements	12	(144,969)	(713,014)	(323,479)	(1,661,776)
Increase in property, plant and equipment	14	(94,855)	(27,991)	(172,900)	(98,777)
Additions to biological assets	7	(155,830)	(143,681)	(265,412)	(241,536)
Additions to intangible assets	15	(317)	(6,177)	(646)	(7,155)
<b>Cash provided by investing activities</b>		<b>(317,901)</b>	<b>(1,013,843)</b>	<b>(807,549)</b>	<b>(1,887,842)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Shareholders' contributions	12	145,180	713,071	324,009	1,661,615
Additions to lease operations	12	(127,733)	(110,319)	(297,540)	(266,854)
Borrowings and financing	16	501,784	809,392	868,770	1,912,948
Payment of borrowings and financing	16	(475,262)	(911,990)	(1,137,906)	(2,198,699)
<b>Cash provided by (used in) financing activities</b>		<b>43,969</b>	<b>500,154</b>	<b>(242,667)</b>	<b>1,109,010</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(254,026)</b>	<b>(426,891)</b>	<b>(591,296)</b>	<b>(773,092)</b>
Cash and cash equivalents at the beginning of the period	3	396,124	577,523	1,174,943	1,189,112
<b>Cash and cash equivalents at the end of the period</b>	3	<b>142,098</b>	<b>150,632</b>	<b>583,647</b>	<b>416,020</b>
<b>Non-cash items</b>					
Transfer of depreciation and amortization to inventories		246,233	95,633	372,807	260,726
Transfer of assets and liabilities to held for sale - Estivas plant		16,985	(3,369)	16,984	(6,874)
Acquisition of financed property, plant and equipment		-	23,151	-	50,115

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

(Convenience Translation into English from the Original Previously Issued in Portuguese)

## STATEMENT OF VALUE ADDED

FOR THE SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2020

(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated	
		Six-month period ended		Six-month period ended	
		09.30.20	09.30.19	09.30.20	09.30.19
<b>1 - REVENUE</b>		<b>2,291,650</b>	<b>2,017,076</b>	<b>5,784,128</b>	<b>3,685,656</b>
1.1) Sales	22	2,279,822	1,935,776	5,766,546	3,513,480
1.2) Reversal of estimated losses on doubtful accounts	25	24	(259)	411	(457)
1.3) Other operating income	25	11,804	81,559	17,171	172,633
<b>2 - INPUTS PURCHASED FROM THIRD PARTIES</b>		<b>(736,950)</b>	<b>(778,601)</b>	<b>(2,896,063)</b>	<b>(1,659,210)</b>
2.1) Cost of sales and services		(95,390)	(107,195)	(680,729)	(638,027)
2.2) Materials, electric power, external services and other		(1,174,788)	(821,252)	(2,949,878)	(1,216,545)
2.3) Gains on changes in fair value of biological assets and other		533,228	149,846	734,544	195,362
<b>3 - GROSS VALUE ADDED (1-2)</b>		<b>1,554,700</b>	<b>1,238,475</b>	<b>2,888,065</b>	<b>2,026,446</b>
<b>4 - DEPRECIATION AND AMORTIZATION</b>	23	<b>(542,026)</b>	<b>(514,471)</b>	<b>(1,089,152)</b>	<b>(991,036)</b>
<b>5 - VALUE ADDED CREATED BY THE ENTITY (3-4)</b>		<b>1,012,674</b>	<b>724,004</b>	<b>1,798,913</b>	<b>1,035,410</b>
<b>6 - VALUE ADDED RECEIVED IN TRANSFER</b>		<b>227,920</b>	<b>(370,000)</b>	<b>104,758</b>	<b>15,056</b>
6.1) Equity in subsidiaries	13	218,173	(383,281)	(3,908)	(6,642)
6.2) Finance income		9,747	13,281	108,666	21,698
<b>7 - VALUE ADDED FOR DISTRIBUTION (5+6)</b>		<b>1,240,594</b>	<b>354,004</b>	<b>1,903,671</b>	<b>1,050,466</b>
<b>8 - DISTRIBUTION OF VALUE ADDED</b>		<b>1,240,594</b>	<b>354,004</b>	<b>1,903,671</b>	<b>1,050,466</b>
8.1) Personnel and payroll taxes	23	135,117	159,222	336,197	303,051
Direct compensation		94,732	116,608	241,895	208,209
Benefits		29,811	29,403	70,585	66,688
Severance pay fund (FGTS)		10,574	13,211	23,717	28,154
8.2) Taxes, rates and contributions		152,272	136,976	233,877	163,275
Federal		112,183	56,252	169,366	34,549
State		39,997	80,722	64,365	128,648
Municipal		92	2	146	78
8.3) Third-party capital use		810,821	530,880	1,191,314	1,057,369
Rentals		119,578	116,110	284,444	246,075
Interest and exchange rate changes		691,243	414,770	906,870	811,294
8.4) Equity capital		142,384	(473,074)	142,283	(473,229)
Profit (loss) for the period		142,384	(473,074)	142,283	(473,229)

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

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 1. GENERAL INFORMATION

Biosev S.A. ("Company"), a publicly-held company headquartered at Avenida Brigadeiro Faria Lima, 1355, 11º andar, Pinheiros, São Paulo, SP, and its subsidiaries (hereinafter referred to as, collectively, "Group") are mainly engaged in the production, processing and sale of agricultural products, primarily sugarcane and its by-products; the agricultural operations in Company-owned or third-party land; the export, import and sale of petroleum by-products, lubricants, fuel, grease and hydrated ethyl alcohol; the purchase, sale, import and export of agricultural products and its by-products; and the generation and sale of electricity and its by-products.

The Group comprises the activities of Biosev S.A. and Biosev Bioenergia S.A. ("Biosev Bioenergia"), based in Brazil, and Biosev Bioenergia International S.A. ("Biosev Bioenergia International"), based in Switzerland. Additionally, the Group consists of the subsidiaries of such companies, including Biosev Comercializadora S.A., a special-purpose entity established to sell ethanol by-products, sugar and electric power arising from the cogeneration assets of the Santa Elisa and Passa Tempo units, located in the State of São Paulo and State of Mato Grosso do Sul, respectively.

The Group is organized in industrial clusters, composed as follows, with their corresponding branches:

- North Ribeirão Preto Agri-Industrial Cluster: Continental (located in the State of São Paulo) and Lagoa da Prata (located in the State of Minas Gerais) plants;
- South Ribeirão Preto Agri-Industrial Cluster: Santa Elisa, Leme, Vale do Rosário and MB (Morro Agudo) (located in the State of São Paulo) plants;
- Mato Grosso do Sul Agri-Industrial Cluster: Passa Tempo and Rio Brillhante (located in the State of Mato Grosso do Sul) plants;

The Company is a subsidiary of the Louis Dreyfus Company Group, directly controlled by Hédera Investimentos e Participações Ltda., which holds 79.43% of its shares.

The Company's Management had adopted measures to adjust the debt profile. Specifically, the Company has maintained its strategy to maximize the use of its assets, aligned with strict financial discipline, in order to increase the operational efficiency and the generation of positive free cash flow.

The Company recorded net profit of R\$142,384 in the six-month period ended September 30, 2020. The Company's capacity to continue as a going concern depends on the renewal and extension of the credit facilities or obtainment of additional capital and generation of profitable transactions as demonstrated in this period, reversing a history of recurring losses in recent years.. Specifically, the Company's and its subsidiaries' debt levels may significantly impact the business, inclusive in relation to working capital financing and recurring capital disbursements, taking into account the necessary funds to pay the debt service. In addition, out of R\$1,399,838, in Consolidated, recorded in current liabilities, in line item "Advances from foreign customers", R\$775,058 refers to advances to commodities export performance operations with related parties. Moreover, the amount of R\$743,052, in Consolidated, was recorded in current assets, in line item "Inventories – advances to related-party suppliers". For further information, see Note 20.

Although there is no guarantee that the Company will be able to generate enough cash flow to finance the transactions and pay its debt, Management continues to implement actions to improve the operational activities and reduce costs and expenses, in addition to the negotiations in progress with the financial institutions that historically have supported the Company's activities. The Company's Management expects that the improvement actions, current cash balances, favorable liquidity developments and available credit facilities, and results from operations are enough to meet the working capital, capital expenses, debt service and other needs for the next year.

Should the Company be not able to generate enough cash to conduct the transactions in progress, the Company may need to seek for additional debt financing. The Company may fully or partially refinance its debt, which may be more costly, in addition to all other impacts.

### **Covid-19 effects**

In connection with the financial statements as at March 31, 2020, the Company continues to comply with all guidelines to prevent Covid-19 disclosed by the proper health bodies and maintain the measures to mitigate the risk of transmission of Covid-19 in workplaces.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Although the pandemic has not been fully eradicated, the Brazilian authorities began to loosen the restrictions, and the Company believes that the pandemic effects in the global economy has begun to be mitigated. As of the date, the Company has not identified significant effects on its operations; therefore, the Company has maintained the estimated production, sales and delivery of products. The agro industrial sector is deemed an essential activity by virtue of the essential supplies produced to the population, relating to the meal and transportation segments. In addition, there was no change in the measurement of the economic and financial impacts from Covid-19, as disclosed in the financial statements as at March 31, 2020.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

### 2.1 Statement of compliance and basis of preparation

The individual and consolidated interim financial statements have been prepared and is presented in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

These interim financial statements are presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Interim Financial Information (ITR).

The preparation of the individual and consolidated financial statements under CPC 21 (R1) and IAS 34 requires the use of certain critical accounting estimates by the Company's Management. The interim financial statements have been prepared based on the historical cost, except for certain financial instruments, held-for-sale assets and biological assets measured at their fair values. The historical cost is generally based on the fair value of the consideration paid in exchange for assets on the transaction date.

Management undertakes that all relevant information related to the interim financial statements, and only such information, is being highlighted and corresponds to the information used by Management in its management.

The accounting practices and the methods for calculation of estimates used in the preparation of these interim financial statements are the same accounting practices and methods used in the preparation of the Company's financial statements as at March 31, 2020, filed with CVM and, therefore, must be read jointly.

#### 2.1.1 New and revised standards and interpretations

##### Leases – CPC 06 (R2)/IFRS 16

Such pronouncement has been changed by virtue of the benefits granted relating to COVID-10 to the lessees in connection with the lease agreements. The Company analyzed the contents of this pronouncements and has not identified impacts, as the clauses of the lease agreements in force remained unchanged.

## 3. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Cash and banks	55,608	21,625	463,577	364,024
Short-term investments	2,498	3,004	21,878	41,792
Debentures	83,992	371,495	98,192	769,127
	<b>142,098</b>	<b>396,124</b>	<b>583,647</b>	<b>1,174,943</b>

Short- and long-term investments refer to floating rate Certificates of Bank Deposit (CDBs) and/or CDBs indexed at rates ranging from 95% to 100% of the Interbank Deposit Rate (CDI) as at September 30, 2020 (95% to 96% as at March 31, 2020). The CDBs investments are subject to repurchase commitments by the financial institution's issuers and/or custodians.

Debentures not subject to Tax on Financial Transactions (IOF) are issued from local prime financial institutions indexed at rates ranging from 65% to 73% of the CDI rate as at September 30, 2020 (73% to 80% as at March 31, 2020).

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

#### 4. SHORT- AND LONG-TERM INVESTMENTS

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Short-term investments	56,887	42,052	97,654	52,245
<b>Current Assets</b>	<b>56,887</b>	<b>42,052</b>	<b>83,444</b>	<b>52,245</b>
<b>Non-current Assets</b>	<b>-</b>	<b>-</b>	<b>14,210</b>	<b>-</b>

Short- and long-term investments refer to restricted deposits and are operations represented by (i) floating rate Certificates of Bank Deposit (CDBs) and/or CDBs indexed at rates ranging from 65% to 100% of the Interbank Deposit Rate (CDI) as at September 30, 2020 (95% to 96% as at March 31, 2020); (ii) margin deposits in derivative transactions; and (iii) foreign currency-denominated deposits related to prepayments of exports indexed at average rate of 0.10% p.a. performed by subsidiary Biosev Bioenergia Internacional S.A. These deposits may be considered, together with future agricultural production and sugar and ethanol inventories, for purposes of calculation of the indices set forth in the prepaid export agreements.

#### 5. TRADE RECEIVABLES

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Related parties (Note 20)				
In Brazil	9,441	7,498	95	-
Abroad	230,718	133,503	178,854	2,505
	<b>240,159</b>	<b>141,001</b>	<b>178,949</b>	<b>2,505</b>
Third parties				
In Brazil	92,157	67,955	169,854	191,167
Abroad	708	2,581	49,453	22,570
	<b>92,865</b>	<b>70,536</b>	<b>219,307</b>	<b>213,737</b>
	<b>333,024</b>	<b>211,537</b>	<b>398,256</b>	<b>216,242</b>
(-) Estimated loss for doubtful accounts	(742)	(766)	(13,781)	(14,192)
	<b>332,282</b>	<b>210,771</b>	<b>384,475</b>	<b>202,050</b>

The aging list of overdue receivables is as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Overdue				
Up to 30 days	14,709	24,648	12,389	3,457
31 to 60 days	23,722	2,083	944	6,462
61 to 90 days	6	20,887	19	452
91 to 180 days	17	20,455	377	325
Over 180 days	870	17,001	16,328	16,874
	<b>39,324</b>	<b>85,074</b>	<b>30,057</b>	<b>27,570</b>

The change in the estimated loss for doubtful accounts is as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
At the beginning of the period/year	(766)	(175)	(14,192)	(13,395)
Reversal (recognition) of estimated loss for doubtful accounts	24	(591)	411	(797)
	<b>(742)</b>	<b>(766)</b>	<b>(13,781)</b>	<b>(14,192)</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 6. INVENTORIES

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Finished products</b>				
Sugar	173,485	4,218	362,650	14,838
Ethanol	329,962	20,676	718,856	79,839
Sugar syrup	1,066	317	9,073	1,241
Other	134	247	431	331
Allowance for negative inventory margin	(3,649)	(3,298)	(11,776)	(18,985)
	<u>500,998</u>	<u>22,160</u>	<u>1,079,234</u>	<u>77,264</u>
<b>Raw materials and packaging materials</b>				
Raw materials and packaging materials	1,097	1,033	1,161	1,166
Storeroom supplies	46,453	37,492	96,438	76,476
Allowance for realization of storeroom inventories	(6,709)	(4,119)	(12,695)	(7,097)
Advances to suppliers (*)	388,092	1,049,084	892,790	2,800,824
	<u>428,933</u>	<u>1,083,490</u>	<u>977,694</u>	<u>2,871,369</u>
	<u>929,931</u>	<u>1,105,650</u>	<u>2,056,928</u>	<u>2,948,633</u>

(\*\*) Out of the total amount as at September 30, 2020, R\$71,293, in Company, and R\$149,738 in Consolidated (R\$105,192 and R\$223,699 as at March 31, 2020, respectively), refer to advances to sugarcane suppliers that are adjusted on a monthly basis according to the specific conditions and indices set forth in the agreements, and R\$316,799, in Company, and R\$743,052 in Consolidated (R\$943,892, in Company, and R\$2,577,125, in Consolidated, as at March 31, 2020), refer to advances to export of commodities, as described in Note 20.

The changes in the allowance for negative inventory margin and realization of storeroom inventories are broken down as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Negative inventory margin</b>				
Opening balance	(3,298)	(7,410)	(18,985)	(25,793)
Additions	(3,649)	(3,298)	(11,776)	(18,985)
Reversals	3,298	7,410	18,985	25,793
	<u>(3,649)</u>	<u>(3,298)</u>	<u>(11,776)</u>	<u>(18,985)</u>
<b>Realization of storeroom inventories</b>				
Opening balance	(4,119)	(3,568)	(7,097)	(5,818)
Additions	(6,709)	(4,119)	(12,695)	(7,097)
Reversals	4,119	3,568	7,097	5,818
	<u>(6,709)</u>	<u>(4,119)</u>	<u>(12,695)</u>	<u>(7,097)</u>

The allowance for negative inventory margin is calculated by analyzing the average production cost of finished products as compared to their realizable value in the market, less costs to sell.

The allowance for realization of storeroom inventories, considering obsolete and slow-moving items, is recognized on a quarterly basis based on inventory management procedure of storeroom inventories duly approved by the Company.

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

#### 7. BIOLOGICAL ASSETS

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Opening balance</b>	303,621	264,480	663,908	501,124
Increases arising from expenses on sugarcane crops and crop treatments	305,201	430,597	653,824	911,744
	<b>608,822</b>	<b>695,077</b>	<b>1,317,732</b>	<b>1,412,868</b>
Gains (losses) on changes in fair value less estimated costs to sell	533,227	120,821	734,544	222,448
Transfer to assets held for sale	904	(13,682)	903	(13,682)
Sugarcane harvest at fair value in the year/period	(515,727)	(490,374)	(953,399)	(945,620)
Write-off	-	(8,221)	(1,281)	(12,106)
	<b>627,226</b>	<b>303,621</b>	<b>1,098,499</b>	<b>663,908</b>

The following assumptions were used to determine the fair value:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Estimated harvest area (in hectares)	127,766	123,816	226,162	222,421
Expected yields (in ton of sugarcane per hectare)	88.17	85.88	89.96	89.07
Total volume of recoverable sugar (in kilogram per ton of sugarcane)	129.87	126.29	132.06	129.90
Value of a kilogram of total recoverable sugar (in R\$) - CONSEANA	0.84	0.66	0.84	0.66
Discount rate	10.21%	10.21%	10.21%	10.21%

As at September 30, 2020, the Company provided as guarantee for the export prepayment 158,608 hectares (158,608 hectares as at March 31, 2020), equivalent to approximately 14,267,674 tons of sugarcane (14,127,348 as at March 31, 2020), at fair value of R\$770,382 (R\$473,432 as at March 31, 2020). Such prepayment falls due between March 2023 and April 2023.

#### 8. RECOVERABLE TAXES

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
State VAT (ICMS)	45,176	39,859	67,916	60,952
Taxes on revenue (PIS and COFINS) (a)	13,208	16,166	71,971	75,050
Withholding Income Tax (IRRF) on short-term investments and prepayments	7,032	2,978	61,505	55,466
Tax on manufactured products (IPI) and other taxes	2,778	2,773	26,827	24,838
	<b>68,194</b>	<b>61,776</b>	<b>228,219</b>	<b>216,306</b>
<b>Current assets</b>	<b>58,262</b>	<b>50,274</b>	<b>149,766</b>	<b>158,777</b>
<b>Non-current assets</b>	<b>9,932</b>	<b>11,502</b>	<b>78,453</b>	<b>57,529</b>

(a) Refers to taxes on revenues (PIS and COFINS) relating to: (i) Law 10637/02; (ii) Law 10833/03; (iii) Law 11774/200; and (iv) Law 13043/14.



## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

#### 9. ESCROW DEPOSITS

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Civil	2,628	3,500	6,953	7,365
Environmental	2,223	2,442	7,613	7,548
	<b>4,851</b>	<b>5,942</b>	<b>14,566</b>	<b>14,913</b>
Tax				
Tax on manufactured products (IFI)	-	-	18,754	18,673
Income tax (IRPJ) and social contribution (CSLL)	16,306	16,235	33,351	33,262
ICMS, PIS and COFINS	9,855	9,758	40,028	46,344
Social security contributions	21,566	21,738	27,272	27,419
Other	-	-	2,860	3,054
	<b>47,727</b>	<b>47,731</b>	<b>122,265</b>	<b>128,752</b>
Tax				
Labor appeals	133,037	138,493	235,198	241,748
	<b>133,037</b>	<b>138,493</b>	<b>235,198</b>	<b>241,748</b>
	<b>185,615</b>	<b>192,166</b>	<b>372,029</b>	<b>385,413</b>

The changes in the Company's escrow deposits are as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Opening balance	192,166	210,108	385,413	367,388
Additions	6,401	31,563	10,845	81,534
Offsets/redemptions	(12,952)	(49,505)	(24,229)	(63,509)
	<b>185,615</b>	<b>192,166</b>	<b>372,029</b>	<b>385,413</b>

#### 10. ASSETS AND LIABILITIES HELD FOR SALE

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Assets held for sale	28,298	45,165	28,298	45,165
	<b>28,298</b>	<b>45,165</b>	<b>28,298</b>	<b>45,165</b>

The breakdown of assets and liabilities classified as held for sale is as follows:

Company	Note	Maracaju plant		
		09.30.20	03.31.20	
<b>Assets</b>				
Biological assets	7	-	-	904
Fixed assets	14	103,032	103,032	119,114
Impairment losses	14	(74,735)	(74,734)	(74,853)
<b>Total assets</b>		<b>28,297</b>	<b>28,298</b>	<b>45,165</b>

#### 11. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

##### 11.1 Deferred income tax and social contribution assets and liabilities disclosed in balance sheet

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Deferred income tax and social contribution assets	228,845	418,029	743,016	872,971
Deferred income tax and social contribution liabilities	-	-	(35,884)	(36,883)
	<b>228,845</b>	<b>418,029</b>	<b>707,132</b>	<b>836,088</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 11.2 Income tax and social contribution recognized in profit or loss for the period

	Company			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results from current income tax and social contribution	(1)	-	6,541	-
Results from deferred income tax and social contribution related to the origin and reversal of temporary differences and tax loss carryforwards	(25,822)	85,033	(103,491)	(21,665)
	<b>(25,823)</b>	<b>85,033</b>	<b>(96,950)</b>	<b>(21,665)</b>

	Consolidated			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results from current income tax and social contribution	(4,849)	(2,802)	3,840	(19)
Results from deferred income tax and social contribution related to the origin and reversal of temporary differences and tax loss carryforwards	(82,412)	209,509	(112,182)	75,934
	<b>(87,261)</b>	<b>206,707</b>	<b>(108,342)</b>	<b>75,915</b>

### 11.3 Income tax and social contribution recognized in other comprehensive income (loss)

	Company			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results from deferred income tax and social contribution recognized in other comprehensive income (loss):				
Financial instruments - hedge accounting of futures	18,010	(985)	22,156	(1,707)
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	(108,719)	(700)	(107,848)	2,235
Financial instruments - hedge accounting of exchange differences	-	(11,913)	-	(11,913)
	<b>(90,709)</b>	<b>(13,598)</b>	<b>(85,692)</b>	<b>(11,385)</b>
<b>Effects on subsidiaries</b>	<b>59,918</b>	<b>(57,354)</b>	<b>68,918</b>	<b>(69,539)</b>
	<b>(30,791)</b>	<b>(70,952)</b>	<b>(16,774)</b>	<b>(80,924)</b>

	Consolidated			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results from deferred income tax and social contribution recognized in other comprehensive income (loss):				
Financial instruments - hedge accounting of futures	39,446	(4,087)	55,974	(11,151)
Financial instruments - hedge accounting of Swap Libor	(808)	490	(491)	2,600
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	(48,794)	498	(45,338)	6,996
Financial instruments - hedge accounting of exchange differences	(20,635)	(67,853)	(26,919)	(79,369)
	<b>(30,791)</b>	<b>(70,952)</b>	<b>(16,774)</b>	<b>(80,924)</b>

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

#### 11.4 Reconciliation of income tax and social contribution expenses at statutory and effective rates

	Company			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results before taxation	449,420	(389,286)	239,334	(451,409)
Statutory rate	34%	34%	34%	34%
Income (loss) from income tax and social contribution at statutory rate	(152,803)	132,357	(81,374)	153,479
Equity in subsidiaries	133,433	(78,077)	74,179	(130,316)
Unrecognized deferred income tax and social contribution credits	(7,325)	26,157	(83,356)	(50,594)
Tax revenue (grants)	8,441	10,944	12,863	20,068
Subcapitalization rules	(7,603)	(6,071)	(15,353)	(11,810)
Other	34	(277)	(3,909)	(2,492)
<b>Income (loss) from income tax and social contribution at effective rate</b>	<b>(25,823)</b>	<b>85,033</b>	<b>(96,950)</b>	<b>(21,665)</b>
Statutory rate	-	22%	-	-

	Consolidated			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Results before taxation	510,833	(511,042)	250,625	(549,144)
Statutory rate	34%	34%	34%	34%
Income (loss) from income tax and social contribution at statutory rate	(173,684)	173,754	(85,213)	186,709
Equity in subsidiaries	(330)	(1,077)	(1,329)	(2,258)
Unrecognized deferred income tax and social contribution credits	91,701	31,693	(12,479)	(103,976)
Tax revenue (grants)	8,441	10,944	12,863	20,068
Difference rate - foreign subsidiary	3,946	5,607	10,034	5,704
Subcapitalization rules	(12,390)	(12,747)	(26,716)	(27,955)
Other	(4,945)	(1,467)	(5,502)	(2,377)
<b>Income (loss) from income tax and social contribution at effective rate</b>	<b>(87,261)</b>	<b>206,707</b>	<b>(108,342)</b>	<b>75,915</b>
Statutory rate	-	40%	-	14%

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 11.5 Balances of deferred income tax and social contribution assets and liabilities

<u>Company</u>	<u>Opening balance as at 03.31.20</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 09.30.20</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	37,028	712	-	37,740
Adjustment at fair value of biological assets	(16,585)	(154,300)	-	(170,885)
Other receivables (AVP)	14,162	(1,846)	-	12,316
Hedge accounting of Libor sw ap, NDF and exchange rate changes	63,527	96,328	(85,692)	74,163
Unrealized exchange rate changes	412,077	64,809	-	476,886
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(17,203)	-	(56,251)
Impairment of fixed assets	65,310	(1,065)	-	64,245
Mark-to-market of derivatives	2,363	(87,900)	-	(85,537)
Impairment of assets held for sales	10,859	2,522	-	13,381
Other	11,661	(5,548)	-	6,112
	<b>316,077</b>	<b>(103,491)</b>	<b>(85,692)</b>	<b>126,893</b>
Unutilized tax losses and credits				
Tax loss carryforwards	74,616	-	-	74,616
Social contribution tax loss carryforwards	27,336	-	-	27,336
	<b>418,029</b>	<b>(103,491)</b>	<b>(85,692)</b>	<b>228,845</b>

<u>Company</u>	<u>Opening balance as at 03.31.19</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 09.30.19</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	47,227	1,348	-	48,575
Adjustment at fair value of biological assets	(15,389)	(27,750)	-	(43,139)
Other receivables (AVP)	1,795	18,472	-	20,267
Hedge accounting of Libor sw ap, NDF and exchange rate changes	7,817	(4,683)	(11,385)	(8,251)
Unrealized exchange rate changes	209,867	28,180	-	238,047
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(5,101)	-	(30,280)
Impairment	65,746	(230)	-	65,516
Mark-to-market of derivatives	(16,095)	(9,167)	-	(25,262)
Impairment of assets held for sales	18,003	(18,003)	-	-
Other	26,074	(4,731)	-	21,343
	<b>74,589</b>	<b>(21,665)</b>	<b>(11,385)</b>	<b>41,539</b>
Unutilized tax losses and credits				
Tax loss carryforwards	74,616	-	-	74,616
Social contribution tax loss carryforwards	27,336	-	-	27,336
	<b>176,541</b>	<b>(21,665)</b>	<b>(11,385)</b>	<b>143,491</b>

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Opening balance as at 03.31.20	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 09.30.20
<b>Consolidated</b>				
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	100,468	5,154	-	105,622
Adjustment at fair value of biological assets	(71,630)	(217,445)	-	(289,075)
Other receivables (AVP)	14,162	(1,846)	-	12,316
Hedge accounting of Libor swap, NDF and exchange rate changes	159,955	-	(16,774)	143,181
Unrealized exchange rate changes	827,139	134,704	-	961,843
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(17,203)	-	(56,251)
Mark-to-market of derivatives	(10,244)	(23,765)	-	(34,009)
Impairment of property, plant and equipment	76,443	(1,267)	-	75,176
Appreciation of acquired assets	(231,020)	12,645	-	(218,375)
Impairment of fixed assets	906	(906)	-	-
Fair value of financial debts	1,161	(1,161)	-	-
Leases	35,367	6,761	-	42,128
Other	60,563	(9,176)	-	51,387
	<b>678,945</b>	<b>(113,505)</b>	<b>(16,774)</b>	<b>548,666</b>
Unutilized tax losses and credits				
Tax loss carryforwards	115,532	973	-	116,505
Social contribution tax loss carryforwards	41,611	350	-	41,961
	<b>836,088</b>	<b>(112,182)</b>	<b>(16,774)</b>	<b>707,132</b>

	Opening balance as at 03.31.19	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 09.30.19
<b>Consolidated</b>				
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	97,941	9,118	-	107,059
Adjustment at fair value of biological assets	(32,728)	(54,621)	-	(87,349)
Other receivables (AVP)	1,795	19,437	-	21,232
Hedge accounting of Libor swap, NDF and exchange rate changes	165,790	-	(80,924)	84,866
Unrealized exchange rate changes	439,388	51,161	-	490,549
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(5,101)	-	(30,280)
Mark-to-market of derivatives	(82,228)	42,199	-	(40,029)
Impairment of property, plant and equipment	77,177	(506)	-	76,671
Appreciation of acquired assets	(253,050)	10,692	-	(242,358)
Impairment of fixed assets	18,896	(17,990)	-	906
Fair value of financial debts	1,161	-	-	1,161
Other	50,545	21,545	-	72,090
	<b>214,231</b>	<b>75,934</b>	<b>(80,924)</b>	<b>209,241</b>
Unutilized tax losses and credits				
Tax loss carryforwards	109,760	-	-	109,760
Social contribution tax loss carryforwards	40,819	-	-	40,819
	<b>364,810</b>	<b>75,934</b>	<b>(80,924)</b>	<b>359,820</b>

As at September 30, 2020, the Company has tax loss carryforwards in the amount of R\$3,360,700, in Company, and R\$6,406,516 in Consolidated (R\$3,115,535 and R\$6,369,813 as at March 31, 2020, respectively) for which no deferred income tax and social contribution assets have been recognized.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 12. LEASES

#### 12.1 Asset use right in leases

This line item includes the amounts that correspond to the right to use the current agreements; the amount is equivalent to the present value of the obligations assumed with the counterparties. These agreements are payable on the respective maturity dates (between 1 and 13 years).

The changes for the period are broken down as follows:

	Company					Total
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	
<b>03.31.20</b>	121,329	134,947	1,533	2,488	440,009	<b>700,306</b>
Additions/adjustments	2,827	18,155	-	3,351	120,636	<b>144,969</b>
Derecognition	(3,974)	-	-	(1,899)	-	<b>(5,873)</b>
Depreciation	(27,543)	(14,216)	(511)	(813)	(57,346)	<b>(100,429)</b>
<b>09.30.20</b>	<b>92,639</b>	<b>138,886</b>	<b>1,022</b>	<b>3,127</b>	<b>503,299</b>	<b>738,973</b>

	Company					Total
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	
<b>03.31.19</b>	-	-	-	-	-	-
Initial adoption on April 1, 2019	142,669	112,768	2,554	4,845	393,697	<b>656,533</b>
Additions/adjustments	55,367	50,499	-	-	143,509	<b>249,375</b>
Derecognition	(19,991)	-	-	-	-	<b>(19,991)</b>
Amortization	(56,716)	(28,320)	(1,021)	(2,357)	(97,197)	<b>(185,611)</b>
<b>03.31.20</b>	<b>121,329</b>	<b>134,947</b>	<b>1,533</b>	<b>2,488</b>	<b>440,009</b>	<b>700,306</b>

	Consolidated					Total
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	
<b>03.31.20</b>	254,249	137,257	1,533	5,174	1,179,166	<b>1,577,379</b>
Additions/adjustments	22,151	20,289	-	7,458	273,583	<b>323,481</b>
Derecognition	(7,591)	-	-	(3,938)	-	<b>(11,529)</b>
Amortization	(59,518)	(14,949)	(511)	(1,726)	(164,744)	<b>(241,448)</b>
<b>09.30.20</b>	<b>209,291</b>	<b>142,597</b>	<b>1,022</b>	<b>6,968</b>	<b>1,288,005</b>	<b>1,647,883</b>

	Consolidated					Total
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	
<b>03.31.19</b>	-	-	-	-	-	-
Initial adoption on April 1, 2019	296,896	115,195	2,554	10,075	1,068,666	<b>1,493,386</b>
Additions/adjustments	118,960	51,556	-	-	425,349	<b>595,865</b>
Derecognition	(34,675)	-	-	-	-	<b>(34,675)</b>
Amortization	(126,932)	(29,494)	(1,021)	(4,901)	(314,849)	<b>(477,197)</b>
<b>03.31.20</b>	<b>254,249</b>	<b>137,257</b>	<b>1,533</b>	<b>5,174</b>	<b>1,179,166</b>	<b>1,577,379</b>

#### 12.2 Lease liabilities

Lease liabilities refer to future payments stated to present value at the discount rate, subject to possible effects from recoverable taxes (PIS and COFINS).

The incremental interest rate of the lease liability varies between 6.36% and 11.25% per year.

## Biosev S.A.

Notes to the Interim Financial Statements  
For the Six-month Period ended September 30, 2020  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

The changes for the period are broken down as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Present value of liability	778,330	732,114	1,771,789	1,681,269
	<b>778,330</b>	<b>732,114</b>	<b>1,771,789</b>	<b>1,681,269</b>
<b>Classification:</b>				
Current	199,746	215,257	495,857	498,932
Non-current	578,584	516,857	1,275,932	1,182,337
<b>Total</b>	<b>778,330</b>	<b>732,114</b>	<b>1,771,789</b>	<b>1,681,269</b>

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Opening balance</b>	732,114	656,533	1,681,269	1,493,386
Additions	145,179	249,605	324,009	596,011
Derecognition	-	(4,065)	-	(6,065)
Payments	(127,733)	(221,208)	(297,540)	(521,309)
Financial charges	28,770	51,249	64,051	119,246
<b>Closing balance</b>	<b>778,330</b>	<b>732,114</b>	<b>1,771,789</b>	<b>1,681,269</b>

The future payments are broken down as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Up to 1 year	199,746	215,257	495,857	498,932
Up to 2 years	157,534	161,243	365,372	365,273
Up to 3 years	116,935	109,793	274,740	260,574
Up to 4 years	96,518	87,311	225,035	210,009
Up to 5 years	108,113	86,462	228,599	193,298
Above 5 years	99,484	72,048	182,186	153,183
	<b>778,330</b>	<b>732,114</b>	<b>1,771,789</b>	<b>1,681,269</b>

### 13. INVESTMENTS (PROVISION FOR INVESTMENT LOSS)

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Investments in subsidiaries and jointly-controlled subsidiaries	1,314,900	1,237,960	153,982	157,891
Other investments	2,503	2,502	2,503	2,502
<b>Investments</b>	<b>1,317,403</b>	<b>1,240,462</b>	<b>156,485</b>	<b>160,393</b>
<b>Provision for investment loss</b>	<b>(1,202,784)</b>	<b>(1,251,234)</b>	-	-

#### a) Interest in subsidiaries and jointly-controlled entities

	Company			Consolidated
	Biosev		Biosev	
	Biosev	Bioenergia	Comercializadora	TEAG
	Bioenergia S.A.	International S.A.	S.A.	
Capital	2,985,044	175	14,365	44,701
Profit (loss) for the period	182,236	44,371	(8,430)	584
Equity	(1,201,669)	370,385	39,071	39,194
Elimination of gains on the sale of property, plant and equipment	(1,111)	-	-	-
Shareholding interest	100%	100%	100%	50%
<b>Value of investments in subsidiaries under equity method</b>	<b>(1,202,780)</b>	<b>370,385</b>	<b>39,071</b>	<b>19,597</b>
Goodwill/realization of concession value, net	494,079	-	-	134,385
Elimination of gains on the sale of property, plant and	(4)	-	-	-
<b>Investments</b>	<b>(708,705)</b>	<b>370,385</b>	<b>39,071</b>	<b>153,982</b>
<b>Provision for investment loss</b>	<b>(1,202,784)</b>	-	-	-
<b>Equity pick up in subsidiaries</b>	<b>182,232</b>	<b>44,371</b>	<b>(8,430)</b>	<b>292</b>

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

#### b) Changes in investments in subsidiaries, jointly-controlled entities and non-controlled entities

	Company						09.30.20	03.31.20
				Goodwill				
	Biosev Bioenergia S.A.	Biosev Bioenergia International S.A.	Biosev Comercializadora S.A.	Tavares de Melo (*)	Ampla (*)	Other		
Opening balance	(1,251,233)	326,014	6,500	-	-	2,503	(916,216)	(85,938)
Capital increase	-	-	-	-	-	-	-	4,000
Advance for future capital increase	-	-	41,000	-	-	-	41,000	-
Equity pick up in subsidiaries	182,232	44,371	(8,429)	-	-	-	218,174	(1,109,447)
Other comprehensive income (loss)	(133,783)	-	-	-	-	-	(133,783)	274,249
Other	-	-	-	-	-	-	-	920
<b>Value of investments in subsidiaries under equity method</b>	<b>(1,202,784)</b>	<b>370,385</b>	<b>39,071</b>	<b>-</b>	<b>-</b>	<b>2,503</b>	<b>(790,825)</b>	<b>(916,216)</b>
<b>Goodwill</b>	<b>494,079</b>	<b>-</b>	<b>-</b>	<b>407,675</b>	<b>3,691</b>	<b>-</b>	<b>905,445</b>	<b>905,445</b>
<b>Value of investments</b>	<b>494,079</b>	<b>370,385</b>	<b>39,071</b>	<b>407,675</b>	<b>3,691</b>	<b>2,503</b>	<b>1,317,404</b>	<b>1,240,462</b>
<b>Provision for investment loss</b>	<b>(1,202,784)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,202,784)</b>	<b>(1,251,233)</b>

(\*) Companies merged in prior years.

	Consolidated			
	TEAG	Other	09.30.20	03.31.20
Opening balance	157,890	2,503	160,393	169,913
Equity pick up in subsidiaries	(3,908)	-	(3,908)	(8,952)
Profit (loss)	292	-	292	(553)
Realization of concession value, net	(4,200)	-	(4,200)	(8,399)
Other	-	-	-	(568)
<b>Value of investments</b>	<b>153,982</b>	<b>2,503</b>	<b>156,485</b>	<b>160,393</b>

#### c) Investments in direct and indirect subsidiaries

- **Biosev Comercializadora S.A. ("Biosev Comercializadora") – Direct subsidiary**

On September 30, 2020, the Private Instrument of Advance for Future Capital Increase was signed with the parent company Biosev S.A. in the amount of R\$41,000, which will be fully convertible into the Company's registered common shares, without par value of Biosev Comercializadora S.A.

#### d) Investments in jointly-controlled entities

The balances of the balance sheet and statement of operations of the company are broken down as follows:

	TEAG	
	09.30.20	03.31.20
<b>Balance sheet</b>		
<b>Assets</b>		
Total current assets	47,019	47,820
Long-term receivables	3,346	3,032
Property, plant and equipment and intangible assets	124,640	124,014
Total non-current assets	127,986	127,046
<b>Total assets</b>	<b>175,005</b>	<b>174,866</b>
<b>Liabilities</b>		
Total current liabilities	20,513	18,286
Total non-current liabilities	115,298	117,970
<b>Equity</b>		
Total equity	39,194	38,610
<b>Total liabilities and equity</b>	<b>175,005</b>	<b>174,866</b>



# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	TEAG	
	09.30.20	03.31.20
<b>Statement of operations</b>		
Net revenue	32,962	52,971
<b>Operating expenses</b>		
General, administrative and selling expenses	(29,399)	(51,652)
Other operating income	207	4,541
<b>Operating income (loss) before finance income (costs)</b>	<b>3,770</b>	<b>5,860</b>
Finance income (costs), net	(2,918)	(7,529)
<b>Income (loss) before taxation</b>	<b>852</b>	<b>(1,669)</b>
Income tax and social contribution	(268)	563
<b>Income (loss) for the period</b>	<b>584</b>	<b>(1,106)</b>

### 14. PROPERTY, PLANT AND EQUIPMENT

	Company					
	09.30.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	15,095	-	15,095	15,095	-	15,095
Buildings	260,648	(94,636)	166,012	259,775	(92,431)	167,344
Improvements	25,618	(13,922)	11,696	25,587	(13,501)	12,086
Facilities	356,226	(214,350)	141,876	351,848	(208,192)	143,656
Furniture and fixtures	12,320	(8,459)	3,861	12,186	(8,193)	3,993
IT equipment	31,185	(29,093)	2,092	30,927	(28,672)	2,255
Machinery and equipment (*)	2,275,362	(1,525,203)	750,159	2,246,767	(1,388,282)	858,485
Vehicles	8,222	(6,453)	1,769	10,615	(8,567)	2,048
Agricultural machinery and implements (**)	919,142	(855,884)	63,258	960,728	(805,016)	155,712
Bearer plant	1,712,966	(1,453,607)	259,359	1,627,300	(1,366,804)	260,496
	<b>5,616,784</b>	<b>(4,201,607)</b>	<b>1,415,177</b>	<b>5,540,828</b>	<b>(3,919,658)</b>	<b>1,621,170</b>
Construction in progress (Note 14.1)	10,145	-	10,145	14,263	-	14,263
	<b>5,626,929</b>	<b>(4,201,607)</b>	<b>1,425,322</b>	<b>5,555,091</b>	<b>(3,919,658)</b>	<b>1,635,433</b>

	Consolidated					
	09.30.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	20,702	-	20,702	21,084	-	21,084
Buildings	478,590	(189,300)	289,290	475,559	(184,730)	290,829
Improvements	128,622	(61,934)	66,688	128,777	(60,118)	68,659
Facilities	558,052	(332,524)	225,528	545,312	(320,850)	224,462
Furniture and fixtures	21,212	(14,862)	6,350	20,731	(14,443)	6,288
IT equipment	61,941	(54,682)	7,259	60,607	(53,128)	7,479
Machinery and equipment (*)	5,665,076	(3,963,804)	1,701,272	5,595,046	(3,657,614)	1,937,432
Vehicles	29,648	(29,186)	462	35,459	(34,121)	1,338
Agricultural machinery and inputs (**)	1,668,872	(1,532,683)	136,189	1,734,333	(1,426,694)	307,639
Bearer plant	3,115,121	(2,576,910)	538,211	2,966,966	(2,427,778)	539,188
	<b>11,747,836</b>	<b>(8,755,885)</b>	<b>2,991,951</b>	<b>11,583,874</b>	<b>(8,179,476)</b>	<b>3,404,398</b>
Construction in progress (Note 14.1)	25,647	-	25,647	72,993	-	72,993
	<b>11,773,483</b>	<b>(8,755,885)</b>	<b>3,017,598</b>	<b>11,656,867</b>	<b>(8,179,476)</b>	<b>3,477,391</b>

(\*) Includes deferred manufacturing costs.

(\*\*) Includes deferred agricultural costs.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

The changes in the net value of property, plant and equipment are as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Opening balance	1,635,433	1,697,433	3,477,391	3,641,525
Acquisitions and additions	91,261	378,970	171,540	793,991
Residual value of write-offs	(5,257)	(53,726)	(10,230)	(58,913)
Transfer to assets held for sale	16,082	19,312	16,082	22,818
Reversal of allowance for impairment losses (*)	2,872	706	3,927	522
Depreciation for the period/year	(315,069)	(407,262)	(641,112)	(922,552)
	<b>1,425,322</b>	<b>1,635,433</b>	<b>3,017,598</b>	<b>3,477,391</b>

(\*) See Note 14.3.

### 14.1 Construction in progress

Construction in progress is broken down by plant as follows:

Plant	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Leme	1,172	7,959	1,172	7,959
Passatempo	2,889	2,497	2,889	2,497
Lagoa da Prata	3,638	2,294	3,638	2,294
Rio Brilhante	2,447	1,513	2,447	1,513
Santa Elisa	-	-	8,331	16,295
Vale do Rosário	-	-	4,284	18,635
MB	-	-	2,000	7,647
Continental	-	-	886	16,153
	<b>10,146</b>	<b>14,263</b>	<b>25,647</b>	<b>72,993</b>

The balance of construction in progress refers basically to the adaptation of industrial facilities, increase in sugar production and refurbishment of administrative facilities.

### 14.2 Fixed assets given in guarantee and commitments for acquisition of fixed assets

As at September 30, 2020, the Company had agreements with suppliers for acquisition of fixed assets, amounting to R\$79,048 (R\$21,607 as at March 31, 2020), and total fixed assets given in guarantee in the amount of R\$1,087,594 (R\$809,362 as at March 31, 2020).

### 14.3 Impairment

As at September 30, 2020, the reversal/impairment totaled R\$2,872, in Company, and R\$3,927 in Consolidated (R\$706, in Company, and R\$522, in Consolidated, as at March 31, 2020), due the sales and/or transfers of fixed assets between industrial clusters of the Group.

As at September 30, 2020, the accumulated balance of impairment is R\$58,620, in Company, and R\$187,034 in Consolidated (R\$61,492 and R\$190,961 as at March 31, 2020, respectively).

The main impaired assets comprise land, buildings, furniture and fixtures, computers, machinery and equipment, vehicles, and agricultural machinery and implements.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 15. INTANGIBLE ASSETS

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Goodwill</b>				
Biosev Bioenergia	-	-	494,079	494,079
Usinas Tavares de Melo	-	-	407,675	407,675
Ampla	-	-	3,691	3,691
	-	-	<b>905,445</b>	<b>905,445</b>
<b>Software</b>				
Licences	9,107	11,856	10,327	12,997
	<b>9,107</b>	<b>11,856</b>	<b>10,327</b>	<b>12,997</b>
Other	-	-	2,933	3,522
	-	-	<b>2,933</b>	<b>3,522</b>
	<b>9,107</b>	<b>11,856</b>	<b>918,705</b>	<b>921,964</b>

The changes in intangible assets are as follows:

	Company					09.30.20
	03.31.20	Additions	Write-off	Amortization	Reversal Impairment	
<b>Software</b>						
Licences	11,856	318	(264)	(2,944)	141	9,107
	<b>11,856</b>	<b>318</b>	<b>(264)</b>	<b>(2,944)</b>	<b>141</b>	<b>9,107</b>

	Company			
	03.31.19	Additions	Amortization	09.30.19
<b>Software</b>				
Licences	9,126	6,177	(3,235)	12,068
	<b>9,126</b>	<b>6,177</b>	<b>(3,235)</b>	<b>12,068</b>

	Consolidated					09.30.20
	03.31.20	Additions	Write-off	Amortization	Reversal Impairment	
<b>Goodwill</b>						
Biosev Bioenergia	494,079	-	-	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	-	-	407,675
Ampla	3,691	-	-	-	-	3,691
<b>Software</b>						
Licences	12,997	645	(374)	(3,194)	253	10,327
<b>Other</b>						
Other	3,522	-	-	(589)	-	2,933
	<b>921,964</b>	<b>645</b>	<b>(374)</b>	<b>(3,783)</b>	<b>253</b>	<b>918,705</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Consolidated				
	03.31.19	Additions	Amortization	09.30.19
<b>Goodwill</b>				
Biosev Bioenergia	494,079	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	407,675
Ampla	3,691	-	-	3,691
<b>Software</b>				
Licences	9,726	7,155	(3,707)	13,174
<b>Other</b>				
Other	4,489	-	(526)	3,963
	<u>919,660</u>	<u>7,155</u>	<u>(4,233)</u>	<u>922,582</u>

## 16. BORROWINGS AND FINANCING

Description	Currency	Weighted average financial charges	Maturity (*)	Collaterals	Company	
					09.30.20	03.31.20
Advance on Foreign Exchange Contract (ACC) (a)	US\$	Exchange rate change plus average interest rate of 5.37% p.a.	As at 03.31.23	Guarantee and promissory note	1,844,701	1,625,953
Export Prepayment - PPE (a)	US\$	Exchange rate change plus Libor plus average interest rate of 4% p.a.	As at 03.25.23	Promissory note, receivables and collateral	738,365	680,727
Constitutional Fund to Finance the the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	44,952	51,868
Finame	R\$	Average interest rate of 9.63% p.a. and TLP + 4.92% p.a.	From 04.17.23 to 04.15.25	Conditional sale, guarantee and promissory note	34,727	38,370
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2%	As at 04.29.22	Guarantee, promissory note and collateral	181,080	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	289,603	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2%	From 02.24.2021 to 03.30.23	Collection and assignment of receivables	148,002	139,434
					<u>3,281,430</u>	<u>3,003,043</u>
				<b>Current liabilities</b>	<u>1,205,008</u>	<u>2,935,559</u>
				<b>Non-current liabilities</b>	<u>2,076,422</u>	<u>67,484</u>

(\*) Refers to the last maturity date of the agreements.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Description	Currency	Weighted average			Consolidated	
		financial charges	Maturity (*)	Collaterals	09.30.20	03.31.20
Restructured debt (ex-Debentures) - R\$	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	68,972	99,771
Restructured debt - US\$	US\$	Exchange rate change plus Libor plus average interest rate of 2.47% p.a.	As at 07.10.23	Guarantee, receivables, mortgage and shares	555,118	741,176
Restructured debt (debenture) - R\$ (a)	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	103,945	140,590
Advance on Foreign Exchange Contract - ACC (a)	US\$	Exchange rate change plus average interest rate of 5.40% p.a.	As at 03.31.23	Guarantee and promissory note	4,008,405	3,642,512
Export Prepayment – PPE (a)/(b)	US\$	Exchange rate change plus Libor plus average interest rate of 5.64% p.a.	From 03.25.2023 to 04.30.23	Guarantee, promissory note, receivables and collateral	2,171,058	1,962,581
Constitutional Fund to Finance the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	44,952	51,868
Finame	R\$	Average interest rate of 9.55% p.a. and TLP + 4.92% p.a.	From 04.15.21 to 04.15.25	Conditional sale, guarantee and promissory note	68,908	76,802
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2% p.a.	As at 04.29.22	Guarantee, promissory note and collateral	181,080	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	289,603	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2% p.a.	From 02.24.2021 to 03.30.23	Collection and assignment of receivables	<u>148,001</u>	<u>139,434</u>
					<u>7,640,041</u>	<u>7,321,425</u>
				<b>Current liabilities</b>	<b><u>2,899,005</u></b>	<b><u>7,225,234</u></b>
				<b>Non-current liabilities</b>	<b><u>4,741,036</u></b>	<b><u>96,191</u></b>

(\*) Refers to the last maturity date of the agreements.

(a) Net of commission costs and deferred expenses, in the amount of R\$2,658, in Company, and R\$8,364, in Consolidated, as at September 30, 2020 (R\$2,755, in Company, and R\$8,843, in Consolidated, as at March 31, 2020), monthly recorded in profit or loss through the maturity of such transaction.

(b) Include export prepayments, contracted on January 9, 2015, by subsidiary Biosev Bioenergia Internacional S.A. with the trade union of foreign financial institutions, in the amount of R\$1,246,214 as at September 30, 2020 (R\$1,150,301 as at March 31, 2020). These operations are collateralized by a set of assets for settlement. As at September 30, 2020, the foreign currency-denominated deposits comprise, together with the agricultural production (sugarcane) of specific units and sugar and ethanol inventories, the ratio of 133.07% of the obligations.

Non-current liabilities mature as follows (crop year):

	Company	Consolidated
	09.30.20	09.30.20
October 2021 to March 2022	297,185	712,377
April 2022 to March 2023	1,567,201	3,474,794
April 2023 to March 2024	54,160	385,958
April 2024 to March 2025	43,088	50,040
April 2025 to October 2027	114,788	117,867
	<b><u>2,076,422</u></b>	<b><u>4,741,036</u></b>

The verification of compliance with the restrictive covenants occurs annually, at the close of Company's year. As at March 31, 2020, the Company has not achieved some financial covenants. However, the Company obtained the creditors' waiver, that is, the Company is not obligated to comply with the financial covenants not performed on the balance sheet date and, therefore, the original maturity dates have been maintained.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 16.1 Changes in borrowings and financing

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
<b>Opening balance</b>	<b>3,003,043</b>	<b>2,508,176</b>	<b>7,321,425</b>	<b>5,979,328</b>
Additions	501,784	1,840,335	868,769	4,459,444
Payment of principal	(478,754)	(1,961,531)	(1,145,481)	(4,733,209)
Interest, exchange rate changes and inflation adjustments and adjustment to fair value of loans, net	326,105	825,313	751,470	2,080,661
Payment of interest	(70,748)	(209,250)	(156,142)	(464,799)
<b>Closing balance</b>	<b>3,281,430</b>	<b>3,003,043</b>	<b>7,640,041</b>	<b>7,321,425</b>

### 17. TRADE PAYABLES

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Related parties (Note 20)				
In Brazil	6,245	6,068	13,540	8,001
Abroad	98,929	89,808	4,533	4,494
	<b>105,174</b>	<b>95,876</b>	<b>18,073</b>	<b>12,495</b>
Third parties				
In Brazil	238,038	215,843	681,769	662,534
Abroad	3,422	3,118	21,740	129,839
	<b>241,460</b>	<b>218,961</b>	<b>703,509</b>	<b>792,373</b>
	<b>346,634</b>	<b>314,837</b>	<b>721,582</b>	<b>804,868</b>
<b>Current liabilities</b>	<b>342,181</b>	<b>309,104</b>	<b>716,891</b>	<b>798,903</b>
<b>Non-current liabilities</b>	<b>4,453</b>	<b>5,733</b>	<b>4,691</b>	<b>5,965</b>

### 18. TAXES PAYABLE

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Payment in installments	33	125	2,057	2,137
Tax on Manufactured Products (IPI)	-	-	342	1,027
State VAT (ICMS)	767	6,916	773	8,152
Taxes on revenue (PIS and COFINS)	2,025	314	4,910	4,979
Social Security Tax (INSS)	6,981	3,867	12,977	11,083
Income tax (IRPJ) and social contribution (CSLL)	258	3,378	34,847	40,299
Withholding Income Tax (IRPF)	12,660	12,660	12,660	12,660
Other	13,022	12,555	13,021	13,316
	<b>35,746</b>	<b>39,815</b>	<b>81,587</b>	<b>93,653</b>
<b>Current liabilities</b>	<b>17,422</b>	<b>21,314</b>	<b>63,263</b>	<b>75,152</b>
<b>Non-current liabilities</b>	<b>18,324</b>	<b>18,501</b>	<b>18,324</b>	<b>18,501</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 19. PROVISION FOR TAX, LABOR, CIVIL AND ENVIRONMENTAL CONTINGENCIES

The Company is a party to various ongoing law suits involving tax, labor, civil and environmental matters arising in the normal course of business.

	Company					09.30.20
	03.31.20	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
Income tax (IRPJ) and social contribution (CSLL)	79	-	-	-	-	79
	<b>79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>
Labor						
Labor	84,919	2,025	11,663	(9,837)	(4,870)	83,900
Environmental	1,696	(38)	1,018	(263)	-	2,413
Civil	20,783	1,923	1,062	(301)	-	23,467
Criminal	605	(87)	-	(202)	-	316
	<b>108,002</b>	<b>3,823</b>	<b>13,743</b>	<b>(10,603)</b>	<b>(4,870)</b>	<b>110,095</b>
	<b>108,081</b>	<b>3,823</b>	<b>13,743</b>	<b>(10,603)</b>	<b>(4,870)</b>	<b>110,174</b>

	Company					09.30.19
	03.31.19	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
Income tax (IRPJ) and social contribution (CSLL)	76	1	-	-	-	77
	<b>76</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77</b>
Labor						
Labor	128,197	(7)	26,151	(28,557)	(508)	125,276
Environmental	1,468	237	3	(73)	-	1,635
Civil	8,338	1,399	5,850	(530)	-	15,057
	<b>138,003</b>	<b>1,629</b>	<b>32,004</b>	<b>(29,160)</b>	<b>(508)</b>	<b>141,968</b>
	<b>138,079</b>	<b>1,630</b>	<b>32,004</b>	<b>(29,160)</b>	<b>(508)</b>	<b>142,045</b>

	Consolidated					09.30.20
	03.31.20	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
IFI levied on sugar sales	17,785	54	-	-	-	17,839
PIS and COFINS	3,406	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,852	-	-	-	-	2,852
Other	16	-	-	-	-	16
	<b>24,059</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,113</b>
Labor						
Labor	227,868	4,703	44,092	(13,995)	(25,612)	237,056
Environmental	11,354	1,537	2,065	(304)	-	14,652
Civil	30,782	2,054	1,480	(627)	-	33,689
Criminal	605	(87)	-	(202)	-	316
	<b>270,609</b>	<b>8,207</b>	<b>47,637</b>	<b>(15,128)</b>	<b>(25,612)</b>	<b>285,713</b>
	<b>294,668</b>	<b>8,261</b>	<b>47,637</b>	<b>(15,128)</b>	<b>(25,612)</b>	<b>309,826</b>

	Consolidated					09.30.19
	03.31.19	Inflation adjustment	Additions	Written-off reversals	Written-off payments	
Tax						
IFI levied on sugar sales	17,584	113	-	-	-	17,697
PIS and COFINS	3,406	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,850	2	-	-	-	2,852
Other	16	-	-	-	-	16
	<b>23,856</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,971</b>
Labor						
Labor	236,368	2,058	65,395	(44,758)	(7,146)	251,917
Environmental	7,611	2,444	1,367	(474)	-	10,948
Civil	19,402	2,174	6,766	(1,122)	-	27,220
	<b>263,381</b>	<b>6,676</b>	<b>73,528</b>	<b>(46,354)</b>	<b>(7,146)</b>	<b>290,085</b>
	<b>287,237</b>	<b>6,791</b>	<b>73,528</b>	<b>(46,354)</b>	<b>(7,146)</b>	<b>314,056</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### Contingencies - court or out-of-court claims classified as possible losses and not accrued

#### Tax

The tax claims (court and out-of-court) as at September 30, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Tax	652,649	725,832	1,620,381	1,652,707
	<b>652,649</b>	<b>725,832</b>	<b>1,620,381</b>	<b>1,652,707</b>

Among the contingencies for which a provision has not been recognized and that have been assessed as possible loss is the collection of ICMS due to an alleged difference identified in inventories. Additionally, there is a discussion also involving ICMS on the reasonableness in levying ICMS on export of semi-finished products.

#### Civil, environmental and labor

The civil, environmental and labor claims (court and out-of-court) as at September 30, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Civil	140,839	101,979	188,504	147,405
Environmental	33,621	12,278	96,829	74,433
Labor	73,096	76,297	126,986	126,742
	<b>247,556</b>	<b>190,554</b>	<b>412,319</b>	<b>348,580</b>

As at September 30, 2020, the Group was a party to labor, environmental and civil law suits whose likelihood of loss is considered possible based on the opinion of Group's legal counsel.

Labor claims are substantially related to (i) working hours; (ii) time in transit; (iii) additional premiums; (iv) refund of deductions, such as trade union fees; (v) contractual exclusivity; (vi) jointly-liability with service providers; (vii) occupational accidents and/or hazards/diseases; (viii) organizational climate; (ix) validity of the collective bargaining agreement, and (x) compensation costs in relation to the items mentioned above.

Civil law suits basically refer to discussions involving contractual issues and occupational and/or traffic accidents, collection, possession issues and general indemnities.

Environmental law suits are substantially related to: (i) burn of sugarcane straw; and (ii) alleged non-authorized intervention or damages in an area considered by environmental authorities as a permanent preservation area.

## 20. RELATED PARTIES

The information on related-party transactions has not significantly changed compared to the information disclosed in the financial statements as at March 31, 2020.

The related-party transactions described in the tables below refer basically to: (i) sales in the domestic and international markets at the price agreed between the parties, based on the market quotation; (ii) loan transactions; (iii) apportionment of costs relating to the shared facilities; (iv) provision of brokerage services involving derivative transactions; (v) commodities export performance operations; and (vi) lifting and sugar storage services.



# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

The tables below show the balances and transactions as at September 30, 2020 between the Company and its subsidiaries, which are consolidated in its balance sheet:

Subsidiaries	Company		
	Assets		
	Trade receivables	Loan	Total
Biosev Bioenergia Internacional S.A.	216,880	-	216,880
Biosev Bioenergia S.A.	6,130	1,102	7,232
Biosev Comercializadora S.A.	3,311	4	3,315
<b>09.30.20</b>	<b>226,321</b>	<b>1,106</b>	<b>227,427</b>

Subsidiaries			
Biosev Bioenergia Internacional S.A.	132,489	-	132,489
Biosev Bioenergia S.A.	4,164	26,736	30,900
Biosev Comercializadora S.A.	3,334	-	3,334
<b>03.31.20</b>	<b>139,987</b>	<b>26,736</b>	<b>166,723</b>

Subsidiaries	Company			
	Liabilities			
	Trade payables (*)	Advances from customers (**)	Loan	Total
Biosev Bioenergia Internacional S.A.	102,252	910,861	3,323	1,016,436
Biosev Bioenergia S.A.	2,617	-	-	2,617
Sociedade Operadora Portuária de São Paulo S.A.	-	-	14,258	14,258
<b>09.30.20</b>	<b>104,869</b>	<b>910,861</b>	<b>17,581</b>	<b>1,033,311</b>

Subsidiaries				
Biosev Bioenergia Internacional S.A.	95,932	814,736	-	910,668
Biosev Bioenergia S.A.	4,134	-	-	4,134
Sociedade Operadora Portuária de São Paulo S.A.	-	-	14,108	14,108
<b>03.31.20</b>	<b>100,066</b>	<b>814,736</b>	<b>14,108</b>	<b>928,910</b>

(\*) As at September 30, 2020, the amount of R\$3,222 (R\$3,062 as at March 31, 2020) was recorded in current liabilities, in line item "Other payables".

(\*\*) As at September 30, 2020, the amounts of R\$267,321 (R\$12,232 as at March 31, 2020) and R\$749,115 (R\$802,505 as at March 31, 2020) were recorded in current liabilities and non-current liabilities, respectively.

Subsidiaries	Company					
	Profit (loss)					
	Income			Expenses		
Sales	Interest	Total	Purchases	Interest	Total	
Biosev Bioenergia Internacional S.A.	449,112	-	449,112	(1,206)	(113,845)	(115,051)
Biosev Bioenergia S.A.	31,920	-	31,920	(1,063)	(4)	(1,067)
Biosev Comercializadora S.A.	9,754	5	9,759	(2,087)	-	(2,087)
Sociedade Operadora Portuária de São Paulo S.A.	-	-	-	-	(317)	(317)
<b>09.30.20</b>	<b>490,786</b>	<b>5</b>	<b>490,791</b>	<b>(4,356)</b>	<b>(114,166)</b>	<b>(118,522)</b>
Subsidiaries						
Biosev Bioenergia Internacional S.A.	74,960	-	74,960	(325)	(66,219)	(66,544)
Biosev Bioenergia S.A.	7,089	1,826	8,915	(519)	-	(519)
Biosev Comercializadora S.A.	17,730	138	17,868	-	-	-
Sociedade Operadora Portuária de São Paulo S.A.	-	-	-	-	(392)	(392)
<b>09.30.19</b>	<b>99,779</b>	<b>1,964</b>	<b>101,743</b>	<b>(844)</b>	<b>(66,611)</b>	<b>(67,455)</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

The tables below show the balances and transactions as at September 30, 2020 between the Company and other related parties:

	Company			
	Assets			
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
<b>Companies under common control</b>				
Louis Dreyfus Company Suisse S.A.	-	13,838	-	13,838
Louis Dreyfus Company Brasil S.A.	-	-	316,799	316,799
Term Commodities Inc.	31,868	-	-	31,868
<b>09.30.20</b>	<b>31,868</b>	<b>13,838</b>	<b>316,799</b>	<b>362,505</b>
<b>Companies under common control</b>				
Louis Dreyfus Company Suisse S.A.	-	1,014	-	1,014
Louis Dreyfus Company Brasil S.A.	-	-	885,170	885,170
Term Commodities Inc.	19,112	-	-	19,112
<b>03.31.20</b>	<b>19,112</b>	<b>1,014</b>	<b>885,170</b>	<b>905,296</b>
	Consolidated			
	Assets			
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	95	743,052	743,147
LDC Ethanol Interior Merchandising	-	98	-	98
Louis Dreyfus Company Suisse S.A.	-	178,408	-	178,408
Term Commodities Inc.	31,868	348	-	32,216
<b>09.30.20</b>	<b>31,868</b>	<b>178,949</b>	<b>743,052</b>	<b>953,869</b>
<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	-	2,506,685	2,506,685
LDC Ethanol Interior Merchandising	-	91	-	91
Louis Dreyfus Company Suisse S.A.	-	2,153	-	2,153
Term Commodities Inc.	19,112	261	-	19,373
<b>03.31.20</b>	<b>19,112</b>	<b>2,505</b>	<b>2,506,685</b>	<b>2,528,302</b>

(\*) As at September 30, 2020, the amount of R\$31,868 (R\$19,112 as at March 31, 2020) was recorded in line item "Short-term investments", relating to margin deposits in derivative transactions.

	Company			
	Liabilities			
	Derivatives	Trade payables	Advances from customers	Total
<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	573	-	573
Louis Dreyfus Company Suisse S.A.	-	-	351,978	351,978
Term Commodities Inc.	2,150	-	-	2,150
	<b>2,150</b>	<b>573</b>	<b>351,978</b>	<b>354,701</b>
<b>Jointly-controlled entity</b>				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	3,055	-	3,055
	-	<b>3,055</b>	-	<b>3,055</b>
<b>09.30.20</b>	<b>2,150</b>	<b>3,628</b>	<b>351,978</b>	<b>357,756</b>
<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	185	-	185
Louis Dreyfus Company Suisse S.A.	-	-	878,580	878,580
Term Commodities Inc.	6,585	-	-	6,585
	<b>6,585</b>	<b>185</b>	<b>878,580</b>	<b>885,350</b>
<b>Jointly-controlled entity</b>				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	1,749	-	1,749
	-	<b>1,749</b>	-	<b>1,749</b>
<b>03.31.20</b>	<b>6,585</b>	<b>1,934</b>	<b>878,580</b>	<b>887,099</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated			
	Liabilities			
	Derivatives	Trade payables	Advances from customers	Total
<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	697	-	697
Louis Dreyfus Company Suisse S.A.	-	6,471	775,058	781,529
LDC Trading and Services Co. S.A.	-	92	-	92
Term Commodities Inc.	2,150	-	-	2,150
	<u>2,150</u>	<u>7,260</u>	<u>775,058</u>	<u>784,468</u>
<b>Empresa Controlada em Conjunto</b>				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	12,843	-	12,843
	-	<u>12,843</u>	-	<u>12,843</u>
<b>09.30.20</b>	<u>2,150</u>	<u>20,103</u>	<u>775,058</u>	<u>797,311</u>

<b>Companies under common control</b>				
Louis Dreyfus Company Brasil S.A.	-	309	-	309
Louis Dreyfus Company Suisse S.A.	289	4,251	2,486,605	2,491,145
LDC Trading and Services Co. S.A.	-	243	-	243
Term Commodities Inc.	6,585	-	-	6,585
	<u>6,874</u>	<u>4,803</u>	<u>2,486,605</u>	<u>2,498,282</u>
<b>Jointly-controlled entity</b>				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	7,692	-	7,692
	-	<u>7,692</u>	-	<u>7,692</u>
<b>03.31.20</b>	<u>6,874</u>	<u>12,495</u>	<u>2,486,605</u>	<u>2,505,974</u>

	Company					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest and exchange rate changes	Total income	Sales	Interest and exchange rate changes	Total expenses
<b>Companies under common control</b>						
Louis Dreyfus Company Brasil S.A.	-	-	-	(847,689)	-	(847,689)
Louis Dreyfus Company Suisse S.A.	988,247	-	988,247	-	-	-
Macrofertil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(105)	-	(105)
Term Commodities Inc.	-	-	-	(9,084)	-	(9,084)
	<u>988,247</u>	<u>-</u>	<u>988,247</u>	<u>(856,878)</u>	<u>-</u>	<u>(856,878)</u>
<b>Jointly-controlled entity</b>						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(3,534)	-	(3,534)
<b>09.30.20</b>	<u>988,247</u>	<u>-</u>	<u>988,247</u>	<u>(860,412)</u>	<u>-</u>	<u>(860,412)</u>
<b>Companies under common control</b>						
Louis Dreyfus Company Brasil S.A.	-	5,144	5,144	(784,149)	-	(784,149)
Louis Dreyfus Company Suisse S.A.	778,428	-	778,428	-	(4,984)	(4,984)
Term Commodities Inc.	-	-	-	(3,756)	-	(3,756)
	<u>778,428</u>	<u>5,144</u>	<u>783,572</u>	<u>(787,905)</u>	<u>(4,984)</u>	<u>(792,889)</u>
<b>Jointly-controlled entity</b>						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(1,607)	-	(1,607)
<b>09.30.19</b>	<u>778,428</u>	<u>5,144</u>	<u>783,572</u>	<u>(789,512)</u>	<u>(4,984)</u>	<u>(794,496)</u>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest and exchange rate	Total income	Sales	Interest and exchange rate	Total expenses
changes		changes				
<b>Companies under common control</b>						
LDC Trading and Services Co.S.A.	-	-	-	(601)	(13)	(614)
Louis Dreyfus Company Brasil S.A.	731	-	731	(2,095,500)	-	(2,095,500)
Louis Dreyfus Company Suisse S.A.	3,600,685	23,010	3,623,695	(234,150)	-	(234,150)
Macrofertil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(185)	-	(185)
Term Commodities Inc.	-	32	32	(9,294)	-	(9,294)
	<u>3,601,416</u>	<u>23,042</u>	<u>3,624,458</u>	<u>(2,339,730)</u>	<u>(13)</u>	<u>(2,339,743)</u>
<b>Jointly-controlled entity</b>						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(16,747)	-	(16,747)
<b>09.30.20</b>	<u>3,601,416</u>	<u>23,042</u>	<u>3,624,458</u>	<u>(2,356,477)</u>	<u>(13)</u>	<u>(2,356,490)</u>
<b>Companies under common control</b>						
Louis Dreyfus Company Ethanol Merchandising LLC	-	1	1	-	-	-
LDC Trading and Services Co.S.A.	-	-	-	(829)	(2)	(831)
Louis Dreyfus Company Brasil S.A.	395	21,546	21,941	(877,885)	-	(877,885)
Louis Dreyfus Company Suisse S.A.	1,628,898	-	1,628,898	(3,983)	(24,616)	(28,599)
Macrofertil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(674)	-	(674)
Term Commodities Inc.	-	6	6	(4,177)	-	(4,177)
	<u>1,629,293</u>	<u>21,553</u>	<u>1,650,846</u>	<u>(887,548)</u>	<u>(24,618)</u>	<u>(912,166)</u>
<b>Jointly-controlled entity</b>						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(14,783)	(150)	(14,933)
	-	-	-	(14,783)	(150)	(14,933)
<b>09.30.19</b>	<u>1,629,293</u>	<u>21,553</u>	<u>1,650,846</u>	<u>(902,331)</u>	<u>(24,768)</u>	<u>(927,099)</u>

### a) Compensation of key management personnel

The compensation of officers and other key management personnel for the period is as follows:

	Company and Consolidated			
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Short-term benefits	922	1,109	7,562	7,562
Long-term benefits	-	-	2,302	1,458
	<u>922</u>	<u>1,109</u>	<u>9,864</u>	<u>9,020</u>

The short-term benefits of key management personnel comprise salaries, social security contributions, pension fund contributions, social charges, profit sharing and short-term performance bonus. Long-term benefits include performance bonus and deferred benefits that expired in each financial statement.

## 21. EQUITY

### Capital

The changes in capital are as follows:

	Common	In thousands of Brazilian reais - R\$	
	shares	Capital	Capital reserve
<b>03.31.20</b>	<u>1,020,429,426</u>	<u>6,077,674</u>	<u>1,353,937</u>
<b>09.30.20</b>	<u>1,020,429,426</u>	<u>6,077,674</u>	<u>1,353,937</u>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 22. NET REVENUE AND COST OF SALES AND SERVICES

	Company				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
<b>Gross revenue</b>								
<b>Domestic market</b>								
Sugar	74,882	39,406	122,591	55,869	94,483	60,686	155,329	100,268
Ethanol	182,150	421,613	298,051	846,715	281,268	671,498	527,624	1,387,248
Energy	62,611	67,116	116,619	120,108	157,954	106,970	288,724	229,130
Other	2,630	4,703	3,023	5,641	13,879	21,334	26,381	26,950
	<u>322,273</u>	<u>532,838</u>	<u>540,284</u>	<u>1,028,333</u>	<u>547,584</u>	<u>860,488</u>	<u>998,058</u>	<u>1,743,596</u>
<b>Foreign market</b>								
Sugar	357,507	94,723	570,561	129,212	1,180,025	413,723	1,828,263	666,529
Ethanol	35,536	1,128	49,386	1,128	321,537	147,182	554,423	233,411
Other (a)	605,912	248,669	1,121,112	778,428	999,682	248,667	2,396,850	872,207
	<u>998,955</u>	<u>344,520</u>	<u>1,741,059</u>	<u>908,768</u>	<u>2,501,244</u>	<u>809,572</u>	<u>4,779,536</u>	<u>1,772,147</u>
	<u>1,321,228</u>	<u>877,358</u>	<u>2,281,343</u>	<u>1,937,101</u>	<u>3,048,828</u>	<u>1,670,060</u>	<u>5,777,594</u>	<u>3,515,743</u>
Taxes (b)	(23,056)	(56,873)	(46,110)	(114,280)	(54,464)	(116,141)	(112,317)	(242,657)
Sales rebates	(290)	(1,025)	(1,521)	(1,325)	(9,761)	(1,460)	(11,048)	(2,263)
<b>Net revenue</b>	<u>1,297,881</u>	<u>819,460</u>	<u>2,233,711</u>	<u>1,821,496</u>	<u>2,984,603</u>	<u>1,552,459</u>	<u>5,654,229</u>	<u>3,270,823</u>
<b>Cost of sales and services (c)</b>								
<b>Domestic market</b>								
Sugar	(65,161)	(28,423)	(102,594)	(47,661)	(77,291)	(38,192)	(126,148)	(68,553)
Ethanol	(128,072)	(292,300)	(242,023)	(601,781)	(177,832)	(440,728)	(412,675)	(967,470)
Energy	(10,954)	(16,009)	(21,620)	(29,456)	(74,395)	(34,710)	(145,669)	(109,233)
Other	(5,320)	(267)	(7,111)	(1,602)	(15,433)	(10,629)	(33,693)	(18,517)
	<u>(209,507)</u>	<u>(336,999)</u>	<u>(373,348)</u>	<u>(680,500)</u>	<u>(344,951)</u>	<u>(524,259)</u>	<u>(718,185)</u>	<u>(1,163,773)</u>
<b>Foreign market</b>								
Sugar (d)	(252,951)	(66,285)	(392,237)	(97,373)	(906,333)	(445,756)	(1,430,954)	(670,129)
Ethanol (d)	(22,500)	(3,576)	(33,975)	(3,576)	(235,500)	(173,598)	(404,198)	(262,387)
Other (a)	(604,277)	(249,170)	(1,142,752)	(783,780)	(1,002,111)	(249,167)	(2,407,841)	(877,516)
	<u>(879,728)</u>	<u>(319,031)</u>	<u>(1,568,964)</u>	<u>(884,729)</u>	<u>(2,143,944)</u>	<u>(868,521)</u>	<u>(4,242,993)</u>	<u>(1,810,032)</u>
<b>Gains on changes in fair value less estimated costs to sell biological assets</b>								
Sugar	241,750	18,995	345,303	28,997	351,476	33,639	475,383	53,481
Ethanol	114,428	59,343	187,924	120,849	169,239	68,326	259,161	141,881
	<u>356,178</u>	<u>78,338</u>	<u>533,227</u>	<u>149,846</u>	<u>520,715</u>	<u>101,965</u>	<u>734,544</u>	<u>195,362</u>
	<u>(733,057)</u>	<u>(577,692)</u>	<u>(1,409,085)</u>	<u>(1,415,383)</u>	<u>(1,968,180)</u>	<u>(1,290,815)</u>	<u>(4,226,632)</u>	<u>(2,778,443)</u>

(a) Amounts relating to the export of commodities.

(b) Include government grants, which reduced the taxable base on sales by R\$37,833, in Company, in the period ended September 30, 2020 (R\$59,024 as at September 30, 2019).

(c) Include PIS and COFINS credits in the amount of R\$5,824, in Company, and R\$10,435, in Consolidated, in the period ended September 30, 2020 (R\$27,290 and R\$81,267, as at September 30, 2019, respectively), as prescribed by article 3, of Law 10637/02, which addresses the non-cumulativeness of PIS/PASEP; and article 3, of Law 10833/03, which addresses the non-cumulativeness of COFINS.

(d) Include REINTEGRA credits, in the amount of R\$607, in Company, and R\$2,243, in Consolidated, in the period ended September 30, 2020 (R\$2,380 and R\$3,016, as at September 30, 2019, respectively), as set forth in article 21, of Law 13043, of November 13, 2014, which addresses the REINTEGRA reintroducing.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 23. EXPENSES BY NATURE

The information on the nature of cost of sales and services and general, administrative and selling expenses is as follows:

	Company				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
Cost of sales and services								
Personnel (*)	(69,087)	(56,201)	(118,250)	(120,855)	(162,239)	(120,573)	(279,948)	(235,191)
Depreciation and amortization (**)	(318,487)	(275,331)	(536,618)	(508,694)	(630,186)	(548,869)	(1,078,429)	(979,213)
Raw materials and inputs, net of taxes:								
Raw materials	(82,955)	(59,786)	(112,656)	(114,428)	(421,496)	(311,868)	(652,921)	(542,856)
Inputs and services	(8,525)	(6,447)	(22,466)	(11,240)	(26,446)	(27,071)	(72,339)	(58,730)
Products for resale	(610,181)	(258,265)	(1,152,322)	(810,012)	(1,248,526)	(384,399)	(2,877,539)	(1,157,815)
	<b>(701,661)</b>	<b>(324,498)</b>	<b>(1,287,444)</b>	<b>(935,680)</b>	<b>(1,696,468)</b>	<b>(723,338)</b>	<b>(3,602,799)</b>	<b>(1,759,401)</b>
Gains on changes in fair value less estimated costs to sell biological assets	356,178	78,338	533,227	149,846	520,715	101,965	734,544	195,362
	<b>(733,057)</b>	<b>(577,692)</b>	<b>(1,409,085)</b>	<b>(1,415,383)</b>	<b>(1,968,180)</b>	<b>(1,290,815)</b>	<b>(4,226,632)</b>	<b>(2,778,443)</b>
General, administrative and selling expenses								
Personnel (*)	(14,162)	(16,796)	(20,279)	(42,497)	(31,813)	(33,093)	(63,881)	(76,092)
Depreciation	(2,574)	(3,048)	(5,408)	(5,777)	(5,217)	(6,012)	(10,723)	(11,823)
Freight	(34,404)	(12,932)	(50,177)	(18,905)	(88,723)	(57,448)	(143,531)	(84,359)
Services	(9,712)	(14,725)	(22,099)	(26,459)	(22,794)	(27,921)	(54,290)	(47,444)
Shipping expenses	(3,823)	(2,153)	(4,682)	(2,412)	(21,382)	(15,781)	(44,301)	(21,173)
Other	(1,874)	(4,723)	(6,404)	(10,964)	(5,623)	(11,343)	(13,493)	(19,944)
	<b>(66,549)</b>	<b>(54,377)</b>	<b>(109,049)</b>	<b>(107,014)</b>	<b>(175,552)</b>	<b>(151,598)</b>	<b>(330,219)</b>	<b>(260,835)</b>

(\*) As at September 30, 2020, the personnel expenses, in Company and Consolidated, comprise R\$135,117 and R\$336,197, respectively (R\$159,222 and R\$303,051 as at September 30, 2019), and R\$3,411 and R\$7,632 (R\$4,130 and R\$8,232 as at September 30, 2019) relating to INSS contribution, respectively.

(\*\*) Includes biological asset and agricultural produce.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 24. FINANCE INCOME (EXPENSES)

	Company				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
<b>Finance income</b>								
Discounts obtained	243	327	685	351	244	768	1,046	937
Revenue from fixed income short-term investments	152	946	966	3,587	626	2,382	2,412	7,935
Interest	2,496	4,763	6,383	8,423	3,610	4,522	9,034	9,849
Other	1,674	77	1,713	920	2,573	1,059	3,073	2,977
	<u>4,565</u>	<u>6,113</u>	<u>9,747</u>	<u>13,281</u>	<u>7,053</u>	<u>8,731</u>	<u>15,565</u>	<u>21,698</u>
<b>Finance costs</b>								
Interest	(75,564)	(137,607)	(157,334)	(211,392)	(147,544)	(219,859)	(304,480)	(365,784)
Discounts granted	(1)	-	(1)	(37)	(1)	-	(8)	(37)
Tax on Financial Transactions (IOF)	(1,300)	(261)	(2,133)	(767)	(4,284)	(2,114)	(5,652)	(3,595)
Tax on Financial Transactions (IOF) - loan	-	(57)	-	(64)	-	(1,143)	(173)	(2,252)
Other	(530)	(112)	(1,112)	(245)	(1,101)	(2,984)	(2,488)	(3,386)
Taxes on revenue (PIS and COFINS) on finance income	(188)	(184)	(385)	(505)	(360)	(393)	(710)	(970)
	<u>(77,583)</u>	<u>(138,221)</u>	<u>(160,965)</u>	<u>(213,010)</u>	<u>(153,290)</u>	<u>(226,493)</u>	<u>(313,511)</u>	<u>(376,024)</u>
<b>Derivatives</b>								
Commodities derivatives - Commercial transactions	(307,753)	(29,225)	(350,933)	22,758	(6,801)	(26,914)	(1,779)	(7,199)
Commodities derivatives - Financial transactions	53,567	(30,212)	99,727	(40,952)	53,567	(30,212)	99,727	(40,952)
Interest rate derivatives - Libor swap	-	-	-	-	(3,041)	(976)	(4,847)	(672)
	<u>(254,186)</u>	<u>(59,437)</u>	<u>(251,206)</u>	<u>(18,194)</u>	<u>43,725</u>	<u>(58,102)</u>	<u>93,101</u>	<u>(48,823)</u>
<b>Exchange rate changes</b>	<u>(107,743)</u>	<u>(224,432)</u>	<u>(279,072)</u>	<u>(183,566)</u>	<u>(209,931)</u>	<u>(462,731)</u>	<u>(593,359)</u>	<u>(386,447)</u>
<b>Finance costs</b>	<u>(434,947)</u>	<u>(415,977)</u>	<u>(681,496)</u>	<u>(401,489)</u>	<u>(312,443)</u>	<u>(738,595)</u>	<u>(798,204)</u>	<u>(789,596)</u>

### 25. OTHER OPERATING INCOME (EXPENSES)

	Company				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19	09.30.20	09.30.19
Recognition of provision for tax, labor, civil and environmental contingencies	4,216	2,448	1,730	(2,336)	1,745	(4,658)	(6,897)	(20,028)
Contractual fines and indemnities	(7,528)	(11,122)	(11,807)	(19,213)	(20,897)	(30,015)	(36,278)	(46,651)
Tax expenses	(1,133)	(948)	(2,255)	(3,023)	1,484	(4,185)	(1,784)	(5,751)
Reversal of impairment of fixed assets	2,872	179	3,013	555	3,918	272	4,178	1,976
Gains (losses) on sale of property, plant and equipment	(5,179)	(99)	(5,094)	405	(4,505)	1,006	(3,641)	6,434
Investments sold	-	(3,767)	-	(3,767)	-	(3,767)	-	(3,767)
Impairment of assets held for sale	-	74,331	119	53,271	-	74,385	119	53,271
Reversal (recognition) of estimated losses on doubtful accounts	31	130	24	(259)	180	133	411	(457)
Law suit - Instituto do Acucar e do Alcool - IAA	-	(1,438)	-	(1,438)	-	31,660	-	31,660
Provision for other losses	10	(4)	(17)	(126)	108	(2,852)	(3,654)	(61,592)
Untimely PIS and COFINS credits	-	18,110	-	18,110	-	65,101	-	65,101
Other operating expenses, net	353	(8,883)	1,367	(7,917)	1,344	(6,406)	2,905	(4,647)
<b>Total other operating income (expenses), net</b>	<u>(6,358)</u>	<u>68,937</u>	<u>(12,920)</u>	<u>34,262</u>	<u>(16,623)</u>	<u>120,674</u>	<u>(44,641)</u>	<u>15,549</u>
<b>Total other operating income</b>	<u>5,456</u>	<u>78,062</u>	<u>11,804</u>	<u>81,559</u>	<u>8,757</u>	<u>164,224</u>	<u>17,171</u>	<u>172,633</u>
<b>Total other operating expenses</b>	<u>(11,814)</u>	<u>(9,125)</u>	<u>(24,724)</u>	<u>(47,297)</u>	<u>(25,380)</u>	<u>(43,550)</u>	<u>(61,812)</u>	<u>(157,084)</u>

### 26. LOSS PER SHARE

The basic and diluted loss per share was calculated based on the loss attributable to the Biosev's owners divided by the weighted average number of outstanding common shares in the period.

	Company		Consolidated	
	Six-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
Profit (loss) for the period attributable to the Company's owners	142,384	(473,074)	142,384	(473,074)
Weighted average number of shares used to calculate basic and diluted earnings per share	492,353,418	410,939,847	492,353,418	410,939,847
<b>Total basic and diluted earnings (loss) per share</b>	<u>0.28919</u>	<u>(1.15120)</u>	<u>0.28919</u>	<u>(1.15120)</u>

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## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 27. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

#### I - Risk management

The Company is exposed to risks arising from its operations and considers market, credit, liquidity, and capital risks as the most significant risks to which it is exposed.

The objective of the Company's risk management program is to hedge its results against fluctuations in sugar, ethanol and electric power prices, foreign exchange and interest rates. These risks are managed using hedging financial instruments available in the financial market, such as: swaps and interest rate futures; currency forwards, futures and options; and commodity forwards, swaps, futures and options. Transactions carried out in the over-the-counter market are contracted through low-risk domestic and foreign banks. Transactions contracted on the stock exchange market are mainly traded in futures and options markets at the New York Commodities Exchange (NYSE: ICE), Chicago Commodities Exchange (NYSE: CME) and Brasil Bolsa Balcão (B3).

The use of these instruments is guided by the Financial and Risk Management Policy approved and reviewed by the Board of Directors on January 13, 2020. Additionally, the Company does not carry out transactions with any type of leverage, as well as does not have transactions with exotic derivatives.

The risk management policies, practices and instruments are oversight by the Executive Committee and the Strategic Committee (the body that supports the Company's Board of Directors).

The Executive Committee has the following responsibilities before the Board of Directors: (i) monitor the compliance with the policy and report eventual non-compliances; (ii) inform about the indebtedness of the Company and its subsidiaries, as well as the related debt instruments; (iii) inform about the burdens on the assets of the Company and its subsidiaries; and (iv) monitor the risk management instruments of the Company and its subsidiaries.

The Risk Management Department is subject to the Chief Financial Officer and is responsible for the calculation, measurement, analysis and monitoring of the exposure, by issuing daily reports based on which the necessary corrective measures are taken. It is also responsible for monitoring the compliance with the risk management policies.

#### 27.1 Market risk

The Company is mainly exposed to risks related to foreign exchange, interest rate and agricultural commodity price fluctuations. In order to hedge against these market risks, the Company uses various derivative financial instruments, including:

Foreign exchange	Price	Interest
1) Futures - B3 (DDI/DI1/DOL); 2) Forwards; 3) Options - B3.	1) Sugar futures - NY11/Ethanol futures - B3; 2) Swap/Forwards - OTC (sugar); 3) Options - OTC (sugar).	Interest swap

The parameters used to manage these risks are based on hedging strategy monitoring tools, such as sensitivity analysis, stress tests, and a hedging scale, aimed at securing the future amount of sugar and ethanol sales, including the effects from foreign exchange rate, as well as interest rate exposure.

As at September 30, 2020, the assets and liabilities relating to the derivative transactions are broken down as follows:

	Company		Consolidated	
	09.30.20	03.31.20	09.30.20	03.31.20
Exchange risk management (Note 27.1.1)	(117,828)	(343,960)	(117,828)	(343,959)
Interest rate risk management (Note 27.1.2)	-	-	(26,733)	(27,963)
Agricultural commodity risk management (Note 27.1.3)	(2,635)	(5,441)	(55,995)	50,155
	<b>(120,463)</b>	<b>(349,401)</b>	<b>(200,556)</b>	<b>(321,767)</b>
<b>Current assets</b>	<b>143,550</b>	<b>225,787</b>	<b>143,550</b>	<b>225,787</b>
<b>Non-current assets</b>	-	-	-	55,885
<b>Current liabilities</b>	<b>(264,013)</b>	<b>(575,188)</b>	<b>(332,766)</b>	<b>(586,843)</b>
<b>Non-current liabilities</b>	-	-	<b>(11,340)</b>	<b>(16,596)</b>



# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### 27.1.1 Foreign exchange risk management

Because the Company's functional currency is the Brazilian real (R\$), the foreign currency-denominated operations are exposed to the foreign exchange risk. Foreign exchange positions are managed based on the Financial and Risk Management Policy, approved by the Company's Board of Directors on January 13, 2020. The Company carries out transactions with currency derivatives in order to reduce variability in its profit or loss due to the existence of US dollar denominated net cash flows from exports, costs and debts.

The Company may also contract derivative financial instruments to hedge its foreign exchange exposure that may impact assets and liabilities, as set forth in the policy.

The Company carries out transactions with interest rate derivatives traded on the B3 (one-day DI futures) in order to supplement foreign exchange rate hedges contracted under foreign exchange contracts traded on said exchange — future dollar financial instruments (DOL) and exchange coupon futures (DDI). The consolidated use of such future contracts aims at having effects like those of one single DOL futures contract. This strategy is adopted by the Company without leverage. This is necessary because an individually traded DOL future contract does not have significant liquidity for terms above three months and, therefore, could not meet the Company's foreign exchange hedging requirements.

This practice is regulated by the B3 and has been widely disseminated among future market participants in Brazil for over a decade.

The table below shows the Company's NDF, DOL, DI and DDI forward currency sale instruments, used for purposes of hedging foreign exchange risk and respective results:

	Company and Consolidated							
	Average exchange rate		Notional value				Fair value	
	09.30.20	03.31.20	Foreign currency		Domestic currency (*)		09.30.20	03.31.20
			(Sale) purchase	(Sale) purchase				
<b>Outstanding forward contracts – NDF US Dollar</b>								
Hedge Accounting - Cash Flow								
Sale	5.3981	4.2685	(313,354)	(380,500)	(1,691,519)	(1,624,177)	(81,013)	(359,644)
Purchase	5.2216	-	44,805	-	233,952	-	19,021	-
			<b>(268,549)</b>	<b>(380,500)</b>	<b>(1,457,567)</b>	<b>(1,624,177)</b>	<b>(61,992)</b>	<b>(359,644)</b>
Non- Hedge Accounting								
Sale	4.9894	4.6227	(276,857)	(314,500)	(1,381,337)	(1,453,833)	(179,990)	(190,392)
Purchase	5.4121	4.7351	525,406	425,000	2,843,550	2,012,401	124,151	205,822
			<b>248,549</b>	<b>110,500</b>	<b>1,462,213</b>	<b>558,568</b>	<b>(55,839)</b>	<b>15,430</b>
<b>Futures B3 - Non-hedge Accounting</b>								
DOL - dollar futures	5.6407	5.1987	38,250	54,750	215,757	284,629	6	1,443
DDI - future exchange coupon			(19,097)	(85,160)	(107,723)	(442,721)	(137)	(1,511)
DI - 1 day:			(115,521)	70,725	(651,621)	367,677	134	322
			<b>(96,368)</b>	<b>40,315</b>	<b>(543,587)</b>	<b>209,585</b>	<b>3</b>	<b>254</b>
							<b>(117,828)</b>	<b>(343,960)</b>

(\*) Convenience conversion.

### 27.1.2 Interest rate risk management

The Company uses Libor derivatives to hedge against interest rate fluctuations. These derivatives are traded on the Brazilian over-the-counter market with low-risk banks as counterparties and are registered with CETIP S.A. - Balcão Organizado de Ativos e Derivativos (Brazilian organized OTC market), as required by prevailing legislation.

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

The table below shows the Company's Libor swap instruments with receipt of Libor interest and payment of fixed rates and presents the derivatives used for purposes of hedging Libor interest risk and respective results:

	Consolidated							
	Fixed average rate - %		Notional value				Fair value	
	09.30.20	03.31.20	Foreign currency		Domestic currency (*)		09.30.20	03.31.20
<b>Hedge Accounting</b>								
Outstanding position:								
Less than 1 year	3.15%	3.15%	39,967	39,967	225,440	207,775	(15,393)	(11,367)
1 to 2 years	3.15%	3.15%	39,967	39,967	225,440	207,775	(8,876)	(10,659)
2 to 5 years	3.15%	3.15%	16,035	56,002	90,448	291,136	(2,464)	(5,937)
			<b>95,969</b>	<b>135,936</b>	<b>541,328</b>	<b>706,686</b>	<b>(26,733)</b>	<b>(27,963)</b>

(\*) Convenience conversion.

### 27.1.3 Agricultural commodity risk management

The Company carries out transactions with commodity derivatives (sugar and ethanol) in order to reduce the impact of the changes in the market prices considering that these changes may significantly affect the Company's future sales value. These risks are managed according to the Company's Financial and Risk Management Policy and the hedge strategy monitoring tool which determines the hedge volume and timeframe.

The Company's swaps, forwards, futures and options in the period used for commodity risk hedging and the related results are as follows:

	Company					
	Notional value				Fair value	
	Foreign currency		Domestic currency (*)		09.30.20	03.31.20
<b>Sugar futures - ICE</b>						
Hedge Accounting - Cash Flow	(198,996)	(138,660)	(1,122,479)	(720,852)	(6,243)	(2,026)
Hedge Accounting - Fair Value	132,652	132,652	748,250	689,618	4,245	1,600
Non- Hedge Accounting	(3,515)	(5,365)	(19,826)	(27,889)	(45)	(6,159)
	<b>(69,859)</b>	<b>(11,373)</b>	<b>(394,055)</b>	<b>(59,123)</b>	<b>(2,043)</b>	<b>(6,585)</b>
<b>Sugar options - ICE</b>						
Non- Hedge Accounting	(19)	2,359	(107)	12,264	(107)	606
	<b>(19)</b>	<b>2,359</b>	<b>(107)</b>	<b>12,264</b>	<b>(107)</b>	<b>606</b>
<b>Sugar options - OTC</b>						
Non- Hedge Accounting	-	(10,545)	-	(54,820)	-	(836)
	<b>-</b>	<b>(10,545)</b>	<b>-</b>	<b>(54,820)</b>	<b>-</b>	<b>(836)</b>
<b>NDFs sugar - OTC</b>						
Non- Hedge Accounting	-	(9,822)	-	(51,062)	-	1,156
	<b>-</b>	<b>(9,822)</b>	<b>-</b>	<b>(51,062)</b>	<b>-</b>	<b>1,156</b>
<b>Ethanol futures - B3</b>						
Non- Hedge Accounting	22,564	(425)	127,278	(2,211)	(485)	218
	<b>22,564</b>	<b>(425)</b>	<b>127,278</b>	<b>(2,211)</b>	<b>(485)</b>	<b>218</b>
					<b>(2,635)</b>	<b>(5,441)</b>

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(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Consolidated					
	Notional value				Fair value	
	Foreign currency		Domestic currency (*)		09.30.20	03.31.20
	09.30.20	03.31.20	09.30.20	03.31.20	09.30.20	03.31.20
<b>Sugar futures - ICE</b>						
Hedge Accounting - Cash Flow	(198,996)	(138,660)	(1,122,479)	(720,852)	(6,243)	(2,026)
Hedge Accounting - Fair Value	132,652	132,652	748,250	689,618	4,245	1,600
Non- Hedge Accounting	(3,515)	(5,365)	(19,826)	(27,889)	(45)	(6,159)
	<b>(69,859)</b>	<b>(11,373)</b>	<b>(394,055)</b>	<b>(59,123)</b>	<b>(2,043)</b>	<b>(6,585)</b>
<b>Sugar Sales Agreements</b>						
Hedge Accounting - Fair Value	(132,652)	(132,652)	(748,250)	(689,618)	(53,360)	55,885
	<b>(132,652)</b>	<b>(132,652)</b>	<b>(748,250)</b>	<b>(689,618)</b>	<b>(53,360)</b>	<b>55,885</b>
<b>Sugar options - ICE</b>						
Non- Hedge Accounting	(19)	2,359	(107)	12,264	(107)	606
	<b>(19)</b>	<b>2,359</b>	<b>(107)</b>	<b>12,264</b>	<b>(107)</b>	<b>606</b>
<b>Sugar options - OTC</b>						
Non- Hedge Accounting	-	(14,035)	-	(72,964)	-	(1,125)
	<b>-</b>	<b>(14,035)</b>	<b>-</b>	<b>(72,964)</b>	<b>-</b>	<b>(1,125)</b>
<b>NDFs sugar - OTC</b>						
Non- Hedge Accounting	-	(9,822)	-	(51,062)	-	1,156
	<b>-</b>	<b>(9,822)</b>	<b>-</b>	<b>(51,062)</b>	<b>-</b>	<b>1,156</b>
<b>Ethanol futures - B3</b>						
Non- Hedge Accounting	22,564	(425)	127,278	(2,211)	(485)	218
	<b>22,564</b>	<b>(425)</b>	<b>127,278</b>	<b>(2,211)</b>	<b>(485)</b>	<b>218</b>
					<b>(55,995)</b>	<b>50,155</b>

(\*) Convenience conversion.

### 27.2 Credit risk

The credit risk is managed through the careful analysis of the customer portfolio, the definition of credit limits, and the ongoing control of outstanding positions. In conformity with the Company's credit policy, using a risk assessment methodology, the Company adopted balanced scorecard techniques. The Company adopts hedging instruments, such as collaterals, pledges and guarantees, to mitigate potential credit exposures. Historically, the Company does not record significant losses in trade receivables.

### 27.3 Liquidity risk

The Company operates with a liquidity level considered enough for its operations and uses a few sources of funds to finance its activities. In order to cover possible liquidity deficiencies or mismatches between cash and cash equivalents with short-term maturities, the Company has good relationship with first-class banks, in Brazil or abroad, as well as a credit line with its parent. Moreover, the products manufactured by the Company are highly liquid and can be easily sold to generate cash or also be provided as a guarantee for financial transactions. In addition, part of the investments, especially those related to sugarcane plantation treatments, is supported by short-term financing and will be realized in the following harvest campaign.

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#### 27.3.1 Liquidity and interest rate tables

The tables below show in detail the expected maturity of the Group's financial liabilities:

	Company			Total
	Less than 1	1 to 5 years	Over 5 years	
<b>As at September 30, 2020</b>				
Borrowings and financing	1,205,008	1,961,634	114,788	3,281,430
Lease liability	199,746	479,100	99,484	778,330
Derivative financial instruments	264,013	-	-	264,013
Trade payables	342,181	4,453	-	346,634
Accrued payroll and related taxes	63,381	-	-	63,381
Taxes payable	17,422	18,324	-	35,746
Other payables	52,030	71,061	-	123,091
	<b>2,143,781</b>	<b>2,534,572</b>	<b>214,272</b>	<b>4,892,625</b>

<b>As at March 31, 2020</b>				
Borrowings and financing	2,935,559	67,484	-	3,003,043
Lease liability	215,257	444,809	72,048	732,114
Derivative financial instruments	575,188	-	-	575,188
Trade payables	309,104	5,733	-	314,837
Accrued payroll and related taxes	47,218	-	-	47,218
Taxes payable	21,314	18,501	-	39,815
Other payables	80,594	86,047	-	166,641
	<b>4,184,234</b>	<b>622,574</b>	<b>72,048</b>	<b>4,878,856</b>

	Consolidated			Total
	Less than 1	1 to 5 years	Over 5 years	
<b>As at September 30, 2020</b>				
Borrowings and financing	2,899,005	4,623,169	117,867	7,640,041
Lease liability	495,857	1,093,746	182,186	1,771,789
Derivative financial instruments	332,766	11,340	-	344,106
Trade payables	716,891	4,691	-	721,582
Accrued payroll and related taxes	125,848	-	-	125,848
Taxes payable	63,263	18,324	-	81,587
Other payables	76,327	145,942	-	222,269
	<b>4,709,957</b>	<b>5,897,212</b>	<b>300,053</b>	<b>10,907,222</b>

<b>As at March 31, 2020</b>				
Borrowings and financing	7,225,234	96,191	-	7,321,425
Lease liability	498,932	1,029,154	153,183	1,681,269
Derivative financial instruments	586,843	16,596	-	603,439
Trade payables	798,903	5,965	-	804,868
Accrued payroll and related taxes	90,483	-	-	90,483
Taxes payable	75,152	18,501	-	93,653
Other payables	118,051	167,247	-	285,298
	<b>9,393,598</b>	<b>1,333,654</b>	<b>153,183</b>	<b>10,880,435</b>

#### 27.4 Capital risk

The Company manages its capital structure in order to safeguard a continuous return to the Company's shareholders. Company monitors capital through financial leverage index analysis; these indexes include adjusted net debt to adjusted EBITDA ratio. In turn, the net debt corresponds to total borrowings and financing (including short- and long-term borrowings and financing), less cash, cash equivalents, short-term investments and highly liquid inventory (ethanol, sugar and allowance for negative inventory margin).

The Company allocates the Libor swap contracts (see Note 27.1.2) to the adjusted net debt for capital risk analysis purposes.

The Company may change its capital structure, in conformity with economic and financial conditions, aiming at optimizing its financial leverage and/or debt management.

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## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

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### 27.5 Margin calls

Derivative transactions in commodity exchanges (ICE and B3) require an initial margin call in guarantee.

To trade on the ICE, the margin call required, as at September 30, 2020, is R\$30,457 (R\$7,376 as at March 31, 2020), fully deposited by the Company's in cash, through fiduciary agent Term Commodities Inc., a company under common control.

To trade on the B3, the margin call required, as at September 30, 2020, is R\$26,139 (R\$26,502 as at March 31, 2020), deposited as Bank Deposit Certificate (CDB), in the amount of R\$10,000 and R\$16,139, in current account.

As at September 30, 2020, the Company's transactions in the over-the-counter market did not require an initial margin call in guarantee.

### 27.6 Categories of financial instruments

The financial instruments recorded in the balance sheet, such as cash and cash equivalents and borrowings and financing, are stated at contractual values, which approximate their fair values due to their short terms and/or characteristics.

The fair value of financial instruments not traded in active markets (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses several methods and makes assumptions that are based on existing market conditions at the end of the interim financial statements. The fair value of foreign exchange forwards is determined based on forward exchange rates quoted at the end of the interim financial statements.

The use of different market inputs and/or valuation techniques might result in amounts different from the recognized realizable value of financial instruments.

	Classification	Company		Consolidated		
		CPC 48 / IFRS 9	09.30.20	03.31.20	09.30.20	03.31.20
<b>Financial assets:</b>						
Cash and cash equivalents (Note 3)	Amortized cost		142,098	396,124	583,647	1,174,943
Short-term investments and debentures (Note 4)	Amortized cost		56,887	42,052	97,654	52,245
Trade receivables (Note 5)	Amortized cost		333,024	211,537	398,256	216,242
Other financial assets	Amortized cost		524,125	572,469	778,814	793,595
Derivatives designated as hedge accounting (Note 27)	VJR		124,505	225,676	124,505	281,560
Derivatives designated as cash flow hedge (Note 27)	VJORA		19,045	111	19,045	111
<b>Financial liabilities:</b>						
Borrowings and financing (Note 16)	Amortized cost		3,281,430	3,003,043	7,640,041	7,321,425
Lease liability (Note 12)	Amortized cost		778,330	732,114	1,771,789	1,681,269
Trade payables (Note 17)	Amortized cost		346,634	314,837	721,582	804,868
Other financial liabilities	Amortized cost		222,218	253,674	429,703	469,434
Derivatives designated as fair value hedge or not (Note 27)	VJR		176,733	361,781	230,092	389,743
Derivatives designated as cash flow hedge (Note 27)	VJORA		87,280	213,407	114,014	213,697

### 27.7 Measurement at fair value recognized in balance sheet

CPC 40 (R1) – Instrumentos Financeiros: Evidenciação/IFRS 7 - Financial Instruments: Disclosure defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the primary or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. CPC 40 (R1)/IFRS 7 also establishes a three-level fair value hierarchy, which prioritizes inputs for fair value measurement by an entity in order to maximize the use of observable data and minimize the use of unobservable data. CPC 40 (R1)/IFRS 7 describes the three levels of inputs that should be used to measure fair value, which are the following:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - Inputs other than the data included in Level 1, where prices are quoted (unadjusted).

Fair value measurements of Level 2 are obtained based on other variables besides quoted prices included in Level 1, which are directly or indirectly observable for an asset or liability.

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- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs) because market activity is insignificant or does not exist.

The Company's financial assets and liabilities measured at fair value on a recurring basis and subject to disclosure as required by CPC 40 (R1)/IFRS 7, as at September 30, 2020, are as follows:

	Company			Consolidated		
	09.30.20			09.30.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets at fair value through profit or loss</b>						
Derivative financial assets	-	143,550	143,550	-	143,550	143,550
	<u>-</u>	<u>143,550</u>	<u>143,550</u>	<u>-</u>	<u>143,550</u>	<u>143,550</u>
<b>Financial liabilities at fair value through profit or loss</b>						
Derivative financial liabilities	(2,632)	(261,381)	(264,013)	(2,632)	(341,474)	(344,106)
	<u>(2,632)</u>	<u>(261,381)</u>	<u>(264,013)</u>	<u>(2,632)</u>	<u>(341,474)</u>	<u>(344,106)</u>
	Company			Consolidated		
	03.31.20			03.31.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
<b>Financial assets at fair value through profit or loss</b>						
Derivative financial assets	15,885	209,902	225,787	15,888	265,784	281,672
	<u>15,885</u>	<u>209,902</u>	<u>225,787</u>	<u>15,888</u>	<u>265,784</u>	<u>281,672</u>
<b>Financial liabilities at fair value through profit or loss</b>						
Derivative financial liabilities	(22,000)	(553,188)	(575,188)	(22,000)	(581,440)	(603,439)
	<u>(22,000)</u>	<u>(553,188)</u>	<u>(575,188)</u>	<u>(22,000)</u>	<u>(581,440)</u>	<u>(603,439)</u>

### 27.8 Derivative and non-derivative financial instruments with the application of hedge accounting

In accordance with accounting practices adopted in Brazil, derivative financial instruments are accounted for at fair value through profit or loss, unless a derivative is designated for hedge accounting. A derivative only qualifies for hedge accounting when all the conditions set out by CPC 48/IFRS 9 are met. The adoption of hedge accounting is optional and aims at recognizing gains or losses on derivatives and debts only when the hedged item is realized on an accrual basis and, therefore, reducing the volatility of gains or losses from the mark-to-market of derivatives.

The Company applies hedge accounting to account for part of its derivative and non-derivative financial instruments.

#### 27.8.1 Cash flow hedge

The cash flow hedge is in conformity with CPC 48/IFRS 9, items 6.3.3/9 6.2.2, and is described below:

**Recognized liability hedge – debts subject to the Libor rate:** The Company entered into swap contracts subject to the Libor interest rate contracted to mitigate the effects from interest rate changes of the long-term debts, in which case the respective exposure is subject to a fixed interest rate.

**Highly probable transaction hedge – Revenue from sugar and ethanol exports in US dollar:** The Company entered into i) sugar futures contracts for purposes of price risk hedge; and ii) currency forward contracts (NDF) and US dollar-denominated debts (Natural HACC), both contracted to protect against exchange rate changes in the revenue from exports.

**Highly probable transaction hedge – Cost related to the future purchase of agricultural inputs in US dollar:** Effective as from 2021, July 22, the Company will enter into currency forward contracts (NDF) to protect against exchange rate changes in the invoicing, upon issuance of the invoice and, therefore, the exposure is terminated.

#### 27.8.2 Fair value hedge

Such hedge comprises the use of "sugar futures" derivative instruments to protect against changes in fair value in connection with a sugar sales agreement.

#### 27.8.3 Discontinued hedge accounting

As at March 31, 2019, the Company discontinued the revenue hedge accounting program (Natural HACC) with respect to the debts already designated. Such discontinuity resulted from the change in the Company's foreign exchange risk management, which aimed to offset the exchange rate changes of the debts against equity, which will be directly recorded

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in the finance income (costs) to be offset against the long positions expressed in foreign currency using derivative financial instruments – also recognized in finance income (costs) (CPC 48, items B6.5.26 (a) and B6.5.28 (b)).

The gains and losses recorded in equity, in line item “Other comprehensive income (loss), will be maintained in this reserve until the expected transaction is concluded, in which case the amounts will be reclassified to operating income (revenues) – aligned with revenues. In the event such transaction (revenue) is not concluded, the accumulated amounts will be fully reclassified to finance income (costs) under CPC 48.

As at September 30, 2020, the annual expected realization of derivatives recorded in equity is as follows:

Hedge	Impact	2020/2021	2021/2022	2022/2023	Company			Total
					2023/2024	2024/2025	2025 to 2028	
Exchange rate changes on future interest flows (*)	Finance income (costs)	(2,505)	(3,854)	(2,367)	(1,226)	(733)	(759)	(11,444)
		<b>(2,505)</b>	<b>(3,854)</b>	<b>(2,367)</b>	<b>(1,226)</b>	<b>(733)</b>	<b>(759)</b>	<b>(11,444)</b>

Hedge	Impact	2020/2021	2021/2022	2022/2023	Consolidated			Total
					2023/2024	2024/2025	2025 to 2028	
Exchange rate changes on future interest flows (*)	Finance costs	(2,505)	(3,854)	(2,367)	(1,226)	(733)	(759)	(11,444)
Natural HAAC	Operating losses	-	(79,173)	(79,173)	(25,544)	-	-	(183,890)
		<b>(2,505)</b>	<b>(83,027)</b>	<b>(81,540)</b>	<b>(26,770)</b>	<b>(733)</b>	<b>(759)</b>	<b>(195,334)</b>

(\*) Program discontinued in prior years.

### 27.8.4 Sensitivity analysis

The table below shows the Company's sensitivity to the presented risk factor, based on changes in the risk factor considered reasonably possible by management (probable scenario).

The probable scenario is obtained based on future dollar, sugar and ethanol (as at September 30, 2020) and the Group's expectations for each one of the variables indicated, over a twelve-month period.

The sensitivity analysis is presented to changes in the fair value of financial instruments for another two scenarios, in which market conditions are stressed by 25% and 50%.

The derivative financial instruments are provided to hedge against risks from future cash flows. The non-derivative financial instruments must not be considered as the Company's net exchange exposure because the table below does not consider the biological asset, as it is not a financial instrument, but it is used in the production of sugar and ethanol for future exports. See Notes 7 and 27.8.

	Company				
	Notional amount		Effects on fair value		
	Foreign currency	Risk factor	Probable scenario	25% stress	50% stress
<b>Exchange risk</b>	<b>(353.125)</b>	<b>Increase in US\$</b>	<b>(1.150.852)</b>	<b>(1.528.444)</b>	<b>(3.056.888)</b>
<b>Price risk</b>	<b>151.682</b>	<b>Decrease in price</b>	<b>(252.499)</b>	<b>(207.224)</b>	<b>(414.663)</b>
Sugar hedge accounting	129.118	Decrease in price	(240.368)	(195.711)	(391.638)
Ethanol	22.564	Decrease in price	(12.131)	(11.513)	(23.025)
<b>Effects on equity</b>	<b>(201.442)</b>		<b>(1.403.350)</b>	<b>(1.735.668)</b>	<b>(3.471.551)</b>
<b>Exchange risk</b>	<b>(268.551)</b>	<b>Increase in US\$</b>	<b>(286.203)</b>	<b>(380.105)</b>	<b>(760.210)</b>
<b>Price risk</b>	<b>(198.996)</b>	<b>Increase in price</b>	<b>(362.833)</b>	<b>(295.485)</b>	<b>(590.970)</b>
Sugar hedge accounting	(198.996)	Increase in price	(362.833)	(295.485)	(590.970)
<b>Effects on equity</b>	<b>(467.547)</b>		<b>(649.036)</b>	<b>(675.590)</b>	<b>(1.351.180)</b>

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	Consolidated				
	Notional amount		Effects on fair value		
	Foreign currency	Risk factor	Probable scenario	25% stress	50% stress
<b>Exchange risk</b>	<b>(984.314)</b>	<b>Increase in US\$</b>	<b>(2.119.668)</b>	<b>(2.815.128)</b>	<b>(5.630.257)</b>
<b>Price risk</b>	<b>284.334</b>	<b>Decrease in price</b>	<b>(337.705)</b>	<b>(259.616)</b>	<b>(611.026)</b>
Sugar hedge accounting	261.770	Decrease in price	(325.574)	(248.103)	(588.000)
Ethanol	22.564	Decrease in price	(12.131)	(11.513)	(23.025)
<b>Effects on equity</b>	<b>(699.980)</b>		<b>(2.457.373)</b>	<b>(3.074.744)</b>	<b>(6.241.282)</b>
<b>Exchange risk</b>	<b>(268.551)</b>	<b>Alta do US\$</b>	<b>(286.203)</b>	<b>(380.105)</b>	<b>(760.210)</b>
<b>Price risk</b>	<b>(198.996)</b>	<b>Increase in price</b>	<b>(362.833)</b>	<b>(295.485)</b>	<b>(590.970)</b>
Sugar hedge accounting	(198.996)	Increase in price	(362.833)	(295.485)	(590.970)
<b>Interest rate risk</b>	<b>95.968</b>	<b>Decrease in Libor rate</b>	<b>(264)</b>	<b>(529)</b>	<b>(1.057)</b>
<b>Effects on equity</b>	<b>(371.579)</b>		<b>(649.300)</b>	<b>(676.119)</b>	<b>(1.352.237)</b>

As at September 30, 2020, the probable scenario considers the CDI rate projected for 12 months – disclosed at B3's website (DI swap reference rates x PRÉ) and the Libor rate for 12 months disclosed by Bloomberg. These rates were applied in the Company's exposure volume – composed of: borrowings and financing, advances from customers, cash and cash equivalents and short-term investments.

Based on the exposure in the probable scenario, a stress of 25% and 50% was applied considering the worst-case scenarios in order to determine the impact on the Company's finance income (costs).

The consolidated sensitivity results are broken down below:

	Company			
	Notional amount	scenario	25% stress	50% stress
Operations indexed to CDI	(293,082)	(7,943)	(9,928)	(14,892)
Operations indexed to Libor	(2,792,021)	(7,252)	(9,065)	(13,598)
<b>Total</b>	<b>(3,085,103)</b>	<b>(15,195)</b>	<b>(18,993)</b>	<b>(28,490)</b>

	Consolidated			
	Notional amount	scenario	25% stress	50% stress
Operations indexed to CDI	(436,538)	(11,830)	(14,788)	(22,182)
Operations indexed to Libor	(6,544,777)	(17,000)	(21,250)	(31,875)
<b>Total</b>	<b>(6,981,315)</b>	<b>(28,830)</b>	<b>(36,038)</b>	<b>(54,057)</b>

## 28. COMMITMENTS

### a) Selling

The Group has several arrangements in the sugar and ethanol market under which it commits to sell volumes of these products in future crops. As at September 30, 2020, the volumes of these commitments total 1,791,951 tons of sugar (1,693,385 tons of sugar as at March 31, 2020), 309,171 cubic meters of ethanol (211,440 cubic meters as at March 31, 2020), and electricity supply commitments, assumed in power auctions and free market, which total 6,883 GWh to be supplied by 2035 (7,595 GWh as at March 31, 2020).

### b) Purchases

The Group has several commitments for the purchase of sugarcane from third parties to ensure part of its production in future crops. The volume of sugarcane to be purchased is estimated based on the expected productivity of the areas where the sugarcane plantations are located. The amount to be paid by the Group is determined at the end of each harvest campaign according to the price published by CONSECANA, plus or less other applicable contractual terms.



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As at September 30, 2020, estimated purchase commitments by crop are as follows:

Harvest	Consolidated		
	Area (hectares)	Estimated quantity of cane (ton)	Estimated amount
2020/2021	20,270	1,464,457	219,115,145
2021/2022	95,433	6,992,616	586,532,058
2022/2023	70,242	5,140,253	431,158,097
2023/2024	53,572	3,759,873	315,373,527
After 2024	61,318	3,943,482	330,774,453
	<b>300,835</b>	<b>21,300,681</b>	<b>1,882,953,280</b>

The Group has commitments for the purchase of energy in the amount of 797 GWh (1,048 GWh as at March 31, 2020). The price of these agreements is bilaterally negotiated by the agents selling electric energy in the Free Trade Market (ACL).

#### c) Terminal de Exportação de Açúcar do Guarujá Limitada - TEAG

TEAG is a party to an agreement for the lease of a port terminal with Companhia Docas do Estado de São Paulo ("CODESP"), which provides for the payment by TEAG, as lease, of a fixed monthly installment of R\$3,3767/m<sup>2</sup> calculated on a minimum area of 74,206.410 m<sup>2</sup> equivalent to R\$250.57 per month or R\$3,007 per year, plus a guaranteed variable minimum installment equivalent to R\$7,552 per year payable to CODESP, corresponding to R\$3.10/ton calculated on a minimum handling of two million four hundred and thirty-six thousand tons of cargo. TEAG operates under the concession agreement entered with Companhia Docas do Estado de São Paulo (CODESP), falling due on July 6, 2038.

#### d) Lawsuits against Instituto do Açúcar e do Alcool - IAA

The Company is a plaintiff in law suits seeking a compensation from the Federal Government for losses arising from pricing differences incurred in the period in which sugar and ethanol prices were frozen. In some cases, upon effective receipt of the indemnities, a portion of the amount received will be transferred on behalf of third parties in connection with the contractual obligations.

#### e) Bank guarantees and collateral insurance

As at September 30, 2020, the balances of (i) bank guarantee is R\$143,519 in Consolidated (R\$142,240 in Consolidated as at March 31, 2020); and (ii) collateral insurance relating to lawsuits of R\$250,059, in Company, and R\$668,817 in Consolidated (R\$277,600 and R\$588,780 as at March 31, 2020, respectively).

## 29. EMPLOYEES' BENEFIT

The consolidated amount invested by the Company in the pension plan was R\$718 in the period ended September 30, 2020 (R\$1,501 as at March 31, 2020), recognized in line item "General, administrative and selling expenses". Due to the features and design of the pension plan, the Company does not incur any future postemployment or actuarial obligations.

As at June 30, 2020, the Company booked a liability related to the deferred variable compensation that will be paid to some eligible employees, according to the policy, in the amount of R\$26,162 (R\$26,021 as at March 31, 2020). Additionally, the Company has recorded a liability related to PPR (Profit Sharing Program), as set forth in the Collective Labor Agreement, in the amount of R\$19,567 (R\$31,550 as at March 31, 2020).

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### 30. SEGMENT INFORMATION

Information by product margin, and geographic areas, used by the key decision makers is as follows:

Consolidated					
Three-month period ended 09.30.20					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
Net revenue	1,267,949	573,024	132,041	1,011,590	2,984,603
Cost of sales and services	(632,148)	(244,093)	(74,395)	(1,017,544)	(1,968,180)
<b>Gross profit (loss)</b>	<b>635,801</b>	<b>328,931</b>	<b>57,646</b>	<b>(5,954)</b>	<b>1,016,423</b>
Gross margin	50%	57%	44%	-1%	34%
Selling expenses	(102,487)	(7,595)	(2,956)	(412)	(113,450)
<b>Operating margin</b>	<b>533,314</b>	<b>321,336</b>	<b>54,690</b>	<b>(6,366)</b>	<b>902,974</b>

Consolidated					
Three-month period ended 09.30.20					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	585,818	182,512	-	574,219	1,342,549
North America	69,127	115,713	-	65,258	250,098
South America	-	9,484	-	-	9,484
Africa	468,228	(516)	-	69,802	537,514
Europe	45,027	14,344	-	290,402	349,773
Oceania	11,825	-	-	-	11,825
<b>Foreign market</b>	<b>1,180,025</b>	<b>321,537</b>	<b>-</b>	<b>999,681</b>	<b>2,501,243</b>
<b>Domestic market</b>	<b>87,924</b>	<b>251,487</b>	<b>132,041</b>	<b>11,909</b>	<b>483,359</b>
<b>TOTAL</b>	<b>1,267,949</b>	<b>573,024</b>	<b>132,041</b>	<b>1,011,590</b>	<b>2,984,603</b>

Consolidated					
Three-month period ended 09.30.19					
Consolidated profit (loss) by	Sugar	Ethanol	Energy	Other	Total
Net revenue	467,125	723,331	93,360	268,643	1,552,459
Cost of sales and services	(450,309)	(546,000)	(34,710)	(259,796)	(1,290,815)
<b>Gross profit</b>	<b>16,816</b>	<b>177,331</b>	<b>58,650</b>	<b>8,847</b>	<b>261,644</b>
Gross margin	4%	25%	63%	3%	17%
Selling expenses	(58,795)	(14,956)	(2,776)	(130)	(76,657)
<b>Operating margin</b>	<b>(41,979)</b>	<b>162,375</b>	<b>55,874</b>	<b>8,717</b>	<b>184,987</b>

# Biosev S.A.

## Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Consolidated					
Three-month period ended 09.30.19					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	292,800	10,819	-	209,072	512,691
North America	-	136,363	-	-	136,363
South America	16,613	-	-	-	16,613
Africa	68,985	-	-	10,450	79,435
Europe	35,325	-	-	29,145	64,470
<b>Foreign market</b>	<b>413,723</b>	<b>147,182</b>	<b>-</b>	<b>248,667</b>	<b>809,572</b>
<b>Domestic market</b>	<b>53,402</b>	<b>576,149</b>	<b>93,360</b>	<b>19,976</b>	<b>742,887</b>
<b>TOTAL</b>	<b>467,125</b>	<b>723,331</b>	<b>93,360</b>	<b>268,643</b>	<b>1,552,459</b>

Consolidated					
Six-month period ended 09.30.20					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
<b>Net revenue</b>	1,970,058	1,014,811	248,923	2,420,437	5,654,229
Cost of sales and services	(1,081,720)	(557,712)	(145,669)	(2,441,531)	(4,226,632)
<b>Gross profit (loss)</b>	<b>888,338</b>	<b>457,099</b>	<b>103,254</b>	<b>(21,094)</b>	<b>1,427,597</b>
Gross margin	45%	45%	41%	-1%	25%
Selling expenses	(163,180)	(24,974)	(5,574)	(672)	(194,400)
<b>Operating margin</b>	<b>725,158</b>	<b>432,125</b>	<b>97,680</b>	<b>(21,766)</b>	<b>1,233,197</b>

Consolidated					
Six-month period ended 09.30.20					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	1,110,085	340,284	-	1,843,322	3,293,691
North America	90,719	164,656	-	65,258	320,633
South America	-	35,656	-	-	35,656
Africa	568,430	(516)	-	74,600	642,514
Europe	47,205	14,343	-	413,670	475,218
Oceania	11,824	-	-	-	11,824
<b>Foreign market</b>	<b>1,828,263</b>	<b>554,423</b>	<b>-</b>	<b>2,396,850</b>	<b>4,779,536</b>
<b>Domestic market</b>	<b>141,795</b>	<b>460,388</b>	<b>248,923</b>	<b>23,588</b>	<b>874,694</b>
<b>TOTAL</b>	<b>1,970,058</b>	<b>1,014,811</b>	<b>248,923</b>	<b>2,420,437</b>	<b>5,654,229</b>

Consolidated					
Six-month period ended 09.30.20					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
<b>Net revenue</b>	752,883	1,419,484	201,367	897,089	3,270,823
Cost of sales and services	(685,201)	(1,087,976)	(109,233)	(896,033)	(2,778,443)
<b>Gross profit</b>	<b>67,682</b>	<b>331,508</b>	<b>92,134</b>	<b>1,056</b>	<b>492,380</b>
Gross margin	9%	23%	46%	0%	15%
Selling expenses	(84,362)	(22,293)	(5,119)	(130)	(111,904)
<b>Operating margin</b>	<b>(16,680)</b>	<b>309,215</b>	<b>87,015</b>	<b>926</b>	<b>380,476</b>

## Biosev S.A.

### Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020

(Amounts in thousands of Brazilian reais, unless otherwise stated)

Consolidated					
Six-month period ended 09.30.20					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	428,203	10,819	-	721,462	1,160,484
North America	114,983	222,592	-	-	337,575
South America	16,613	-	-	-	16,613
Africa	71,405	-	-	10,450	81,855
Europe	35,325	-	-	140,296	175,621
Oceania	-	-	-	-	-
<b>Foreign market</b>	<b>666,529</b>	<b>233,411</b>	<b>-</b>	<b>872,208</b>	<b>1,772,148</b>
<b>Domestic market</b>	<b>86,354</b>	<b>1,186,073</b>	<b>201,367</b>	<b>24,881</b>	<b>1,498,675</b>
<b>TOTAL</b>	<b>752,883</b>	<b>1,419,484</b>	<b>201,367</b>	<b>897,089</b>	<b>3,270,823</b>

The Company's key decision makers use the operating margin as a tool to measure the recurring operating cash generation capacity and it also allows comparisons with other companies.

	Consolidated		Consolidated	
	Three-month period ended		Six-month period ended	
	09.30.20	09.30.19	09.30.20	09.30.19
<b>Operating margin</b>	<b>902,973</b>	<b>184,987</b>	<b>1,233,195</b>	<b>380,476</b>
Other operating expenses	(79,697)	42,566	(184,366)	(140,024)
Finance costs	(312,443)	(738,595)	(798,204)	(789,596)
Income tax and social contribution	(87,261)	206,707	(108,342)	75,915
<b>Profit (loss) for the period</b>	<b>423,572</b>	<b>(304,335)</b>	<b>142,283</b>	<b>(473,229)</b>

#### Information on key customers

In the period ended September 30, 2020, the Group has one customer, its related party Louis Dreyfus Company Suisse S.A., under common control, which accounts for 64% of the Group's consolidated revenue.

#### 31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Company's Management and authorized for issue on November 12, 2020.

# **Biosev S.A.**

**Notes to the Interim Financial Statements  
For the Six-month Period ended September 30, 2020**  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

## **NON-STATUTORY AUDIT COMMITTEE OPINION**

The non-statutory Audit Committee of Biosev S.A. ("Company"), jointly with representatives of the Company and of BDO RCS Auditores Independentes, independent auditors of the Company, examined the interim financial statements of the Company related to the period ended on September 30<sup>th</sup>, 2020 and the corresponding management reports. Based in the analysis performed and considering the draft of the audit report, without remarks, prepared by BDO RCS Auditores Independentes, the non-statutory Audit Committee of the Company recommended to the Board of Directors of the Company, unanimously and without remarks, the approval of the referred interim financial statements and the corresponding management reports.

São Paulo, November 11<sup>th</sup>, 2020

**FEDERICO ADRIAN CERISOLI**

**PATRICK JULIEN TREUER**

**ADRIAN LIMA DA HORA**

# **Biosev S.A.**

## **Notes to the Interim Financial Statements For the Six-month Period ended September 30, 2020**

(Amounts in thousands of Brazilian reais, unless otherwise stated)

### **OPINIONS AND STATEMENTS**

As Executive Officers of Biosev SA, we declare under, Article 25, Paragraph 1<sup>st</sup>, Item V and VI, CVM Instruction 480 of December 7, 2009, as amended, that we reviewed, discussed and agreed with the interim financial statements and the terms of the independent auditors report on the interim financial statements related to the period ended on September 30<sup>th</sup>, 2020.

São Paulo, November 12<sup>th</sup>, 2020

**Juan Jose Blanchard**  
Chief Executive Officer

**Leonardo Oliveira D'Elia**  
Chief Financial and Investor Relations Officer

**Ricardo Lopes da Silva**  
Chief Operating Officer



## HISTORICAL RECORDS AND NET INCOME OF R\$155.5 MILLION

São Paulo, November 12, 2020 – Biosev, one of the world's largest sugarcane processors, announces its results for the first six-month period of the 2020/21 crop.

### 6M21 HIGHLIGHTS

- ✓ Strong operational improvements with historical records for the period:
  - ✓ Crushing volume totaled 23.3 million tons in 6M21, 2.4% higher than in 6M20;
  - ✓ Product TRS totaled 141.1 kg TRS/ton, an increase of 9.3% compared to 6M20;
  - ✓ Total Product TRS was 3,264 thousand tons, an increase of 11.5% compared to 6M20, mainly due to the 1,683 thousand tons of sugar produced, also a record for the period;
  - ✓ Industrial efficiency increased by 2.1% to 1.033 in the six-month period;
  - ✓ Net Revenue ex-HACC/other products of R\$3.3 billion, 27.1% higher than in 6M20;
  - ✓ Adjusted EBITDA ex-resale/HACC totaled R\$1.3 billion, an increase of 20.8%; EBITDA per unit was R\$54.0 per ton, an increase of 18.0% and EBITDA Margin was 43.1%, stable compared to 6M20;
  - ✓ EBITDA less CAPEX reached R\$813.4 million, 29.9% higher than in 6M20;
- ✓ Resulting on a Net Operating Income of R\$989.2 million in the 6M21, compared to an income of R\$196.4 million in 6M20;
- ✓ Reflecting the improved overall operational performance, Net Income reached R\$155.5 million versus a loss of R\$451.9 million recorded in 6M20;
- ✓ Consolidated agricultural yield (TCH) increased by 2.6% to 88.1 ton/ha in the six-month period;
- ✓ Sugar mix was 53.9% in 6M21, due to its higher profitability in relation to ethanol, an increase of 17.4 p.p. compared to 6M20. Anhydrous mix was 33.1%, an increase of 2.7 p.p. compared to the same period of the previous crop.

**B3: BSEV3**

Stock price on 11/11/2020: R\$ 4.35 | Number of shares: **1,020,429,426** | Market cap: **R\$ 4.4 billion**

**Conference Call in Portuguese with translation into English: November 13, 2020**

12:00 p.m. (Brasília - BRT) | 10:00 a.m. (NY - EST) | 3:00 p.m. (London - GMT)

Portuguese: (11) 3181-8565 | English: +1 (412) 717-9627

**Code: Biosev**

**Investor Relations**

E-mail: [ri@biosev.com](mailto:ri@biosev.com)

Telephone: (11) 3092-5291

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## 1. OPERATING PERFORMANCE

The following table presents key indicators for operating efficiency, productivity and production volumes, which are analyzed in this section:

Efficiency and productivity	6M21	6M20	%
<b>Crushing (thousand tons)</b>	<b>23,253</b>	22,705	2.4%
<b>TCH (ton/ha)</b>	<b>88.1</b>	85.9	2.6%
<b>Product TRS (Kg TRS/ton)</b>	<b>141.1</b>	129.1	9.3%
<b>Industrial efficiency</b>	<b>1,033</b>	1,012	2.1%

Production	6M21	6M20	%
<b>Sugar mix (%)</b>	<b>53.9%</b>	36.5%	17.4 p.p.
<b>Ethanol mix (%)</b>	<b>46.1%</b>	63.5%	-17.4 p.p.
<b>Anhydrous mix (%)</b>	<b>33.1%</b>	30.4%	2.7 p.p.
<b>Production (thousand tons of Product TRS) <sup>1</sup></b>	<b>3,264</b>	2,926	11.5%
Sugar (thousand tons)	1,683	1,022	64.7%
Ethanol (thousand m <sup>3</sup> )	885	1,094	-19.1%
<b>Cogeneration (GWh)</b>	<b>706.5</b>	657.1	7.5%

<sup>1</sup> Considers the ratios of conversion of sugar and ethanol in the State of São Paulo, as disclosed in the Consecana Manual.

### 1.1. Crushing

The following table shows crushing volume on a consolidated basis and by cluster:

Efficiency	6M21	6M20	%
<b>Crushing ('000 tons)</b>	<b>23,253</b>	22,705	2.4%
Own	13,235	13,495	-1.9%
Third parties	10,018	9,211	8.8%
<b>Ribeirão Preto Norte Cluster</b>	<b>4,343</b>	3,971	9.4%
<b>Ribeirão Preto Sul Cluster</b>	<b>13,178</b>	12,564	4.9%
<b>Mato Grosso do Sul Cluster</b>	<b>5,732</b>	6,171	-7.1%

The Company reached total crushing volume of 23.3 million tons in 6M21, historical record for the period, which represented an increase of 2.4% compared to 6M20, reflecting the improved performance and operational availability, the favorable (drier) weather conditions during the harvest period (April to September) and higher yield measured by TCH (+2.6%), partially offset by the frost mitigation strategy at the Mato Grosso do Sul Cluster.

At the Ribeirão Preto Norte Cluster, crushing volume was 4.3 million tons, 9.4% higher than in 6M20, mainly supported by the improved operational performance.

At the Ribeirão Preto Sul Cluster, crushing volume was 13.2 million tons, 4.9% higher than in 6M20, mainly supported by the improved operational performance, climate conditions and 4.3% increase in TCH.

At the Mato Grosso do Sul Cluster, crushing volume was 5.7 million tons, 7.1% lower than in 6M20, reflecting the Company's strategy to mitigate the effects from the frost that affected the region in the previous and current crops (accelerating harvest and crushing operations as from the second quarter of the previous crop to mitigate impacts on sucrose quality and accumulation).





## 1.2. Tons of Cane per Hectare (TCH)

The following table shows the evolution in TCH on a consolidated basis and by cluster:

Productivity	6M21	6M20	%
<b>TCH - Agricultural yield (ton/ha)</b>	<b>88.1</b>	85.9	2.6%
<b>Ribeirão Preto Norte Cluster</b>	<b>86.1</b>	88.6	-2.9%
<b>Ribeirão Preto Sul Cluster</b>	<b>92.3</b>	88.5	4.3%
<b>Mato Grosso do Sul Cluster</b>	<b>81.6</b>	79.9	2.1%

Cane yield measured by consolidated TCH reached 88.1 ton/ha in the first semester of the 2020/21 crop, 2.6% higher than the same period of the previous crop, which is basically explained by the continuous application of best agronomic practices in crop regeneration to the sugar plantations, in addition to the favorable weather conditions during the field development period (January to March).

## 1.3. Product Total Recoverable Sugar (TRS)

The following table shows the evolution of Product TRS on consolidated terms and by cluster:

Productivity	6M21	6M20	%
<b>Product TRS (Kg TRS/ton)</b>	<b>141.1</b>	129.1	9.3%
<b>Ribeirão Preto Norte Cluster</b>	<b>145.5</b>	137.6	5.8%
<b>Ribeirão Preto Sul Cluster</b>	<b>142.7</b>	130.9	9.0%
<b>Mato Grosso do Sul Cluster</b>	<b>134.2</b>	119.9	12.0%

Product TRS content was 141.1 kg TRS/ton in 6M21, historical record for the period, an increase of 9.3% compared to 6M20, which reflects the continuous impacts of the evolution of the phytosanitary quality of the sugarcane crop, the quality of the harvesting processes, the intensive use of ripening agents and organic fertilization, among others, an improved overall operational performance and favorable (drier) weather conditions during the harvest, which favors concentration of sugar content.

Industrial efficiency reached 1.033 in 6M21, an increase of 2.1% compared to 6M20, historical record for the period. The results demonstrate the higher efficiency in converting cane into the final products of sugar and ethanol, as well as the lower losses in production processes. Industrial efficiency is calculated based on the volume of TRS produced by the mills.

Total production in tons of Product TRS was 3,264 thousand tons, historical record for the period, an increase of 11.5% compared to 6M20, mainly due to the evolution of the sugarcane crop practices and industrial efficiency gains.

Sugar mix was 53.9%, due to the higher allocation of TRS to sugar production, given the product's higher profitability in the period compared to ethanol, an increase of 17.4 p.p. compared to the same period of the previous crop, which was more focused on ethanol (mix of 63.5% in 6M20).

Anhydrous mix (as a share of total ethanol production) was 33.1% in 6M21, an increase of 2.7 p.p. compared to 6M20, reflecting the commercial strategy to focus on higher-value products, including ethanol by-products.



## 1.4. Cogeneration

The following table presents productivity and cogeneration volume for sale:

Production	6M21	6M20	%
<b>Total Cogen (GWh)</b>	<b>706.5</b>	657.1	7.5%
<b>Cogen for Sale (GWh)</b>	<b>706.5</b>	657.1	7.5%
Ribeirão Preto Norte Cluster	95.2	78.6	21.2%
Ribeirão Preto Sul Cluster	326.4	301.2	8.4%
Mato Grosso do Sul Cluster	284.9	277.3	2.7%
<b>Cogen for Sale/Crushing (kWh/ton)</b>	<b>33.4</b>	31.5	5.8%
Ribeirão Preto Norte Cluster	42.0	37.5	12.0%
Ribeirão Preto Sul Cluster	24.8	24.0	3.3%
Mato Grosso do Sul Cluster	49.7	44.9	10.6%

The Company has cogeneration power plants at all its eight industrial sites and is energy self-sufficient during the harvesting period. Out of these units, seven produce surplus electricity for sale.

Total cogeneration for sale in 6M21 increased by 7.5% compared to 6M20, and reached a volume of 706.5 GWh, mainly due to the higher crushing volume compared to the previous period (+2.4%)

The productivity of cogeneration units measured in kWh of power sold per ton of cane crushed stood at 33.4 kWh/ton in 6M21, an increase of 5.8% compared to 6M20. These results reflect the higher total crushing volume and the Company's strategy to optimize sales by prioritizing products and periods that generate higher added value.



## 2. ECONOMIC AND FINANCIAL PERFORMANCE

### 2.1. Net Revenue

Net revenue excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$5.7 billion, an increase of 63.6% compared to 6M20. The result is primarily explained by the higher industrial efficiency in sugarcane conversion, the growth in export sales volumes, export average prices and the revenues from export performance contracts associated with the rollover of foreign currency-denominated debt obligations, with these factors partially offset by the decrease in ethanol import volumes and by the fact that the previous crop included revenue from the Nordeste Cluster. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 63.9% higher than in 6M20.

Excluding the effects from resale operations (of finished products, such as (i) sugar, ethanol and energy; and (ii) other commodities, which are required to comply with export performance contracts associated with financial obligations denominated in foreign currency), the Company's net revenue was R\$2.9 billion, an increase of 23.0% compared to 6M20, mainly due to the higher industrial efficiency in sugarcane conversion, the growth in export sales volumes as well the export average prices, partially offset by the decrease in ethanol import sales volumes and by the fact that the previous crop included revenue from the Nordeste Cluster. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 23.2% higher than in 6M20.

The following table presents a breakdown of net revenue ex-HACC:

Net revenue ex-HACC (R\$ thousand)	6M21	6M20	%
<b>Sugar</b>	<b>2,020,090</b>	943,295	114.2%
Domestic market	141,795	86,354	64.2%
Export market	1,878,295	856,941	119.2%
<b>Ethanol</b>	<b>1,043,951</b>	1,462,510	-28.6%
Domestic market	460,388	1,186,073	-61.2%
Export market	583,563	276,437	111.1%
<b>Energy</b>	<b>248,923</b>	201,367	23.6%
<b>Total</b>	<b>3,312,965</b>	2,607,171	27.1%
<b>Other products</b>	<b>2,420,438</b>	897,089	169.8%
Bagasse, services and others	23,588	24,882	-5.2%
Export performance contracts	2,396,850	872,207	174.8%
<b>Total</b>	<b>5,733,402</b>	3,504,260	63.6%

<sup>1</sup> 6M20 includes amounts from the Nordeste Cluster.

Revenue from resale operations is detailed in the following table:

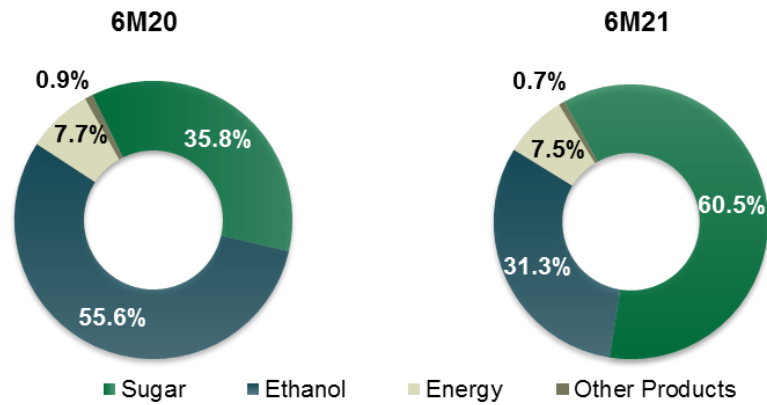
Resale operations (R\$ thousand)	6M21	6M20	%
Sugar, ethanol and energy <sup>1</sup>	428,663	267,340	60.3%
Export performance contracts	2,396,850	872,207	174.8%
<b>Total</b>	<b>2,825,513</b>	1,139,547	148.0%

<sup>1</sup> Revenue from resales of sugar, ethanol and energy is accounted for in the lines corresponding to the respective products in the table of Net Revenue ex-HACC.

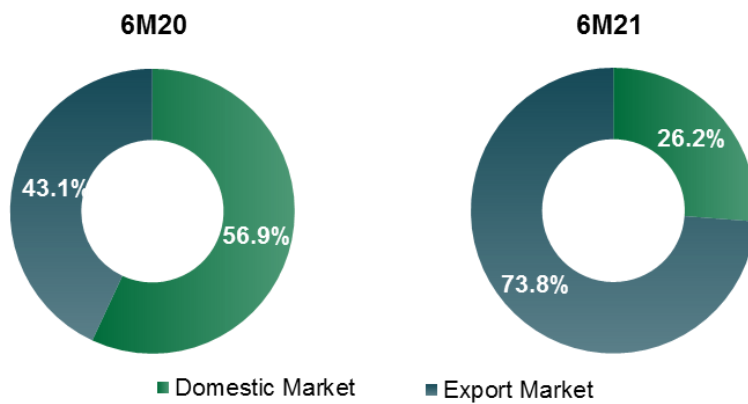


The following charts present a breakdown of net revenue ex-HACC, excluding the effects from hedge accounting and revenue from export performance contracts, by product and by market in the respective periods:

**Net revenue ex-HACC/export performance  
by product (%)**



**Net revenue ex-HACC/export performance  
by market (%)**



The following table presents the sugar and ethanol inventory balance variation when compared to the beginning of each crop, showing a higher carry out when compared to the same period of the previous crop due to the Company's strategy to optimize sales by prioritizing periods that capture higher value added:

Inventories - Variation	6M21	6M20	%
Sugar ('000 tons)	370	314	18%
Ethanol ('000 m3)	415	384	8%

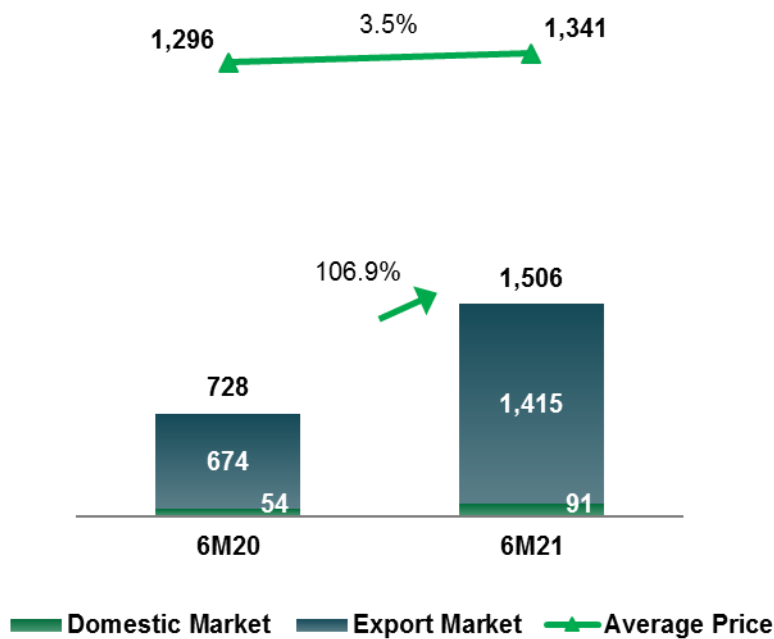


### 2.1.1. Sugar

Net revenue from sugar sales excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$2.0 billion, an increase of 114.2% compared to 6M20. This variation reflects the production mix, which prioritized sugar, given the product's higher profitability in the period compared to ethanol's, improved overall operational performance, which translates into higher efficiency in sugarcane conversion, an increase in sales volume, especially in the export market and higher average prices of the product compared to the previous crop.

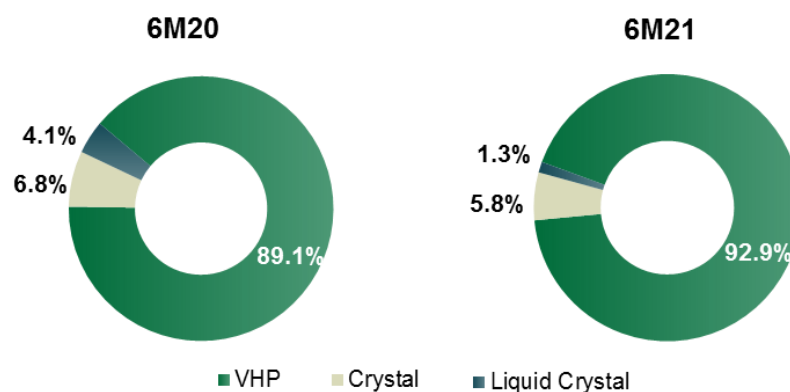
The following chart presents a comparison of sugar volumes and average prices, excluding the non-cash effects from the HACC:

**Volume (thousand tons) and Average Price (R\$/ton)**



The following charts present a breakdown by type of sugar, excluding the non-cash effects from the HACC:

**Net Revenue ex-HACC  
by Sugar Type (%)**





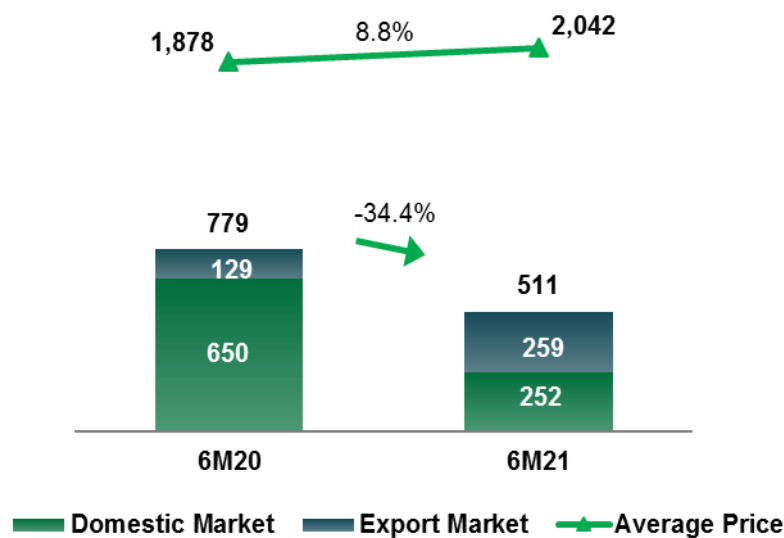
### 2.1.2. Ethanol

Net revenue from ethanol sales excluding the non-cash effects from the hedge accounting of foreign currency-denominated debt (HACC) amounted to R\$1.0 billion, a decrease of 28.6% compared to 6M20, while the sales volume in the period decreased 34.4% due to a shift in the sales mix and higher carry out in the period.

The captured price increased 8.8% when compared to 6M20, although the average domestic market price decreased 6%. And the Company's strategy to optimize sales by prioritizing products and periods that capture higher value added reflected the increase in ethanol exports especially due to the improved competitiveness of ethanol in the foreign markets brought about by the depreciation in the Brazilian real against the U.S. dollar. Note that, excluding the revenue from the Nordeste Cluster in the previous crop to improve the comparison with the current crop, net revenue would be 28.4% lower than in 6M20.

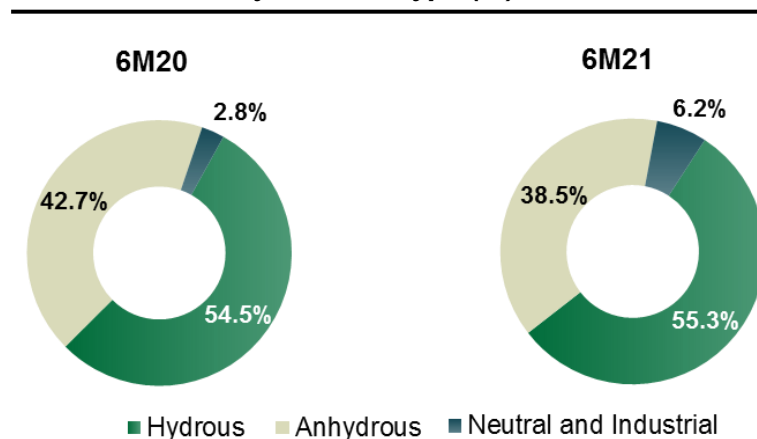
The following chart presents a comparison of ethanol sales volumes and average prices, excluding the non-cash effects from the HACC:

**Volume (thousand m<sup>3</sup>) and Average Price (R\$/m<sup>3</sup>)**



The following chart presents a breakdown of revenue by type of ethanol, excluding the non-cash effects from the HACC:

**Net Revenue ex-HACC  
by Ethanol Type (%)**



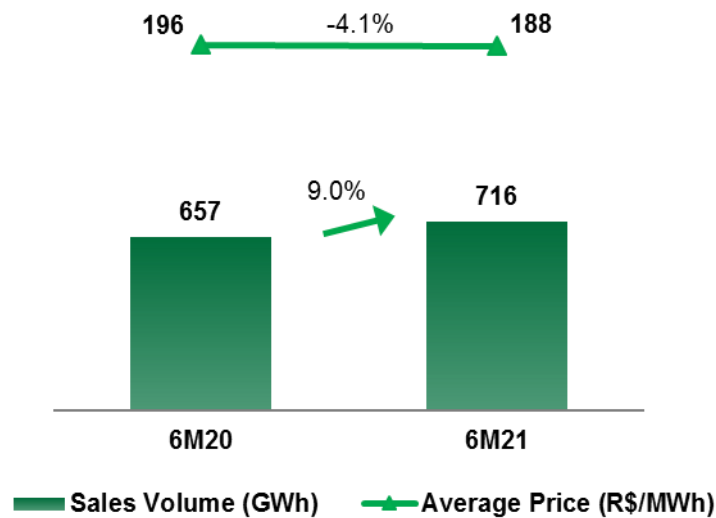


### 2.1.3. Energy

Net revenue from energy sales was R\$248.9 million, an increase of 23.6% compared to 6M20. This variation is mainly due to the higher sales volume resulting from the higher crushing volume, although that was partially offset by 4.1% lower average sales prices in the period of, which nonetheless compared very favorably with the decrease of 52% in the average market prices.

The following chart presents a comparison of energy own sales volume and average own sales price.

**Sales Volume (GWh) and Average Sales Price (R\$/MWh) - Own**



### 2.1.4. Other products

The line item “Other products” records revenue from sales of raw bagasse, services and other items, in addition to revenue from the sale of commodities in the spot market to fulfill export contracts with the aim of settling debt obligations in foreign currency.

Revenue from the sale of other products totaled R\$2.4 billion, an increase of 169.8% compared to 6M20, mainly due to the growth in the above-referred export performance contracts associated with the rollover of foreign currency-denominated debt obligations.



## 2.2. Cost of Goods Sold (COGS)

The Company remains focused on reducing costs over time, while consolidating initiatives to adjust structures and become more resilient in an environment of still highly challenging pricing.

In nominal terms, cash COGS ex-resale totaled R\$1.3 billion, an increase of 16.6% compared to 6M20, due to higher sales volumes (+12.4%) and an increase of 12% in the Consecana price index in the period, partially offset by the reductions in operating costs under the ongoing process to streamline costs and structures.

COGS per unit was R\$600 per ton, an increase of 3.7% compared to 6M20, mainly impacted by the increase of 12% in the Consecana price index in the period.

The following tables present a breakdown of total COGS and cash COGS:

COGS and cash COGS (R\$ thousand) <sup>3</sup>	6M21	6M20	%
<b>Total COGS</b>	<b>(4,286,090)</b>	(2,822,402)	51.9%
<b>Non-cash items</b>	<b>(102,474)</b>	(544,704)	-81.2%
Depreciation and amortization	(837,018)	(740,066)	13.1%
Gains (losses) in biological assets <sup>1</sup>	734,544	195,362	276.0%
<b>Cash COGS</b>	<b>(4,183,616)</b>	(2,277,698)	83.7%
Personnel	(279,948)	(235,191)	19.0%
Raw materials <sup>2</sup>	(952,629)	(823,180)	15.7%
Inputs	(73,500)	(61,512)	19.5%
Resale of goods	(2,877,539)	(1,157,815)	148.5%
Sugar, ethanol and energy	(471,743)	(280,190)	68.4%
Export performance contracts	(2,405,796)	(877,625)	174.1%
<b>Cash COGS ex-resale</b>	<b>(1,306,077)</b>	(1,119,883)	16.6%

<sup>1</sup> Gains (losses) from the fair value adjustment less estimated cost of sales of biological assets. <sup>2</sup> Sugarcane, lease and HLT. <sup>3</sup> Excluding the effect from IFRS16.

Cash COGS ex-resale (R\$ thousand) <sup>1</sup>	6M21	6M20	%
<b>Agricultural costs</b>	<b>(1,129,969)</b>	<b>(976,358)</b>	15.7%
HLT (own + third-party cane)	(332,229)	(336,505)	-1.3%
Land lease	(246,740)	(202,733)	21.7%
Purchases of third-party cane	(551,000)	(437,120)	26.1%
<b>Industrial costs</b>	<b>(158,292)</b>	(120,975)	30.8%
<b>Others</b>	<b>(17,816)</b>	(22,550)	-21.0%
<b>Cash COGS ex-resale</b>	<b>(1,306,077)</b>	(1,119,883)	16.6%
Product TRS sold ex-resale (thousand tons)	2,177	1,936	12.4%
<b>Cash COGS ex-resale (R\$/ton)</b>	<b>(600)</b>	(578)	3.7%

<sup>1</sup> Excluding the effect from IFRS16.





## 2.3. Selling, General and Administrative (SG&A) Expenses

SG&A expenses totaled R\$320.5 million, an increase of 28.1% compared to 6M20.

Selling expenses totaled R\$194.4 million, an increase of 73.7% compared to 6M20, due to the difference in the composition of the sales mix in the period, focused on the sugar mix and the increase in export sales, generating an increase in logistical and port expenses.

General and administrative expenses totaled R\$126.1 million, a decrease of 8.8% compared to 6M20, mainly due to the effects from the ongoing process to streamline operating and organizational structures, fully offset against the increase in consulting expenses in the period.

Depreciation expenses recognized under SG&A expenses totaled R\$9.8 million in 6M21, compared to R\$10.8 million in 6M20.

The following table presents a comparison of cash SG&A expenses between periods:

Cash SG&A (R\$ thousand) <sup>1</sup>	6M21	6M20	%
<b>Selling</b>	<b>(194,400)</b>	(111,904)	73.7%
Freight	(143,531)	(84,359)	70.1%
Shipping charges	(44,301)	(21,173)	109.2%
Commissions, wharfage and other	(6,568)	(6,372)	3.1%
<b>General and administrative</b>	<b>(126,144)</b>	(138,284)	-8.8%
Personnel	(63,881)	(76,092)	-16.0%
Services	(54,290)	(47,444)	14.4%
Other	(7,973)	(14,748)	-45.9%
<b>Cash SG&amp;A</b>	<b>(320,544)</b>	(250,188)	28.1%

<sup>1</sup> Excluding the effect from IFRS16.



## 2.4. EBITDA

The following table presents a breakdown of Adjusted EBITDA ex-resale/HACC:

EBITDA composition (R\$ thousand) <sup>4</sup>	6M21	6M20	%
<b>Net revenue</b>	<b>5,654,229</b>	3,270,823	72.9%
<b>Cash COGS</b>	<b>(4,183,616)</b>	(2,277,698)	83.7%
<b>Gross profit (cash)</b>	<b>1,470,613</b>	993,125	48.1%
Cash SG&A	(320,544)	(250,188)	28.1%
TEAG - profit or loss <sup>1</sup>	292	(2,442)	-111.9%
Other operating income (expenses)	(44,641)	15,549	-387.1%
Non-recurring items	17,766	30,777	-42.3%
<b>Adjusted EBITDA</b>	<b>1,123,486</b>	786,820	42.8%
<b>Adjusted EBITDA margin</b>	<b>19.9%</b>	24.1%	-4.2 p.p.
Resale effect <sup>2</sup>	52,026	18,268	184.8%
HACC effect <sup>3</sup>	79,173	233,437	-66.1%
<b>EBITDA ex-resale/HACC</b>	<b>1,254,685</b>	1,038,525	20.8%
<b>EBITDA margin ex-resale/HACC</b>	<b>43.1%</b>	43.9%	-0.8 p.p.
Crushing (thousand tons)	23,253	22,705	2.4%
<b>Adjusted EBITDA per unit (R\$/ton)</b>	<b>48.3</b>	34.7	39.4%
<b>EBITDA per unit ex-resale/HACC (R\$/ton)</b>	<b>54.0</b>	45.7	18.0%

<sup>1</sup> Equivalent to the share of 50% held in the Guarujá Sugar Terminal (TEAG). <sup>2</sup> Reverses the impacts of resale of sugar, ethanol, energy and export performance operations. <sup>3</sup> Reverses the non-cash effects from the hedge accounting of foreign currency-denominated debt. <sup>4</sup> Excluding the effect from IFRS16.

Adjusted EBITDA ex-resale/HACC (which excludes from the net revenue calculation the effects from resale operations, the non-cash hedge accounting of foreign currency-denominated debt, and IFRS 16) totaled R\$1.3 billion, with EBITDA per unit of R\$54.0 per ton, both historical records for the period. EBITDA margin was 43.1%. These variations are mainly due to the operational improvements, the increase in net revenue by virtue of the increase in exports sales and improved average prices, partially offset by the increase in COGS and SG&A expenses, reflecting the rise of 12% in the Consecana price index in the period and the changes in the sales mix composition.

The following table presents a reconciliation of Adjusted EBITDA with the Income Statement in the periods:

EBITDA Reconciliation (R\$ Thousand)	6M21	6M20	%
<b>NET INCOME (LOSS)</b>	<b>142,283</b>	(473,229)	-130.1%
Income Tax and Social Contribution	108,342	(75,915)	-242.7%
Financial result	798,204	789,596	1.1%
Depreciation and Amortization	1,089,152	991,036	9.9%
<b>EBITDA CVM 527</b>	<b>2,137,981</b>	1,231,488	73.6%
Losses (gains) from selling Biological Assets <sup>1</sup>	(734,544)	(195,362)	276.0%
Amortization of Concession - TEAG	4,200	4,200	0.0%
Non-recurring items	17,766	30,777	-42.3%
IFRS16 impacts	(301,916)	(284,282)	6.2%
<b>Adjusted EBITDA</b>	<b>1,123,486</b>	786,820	42.8%
<b>Adjusted EBITDA Margin</b>	<b>19.9%</b>	24.1%	-4,2 p.p.

<sup>1</sup> Losses (gains) from the fair value adjustment less estimated cost of sales of biological assets.



## 2.5. Hedge

The following table shows the aggregate position of our hedged sugar volumes and prices (via commodity and foreign exchange derivative contracts) as at September 30, 2020:

Hedge on 09/30/2020	20/21 Crop	21/22 Crop
<b>Sugar (#NY11)</b>		
Volume ('000 tons)	1,291	945
Average price (cUS\$/lb)	12.93	13.18
<b>FX (US\$)</b>		
Amount (US\$ million)	355	272
Average price (R\$/US\$)	4,637	4,957
<b>Hedged price (cR\$/lb) w/o Pol.</b>	59.95	65.31
<b>Hedged price (cR\$/lb) w/ Pol.</b>	62.14	67.43
<b>Exposure hedged (%) - Net Consecana</b>	98.8%	83.4%



## 2.6. Financial Results

Excluding the effects from FX variation, the net financial result was an expense of R\$125.2 million, compared to an expense of R\$326.7 million in 6M20. The variation is mainly explained by the higher gains from the settlement and mark-to-market adjustment of derivative positions, partially offset by the lower interest income from short-term investments in the period.

Including FX variation, the net financial result was an expense of R\$718.6 million in 6M21. Exchange variation had a negative impact mainly due to the 8.5% depreciation of the Brazilian real against the U.S. dollar. In 6M20, the net financial result was an expense of R\$713.2 million, negatively impacted by FX variation (a 6.9% depreciation of the Brazilian real against the U.S. dollar), as shown in the following table.

PTAX in the period	6M21	6M20	%
Initial – as at March 31	5.1987	3.8967	33.4%
Final – as at September 30	5.6407	4.1644	35.5%
Variation	8.5%	6.9%	1.6 p.p.

The following table shows the changes in the financial income (expenses) between the periods:

Financial income (expenses) (R\$ thousand) <sup>1</sup>	6M21	6M20	%
<b>Net financial expenses</b>	<b>(718,584)</b>	(713,176)	0.8%
FX variation (FX)	(593,359)	(386,447)	53.5%
<b>Financial expenses before FX</b>	<b>(125,225)</b>	(326,729)	-61.7%
Interest expenses	(224,860)	(289,364)	-22.3%
Income from short-term investments	2,412	7,935	-69.6%
Derivative transactions	93,101	(48,823)	-290.7%
Other income (expenses)	4,122	3,523	17.0%

<sup>1</sup> Excluding the effect from IFRS16.



## 2.7. Income or Loss for the Period

Net income for the period totaled R\$155.5 million, compared to the net loss of R\$451.9 million in 6M20. Based on the abovementioned factors, the variation resulted mainly from the increase in the operating result influenced by improved operating performance, increase in net revenue and higher gains from the settlement and mark-to-market adjustment of derivative positions, partially offset by the FX variation.



### 3. INVESTMENTS

The Company invested R\$441.2 million, an increase of 7.0% compared to 6M20, due to the increase in non-recurring disbursements associated with the strategy of making the agro-industrial operation more productive and profitable.

The investments were focused on the agricultural sector and are mainly non-recurring investments performed on an annual basis, relating to the increase in planting outlays in the period compared to the past crop and by the FX variation on the input costs.

Investments (R\$ thousand)	6M21	6M20	%
<b>Expansion</b>	<b>8,993</b>	3,910	130.0%
<b>Operations</b>	<b>428,838</b>	386,146	11.1%
Industrial	22,432	7,624	194.2%
Agriculture	1,186	20,123	-94.1%
Planting	173,556	148,431	16.9%
Treatment	227,893	201,469	13.1%
Other	3,770	8,499	-55.6%
<b>Intercrop deferred costs</b>	<b>3,413</b>	22,210	-84.6%
<b>CAPEX</b>	<b>441,244</b>	412,266	7.0%

<sup>1</sup> 6M20: Ex-NE cluster for comparison purposes.

### 4. EBITDA LESS CAPEX

EBITDA less CAPEX is presented in the table below:

(R\$ thousand) <sup>1</sup>	6M21	6M20	%
<b>EBITDA ex-resale/HACC</b>	<b>1,254,685</b>	1,038,525	20.8%
<b>CAPEX</b>	<b>441,244</b>	412,266	7.0%
<b>EBITDA ex-resale/HACC less CAPEX</b>	<b>813,441</b>	626,260	29.9%

<sup>1</sup> Excluding the effect from IFRS16.



## 5. DEBT

The Company's gross debt totaled R\$7.6 billion as at September 30, 2020, an increase of 25.8% compared to September 30, 2019, mainly due to the effect from the 35.5% depreciation of the Brazilian real against the U.S. dollar on the dollar-denominated portion of its debt.

The balance of cash and short-term investments totaled R\$681 million, out of which 71.4% was denominated in U.S. dollar. This variation reflects the Company's strategy to optimize sales by prioritizing products and periods that capture higher value added.

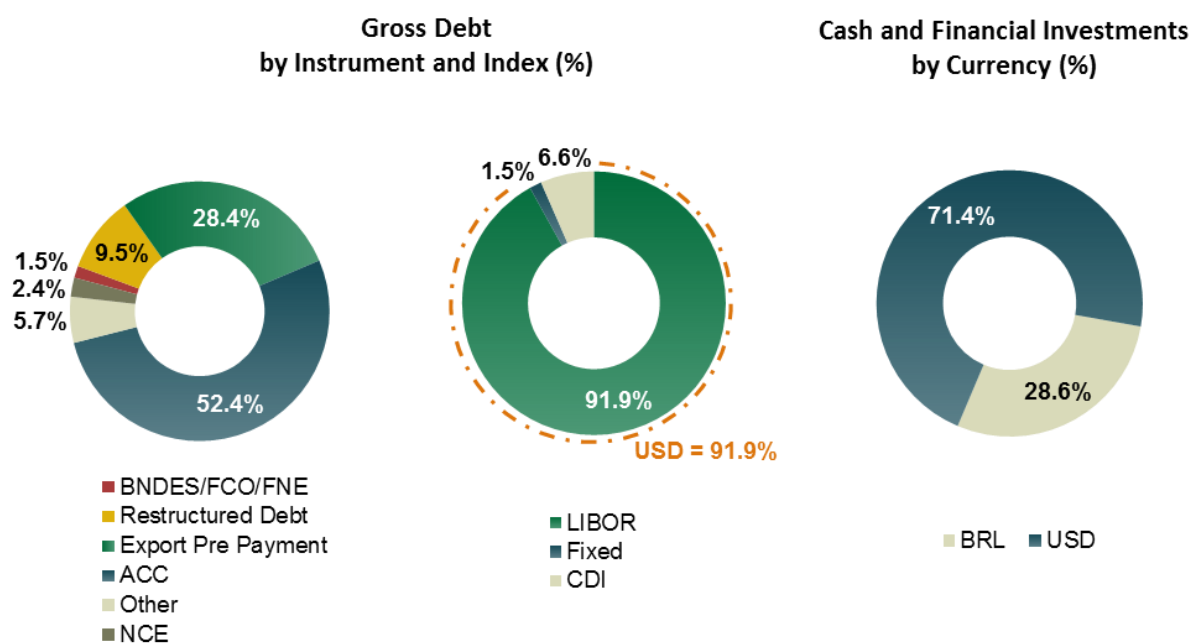
In view of the aforementioned factors, net debt totaled R\$7.0 billion, an increase of 23.9% compared to the position as at September 30, 2019.

The following table presents a breakdown of the debt position:

Debt (R\$ million)	09/30/2020	09/30/2019	Variation
<b>Gross debt</b>	<b>(7,640)</b>	(6,073)	25.8%
Short term	(2,899)	(463)	526.4%
Long term	(4,741)	(5,610)	-15.5%
<b>Cash and short-term investments</b>	<b>681</b>	458	48.8%
<b>Net debt</b>	<b>(6,959)</b>	(5,615)	23.9%
<b>Adjusted EBITDA LTM</b>	<b>2,452</b>	1,814	35.2%
<b>Net debt/adjusted EBITDA LTM</b>	<b>2.84x</b>	3.10x	-8.3%

<sup>1</sup> LTM: last twelve months

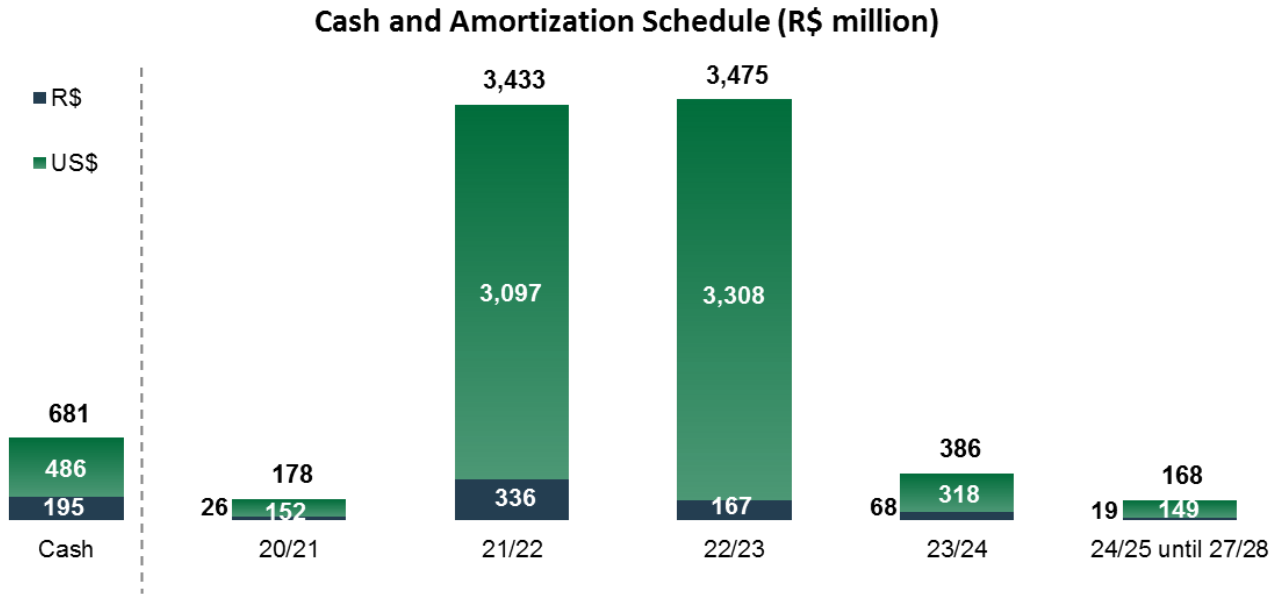
The following charts present a breakdown of debt by index and instrument as at September 30, 2020, as well as the cash position and short-term investments by currency:



The hedged position related to foreign currency indebtedness on September 30, 2020 was USD264.9 million.



The following chart shows the cash position and debt amortization schedule:



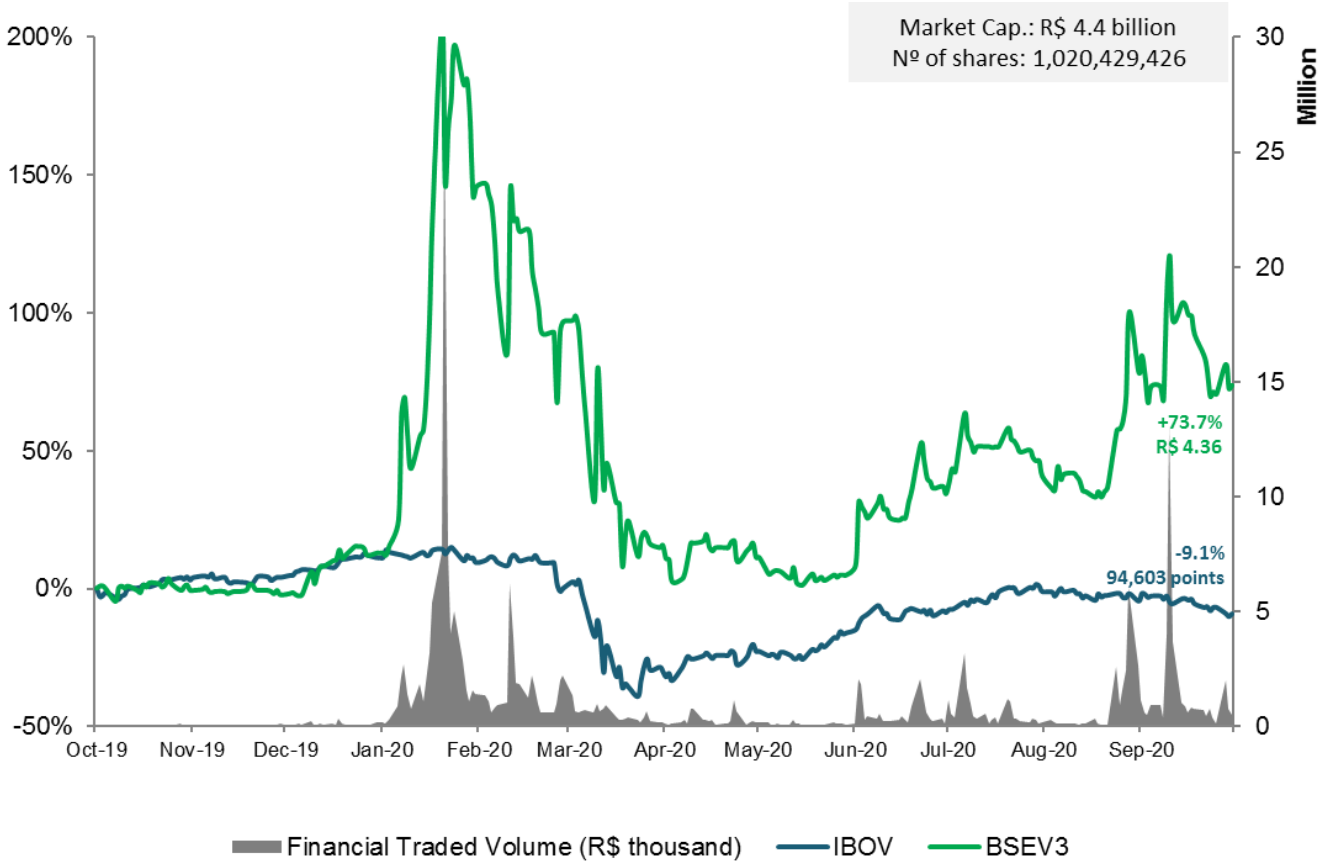




## 6. CAPITAL MARKETS

At the closing of 2Q21, the Company's market capitalization totaled R\$4.4 billion. Its stock performance in the last 12 months compared to Ibovespa is shown below:

**Performance BSEV3 versus IBOV**



Source: Bloomberg, September 30, 2020



## 7. APPENDICES

### 7.1. IFRS16

The IFRS 16/CPC 06 (R2) Leases standard, adopted as of April 1, 2019, changed accounting for lease agreements and agricultural partnerships, which are now treated similarly to financing transactions related to the acquisition of 'right of use of assets,' and payments for which, previously recorded as operating costs and expenses, are now recognized as depreciation or amortization and financial expenses.

Income Statement (R\$ Thousand)	Before IFRS16	IFRS16 effects	After IFRS16	Before IFRS16	IFRS16 effects	After IFRS16
	6M21			6M20		
<b>Gross Revenue</b>	<b>5,777,594</b>	-	<b>5,777,594</b>	<b>3,515,743</b>	-	<b>3,515,743</b>
Taxes and Sales Deductions	(123,365)	-	(123,365)	(244,920)	-	(244,920)
<b>Net Revenue</b>	<b>5,654,229</b>	-	<b>5,654,229</b>	<b>3,270,823</b>	-	<b>3,270,823</b>
COGS	(4,286,090)	59,458	(4,226,632)	(2,822,402)	43,959	(2,778,443)
Depreciation and Amortization	(837,018)	(241,411)	(1,078,429)	(740,066)	(239,147)	(979,213)
Raw Materials	(952,629)	299,708	(652,921)	(823,180)	280,324	(542,856)
Inputs	(73,500)	1,161	(72,339)	(61,512)	2,782	(58,730)
<b>GROSS PROFIT</b>	<b>1,368,139</b>	<b>59,458</b>	<b>1,427,597</b>	<b>448,421</b>	<b>43,959</b>	<b>492,380</b>
<b>OPERATING INCOME (EXPENSES)</b>	<b>(378,914)</b>	<b>146</b>	<b>(378,768)</b>	<b>(252,047)</b>	<b>119</b>	<b>(251,928)</b>
SG&A	(330,365)	146	(330,219)	(260,954)	119	(260,835)
Depreciation and Amortization	(10,723)	902	(9,821)	(10,766)	(1,057)	(11,823)
Others	(7,973)	(1,048)	(9,021)	(14,748)	1,176	(13,572)
Equity income/(loss) in subsidiaries	(3,908)	-	(3,908)	(6,642)	-	(6,642)
Other operating income (expenses)	(44,641)	-	(44,641)	15,549	-	15,549
<b>PROFIT (LOSS) BEFORE FINANCIAL RESULT</b>	<b>989,225</b>	<b>59,604</b>	<b>1,048,829</b>	<b>196,374</b>	<b>44,078</b>	<b>240,452</b>
Financial Result, net	(718,584)	(79,620)	(798,204)	(713,176)	(76,420)	(789,596)
Financial Revenue	15,565	-	15,565	21,698	-	21,698
Financial Expenses	(233,891)	(79,620)	(313,511)	(299,604)	(76,420)	(376,024)
Interest Expenses	(224,860)	(79,620)	(304,480)	(289,364)	(76,420)	(365,784)
Derivatives	93,101	-	93,101	(48,823)	-	(48,823)
FX Variation	(593,359)	-	(593,359)	(386,447)	-	(386,447)
<b>PROFIT (LOSS) BEFORE TAXES ON INCOME</b>	<b>270,641</b>	<b>(20,016)</b>	<b>250,625</b>	<b>(516,802)</b>	<b>(32,342)</b>	<b>(549,144)</b>
Income Tax and Social Contribution	(115,147)	6,805	(108,342)	64,919	10,996	75,915
<b>NET INCOME (LOSS)</b>	<b>155,494</b>	<b>(13,211)</b>	<b>142,283</b>	<b>(451,883)</b>	<b>(21,346)</b>	<b>(473,229)</b>



## 7.2. Statement of Profit and Loss for the Period

Income Statement (R\$ Thousand)	6M21	6M20	%
Gross Revenue	5,777,594	3,515,743	64.3%
Taxes and Sales Deductions	(123,365)	(244,920)	-49.6%
<b>Net Revenue</b>	<b>5,654,229</b>	3,270,823	72.9%
COGS	(4,226,632)	(2,778,443)	52.1%
<b>GROSS PROFIT</b>	<b>1,427,597</b>	492,380	189.9%
<b>OPERATING INCOME (EXPENSES)</b>	<b>(378,768)</b>	(251,928)	50.3%
G&A	(135,819)	(148,931)	-8.8%
Selling	(194,400)	(111,904)	73.7%
Equity income/(loss) in subsidiaries	(3,908)	(6,642)	-41.2%
Other operating income (expenses)	(44,641)	15,549	-387.1%
<b>PROFIT (LOSS) BEFORE FINANCIAL RESULT</b>	<b>1,048,829</b>	240,452	336.2%
Financial Result, net	(798,204)	(789,596)	1.1%
Financial Revenue	15,565	21,698	-28.3%
Financial Expenses	(313,511)	(376,024)	-16.6%
Derivative	93,101	(48,823)	-290.7%
FX Variation	(593,359)	(386,447)	53.5%
<b>PROFIT (LOSS) BEFORE TAXES ON INCOME</b>	<b>250,625</b>	(549,144)	-145.6%
Income Tax and Social Contribution	(108,342)	75,915	-242.7%
<b>NET INCOME (LOSS)</b>	<b>142,283</b>	(473,229)	-130.1%



### 7.3. Balance Sheet – Assets

ASSETS (R\$ Thousand)	09/30/2020	03/31/2020	%
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	583,647	1,174,943	-50.3%
Short-term investments	83,444	52,245	59.7%
Derivative financial instruments	143,550	225,787	-36.4%
Accounts receivables	384,475	202,050	90.3%
Inventories	2,056,928	2,948,633	-30.2%
Biological Assets	1,098,499	663,908	65.5%
Recoverable taxes	149,766	158,777	-5.7%
Other receivables	79,997	88,170	-9.3%
Assets held for sale	28,298	45,165	-37.3%
<b>Total current assets</b>	<b>4,608,604</b>	<b>5,559,678</b>	<b>-17.1%</b>
<b>NON-CURRENT ASSETS</b>			
Long-term investments	14,210	-	100.0%
Advances to suppliers	58,500	56,602	3.4%
Escrow deposits	372,029	385,413	-3.5%
Recoverable taxes	78,453	57,529	36.4%
Deferred income tax and social contribution	743,016	872,971	-14.9%
Other receivables	326,790	320,012	2.1%
Right to use leasehold assets	1,647,882	1,577,379	4.5%
Investments	156,485	160,393	-2.4%
Property, plant and equipment	3,017,598	3,477,391	-13.2%
Intangible assets	918,705	921,964	-0.4%
<b>Total non-current assets</b>	<b>7,333,668</b>	<b>7,885,539</b>	<b>-7.0%</b>
<b>TOTAL ASSETS</b>	<b>11,942,272</b>	<b>13,445,217</b>	<b>-11.2%</b>



## 7.4. Balance Sheet – Liabilities and Equity

LIABILITIES AND SHAREHOLDERS' EQUITY (R\$ Thousand)	09/30/2020	03/31/2020	%
<b>CURRENT LIABILITIES</b>			
Borrowings and financing	2,899,005	7,225,234	-59.9%
Liabilities from leasing operations	495,857	498,932	-0.6%
Advance from domestic customers	121,312	28,128	331.3%
Advance from foreign customers	1,399,838	2,585,641	-45.9%
Accounts payables	716,891	798,903	-10.3%
Accrued payroll and related taxes	125,848	90,483	39.1%
Taxes payable	63,263	75,152	-15.8%
Derivative financial instruments	332,766	586,843	-43.3%
Other payables	76,326	118,051	-35.3%
<b>Total current liabilities</b>	<b>6,231,106</b>	<b>12,007,367</b>	<b>-48.1%</b>
<b>NON CURRENT LIABILITIES</b>			
Borrowings and financing	4,741,036	96,191	4828.8%
Liabilities from leasing operations	1,275,932	1,182,337	7.9%
Advance from foreign customers	-	626,116	-100.0%
Accounts payables	4,691	5,965	-21.4%
Deferred income tax and social contribution	35,884	36,883	-2.7%
Derivative financial instruments	11,340	16,596	-31.7%
Provision for tax, labor, civil and environmental contingencies	309,826	294,668	5.1%
Taxes payable	18,324	18,501	-1.0%
Other payables	145,942	167,247	-12.7%
<b>Total non-current liabilities</b>	<b>6,542,975</b>	<b>2,444,504</b>	<b>167.7%</b>
<b>SHAREHOLDERS' EQUITY</b>			
Paid-in Capital	6,077,674	6,077,674	0.0%
Capital reserve	1,353,937	1,353,937	0.0%
Accumulated losses	(8,167,309)	(8,167,310)	0.0%
Retained Earnings	142,384	-	100.0%
Other comprehensive income (loss)	(244,571)	(277,132)	-11.7%
<b>Total equity attributable to shareholders</b>	<b>(837,885)</b>	<b>(1,012,831)</b>	<b>-17.3%</b>
Non-controlling interest	6,076	6,177	-1.6%
<b>Total equity</b>	<b>(831,809)</b>	<b>(1,006,654)</b>	<b>-17.4%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>11,942,272</b>	<b>13,445,217</b>	<b>-11.2%</b>



## 7.5. Statement of Cash Flows

Cash Flow (R\$ Thousand)	09/30/2020	09/30/2019	%
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
NET INCOME (LOSS)	142,283	(473,229)	-130.1%
Non-cash transactions	1,393,188	1,769,553	-21.3%
Depreciation and amortization	1,089,152	991,036	9.9%
Exchange, interest rate and commodities risk management	2,594	137,975	-98.1%
Losses (gains) from selling Biological Assets <sup>1</sup>	(1,611)	(20,947)	-92.3%
Interest, exchange rate changes and inflation adjustments, net	816,538	591,380	38.1%
Losses/(gains) on hedge operations	112,182	(75,934)	-247.7%
Deferred Income tax and social contribution	(734,544)	(195,362)	276.0%
Other non-cash transactions	108,877	341,405	-68.1%
Decrease/(Increase) in assets	1,210,875	(1,717,521)	-170.5%
Increase/(Decrease) in liabilities	(2,129,161)	651,502	-426.8%
Interest paid on borrowings and financing	(158,265)	(224,565)	-29.5%
<b>Net cash provided by / (used in) operating activities</b>	<b>458,920</b>	<b>5,740</b>	<b>7895.1%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in short- and long-term investments	(45,112)	121,402	-137.2%
Additions to right of use assets	(323,479)	(1,661,776)	-80.5%
Increase in property, plant and equipment	(172,900)	(98,777)	75.0%
Additions to biological assets	(265,412)	(241,536)	9.9%
Increase in intangible assets	(646)	(7,155)	-91.0%
<b>Net cash provided by / (used in) investing activities</b>	<b>(807,549)</b>	<b>(1,887,842)</b>	<b>-57.2%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Additions to lease liabilities	324,009	1,661,615	-80.5%
Payment of lease liabilities	(297,540)	(266,854)	11.5%
Borrowings and financing	868,770	1,912,948	-54.6%
Payment of borrowings and financing	(1,137,906)	(2,198,699)	-48.2%
<b>Net cash provided by / (used in) financing activities</b>	<b>(242,667)</b>	<b>1,109,010</b>	<b>-121.9%</b>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(591,296)</b>	<b>(773,092)</b>	<b>-23.5%</b>
Cash and cash equivalents at the beginning of the period	1,174,943	1,189,112	-1.2%
<b>Cash and cash equivalents at the end of the period</b>	<b>583,647</b>	<b>416,020</b>	<b>40.3%</b>

<sup>1</sup> Losses (gains) from the fair value adjustment less estimated cost of sales of biological assets.