BIOSEV S.A.
Publicly-held Company
National Corporate Taxpayer Register of the Ministry of Economy - CNPJ/ME: 15.527.906/0001-36
NIRE (State Registration): 35.3.0034518.5
CVM (Securities Exchange Commission): 22845

MANAGEMENT MANUAL

EXTRAORDINARY AND ORDINARY GENERAL SHAREHOLDERS' MEETING

JULY 27th, 2020

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MANAGEMENT MANUAL FOR THE EXTRAORDINARY AND ORDINARY GENERAL SHAREHOLDERS' MEETING OF BIOSEV S.A. TO BE HELD ON SEPTEMBER 02, 2020

The purpose of this manual is to clarify to the Shareholders about the resolutions to be taken at the Extraordinary and Ordinary General Shareholders' Meeting of **BIOSEV S.A.** ("Company"), to be held on September 02, 2020, at 2:30 p.m. ("Extraordinary and Ordinary Shareholders' Meeting"), exclusively digitally, in accordance with the Call Notice published on the date hereof as **Annex A** to this Management Manual, as provided in the Company's Annual Corporate Events Calendar, available on the following websites http://www.cvm.gov.br, http://www.b3.com.br and https://ri.biosev.com.

This manual was prepared in accordance with the provisions of Law No. 6404, dated December 15, 1976 ("Brazilian Corporation Law"), of CVM Instruction No. 480, of December 7, 2009, as amended, ("CVM Instruction 480"), CVM Instruction No. 481, dated December 17, 2009, as amended ("CVM Instruction 481"), Circular Letter CVM/SEP 02/2020, dated February 28, 2020, and all other applicable legal provisions and those provided in the Bylaws.

I. MANAGEMENT'S PROPOSAL

The management submits a proposal for each item included in the agenda to be resolved by the Shareholders at the Extraordinary and Ordinary Shareholders' Meeting, as below ("Management's Proposal"):

At the Extraordinary General Meeting

1. To set the overall compensation amount of the Company's management for the fiscal year to be ended on March 31, 2021.

The Company's management shall submit to the Shareholders' approval the proposal for the overall compensation of the Company's management for the fiscal year that began on April 1, 2020 and shall end on March 31, 2021, pursuant to article 152 of the Brazilian Corporation Law and article 12, item I, of CVM Instruction 481, according to the proposal attached to this Management Manual as **Exhibit I**.
Moreover, the Company's management presents the information described in item 13 of the Reference Form, as required by article 12, item II, of CVM Instruction 481, pursuant to **Exhibit II** to this Management Manual.

At the Ordinary General Meeting

1. To receive the management accounts, examine, discuss and vote on the Company's financial statements for the fiscal year ended on March 31, 2020, as well as to examine the management report and the independent auditors' report for the same period.

The Company's management shall submit to the Shareholders' examination (i) the Company's financial statements for the fiscal year ended on March 31, 2020, as audited by BDO RCS Auditores Independentes; (ii) the management report on corporate business and the main administrative facts of the fiscal year ended on March 31, 2020; (iii) the independent auditors' report; (iv) the opinion of the Company's Non-Statutory Audit Committee, and (v) the statement of the officers, that they have reviewed, discussed and agreed to the financial statements and the opinions stated in the independent auditors' report. Said documents were approved by the Board of Directors without reservations at a meeting held on July 27, 2020, and the directors recommended their approval by the Shareholders.

The documents listed above were published on July 27, 2020 on the following websites http://www.cvm.gov.br, http://www.b3.com.br and https://ri.biosev.com. On July 28, 2020 documents (i), (ii) and (iii) of the paragraph above were published in the Diário Oficial of the State of São Paulo - DOESP and Diário Comercial. Given that such documents were published no later than one (1) month prior to the date of the Extraordinary and Ordinary Shareholders' Meeting, publication of the announcements referred in article 133 of the Brazilian Corporation Law is waived, pursuant to paragraph five of said article.

Additionally, the Company's management submits the management's comments on the Company's financial condition, pursuant to article 9, item III, of CVM Instruction 481, and item 10 of the Reference Form, in accordance with **Exhibit IV** to this Management Manual.

All other documents required to be disclosed by the Brazilian Corporation Law and by CVM Instruction 481 for resolution of this matter are available to the Shareholders on the following websites http://www.cvm.gov.br, http://www.b3.com.br and https://ri.biosev.com, and at the Company's principal place of business: Avenida Brigadeiro Faria Lima, No. 1.355, 11th floor, Pinheiros São Paulo, SP.

2. To resolve on the proposed allocation of the profit or loss for the fiscal year ended March 31, 2020.

The Company's management clarifies that it is waived from submitting Exhibit 9-1-II - Allocation of Net Profit, provided in CVM Instruction 481, in view of the loss in the fiscal year ended March 31, 2020. Said waiver is based on the decision by the Steering Committee of CVM, dated 09/27/2011 (CVM Process RJ2010/14687) and Circular Letter CVM/SEP 02/2020, dated February 28, 2020, according to which companies that recorded loss at the end of the fiscal year in question are waived from submitting the information required in article 9, sole paragraph, item II, of CVM Instruction 481.

In view of the reasons above, the Company's management proposes that the loss for the fiscal year ended March 31, 2020, are recorded in the accumulated losses account.

3. To set the number of members that will comprise the Board of Directors for the next mandate and resolve on the election of the members of the Company's Board of Directors, indicating the Chairman and Vice Chairman of the Board of Directors

The Company proposes to set the number of members of the Board of Directors for the next mandate of 2 (two) years in 8 (eight) members, which will be extended until the Ordinary General Meeting that approves the accounts for the fiscal year to be ended on March 31, 2022. Based on such proposal, the Company's Board of Directors shall be composed as follows:

Adrian Gustavo Isman – Chairman of the Board of Directors
Patrick Julien Treuer – Vice Chairman of the Board of Directors
André Roth – Effective Member of the Board of Directors
Federico Adrian Cerisoli – Effective Member of the Board of Directors
Enrico Biancheri – Effective Member of the Board of Directors
Ricardo Barbosa Leonardos – Independent Member of the Board of Directors
Philippe Jean Henri Delleur – Independent Member of the Board of Directors
Neil Roxburgh Balfour – Independent Member of the Board of Directors

As set forth in Article 10, of CVM Instruction 481, the Company's management shall provide the information referred in items 12.5 to 12.10 of the Reference Form, in relation to the candidates appointed to compose the Company's Board of Directors, according to **Exhibit III** hereto.

II. REPRESENTATION OF SHAREHOLDERS

The attendance and vote to the Extraordinary and Ordinary Shareholders' Meeting, which will be held exclusively digitally, may occur as follows:

1. Electronic System of Attendance and Distance Voting

The Extraordinary and Ordinary Shareholders' Meeting will be held exclusively digitally, through the digital platform MS Teams.

In accordance with article 5, paragraph 3, of CVM Instruction 481, the shareholders that wish to attend the Extraordinary and Ordinary Shareholders' Meeting shall send an email to the Company's Investor Relations Officer (ri@biosev.com) up to two (2) days before the Extraordinary and Ordinary Shareholders' Meeting (ie until August 31, 2020), to (i) send the documents of legal representation and necessary documents (specifying the name of the natural person who will be present on the digital platform MS Teams) indicated in the Call Notice and reproduced below, in PDF format, and (ii) receiving the access credentials and instructions for their identification during the use of the platform. Access via MS Teams will be restricted to the Company's shareholders who are accredited within the aforementioned period and in accordance with the procedures above ("Accredited Shareholders").

The necessary representation documents, as indicated in the Call Notice, are reproduced below:

Documentation to be sent to the Company	Physical person	Legal Person	Investment fund
Proof of ownership of your shares issued by a central depository or by the bookkeeping agent, with a maximum date of 5 (five) days prior to the Extraordinary and Ordinary Shareholders' Meeting	X	X	X
CPF and identity document with photo of the shareholder or his legal representative, as well as the attorney-in-fact, if applicable, who will attend the Extraordinary and Ordinary Shareholders' Meeting (1)	X	X	X
Consolidated and updated Articles of Association or Bylaws (2)	-	X	X
Legal document certifying the granting of powers, including representation, if applicable (2)	-	X	X
Consolidated and updated fund regulation	-	-	X

(1) Identity document, accepted: RG, RNE, CNH, Passport and officially recognized professional registration card;
(2) For investment funds, documents of the manager and / or administrator, subject to the voting policy.

The Company will not require the sworn translation of documents that were originally drawn up in Portuguese, English or Spanish or that are accompanied by the respective translation into those languages.

The Company also emphasizes that, in a strictly exceptional manner, due to the restrictions imposed due to the pandemic of the new coronavirus, it will accept that the referred documents be presented without the signature or certified copy, with each shareholder being responsible for veracity and integrity of the documents presented.

Once the request has been received and the identification and representation documents presented by the Accredited Shareholders have been verified, the Company will send individual invitations for admission and participation in the Extraordinary and Ordinary Shareholders' Meeting to the e-mail addresses that send the request for participation and the documents as mentioned above (only one individual invitation is sent per shareholder). Only Accredited Shareholders, their representatives or attorneys (under the terms of the Brazilian Corporation Law) will be admitted by individual invitations. The access credentials received by the Accredited Shareholders, their attorneys or representatives will be personal and non-transferable. If an Accredited Shareholder does not receive an individual invitation to participate in the Extraordinary and Ordinary Shareholders' Meeting up to 4 hours in advance of the start time of the Extraordinary and Ordinary Shareholders' Meeting, he must contact the Investor Relations Officer of the Company with at least 2 hours in advance in relation to the start time of the Extraordinary and Ordinary Shareholders' Meeting so that adequate support is provided and, as the case may be, shareholder access is released by sending a new individual invitation.

The Accredited Shareholders, their legal representatives or attorneys that will attend the Extraordinary and Ordinary Shareholders' Meeting must access the MS Teams digital platform with their camera turned on for security measures, in order for the Company to verify that the image of the person that is accessing the Extraordinary and Ordinary Shareholders' Meeting matches with the photo of the identity document sent to the Company. If, for any reason, the Accredited Shareholder access the MS Teams digital platform without his camera on, or if his image does not match with the photo of the identity document sent to the Company, his access will not be validated and he will not be able to attend the Extraordinary and Ordinary Shareholders' Meeting.

The Company recommends that the Accredited Shareholders access the MS Teams digital platform at least 40 minutes before the start of the Extraordinary and Ordinary Shareholders' Meeting, in order to avoid any operational problems, and allow the validation of the access and participation of all Shareholders Accredited. The Company also suggests that Accredited Shareholders become familiarized with the MS Teams tool in order to avoid problems with its use on the day of the Extraordinary and Ordinary Shareholders' Meeting, as well as ensure the compatibility of their respective electronic devices with the platform, especially the use of resources. audio and video.

In compliance with article 21-C, §1, II, of CVM Instruction 481, the Company informs that it will record the Extraordinary and Ordinary Shareholders' Meeting, however, its recording or transmission, in whole or in part, is prohibited. by Accredited Shareholders who access the MS Teams platform to participate and, as appropriate, vote at the Extraordinary and Ordinary Shareholders' Meeting.

The Company is not responsible for operational or connection problems that the Accredited Shareholders may face, or any other situations that are not under the control of the Company (eg, instability in the connection of the shareholder to the internet or incompatibility of Ms Teams with equipment of the shareholder) that make it difficult or impossible for an Accredited Shareholder to participate in the Extraordinary and Ordinary Shareholders' Meeting.

Accredited Shareholders who participate in the Extraordinary and Ordinary Shareholders' Meeting via MS Teams, in accordance with the instructions above, will be considered present at the Extraordinary and Ordinary Shareholders' Meeting, and subscribers to the respective minutes and attendance book, pursuant to art. 21-V, III, of CVM Instruction No. 481.

1.1. Shareholders Represented by Attorneys

The Company's Management suggests that, in the absence of direct participation, you confer powers for an attorney to participate and vote on your behalf in relation to the matters that are the object of the Extraordinary and Ordinary Shareholders' Meeting, pursuant to article 126, paragraph 1, of the Brazilian Corporation Law, and the attorney must appear at the Extraordinary and Ordinary Shareholders' Meeting with the above documentation already indicated by the shareholder, whether natural or legal person, as well as original power of attorney and identity document with photo of the attorney.

Pursuant to CVM Process RJ2014/3578, the representation of legal entity shareholders by legal representatives or duly appointed attorneys-in-fact, in accordance with the Company's Bylaws and the rules of the Civil Code is allowed with no need for such attorney-in-fact to be a shareholder, Company manager or lawyer.

When the shareholder is represented by a proxy, the regularity and conformity of the proxy, as well as proof of ownership of the Company's shares, will be previously examined at the Extraordinary and Ordinary Shareholders' Meeting, as per the procedures above.

2. Distance Voting Bulletin

In addition to the electronic system of participation and remote voting, the Company will also adopt the distance voting system through the distance voting bulletin, in line with the provisions of CVM Instruction 481, as amended, and according to the form made available on July 27, 2020 at the following addresses on the global computer network http://www.cvm.gov.br, http://www.b3.com.br and https: //ri.biosev .com ("Distance Voting Bulletin").

This way, shareholders who wish to carry out the voting through the Distance Voting Bulletin may forward their voting instructions in relation to the matters of the Extraordinary and Ordinary Shareholders' Meeting through their respective custodian agents, through the depositary financial institution responsible for the Company's book-entry shares service or directly to the Company, as detailed below.

Voting through Distance Voting Bulletin may be exercised by shareholders in the following manners:

a) By voting instructions sent to its custody agents that will disclose, within the regulatory terms, the consolidated voting map for the Company, which shall disclose it to the market. The shareholder shall transmit instructions for filling in the bulletin to its custodian agents no later than seven (7) days prior to the date of the Extraordinary and Ordinary Shareholders' Meeting, that is, by August 26, 2020, including, unless a different term is established by its custody agents;

b) By voting instructions sent to a depositary financial institution responsible for the Company's book-entry shares service, which shall disclose within the regulatory terms the consolidated voting map for the Company, which shall disclose it to the market. The shareholder shall transmit instructions for filling in the bulletin to the depositary financial institution responsible for the Company's book-entry share services no later than seven (7) days before the date of the Extraordinary and Ordinary Shareholders' Meeting, that is, by August 26, 2020, including, unless a different term is established by the depositary financial institution; or

c) By Distance Voting Bulletin, which shall be sent directly to the Company, to the address indicated below. In the event the bulletin is sent directly to the Company, the shareholder shall send the physical form made available on July 27, 2020 at the following addresses on the global computer network http://www.cvm.gov.br, http://www.b3.com.br and https: //ri.biosev .com to this Management Manual duly filled in, initialed and signed and a copy of the documentation indicated in item 1 above in up to seven (07) days before the date of the Extraordinary and Ordinary Shareholders' Meeting, that is, by August 26, 2020, inclusive.

The above mentioned documents shall be sent to the following address:

BIOSEV S.A.
Investor Relations Officer
Avenida Brigadeiro Faria Lima, No. 1.355, 11th floor, Pinheiros
São Paulo, SP
ZIP Code 01452-919
ri@biosev.com

The Company shall not require the sworn translation of the documents originally drafted in Portuguese, English or Spanish, or accompanied by the respective translation in these languages.

The Company recommends the Shareholders to send a copy of the proxy and documents evidencing the capacity of shareholder and representation, as well as the Distance Voting Bulletin, sending such documents via e-mail to ri@biosev.com, being required the original documentation of the Distance Voting Bulletin and a copy of all documents indicated in item 1 above are required.

The shareholders shall be notified of the Company's receipt of the documents and confirmation of their validity, according to CVM Instruction 481. Incomplete voting bulletins or those sent without the necessary documents and those delivered after the term shall be disregarded and the respective shareholder shall be notified.

If the shareholder, after transmitting the voting instruction or sending the Remote Voting Ballot, chooses to participate in the Extraordinary and Ordinary Shareholders' Meeting (in person or by proxy), the voting instruction through the Bulletin will be disregarded if he requests to vote by through the electronic system of participation and remote voting.

III. ADDITIONAL CLARIFICATIONS

According to CVM Instruction 481, all documents of the Shareholders' interest for their participation in the Extraordinary and Ordinary Shareholders' Meeting are available at the head office of the Company at the address above and the following websites http://www.cvm.gov.br, http://www.b3.com.br and https://ri.biosev.com .

São Paulo, July 27, 2020.

BIOSEV S.A.

Leonardo Oliveira D'Elia
Chief Financial and Investor Relations Officer

ANNEX A

Call Notice of Meeting

BIOSEV S.A.
Publicly-held Company
National Corporate Taxpayer Register of the Ministry of Economy - CNPJ/ME: 15.527.906/0001-36
NIRE (State Registration): 35.3.0034518.5
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CALL NOTICE – EXTRAORDINARY AND ORDINARY GENERAL SHAREHOLDERS' MEETING

The Shareholders of Biosev S.A. ("Company") are hereby called to attend the Extraordinary and Ordinary General Shareholders' Meeting to be held on September 2nd, 2020, at 02:30 p.m. ("Meeting"), exclusively digitally, to resolve on the following matters on the agenda:

At the Extraordinary General Meeting

1. To set the overall compensation amount of the Company's management for the fiscal year to be ended on March 31, 2021.

At the Ordinary General Meeting

1. To receive the management accounts, examine, discuss and vote on the Company's financial statements for the fiscal year ended on March 31, 2020, as well as to examine the management report and the independent auditors' report for the same period;

2. To resolve on the proposed allocation of the profit or loss for the fiscal year ended March 31, 2020; and

3. To set the number of members that will comprise the Board of Directors for the next mandate and resolve on the election of the members of the Company's Board of Directors, indicating the Chairman and Vice Chairman of the Board of Directors.

General Information:

Pursuant to article 5, paragraph 3, of CVM Instruction 481/09, shareholders wishing to participate in the Meeting must send an email to the Company's Investor Relations Officer (ri@biosev.com) within 2 (two) days before the Meeting (ie until August 31, 2020), requesting your access credentials to the electronic system of participation and remote voting, and sending the following documents to the Company, as applicable:

Documentation to be sent to the Company	Physical person	Legal Person	Investment fund
Proof of ownership of your shares issued by a central depository or by the bookkeeping agent, with a maximum date of 5 (five) days prior to the Meeting	X	X	X
CPF and identity document with photo of the shareholder or his legal representative, as well as the attorney-in-fact, if applicable, who will attend the Meeting (1)	X	X	X
Consolidated and updated Articles of Association or Bylaws (2)	-	X	X
Legal document certifying the granting of powers, including representation, if applicable (2)	-	X	X
Consolidated and updated fund regulation	-	-	X

(1) Identity document, accepted: RG, RNE, CNH, Passport and officially recognized professional registration card;
(2) For investment funds, documents of the manager and /or administrator, subject to the voting policy.

The Company will not require the sworn translation of documents that were originally drawn up in Portuguese, English or Spanish or that are accompanied by the respective translation into those languages.

The Company also emphasizes that, in a strictly exceptional manner, due to the restrictions imposed due to the pandemic of the new coronavirus, it will accept that the referred documents be presented without the signature or certified copy, with each shareholder being responsible for veracity and integrity of the documents presented.

Distance Voting Bulletin: According to CVM Instruction No. 481/09, the Company shall also adopt the distance voting system, whereby the shareholders may send distance voting bulletins through their respective custody agents, the depositary financial institution responsible for the services related to book-entry shares, or directly to the Company, according to the model made available by the Company and subject to the instructions provided in the Management Manual made available as of the date hereof.

Multiple Vote: Pursuant to article 141 of Law No. 6,404/76 and CVM Instruction No. 282/98 and article 4 of CVM Instruction No. 481/2009, the voting capital minimum percentage to request the adoption of the multiple vote process is five percent (5%).

Documents related to the Meeting: Finally, in compliance with the legal provisions and the provisions of the Bylaws, copies of documents of the Shareholders' interest for their participation in the meeting, including those required under CVM Instructions 480/2009 and 481/2009, as amended, as well as the instructions as to the participation in the Meeting, are available to the Shareholders at the head office of the Company and on the websites of the Company (https://ri.biosev.com), of B3 S.A. – Brasil, Bolsa, Balcão (www.b3.com.br) and of the Brazilian Securities and Exchange Commission (CVM) (www.cvm.gov.br).

São Paulo, July 27, 2020.

Adrian Gustavo Isman
Chairman of the Board of Directors

EXHIBIT I

Management Compensation Proposal

(According to article 12, item I, of CVM Instruction 481)

In compliance with article 12, item I, of CVM Instruction 481, the management of the Company proposes that the global compensation of the members of the Board of Directors, the Executive Office, and the Supervisory Board (if set up) of the Company for the fiscal year that began on April 1, 2020 and will end on March 31, 2021, be set at up to twenty-seven millions, six hundred and eighty-one thousand, one hundred and ninety-six reais and forty-five cents (R$ 27,681,196.45), including fixed compensation, benefits, social security contribution, benefits arising from cessation of the exercise of the position, and short and long-term variable compensation, to be granted according to the Short and Long Term Incentives Policy of Biosev S.A., as approved at the Extraordinary General Shareholders' Meeting of the Company held on July 31, 2019.

The amount of this management compensation proposal, compared to the previous year's proposal, decreased by two million, seven hundred and sixty-one thousand, two hundred and thirty-three reais and forty cents (R$2,761,233.40). This reduction is mainly due to the change in the structure of the Company's Executive Office and the reduction in its number of members. On the other hand, this reduction had no greater impact due to the need to increase short- and long-term incentives, in order to be more aligned and competitive vis-à-vis the market, in order to attract and retain new members for the Executive Office.

It is important to clarify that, according to the Company's Short and Long Term Incentives Policy and as described in section 3 of the Company's Reference Form, the variable compensation for a given year is calculated and paid in the fiscal year immediately following the reference period. The short term variable remuneration is paid in 1 (one) installment, between June 1 and August 31 of each year, while long-term variable remuneration is paid in 04 (four) annual installments, the first installment due in the fiscal year following the exercise of the concession, between June 1 and August 31 of each year, and the others in subsequent years. For this reason, in the previous years, we presented as proposal for the overall compensation of the administration values that included both the amounts granted (accrual basis) and the amounts effectively paid (cash regime) in each reporting year, although the amounts related to the long-term variable remuneration was granted in previous years.

However, pursuant to Official Letter no. 336/2017/CVM/SEP/GEA-2, the Company was requested by CVM - *Comissão de Valores Mobiliários* to report in item 13.2 of the Reference Form only the amounts based on accrual basis, that is, only the amounts granted as variable remuneration in relation to the fiscal year in question, regardless of the time of their respective payment. Such request was reflected in section 13 of the Company's Reference Form and, consequently, in this management proposal, which now considers only the maximum amount of the amounts that may be granted as short and long term variable remuneration in relation to the fiscal year beginning on April 1, 2020 and ending on March 31, 2021, even though payment is made only in subsequent years. Therefore, we use assumptions that take into account the overcoming of all the targets set for the Company, for the respective areas and individually for the Company's managers.

Based on the above, the management of the Company clarifies that the Extraordinary General Shareholders' Meeting of the Company held on July 31, 2019 approved, for the fiscal year ending on March 31, 2020, a global amount of up to thirty million, four hundred and forty-two thousand, four hundred and twenty-nine reais, eighty-five cents (R$ 30,442,429.85) to compensate the members of the Board of Directors, the Board of Executive Officers, and the Supervisory Board (if set up) of the Company, considering that the amount effectively granted and/or paid in said fiscal year was Twenty-three million, four hundred and sixty-eight thousand, sixty-seven reais and eighty-one cents (R$ 23,468,067.81), of which:

(i) Four million, seven hundred and thirty-six thousand, four hundred and fifty-one reais and fourteen cents (R$ 4,736,451.14) relates to the amount effectively realized (paid) as salary, indirect and direct benefits in said fiscal year, according to the financial statements of the Company for the fiscal year ended on March 31, 2020;

(ii) Six million, three hundred and fifty-two thousand, seven hundred and seventy-five reais (R$ 6,352,775.00) relates to the short-term variable compensation granted for the fiscal year ended on March 31, 2020, including additional concessions, which was paid in cash after the end of that fiscal year; and

(iii) Twelve million, three hundred and seventy-eight thousand, eight hundred and forty-one reais and sixty-seven cents (R$ 12,378,841.67) relates to the long-term variable compensation granted for the fiscal year ended on March 31, 2020, including additional concessions, subject to deferred payment, according to the Short and Long Term Incentives Policy.

The global amount of the compensation of the managers approved at the Extraordinary General Shareholders' Meeting of the Company held on July 31, 2019 was not granted in full, in view that the goals set have not be achieved in full.

EXHIBIT II

Management Compensation
(Section 13 of the Reference Form)
(As set forth in article 12, item II, of CVM Instruction 481)

13.1- Description of the compensation policy or practice, including non-statutory board of officers

a. Objectives of the compensation policy or practice:

Our compensation policies for the Officers, the Board of Directors, the Supervisory Board (if any) and members of the Board of Directors' non-statutory supporting committees essentially aim at attracting, motivating and retaining highly competent professionals, with experience and capacity to create and implement the strategies of our business, and also align our interests with the interests of our shareholders, so as to encourage results, based on the continuity of our business in the short, medium and long term.

These compensation policies are structured so as to reward the managers directly in relation to their performance for the business, by means of the measurement of previously established targets for the Company, for the several areas and for the managers individually, targets which are based on indicators to be defined every fiscal year. To generate the aforementioned alignment of interests and attract and retain highly qualified personnel, we have established a competitive total compensation positioning based on a panel of companies with comparable practice and professionalism levels, and based on this positioning we have established a set of compensation mechanisms in the short, medium and long run, which we believe to be competitive with the market levels.

b. Composition of the compensation

b.i. Description of the compensation elements and the objectives of each of them

Board of Directors

Since June 11, 2012, when the Company's Board of Directors Compensation Policy was approved (subsequently amended in the Extraordinary Shareholders' Meeting of the Company held on February 19, 2013) ("Board of Directors Compensation Policy"), the total compensation of our Board of Directors, in accordance with this policy, became able to be composed of the following elements:

- Fixed Compensation: its purpose is to acknowledge and reflect the value of the time and devotion of the members of our Board, based on market parameters, aiming at compensating the individual contribution to the performance and continuity of our business. According to the Company's Board of Directors Compensation Policy, the Directors may be eligible for a fixed compensation, which is based on the market and uses as reference a salary research conducted by an independent external company with organizations having practices comparable to ours and which operate in Brazil, and in accordance with the Company's strategy.
- Benefits: they aim at supplementing public social assistance benefits to grant security to the Directors and allow them to focus on the performance of their duties. For that reason, the Directors may be entitled to a group life insurance and Directors & Officers - D&O insurance coverage. On February 19, 2013, a review of the Board of Directors Compensation Policy approved the grant of private pension plan and healthcare assistance to the Chairman of the Board.

- Short-Term Variable Compensation: the directors may be eligible for a short-term variable compensation aiming at rewarding the attainment and excelling of our business' targets, based on the short-term business plans, in accordance with the Board of Directors Compensation Policy and Biosev S.A.'s Short- and Long-Term Incentives Policy, approved by the Board of Directors on March 28, 2019 and submitted to shareholders for approval at the General Shareholders' Meeting convened for July 31, 2019 ("Short- and Long-Term Incentives Policy"), as applicable.
- Long-Term Variable Compensation: the directors may be eligible for a long-term variable compensation, under the Board of Directors Compensation Policy and the Short- and Long-Term Incentives Policy, where applicable.
- Extraordinary events and additional concessions: as set forth in the Board of Directors Compensation Policy and in the Short- and Long Term Incentives Policy, as applicable, at the shareholders' meeting of the Company, upon prior recommendation from the Human Resources Committee and Board of Directors, the chairman and the other members of the Board of Directors may be eligible for an additional or extraordinary and non-frequent events compensation, usually based on events, such as a successful merger/acquisition, an IPO, among others. The amounts and criteria shall be defined for each event, upon recommendation of the Human Resources Committee and of the Board of Directors and upon approval at a shareholders' meeting.

Our Board of Directors Compensation Policy does not contemplate the grant of post-job benefits or benefits resulting from cessation of the holding of office to the members of the Board of Directors.

Supervisory Board

Until the end of the fiscal year ended on March 31, 2020, we had no Supervisory Board in operation.

On June 11, 2012, the Company's Board of Directors Compensation Policy was approved (subsequently amended in the Extraordinary Shareholders' Meeting of the Company held on February 19, 2013), also applicable to the members of our Supervisory Board, and in accordance with said policy, the total compensation of the members of our Supervisory Board, if any, may be composed of the following elements:

- Fixed Compensation: According to the Board of Directors Compensation Policy, applicable to the members of the Supervisory Board (if any), the members of the Supervisory Board shall be eligible for the fixed compensation only. This monthly fixed compensation observes the amount established as set forth in Article 163, paragraph 3 of the Brazilian Corporation Law, i.e., an amount equivalent to at least 10% of the average fixed compensation of our statutory officers, excluding from the calculation basis of this average the benefits and the variable compensation of our statutory officers, for which the members of the Supervisory Board are not eligible.
- Benefits: according to the Board of Directors Compensation Policy, applicable to the members of the Supervisory Board, if any, its members may be entitled to life group insurance and Directors & Officers - D&O insurance coverage.

According to the Board of Directors Compensation Policy, applicable to the members of the Supervisory Board, if any, the members of the Supervisory Board shall not be eligible for any kind of variable compensation. The policy also neither sets forth the grant of post-job benefits or benefits resulting from cessation of the holding of office, nor provides on additional or event-based compensations to the members of the Supervisory Board.

Non-Statutory Board of Directors' Supporting Committees

On June 11, 2012, the new Board of Directors Compensation Policy, also applicable to the members of our Supporting Committees, was approved (subsequently amended at the Extraordinary Shareholders' Meeting of the Company held on February 19, 2013), and in accordance with such policy, the compensation of the Board of Directors' Supporting Committees became able to be composed of the following elements:

- Fixed Compensation: According to the Board of Directors Compensation Policy, applicable to the members of our Supporting Committees, the members of non-statutory Board of Directors' supporting committees may be entitled to a monthly fixed compensation, established in accordance with a market research conducted by an independent company, and in accordance with the Company's strategy. The members of the Non-Statutory Board of Directors' Supporting Committees, who are also members of the Board of Directors or managers of the Company or of its controlled companies, controlling companies or affiliates are not eligible for any additional monthly fixed amount for this duty, except for the chairman of the Human Resources Committee.
- Benefits: according to the Board of Directors Compensation Policy, applicable to the members of our Non-Statutory Board of Directors' Supporting Committees, its members may be entitled to life group insurance and Directors & Officers - D&O insurance coverage.

In accordance with the Board of Directors Compensation Policy, applicable to our members of the non-statutory supporting Committees, the members of our Board of Directors' supporting Committees are not eligible for any kind of variable compensation. The Board of Directors Compensation Policy neither contemplates the grant of post-job benefits or benefits resulting from cessation of the holding of office, nor provides on additional or event-based compensations to the members of our Board of Directors' supporting Committees.

Statutory and Non-Statutory Executive Office ("Executive Office" or "Officers", as the case may be)

The total compensation of the members of our Executive Office is composed of the following elements:

- Fixed Compensation: its purpose is to acknowledge and reflect the value of the office and of the activities of our Officers, in accordance with market parameters, and taking into account the individual performance, experience, education and knowledge of our Officers.
- Benefits: they aim at supplementing public social assistance benefits to grant security to our Officers and allow them to focus on the performance of their duties, and include, without limitation, healthcare assistance, meal voucher, life group insurance and Directors & Officers - D&O insurance coverage. For further information on the Benefits of the Executive Office relating to the fiscal year to end on March 31, 2021, see Table 13.1.b.iii of this item 13 of the Reference Form.
- Short-Term Variable Compensation: it aims at rewarding the achievement of performance targets (individual, of the area and of the Company) which are previously established for each member of our Executive Office, and, with respect to the targets of the Company, are previously recommended by the Human Resources Committee and validated by the Company's Board of Directors, all of which are aligned with the performance, sustainability and continuity strategy of our business in each fiscal year, pursuant to the provisions of the Short- and Long-Term Incentives Policy. Each Officer will be assigned a short-term incentive target amount, which will correspond to the reference value on which the amount to be paid will be calculated, according to the results achieved in their individual, area and company targets. The short-term variable compensation corresponds to approximately 50% of the total variable (short- and long-

term) compensation of our Officers, and it is paid in cash on a date after the end of the referred fiscal year, between June 1st and August 31 of each year, pursuant to the provisions of the Short- and Long-Term Incentives Policy, after ascertainment of the respective targets.

- Long-Term Variable Compensation: its purpose is to generate incentives to certain beneficiaries selected by the Company, including our Officers, as a result of the achievement of performance targets (individual, of the area and of the Company), and, with respect to the targets of the Company, are previously recommended by the Human Resources Committee and validated by the Company's Board of Directors in accordance with the provisions of the Short- and Long-Term Incentive Policy. Each Officer will be assigned a long-term incentive target amount, which will correspond to the reference value on which the amount to be paid will be calculated, according to the results achieved in their individual, area and Company targets. The long-term variable compensation corresponds to approximately 50% of the total variable (short- and long-term) compensation of our Officers. For the members of the Company's Executive Office classified as "Group B Beneficiaries", in accordance with the Short- and Long-Term Incentives Policy, they shall have their incentive calculated at the end of the concerned fiscal year, but they will be entitled to the amount in installments, in 4 years, receiving every year, 25% of the total amount of the long-term incentive of the respective fiscal year. The first installment of the long-term incentive shall be due after the end of the fiscal year following the concerned fiscal year, between June 1st and August 31 of each year, according to the Short- and Long-Term Incentive Policy. For further information about the Short- and Long-Term Incentives Policy, see item 13.4 of this Reference Form.

The payment of the short- and long-term incentives shall be made according to the attainment of targets previously established for the Company, for their area of operation and for the Statutory Officer themselves. The verification of attainment of the targets is made annually after the end of the fiscal year (March 31) and the payment of variable compensation is made by August 31 of each year.

- Post-job benefit: it is a private pension plan offered to our Officers. By means of the private pension plan offered, the Company contributes with the same amount contributed by the beneficiary to the plan, up to the limit of six point five percent (6.5%) of their monthly nominal salary. Additionally, the amount of the post-job healthcare plan is also included, according to CPC 33.
- Cessation of the Holding of Office: any amounts established in agreements or other instruments that structure compensation or indemnification mechanisms for the Company's managers, in the event of removal from office, dismissal or resignation from their respective office.
- Extraordinary Event or Additional Grant: as set forth in the Short- and Long-Term Incentives Policy, in accordance with the determination of the Executive Office, recommendation of the Human resources Committee and approval of the Board of Directors, the members of the Executive Office may be eligible for an additional grant of short- and/or long-term incentives, based on extraordinary events. The amounts and criteria shall be defined for each event, upon recommendation of the Human Resources Committee and of the Board of Directors. The total of variable compensations of this kind will be reported to the Statutory Executive Office in this form in the "Profit sharing" category.

b.ii. In relation to the last 3 fiscal years, what is the proportion of each element in the total compensation

2019/2020	Fixed compensation	Benefits	Bonus cash/PPR	Post-job	Variable Compensation
Board of Directors	100%	0%	0%	0%	0%
Statutory Executive Office	15%	0%	84%	1%	0%
Non-Statutory Executive Office	29%	1%	67%	2%	0%

2018/2019	Fixed compensation	Benefits	Bonus cash/PPR	Post-job	Variable Compensation
Board of Directors	100%	0%	0%	0%	0%
Statutory Executive Office	23%	1%	75%	1%	0%
Non-Statutory Executive Office	49%	5%	43%	3%	0%

2017/2018	Fixed compensation	Benefits	Bonus cash/PPR	Post-job	Variable Compensation
Board of Directors	100%	0%	0%	0%	0%
Statutory Executive Office	51%	2%	26%	3%	19%
Non-Statutory Executive Office	62%	6%	14%	4%	14%

b.iii. Methodology for calculation and adjustment of each of the elements of the compensation.

Fixed Compensation

The fixed compensation of members of our Board of Directors and of our Executive Office is calculated and adjusted based on the following parameters:

a) Intrinsic value of the office held by our managers, based (i) on the level of internal responsibility, relevance and potential impact of the activities linked to the office held, so as to generate equanimity in the internal compensation levels; and (ii) role and responsibility of the office to our shareholders;

b) Market parameters for offices involving similar responsibilities, obtained from salary researches, and considering the strategy of our position for fixed compensation;
c) Individual performance, according to the evaluation system adopted by us, which considers objective corporate, area and individual targets previously established every fiscal year;
d) Experience and maturity of our manages in the office held; and
e) Other events, such as managers with a high succession potential, any risks for the retention, specific abilities and qualifications.

Benefits

The benefits to members of our Board of Directors and of our Executive Office are determined and adjusted based on market practices and in accordance with the Company's compensation policies, and they are linked to the fixed compensation of our managers. The table below shows the benefits for which each management body is eligible:

Fiscal year ended on March 31, 2020 and provision for the fiscal year to end on March 31, 2021.

Benefits	Board of Officers	Board of Directors	Supervisory Board (If any)
Healthcare assistance	YES	N/A	N/A
Dental Assistance	N/A	N/A	N/A
Group life insurance	YES	YES	YES
Meal voucher	YES	N/A	N/A
Vehicle	N/A	N/A	N/A
Private Pension Plan	YES	N/A	N/A
Vacation / 13th salary / FGTS	YES	N/A	N/A
Severance payments	YES	N/A	N/A
D&O Insurance	YES	YES	YES

Fiscal year ended on March 31, 2019

Benefits	Board of Officers	Board of Directors	Supervisory Board (If any)
Healthcare assistance	YES	N/A	N/A
Dental Assistance	N/A	N/A	N/A
Group life insurance	YES	YES	YES
Meal voucher	YES	N/A	N/A
Vehicle	N/A	N/A	N/A
Private Pension Plan	YES	N/A	N/A
Vacation / 13th salary / FGTS	YES	N/A	N/A
Severance payments	YES	N/A	N/A
D&O Insurance	YES	YES	YES

Fiscal year ended on March 31, 2018

Benefits	Board of Officers	Board of Directors	Supervisory Board (If any)
Healthcare assistance	YES	N/A	N/A
Dental Assistance	N/A	N/A	N/A
Group life insurance	YES	YES	YES
Meal voucher	YES	N/A	N/A
Vehicle	N/A	N/A	N/A
Private Pension Plan	YES	N/A	N/A

Vacation / 13th salary / FGTS	YES	N/A	N/A
Severance payments	YES	N/A	N/A
D&O Insurance	YES	YES	YES

Short- and Long-Term Variable Compensation

The Board of Directors' Compensation Policy and the Company's Short and Long-Term Incentive Policy determine variable compensation based on earnings obtained for our business as reflected in each fiscal year's pre- determined targets set for the Company, its business areas and managers individually. Each fiscal year, the eligible managers' variable compensation is individually estimated upon definition of a target compensation, which will be granted to the extent that the Company, their business areas and our managers individually reach these targets in the course of the fiscal year being appraised. We do not have a guaranteed variable compensation so a manager not performing appropriately may not earn any variable compensation. The maximum target amount of variable compensation is 93% above the target amount, which will be paid to the extent that all the most challenging target-related indicators are reached. Targets are usually set based on strategic financial indicators. Objective indicators are reviewed annually depending on the strategies of our businesses. For the fiscal year to be ended on March 31, 2021, specific targets have been set for Cash, Costs, EBITDA, CAPEX and other indicators, as applicable, broken down into area and individual objective targets. At the end of the fiscal year, the extent to which targets have been reached is appraised and the resulting variable Compensation calculated using a formula that reflects both performance on the Company's, business areas' targets and our managers' individual targets. Final variable compensation can range from zero to 1.93 x target.

After calculating the targets, a portion of the variable remuneration corresponding to approximately 50% of the total variable compensation is characterized as a short-term incentive. The short-term incentive will be attributed to the beneficiaries as a result of achieving performance targets (individual, area and Company), which, in relation to the Company's targets, are recommended by the Human Resources Committee and validated by the Board of Directors of the Company), and previously negotiated under the applicable legislation, for a given crop year. The amount corresponding to the short-term incentive is paid in cash during the fiscal year following the fiscal year to which it refers, under the terms of the Short- and Long-Term Incentives Policy.

The remaining portion of the variable compensation is characterized as a long-term incentive. The long-term incentive will be awarded to the eligible beneficiaries, as a result of achieving performance targets (individual, area and Company), which, in relation to the Company's targets, are recommended by the Human Resources Committee and validated by the Board of Directors of the Company, as well as being negotiated under the applicable legislation for a given crop year. This portion of variable remuneration characterized as long-term will not be subject to any adjustment or index, except for the transitional rules set forth in the Short- and Long-Term Incentives Policy. For further information about the Short- and Long-Term Incentives Policy and the definition of each applicable term, see item 13.4 of this Reference Form.

b.iv. Reasons for composition of compensation

The composition of the compensation of our Executive Office and Board of Directors, both in relation to its component parts and the percentage of each element in the total amount, reflects the following reasons in particular:

a) A significant portion of our management's compensation is long-term, so this is an important way of retaining talents, since leaving positions voluntarily will mean losing deferred installments granted that have not yet been paid at the time of terminating (except for cases stipulated in the Short- and Long-Term Incentives Policy or recommended by the Human Resources Committee and approved by the Company's Board of Directors). For further information about the Short- and Long-Term Incentives Policy and the definition of each applicable term, see item 13.4 of this Reference;

b) Balancing short- and long-term incentives in order to get consistently sustainable results for our businesses, enabling their perpetuation and adding value for our shareholders;
c) Balance between the different portions of compensation encouraging the pursuit of short-, medium- and long-term results within moderate risk levels;
d) Competitive compensation in relation to companies whose practices are similar to our own enables us to attract and retain professionals with the qualifications required for various key functions; and
e) A substantial portion of our management's total compensation is geared to the main financial indicators and results of our business.

In the case of members of the Supervisory Board (if there is one) and non-statutory Supporting Committees, the main objectives are to attract professionals with the required competence, reputation and profiles and give them the right conditions to do their job.

b.v. Existence of members not compensated by the issuer and the reason for this

Some of our Members of the Board of Directors are not compensated because they are Controlling Shareholder related parties, namely Messrs. Adrian Gustavo Isman - Chairman of the Board of Directors; Patrick Julien Treuer - Vice-Chairman of the Board of Directors; André Roth - Full Member of the Board of Directors; Federico Cerisoli - Full Member of the Board of Directors; and Enrico Biancheri - Full Member of the Board of Directors.

c. Key performance indicators that are taken into account when determining each component of compensation

Statutory Executive Office and Board of Directors:

Fixed compensation and benefits for our Directors and Board of Directors' members are primarily based on market position (in relation to a comparable market), the position's weighting as appraised by independent consultants compared to the Company's structure and individual performance, as per the performance appraisal system we adopt.

The short- and long-term variable compensation of our Officers and members of our Board of Directors, as applicable, depend on financial and strategic indicators defined each year in line with our business plan, this generating alignment between the interests of our management and our shareholders.

For the fiscal year to end on March 31, 2021, specific targets have been set for Cash, Costs, EBITDA, CAPEX and other indicators, as applicable, broken down into area and individual objective targets. At the end of the fiscal year, the extent to which targets have been reached is appraised and the resulting variable Compensation calculated using a formula that reflects both performance on the Company's, business areas' targets and our managers' individual targets.

Supervisory Board and Supporting Committees:

Compensation and benefits for members of the Supervisory Board (if any) and members of the Board of Directors' non-statutory supporting Committees are fixed. The rationale for this model is based on the following assumptions:

(i) Members of these bodies carry out eminently technical activities and their importance and impact are not necessarily correlated with our short-, medium- and long-term results; and

(ii) The members of the non-statutory Board of Directors' supporting Committees, if they are employees or Officers, are already adequately compensated for their other duties, so compensating them for being on these committees would be a "two-for-one".

d. How compensation is structured to reflect evolving performance indicators

As explained in the previous item, compensation for members of the Supervisory Board, if there is one, and members of the Board of Directors' non-statutory supporting Committees is not related to performance targets.

In relation to our Executive Office and members of our Board of Directors, see items 13.1.b and 13.1.c of this Reference Form.

e. How compensation policy or practice is aligned with the issuer's short-, medium- and long-term interests

We believe that the Compensation Policy for our Board of Directors and our Short- and Long-Term Incentives Policy gives rise to alignment of interests between our managers and our shareholders on all aspects to the extent that:

a) Fixed compensation and benefits for the members of our Committees, Officers and Directors are consistent with market benchmarks, thus enabling us to attract high-caliber professionals who are qualified for high performing responsibilities; and
b) The short- and long-term variable compensation of our Officers and members of our Board of Directors, as applicable, are based on financial and strategic indicators defined each year in line with our business plan, generating alignment between the interests of our managers and our shareholders. In addition, our long-term compensation provides incentives to retain our managers and therefore, ensure sustainability of our business.

f. Existence of compensation paid by subsidiaries, controlled companies or direct or indirect controllers

Our management's compensation is not paid by subsidiaries, controlled companies or controllers.

g. Existence of any compensation or benefit bound to a particular corporate event, such as the sale of the issuer's controlling interest

The managers are not entitled to any compensation or benefit bound to a pre-determined corporate event. However, as per item 13.1.b.i., the Board of Directors' Compensation Policy and the Company's Short- and Long-Term Incentives Policy allow flexibility for our Human Resources Committee and our Board of Directors to recommend and approve any additional grant of short- and/or long-term incentives arising from an extraordinary event, as a result of a negotiation, corporate event or exceptional situations occurring during a given crop year, as stipulated in the Short- and Long-Term Incentives Policy. For more details of this type of compensation, see item 13.1.b.i of this Reference Form, under the heading "Extraordinary Event and/or Additional Grant."

h. Practices and procedures adopted by the board of directors to decide individual compensation of the board of directors and executive fficers

h.i. The issuer's bodies and committees that participate in the decision-making process and how they do so

The Company's organizational structure includes the non-statutory Human Resources Committee to deal with variable compensation matters. This is a standing committee consisting of a management representative, a member linked to the Controlling Shareholder and an Independent Director. The purpose of the Human Resources Committee is to review and propose to the Board of Directors compensation policies and guidelines for the Company's statutory officers, members of the Board of Directors, and other eligible employees according to the Short- and Long-Term Incentives Policy.

From April 1 to June 30 each year, the Human Resources Committee and the Company's Board of Directors hold meetings at which are fixed the total amounts of short- and/or long-term incentives and additional concessions, if applicable. For more details of Short-Term and Long-Term Incentives Policy, see item 13.4 of this Reference Form.

h.ii. Criteria and methodology used to determine individual compensation, stating whether studies are used to survey market practices and if so, what criteria are used for comparisons and the scope of these studies

Variable compensation is granted in any of the following cases: (i) performance targets reached as per the Company's talent management system, (ii) any extraordinary event involving the Company that leads to additional short- and/or long-term incentive determined by the executive office, recommended by the Human Resources Committee and approved by the Company's Board of Directors; or (iii) application of the Board of Directors' Compensation Policy.

Targets are usually set based on strategic financial indicators. Objective indicators are reviewed annually depending on the strategies of the Company's business. At the end of each fiscal year, the extent to which targets have been reached is appraised and the resulting short- and long-term incentives calculated, which will be paid out in proportion to the extent to which the Company, each business area and managers individually have reached the targets in the course of the fiscal year in question.

h.iii. How often and how the board of directors assess the adequacy of the issuer's compensation policy

Each year, the Board of Directors examines the Human Resources Committee's recommendations and approves amounts of the package of variable compensation and eventual additional concessions, if applicable, subject to limits determined globally at the shareholders' general meeting for members of the Board of Directors, Executive Office and Supervisory Board, if there is one.

13.2 - Total compensation of the board of directors, statutory officers and supervisory board:

Total compensation forecast for the current year to be ended on March 31, 2021 – Annual Amounts

	Board of Directors	Statutory Officers	Supervisory Board	Total
Total no. of members	8,00	3,00	3,00	14,00
No. of compensated members	3,00	3,00	3,00	**9,00**
Fixed annual compensation	**1,065,600.00**	**3,321,564.17**	**60,800.00**	**4,991,964.17**
Salary or fees	1,065,600.00	3,144,219.77	604,800.00	4,814,619.77
Direct and indirect benefits	0,00	177,344.40	0,00	17,344. 40
Committee membership	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other fixed compensation				0,00
Variable compensation	**0,00**	**22,515,084.80**	**0,00**	**22,515,084.80**
Bonus	0,00	0,00	0,00	0,00
Profit sharing	0,00	22,515,084.80	0,00	22,515,084.80
Attendance at meetings	0,00	0,00	0,00	0,00
Commission	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other variable compensation				0,00
Post-employment	**0,00**	**174,147.48**	**0,00**	**174,147.48**
End of term of office	**0,00**	**0,00**	**0,00**	**0,00**
Share-based (including options)	**0,00**	**0,00**	**0,00**	**0,00**
ote	The figures reported as variable remuneration refer to the amount of cash effectively recognized (paid) in the fiscal year, and the total short and long term variable remuneration granted in relation to the fiscal year, under the terms of the Variable Remuneration Plan, including therefore, deferred variable remunerations of short and long term paid or to be paid after the end of the corresponding fiscal year. The number of members is the estimated number in each body, calculated monthly at the end of the year, as provided for in Official Letter – Circular CVM/SEP/N° 02/2020. We contribute to the National Institute of Social Security (INSS) on our gross revenues, pursuant to Law No. 10.256 of July 9, 2001, and so the amounts of this contribution relating to management compensation are not shown separately.			
Total compensation	**1,065.600,00**	**26,010,796.45**	**604,800.00**	**27,681,196.45**

Total compensation for the year ended on March 31, 2020 – Annual Amounts

	Board of Directors	Statutory Officers	Supervisory Board	Total
Total no. of members	8,00	3,38	0,00	**11,38**
No. of compensated members	3,00	3,33	0,00	**6,38**
Fixed annual compensation	**796.800,00**	**3.814.210,7**	**0,00**	**4.611.010,79**
Salary or fees	796.800,00	3.712.997,00	0,00	4.509.797,00
Direct and indirect benefits	0,00	101.213,79	0,00	101.213,79
Committee membership	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other fixed compensation				
Variable compensation	**0,00**	**18.731.616,67**	**0,00**	**18.731.616,67**
Bonus	0,00	0,00	0,00	0,00
Profit sharing	0,00	18.731.616,67	0,00	18.731.616,67
Attendance at meetings	0,00	0,00	0,00	0,00
Commission	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other variable compensation				0,00
Post-employment	**0,00**	**125.440,35**	**0,00**	**125.440,35**
End of term of office	**0,00**	**0,00**	**0,00**	**0,00**
Share-based (including options)	**0,00**	**0,00**	**0,00**	**0,00**
ote	The figures reported as variable remuneration refer to the amount of cash effectively recognized (paid) in the fiscal year, and the total short and long term variable remuneration granted in relation to the fiscal year, under the terms of the Variable Remuneration Plan, including therefore, deferred variable remunerations of short and long term paid or to be paid after the end of the corresponding fiscal year. The number of members is the estimated number in each body, calculated monthly at the end of the year, as provided for in Official Letter – Circular CVM/SEP/N° 02/2020. We contribute to the National Institute of Social Security (INSS) on our gross revenues, pursuant to Law No. 10.256 of July 9, 2001, and so the amounts of this contribution relating to management compensation are not shown separately.			
Total compensation	**796.800,00**	**22.671.267,81**	**0,00**	**23.468.067,81**

Total Compensation for the year ended on March 31, 2019 – Annual Amounts

	Board of Directors	Statutory Officers	Supervisory Board	Total
Total no. of members	8,33	4,00	0,00	12,42
No. of compensated members	3,67	4,00	0,00	7,75
Fixed annual compensation	**895,080.00**	**5,028,359.07**	**0,00**	**5,923,439.07**
Salary or fees	895,080.00	4,014,424.80	0,00	4,909,504.80
Direct and indirect benefits	0,00	176,873.51	0,00	176,873.51
Committee membership	0,00	0,00	0,00	0,00
Others	0,00	837,060.76	0,00	837,060.76
Description of other fixed compensation				0,00
Variable compensation	**0,00**	**10,267,300.00**	**0,00**	**10,267,300.00**
Bonus	0,00	0,00	0,00	0,00
Profit sharing	0,00	10,267,300.00	0,00	10,267,300.00
Attendance at meetings	0,00	0,00	0,00	0,00
Commission	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other variable compensation	0,00	0,00	0,00	0,00
Post-employment	**0,00**	**181,008.19**	**0,00**	**181,008.19**
End of term of office	**0,00**	**0,00**	**0,00**	**0,00**
Share-based (including options)	**0,00**	**0,00**	**0,00**	**0,00**
Note	The number of members is the estimated number in each body, calculated monthly at the end of the year, as provided for in Official Letter - Circular CVM/SEP/N° 03/2019. We contribute to the National Institute of Social Security (INSS) on our gross revenues, pursuant to Law No. 10.256 of July 9, 2001, and so the amounts of this contribution relating to management compensation are not shown separately.			
Total compensation	**895,080.00**	**15,476,667.26**	**0,00**	**16,371,747.26**

Total Compensation for the year ended on March 31, 2018 – Annual Amounts

	Board of Directors	Statutory Officers	Supervisory Board	Total
Total no. of members	9,00	4,00	0,00	13,00
No. of compensated members	5,00	4,00	0,00	9,00
Fixed annual compensation	**998,400.00**	**5,200,058.89**	**0,00**	**6,198,458.89**
Salary or fees	998,400.00	5,092,943.52	0,00	6,091,343.52
Direct and indirect benefits	0,00	107,115.37	0,00	107,115.37
Committee membership	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other fixed compensation				0,00
Variable compensation	**0,00**	**3,283,338.50**	**0,00**	**3,283,338.50**
Bonus	0,00	0,00	0,00	0,00
Profit sharing	0,00	3,283,338.50	0,00	3,283,338.50
Attendance at meetings	0,00	0,00	0,00	0,00
Commission	0,00	0,00	0,00	0,00
Others	0,00	0,00	0,00	0,00
Description of other variable compensation				0,00
Post-employment	**0,00**	**210,139.49**	**0,00**	**210,139.49**
End of term of office	**0,00**	**0,00**	**0,00**	**0,00**
Share-based (including options)	**0,00**	**916,638.50**	**0,00**	**916,638.50**
Note	The number of members is the estimated number in each body, calculated monthly at the end of the year, as provided for in Official Letter - Circular CVM/SEP/N° 03/2019. We contribute to the National Institute of Social Security (INSS) on our gross revenues, pursuant to Law No. 10.256 of July 9, 2001, and so the amounts of this contribution relating to management compensation are not shown separately..			
Total compensation	**998,400.00**	**9,610,175.38**	**0,00**	**10,608,575.38**

13.3 - Variable remuneration of the board of directors, statutory board of executive officers and Supervisory Board

The compensation policy of the Board of Directors had been approved on June 11, 2012, after which the members of our Board of Directors were entitled to variable compensation, while the members of our Supervisory Board, if installed, and the non-statutory Supporting Committees of the Board of Directors remained ineligible for variable compensation. The compensation policy of the Board of Directors was subsequently amended on February 19, 2013, with no changes to those conditions.

It was approved by the Company's Board of Directors at a meeting held on March 28, 2019, and by the shareholders of the Company, at the Extraordinary General Shareholders' Meeting held on July 31st, 2019, the review and consolidation of the Variable Remuneration Plan, previously approved by the Extraordinary Shareholders 'Meeting held on June 11, 2012 and amended at the Company's Extraordinary Shareholders' Meeting held on February 19, 2013, which was renamed the Short and Long Term Incentives Policy, in order to implement, among other changes, (i) the exclusion of the Unit concept (as defined in the Company's Variable Compensation Plan) and its respective calculation method for the variable remuneration granted by the Company in relation to the fiscal year ended March 31, 2018 (crop year 2017/2018) and subsequent years; and (ii) in relation to payments due for prior fiscal years, the permanence of the concept of Unit and, for purposes of its calculation, the determination of the Average Value of the Shares in the Market (as defined in the Variable Remuneration Plan) in R$ 4.32 (four reais and thirty two cents), which corresponds to the price of the share fixed in the last capital increase of the Company, duly approved by its Board of Directors in a meeting held on March 28, 2018, and shareholders at an Extraordinary Shareholders' Meeting held on April 16, 2018; (iii) the transition rules to be applied to implement the changes mentioned in items (i) and (ii) above; (iv) the adequacy of the short and long-term variable remuneration rules to the Company's practices; and (v) certain changes to the wording of the previous plan in order to simplify it. The review and consolidation of the Short-Term and Long-Term Incentivse Policy will be submitted to the shareholders' approval at the General Meeting convened for July 31, 2019.

The tables below, therefore, only reflect the variable compensations paid to and contemplated for the members of our Board of Directors and our statutory board of executive officers:

Table 13.3.a Variable compensation contemplated for the current business year (2020/2021 ending 03/31/2021)

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Item / Year	Board of Directors	Statutory Executive Office	Supervisory Board (if installed)	Total
Number of members	**8,00**	**3,00**	**3,00**	**14,00**
No. of members receiving compensation	3,00	3,00	3,00	9,00
Bonus	-	-	-	-

Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Profit sharing	-	-	-	R$ -
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 22.515.084,80	R$ 0,00	R$ 22.515.084,80
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 14.808.320,00	R$ 0,00	14.808.320,00

Table 13.3.b Variable compensation paid in Business Year 2019/2020, ended 03/31/2020

Item / Year	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	**8,00**	**3,38**	**0,00**	**11,38**
No. of members receiving compensation	3,00	3,38	0,00	6,38
Bonus	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Amount actually recognized in the income for the year	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Profit sharing	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan*	R$ 0,00	R$ 23.374.504,35	R$ 0,00	R$ 23.374.504,35
Amount provided for in the compensation plan, should the targets set be achieved*	R$ 0,00	R$ 16.426.740,00	R$ 0,00	R$ 16.426.740,00
Amount actually recognized in the income for the year*	R$ 0,00	R$ 18.731.616,67	R$ 0,00	R$ 18.731.616,67

**As a result of the approval of the review and consolidation of the Variable Compensation Plan, which was renamed the Short and Long Term Incentives Policy as per the meeting of the Board of Directors held on March 28, 2019 and the Extraordinary General Shareholders' Meeting held on July 31, 2019, the Policy was no longer considered as stock-based compensation. Therefore, the applicable variable remuneration that was previously included in the "Stock-Based" line of item 13.2 was included in the line "Variable Remuneration" of the same item 13.2, which is why the same sub-items were adjusted in the table above.*

Table 13.3.c Variable compensation paid in Business Year 2018/2019, ended 03/31/2019

Item / Year	Board of Directors	Statutory Executive Office	Supervisory Board	Total
Number of members	8,33	4,00	0,00	12,33

No. of members receiving compensation	0,00	4,00	0,00	4,00
Bonus	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Amount actually recognized in the income for the year	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Profit sharing	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0,00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 16.350.088,15	R$ 0,00	R$ 16.350.088,15
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 11.666.700,00	R$ 0,00	R$ 11.666.700,00
Amount actually recognized in the income for the year	R$ 0,00	R$ 10.267.300,00	R$ 0,00	R$ 10.267.300,00

**As a result of the approval of the review and consolidation of the Variable Compensation Plan, which was renamed the Short and Long Term Incentives Policy as per the meeting of the Board of Directors held on March 28, 2019 and the Extraordinary General Shareholders' Meeting held on July 31, 2019, the Policy was no longer considered as stock-based compensation. Therefore, the applicable variable remuneration that was previously included in the "Stock-Based" line of item 13.2 was included in the line "Variable Remuneration" of the same item 13.2, which is why the same sub-items were adjusted in the table above.*

Table 13.3.d Variable compensation paid in Business Year 2017/2018, ended 03/31/2018

Item / Year	Board of Directors	Statutory Executive Board	Supervisory Board	Total
Number of members	9	4	0	13
No. of members receiving compensation	0	4	0	4
Bonus	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 537.811,20	R$ 0,00	R$ 0,00	R$ 537.811,20
Maximum amount provided for in the compensation plan	R$ 537.811,20	R$ 0,00	R$ 0,00	R$ 537.811,20
Amount provided for in the compensation plan, should the targets set be achieved	R$ 537.811,20	R$ 0,00	R$ 0,00	R$ 537.811,20
Amount actually recognized in the income for the year	R$ 0,00	R$ 0.00	R$ 0,00	R$ 0,00
Profit sharing	-	-	-	-
Minimum amount provided for in the compensation plan	R$ 0,00	R$ 0.00	R$ 0,00	R$ 0,00
Maximum amount provided for in the compensation plan	R$ 0,00	R$ 6.370.650,00	R$ 0,00	R$ 6.370.650,00
Amount provided for in the compensation plan, should the targets set be achieved	R$ 0,00	R$ 3.300.000,00	R$ 0,00	R$ 3.300.000,00
Amount actually recognized in the income for the year	R$ 0,00	R$ 3.283.338,50	R$ 0,00	R$ 3.283.338,50

**Besides the amounts of variable compensation actually recognized in the income for the business year ended March 31, 2018, referring to the variable compensation granted in previous years and paid in that business year, (i) the amount of R$2,203,338.50 was granted by way of short-term variable compensation for that business year, paid in cash subsequent to the closure of that business year; and (ii) the amount of R$1,816,638.50 was granted by way of long-term variable compensation for that business year, payment of which was deferred.*

13.4 - Compensation plan based on shares of the board of directors and statutory board of executive officers

a. General terms and conditions

It was approved by the Company's Board of Directors at a meeting held on March 28, 2019, and by the shareholders of the Company, at the Extraordinary General Shareholders' Meeting held on July 31, 2019, the review and consolidation of the Variable Compensation Plan, which was renamed the Short-Term and Long-Term Incentives Policy, in order to implement, among others (i) the exclusion of the concept of Unit (as defined in the Company's Variable Remuneration Plan) and its respective calculation method for the variable remuneration granted by the Company in relation to the fiscal year ended March 31, 2018 (crop year 2017/ 2018) and the following; and (ii) in relation to payments due for prior fiscal years, the permanence of the concept of Unit and, for purposes of its calculation, the determination of the Average Value of the Shares in the Market (as defined in the Variable Remuneration Plan) in R $ 4.32 (four reais and thirty two cents), which corresponds to the price of the share fixed in the last capital increase of the Company, duly approved by its Board of Directors in a meeting held on March 28, 2018, and shareholders at an Extraordinary Shareholders' Meeting held on April 16, 2018; (iii) the transition rules to be applied to implement the changes mentioned in items (i) and (ii) above; (iv) the adequacy of the short and long-term variable remuneration rules to the Company's practices; and (v) certain changes to the wording of the previous plan in order to simplify it.

Thus, according to the revised policy, there is no longer any grant of variable compensation based on shares, and it is not applicable to fill out information related to the policy for this item 13.4.

Until March 28, 2019, the Company's former Variable Remuneration Plan was approved, approved by the Company's Annual and Extraordinary Shareholders 'Meeting held on June 11, 2012 and ratified at the Extraordinary Shareholders' Meeting held on February 19, 2013 (" Plan").

The Policy contained the terms and conditions applicable to the variable compensation, by means of which statutory officers, members of the Board of Directors and eligible employees of the Company and its subsidiaries ("Beneficiaries") participated or accepted any rights arising therefrom.

The specific terms and conditions of the Plan are established in an individual agreement entered into between the Company or its subsidiaries, as the case may be, and the Beneficiary, in which the amount of the variable remuneration will be fixed, and the dates and deadlines for Beneficiary enjoys such right ("Concession Agreement").
As defined in the Plan:

- "Date of Acquisition" each of the dates on which the Beneficiary will acquire the right to Variable Remuneration Granted.

- "Date of Concession" means the date on which the deferred portion of the variable remuneration related to the previous fiscal year will be granted to the Beneficiaries.

- • "Acquired Variable Remuneration" means the deferred portion of the Variable Remuneration Granted that will be calculated on the Date of Acquisition by multiplying the number of 1st Units held by the Beneficiary by the Average Value of the Shares in the Market, the result of which being the variable remuneration actually paid for the company.

- • "Variable Remuneration Granted" means a value in national currency granted to the Beneficiaries as a result of April to 31 (i) goals achieved according to the March system). The Company's talent management, (ii) some extraordinary event involving the Company whose occurrence result in the granting of a variable remuneration determined by the board of executive officers; or (iii) application of the Remuneration Policy of the Board of Directors, which may be paid in cash or converted into a number of Units on the Concession Date.

- • "Units" means the result obtained by dividing the Variable Remuneration Granted by the Average Value of the Shares in the Market, calculated on the Concession Date.

- • "Average Market Shares" means the arithmetic average of the last 30 quotations of the Company's common shares at B3 S.A. - Brasil, Bolsa, Balcão.

Under the terms of the Plan, no existing shares of the Company are issued or granted, and the settlement of the variable compensation granted will be given in the form of cash.

b. Main objectives of the plan

The Plan's main objectives were:

(i) to align the interests of the Company's shareholders with those of the beneficiaries of the Plan in the medium and long term, linking part of the compensation of the Beneficiaries to the performance of the Company and the generation of value for its shareholders; and
(ii) create incentives and mechanisms to retain relevant professionals for the Company and/or its subsidiaries.

c. How the plan contributes to these objectives

The variable compensation model reflected in the Plan is a way of motivating its Beneficiaries (i) to contribute to the Company's good performance and its increased value, bearing in mind that they actively participate in the results of the aforesaid increase in value; and (ii) to achieve the Company's relevant objectives. In this sense, the Company achieves the variable compensation model's objective engaging the Beneficiaries in the medium and long-term strategies, projects and results.

d. How the plan fits into the issuer's compensation policy

The variable compensation model reflected in the Plan is in accordance with the Company's principles, taking into account that (i) they tie the Beneficiaries to the Company's projects, strategies and long-term results; (ii) it functions as an instrument for motivating and rewarding individual development and commitment; and (iii) it allows the Company to retain key professionals, given that the receipt of a portion of the variable compensation is deferred in time and the payment is linked to the Beneficiary's remaining on the Company's payroll.

e. How the plan aligns the managers' and the issuer's interests in the short, medium and long term

It is the Company's understanding that the Plan is an instrument that encourages its Beneficiaries to seek consistent results that generate value for the Company over the course of time.

By implementing these deferred compensation strategies reflected in the Plan, we seek to stimulate improvements in management and the continuation of professionals who are important to the Company, aiming at gains as a result of commitment to long-term results. In the medium term, improving the Company's results and increasing the value of its shares maximize the Beneficiaries' gains, providing them with an incentive to continue working at the Company. In the short term, meeting the Company's goals and achieving the expected annual results produces an alignment between the Company's interests and the interests of the Beneficiaries.

f. Maximum number of shares covered

Limit not applicable since, under the terms of the Plan, shares in the Company are not issued and/or granted - with the settlement being made in the form of cash.

g. Maximum number of options to be granted

Limit not applicable since, under the terms of the Plan, no stock options are granted in the Company.

h. Share acquisition conditions

Not applicable since, under the terms of the Plan, there will be no acquisition of shares issued by the Company on the part of the Beneficiaries.

i. Criteria for setting the acquisition or strike price

The amount of the Acquired Variable Remuneration foreseen in the Plan corresponds to the multiplication of the number of Units held by the Beneficiary by the Average Value of the Shares in the Market, calculated on the Acquisition Date, and the resulting amount paid by the Company to the Beneficiary.

j. Criteria for setting the exercise deadlines

Not applicable since, under the terms of the Plan, there will be no acquisition of shares issued by the Company by the Beneficiaries.

k. Form of Settlement

Settlement takes place in cash via the payroll in favor of the Beneficiary when all the conditions set forth in the Plan are met.

l. Restrictions on transfer of the shares

Not applicable since, under the terms of the Plan, there is no delivery of the Company's shares.

m. Criteria and events which, when verified, will lead to the suspension, alteration or cancellation of the plan

the Plan for an indefinite period of validity and may be terminated or canceled at any time whatsoever, by resolution of the Board of Directors, provided that it is not prejudicial to any variable compensation granted under the terms of the Plan, without the Beneficiary's consent.

As mentioned in item (a) above, on March 28, 2019, the Company's Board of Directors approved the review and consolidation of the Plan. It is important to note that the replacement of the Plan by the Short- and Long-Term Incentive Policy does not affect the previous concessions, applying the following transitional rules:

a) for all Beneficiaries who remain in the Company's employees and / or administrators or who have been dismissed from the Company as of June 29, 2018 (date on which the criteria for revising the Plan were approved by the Company's Board of Directors), long-term variable remuneration payments arising from the Plan that refer to (i) the fiscal year ended March 31, 2018 will be made based on the terms of the Short- and Long-Term Incentive Policy, and (ii) for the fiscal year ended March 31, 2017 and prior fiscal years, in which the concept of Unit (as defined in the Plan) remained, based on the Average Value of the Shares in the Market (as defined in the Plan), fixed in R $ 4.32 (four reais and thirty-two cents), in both cases, the payment dates already established at the time of grant;

b) for all Beneficiaries who were terminated from the Company before June 29, 2018, the long-term variable compensation payments arising from the Plan that refer to (i) the fiscal year ended March 31, 2018 will be made with based on the terms of the Short-Term and Long-Term Incentive Policy or on the terms agreed on the date of its termination, as applicable, and (ii) the fiscal year ended March 31, 2017 and previous fiscal years, in which the concept of Unit (as defined in the Plan), will be carried out based on the Average Value of the Shares in the Market established on the date of its withdrawal, except for certain exceptions, keeping the payment dates already established at the time of grant.

n. Effects of the administrator's termination from the issuer's bodies on his/her rights under the stock-based compensation plan

According to the Plan, if the Beneficiary leaves the Company before the maturity period expires:

(a) due to a request for resignation or in case of dismissal for just cause, their respective right to variable remuneration will be (i) automatically extinguished, by right, in the case of Variable Remuneration Granted; and (ii) paid on the date of termination, in relation to Acquired Variable Remuneration, payment pending, based on the arithmetic average of the last 30 quotations of the Company's shares immediately preceding the last day of the month preceding the date of the prior notice;

(b) due to dismissal without just cause, the Beneficiary shall be entitled to (i) the receipt of remuneration proportional to the full months during which he remained bound to the Company, for which it is necessary that the Beneficiary has worked for at least 90 days counted of the Concession Date until the date of termination, in the cases of Variable Remuneration Granted that is subject to Total Acquisition; and (ii) in relation to the Variable Remuneration Granted subject to the Progressive Acquisition, will be acquired according to the acquisition schedule defined in the Concession Agreement (Total Acquisition and Progressive Acquisition as defined in the Company's Variable Remuneration Plan);

(c) in case of dismissal without just cause, but that (i) by decision of the Human Resources Committee presents a fair and reasonable reason for the total or partial loss of the variable remuneration; or (ii) if the Beneficiary acted in bad faith in relation to his or her employment; then the Acquired Variable Remuneration will be paid on the date of termination and the Variable Remuneration Granted will be automatically lost; due to retirement, death or permanent disability, the Beneficiary (or, in case of death or permanent disability, his / her heirs and legal successors) shall be entitled to full payment of the compensation determined under the Plan on the date of termination.

13.5 - Compensation based on shares of the board of directors and statutory board of directors

The Company's Variable Compensation Plan, as approved by the Company's Extraordinary Shareholders' Meeting held on June 11, 2012 and amended at the Company's Extraordinary General Meeting held on February 19, 2013, and which was in force until March 28, 2019, implied the granting of options or the delivery of shares issued by the Company.

It was approved by the Company's Board of Directors at a meeting held on March 28, 2019, and by the shareholders of the Company, at the Extraordinary General Shareholders' Meeting held on July 31, 2019, the review and consolidation of the Variable Remuneration Plan, which was renamed the Short-Term and Long-Term Incentives Policy. Under the Short-Term and Long-Term Incentives Policy, there is no longer any concession of long-term incentives based on stock, therefore, there is no data to be reported for the fiscal years ended March 31, 2019 and March 31, 2020 and for the current fiscal year be closed on March 31, 2021.

Share-based remuneration projected for the current business year (which will end on 03/31/2021)

N/A

Share-based remuneration for the business year ended 03/31/2020

N/A

Share-based remuneration for the business year ended 03/31/2019

N/A

Share–based compensation – business year ended 03/31/2018

	Board of Directors	**Statutory Executive Office**
Total No. of members	9	4
No. of members receiving compensation	0	4
Weighted average exercise price:	N/A	N/A
(a) of the options outstanding at the beginning of the business year	N/A	N/A
(b) of the options forfeited during the business year	N/A	N/A
(c) of the options exercised during the business year	N/A	N/A
(d) of the options expired during the business year	N/A	N/A
Potential dilution in the event all the options granted are exercised	N/A	N/A

13.6 – Information about outstanding options held by the board of directors and the statutory officers

Not applicable, since the Company's variable compensation plan does not result in the issuance of our shares or the granting of stock options.

13.7 – Options exercised and shares delivered referring to share-based remuneration of the board of directors and the statutory officers

Not applicable, since the Company's variable compensation plan does not result in the issuance of our shares or the granting of stock options.

13.8 – Information required for understanding the data disclosed in sections 13.5 to 13.7 – Pricing method of the value of the shares and options

Not applicable, since the Company's variable compensation plan does not result in the issuance of our shares or the granting of stock options.

13.9 - Holdings of shares, units and other convertible securities held by managers and members of the supervisory board – per body

The members of our Board of Directors and board of executive officers did not have any shares, units or other convertible securities issued by the Company, its direct and indirect controllers, or controlled companies, or under common control, on the date of the end of the last fiscal year.

In addition to that, in the last fiscal year, the Company did not have the Supervisory Board installed.

13.10 – Information about pension plans extended to members of the board of directors and the statutory officers

Information on March 31, 2020

Item	Board of Directors	Statutory Officers
Number of members	8,00	3,38
No. of compensated members	**3,00**	**3,38**
Plan name	Itaú Flex prev PGBL	Itaú Flex prev PGBL
Number of directors in a position to retire	0	0
Conditions for early retirement	No	No
Restated amount of the contributions accrued in the pension plan up to the end of the latest year, after discounting the portion referring to the direct contributions by the directors	R$ 0,00	R$ 614.565,11
Total accrued amount of the contributions made during the latest year, after discounting the portion referring to the direct contributions by the directors	R$ 0,00	R$ 116.721,86
Possibility of early redemption and conditions	N/A	YES

* The redemption conditions are shown in the regulations of the plan controlled by the company.

13.11 - Individual maximum, minimum and average compensation of the board of directors, of the statutory officers, and of the supervisory board

Annual Amounts:

	Executive Office			Board of Directors		
	03/31/2020	03/31/2019	03/31/2018	03/31/2020	03/31/2019	03/31/2018
Number of members	3,38	4,00	4,00	8,00	8,33	9,00
Number of paidmembers	3,38	4,00	4,00	3,00	3,67	5,00
Highest compensation value (Reais)	R$ 15.806.841,49	R$ 8.572.290,83	R$ 3.919.088,27	R$ 374.400,00	R$ 343.680,00	R$ 288.000,00
Lowest compensation value (Reais)	R$ 3.345.036,85	R$ 1.553.601,18	R$ 957.938,92	R$ 230.400,00	R$ 192.000,00	R$ 108.000,00
Average compensation value (Reais)	R$ 4.534.253,56	R$ 3.869.166,82	R$ 2.402.543,84	R$ 278.400,00	R$ 244.112,73	R$ 199.680,00

Comments:

Year ended March 31, 2020:

In order to determine the lowest compensation, three members were excluded from the Executive Office who exercised their functions for less than 12 months during the year.

The highest compensation of the Executive Office refers to a member who worked 12 months within that year.

Year ended March 31, 2019:

In order to determine the lowest compensation, three statutory members were excluded from the Executive Office who exercised their functions for less than 12 months during the year, as well as from the Board of Directors, which also excluded three members who exercised their functions for less than 12 months.

The highest compensation of the Executive Office refers to a member who worked 9 months within that year.

Year ended March 31, 2018:

Two members who exercised their functions for less than 12 months during this fiscal year were excluded to determine the lowest compensation for the Executive Office.

The highest compensation of the Executive Office refers to a member who worked 12 months within that year.

13.12 - Remuneration or compensation mechanisms for directors or statutory officers in the event they are removed from office or retire

As of the date of this Reference Form, there are no managers eligible for indemnity in the event of removal from office or retirement. However, the Company maintains a Civil Liability Insurance policy (D&O –Directors & Officers), according to item 12.11 of this Reference Form.

13.13 – Percentage of the total remuneration enjoyed by the members of the board of directors, the statutory officers, and the supervisory board, who are parties related to the parent company

Item not applicable, since the Company did not have a Supervisory Board installed in the last three fiscal years and its remunerated directors and statutory officers were not related parties to the controllers.

13.14 – Remuneration of by the members of the board of directors, the statutory officers, grouped by body. Received for any reason other than the position they occupy

Not applicable, because during the last three fiscal years, no member of the Board of Directors or the Statutory Officers received any remuneration from the Company due to any reason other than the position they occupy.

In addition to that, the Company did not have a Supervisory Board installed.

13.15 – Compensation of the members of the board of directors, the statutory officers, recognized in the income statement of the direct or indirect parent companies of companies under common control or subsidiaries of the issuer

The members of the Board of Directors, the Statutory Officers and the Supervisory Board (if installed) do not receive and have not received in the last three fiscal years any compensation from the controlling shareholder or from companies under common control, due to the functions they perform at our Company.

13.16 – Other relevant information

There is no other information, besides what has already been provided, that we think is relevant in this topic.

<u>EXHIBIT III</u>

**Information on the candidates appointed to the Board of Directors
(Sections 12.5 to 12.10 of the Reference Form)**

Information on the candidates appointed to compose the Company's Board of Directors required in items 12.5 to 12.10 of the Reference Form, pursuant to CVM Instruction 480.

12.5/12.6 – Information on the candidates appointed to compose the Company's Board of Directors.

Name	Date of Birth	Management body	Election date	Term of office	Number of consecutive terms
CPF	**Profession**	**Position to be held**	**Investiture date**	**Elected by the controller**	**Percentage of participation in the meetings held by the respective body since investiture, relating to the last term of office.**
Other positions and functions exercised in the issuer			**Criterion used to determine independence (if applicable)**		
Neil Roxburgh Balfour	08/12/1944	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	4
	Business Manager	27 - Board of Directors Independent (Effective)	09/02/2020	YES	86.95%
Patrick Julien Treuer	11/22/1973	Belongs to the Board of Directors, Strategic Committee and Audit Committee	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022 03/31.	1
	Business manager	21 - Vice Chairman of the Board of Directors	09/02/2020	YES	95.65%
Member of the Strategic Committee and Chairman of the Audit Committee					
Enrico Biancheri	07/27/1979	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	1
084.567.907-	Economist	22 - Board of	09/02/2020	YES	85.7%

Name	Date of Birth	Management body	Election date	Term of office	Number of consecutive terms
CPF	**Profession**	**Position to be held**	**Investiture date**	**Elected by the controller**	**Percentage of participation in the meetings held by the respective body since investiture, relating to the last term of office.**
Other positions and functions exercised in the issuer			**Criterion used to determine independence (if applicable)**		
45		Directors (Effective)			
André Roth	09/18/1969	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	4
227.595.618-28	Business Manager	22 - Board of Directors (Effective)	9/2/2020	YES	100%
Adrian Gustavo Isman	09/30/1962	Belongs to the Board of Directors and Strategic Committee	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	1
227.595.618-28	Business Manager	20 – Chairman of the Board of Directors	09/02/2020	YES	95.65%
Chairman of the Strategic Committee					
Federico Adrian Cerisoli	06/06/1965	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	1
	Accountant	22 - Board of Directors (Effective)	9/2/2020	YES	91.3%
Member of the Audit Committee					
Philippe Jean Henri Delleur	04/11/1958	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	6
233.741.328-47	Executive	27 - Board of Directors Independent	09/02/2020	YES	100%

Name	Date of Birth	Management body	Election date	Term of office	Number of consecutive terms
CPF	**Profession**	**Position to be held**	**Investiture date**	**Elected by the controller**	**Percentage of participation in the meetings held by the respective body since investiture, relating to the last term of office.**
Other positions and functions exercised in the issuer			**Criterion used to determine independence (if applicable)**		
		(Effective)			
Ricardo Barbosa Leonardos	09/20/1957	Belongs only to the Board of Directors	09/02/2020	Shareholders' Meeting that resolves on the accounts for the fiscal year ending 03/31/2022.	5
859.347.638-49	Economist	27 - Board of Directors Independent (Effective)	09/02/2020	YES	100%
Member of the Strategic Committee					

Professional experience / Statement of possible convictions

Patrick Julien Treuer – Passport: 59X1203980

Mr. Treuer is the Vice-Chairman of our Board of Directors, member of our Strategic Committee and chairman of our Audit Committee. Mr. Treuer is the Louis Dreyfus Company's Chief of Global Strategy. He joined Biosev as Chief of Strategy in 2014, a position he held until his appointment as Louis Dreyfus Company's Chief Officer of Strategy in 2015. Before joining the Group, he worked for 15 years in investment banking at Credit Suisse (banking sector institution), headquartered in Switzerland and the United Kingdom, and most recently served as Managing Director, Capital Markets Head in Switzerland, Germany and Austria. Mr. Treur has a bachelor's degree in business administration from the University of St. Gallen (Switzerland). Mr. Treuer has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Enrico Biancheri - 084.567.907-45

Mr. Biancheri is a member of our Board of Directors. Mr. Biancheri joined the Louis Dreyfus Commodities Group in 2003 as sugar and ethanol trader and since then he held several positions in the Group. Amongst the positions held, Mr. Biancheri was the Biosev's Commercial Manager and Executive Officer before acting as the Head Trader for Sugar at Louis Dreyfus Company. Mr. Biancheri has over 15 years of experience in the Brazilian sugar and ethanol industry. Mr. Biancheri has a bachelor's degree in Economy from the Teaching and Research Institute (INSPER) and a master's degree in finance from Cass Business School. Mr. Biancheri has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

André Roth - 153.647.978-05

Mr. Roth is a member of our Board of Directors. He joined the Louis Dreyfus Company Group (group active in the agricultural industry) in 1993, as trainee. Since then, he worked as a trader and chief commercial officer for the Grain and Oilseed Operations. In 2012, Mr. Roth acted as President of Louis Dreyfus Company Brasil S.A. until 2013, when he acted as Oilseeds Global Executive Officer for the Louis Dreyfus Company Group. In 2014, he also acted Global Executive Officer for the Value Chain Operations (which includes Grains, Oilseeds, Juices, Freight, Fertilizers & Inputs, Trade Finance and Animal Feed) of the same group. Mr. Roth has a bachelor's degree in Business Administration from the Getúlio Vargas Foundation. Mr. Roth has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Adrian Gustavo Isman - 227.595.618-28

Mr. Isman is the Chairman of our Board of Directors and Chairman of our Strategic Committee, in addition to be the chief of the juices operations of Louis Dreyfus Company and chairman of the Board of Directors of Calyx Agro Ltd. (company operating in the agricultural industry) and Chief Executive Officer of Louis Dreyfus Company in North America. Mr. Isman joined the Group in 1985 in Argentina, as a trader in its Grains, Oilseeds and Finance operations until 1997. Following a period of 03 years as President of Marc Rich Investments (company operating in the agribusiness industry), he returned to the Group in Brazil in 2001, where he held positions in the management of energy, coffee, grains, oilseeds and cotton. Subsequently, Mr. Isman moved to Singapore as Regional Operating Officer in Asia, returning to Brazil in 2010 to manage the integration of the merger between LDC Bioenergia and Santelisa Vale. Mr. Isman was subsequently named Regional Chief Operating Officer and head of the North American region and Latin America before assuming his current position as Chief Executive Officer of Louis Dreyfus Company in the region called North Latam, comprised by Brazil. Mr. Isman has a bachelor's degree in economics from the University of Buenos Aires and also holds a diploma from Advanced Management Program from INSEAD and the Dom Cabral Foundation. Mr. Isman has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Federico Adrian Cerisoli – Passport: AAD556252

Mr. Cerisoli is a member of our Board of Directors, a member of our Audit Committee and is Deputy Chief Financial Officer of the Louis Dreyfus Company, in Geneva, Switzerland. Mr. Cerisoli joined the Group in 2008 as Chief Financial Officer of Calyx Agro. Soon after, he was appointed as Chief Financial Officer for the South Region of Latin America, and in 2013 he assumed the position of Regional Chief Financial Officer for Europe and the Black Sea. Later he served as Chief Financial Officer for the Metals Operations, prior to his appointment as Regional Chief Financial Officer for Europe, the Middle East and Africa. Before joining the Dreyfus Group, he worked for more than 17 years in finance, commercial and business development for several energy companies in Argentina, Brazil and USA. Mr. Cerisoli is an accountant, graduated from Universidad Católica Argentina, and concluded his education as Business Executive at Columbia Business School, in New York. Mr. Cerisoli has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Professional experience / Statement of possible convictions

Neil Roxburgh Balfour – Passport: 720110850

Mr. Balfour is an independent member of our Board of Directors, elected based on the independence criteria defined by Novo Mercado Regulation. Mr. Balfour is a British citizen, raised in Peru, graduated from Oxford University and has a bachelor’s degree in Law from Middle Temple University. Mr. Balfour was a member of the European Parliament and Merchant Banker at Baring Brothers (banking sector institution) and at the European Banking Company (also a banking sector institution), officer and chairman of the board of directors of companies in the asset management and financial investments in real estate development and construction in Poland, mining in Kazakhstan and, until recently, agriculture in Ukraine. He is fluent in English, Spanish and French, and lives in the United Kingdom. Mr. Balfour has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Philippe Jean Henri Delleur - 233.741.328-47

Mr. Delleur is an independent member of our Board of Directors, elected based on the independence criteria defined by Novo Mercado Regulation. Mr. Delleur is Senior Vice President of Public Affairs of Alstom (company operating in the transport infrastructure industry). Mr. Delleur has a bachelor’s degree in Public Administration from Sciences-po Paris and ENA (Ecole Nationale d’Administration), and a master’s degree in Law from Paris-X Nanterre. He joined Alstom in April 2006 to assume the position of Senior Vice President for South Europe, Africa and the Middle East. Before joining the group, he worked at the Ministry of Economy, Finance and Industry in Paris, where he held several positions throughout his professional career as General Officer of the Central Agency for Public Procurement (May/2004 - March/2006) and Deputy Secretary of Foreign Trade (1999 - 2004). In Brazil, he worked in the 1990s as Head of the Economic and Financial Mission of the French Embassy in Brasília (Brazil) for 3 years. Mr. Delleur has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

Ricardo Barbosa Leonardos - 859.347.638-49

Mr. Leonardos is an independent member of our Board of Directors and a member of our Strategic Committee. He participate in the Board of Directors of Sociedade Hospital Samaritano (company operating in the healthcare industry) and is a member of the Board of Directors of Tecnisa S.A. Mr. Leonardos has a bachelor’s degree in economics from Faculdade São Luiz and has a Master in Business Administration from New York University - Leonard Stern School of Business - in business administration and international business. He was a partner at Brasilpar Serviços Financeiros Ltda. (financial advisory company) from 1984 to 1996; Chief Executive Officer of Sul América Investimentos Distribuidora de Titulos e Valores Mobiliários S.A. (financial institution) from September 1996 to June 1997 and ING Investment Management Ltda. (financial institution) between 1997 and 2002. Mr. Leonardos was Chief Financial Officer of Optiglobe do Brasil Ltda. (Votorantim Group’s technology outsourcing company) in 2004; member of the Board of Directors of Ecom Energia Ltda. (company in the energy commercialization industry) between May 2004 and April 2008; member of the Board of Directors of Banco Financeiro e Industrial S.A. - SUDAMERIS (publicly-held company), Medidata Informática S.A. (publicly-held company), Digitel S.A. Indústria Eletrônica (publicly-held company), ADEVAL - National Association of Securities Dealers and ABVCAP - Brazilian Private Equity and Venture Capital Association. Since March 2003, Mr. Leonardos has been a partner at Symphony Consultoria e Participações Ltda. (family businesses consultants), and structured and managed Family Office Península Participações until 2011. Mr. Leonardos has stated, for all legal purposes, that in the last five years he has not been subject to any criminal conviction, any conviction or imposition of an administrative proceeding before the CVM, and any final conviction in the judicial or administrative levels, which had the effect of suspending or

Professional experience / Statement of possible convictions
disqualifying any professional or commercial activity, and declared not to be a politically exposed person.

12.7 / 8 - Composition of statutory committees and audit, financial and compensation committees

Not applicable.

12.9 – Information on the existence of a marital relationship, stable union or relationship up to the second degree between (a) managers of the issuer; (b) (i) managers of the issuer and (ii) managers of the direct or indirect subsidiaries of the issuer; (c) (i) managers of the issuer or its direct or indirect subsidiaries and (ii) direct or indirect controllers of the issuer; (d) (i) managers of the issuer and (ii) managers of the issuer's direct and indirect parent companies.

Not applicable.

12.10 – Information on subordination, service or control relationships maintained in the last 3 fiscal years between the issuer's managers and (a) a company directly or indirectly controlled by the issuer, with the exception of those in which the issuer holds, directly or indirectly, the total capital; (b) direct or indirect controller of the issuer; (c) if relevant, supplier, customer, debtor or creditor of the issuer, its subsidiary or parent companies or controlled companies of any of these persons.

The following Company's directors are executive officers of the controlling group, as follows: Adrian Gustavo Isman, Patrick Julien Treuer, Enrico Biancheri, André Roth and Federico Adrian Cerisoli.

Controller	***Manager***	***03/31/2020***	***03/31/2019***	***03/31/2018***
Louis Dreyfus Company Group	Patrick Julien Treuer	Global CFO of the Louis Dreyfus Company Group	Global Strategy Leader of the Louis Dreyfus Company Group	Global Strategy Leader of the Louis Dreyfus Company Group
Louis Dreyfus Company Group	Adrian Gustavo Isman	CEO of the North Latam zone and Global Head of the Louis Dreyfus Company Group Juice Operation	CEO of the North Latam zone and Global Head of the Louis Dreyfus Company Group Juice Operation	CEO of the North Latam zone and Global Head of the Louis Dreyfus Company Group Juice Operation
Louis Dreyfus Company Group	André Roth	Global leader of the value chain operations (grains, oilseeds, juices, freight, fertilizers & inputs, trade finance and animal feed) of the Louis Dreyfus Company	Global leader of the value chain operations (grains, oilseeds, juices, freight, fertilizers & inputs, trade finance and animal feed) of the Louis Dreyfus Company	Global leader of the value chain operations (grains, oilseeds, juices, freight, fertilizers & inputs, trade finance and animal feed) of the Louis Dreyfus Company
Louis Dreyfus Company Group	Enrico Biancheri	Sugar Head Trader of LDC Suisse	Sugar Head Trader of LDC Suisse	Sugar Head Trader of LDC Suisse
Louis Dreyfus Company Group	Federico Adrian Cerisoli	Director of Louis Dreyfus & Co. Limited	Deputy Chief Financial Officer of the Louis Dreyfus Company	Deputy Chief Financial Officer of the Louis Dreyfus Company

EXHIBIT IV
Management's comments on the Company's financial condition
(Section 10 of the Reference Form)
(As set forth in article 9, item III, of CVM Instruction 481)

10.1 – General financial and equity conditions

The Company's year commences on the first day of April each year and ends on March 31 of the following calendar year, as we work according to the crop year. Thus, the financial information included in this document, unless otherwise expressed to the contrary, refers to our consolidated financial statements for the years ended March 31, 2018, 2019 and 2020, prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

The Officers' analyses of the results obtained, and the variations in the balance sheet accounts, represent an opinion regarding the Company's financial and equity condition, based on the financial statements, and these statements cannot guarantee that the financial condition and past results will be repeated in the future.

The information shown here in section 10 should be read and analyzed in conjunction with our consolidated financial statements, available on our IR website (http://ri.biosev.com) and on the website of the Brazilian Securities Commission (www.cvm.gov.br).

10.1. The Officers must comment on:

10.1.a. General financial and equity conditions

Our Officers believe that we have the financial conditions and sufficient equity to maintain our business, develop our activities and comply with our short, medium and long-term obligations, as well as having access to different sources of financing. The Company has undertaken its efforts to obtain credit lines with longer terms, at more competitive rates.

Since the 2018/19 crop, we are applying our operational competitive program and our strategy of cost reduction and increased competitiveness, including investments to improve the productivity and reduce the expenses of the units, in order to better manage the budget and diversify the financing sources, aiming at increasing the cash generation and strengthen the capital structure. The Company continues to reduce the costs over the periods, consolidating the initiatives to adjust the structures and become more resilient in a challenging pricing environment. It is a continuous optimization process of the operational and organizational structures.

In addition, we have always adopted the sales optimization strategy, focused on products and periods of more value added, according to the market volatility. Such strategy is reflected in the increase of net revenue ex-HACC by 7.6% compared to the previous year (R$6.8 million compared to R$6.3 million). The reduction of costs was more significant, the cash COGS ex-resale decreased by 12.1% compared to the previous year. Adjusted EBITDA ex-resale/HACC/IFRS16 totaled 1.8 billion, an increase of 12.9%, with EBITDA margin of 42.7%, an increase of 7.3 p.p., and EBITDA per unit of R$65.2 per ton, an increase of 21.7% compared to the previous year.

The Company's gross debt totaled R$7.3 billion as at March 31, 2020, an increase of 22.4% compared to the previous year, mainly due to the impact of the 33.4% devaluation of the Brazilian real against the US dollar on the portion of debt denominated in dollars, partially offset by the payments of principal and interest, in the amounts of R$273.8 million and R$464.8 million, respectively, in the crop.

The cash position and short-term investments totaled R$1.2 billion, out of which 31.0% were denominated in dollars. As a result, the net debt totaled R$6.1 billion, in line with the previous year.

However, the Company is subject to covenants in some financing agreements and, as at March 31, 2020, we did not met our contractual commitment. The Company obtained waiver from the respective creditors and, therefore, the original maturity dates and other contractual conditions were maintained. For further information, see item 10.1.f.iv of this Reference Form.

Our debt level remained stable after payment of debts against the capital increase at the end of the 2017/18 crop, as indicated by our adjusted net debt ratio (borrowings and financing less cash and cash equivalents and short-term investments) divided by the Adjusted EBITDA for the last twelve months of 2.90 times as at March 31, 2020, 3.05 times as at March 31, 2019 and 2.09 times as at March 31, 2018. Since 2018, the Company has no longer included highly liquid inventories available for sale in the calculation of the Adjusted Net Debt.

With regard to liquidity, the financial condition shows that we are able to meet our obligations to third parties while meeting our working capital requirements, including paying our debts, which can be illustrated by taking our current liquidity ratio (current assets plus 30% of the biological assets, divided by current liabilities – the value of the biological assets consists mainly of sugarcane to be harvested in the forthcoming crop year, thereby representing a major source of short-term liquidity), which stood at 1.1 as at March 31, 2020 (considering the waiver concession), 1.7 as at March 31, 2019 and 2.1 as at March 31, 2018. Without the waiver, the liquidity ratio would have been 0.48 as at March 31, 2020. For further information, see item 10.1.f.iv of this Reference Form.

Also, with regard to liquidity, based on the traditional current liquidity ratio (current assets divided by current liabilities), our Officers believe our financial condition also enables us to meet our obligations to third parties, while meeting our working capital requirements, including payment of our debts. Our current liquidity ratio was 1.1 as at March 31, 2020 (considering the waiver concession), 1.6 as at March 31, 2019 and 2.0 as at March 31, 2018. Without the waiver, the current liquidity ratio would have been 0.46 as at March 31, 2020. For further information, see item 10.1.f.iv of this Reference Form.

10.1.b. Capital structure

As at March 31, 2020, we registered a negative shareholders' equity of R$1.0 billion, representing a reduction of R$1.5 billion over the previous year ended March 31, 2019. This reduction arose primarily from the R$1.6 billion loss recorded for the year, affected by a non-cash effect exchange rate variance (R$1.9 billion) on dollar-denominated indebtedness. As at March 31, 2020, our capital structure consisted of 92% third-party capital.

As at March 31, 2019, we registered a positive shareholders' equity of R$533 million, representing a reduction of R$1,074 million over the previous year ended March 31, 2018. This reduction arose primarily from the R$1,199 million loss recorded for the year, affected by a non-cash effect exchange rate variance (R$940 million) on dollar-denominated indebtedness and by adverse climatic events like the drought that prevailed during the sugarcane plantation growth period. As at March 31, 2019, our capital structure consisted of 92% third-party capital.

At a meeting held on June 12, 2018, the Board of Directors approved the validation of the increase in the Company's capital stock of R$3,459,460, as determined by the General Meeting of the Company's Shareholders on April 16, 2018, by which the shareholders authorized the Board of Directors to approve the capital increase by shareholder Hédera Investimentos e Participações Ltda., as well as by the other shareholders who matched that increase within the stipulated deadline. Thus, the Company's capital stock rose from R$2.6 billion to R$6.1 billion, divided into 1,020,429,426 common, registered, book-entry shares, with no par value.

As at March 31, 2018, we showed a positive shareholders' equity of R$1,607 million, representing an increase of R$2,268 million over the previous year ended March 31, 2017. This increase arose primarily from the Advance for Future Capital Increase (AFAC) by our controlling shareholder of R$3,459 million, partially offset by the R$1,270 million loss registered in the year. As at March 31, 2018, our capital structure consisted of 77% third-party capital.

The variance in our capital stock can be seen in the table below:

Date	Capital stock	Common shares
March 31, 2020	R$6.1 billion	1,020,429,426
March 31, 2019	R$6.1 billion	1,020,429,426
March 31, 2018	R$2.6 billion	219,628,363

10.1.c. Payment capacity with respect to financial commitments assumed

The Company's management has been adopting measures to maximize the use of its assets without abandoning strict financial discipline, so as to enhance operational efficiency and generate a positive free cash flow.

Management expects that the current cash balances, liquidity (considering the waiver concession, as explained in item 10.1) and availability of its credit facilities, as well as its operations, should be sufficient to cover working capital, capital expenses, debt service and other needs for the forthcoming year.

The Company may refinance all or part of its debt, which could require heavier commitments.

This notwithstanding, the Company has been successful in renewing its credit lines during the year ended March 31, 2020. A significant portion of the Company's bank credit lines are for at least 3 years, with a 1-year grace period on principal involving resources of around R$5.8 million affected by non-cash exchange rate variance. Part of the Company's bank indebtedness to its main Brazilian and international creditors bears interest rates of CDI + 2% p.a. in the case of domestic currency-denominated debt, and Libor + 4% p.a. for foreign currency-denominated debt.

Management is also considering possible funding from new export pre-payment (trade finance) transactions to the extent that this becomes necessary.

10.1.d. Sources of funding used for working capital and for investments in non-current assets

We use a variety of funding sources to finance our activities. We enjoy credit lines from prime commercial banks and development banks, both in Brazil and overseas.

As at March 31, 2020, our liabilities showed R$2.5 billion in advances of funds from companies comprising the economic group of our controlling shareholder (R$315.9 million as at March 31, 2019 and R$669.5 million as at March 31, 2018). For further information on these transactions, see section 16 of the Reference Form or the notes on related parties to the Company's financial statements.

In the case of our investments in non-current assets, such as the expansion of our agroindustrial units, our co-generating assets ("brownfield sites") and the development of new projects ("greenfield sites"), we would use the cash from our operations, in addition to financing from other banks and financial development institutions.

10.1.e. Sources of funding for working capital and for investments in non-current assets we intend to use to cover liquidity shortage

To cover occasional liquidity shortages or mismatches between cash and cash equivalents and short-term maturities, we enjoy good relations with the major prime commercial banks operating in Brazil or overseas. Furthermore, the products we manufacture enjoy a high degree of liquidity and are easily commercialized, becoming cash and cash equivalents or offered as collateral for financial transactions.

Investments in non-current assets will be financed using cash from our operations and specific credit facilities for this purpose from commercial and/or development banks. For further information about the sources of funding for working capital and for investments in non-current assets we intend to use to cover liquidity shortage, see items 10.1.a and 10.1.b.

10.1.f. Indebtedness levels and the characteristics of such debts

Borrowings and financing

The following table shows our borrowings and financing as at March 31, 2020:

Description	Currency	Effective weighted average financial charges	Maturity	Guarantees	03.31.20
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	On 07.10.24	Surety, receivables, mortgage and shares	99,771
Restructured debt	US$	Exchange rate variance plus Libor, plus an average interest rate of 2.47% p.a.	On 07.10.23	Surety, receivables, mortgage and shares	741,176
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	On 07.10.24	Surety, receivables, mortgage and shares	140,590
Advances on Foreign Exchange Contracts - ACC	US$	Exchange rate variance, plus an average interest rate of 5.73% p.a.	On 03.31.23	Surety and promissory note	3,642,512
BNDES Financing	R$	-	-	-	-
Export Pre-payment Facility - PPE	US$	Exchange rate variance plus Libor, plus an average interest rate of 6.95% p.a.	From 03.25.23 to 04.30.23	Surety, promissory note, receivables and collateral	1,962,581
Constitutional Fund for Financing the Midwest - FCO	R$	Interest of 10% p.a.	On 12.01.23	Surety, secured fiduciary sale and receivables	51,868
Finame	R$	Average interest rate of 9.59% p.a., plus TLP + 4.92% p.a.	From 04.15.21 to 04.15.25	Secured fiduciary sale, surety and promissory note	76,804
Credit Rights Investment Fund - FIDC	R$	-	-	-	-
Rural Securitization Program - PESA	R$	IGP-M plus 4% p.a.	On 08.01.19	Surety, promissory note, mortgage and National Treasury Certificate - CTN	-
Export Credit Bill and Export Credit Note - NCE	R$	CDI plus an average rate of 2% p.a.	On 04.29.22	Surety, promissory note and collateral	181,212
Offshore Loan	US$	Exchange rate variance plus Libor, plus an average interest rate of 5.75% p.a.	On 10.15.27	Mortgage, lien on credit rights and collateral	285,479
Bank Credit Note - CCB	R$	CDI plus an average rate of 2% p.a.	On 03.30.23	Register in collection and assignment of receivables	139,434
			TOTAL		**7,321,425**
[1] Considering the waiver concession, as explained in item 10.1			**(-) Current liabilities [1]**		**498,833**
			Non-current liabilities [1]		**6,822,592**

² Financial statements: as explained in item 10.1.h, subitem Balance Sheet	**(-) Current liabilities ²**	**7,225,234**
	Non-current liabilities ²	**96,191**

The following table shows our borrowings and financing as at March 31, 2019:

Description	**Currency**	**Effective weighted average financial charges**	**Maturity**	**Guarantees**	**03.31.19**
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	From 07.10.22 to 07.10.24	Surety, receivables, mortgage and shares	131,368
Restructured debt	US$	Exchange rate variance plus Libor, plus an average interest rate of 2.47% p.a.	From 07.10.22 to 07.10.23	Surety, receivables, mortgage and shares	726,450
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	On 07.10.23	Surety, receivables, mortgage and shares	176,271
Advances on Foreign Exchange Contracts - ACC	US$	Exchange rate variance, plus an average interest rate of 6.73% p.a.	On 03.31.23	Surety and promissory note	2,853,525
BNDES Financing	R$	-	-	-	-
Export Pre-payment Facility - PPE	US$	Exchange rate variance plus Libor, plus an average interest rate of 4.13% p.a.	From 09.30.19 to 04.30.23	Surety, promissory note, receivables and collateral	1,432,213
Constitutional Fund for Financing the Midwest - FCO	R$	Interest of 8.5% p.a.	On 12.01.23	Surety, secured fiduciary sale and receivables	65,717
Finame	R$	Average interest rate of 9.59% p.a.	From 11.15.19 to 04.15.25	Secured fiduciary sale, surety and promissory note	32,521
Credit Rights Investment Fund - FIDC	R$	-	-	-	-
Rural Securitization Program - PESA	R$	IGP-M plus 4% p.a.	From 08.01.18 to 08.01.19	Surety, promissory note, mortgage and National Treasury Certificate - CTN	749
Export Credit Bill and Export Credit Note - NCE	R$	CDI plus an average rate of 2% p.a.	On 04.29.22	Surety, promissory note and collateral	180,484
Offshore Loan	US$	Exchange rate variance plus Libor, plus an average interest rate of 5.72% p.a.	On 10.15.27	Mortgage, lien on credit rights and collateral	240,141
Bank Credit Note - CCB	R$	CDI plus an average rate of 2% p.a.	On 03.30.23	Register in collection and assignment of receivables	139,889
			TOTAL		**5,979,328**
			(-) Current liabilities		**542,971**
			Non-current liabilities		**5,436,357**

The following table shows our borrowings and financing as of March 31, 2018:

Description	**Currency**	**Effective weighted average financial charges**	**Maturity**	**Guarantees**	**03.31.18**
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	From 07.10.22 to 07.10.24	Surety, receivables, mortgage and shares	166,886
Restructured debt	US$	Exchange rate variance plus Libor, plus an average interest rate of 2.47% p.a.	From 07.10.22 to 07.10.23	Surety, receivables, mortgage and shares	790,531
Restructured debt (Debentures)	R$	CDI plus 1.72% p.a.	On 07.10.23	Surety, receivables, mortgage and shares	227,143
Advances on Foreign Exchange Contracts - ACC	US$	Exchange rate variance, plus an average interest rate of 6.73% p.a.	On 03.31.23	Surety and promissory note	2,228,890
BNDES Financing	R$	-	-	-	120
Export Pre-payment Facility - PPE	US$	Exchange rate variance plus Libor, plus an average interest rate of 4.13% p.a.	From 09.30.19 to 04.30.23	Surety, promissory note, receivables and collateral	1,145,400
Constitutional Fund for Financing the Midwest - FCO	R$	Interest of 8.5% p.a.	On 12.01.23	Surety, secured fiduciary sale and receivables	79,552
Finame	R$	Average interest rate of 9.59% p.a.	From 11.15.19 to 04.15.25	Secured fiduciary sale, surety and promissory note	15,786
Credit Rights Investment Fund - FIDC	R$	-	-	-	33,009
Rural Securitization Program - PESA	R$	IGP-M plus 4% p.a.	From 08.01.18 to 08.01.19	Surety, promissory note, mortgage and National Treasury Certificate - CTN	4,286
Export Credit Bill and Export Credit Note - NCE	R$	CDI plus an average rate of 2% p.a.	On 04.29.22	Surety, promissory note and collateral	267,194
Offshore Loan	US$	Exchange rate variance plus Libor, plus an average interest rate of 5.72% p.a.	On 10.15.27	Mortgage, lien on credit rights and collateral	204,019
Bank Credit Note - CCB	R$	CDI plus an average rate of 2% p.a.	On 03.30.23	Register in collection and assignment of receivables	139,521
			TOTAL		**5,302,337**
			(-) Current liabilities		**536,552**
			Non-current liabilities		**4,765,785**

The following table shows our short- and long-term borrowings and financing position as at March 31, 2020:

Currency (R$ thousands)	**Short-term borrowings and financing**	**Borrowings and financing of 1 - 3 years**	**Borrowings and financing of 3 - 5 years**	**Borrowings and financing over 5 years**	**Total debt**

BRL	565,444	55,304	34,999	5,888	689,678
US dollar	6,631,746	-	-	-	6,631,746
Total	**7,225,234**	**55,304**	**34,999**	**5,888**	**7,321,425**

The following table shows our short- and long-term borrowings and financing position as at March 31, 2020, considering the waiver concession, as explained in item 10.1:

Currency (R$ thousands)	**Short-term borrowings and financing**	**Borrowings and financing of 1 - 3 years**	**Borrowings and financing of 3 - 5 years**	**Borrowings and financing over 5 years**	**Total debt**
BRL	102,953	500,375	80,462	5,888	689,678
US dollar	395,880	5,803,426	329,302	103,139	6,631,746
Total	**498,833**	**6,303,801**	**409,764**	**109,027**	**7,321,425**

The following table shows our short- and long-term borrowings and financing position as at March 31, 2019:

Currency (R$ thousands)	**Short-term borrowings and financing**	**Borrowings and financing of 1 - 3 years**	**Borrowings and financing of 3 - 5 years**	**Borrowings and financing over 5 years**	**Total debt**
BRL	97,075	417,520	206,586	5,815	726,997
US dollar	445,896	1,755,587	2,948,107	102,739	5,252,330
Total	**542,971**	**2,173,108**	**3,154,695**	**108,554**	**5,979,328**

The following table shows our short- and long-term borrowings and financing position as at March 31, 2018:

Currency (R$ thousands)	**Short-term borrowings and financing**	**Borrowings and financing of 1 - 3 years**	**Borrowings and financing of 3 - 5 years**	**Borrowings and financing over 5 years**	**Total debt**
BRL	134,878	205,647	487,170	59,853	887,548
US dollar	401,674	423,067	3,296,747	293,302	4,414,789
Total	**536,552**	**628,713**	**3,783,917**	**353,155**	**5,302,337**

10.1.f.i. Relevant loan and financing contracts

Item 10.1.f.i considers the waiver concession, as explained in item 10.1.a; therefore, the original maturity dates and all other contractual conditions were maintained.

The following tables show our borrowings and financing[1] as at March 31, 2020, including our restructured debt (as per the term defined below), March 31, 2019 and March 31, 2018:

As at March 31, 2020 Borrowings and financing	**Denominated in BRL (R$ thousands)**	**Denominated in US dollars (R$ thousands)**	**Total (R$ thousands)**
Restructured debt	240,361	741,176	981,536
Development Agencies (BNDES/FCO/FINAME/Proparco)	128,672	285,479	414,151
Export financing	181,212	5,605,092	5,786,304
Rural Securitization Program - PESA	-	-	-

[1] Borrowings and financing includes interest and adjustments for inflation, are net of costs with deferred commissions and expenses.

Bank Credit Note	139,434	-	139,434
FIDC	-	-	-
Total	**689,678**	**6,631,746**	**7,321,425**

As at March 31, 2019 Borrowings and financing	**Denominated in BRL (R$ thousands)**	**Denominated in US dollars (R$ thousands)**	**Total (R$ thousands)**
Restructured debt	307,638	726,450	1,034,088
Development Agencies (BNDES/FCO/FINAME/Proparco)	98,238	240,142	338,380
Export financing	180,484	4,285,738	4,466,222
Rural Securitization Program - PESA	749	-	749
Bank Credit Note	139,889	-	139,889
FIDC	-	-	-
Total	**726,998**	**5,252,330**	**5,979,328**

As at March 31, 2018 Borrowings and financing	**Denominated in BRL (R$ thousands)**	**Denominated in US dollars (R$ thousands)**	**Total (R$ thousands)**
Restructured debt	394,029	790,531	1,184,560
Development Agencies (BNDES/FCO/FINAME/Proparco)	95,458	204,019	299,477
Export financing	221,244	3,420,239	3,641,483
Rural Securitization Program - PESA	4,286	-	4,286
Bank Credit Note	139,521	-	139,521
FIDC	33,010	-	33,010
Total	**888,548**	**4,414,789**	**5,302,337**

Below, we give a brief description of the main contracts entered into with our major creditors, and which were in effect as at March 31, 2020.

Refinancing of debts of the Santelisa Vale Group

On October 26, 2009, the association with the Santelisa Vale Group was implemented. Within the scope of this association, a substantial portion of the bank debt of Santelisa Vale Bioenergia S.A. (currently known as Biosev Bioenergia S.A.) and Usina Continental S.A. (replaced following takeover by LDC-SEV Bioenergia S.A., currently known as Biosev Bioenergia S.A.) was restructured with the main creditors of Santelisa Vale Bioenergia S.A. and Usina Continental S.A. ("Restructured Debt") in accordance with the Global Contract for Acknowledgement of Obligations and Other Arrangements entered into on September 24, 2009, as amended ("Global Contract"). This restructuring included (i) renegotiation of rates and terms, including the extension of the payment term of part of that debt by up to 15 years, commencing July 10, 2009, with an interest grace period of two years and a four-year grace period on the principal; and (ii) conversion of part of the debt of certain creditors into preferred shares of LDC Bioenergia S.A. (currently known as Biosev S.A.) and LDC-SEV Bioenergia S.A. (currently known as Biosev Bioenergia S.A.), which were converted to common shares of Biosev S.A. at the time of the initial public offering of our shares under the Global Contract. To refinance the US dollar-denominated Restructured Debt, we entered into export pre-payment facilities at Libor plus a margin of 2.47%. In the case of the BRL-denominated Restructured Debt, we issued non-convertible debentures and entered into bilateral contracts at the CDI interest rate plus a corresponding fee of 1.72% per annum. The Restructured Debt is guaranteed by surety, shares of LDC-SEV Bioenergia S.A. (currently known as Biosev Bioenergia S.A.), some of the assets (mortgages and equipment) and a certain flow of receivables of LDC-SEV Bioenergia S.A. (currently known as Biosev Bioenergia S.A.).

As mentioned above, part of the debt was restructured through the issuance by Biosev Bioenergia S.A., on September 22, 2011, of 3,822,161 non-convertible debentures, in accordance with CVM Instruction 476, dated January 16, 2009, as amended, and the deed signed on July 14, 2011, as described in item 18.5 of this Reference Form. Biosev Bioenergia S.A. debentures carry the same guarantees as the Restructured Debt.

As at March 31, 2020, our Restructured Debt amounted to R$981.5 million, of which (a) R$240.4 million represented the outstanding balance denominated in Brazilian reais; and (b) R$741.2 million, the outstanding balance denominated in foreign currency, exclusively in US dollars, realized through an export pre-payment facility.

Financing from the BNDES

FINAME-sourced financing consists of onlending of financing from the BNDES, used to purchase farm machinery and equipment, with a term of 5 to 6 years. These operations are subject to fixed interest rates or to the Long-term Interest Rate (TJLP), plus spread of BNDES and onlending bank. Under these operations, the financed property is subject to the conditional sale.

As at March 31, 2020, the balance of BNDES financing was R$76.8 million, including the outstanding balance of the FINAME facilities, which account for 1.05% of the financing raised.

Financing from the Constitutional Fund for Financing the Midwest ("FCO")

We also have a credit line from the FCO, managed by Banco do Brasil S.A., to finance projects in the Brazilian Mid-West. This credit line carries interest rates that are subject to performance bonuses, while the respective financing facility is guaranteed by the financed assets themselves and by bank surety.

As at March 31, 2020, the outstanding balance of the FCO financing was R$51.9 million, representing 0.7% of the financing raised.

Bank Credit Notes in favor of Banco do Brasil S.A.

On July 10, 2015, August 9, 2016 and April 24, 2017, we issued four bank credit notes in favor of Banco do Brasil S.A., for R$97 million, R$35 million, R$40 million and R$87 million, respectively. The outstanding balance attracts charges calculated as a percentage of the CDI and/or a prefixed rate. These bank credit notes are guaranteed by surety from our subsidiary Biosev Bioenergia S.A. and by credit right receivables.

In March 2018, the four notes were part of the negotiations to extend and roll over part of the company's bank indebtedness. The new maturity date was set at March 31, 2023. The guarantees remained unchanged.

As at March 31, 2020, the outstanding balance was R$139.4 million, representing 1.9% of the financing raised.

Financing from Proparco – French development agency

On December 11, 2015, we raised financing from PROPARCO, a French development agency, to finance an investment project to increase industrial and farming productivity, in addition to financing offseason expenses. The financing amounts to US$60 million, with a maturity period of 140 months, at the 6-month US dollar Libor rate plus an average spread of 5.75% per annum. The guarantees for this transaction consist of mortgages on the property of the mills located in the municipalities of Leme (SP) and Lagoa da Prata (MG), and liens on machinery and equipment of the Lagoa da Prata (MG) plant and on receivables from the corresponding insurance.

As at March 31, 2020, the outstanding balance was R$285.5 million, representing 3.9% of the balance of financing raised.

Export financing

We also draw on export financing facilities, usually denominated in US dollars, from prime Brazilian and foreign commercial banks, normally collateralized by our flow of export receivables.

As at March 31, 2020, the outstanding balance of our export finance facilities was R$5.8 billion, representing 79.0% of the financing raised.

Below, we give a list of the main financing facilities of this group:

a) Export Credit Certificates in favor of Banco BTG Pactual S.A.

On March 28, 2011, our subsidiary Biosev Bioenergia S.A. issued export credit certificates in favor of Banco BTG Pactual S.A., totaling R$100 million, bearing remuneration at that time of 126% of the CDI rate per annum. The proceeds were intended for export financing and/or the manufacture of goods for export, as well as the support and ancillary activities that comprise, and are essential for, exports. This transaction bore the guarantee of a surety from Biosev S.A.

On March 30, 2012, we issued an export credit certificate in favor of Banco BTG Pactual S.A., for R$100 million, bearing remuneration at the time of 125% of the CDI rate per annum, intended for financing exports and/or the manufacture of goods for export, as well as the support and ancillary activities comprising, and essential for, exports. This issue carried the surety of Biosev Bioenergia S.A.

On March 25, 2013, we and Banco BTG Pactual S.A. amended the previously mentioned transactions which, among other alterations, changed the denomination of the financing to "export credit notes", extended the final maturity date to April 22, 2016 and converted the outstanding balance in Brazilian reais to the equivalent denominated in US dollars. The outstanding balance of US$99.3 million attracted a fixed rate of 5.5% per annum at the time. These contracts are guaranteed by (i) surety from Biosev S.A. and Biosev Bioenergia S.A.; and (ii) a secured fiduciary sale of the chattels (subsequently substituted by a commercial pledge).

On March 26, 2013, we issued an export credit note in favor of Banco BTG Pactual S.A., for R$50 million, bearing remuneration at the time of 5.50% per annum, intended for financing exports and/or the manufacture of goods for export, as well as the support and ancillary activities comprising, and essential for, exports. The final maturity of this note was April 22, 2016. The outstanding balance carries a fixed rate. This contract is guaranteed by (i) a surety from our subsidiary, Biosev Bioenergia S.A.; and (ii) a commercial pledge on ethanol.

On June 18, 2013, a private instrument for commercial pledge on ethanol and/or sugar was signed, replacing the secured fiduciary sale of chattels that guaranteed the export credit notes mentioned above, having been subsequently amended to reflect the changes to the transaction.

On March 27, 2015, the previously mentioned export credit notes were amended, extending the definitive maturity of the transaction to April 22, 2017.

On December 22, 2015, the export credit notes were once again amended, extending the definitive maturity of the transaction to April 24, 2017, switching the currency of the transaction to Brazilian reais, changing the rate to 137% of the CDI and retaining the commercial pledge on ethanol as collateral for the transaction.

On October 20, 2016, the previously mentioned export credit notes were once again amended, extending the definitive maturity of the transaction to October 24, 2017.

On March 17, 2017, the export credit notes were once again amended, extending the definitive maturity of the transaction to April 3, 2018, changing the rate to CDI plus 4.30% p.a. while retaining the commercial pledge on ethanol as collateral for the transaction.

On March 29, 2018, the export credit notes were partially settled and replaced by ACCs for the same amount. The export credit notes and the new ACCs were involved the negotiations to extend and roll over part of the company’s bank indebtedness. The new final maturity date of the transactions was set at April 29, 2023. The guarantees on the export credit notes (CCEs) remained unchanged: (i) surety letters issued by Biosev S.A. and Biosev Bioenergia S.A.; and (ii) secured fiduciary sale of ethanol.

The outstanding balance of the aforementioned transactions as at March 31, 2020 was R$181 million, corresponding to 2.5% of the financing raised.

b) Syndicated Financing

On January 9, 2015, our subsidiary, Biosev Bioenergia International S.A., closed a new financing contract with a syndicate of eight banks led by Credit Agricole Corporate and Investment Bank, London Branch, ING Capital LLC and Natixis, New York Branch for US$318 million, of which 100% is repayable in nine installments, with final maturity on April 30, 2018. The financing is guaranteed by our surety and that of our subsidiary Biosev Bioenergia S.A., as well as a lien on sugarcane and/or flow of export receivables.

In March 2018, the transaction mentioned above was included in the negotiations to extend and roll over part of the bank indebtedness, the new final maturity date having been set at April 30, 2023. The guarantees remained unchanged.

As at March 31, 2020, the outstanding balance of the syndicated financing was R$1,153 million, representing 15.7% of the financing raised.

c) Export Pre-payment Facility with Banco Bradesco S.A.

On November 1, 2010 and October 13, 2011, we and Banco Bradesco S.A., respectively, entered into an export pre-payment facility of US$195 million, and two export pre-payment transactions amounting to US$42 million. These transactions carry different maturity dates, the longest maturing on October 4, 2013. On October 23, 2012, these transactions were extended, and the respective maturity dates became October 22, 2014, March 31, 2015 and September 24, 2015. The export pre-payment facilities were guaranteed by a surety from our subsidiary, Biosev Bioenergia S.A.

On September 30, 2014, the aforementioned export pre-payment transactions, in a total amount of US$145 million on that date, were amended to thereafter abide by a semi-annual flow of payments of interest and principal, with a grace period of 2.5 years on the principal and final maturity on September 30, 2019. The export pre-payments then also became guaranteed by a farm produce lien on sugarcane and by the flow of export receivables.

On March 30, 2017, the export pre-payment transactions mentioned above were once again amended. The maturity dates on amortizations from crop year 17/18 were extended to April 3, 2018.

In March 2018, the pre-payment transaction mentioned was included in the negotiations to extend and roll over part of the bank indebtedness, the new final maturity date having been set at March 25, 2023. The guarantees remained unchanged.

As at March 31, 2020, the outstanding balance was R$680.7 million, representing 9.3% of the financing raised.

d) ACC revolving credit facility umbrella

On June 10, 2014, we entered into a financing contract with a syndicate consisting of ten banks, led by ING Bank N.V., under an ACC revolving credit facility renewable at each repayment, for a total amount of US$440 million. These transactions bore a final maturity date of June 26, 2017. The ACCs are taken by us and our subsidiary, Biosev Bioenergia S.A., and, depending on the borrower, they are guaranteed by our surety or that of our subsidiary Biosev Bioenergia S.A.

On November 9, 2016, we obtained from the financial institutions participating in that financing contract, and from other financial institutions that signed up to it, disbursements and firm letters of commitment under which those financial institutions agreed to postpone the maturity date of that financing facility until June 2019, for a total amount of US$430 million, of which US$15 million on October 13, 2016, US$25 million on December 20, 2016 were disbursed through Banco ING, while US$30 million on February 24, 2017 were disbursed by Banco BNP. Thanks to these new commitments, the total amount of the transaction extended to June 2019 is US$430 million, equivalent to 97.7% of the originally contracted amount of US$440 million, at an interest rate of LIBOR + 5.65% per annum. These alterations were formalized under an amendment to the financing contract signed on August 11, 2016. This syndicated transaction was managed by ING Bank N.V., while the other participating financial institutions are Rabobank, BNP Paribas, Société Générale and Crédit Agricole.

In March 2018, the transaction mentioned above was included in the negotiations to extend and roll over part of the bank indebtedness, the new final maturity date having been set at March 31, 2023.

As at March 31, 2020, the outstanding balance was R$2,608 million, representing 35.6% of the financing raised.

e) Bilateral ACCs

On March 29, 2018, we entered into ACCs with Itaú Unibanco S.A. The ACCs are renewed at each repayment and mature on March 31, 2023. The ACCs are collateralized by the Company or its subsidiary, Biosev Bioenergia S.A.

On March 29, 2018, we entered into ACCs with Banco BTG Pactual S.A., Biosev S.A. and its subsidiary, Biosev Bioenergia S.A. The ACCs are renewed at each repayment date and mature on March 31, 2023. The ACCs are collateralized by the Company or its subsidiary, Biosev Bioenergia S.A.

On May 4, 2018, we entered into ACCs with Banco do Brasil S.A., Biosev S.A. and its subsidiary, Biosev Bioenergia S.A. The ACCs are renewed at each repayment and mature on March 31, 2023. The ACCs are collateralized by the Company or its subsidiary.

As at March 31, 2020, the outstanding balance totaled R$1,034 million, equivalent to 14.1% of the financing agreements.

f) Export prepayment operations with Amerra Capital Management LLC

On March 6, 2017, Biosev S.A. entered into with Amerra Capital Management LLC export prepayment operations, in the amount of US$50 million, falling due on September 30, 2019. On June 17, 2019, our subsidiary Biosev Bioenergia S.A. entered into with Amerra Capital Management LLC a similar operation in the amount of US$25 million, falling due on June 30, 2022. Both operations are collateralized by export receivables.

As at March 31, 2020, the outstanding balance totaled R$129 million, equivalent to 1.76% of the financing agreements.

10.1.f.ii. Other long-term relations with financial institutions

In addition to the long-term relationships mentioned above, we have interest rate hedge transactions with Brazilian and international banks to protect part of the US dollar-denominated Restructured Debt that bears Libor interest rates. We entered into two Libor swap contracts with prime banks, which abide by the same amortization and interest payment flow of the Restructured Debt, with final maturity in 2024.

As at March 31, 2020, the notional amount involved in those transactions was US$135.9 million, corresponding to R$706.7 million.

We also have letters of surety from Brazilian banks as guarantee of payment of a tax foreclosure proceeding, with indeterminate maturity dates and renewal of the commercial conditions of the collateral contracts every two years. As at March 31, 2020, the outstanding balance was R$142 million.

As at March 31, 2020 the Company held surety bond involving lawsuits totaling R$566.6 million.

10.1.f.iii. Degree of subordination between the debts

There is no degree of contractual subordination amount between our unsecured debts. Debts secured by in rem guarantees, as well as those subject to first priority claims (for example, ACCs), enjoy preferences and prerogatives established in law. Some of our debts, primarily those raised with the BNDES, including FINAME transactions and the FCO credit line, as well as the Restructured Debt, the syndicated financing, the export credit notes with Bank BTG Pactual, the export pre-payments with Bradesco and the Proparco financing, among others, are covered by in rem guarantees, as described in item 10.1.f.i. For further details see item 3.8 of this Reference Form.

10.1.f.iv. Occasional restrictions imposed on the issuer, especially in regard to indebtedness limits and the contracting of new debts, distribution of dividends, asset sales, issuance of new securities and sale of shareholder control, as well as compliance with those restrictions

Some borrowings and financing we have taken out contain covenants restricting changes in corporate control. Furthermore, those involving the restructured debt and certain export financing transactions impose restrictions on indebtedness, measured on an annual basis at the end of each year, using financial ratios referring to current liquidity, EBITDA divided by net financial expenses and net debt divided by EBITDA (as such terms are defined in the respective contracts – see definitions below) and ascertained based on the Company’s accounting information.

The following table shows the financial ratios applicable and the figures achieved by the Company since March 31, 2018:

Financial ratios	Contractual obligation	As at 03/31/2018	As at 03/31/2019	As at 03/31/2020
Current liquidity (1) – greater than or equal to:	1.1	2.06	1.10	0.48
EBITDA (2) over net financial expenses (3) – greater than or equal to	2.5	2.65	4.95	3.77
Net debt (4) over EBITDA – less than or equal to	3.5	2.67	3.28	3.86

As defined in our financial contracts containing restrictive covenants:

(1) Current liquidity means the division of current assets (plus 30% of the value of biological assets ascertained on the same date) by current liabilities.

(2) EBITDA means the earnings of the last 12 months before income tax and social contributions, financial revenues and expenses (with the exception of the results of commodity and foreign exchange hedge operations referring to purely commercial transactions defined in the audited financial statements), depreciation and amortization (including amortization of goodwill) and earnings (losses) arising from changes in fair value less the estimated selling costs of biological assets, both realized and unrealized.

(3) Consolidated net financial expenses means the sum of the costs of issuing debt, commissions, discounts and other rates on bank loans or letters of credit and financial expenses effectively paid, interest paid to private individuals or legal entities, including financial institutions, hedging expenses, leasing expenses, dividends and carrying costs of preferred shares, expenses with guarantees on other debtor companies, after discounting revenues from financial investments of other debtor companies and from hedging actually received.

(4) Net debt, short and long-term borrowings and financing, securities discounted, securities issued (including debentures and promissory notes ("commercial papers") and other local and international capital market transactions), acceptances, sureties, sureties and other guarantees on behalf of third parties, redeemable shares other than preferred shares, existing credits assigned as co-obligations and future credits assigned (with or without obligation) and short and long-term obligations to non-consolidated affiliates of the debtor companies, after deducting cash and cash equivalents (that is, cash in hand and short-term financial investments, excluding amounts receivable, in any manner, whose settlement is bound to or conditional on the payment of (existing or future) assigned credits.

Verification as to compliance with the restrictive covenants takes place on an annual basis at the close of the Company's year. For the year ended March 31, 2020, although we did not met our contractual commitment on borrowings and financing, our creditors granted a waiver specifically with respect to the audited Financial Statements for the year ended 2019/20. In the years ended March 31, 2019 and March 31, 2018, we have complied with all our contractual commitments on borrowings and financing.

Despite of the waiver granted by the creditors, which, therefore, maintained the original maturity dates and all other contractual conditions, the long-term borrowing and financing agreements must be reclassified in the short term, under Technical Pronouncement CPC 26. For further information, see item 10.1.h – Balance sheet analysis of this Reference Form. Upon reclassification in the short term, the current liquidity ratio is 0.48. Considering the waiver and the maintenance of the original contractual maturity dates, the current liquidity ratio is 1.1.

Some borrowings and financing contain restrictive covenants on divestment of assets. The restrictive covenants on divestment of assets shown in our main contract (as identified in item

10.1.(f).(i) above) impose in most cases certain conditions on divestment of our fixed assets. Among those conditions, the main ones refer to the requirement that, as stipulated in each of the respective contracts, (i) such divestments be undertaken during the normal course of our business; or (ii) the proceeds arising from such divestments be used to acquire other assets to replace those divested, or used in our investment project (with due regard for the terms of the respective contract), or furthermore, they be used to amortize the respective debt (in the case of the Restructured Debt); or (iii) that such divestments involve assets (a) whose divestment results in a reduction in our total crushing capacity (taken on aggregate) up to a certain percentage (as stipulated in the respective contract), provided this does not create a material adverse effect (as defined in the respective contracts), or, as the case may be, (b) that their selling price or book value exceeds a certain amount (as stipulated in the respective contract).

In some of our main contracts (as identified in item 10.1.(f).(i) above) there are also covenants that restrict encumbrance (which includes secured fiduciary sales) of our assets, with the exception of specific cases provided for in each of the respective contracts. Among the situations permitted, in addition to those occurring in the normal course of our business, the main ones refer to encumbrances (i) on any assets that guarantee debts incurred or assumed for the purpose of financing, wholly or partly, the acquisition cost of the encumbered asset; (ii) which are shown as easement, right of way, restriction or other limitation imposed as a result of the normal course of business; (iii) constituted in favor of multilateral credit institutions or the like, including the BNDES; (iv) constituted on our sugarcane, inventories and receivables in the normal course of business, up to a certain percentage (stipulated in the terms of each contract) of our total sugarcane, inventories and receivables.

Furthermore, in the ordinary course of our business, we entered into financial contracts with the creditors of our Restructured Debt under which our own shares and those issued by our subsidiaries were encumbered as collateral, in addition to part of our property and equipment in order to ensure fulfilment of the obligations arising from those instruments.

10.1.g. Financing limits and percentages already used

One of our debt contracts sets a limit on the raising of financing under advances against foreign exchange contracts, and which is being observed. As at March 31, 2020 we had raised 86% of the principal limit restricted under the contract.

10.1.h. Significant changes in each item of the financial statements

Basis for preparation and presentation of the financial statements

The consolidated financial statements for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 were prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The accounting practices adopted in Brazil encompass those contained in Brazilian company law and in the technical pronouncements and orientations and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The financial statements were prepared based on historical cost, with the exception of certain financial instruments, assets held for sale and biological assets measured at their fair values, as described in the accounting practices. Historical cost is usually based on the fair value of the considerations paid in exchange for the assets.

At the end of each year, the Company's management must make use of certain accounting practices that include estimates about the amounts of revenues, expenses, assets, liabilities and disclosures of contingent liabilities not easily obtained from other sources. The estimates and their respective assumptions are based on Management's historical experience and on other factors considered material. The actual results may differ from these estimates.

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

Income Statement for the Year:

The following is our consolidated income statement for the last three years ended March 31, 2020, 2019 and 2018:

Income statement ('000 BRL) [3]	03/31/2020	VA[1]	03/31/2019	VA[1]	HA[2]	03/31/2018	VA[1]	HA[2]
NET REVENUE	**6,538,086**	100.0%	6,232,172	100.0%	4.9%	7,103,644	100.0%	-12.3%
COGS	(5,838,031)	-89.3%	(5,642,200)	-90.5%	3.5%	(6,797,295)	-95.7%	-17.0%
GROSS PROFIT	**700,055**	10.7%	589,972	9.5%	18.7%	306,349	4.3%	92.6%
OPERATING INCOME (EXPENSES)	**(393,176)**	-6.0%	(602,220)	-9.7%	-34.7%	(878,887)	-12.4%	-31.5%
Selling, general and administrative expenses	(454,977)	-7.0%	(465,107)	-7.5%	-2.2%	(617,641)	-8.7%	-24.7%
Equity in subsidiaries	(8,952)	-0.1%	(11,373)	-0.2%	-21.3%	(5,079)	-0.1%	123.9%
Other operating income	351,164	5.4%	148,412	2.4%	136.6%	122,082	1.7%	21.6%
Other operating expenses	(280,411)	-4.3%	(274,152)	-4.4%	2.3%	(378,249)	-5.3%	-27.5%
FINANCIAL RESULT	**(2,216,057)**	-33.9%	(1,373,080)	-22.0%	61.4%	(1,118,329)	-15.7%	22.8%
Financial income	33,385	0.5%	57,011	0.9%	-41.4%	52,031	0.7%	9.6%
Financial expenses	(506,175)	-7.7%	(483,036)	-7.8%	4.8%	(886,761)	-12.5%	-45.5%
Derivatives	42,542	0.7%	81,504	1.3%	-47.8%	(24,530)	-0.3%	-432.3%
Exchange rate changes	(1,785,809)	-27.3%	(1,028,559)	-16.5%	73.6%	(259,069)	-3.6%	297.0%
LOSS BEFORE TAXES ON INCOME	**(1,909,178)**	-29.2%	(1,385,328)	-22.2%	37.8%	(1,690,867)	-23.8%	-18.1%
Income tax and social contribution	426,497	6.5%	186,198	3.0%	129.1%	420,992	5.9%	-55.8%
LOSS FOR THE YEAR	**(1,482,681)**	-22.7%	(1,199,130)	-19.2%	23.6%	(1,269,875)	-17.9%	-5.6%

[1] Column "VA" (vertical analysis) indicates share of net revenue. [2] Column "HA" (horizontal analysis) indicates the percentage change of each line in relation to the previous year. [3] Excluding the effects from IFRS16 for 2019/20 crop year for purposes of comparison with 2018/19 and 2017/18 crop years.

Below we comment on the more important accounts which have changed significantly since last year.

Net revenue ex-HACC (excluding the non-cash effects of hedge accounting for foreign currency debt)

Net revenue ex-HACC (R$ thousand)	2019/20	2018/19	%	2017/18	%
Sugar	**1,530,531**	1,727,580	-11.4%	3,139,748	-45.0%
Domestic market	199,097	324,436	-38.6%	364,760	-11.1%
Export market	1,331,434	1,403,144	-5.1%	2,774,988	-49.4%
Ethanol	**2,952,987**	2,695,807	9.5%	2,242,915	20.2%
Domestic market	2,426,564	2,537,662	-4.4%	2,133,220	19.0%

Export market	526,423	158,145	232.9%	109,695	44.2%
Energy	**464,508**	450,216	3.2%	349,665	28.8%
Total	**4,948,026**	4,873,603	1.5%	5,732,328	-15.0%
Other products	**1,856,261**	1,447,931	28.2%	1,549,084	-6.5%
Bagasse, services and others	36,721	45,043	-18.5%	53,631	-16.0%
Export performance contracts	1,819,540	1,402,888	29.7%	1,495,453	-6.2%
Total net revenue ex-HACC (R$ thousand)	**6,804,287**	6,321,534	7.6%	7,281,412	-13.2%

Net revenue excluding the non-cash effects from hedge accounting (HACC) amounted to R$6.3 billion for the year ended March 31, 2020, 7.6% higher than for the previous year, due mainly to higher volumes of ethanol in the export market, income from export performance transactions for debt in foreign currency and higher ethanol prices, partially offset by the fact that last crop year included revenue from the Nordeste Cluster.

Net revenue ex-HACC amounted to R$6.3 billion for the year ended March 31, 2019, 13.2% lower than for the previous year, due mainly to smaller volumes (the one-time effect of the carrying strategy executed by the Company during the harvest) and sugar prices. These effects were partially offset by higher volumes and average prices for ethanol and energy.

Sugar – In the year ended March 31, 2020, net revenue ex-HACC was R$1.5 billion, 11.4% below the previous year, due to a fall in sales volumes and average prices, reflecting lower prices for the product in the export market.

Net revenue ex-HACC in the year ended March 31, 2019 was R$1.7 billion, 45% below the R$3.1 billion figure for the previous year, due to a decrease in sales volumes and average prices, which reflect the lower prices of the product in the export market.

Ethanol – In the year ended March 31, 2020, net revenue ex-HACC was R$3.0 billion, 9.5% above the previous year, mainly reflecting the Company's ability to maximize the mix of ethanol production, and the strategy for increasing sales, mainly focused on products and periods of more value added.

In the year ended March 31, 2019, net revenue ex-HACC was R$2.7 billion, 20% above the previous year, due to an increase in sales volumes and average prices, mainly reflecting the Company's ability to maximize the mix of ethanol production, and the strategy for carrying product stocks throughout the harvest.

Energy – Net energy revenue reached R$464.5 million in the year ended March 31, 2020, 3.2% above the previous year, due mainly to increases in sales volumes, partially offset by the average prices.

Net energy revenue reached R$450.2 million in the year ended March 31, 2019, representing an increase of 28.8% in relation to the revenue of R$219 million for the previous year, due mainly to increases in sales volumes and average prices.

Other Products – The line "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 performance contracts with the aim of settling obligations in foreign currency.

Revenue from other products was R$1.9 billion in the year ended March 31, 2020, 28.2% higher than the revenue of R$1.5 billion in the year ended March 31, 2019, aligned with the net revenue of R$1.5 billion in the year ended March 31, 2018. These results are mainly related to the execution of export performance transactions associated with maturities of foreign currency-denominated debt contracts.

Cost of goods sold and services provided

The figures below for 2019/20 crop year exclude the effects from IFRS16 for purposes of comparison with previous crop years.

COGS and Cash COGS (R$ thousand) [1]	2019/20	2018/19	%	2017/18	%
Total COGS	**(5,838,031)**	(5,642,200)	3.5%	(6,797,295)	-17.0%
Non-cash items	**(1,167,256)**	(1,454,862)	-19.8%	(1,824,725)	-20.3%
Depreciation and amortization	(1,389,704)	(1,432,428)	-3.0%	(1,472,221)	-2.7%
Gains (losses) on the sale of biological assets	222,448	(22,434)	-1091.6%	(352,504)	-93.6%
Cash COGS	**(4,670,775)**	(4,187,338)	11.5%	(4,972,570)	-15.8%
Personnel	(472,046)	(553,038)	-14.6%	(560,188)	-1.3%
Raw materials	(1,483,378)	(1,597,560)	-7.1%	(1,729,784)	-7.6%
Industrial inputs and services	(91,827)	(178,418)	-48.5%	(168,679)	5.8%
Resale goods	(2,623,524)	(1,858,322)	41.2%	(2,513,919)	-26.1%
Sugar, ethanol and energy	(823,159)	(472,491)	74.2%	(997,587)	-52.6%
Export performance contracts	(1,800,365)	(1,385,831)	29.9%	(1,516,332)	-8.6%
Cash COGS ex-resale	**(2,047,251)**	(2,329,016)	-12.1%	(2,458,651)	-5.3%

[1] Excluding the effects from IFRS16 for 2019/20 crop year for purposes of comparison with 2018/19 and 2017/18 crop years.

In the year ended March 31, 2020, total COGS amounted to R$5.8 billion, 3.5% above the previous year, mainly related to the higher execution of export performance transactions associated with maturities of foreign currency-denominated debt contracts.

Excluding non-cash effects (R$1.2 billion) and resale costs (R$2.6 billion), cash COGS ex-resale amounted to R$2.0 billion, 12.1% below the total for the previous year, resulting mainly from a drop in operating costs due to the process of optimizing costs and structures, by the fact that last crop year included revenue from the Nordeste Cluster and the Company's sales optimization strategy, focused on products and periods of more value added.

In the year ended March 31, 2019, total COGS amounted to R$5.6 billion, 17% less than the total COGS of R$6.8 billion for the previous year. This decrease was due principally to the following factors: (i) a change in the fair value of biological assets, less estimated selling costs; and (ii) a fall in the volume of resale transactions.

These effects were partly offset by the export performance transactions associated with maturities of foreign currency-denominated debt contracts.

Excluding non-cash effects (R$1.4 billion) and resale costs (R$1.9 billion), cash COGS ex-resale amounted to R$2.3 billion, 5.3% below the total of R$2.5 billion for the previous year, resulting mainly from a drop in operating costs due to the process of optimizing costs and structures.

Cash Gross Profit ex-resale/HACC

The figures below for 2019/20 crop year exclude the effects from IFRS16 for purposes of comparison with previous crop years.

Cash gross profit ex-resale/HACC [1]	2019/20	2018/19	%	2017/18	%
Net revenue	**6,538,086**	**6,232,172**	4.9%	**7,103,644**	-12.3%
(-) Total COGS	(5,838,031)	(5,642,200)	3.5%	(6,797,295)	-17.0%

(=) Gross profit	**700,055**	**589,972**	**18.7%**	**306,349**	**92.6%**
(-) Non-cash effects on COGS	**(1,167,256)**	**(1,454,862)**	**-19.8%**	**(1,824,725)**	**-20.3%**
Depreciation and amortization	(1,389,704)	(1,432,428)	-3.0%	(1,472,221)	-2.7%
Gains (losses) on the sale of biological assets	222,448	(22,434)	-1091.6%	(352,504)	-93.6%
(=) Cash gross profit	**1,867,311**	**2,044,834**	**-8.7%**	**2,131,074**	**-4.0%**
Cash gross margin	**28.6%**	**32.8%**	***-4.2 p.p.***	**30.0%**	***2.8 p.p.***
(-) Impact from resale operations on net revenue	2,680,807	1,912,140	40.2%	2,557,495	-25.2%
(-) Impact from resale operations on COGS	(2,623,524)	(1,858,322)	41.2%	(2,513,918)	-26.1%
(-) Hedge accounting for foreign currency borrowing (HACC)	(266,201)	(89,362)	197.9%	(177,768)	-49.7%
(=) Cash gross profit ex-resale/HACC	**2,076,229**	**2,080,378**	**-0.2%**	**2,265,265**	**-8.2%**
Cash gross margin ex-resale/HACC	**50.4%**	**47.2%**	***3.2 p.p.***	**48.0%**	***-0.8 p.p.***

[1] Excluding the effects from IFRS16 for 2019/20 crop year for purposes of comparison with 2018/19 and 2017/18 crop years.

To provide a more adequate analysis of Biosev's operating profitability and to make it possible to compare our indicators with those of our peers, we have also excluded from the calculation of cash gross profit (i) the effects from resale operations of sugar, ethanol and energy, as well as performance of export contracts; and (ii) the effects from hedge accounting of foreign currency-denominated debt on net revenue (HACC), which is a non-cash impact.

The cash gross profit ex-resale/HACC in the year ended March 31, 2020 was R$2.1 billion, 2.6% above the total for the previous year. The increase reflects the Company's sales optimization strategy, focused on products and periods of more value added and reduction of operating costs, as a result of the cost cutting and restructuring improvements in progress in the Company.

The cash gross margin ex-resale/HACC was 51.7%, 4.5 p.p. higher than in the previous year.

The cash gross profit ex-resale/HACC in the year ended March 31, 2019 was R$2.1 billion, 8.2% below the profit of R$2.3 billion for the previous year. This drop reflects lower operating costs, as a result of the cost cutting and restructuring improvements in progress in the Company.

The cash gross margin ex-resale/HACC was 47.2%, 0.8 p.p. lower than in the previous year, which was 48.0%.

Operating results (operating income (expenses))

In the year ended March 31, 2020, our operating result was an expense of R$393 million, 34.8% lower than in the previous year.

In the year ended March 31, 2019, our operating result was an expense of R$602 million, an improvement of 31.5% than in the previous year, which was an expense of R$879 million.

These variations are explained below. The figures below for 2019/20 crop year exclude the effects from IFRS16 for purposes of comparison with previous crop years.

Selling, general and administrative expenses (SG&A)

Cash SG&A (R$ thousand) [1]	2019/20	2018/19	%	2017/18	%
Selling, general and administrative expenses (SG&A	**(454,977)**	**(465,107)**	**-2.2%**	**(617,641)**	**-24.7%**
Depreciation and amortization	(21,502)	(22,704)	-5.3%	(26,609)	-14.7%
Sales	**(175,117)**	**(209,393)**	**-16.4%**	**(271,560)**	**-22.9%**
Freight	(124,389)	(145,950)	-14.8%	(186,638)	-21.8%
Shipping charges	(38,947)	(50,814)	-23.4%	(71,341)	-28.8%

Commissions, wharfage and others	(11,781)	(12,629)	-6.7%	(13,581)	-7.0%
General and administrative	**(258,358)**	**(233,010)**	**10.9%**	**(319,472)**	**-27.1%**
Personnel	(127,225)	(122,122)	4.2%	(152,969)	-20.2%
Services	(104,326)	(80,353)	29.8%	(134,915)	-40.4%
Other	(26,807)	(30,535)	-12.2%	(31,588)	-3.3%
Cash SG&A	**(433,475)**	**(442,403)**	**-2.0%**	**(591,032)**	**-25.1%**

[1] Excluding the effects from IFRS16 for 2019/20 crop year for purposes of comparison with 2018/19 and 2017/18 crop years.

In the year ended March 31, 2020, total SG&A amounted to R$455 million, 2.2% less than in the previous year. Excluding depreciation expenses of R$21.5 million, cash SG&A totaled R$433.5 million, 2% lower than in the previous year.

The main factors contributing to these changes were the difference in the sales mix between the periods and the process of optimizing operating and organizational structures.

In the year ended March 31, 2019, total SG&A amounted to R$465 million, 25% less than in the previous year, which totaled R$618 million. Excluding depreciation expenses of R$23 million, cash SG&A totaled R$442 million, 25% lower than in the previous year, in the amount of R$591 million.

The main factors contributing to these changes were the difference in the sales mix between the periods and the process of optimizing operating and organizational structures.

Equity in subsidiaries

In the year ended March 31, 2020, equity loss in subsidiaries totaled R$9 million, after losses of R$11 million in the year ended March 31, 2019 and R$5 million in the year ended March 31, 2018. The changes are due mainly to TEAG's results during the periods, based on the performance of the terminal.

Other operating income (expenses)

In the year ended March 31, 2020, our other operating income amounted to R$71 million, compared to the operating expenses of R$126 million for the previous year. This difference is primarily due to the reversal of the allowance for impairment of the plants located in the Nordeste cluster, due to the derecognition of assets sold in the crop and the sums received from the Sugar and Alcohol Institute (IAA) and transferred to former shareholders of Santelisa Vale in the previous year.

In the year ended March 31, 2019, our other operating expenses amounted to R$126 million, 51% less than for the previous year, which totaled R$257 million. This difference is primarily due to funds received in the last quarter of the crop year against the payment of sums received from the Sugar and Alcohol Institute (IAA) and transferred to former shareholders of Santelisa Vale amounting to R$138 million in the previous year.

Financial result

In the year ended March 31, 2020, our financial result was an expense of R$2.2 billion, an increase of 61.4% compared to the previous year. The foreign exchange losses resulted mainly from the 33.4% devaluation of the Brazilian real against the US dollar between the crops, by virtue of the volatility in the last quarter of the crop (January 2020 to March 2020).

In the year ended March 31, 2019, our financial result was an expense of R$1.4 billion, an increase of 22.8% compared to the previous year, in the amount of R$1.1 billion. This variation resulted from the devaluation of the Brazilian real against the US dollar on the portion of debt denominated in dollars, offset by lower interest costs, gains from the settlement and marking to market of derivatives, and income from short-term investments in the period.

Financial income

In the year ended March 31, 2020, our financial income was R$33.4 million, 41.4% lower than for the previous year. This reduction is due mainly to the reduction of the average balance of short-term investments.

In the year ended March 31, 2019, our financial income was R$57 million, 9.6% higher than for the previous year, in the amount of R$52 million. This improvement is due mainly to an increase of R$9 million in income from short-term investments.

Financial expenses

In the year ended March 31, 2020, our financial expenses amounted to R$506 million, an increase of 46% on the figure for the previous year, due mainly to lower interest expenses.

In the year ended March 31, 2019, our financial expenses amounted to R$483 million, a decrease of 46% on the figure for the previous year, in the amount of R$887 million, due mainly to lower interest expenses.

Derivatives

In the year ended March 31, 2020, our result from derivatives was a gain of R$42.5 million, compared to a gain of R$81 million in the year ended March 31, 2019 and an expense of R$25 million in the year ended March 31, 2018. These changes are the result of the lower and/or higher gains on the marking to market of derivatives positions.

Exchange rate changes

The financial expense due to exchange rate changes was R$1,786 million in the year ended March 31, 2020, against a financial expense of R$1,029 million in the year ended March 31, 2019 and a financial expense of R$259 million in the year ended March 31, 2018. These changes are the result of the devaluation of the Brazilian real against the US dollar (33.4% and 17.2%, respectively) and its non-cash impact on the portion of debt denominated in dollars (R$1.9 billion and R$940 million, respectively).

Loss before taxation

In the year ended March 31, 2020, the result before provisions for income tax and social contribution was a loss of R$1.9 billion, compared with a loss of R$1.4 billion in the year ended March 31, 2019 and of R$1.7 billion in the year ended March 31, 2018. In addition to the factors mentioned earlier, the change in EBT is the result of variations in the fair value of biological assets, less estimated selling costs, of R$245 million and R$330 million, respectively.

Income tax and social contribution

In the year ended March 31, 2020, the result for the year was affected positively by income tax and social contribution (IR/CSLL), in the amount of R$426.5 million. This effect is principally caused by changes in temporary taxable differences for the year in respect of unrealized exchange rate changes and the marking to market of derivatives.

In the year ended March 31, 2019, the result for the year was affected positively by income tax and social contribution (IR/CSLL), in the amount of R$186 million. This effect is principally caused by changes in temporary taxable differences for the year in respect of unrealized exchange rate changes and the marking to market of derivatives.

Below we give a breakdown of income tax and social contribution recognized in the result for the years:

Income tax and social contribution	**03/31/2020**	**03/31/2019**	**03/31/2018**
Current	(15,294)	(8,943)	(19,534)
Deferred in relation to the origin and reversal of temporary differences and tax loss carryforwards	477,113	195,141	440,526
Recognized in income for the year	**461,819**	**186,198**	**420,992**

Loss for the year

In the year ended March 31, 2020, the loss for the year totaled R$1.5 billion, affected by the non-cash effects of the exchange rate changes (R$1.9 billion) on dollar-denominated indebtedness, lower settlement gains and marking to market of derivative positions, and decrease in income from short-term investments for the period, partially offset by the increase in net revenue and the Company's sales optimization strategy, focused on products and periods of more value added.

In the year ended March 31, 2019, the loss for the year totaled R$1.2 billion, compared to the loss of R$1.3 billion for the previous year, affected by the non-cash effects of the exchange rate changes (R$940 million) on dollar-denominated indebtedness and by adverse climatic events like the drought that prevailed during the sugarcane plantation growth period.

Adjusted EBITDA (including resale operations and the non-cash effects of hedge accounting for the debt in foreign currency)

Adjusted EBITDA was R$1.6 billion in the year ended March 31, 2020, 1.8% higher than for the previous year. Adjusted EBITDA margin was 23.8%, 0.7 p.p. lower than for the previous year. Adjusted EBITDA per unit was 10% higher than for the previous year (rising from R$52.3/ton to R$57.4/ton), as a consequence of the decrease of costs and expenses mentioned earlier, partly offset by lower sales prices and volumes of sugar.

Adjusted EBITDA was R$1.5 billion in the year ended March 31, 2019, 3.8% lower than for the previous year, in which the Adjusted EBITDA margins were 24.5% and 22.3% respectively. Adjusted EBITDA per unit was 8% higher than for the previous year (rising from R$48.6/ton to R$52.3/ton), as a consequence of the decrease of costs and expenses mentioned earlier, partly offset by lower sales prices and volumes of sugar.

Balance sheet analysis

As explained in item 10.1.f.iv of this Reference Form, in the year ended March 31, 2020, although we were not able to meet our contractual commitment of borrowings and financing, the Company obtained a waiver from the respective creditors and, therefore, the original maturity dates and other contractual conditions were maintained. However, under Technical Pronouncement CPC 26, the long-term borrowing and financing agreements must be reclassified in the short term, as shown in the table below in line item "Borrowings and financing", under liabilities.

All lines of our consolidated balance sheet are listed below, with the corresponding comparison between the positions as at March 31, 2020 (under IFRS16), March 31, 2019 and March 31, 2018:

ASSETS (RS thousand)	03/31/2020	VA¹	03/31/2019	VA¹	HA²	03/31/2018	HA¹	AH²
CURRENT ASSETS								
Cash and cash equivalents	1,174,943	8.7%	1,189,112	13.4%	-1.2%	1,530,092	15.7%	-22.3%
Short-term investments	52,245	0.4%	139,900	1.6%	-62.7%	443,283	4.6%	-68.4%
Derivative financial instruments	225,787	1.7%	39,416	0.4%	472.8%	42,604	0.4%	-7.5%
Accounts receivable	202,050	1.5%	117,591	1.3%	71.8%	356,377	3.7%	-67.0%
Inventories	2,948,633	21.9%	671,302	7.6%	339.2%	555,121	5.7%	20.9%
Biological assets	663,908	4.9%	501,124	5.7%	32.5%	521,948	5.4%	-4.0%
Recoverable taxes	158,777	1.2%	180,947	2.0%	-12.3%	250,164	2.6%	-27.7%
Other receivables	88,170	0.7%	97,043	1.1%	-9.1%	59,117	0.6%	64.2%
Assets held for sale	45,165	0.3%	220,456	2.5%	-79.5%	3,506	0.0%	6188.0%
Total current assets	**5,559,678**	41.4%	3,156,891	35.7%	76.1%	3,762,212	38.7%	-16.1%
NON-CURRENT ASSETS								
Short-term investments	-	0.0%	-	0.0%	0.0%	10,595	0.1%	-100.0%
Advances to suppliers	56,602	0.4%	42,427	0.5%	33.4%	6,491	0.1%	553.6%
Escrow deposits	385,413	2.9%	367,388	4.2%	4.9%	342,736	3.5%	7.2%
Recoverable taxes	57,529	0.4%	63,573	0.7%	-9.5%	133,351	1.4%	-52.3%
Derivative financial instruments	55,885	0.4%	-	0.0%	100.0%	-	0.0%	0.0%
Deferred income tax and social contribution	872,971	6.5%	403,692	4.6%	116.2%	275,592	2.8%	46.5%
Other receivables	320,012	2.4%	77,100	0.9%	315.1%	11,950	0.1%	545.2%
Right to use assets from lease operations	1,577,379	11.7%	-	0.0%	100.0%	-	0.0%	0.0%
Investments	160,393	1.2%	169,913	1.9%	-5.6%	183,530	1.9%	-7.4%
Property, plant and equipment	3,477,391	25.9%	3,641,525	41.2%	-4.5%	4,079,573	41.9%	-10.7%
Intangible assets	921,964	6.9%	919,660	10.4%	0.3%	925,198	9.5%	-0.6%
Total non-current assets	**7,885,539**	58.6%	5,685,278	64.3%	38.7%	5,969,016	61.3%	-4.8%
TOTAL ASSETS	**13,445,217**	100.0%	8,842,169	100.0%	52.1%	9,731,228	100.0%	-9.1%

LIABILITIES AND SHAREHOLDERS' EQUITY (R$ thousand)	03/31/2020	VA¹	03/31/2019	VA¹	HA²	03/31/2018	VA¹	HA²
CURRENT LIABILITIES								
Borrowings and financing	7,225,234	53.7%	542,971	6.1%	1230.7%	536,552	5.5%	1.2%
Lease obligations	498,932	3.7%	-	0.0%	100.0%	-	0.0%	0.0%
Advance from domestic customers	28,128	0.2%	13,987	0.2%	101.1%	43,918	0.5%	-68.2%
Advance from foreign customers	2,585,641	19.2%	357,345	4.0%	623.6%	74,933	0.8%	376.9%
Trade payables	798,903	5.9%	653,684	7.4%	22.2%	728,802	7.5%	-10.3%
Payroll provisions and charges	90,483	0.7%	92,000	1.0%	-1.6%	117,276	1.2%	-21.6%
Taxes and contributions payable	75,152	0.6%	74,344	0.8%	1.1%	134,075	1.4%	-44.6%
Derivative financial instruments	586,843	4.4%	159,518	1.8%	267.9%	52,658	0.5%	202.9%
Other payables	118,051	0.9%	107,518	1.2%	9.8%	215,587	2.2%	-50.1%
Total current liabilities	**12,007,367**	89.3%	**2,001,367**	22.6%	500.0%	1,903,801	19.6%	5.1%
NON-CURRENT LIABILITIES								
Borrowings and financing	96,191	0.7%	5,436,357	61.5%	-98.2%	4,765,785	49.0%	14.1%
Lease obligations	1,182,337	8.8%	-	0.0%	100.0%	-	0.0%	0.0%
Advance from foreign customers	626,116	4.7%	452,176	5.1%	38.5%	1,052,893	10.8%	-57.1%
Trade payables	5,965	0.0%	612	0.0%	874.7%	1,345	0.0%	-54.5%
Deferred income tax and social contribution	36,883	0.3%	38,882	0.4%	-5.1%	40,881	0.4%	-4.9%
Derivative financial instruments	16,596	0.1%	7,706	0.1%	115.4%	3,833	0.0%	101.0%

Provision for tax, labor, civil and environmental contingencies	294,668	2.2%	287,237	3.2%	2.6%	306,263	3.1%	-6.2%
Taxes and contributions payable	18,501	0%	4,324	0%	328%	29	0%	14810%
Other payables	167,247	1.2%	80,662	0.9%	107.3%	49,810	0.5%	61.9%
Total non-current liabilities	**2,444,504**	18.2%	**6,307,956**	71.3%	-61.2%	6,220,839	63.9%	1.4%
SHAREHOLDERS' EQUITY								
Capital	6,077,674	45%	6,077,674	69%	0%	2,618,214	27%	132%
Unpaid capital	-	0%	-	0%	0%	3,459,250	36%	-100%
Capital reserve	1,353,937	10.1%	1,353,937	15.3%	0.0%	1,349,809	13.9%	0.3%
Accumulated losses	(8,167,310)	-60.7%	(6,617,139)	-74.8%	23.4%	(5,418,431)	-55.7%	22.1%
Other comprehensive income (loss)	(277,132)	-2.1%	(287,906)	-3.3%	-3.7%	(414,052)	-4.3%	-30.5%
Total controlling shareholders' equity	**(1,012,831)**	-7.5%	**526,566**	6.0%	-292.3%	1,594,790	16.4%	-67.0%
Non-controlling interests	6,177	0.0%	6,280	0.1%	-1.6%	11,798	0.1%	-46.8%
Total shareholders' equity	**(1,006,654)**	-7.5%	**532,846**	6.0%	-288.9%	1,606,588	16.5%	-66.8%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**13,445,217**	100.0%	**8,842,169**	100.0%	52.1%	9,731,228	100.0%	-9.1%

(1) Column "VA" (vertical analysis) indicates share of net revenue.

(2) Column "HA" (horizontal analysis) indicates the percentage change of each line in relation to the previous year.

Below we comment on the more important accounts which have changed significantly since last year.

Assets

Cash and cash equivalents (current assets)

As at March 31, 2020, cash and cash equivalents totaled R$1,175 million, 1.2% lower than for the previous year. This reduction mainly reflects the payments of principal and interest, in the amounts of R$273.8 million and R$464.8 million, respectively, in the crop.

As at March 31, 2019, cash and cash equivalents totaled R$1,189 million, 22% lower than for the previous year, which totaled R$1,530 million. This reduction mainly reflects the amortizations of the remaining liabilities in relation to advances with the controlling shareholder, which totaled R$718 million in the first quarter of the crop and the payment of interest in the amount of R$377.8 million in the crop.

Derivative financial instruments (current and non-current assets)

As at March 31, 2020, derivative financial instruments totaled R$282 million, 615% higher than for the previous year, mainly due to the marking to market of derivative positions of currency and commodities.

As at March 31, 2019, derivative financial instruments totaled R$39 million, 7.5% lower than for the previous year, which totaled R$43 million, mainly due to the marking to market of derivative positions of currency and commodities.

Accounts receivable (current assets)

As at March 31, 2020, accounts receivable totaled R$202 million, 71.8% higher than for the previous year, mainly due to the Company's sales optimization strategy, focused on products and periods of more value added.

As at March 31, 2019, accounts receivable totaled R$118 million, 67% lower than for the previous year, in the amount of R$356 million, which mainly reflects the lower volume of sales in installments, influenced by lower sales volume of sugar and by higher sales volume of ethanol.

Inventories (current assets)

As at March 31, 2020, inventories totaled R$2.9 billion, 339% higher than for the previous year, mainly reflecting the performance advances in the amount of R$2.6 billion, which were required in order to comply with export performance contracts in connection with foreign currency obligations.

As at March 31, 2019, inventories totaled R$671 million, 21% higher than for the previous year, in the amount of R$555 million, mainly reflecting the performance advances in the amount of R$241 million, which were required in order to comply with export performance contracts in connection with foreign currency obligations.

Biological assets

As at March 31, 2020, biological assets totaled R$664 million, 32.5% higher than for the previous year. This variation resulted from the adjustment to the fair value of biological assets, mainly: prices, volume and foreign exchange rate.

As at March 31, 2019, biological assets totaled R$501 million, 4% lower than for the previous year, which totaled R$522 million. This variation resulted from the adjustment to the fair value of biological assets, mainly: prices, volume and foreign exchange rate.

Recoverable taxes (current and non-current assets)

As at March 31, 2020, recoverable taxes totaled R$216 million, 11.5% lower than for the previous year. As at March 31, 2019, recoverable taxes totaled R$244 million, 36% lower than for the previous year, which totaled R$384 million. These reductions were mainly due to the utilization/offsetting of federal tax credits, namely PIS and COFINS.

Assets held for sale (current sales)

As at March 31, 2020, assets held for sale totaled R$45 million, a R$175 million decrease compared to the balance as at March 31, 2019, which was R$220 million, and a R$217 increase compared to the balance as at March 31, 2018, which was R$3 million.

The reduction between 2020 and 2019 was due to the sale of the plants located in the Nordeste cluster, Estivas and Giasa.

The increase between 2018 and 2019 was due to the fact that on September 20, 2018, the Company signed an agreement with Pipa Agroindustrial Ltda. for the sale of the total capital of its subsidiary Usina Estivas Ltda., for the sum of R$203.6 million. These assets were measured at the lower of book value and fair value less selling costs.

Income tax and social contribution (non-current assets)

As at March 31, 2020, deferred income tax and social contribution assets totaled R$873 million, 116% higher than for the previous year, mainly due to the recognition of taxes on temporary differences for the year, specifically the fair value of biological assets, marking to market of financial instruments and unrealized exchange rate changes.

As at March 31, 2019, deferred income tax and social contribution assets totaled R$404 million, 47% higher than for the previous year, which totaled R$276 million, mainly due to the recognition of taxes on temporary differences for the year, specifically the fair value of biological assets, marking to market of financial instruments and unrealized exchange rate changes.

Asset use rights from lease operations (non-current assets)

On April 1, 2019, the Company adopted the new Technical Pronouncement CPC 06 (R2)/IFRS 16 – Leases, which changed the accounting of lease agreements and agricultural partnerships, which received the same treatment of the financing related to the acquisition of the asset use rights.

Upon adoption of IFRS 16, as at March 31, 2020, the Company recognized the amount of R$1.6 billion, equivalent to the asset use rights under effective agreements, stated at the present value of the obligations assumed before the counterparties and payable on the respective maturity dates (between 1 and 10 years).

Property, plant and equipment (non-current assets)

As at March 31, 2020, property, plant and equipment totaled R$3.5 billion, 4.5% lower than for the previous year. This reduction was mainly due to the sale of the plants located in the Nordeste cluster, Estivas and Giasa.

As at March 31, 2019, property, plant and equipment totaled R$3.6 billion, 11% lower than for the previous year, which totaled R$4.1 billion. This reduction was mainly due to the transfer of the Estiva and Giasa plants' property, plant and equipment to assets and liabilities held for sale and to line item "Investments".

Liabilities

Borrowings and financing (current and non-current liabilities)

As at March 31, 2020, gross indebtedness totaled R$7.3 billion, 22% higher than for the previous year. This result is mainly due to the impact of the 33.4% devaluation of the Brazilian real against the US dollar on the portion of debt denominated in dollars, in the amount of R$1.7 billion.

As explained in items 10.1 and 10.1.f.iv of this Reference Form, in the year ended March 31, 2020, we were not able to meet our contractual commitment of borrowings and financing; however, we obtained a waiver from the respective creditors and, therefore, the original maturity dates and other contractual conditions were maintained. However, under Technical Pronouncement CPC 26, the long-term borrowing and financing agreements must be reclassified in the short term, regardless of the respective maturity dates.

As at March 31, 2019, gross indebtedness totaled R$6.0 billion, 13% higher than for the previous year. This result is mainly due to the impact of the 17.2% devaluation of the Brazilian real against the US dollar on the portion of debt denominated in dollars, in the amount of R$739.5 million.

As at March 31, 2018, gross indebtedness totaled R$5.3 billion, 16% lower than for the previous year, in the amount of R$6.3 billion. This result is mainly due to the net amortizations, in the amount of R$1.2 billion, which was offset by the impact of the 4.9% devaluation of the Brazilian real against the US dollar on the portion of debt denominated in dollars, in the amount of R$212 million.

Lease obligations (current and non-current liabilities)

On April 1, 2019, the Company adopted the new Technical Pronouncement CPC 06 (R2)/IFRS 16 – Leases, which changed the accounting of lease agreements and agricultural partnerships, which received the same treatment of the financing related to the acquisition of the asset use rights.

Upon adoption of IFRS 16, as at March 31, 2020, the Company recognized the amount of R$1.7 billion, equivalent to the outstanding balances of the current lease agreements, stated at the present value based on the discount rates on the adoption date, less taxes on revenues (PIS and COFINS).

<u>Advance from foreign customers (current and non-current liabilities)</u>

As at March 31, 2020, advance from foreign customers totaled R$3.2 billion, 297% higher than for the previous year, mainly to performance advances, in the amount of R$2.6 billion, for compliance with the export performance contracts with the aim of settling obligations in foreign currency.

As at March 31, 2019, advance from foreign customers totaled R$809 million, 28% lower than for the previous year, in the amount of R$1.1 billion. This reduction is mainly due to the settlement of the balance of advances with related parties using the resources that were obtained with the AFAC in the 2017/18 crop.

<u>Trade payables (current and non-current liabilities)</u>

As at March 31, 2020, trade payables totaled R$805 million, 23% higher than for the previous year, due to the extension of the payment terms with suppliers, in conjunction with the initiatives to reduce the working capital needs.

As at March 31, 2019, trade payables totaled R$654 million, 10% lower than for the previous year. As at March 31, 2018, trade payables totaled R$730 million, 8% lower than for the previous year, which totaled R$795 million. These reductions are mainly due to the settlement of performance contracts with related parties that were outstanding, together with the impact of the lower price of sugarcane purchased from third parties due to the reduction from Consecana.

<u>Derivative financial instruments (current and non-current assets)</u>

As at March 31, 2020, derivative financial instruments totaled R$603 million, 261% higher than for the previous year, mainly due to the marking to market of derivative positions of currency.

As at March 31, 2019, derivative financial instruments totaled R$167 million, 196% higher than for the previous year, which totaled R$56 million, mainly due to the marking to market of derivative positions of currency.

Shareholders' Equity

As at March 31, 2020, shareholders' equity (deficit) totaled R$1.0 billion, 292% lower than for the previous year, mainly due to the losses of R$1.5 billion for the year.

As at March 31, 2019, shareholders' equity totaled R$533 million, 67% lower than for the previous year, in the amount of R$1.6 billion, mainly due to the losses of R$1.2 billion for the year.

<u>Cash flow analysis</u>

Listed below are all the lines of our consolidated cash flow, with the corresponding comparison between the positions as at March 31, 2020, March 31, 2019 and March 31, 2018:

Cash Flow (R$ thousand)	03/31/2020	03/31/2019	%	03/31/2018	%
CASH FLOW FROM OPERATING ACTIVITIES					
Loss for the year	(1,551,248)	(1,199,130)	29.4%	(1,269,875)	-5.6%
Items that do not affect cash	3,258,339	2,567,157	26.9%	2,309,224	11.2%
Depreciation and amortization	1,898,027	1,455,132	30.4%	1,498,830	-2.9%
Losses (gains) from the sale of biological assets	(222,448)	22,434	-1091.6%	352,504	-93.6%
Net interest and FX and monetary variation	2,215,369	1,139,728	94.4%	696,144	63.7%
Income from hedge operations	17,160	191,300	-91.0%	134,934	41.8%
Loss from deferred income tax and social contribution	(477,113)	(195,141)	144.5%	(440,526)	-55.7%
Other items that do not affect cash	(172,656)	(46,296)	272.9%	67,338	-168.8%
Decrease/(increase) in assets	(2,707,926)	38,168	-7194.8%	359,151	-89.4%
Increase/(decrease) in liabilities	3,375,886	(388,153)	-969.7%	(1,670,767)	-76.8%
Dividends received	-	-	0.0%	-	0.0%
Interest paid on borrowings and financing	(483,198)	(379,669)	27.3%	(459,295)	-17.3%
Cash generated by (used in) operating activities	**1,891,853**	**638,373**	196.4%	**(731,562)**	-187.3%
CASH FLOW FROM INVESTING ACTIVITIES					
Additions to property, plant and equipment	(678,306)	(696,929)	-2.7%	(613,704)	13.6%
Additions to biological assets	(470,081)	(493,481)	-4.7%	(479,856)	2.8%
Additions to intangible assets	(10,747)	(1,562)	588.0%	(3,497)	-55.3%
Decrease (increase) in short-term investments	89,206	320,288	-72.1%	(315,377)	-201.6%
Decrease (increase) in investments (provision for investment losses)	569	116	390.5%	(222)	-152.3%
Addition to lease agreements	(2,089,251)	-	-100.0%	-	0.0%
Derecognition of lease agreements	-	-	0.0%	-	0.0%
Cash generated by (used in) investing activities	**(3,158,610)**	**(871,568)**	262.4%	**(1,412,656)**	-38.3%
CASH FLOW FROM FINANCING ACTIVITIES					
Advance for future capital increase	-	-	0.0%	3,459,250	-100.0%
Costs on public offering/issue of new shares	-	-	0.0%	(10,263)	-100.0%
Shareholders' contributions	-	210	-100.0%	-	100.0%
Raising of borrowings and financing	4,408,209	3,442,818	28.0%	3,381,435	1.8%
Payment of borrowings and financing	(4,723,709)	(3,550,813)	33.0%	(4,619,550)	-23.1%
Additions to lease operations	2,089,397	-	100.0%	-	0.0%
Derecognition of lease operations	-	-	0.0%	-	0.0%
Payment of lease operations	(521,309)	-	-100.0%	-	0.0%
Cash generated by (used in) financing activities	**1,252,588**	**(107,785)**	-1262.1%	**2,210,872**	-104.9%
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(14,169)**	**(340,980)**	-95.8%	**66,654**	-611.6%
Cash and cash equivalents at the beginning of the year	1,189,112	1,530,092	-22.3%	1,463,438	4.6%
Cash and cash equivalents at the end of the year	**1,174,943**	**1,189,112**	-1.2%	**1,530,092**	-22.3%

The following are the comments of the most representative lines and which have exhibited significant variations in the comparison between the years.

Operating activities

Cash generated by operating activities in the year ended March 31, 2020 totaled R$1.9 million, compared to R$638 million generated in the year ended March 31, 2019 and R$731 million generated in the year ended March 31, 2018. These results are mainly associated with the adoption of IFRS 16 in 19/20 crop year.

Investing activities

Cash used in investing activities totaled R$3.2 billion in the year ended March 31, 2020, compared to R$872 million and R$1.4 billion in the years ended March 31, 2019 and March 31, 2018, respectively, mainly due to the changes in short-term investments and the adoption of IFRS 16 in 19/20 crop year.

Financing activities

Cash generated by financing activities totaled R$1.3 billion in the year ended March 31, 2020 compared to the cash used in financing activities of R$108 million in the year ended March 31, 2019 and the cash generated by financing activities of R$2.2 billion in the year ended March 31, 2017. These variations resulted mainly from the adoption of IFRS 16 in 19/20 crop year and the sum of R$3,459 million as Advance for Future Capital Increase (AFAC) made by the controlling shareholder in the 2017/18 crop year under the capital increase process.

10.2.a. results of our operations:

10.2.a.i. description of any major components of revenue

Revenue from the sale of goods in the normal course of business is measured at the fair value of the consideration received or receivable minus any whatsoever estimates of returns, trade discounts and/or bonuses granted to the purchaser and other similar deductions.

Sales revenue is recognized when there is convincing evidence that (i) the most significant risks and benefits inherent to the ownership of the assets have been transferred to the purchaser; (ii) the financial and economic benefits flow to the entity; (iii) the associated costs and the possible return of goods can be estimated in a reliable way; (iv) there is no continuous involvement with the goods sold; and (v) the value of operating revenue can be measured in a reliable way. Revenue from services rendered is recognized based on its execution.

For bill and hold sales contracts, where delivery of the goods is delayed at the request of the purchaser, the revenue is recognized when (i) the purchaser becomes the owner; (ii) the purchaser provides specific instructions related to the delivery; (iii) the payment terms are the same ones as are usually practiced by the Company; and (iv) the product is in the Company's inventory identified and ready for delivery to the purchaser.

The proper moment in terms of the transfer of risks and benefits varies depending on the individual conditions of the sales contract. For international sales, it depends on the contract's type of international sales term (International Commercial Term or "incoterms").

Our net revenues are mainly derived from (i) the sale of ethanol and sugar to the domestic and foreign markets; (ii) the sale of electric energy, to the domestic market; and (iii) the sale of commodities in order to fulfill export performance contracts. In this sense, our net revenues are affected by the volumes sold of the aforementioned related products and their respective prices.

In relation to sugar revenues and specifically to the prices of this product, our Financial and Risk Management policy determines that by March 31st of each fiscal year we have contracted hedge for a percentage that corresponds to between 60% and 100% of our net exposure to sugar prices of the following fiscal year. We can also protect our exposure to exchange rates by adhering to the same proportion as the hedges related to sugar prices, observing a deviation limit determined by our Risk Committee.

In this context, as of March 31, 2020, our hedge position for the fiscal year ending March 31, 2021 was a volume of 811 thousand tons of sugar protected by hedge contracts (or "hedged") at the price of US$13.67/lb, which accounted for roughly 85.4% of our exposure and a volume of US$266 million at a price of R$4.253/US$.

10.2.a.ii. factors that materially affected operating results:

Climatic factors affect the productivity of our sugarcane fields and consequently may have a material impact on our operating results.

Fiscal year ended March 31, 2020

In the fiscal year ended March 31, 2020, the average productivity of the sugarcane fields as measured by TCH (tons of sugarcane per hectare) came out to a figure of 82.9 tons/hectare, which was a 3.5% increase by comparison with the previous fiscal year. These results can mainly be explained by more favorable climatic conditions during the crop development period of the sugarcane fields (January to March) in the Ribeirão Preto Norte cluster, partially compensated by the frost in Mato Grosso do Sul cluster.

On the other hand, the Total Recoverable Sugar - TRS was 1280.0 kg/ton for the 19/20 crop-year, which was 2.1% lower than the 18/19 crop-year. These results mainly reflect the impacts of drought in past crop, which favors the concentration in sugar content.

Fiscal year ended March 31, 2019

In the fiscal year ended March 31, 2019, the average productivity of the sugarcane fields as measured by TCH (tons of sugarcane per hectare) came out to a figure of 73.8 tons/hectare, which was a 4.7% decrease by comparison with the previous fiscal year. These results can mainly be explained by the lower volume of rainfall during the crop development period of the sugarcane fields in the Ribeirão Preto Norte and Ribeirão Preto Sul clusters.

On the other hand, the Total Recoverable Sugar - TRS was 130.9 kg/ton for the 18/19 crop-year, which was 1.7% higher than the 17/18 crop-year. These results mainly reflect the continuity of sound agricultural practices such as the management of the sugarcane fields and adjustments of the varietal profile.

Fiscal year ended March 31, 2018

In the fiscal year ended March 31, 2018, the average yield of the sugarcane plantations as measured by TCH (tons of sugarcane per hectare) came out to a figure of 77.4 tons/hectare, which denotes a 0.7% reduction vis-à-vis the previous fiscal year. This reduction is largely due to the lower level of rainfall during the crop development period of the sugarcane fields in the state of São Paulo, which led to a decrease in the productivity of the sugarcane fields in the Ribeirão Preto (RP) Agroindustrial Cluster. This decrease was partially offset by the increase in productivity in the Mato Grosso do Sul (MS) Cluster, which registered a 3.0% growth, coming out to a figure of 83.4 tons/hectare in the crop-year. The Total Recoverable Sugar - TRS content was 128.8 kg/ton, which translates into a 0.2% decrease, and was practically in line with the previous crop year. The maintenance of the Total Recoverable Sugar - TRS mainly reflects the continued utilization of sound agricultural practices such as the management of the sugarcane fields and adjustments of the varietal profile.

10.2.b. variations in revenues attributable to changes in prices, exchange rates, inflation, alterations in volumes and the introduction of new products and services

Our main products are exposed to changes in commodity prices and in the exchange rate, in addition to other indexes.

Revenue from sugar and exports, in addition to the acquisition costs of certain inputs and the costs of acquiring sugarcane from third parties, are directly or indirectly linked to the price of the US dollar and, consequently, are affected by variations in the exchange rate. We aim to minimize these impacts by means of contracting of derivative instruments, in accordance with our Financial and Risk Management Policy.

On the other hand, under Petrobrás' current gasoline pricing policy, ethanol revenues are influenced by: (i) the price of oil by-products and the US dollar exchange rate; and (ii) the supply and demand of ethanol in the domestic market, with this being a function of fuel demand, competitiveness of the final prices of ethanol versus gasoline, crop size, the production mix between sugar and ethanol, and flows of imports and exports.

Historically, the Company’s revenue has not been significant affected by inflation.

Additionally, as indicated in item 10.2.a.ii above, climatic factors have a direct impact on agricultural productivity and the quality of the sugarcane, with a subsequent impact on our volume of production and revenue.

10.2.c. impact of inflation, changes in the prices of the main inputs and products, in the exchange rate and in interest rates on the operating results and the financial results

In addition to the abovementioned factors that have an impact on our revenue and which also influence our operating results, some of the inputs needed for agricultural production such as pesticides and fertilizers, along with others, have their prices pegged to the US dollar, which is why the exchange rate variation may have an impact on our operating results. We seek to minimize this impact by means of our Financial and Risk Management Policy. Other costs may be influenced by inflation rates, with a direct impact on our results. In addition to this, the cost of acquiring sugarcane from third parties is adjusted by CONSECANA of the State of São Paulo, which is influenced by the price of sugar and ethanol and foreign exchange variation.

In addition, our financial result is subject to (i) foreign exchange variation in connection with the portion of the US Dollar denominated debt; (ii) foreign exchange variation, which has an impact on our financial result due to the derivative financial instruments contracted for foreign exchange protection and not designated as Hedge Accounting; and (iii) interest rates (such as LIBOR, CDI and TJLP), given that the Company has debt instruments that are linked to the aforesaid indices.

10.3.a. introduction or divestiture of an operating segment

There was no introduction or divestiture of any operating segments. Therefore, there were no material effects on our consolidated financial statements.

10.3.b. incorporation, acquisition or divestiture of corporate interests

On January 3, 2017, we approved the dissolution of the subsidiary Biosev Bioenergia Limited, located in the Cayman Islands, without the aforesaid dissolution having caused or potentially causing any material effect on our financial statements.

On December 20, 2017, Biosev Bioenergia S.A. signed an agreement with STA Holding Ltda., R.F.G.S.P.E. Empreendimentos e Participações S.A. and Pioneiros Participações Ltda. for the sale of its shares in Crystalsev Comércio e Participações Ltda. In order for the aforementioned divestiture to take effect, by means of the transfer of ownership of the shares to the purchasers, a number of conditions precedent have to be complied with, including among others: (i) the exclusion of the requirement contained in paragraphs 7 and 8 of Article 5 of Crystalsev's bylaws, which provides that shareholders should be legal entities which are engaged in the production of sugar and ethanol; (ii) the express waiver or non-exercise of the preemptive right by the other partners within the contractual deadline following Crystalsev's notification; and (iii) the release of all and any encumbrances that may fall upon the shares representing the capital stock of Sociedade Operadora Portuária de São Paulo (SOP) and the cancellation of inventory proceeding No. 15.954.720.006/2015-90. On August 13, 2018, approval was given for the reduction of Crystalsev's capital stock, which was reduced by the amount of R$49,270, from R$230,852 to R$181,582, by means of the cancellation of 49,270,274 shares with a par value of one *Real* (R$1.00) each, in proportion to the corporate interest held by each of the partners. This capital reduction and the proportional cancellation of shares were implemented by means of the delivery by Crystalsev to its partners (i) of the total corporate interest that the company had in SOP, in the amount of R$49,270, as restated, represented by 22,265,937 shares representing 85% of SOP's capital stock; and (ii) R$0.79 cents in domestic currency. The distribution of SOP's shares by Crystalsev and the refund of the amount in cash to the shareholders was in accordance with corporate interest percentage held by each of the shareholders in Crystalsev. In March 2020 the aforementioned divestiture process is under way. Management does not believe that the aforesaid divestiture has caused or will cause any material effect on the Company's financial statements.

10.3.c. Unusual events or operations

<u>Sale of the Estivas (State of Rio Grande do Norte) Industrial Unit</u>

On September 20, 2018, a Quota Purchase and Sale Agreement and Other Agreements was carried out, establishing the commitment to sell all of the capital stock of Usina Estivas Ltda., a subsidiary of Biosev S.A. to Pipa Agroindustrial Ltda., a limited company registered with the Corporate Taxpayer Registry number 21.730.100/0001-43, controlled by an investment fund managed by Socopa Sociedade Corretora Paulista S.A., following the contribution in Usina Estivas Ltda. of the assets, rights, obligations and liabilities that make up the commercial establishment located in the Municipality of Arez, in the State of Rio Grande do Norte, registered with the Corporate Taxpayer Registry number 15.527.906/0008-02 (Estivas unit). In the financial statements for the fiscal year ended September 30, 2018, the unit's assets were reclassified from assets and liabilities to the held for sale line item, which is a non-cash effect. In the financial statements for the fiscal year ended March 31, 2019, the unit's assets were recognized in held for sale line item. The sale was concluded on August 30, 2019. Accordingly, in the fiscal year ended March 31, 2020, the unit's assets were written off and recognized in the result.

10.4. The executive officers must comment on:

10.4.a. Significant changes in accounting practices

The individual and consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

The accounting practices adopted in Brazil include those included in Brazilian corporate legislation as well as the pronouncements and the technical instructions and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

10.4.a.i New standards, amendments and interpretations of standards

a) Standards, interpretations and amendments of existing standards that are not yet in force and that were not adopted in advance by the Company in 2020.

a.1) The changes published relating to Technical Pronouncements CPC 38/IAS 39, CPC 40 (R1)/IFRS 7 and CPC 48/IFRS 9 – in connection with the International Accounting Standards Board (IASB) – essentially refer to the "reference interest rate reform" or "IBOR Reform".

Such reform resulted from the discontinued use of the London Interbank Offered Rate (LIBOR) (USD Libor, JPY Libor, CHF Libor and GBP Libor) as reference interest rate after 2021, mainly due to the vulnerability to manipulation or errors committed by the banks, as the LIBOR rate is calculated based on the interbank average at which rate the main banks can mutually refinance each other.

a) Standards, interpretations and amendments of existing standards that are not yet in force and that were not adopted in advance by the Company in 2019.

a.1) The published alterations to the existing standards for CPC 06/IFRS16 and IFRIC 23 are mandatory for years beginning after April 1, 2019 and have not been used for the preparation of the financial statements for the year ended March 31, 2019. There was no early adoption and the impacts of the adoption will be presented in the first quarter of the 2019/2020 crop year.

Standard	Main requirements	Date of coming into force
IFRS 16/ CPC 06 (R2)	"Leases", IFRS 16, which will replace IAS 17 and related interpretations, establishes the principles for the recognition, measurement, presentation and disclosure of leases.	Applicable to years beginning on or after January 1, 2019.

Essentially this standard determines that lessees will have to recognize the future payments in their liabilities and the right to use the leased asset in their assets, for virtually all lease agreements, in this way financial and operational lease agreements will have the same

accounting treatment, with certain short-term or low-value contracts being outside the scope of this new standard.
IFRS 16 also requires the recognition of a depreciation rate related to right-of-use assets and an interest expense on lease liabilities, by comparison with the recognition of operating lease expense or rental cost on a straight-line basis over the term of the lease based on prerequisites.

The Company started to adopt the standard on April 1, 2019 using a modified retrospective approach that results in the prospective application of the standard. The modified retrospective approach does not require the previous period's accounting information to be updated.

In the adoption of IFRS 16, the Company will recognize the lease liabilities in relation to the agreements that meet the definition of a lease, in accordance with the principles of the new standard. These liabilities will be measured at the present value of the remaining lease payments, discounted based on the incremental loan rate as at April 1, 2019. Assets associated with the right of use will be measured at an amount equal to the lease liability as at April 1, 2019, with no impact on retained earnings.

In the assessment of impacts for adoption of the standard, a discussion is still underway as to whether or not agricultural partnership agreements should be included in the scope.

Standard	Main requirements	Date of coming into force
IFRIC 23	"Income Tax" – accounting for uncertainties regarding tax treatment: requires an analysis to be carried out as to whether the tax authority will accept the tax treatment chosen by the Company. If it is likely, the Company will recognize the amount in accordance with the income tax return, otherwise the Company will recognize a different value from that on the income tax returns, so as to reflect the uncertainty of the tax treatment chosen.	Applicable to years beginning on or after January 1, 2019.

The purpose of this interpretation is to clarify how to assess the uncertainties in the accounting for taxes on profits when the applicable legislation is not clear. The Company has assessed the changes introduced by this new standard and based on the analysis carried out, did not identify any material changes that have an impact on its financial statements.

a) Standards, interpretations and amendments of existing standards that are not yet in force and that were not adopted in advance by the Company in 2018.

The published alterations to the existing standards for CPC 47/IFRS15 and CPC 48/IFRS 9 are mandatory for years beginning after April 1, 2018. The Company evaluated the changes introduced by these standards, as described in detail below:

Standard	Main requirements	Date of coming into force

IFRS 15 / CPC 47	"Revenues from Contracts with Customers" – IFRS 15 requires that revenue is recognized to reflect the transfer of goods or services to the customers at an amount that corresponds to the company's expectation to be entitled to the rights of these goods or services.	Applicable to years beginning on or after January 1, 2018.

The Company evaluated all stages of the new standard. Based on these analyses, the Company has not identified significant measurement impacts from the adoption of this standard, taking into account that all revenue recognition criteria have already been complied and there are no performance obligations subsequent to the delivery of the goods; therefore, the Company satisfies the performance obligation when the product is transferred to the customer both in the domestic and overseas markets.

Standard	Main requirements	Date of coming into force
IFRS 9 / CPC 48	"Financial Instruments" – IFRS 9 maintains but simplifies the combined measurement model and establishes two main categories to measure financial assets: amortized cost and fair value. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard defines only one impairment model and revised the model to hedge accounting.	Applicable to years beginning on or after January 1, 2018.

The Company evaluated the changes introduced by this new standard and, based on the analyses performed through the balance sheet date, the expected impact, both in the allowance for doubtful debts ("PCLD"), in line item "Trade receivables", and the value of our receivables, in line item "Accounts receivable", will not be significant.

For the other financial instruments, we have not identified any impact with respect to the current structure of the Company's financial instruments.

10.4.b. Significant effects of the changes in accounting practices

The Company started to adopt CPC 06 (R2)/IFRS 16 on April 1, 2019 using a modified retrospective approach that results in the prospective application of the standard. The modified retrospective approach does not require the previous period's accounting information to be updated.

For the agreements in effect on the initial adoption date, right-of-use assets and lease liabilities were recognized, representing the obligation to perform the payments related to the underlying lease assets for the same amount stated at present value of the future obligations set forth in the agreements, including taxes on revenues (PIS and COFINS).

Right-of-use assets are subsequently depreciated on a straight-line basis, from the initial date to the end of the lease term.

The present value of lease liabilities was calculated based on the incremental interest rate, over the contractual term.

After the initial date, the lease liabilities of agricultural partnership and lease agreements subject to variation will be remeasured to reflect the lease payment changes. Such remeasurement will be recognized as adjusted to right-of-use assets.

The Company applied the exemption set forth in the standard for non-recognition of right-of-use assets and lease liabilities for low-value assets and agreements falling due before 12 months. For these agreements, the Company will continue to recognize the lease expenses on a straight-line basis.

Beginning April 1, 2018, the Company adopted CPC 47/IFRS 15 – "Revenues from Contracts with Customers" and CPC 48/IFRS 9 – "Financial Instruments".

CPC 47/IFRS 15 – "Revenues from Contracts with Customers" establishes a comprehensive structure for determining if, when, and for how much the revenue is recognized. The Company adopted CPC 47/IFRS 15 using the cumulative effect method; however, this adoption did not generate any change in the amounts previously recognized as revenue, bearing in mind that all the criteria for recognition of the revenue were already complied with by IAS 18 (CPC 30) and there are no performance obligations subsequent to the delivery of the goods; therefore, the Company satisfies the performance obligation when the product is transferred to the customer both in the domestic and overseas markets.

CPC 48/IFRS 9 – "Financial Instruments" – the new pronouncement includes new rules on the classification and measurement of financial assets, as well as impairment and new practices for hedge accounting, which are simplified below:

Classification and measurement – IFRS 9 establishes that financial assets should be classified and measured in three categories: amortized cost, fair value by means of other comprehensive income (VJORA) and fair value through profit or loss (VJR). The held-to-maturity, loans and receivables and available-for-sale categories that were included under the scope of IAS 39 were withdrawn.

Impairment – the "incurred losses" model is replaced by an "estimated credit loss" model, where it is no longer necessary for a loss event to occur prior to recognition of the impairment loss. The model uses a two-fold approach, in which the provision will be measured for expected credit losses for 12 months or for the entire life of the asset.

Hedge Accounting – a new general hedge accounting model was included, which does not change, but fundament the types of hedge relationship or requirements for measurement and recognition of ineffectiveness.

As at March 31, 2018, the accounting practices adopted in the preparation of the financial statements have not been significantly impacted. These accounting practices have been consistently applied in the previous years.

10.4.c. Qualifications and emphases in auditor's report

The independent auditor's reports related to financial statements for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 were issued without qualifications.

The independent auditor's report on our financial statements for the year ended March 31, 2020 was issued with the following emphasis:

Related-party transactions

The Company and its subsidiaries have concluded a material amount of transactions with Louis Dreyfus Company Group's related parties. The effects on the results from these transactions and related assets and liabilities are disclosed in Note 20 to the financial statements. Our opinion has not been altered due to this matter.

The independent auditor's report on our financial statements for the year ended March 31, 2019 was issued with the following emphasis:

Related-party transactions

The Company and its subsidiaries have concluded a material amount of transactions with Louis Dreyfus Company Group's related parties. The effects on the results from these transactions and related assets and liabilities are disclosed in Note 19 to the financial statements. Our opinion has not been altered due to this matter.

The independent auditor's report on our financial statements for the year ended March 31, 2018 was issued with the following emphasis:

Related-party transactions

The Company and its subsidiaries have concluded a material amount of transactions with Louis Dreyfus Company Group's related parties. The effects on the results from these transactions and related assets and liabilities are disclosed in Note 18 to the financial statements. The auditor's conclusion has not been modified due to this matter.

Jointly controlled investment - concession agreement

As stated in Note 11 to the financial statements, the investee Terminal de Exportação de Açúcar do Guarujá (TEAG), a jointly controlled investment, operates a concession agreement with Companhia Docas do Estado de São Paulo ("CODESP" or "Awarding Authority") due to end on July 8, 2018. On July 14, 2017, the investee obtained preliminary approval for the joint investment plan with CODESP in order to obtain early prorogation of the concession agreement. However, as of the date of approval of the financial statements, the investee is still awaiting the conclusion of the renewal process. The financial statements should be read in this context. The auditor's conclusion has not been modified in relation to this matter.

10.5. The executive officers must indicate and comment on the critical accounting policies adopted by the issuer, specifically the accounting estimates prepared by Management relating to uncertain and relevant matters for description of the financial condition and results, which require subjective or complex judgement, such as: provisions, contingencies, revenue recognition, tax credits, long-lived assets, useful life of noncurrent assets, pension plans, foreign currency translation adjustments, environmental recovery costs, criteria to test assets for impairment, and financial instruments

In order to prepare the financial statements, our Management must, at the end of each fiscal year, make use of certain accounting practices that include judgments and estimates as to the amounts of revenues, expenses, assets, liabilities and disclosures of contingent liabilities, which are not easily obtained from other sources. These estimates and their respective assumptions are based on Management's historical experience and other factors considered relevant. Actual results may differ from these estimates. The main judgments, estimates and assumptions made and used by Management during the preparation of the financial statements are as follows:

Estimated allowance for doubtful accounts

As of April 1, 2018, with the adoption of IFRS 9 (CPC 48) Financial Instruments, the Company adopted the estimated allowance for doubtful accounts model (ADA), in which a loss event no longer has to occur before impairment is recognized. The model uses a two-fold approach in which a provision will be measured for expected credit losses over 12 months or over the asset's entire lifetime. The adoption of this new methodology did not materially impact income or shareholders' equity.

The allowance for doubtful accounts result is posted under "Other operating income" and "Other operating expenses" in the statement of income. When there is no expected recovery of additional monies, the amounts credited to "Allowance for doubtful accounts" are reverted against definitive write-off of the security and recognized in income as per CPC 48.

Past due receivables and incurred losses appraisals depend on their aging and being past due for at least two past crops. This means that percentage default is determined from balances yet to fall due through to those past due for more than 365 days.

Past due receivables and incurred losses are analyzed annually in order to update the percentage defaults to be considered.

For each aging risk range, the calculation is made as follows:

$$\%\ \mathrm{ADA} = \frac{\mathrm{Losses}}{(\mathrm{Received} + \mathrm{Losses})}$$

Where: Losses: the volume of receivables/securities to be definitively written-down in relation to the historical period analyzed.

Received: is the volume of receivables/securities received that were past due in the corresponding range.

Provision for inventory losses

In accruing provision for inventory losses, our basis was the history of losses occurred in the physical movements of goods, to estimate possible losses on existing inventories in the agroindustrial units. In addition, provisions are recorded for realization of inventory items for which estimated selling price is below cost of acquisition and/or cost of production, and also for slow-turnover items that may become obsolete.

Assets and liabilities adjusted to present value

Purchase and sale transactions by installment and fixed-rate assets, or other assets and liabilities, when applicable, are adjusted to present value depending on their respective realization dates. Present value is calculated by estimating future cash flows from each cash generating unit while assuming a discount rate deemed appropriate in Management's judgment.

Useful life of property, plant and equipment

We review estimated useful lives of property, plant and equipment annually at the end of each year. In this review, the estimated useful lives of key fixed assets may or may not be altered. The effects arising from the revised estimates of useful life of these assets are recognized prospectively in financial statements.

Impairment of tangible and intangible assets, excluding goodwill

At the end of each year, we review the carrying amount of tangible and intangible assets to determine if there is any sign these assets are being impaired. If there is, the recoverable value of the asset is estimated for the purpose of measuring the amount of loss. When the recoverable amount of an asset cannot be estimated individually, we calculate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent base for allocating may be identified, corporate assets are also allocated to individual cash-generating units or to the smallest group of cash-generating units for which a reasonable and consistent basis for allocation may be identified.

Recoverable amount is fair value less cost of selling or use value, whichever is higher.

To appraise use value, estimated future cash flows are discounted to present value at the pre-tax discount rate, which reflects a current market valuation of the currency's value over time and the specific risks of the asset for which estimated future cash flow has not been adjusted.

If the calculated recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized immediately in income.

When impairment loss is reverted, the carrying amount of the asset (or cash generating unit) is raised to the revised estimate of its recoverable value, provided that it is not more than the carrying amount that would have been determined if no impairment were recognized for the asset (or cash-generating unit) in previous years. The impairment loss reversion is immediately recognized in income when applicable.

Valuation of financial instruments and derivatives

To estimate the fair value of certain types of financial instruments, we use valuation techniques that include information not based on observable market data.

In applying our accounting practices for derivative transactions classified as future cash flow hedging, we use estimates of revenues and costs in their projected realization periods. The results from marking to market or realization of financial instruments or derivatives designated as future cash flow hedges are posted in the "Other comprehensive income" account and recognized in income for the year in which the hedged item is realized.

We believe we are using appropriate valuation techniques and assumptions to determine the fair value of financial instruments and derivatives, as well as appropriate projection and monitoring tools.

Biological assets

We use the biological assets accounting treatment for sugarcane standing crops, which are consumable biological assets as per CPC 29 – Biological Assets and Agricultural Products/IAS 41 – Agriculture.

Biological assets and their agricultural products must be recognized at fair value less estimated expenses at point of sale and they are shown in current assets since sugarcane matures in twelve months and may be harvested until eighteen months.

The methodology used by the Company to meet this calculation requirement is the economic and financial valuation of sugarcane biological assets using the discounted cash flow method. The following main assumptions are used to determine the fair value of biological assets: estimates of production and productivity per unit of area, quantity of sugar (sucrose) per ton of sugarcane, sugar prices, ethanol prices, sugarcane planting and maintenance costs, exchange rate, freight, harvest and transportation costs, and interest rates.

Tax, labor, civil and environmental provisions

The Company recognizes a provision only when there is a present obligation (legal or presumed) as a result of a past event, when it is probable that payment of funds will be required to settle the obligation and when an estimate may be reliably made for the provision. If any of these conditions are not met, the Company does not recognize a provision.

The Company accrues provisions to cover future disbursements that may arise from ongoing civil, environmental, tax and labor lawsuits. Provisions are accrued after the Company's legal advisors have examined legal proceedings in progress and the prospects of unfavorable outcomes resulting in a future disbursement. Any contingent assets are not recognized until actions becomes res judicata in favor of the Company and when it is certain that it will realize the asset. Taxes for which liabilities are being litigated in the judicial sphere are recognized using the "legal obligation" concept. Court deposits made to guarantee ongoing lawsuits are recognized in noncurrent assets under "Court deposits".

Provisions retained on the balance sheet refer to losses arising from litigation based on estimated chances of loss based on our legal advisors' assessments, to be classified as probable loss or when required by current accounting standards, and in the history of loss in similar cases. Provisions are updated monthly and corresponding interest added.

Provisions are revalued at the dates of the financial statements and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of funds that incorporates future economic benefits will be required to settle the obligation, the provision is reverted.

Deferred income tax and social contribution

Deferred tax is recognized in relation to temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes. Deferred tax is not recognized for the following temporary differences: (i) initial recognition of assets and liabilities in a transaction that is not a business combination and that does not affect either taxable profit or loss accounting; and (ii) differences related to investments in subsidiaries and controlled entities when it is probable that they will not be reverted in the foreseeable future. In addition, deferred tax liabilities are not recognized for taxable temporary differences resulting from initial recognition of goodwill. Deferred tax is measured at the rates that are expected to be applied to temporary differences when they are reverted, based on laws that were enacted or substantively enacted by the date of submitting financial statements.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets on tax loss carryforwards and negative base for social contribution from prior years are limited to 30% and are recognized in accounting records based on the extent to which future taxable income will probably be available for use when there is actual payment and/or realization of said additions/exclusions of temporary differences, at which point these will become deductible/taxable when determining taxable income, based on the assumptions and conditions stated in the Company's business model.

Deferred income tax carryforward and social contribution assets are reviewed at the dates of financial statements and will be reduced to the extent that their realization is no longer probable.

10.6.a. Description of the assets and liabilities directly or indirectly held by the issuer (off-balance sheet items), such as: (the information must refer to the last financial statements for the fiscal year)

10.6.a.i. operating leases, assets and liabilities

TEAG - Terminal de Exportação de Açúcar do Guarujá Ltda.

TEAG is party to a port terminal lease agreement with Companhia Docas do Estado de São Paulo ("CODESP"), which stipulates TEAG's obligation to pay as lease a fixed monthly installment of R$3.1137/m2 for an area of 74,206.410 m² equivalent to R$231.06 per month or R$2,773 per year plus a guaranteed minimum variable portion equivalent to R$5,328 per year in favor of CODESP, corresponding to the amount of R$2.8400/ton on a minimum movement of one million five hundred thousand tons of goods. TEAG's operation is based on a concession agreement with Companhia Docas do Estado de São Paulo (CODESP) that is due to end on July 6, 2038.

10.6.a.i.i. receivables portfolios for which the entity holds risks and liabilities, showing the respective liabilities

Not applicable.

10.6.a.iii. contracts for future purchase and sale of products or services and derivative financial instruments

Purchases

The Group has commitments to purchase sugarcane from third parties in order to guarantee part of its production from future harvests. The amount of sugarcane to be acquired is estimated based on the expected productivity of the areas in which sugarcane is planted. The amount to be paid by the Group is determined at the end of each harvest depending on the price published by CONSECANA, to be added to or deducted from other applicable contractual conditions.

As of March 31, 2020, its purchase commitments per harvest are as follows:

	Consolidated		
Harvest	**Area in hectares**	**Quantity of estimated cane (ton)**	**Estimated value**
2020/2021	109,267	7,990,150	641,162
2021/2022	73,527	5,163,927	414,374
2022/2023	49,105	3,392,113	272,197
2023/2024	34,561	2,223,936	178,458
After 2024	39,702	2,582,482	207,229
	306,162	**21,352,607**	**1,713,420**

The Group has commitments to purchase sugar from third parties. As of March 31, 2020, the volume of this commitment is 6,000 tons of sugar (10,161 tons of sugar as of March 31, 2019), in addition to a commitment to purchase electricity in the amount of 1,048 GWh (343 GWh as of March 31, 2019). The price of these contracts is negotiated bilaterally by agents that sell electricity in the Free Contracting Environment (ACL).

Sales

The Group holds several agreements in the sugar and ethanol market through which it undertakes to sell volumes of these products from future harvests. As of March 31, 2020, the volumes of these commitments totaled 1,693,385 tons of sugar (1,099,374 tons of sugar as of March 31, 2019), 211,440 cubic meters of ethanol (225,755 cubic meters of ethanol as of March 31, 2019), in addition to commitments to supply electricity acquired by bidding at auctions and negotiations in the free energy market, which total 7,595 GWh (7,614 GWh as of March 31, 2019) to be fulfilled by 2035.

Derivative Financial Instruments

The Company is in particular exposed to risks related to exchange rate variations, interest rates and agricultural commodity prices. To hedge against these market risks, the Company uses a number of derivative financial instruments, which include:

- Forward contracts, exchange-rate options and futures to hedge fair value items and cash flow against exchange-rate variation;
- Future interest contracts to complement the hedges of the items mentioned;
- Interest swap contracts to mitigate the risk of Libor rate variation;
- Swap contracts, forward contracts, options and commodity futures to hedge stock operations and future delivery of agricultural commodities.

The parameters used to manage these risks are based on tools for monitor hedge strategy, such as sensitivity analysis, stress testing and hedge scale in order to hedge future value of sugar and ethanol sales, including the impact of exchange-rate and interest-rate exposure.

The table below shows the balances of assets and liabilities related to transactions involving derivative financial instruments as of March 31, 2020:

	Parent Company		Consolidated	
	03.31.20	03.31.19	03.31.20	03.31.19
Exchange-rate risk management (Note 27.1.1)	(343,960)	(132,471)	(343,959)	(132,471)
Interest-rate risk management (Note 27.1.2)	-	-	(27,963)	(10,261)
Agricultural commodity risk management (Note 27.1.3)	(5,441)	(1,016)	50,155	14,924
	(349,401)	**(133,487)**	**(321,767)**	**(127,808)**
Current assets	**225,787**	**23,476**	**225,787**	**39,416**
Noncurrent assets	**-**	**-**	**55,885**	**-**
Current liabilities	**(575,188)**	**(156,963)**	**(586,843)**	**(159,518)**
Noncurrent liabilities	**-**	**-**	**(16,596)**	**(7,706)**

10.6.a.iv. unfinished construction contracts

Not applicable.

10.6.a.v. future receipts from financing contracts

Not applicable.

10.6.b. other items not shown in the financial statements

Bank guarantees and surety bonds

As of March 31, 2020, the amounts of (i) bank guarantees stood at R$142,240 in consolidated (R$135,160 in consolidated as of March 31, 2019); and (ii) surety bonds related to lawsuits stood at R$277,600, in parent company, and R$588,750 in consolidated (R$251,089 and R$347,466 as of March 31, 2019, respectively).

10.7 In relation to each item not addressed in the financial statements referred to in item 10.6, the executive officers must comment on the following:

10.7.a how items alter or may alter revenues, expenses, operating income, financial expenses or other items of our financial statements

Sales and Purchases

Once the commitments mentioned in item 10.6 have materialized, we believe that we may realize gains or losses, depending on the price level of the *commodity* or sugarcane on the settlement date of the commitment assumed.

The price of sugarcane is pegged to the ATR number published by CONSECANA, which in turn is based on sugar and ethanol prices found in a given period, so that any changes in sugar prices and ethanol may be partially offset by a similar variation in the price of sugarcane, thus minimizing the abovementioned risks.

TEAG and SOP

Given that the amounts owed under these commitments are set in accordance with clear and objective criteria aligned with our business in the future, we do not believe that these commitments could impact our revenues, expenses, operating income, financial expenses or other items of our financial statements otherwise than as foreseen.

Bank guarantees and surety bonds

If executed, bank guarantees and surety bonds may lead to cash outflow.

10.7.b. nature and purpose of the operation

The nature and purpose of the operations are described in item 10.6.

10.7.c. nature and amount of obligations assumed and rights generated in favor of the Company as a result of the operation

The nature and amount of obligations assumed and respective rights generated are described in item 10.6.

10.8.a. Investments

10.8.a.i. quantitative and qualitative description of investments underway and planned:

We have built a competitive asset platform over the last few years as the result of a cycle of growing investment carried out in a disciplined manner. From this platform, we have projected our growth based on higher productivity, efficiency and lower costs. In this context, we will continue to prioritize investments in planting, treatment and maintenance in pursuit of long-lived higher-yielding cane field management. In the fiscal year ended March 31, 2020, these investments accounted for 97% of the total invested.

Investments focusing specific projects/expansion totaled R$17 million in the fiscal year ended March 31, 2020 and remain in line with the Company's strategy of prioritizing investments in planting, treatment and industrial/agricultural maintenance.

10.8.a.ii. Sources of investment financing

We used several sources of funds to finance our investments, including credit facilities from first-line commercial banks and financing from development banks in Brazil and elsewhere. For more details of our sources of financing, see item 10.1 of this Reference Form.

10.8.a.iii. Material disinvestments in progress and planned divestments

As per the Material Facts disclosed on September 20, 2018 and August 30, 2019, the Company entered into a commitment to sell the Estivas plant located in the municipality of Arez, state of Rio Grande do Norte.

10.8. b. If already disclosed, state acquisitions of plants, equipment, patents or other assets that will likely materially influence the issuer's productive capacity

There are no acquisitions of plant, equipment, patents or other assets that have been disclosed and will likely materially influence the Company's productive capacity.

10.8. c. new products and services, indicating:

i. Description of ongoing research already disclosed; ii. Total amounts spent by the issuer on research to develop new products and services; iii. Projects being developed that have been disclosed; iv. Total amounts spent by the issuer on developing new products or services.

Not applicable, since the Company does not have research or projects under development, nor has it incurred expenses to develop new products and services.

10.9 Comment on other factors that significantly influenced operational performance and that have not been identified or commented on in the other items of this section

There is no other information, in addition to the information already provided, that we believe to be relevant in this topic.