

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

Biosev S.A.

Individual and Consolidated
Interim Financial Statements
For the Nine-month Period Ended
December 31, 2020

Interim Financial Statements

December 31, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION

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

Introduction

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

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

Scope of review

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

Conclusion on the interim financial information

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

Emphasis of matter

Transactions with related parties

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

Other matters

Statements of Value Added

The quarterly information referred to above includes the individual and consolidated statements of value added for the nine-month period ended December 31, 2020. These statements are the responsibility of the Company's management and are presented as supplementary information under IAS 34. These statements have been subjected to review procedures performed together with the review of the interim accounting information for the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in the accounting standard CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been properly prepared, in all material respects, in accordance with the criteria established in this accounting standard, and consistent with the individual and consolidated interim accounting information taken as a whole.

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

São Paulo, February 11, 2021.



BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Francisco de Paula dos Reis Júnior
Accountant CRC 1 SP 139268/O-6

Biosev S.A.



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

BALANCE SHEET
AS AT DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated			Note	Company		Consolidated	
		12.31.20	03.31.20	12.31.20	03.31.20			12.31.20	03.31.20		
ASSETS						LIABILITIES AND EQUITY					
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	3	141,536	396,124	484,178	1,174,943	Borrowings and financing	16	1,318,124	2,935,559	3,058,308	7,225,234
Short-term investments	4	71,453	42,052	119,732	52,245	Lease liabilities	12.2	207,270	215,257	561,217	498,932
Derivative financial instruments	26	92,157	225,787	105,423	225,787	Advances from domestic customers		16,977	7,611	21,311	28,128
Trade receivables	5	158,455	210,771	265,477	202,050	Advances from foreign customers		270,497	968,764	462,881	2,585,641
Inventories	6	426,221	1,105,650	864,170	2,948,633	Trade payables	17	287,643	309,104	663,105	798,903
Biological assets	7	691,173	303,621	1,275,757	663,908	Accrued payroll and related taxes		48,704	47,218	93,903	90,483
Recoverable taxes	8	56,357	50,274	144,704	158,777	Taxes payable	18	13,891	21,314	57,000	75,152
Other receivables		47,456	44,364	95,235	88,170	Derivative financial instruments	26	120,108	575,188	231,324	586,843
		<u>1,684,808</u>	<u>2,378,643</u>	<u>3,354,676</u>	<u>5,514,513</u>	Other payables		51,840	80,594	94,961	118,051
Assets held for sale	10	26,674	45,165	26,674	45,165	Total current liabilities		2,335,054	5,160,609	5,244,010	12,007,367
Total current assets		<u>1,711,482</u>	<u>2,423,808</u>	<u>3,381,350</u>	<u>5,559,678</u>						
NON-CURRENT ASSETS						NON-CURRENT LIABILITIES					
Long-term receivables						Borrowings and financing	16	1,696,519	67,484	3,856,252	96,191
Long-term investments	4	-	-	8,217	-	Lease liabilities	12.2	629,008	516,857	1,574,048	1,182,337
Advances to suppliers		41,221	34,719	65,055	56,602	Advances from foreign customers	20	500,153	802,505	-	626,116
Escrow deposits	9	130,360	192,166	284,956	385,413	Trade payables	17	4,286	5,733	4,529	5,965
Recoverable taxes	8	10,788	11,502	80,409	57,529	Deferred income tax and social contribution	11.1	-	-	35,384	36,883
Derivative financial instruments	26	-	-	-	55,885	Derivative financial instruments	26	-	-	10,594	16,596
Deferred income tax and social contribution	11.1	78,609	418,029	389,423	872,971	Provision for tax, labor, civil and environmental contingencies	19	106,912	108,081	290,927	294,668
Other receivables		304,196	335,939	305,606	320,012	Taxes payable	18	18,324	18,501	18,324	18,501
Lease asset use right	12.1	786,610	700,306	1,983,844	1,577,379	Other payables		72,576	86,047	149,070	167,247
Investments	13	1,253,961	1,240,462	154,547	160,393	Provision for investment loss	13	947,760	1,251,234	-	-
Property, plant and equipment	14	1,509,156	1,635,433	3,142,165	3,477,391	Total non-current liabilities		3,975,538	2,856,442	5,939,128	2,444,504
Intangible assets	15	7,998	11,856	917,460	921,964						
Total non-current assets		<u>4,122,899</u>	<u>4,580,412</u>	<u>7,331,682</u>	<u>7,885,539</u>	EQUITY					
						Capital		6,077,674	6,077,674	6,077,674	6,077,674
TOTAL ASSETS		<u>5,834,381</u>	<u>7,004,220</u>	<u>10,713,032</u>	<u>13,445,217</u>	Capital reserve		1,353,937	1,353,937	1,353,937	1,353,937
						Accumulated losses		(8,167,310)	(8,167,310)	(8,167,310)	(8,167,310)
						Profit for the period		453,998	-	453,998	-
						Other comprehensive loss		(194,510)	(277,132)	(194,510)	(277,132)
						Total equity attributable to the Company's owners		(476,211)	(1,012,831)	(476,211)	(1,012,831)
						Non-controlling interests		-	-	6,105	6,177
						Total equity		(476,211)	(1,012,831)	(470,106)	(1,006,654)
						TOTAL LIABILITIES AND EQUITY		5,834,381	7,004,220	10,713,032	13,445,217

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

Biosev S.A.

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

STATEMENT OF OPERATIONS FOR THE THREE- AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2020

(In thousands of Brazilian reais - R\$)

	Note	Company				Consolidated			
		Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
		12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
NET REVENUE	21	874,886	657,388	3,108,597	2,478,884	2,868,662	1,389,546	8,522,891	4,660,369
Cost of sales and services	21 and 22	(629,331)	(588,450)	(2,038,416)	(2,003,833)	(2,238,320)	(1,217,363)	(6,464,952)	(3,995,806)
GROSS PROFIT		245,555	68,938	1,070,181	475,051	630,342	172,183	2,057,939	664,563
OPERATING INCOME (EXPENSES)		35,918	(47,634)	132,122	(503,667)	(282,992)	(122,550)	(661,760)	(374,478)
General, administrative and selling expenses	22	(56,281)	(64,319)	(165,330)	(171,333)	(175,405)	(128,028)	(505,624)	(388,863)
Equity in subsidiaries	13	146,131	(10,922)	364,304	(394,203)	(2,816)	(3,412)	(6,724)	(10,054)
Other operating income	24	7,406	7,098	19,210	88,657	19,292	14,621	36,463	187,254
Other operating expenses	24	(61,338)	20,509	(86,062)	(26,788)	(124,063)	(5,731)	(185,875)	(162,815)
OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)		281,473	21,304	1,202,303	(28,616)	347,350	49,633	1,396,179	290,085
Finance income	23	4,962	7,276	14,709	20,557	2,616	10,302	18,181	32,000
Finance costs	23	(74,081)	(68,318)	(235,046)	(281,328)	(141,361)	(143,179)	(454,872)	(519,203)
Derivatives	23	(42,148)	38,814	(293,354)	20,620	(130,494)	1,403	(37,393)	(47,420)
Exchange rate changes	23	289,271	77,816	10,199	(105,750)	559,660	180,321	(33,699)	(206,126)
INCOME (LOSS) BEFORE TAXES		459,477	76,892	698,811	(374,517)	637,771	98,480	888,396	(450,664)
INCOME TAX AND SOCIAL CONTRIBUTION	11.2	(147,863)	(73,935)	(244,813)	(95,600)	(326,154)	(95,623)	(434,496)	(19,708)
PROFIT (LOSS) FOR THE PERIOD		311,614	2,957	453,998	(470,117)	311,617	2,857	453,900	(470,372)
Attributable to:									
Company's owners	25	311,614	2,957	453,998	(470,117)	311,614	2,957	453,998	(470,117)
Non-controlling interests		-	-	-	-	3	(100)	(98)	(255)
EARNINGS (LOSS) PER SHARE - R\$									
Basic	25	0.60186	0.06718	0.89105	(1.08402)	0.60186	0.06718	0.89105	(1.08402)
Diluted	25	0.60186	0.06718	0.89105	(1.08402)	0.60186	0.06718	0.89105	(1.08402)

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

STATEMENT OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE- AND NINE-MONTH PERIODS ENDED DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

	Note	Company				Consolidated			
		Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
		12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
PROFIT (LOSS) FOR THE PERIOD		311,614	2,957	453,998	(470,117)	311,617	2,857	453,900	(470,372)
OTHER COMPREHENSIVE INCOME (LOSS)									
Items subsequently reclassified to profit or loss:									
Financial instruments - hedge accounting of futures	26	(89,295)	(72,120)	(253,925)	(39,323)	(89,295)	(72,120)	(253,925)	(39,323)
Financial instruments - hedge accounting of Libor sw ap	26	3,919	2,455	5,363	(5,191)	3,919	2,455	5,363	(5,191)
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	26	159,961	50,420	293,309	29,844	159,961	50,420	293,309	29,844
Financial instruments - hedge accounting of exchange differences	26	-	32,764	79,173	266,201	-	32,764	79,173	266,201
Deferred income tax and social contribution related to components of other comprehensive income (loss)	11.3	(25,359)	(4,597)	(42,133)	(85,521)	(25,359)	(4,597)	(42,133)	(85,521)
Equity in investees - other comprehensive income (loss)		835	(552)	835	(552)	835	(552)	835	(552)
		50,061	8,370	82,622	165,458	50,061	8,370	82,622	165,458
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		361,675	11,327	536,620	(304,659)	361,678	11,227	536,522	(304,914)
Attributable to:									
Company's owners		361,675	11,327	536,620	(304,659)	361,675	11,327	536,620	(304,659)
Non-controlling interests		-	-	-	-	3	(100)	(98)	(255)

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

	Capital	Assessable capital stock	Capital reserve	Accumulated losses	Company's equity	Non-controlling interests	Total consolidated equity
BALANCES AS AT MARCH 31, 2019	6,077,674	1,353,937	(287,906)	(6,617,139)	526,566	6,280	532,846
Loss for the period	-	-	-	(470,117)	(470,117)	(255)	(470,372)
Adjusted derivatives (hedge accounting), net of taxes	-	-	165,458	-	165,458	-	165,458
Comprehensive income (loss) for the period	-	-	165,458	(470,117)	(304,659)	(255)	(304,914)
Non-controlling interest	-	-	-	-	-	55	55
Dissolution of indirect subsidiary	-	-	-	919	919	-	919
BALANCES AS AT DECEMBER 31, 2019	6,077,674	1,353,937	(122,448)	(7,086,337)	222,826	6,080	228,906
BALANCES AS AT MARCH 31, 2020	6,077,674	1,353,937	(277,132)	(8,167,310)	(1,012,831)	6,177	(1,006,654)
Profit (loss) for the period	-	-	-	453,998	453,998	(98)	453,900
Other comprehensive income	-	-	82,622	-	82,622	-	82,622
Comprehensive income (loss) for the period	-	-	82,622	453,998	536,620	(98)	536,522
Non-controlling interest	-	-	-	-	-	26	26
BALANCES AS AT DECEMBER 31, 2020	6,077,674	1,353,937	(194,510)	(7,713,312)	(476,211)	6,105	(470,106)

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

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

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2020
(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated	
		Nine-month period ended		Nine-month period ended	
		12.31.20	12.31.19	12.31.20	12.31.19
CASH FLOW FROM OPERATING ACTIVITIES					
Profit (loss) for the period		453,998	(470,117)	453,900	(470,372)
Non-cash transactions:					
Depreciation and amortization	22	814,314	719,307	1,654,121	1,419,049
Income (loss) from sale of property, plant and equipment	24	7,403	(407)	5,025	(6,436)
Investments sold		-	62,418	-	62,418
Equity in subsidiaries	13	(363,469)	393,651	7,559	9,502
Interest, exchange rate changes and inflation adjustments, net		168,044	252,455	392,396	573,361
Exchange, interest rate and commodities risk management		81,679	138,744	(29,660)	144,629
Recognition of provision for tax, labor, civil and environmental contingencies		9,795	(25,829)	47,361	14,761
Recognition (reversal) of estimated losses on doubtful accounts	5	(30)	747	(466)	1,002
Derecognition of intangible assets	15	264	-	374	-
Reversal of impairment loss	24	(3,518)	(555)	773	(1,976)
Impairment of assets held for sale	10	(119)	(53,374)	(119)	(53,374)
Provision for other losses	24	39	168	13,937	59,702
Recognition (reversal) of allowance for negative margin and realization of storeroom inventories	6	730	(5,932)	(4,937)	(18,097)
Gains on changes in fair value less estimated costs to sell biological assets	21 and 22	(594,047)	(152,114)	(927,443)	(247,305)
Deferred income tax and social contribution	11.2	251,354	95,600	439,916	20,291
Hedge operations		169,854	176,664	123,920	251,531
Derecognition of operating leases		5,715	5,898	11,584	6,908
Dissolution of indirect subsidiary		-	919	26	974
		1,002,006	1,138,243	2,188,267	1,766,568
Decrease (increase) in assets:					
Trade receivables	5	52,827	(52,194)	(62,282)	(61,690)
Inventories	6	833,353	(15,016)	2,316,646	(1,011,400)
Derivative financial instruments	26	133,630	(47,955)	176,249	(53,061)
Escrow deposits	9	61,806	(22,108)	100,457	(63,378)
Recoverable taxes	8	(5,369)	33,004	(8,807)	6,715
Advances to suppliers		(6,502)	(2,006)	(8,453)	(20,037)
Other receivables		28,612	(24,343)	(6,596)	(38,248)
		1,098,357	(130,618)	2,507,214	(1,241,099)
Increase (decrease) in liabilities:					
Trade payables	17	(22,830)	(88,411)	(137,104)	(171,458)
Advances from foreign customers		(1,000,619)	(23,095)	(2,748,876)	583,667
Accrued payroll and related taxes		1,486	(3,446)	3,420	(3,475)
Taxes payable	18	(7,600)	(9,603)	(18,329)	(15,668)
Advances from domestic customers		9,366	1,964	(6,817)	22,606
Payments of labor, civil, tax and environmental contingencies	19	(10,964)	(3,826)	(51,102)	(15,517)
Derivative financial instruments	26.1	(536,759)	(267,416)	(331,861)	(267,503)
Other payables		(42,225)	2,389	(41,267)	10,592
		(1,610,145)	(391,444)	(3,331,936)	143,244
Cash used in operating activities, net interest		490,218	616,181	1,363,545	668,713
Interest on borrowings and financing		(95,921)	(130,362)	(230,924)	(293,838)
Cash provided by operating activities		394,297	485,819	1,132,621	374,875
CASH FLOW FROM INVESTING ACTIVITIES					
Decrease (increase) in short- and long-term investments	4	(29,233)	(17,603)	(75,146)	74,458
Decrease (increase) in investments (provision for investment loss)	13	47,331	(149,694)	(878)	569
Additions to lease agreements	12	(249,065)	(765,422)	(791,394)	(1,814,492)
Increase in property, plant and equipment	14	(231,167)	(161,792)	(436,119)	(348,736)
Additions to biological assets	7	(236,191)	(218,502)	(412,222)	(376,651)
Additions to intangible assets	15	(482)	(8,829)	(929)	(9,836)
Cash provided by investing activities		(698,807)	(1,321,842)	(1,716,688)	(2,474,688)
CASH FLOW FROM FINANCING ACTIVITIES					
Additions to lease operations	12	197,275	766,207	792,379	1,815,411
Shareholders' contributions	12	(123,926)	(166,631)	(436,432)	(394,816)
Borrowings and financing	16	655,621	809,392	1,227,667	2,176,427
Payment of borrowings and financing	16	(679,048)	(1,070,400)	(1,690,312)	(2,483,462)
Cash provided by (used in) financing activities		49,922	338,568	(106,698)	1,113,560
DECREASE IN CASH AND CASH EQUIVALENTS		(254,588)	(497,455)	(690,765)	(986,253)
Cash and cash equivalents at the beginning of the period	3	396,124	577,523	1,174,943	1,189,112
Cash and cash equivalents at the end of the period	3	141,536	80,068	484,178	202,859
Non-cash items					
Transfer of depreciation and amortization to inventories		(27,424)	5,533	(24,633)	177,966
Transfer of assets and liabilities to held for sale - Estivas plant		18,609	(3,473)	18,609	(6,978)
Acquisition of financed property, plant and equipment		-	24,271	6,160	51,235

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

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

STATEMENT OF VALUE ADDED

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 30, 2020

(In thousands of Brazilian reais - R\$)

	Note	Company		Consolidated	
		Nine-month period ended	Nine-month period ended	Nine-month period ended	Nine-month period ended
		12.31.20	12.31.19	12.31.20	12.31.19
1 - REVENUE		3,202,349	2,723,722	8,748,960	5,201,730
1.1) Sales	21	3,183,109	2,635,812	8,712,031	5,015,478
1.2) Reversal of estimated losses on doubtful accounts	24	30	(747)	466	(1,002)
1.3) Other operating income	24	19,210	88,657	36,463	187,254
2 - INPUTS PURCHASED FROM THIRD PARTIES		(1,127,375)	(1,114,710)	(4,677,665)	(2,366,554)
2.1) Cost of sales and services		(237,518)	(167,510)	(1,249,785)	(894,947)
2.2) Materials, electric power, external services and other		(1,483,906)	(1,099,313)	(4,355,322)	(1,718,911)
2.3) Gains on changes in fair value of biological assets and other		594,049	152,113	927,442	247,304
3 - GROSS VALUE ADDED (1-2)		2,074,974	1,609,012	4,071,295	2,835,176
4 - DEPRECIATION AND AMORTIZATION	22	(814,314)	(719,307)	(1,654,121)	(1,419,049)
5 - VALUE ADDED CREATED BY THE ENTITY (3-4)		1,260,660	889,705	2,417,174	1,416,127
6 - VALUE ADDED RECEIVED IN TRANSFER		379,013	(373,646)	11,457	21,946
6.1) Equity in subsidiaries	13	364,304	(394,203)	(6,724)	(10,054)
6.2) Finance income		14,709	20,557	18,181	32,000
7 - VALUE ADDED FOR DISTRIBUTION (5+6)		1,639,673	516,059	2,428,631	1,438,073
8 - DISTRIBUTION OF VALUE ADDED		1,639,673	516,059	2,428,631	1,438,073
8.1) Personnel and payroll taxes	22	198,205	220,743	481,534	450,951
Direct compensation		140,062	158,165	345,121	311,051
Benefits		43,581	43,993	104,603	99,939
Severance pay fund (FGTS)		14,562	18,585	31,810	39,961
8.2) Taxes, rates and contributions		330,415	257,432	635,109	379,609
Federal		268,440	151,988	537,600	192,535
State		61,883	105,442	97,330	186,917
Municipal		92	2	179	157
8.3) Third-party capital use		657,054	508,001	858,088	1,077,885
Rentals		138,853	141,543	332,124	305,136
Interest and exchange rate changes		518,201	366,458	525,964	772,749
8.4) Equity capital		453,998	(470,117)	453,900	(470,372)
Profit (loss) for the period		453,998	(470,117)	453,900	(470,372)

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

1. GENERAL INFORMATION

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

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

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

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

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

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

The Company recorded net profit of R\$453,998 in the nine-month period ended December 31, 2020. The Company's capacity to continue as a going concern depends on the obtaining of additional capital, renewal and extension of the credit facilities and, finally, generation of profitable transactions, similarly to this period to reverse the historical losses incurred over the last years. Specifically, the Company's and its subsidiaries' debt levels may significantly impact the business, inclusive in relation to working capital financing and recurring capital disbursements, taking into account the necessary funds to pay the debt service.

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

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

Covid-19 effects

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

Although the pandemic has not been fully eradicated, the Brazilian authorities began to loosen the restrictions, and the Company believes that the pandemic effects in the global economy has begun to be mitigated. As of the date, the Company has not identified significant effects on its operations; therefore, the Company has maintained the estimated production, sales and delivery of products. The agro industrial sector is deemed an essential activity by virtue of the essential supplies

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produced to the population, relating to the meal and transportation segments. In addition, there was no change in the measurement of the economic and financial impacts from Covid-19, as disclosed in the financial statements as at March 31, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

2.1 Statement of compliance and basis of preparation

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

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

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

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

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

2.1.1 New and revised standards and interpretations

Leases – CPC 06 (R2)/IFRS 16

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

3. CASH AND CASH EQUIVALENTS

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Cash and banks	31,743	21,625	354,623	364,024
Short-term investments	2,973	3,004	22,735	41,792
Debentures	106,820	371,495	106,820	769,127
	<u>141,536</u>	<u>396,124</u>	<u>484,178</u>	<u>1,174,943</u>

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

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

4. SHORT- AND LONG-TERM INVESTMENTS

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Short-term investments	71,453	42,052	127,949	52,245
Current assets	71,453	42,052	119,732	52,245
Non-current assets	-	-	8,217	-

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

5. TRADE RECEIVABLES

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Related parties (Note 20)				
In Brazil	8,463	7,498	-	-
Abroad	83,852	133,503	4,613	2,505
	92,315	141,001	4,613	2,505
Third parties				
In Brazil	66,731	67,955	181,466	191,167
Abroad	145	2,581	93,124	22,570
	66,876	70,536	274,590	213,737
	159,191	211,537	279,203	216,242
(-) Estimated loss for doubtful accounts	(736)	(766)	(13,726)	(14,192)
	158,455	210,771	265,477	202,050

The aging list of overdue receivables is as follows:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Overdue				
Up to 30 days	1,981	24,648	67,905	3,457
31 to 60 days	18,403	2,083	148	6,462
61 to 90 days	5	20,887	44	452
91 to 180 days	1	20,455	33	325
Over 180 days	876	17,001	16,242	16,874
	21,266	85,074	84,372	27,570

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

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
At the beginning of the	(766)	(175)	(14,192)	(13,395)
Reversal (recognition) of estimated loss for doubtful	30	(591)	466	(797)
	(736)	(766)	(13,726)	(14,192)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

6. INVENTORIES

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Finished products				
Sugar	42,458	4,218	91,040	14,838
Ethanol	236,075	20,676	491,359	79,839
Sugar syrup	959	317	3,258	1,241
Other	98	247	277	331
Allow ance for negative inventory margin	(2,093)	(3,298)	(8,733)	(18,985)
	277,497	22,160	577,201	77,264
Raw materials and packaging materials				
Raw materials and packaging materials	1,239	1,033	1,298	1,166
Storeroom supplies	47,021	37,492	96,308	76,476
Allow ance for realization of storeroom inventories	(6,054)	(4,119)	(12,412)	(7,097)
Advances to suppliers (*)	106,518	1,049,084	201,775	2,800,824
	148,724	1,083,490	286,969	2,871,369
	426,221	1,105,650	864,170	2,948,633

(**) Out of the total amount as at December 31, 2020, R\$94,890, in Company, and R\$185,821 in Consolidated (R\$105,192 and R\$223,699 as at March 31, 2020, respectively), refer to advances to sugarcane suppliers that are adjusted on a monthly basis according to the specific conditions and indices set forth in the agreements, and R\$11,628, in Company, and R\$15,954 in Consolidated (R\$943,892, in Company, and R\$2,577,125, in Consolidated, as at March 31, 2020), refer to advances to export of commodities, as described in Note 20.

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

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Negative inventory margin				
Opening balance	(3,298)	(7,410)	(18,985)	(25,793)
Additions	(2,093)	(3,298)	(8,733)	(18,985)
Reversals	3,298	7,410	18,985	25,793
	(2,093)	(3,298)	(8,733)	(18,985)
Realization of storeroom inventories				
Opening balance	(4,119)	(3,568)	(7,097)	(5,818)
Additions	(6,054)	(4,119)	(12,412)	(7,097)
Reversals	4,119	3,568	7,097	5,818
	(6,054)	(4,119)	(12,412)	(7,097)

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

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

7. BIOLOGICAL ASSETS

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Opening balance	303,621	264,480	663,908	501,124
Increases arising from expenses on sugarcane crops and crop treatments	405,015	430,597	855,073	911,744
	708,636	695,077	1,518,981	1,412,868
Gains on changes in fair value less estimated costs to sell	594,047	120,821	927,443	222,448
Transfer to assets held for sale	904	(13,682)	904	(13,682)
Sugarcane harvest at fair value in the year/period	(612,414)	(490,374)	(1,169,750)	(945,620)
Write-off	-	(8,221)	(1,821)	(12,106)
	691,173	303,621	1,275,757	663,908

The following assumptions were used to determine the fair value:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Estimated harvest area (in hectares)	126,956	123,816	223,958	222,421
Expected yields (in ton of sugarcane per hectare)	88.50	85.88	90.14	89.07
Total volume of recoverable sugar (in kilogram per ton of sugarcane)	129.56	126.29	132.15	129.90
Value of a kilogram of total recoverable sugar (in R\$) - CONSECANA	0.87	0.66	0.87	0.66
Discount rate	8.57%	10.21%	8.57%	10.21%

As at December 31, 2020, the Company provided as guarantee for the export prepayment 158,608 hectares (158,608 hectares as at March 31, 2020), equivalent to approximately 14,296,164 tons of sugarcane (14,127,348 as at March 31, 2020), at fair value of R\$903,496 (R\$473,432 as at March 31, 2020). Such prepayment falls due between March 2023 and April 2023.

8. RECOVERABLE TAXES

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
State VAT (ICMS)	53,746	39,859	79,466	60,952
Taxes on revenue (PIS and COFINS) (a)	3,409	16,166	55,468	75,050
Withholding Income Tax (IRRF) on short-term investments and prepayments	7,112	2,978	62,954	55,466
Tax on manufactured products (IPI) and other taxes	2,878	2,773	27,225	24,838
	67,145	61,776	225,113	216,306
Current assets	56,357	50,274	144,704	158,777
Non-current assets	10,788	11,502	80,409	57,529

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

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9. ESCROW DEPOSITS

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Civil	2,244	3,500	4,007	7,365
Environmental	2,284	2,442	7,133	7,548
	4,528	5,942	11,140	14,913
Tax				
Tax on manufactured products (IPI)	-	-	18,799	18,673
Income tax (IRPJ) and social contribution (CSLL)	16,335	16,235	33,388	33,262
ICMS, PIS and COFINS	9,889	9,758	40,074	46,344
Social security contributions	21,633	21,738	27,353	27,419
Other	-	-	3,047	3,054
	47,857	47,731	122,661	128,752
Tax				
Labor appeals	77,975	138,493	151,155	241,748
	77,975	138,493	151,155	241,748
	130,360	192,166	284,956	385,413

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

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Opening balance	192,166	210,108	385,413	367,388
Additions	8,594	31,563	15,729	81,534
Offsets/redemptions	(70,400)	(49,505)	(116,186)	(63,509)
	130,360	192,166	284,956	385,413

10. ASSETS AND LIABILITIES HELD FOR SALE

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Assets held for sale	26,674	45,165	26,674	45,165
	26,674	45,165	26,674	45,165

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

Company	Note	Maracaju		
		plant	12.31.20	03.31.20
Assets				
Biological assets	7	-	-	904
Fixed assets	14	101,409	101,408	119,114
Impairment losses	14	(74,735)	(74,734)	(74,853)
Total assets		26,674	26,674	45,165

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

11. CURRENT AND DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Deferred income tax and social contribution assets	78,609	418,029	389,423	872,971
Deferred income tax and social contribution liabilities	-	-	(35,384)	(36,883)
	78,609	418,029	354,039	836,088

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

	Company			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results from current income tax and social contribution	-	-	6,541	-
Results from deferred income tax and social contribution related to the origin and reversal of temporary differences and tax loss carryforwards	(147,863)	(73,935)	(251,354)	(95,600)
	(147,863)	(73,935)	(244,813)	(95,600)

	Consolidated			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results from current income tax and social contribution	1,581	602	5,421	583
Results from deferred income tax and social contribution related to the origin and reversal of temporary differences and tax loss carryforwards	(327,735)	(96,225)	(439,917)	(20,291)
	(326,154)	(95,623)	(434,496)	(19,708)

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

	Company			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results from deferred income tax and social contribution recognized in other comprehensive income (loss):				
Financial instruments - hedge accounting of futures	11,660	16,416	33,816	14,709
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	(14,035)	(4,544)	(121,883)	(2,309)
Financial instruments - hedge accounting of exchange differences	-	(11,141)	-	(23,054)
	(2,375)	731	(88,067)	(10,654)
Effects on subsidiaries	(22,984)	(5,328)	45,934	(74,867)
	(25,359)	(4,597)	(42,133)	(85,521)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Consolidated			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results from deferred income tax and social contribution recognized in other comprehensive income (loss):				
Financial instruments - hedge accounting of futures	30,360	24,521	86,334	13,370
Financial instruments - hedge accounting of Swap Libor	(1,332)	(835)	(1,823)	1,765
Financial instruments - hedge accounting of Non-Deliverable Forward (NDF)	(54,387)	(17,143)	(99,725)	(10,147)
Financial instruments - hedge accounting of exchange differences	-	(11,140)	(26,919)	(90,509)
	(25,359)	(4,597)	(42,133)	(85,521)

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

	Company			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results before taxation	459,477	76,892	698,811	(374,517)
Statutory rate	34%	34%	34%	34%
Income (loss) from income tax and social contribution at statutory rate	(156,222)	(26,143)	(237,595)	127,336
Equity in subsidiaries	49,684	(3,713)	123,863	(134,029)
Unrecognized deferred income tax and social contribution credits	(17,302)	(31,467)	(100,658)	(82,061)
Tax revenue (grants)	7,708	4,990	20,571	25,058
Accrued income (foreign subsidiary)	(27,930)	(7,508)	(27,930)	(7,508)
Subcapitalization rules	(6,973)	(6,298)	(22,326)	(18,108)
Other	3,172	(3,796)	(737)	(6,288)
Loss from income tax and social contribution at effective rate	(147,863)	(73,935)	(244,812)	(95,600)

	Consolidated			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Results before taxation	637,771	98,480	888,396	(450,664)
Statutory rate	34%	34%	34%	34%
Income (loss) from income tax and social contribution at statutory rate	(216,842)	(33,483)	(302,054)	153,226
Equity in subsidiaries	(957)	(1,160)	(2,286)	(3,418)
Unrecognized deferred income tax and social contribution credits	(60,964)	(41,923)	(73,443)	(145,899)
Tax revenue (grants)	7,708	4,990	20,571	25,058
Difference rate - foreign subsidiary	(10,979)	101	(945)	5,805
Accrued income (foreign subsidiary)	(27,930)	(7,508)	(27,930)	(7,508)
Subcapitalization rules	(11,361)	(11,846)	(38,077)	(39,801)
Other	(4,829)	(4,794)	(10,332)	(7,171)
Loss from income tax and social contribution at effective rate	(326,154)	(95,623)	(434,496)	(19,708)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

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

<u>Company</u>	<u>Opening balance as at 03.31.20</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 12.31.20</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	37,028	(398)	-	36,630
Adjustment at fair value of biological assets	(16,585)	(152,576)	-	(169,161)
Other receivables (AVP)	14,162	(3,284)	-	10,878
Hedge accounting of Libor swap, NDF and exchange rate changes	63,527	74,677	(88,067)	50,137
Unrealized exchange rate changes	412,077	(57,989)	-	354,088
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(21,566)	-	(60,614)
Impairment of fixed assets	65,310	(1,237)	-	64,073
Mark-to-market of derivatives	2,363	(94,096)	-	(91,733)
Impairment of assets held for sales	10,859	6,028	-	16,887
Other	11,661	(912)	-	10,749
	316,077	(251,353)	(88,067)	(23,343)
Unutilized tax losses and credits				
Tax loss carryforwards	74,616	-	-	74,616
Social contribution tax loss carryforwards	27,336	-	-	27,336
	418,029	(251,353)	(88,067)	78,609

<u>Company</u>	<u>Opening balance as at 03.31.19</u>	<u>Recognized in profit or loss for the period</u>	<u>Recognized in other comprehensive income (loss)</u>	<u>Closing balance as at 12.31.19</u>
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	47,227	(10,083)	-	37,144
Adjustment at fair value of biological assets	(15,389)	(24,355)	-	(39,744)
Other receivables (AVP)	1,795	17,136	-	18,931
Hedge accounting of Libor swap, NDF and exchange rate changes	7,817	(9,176)	(10,654)	(12,013)
Unrealized exchange rate changes	209,867	(653)	-	209,214
Amortization of tax goodwill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(10,040)	-	(35,219)
Impairment	65,746	(266)	-	65,480
Mark-to-market of derivatives	(16,095)	(39,883)	-	(55,978)
Impairment of assets held for sales	18,003	(18,003)	-	-
Other	26,074	(277)	-	25,797
	74,589	(95,600)	(10,654)	(31,665)
Unutilized tax losses and credits				
Tax loss carryforwards	74,616	-	-	74,616
Social contribution tax loss carryforwards	27,336	-	-	27,336
	176,541	(95,600)	(10,654)	70,287

Biosev S.A.

Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

<u>Consolidated</u>	Opening balance as at 03.31.20	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 12.31.20
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	100,468	(1,272)	-	99,196
Adjustment at fair value of biological assets	(71,630)	(245,616)	-	(317,246)
Other receivables (AVP)	14,162	(3,284)	-	10,878
Hedge accounting of Libor sw ap, NDF and exchange rate changes	159,955	-	(42,133)	117,822
Unrealized exchange rate changes	827,139	(124,331)	-	702,808
Amortization of tax goodw ill	(245,277)	-	-	(245,277)
Accelerated depreciation	(39,048)	(54,075)	-	(93,123)
Mark-to-market of derivatives	(10,244)	(19,335)	-	(29,579)
Impairment of property, plant and equipment	76,443	(1,258)	-	75,185
Appreciation of acquired assets	(231,020)	18,822	-	(212,198)
Impairment of fixed assets	906	(906)	-	-
Fair value of financial debts	1,161	(1,161)	-	-
Leases	35,367	16,116	-	51,483
Other	60,563	(27,148)	-	33,415
	678,945	(443,448)	(42,133)	193,364
Unutilized tax losses and credits				
Tax loss carryforwards	115,532	2,597	-	118,129
Social contribution tax loss carryforwards	41,611	935	-	42,546
	836,088	(439,916)	(42,133)	354,039

<u>Consolidated</u>	Opening balance as at 03.31.19	Recognized in profit or loss for the period	Recognized in other comprehensive income (loss)	Closing balance as at 12.31.19
Temporary differences:				
Provision for tax, labor, civil and environmental contingencies	97,941	(257)	-	97,684
Adjustment at fair value of biological assets	(32,728)	(68,505)	-	(101,233)
Other receivables (AVP)	1,795	17,913	-	19,708
Hedge accounting of Libor sw ap, NDF and exchange rate changes	165,790	-	(85,521)	80,269
Unrealized exchange rate changes	439,388	(19,168)	-	420,220
Amortization of tax goodw ill	(245,277)	-	-	(245,277)
Accelerated depreciation	(25,179)	(10,040)	-	(35,219)
Mark-to-market of derivatives	(82,228)	25,395	-	(56,833)
Impairment of property, plant and equipment	77,177	(541)	-	76,636
Appreciation of acquired assets	(253,050)	16,256	-	(236,794)
Impairment of fixed assets	18,896	(17,990)	-	906
Fair value of financial debts	1,161	-	-	1,161
Other	50,545	36,646	-	87,191
	214,231	(20,291)	(85,521)	108,419
Unutilized tax losses and credits				
Tax loss carryforwards	109,760	-	-	109,760
Social contribution tax loss carryforwards	40,819	-	-	40,819
	364,810	(20,291)	(85,521)	258,998

As at December 31, 2020, the Company has tax loss carryforwards in the amount of R\$3,411,588, in Company, and R\$6,585,822 in Consolidated (R\$3,115,535 and R\$6,369,813 as at March 31, 2020, respectively) for which no deferred income tax and social contribution assets have been recognized.

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

12. LEASES

12.1 Asset use right in leases

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

The changes for the period are broken down as follows:

	Company					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.20	121,329	134,947	1,533	2,488	440,009	700,306
Additions/adjustments	20,569	24,753	-	3,817	199,926	249,065
Derecognition	(3,816)	-	-	(1,899)	-	(5,715)
Amortization	(42,279)	(21,813)	(767)	(1,551)	(90,636)	(157,046)
12.31.20	95,803	137,887	766	2,855	549,299	786,610

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

	Consolidated					
	Equipment	Land	Buildings	Vehicles	Agricultural partnerships	Total
03.31.20	254,249	137,257	1,533	5,174	1,179,166	1,577,379
Additions/adjustments	57,309	27,366	-	8,028	698,693	791,396
Derecognition	(7,593)	-	-	(3,991)	-	(11,584)
Amortization	(90,412)	(23,510)	(767)	(3,113)	(255,545)	(373,347)
12.31.20	213,553	141,113	766	6,098	1,622,314	1,983,844

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

12.2 Lease liabilities

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

The incremental interest rate of the lease liability varies between 5.10% and 11.25% per year.

The changes for the period are broken down as follows:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Present value of liability	836,278	732,114	2,135,265	1,681,269
	836,278	732,114	2,135,265	1,681,269
Classification:				
Current	207,270	215,257	561,217	498,932
Non-current	629,008	516,857	1,574,048	1,182,337
Total	836,278	732,114	2,135,265	1,681,269

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Opening balance	732,114	656,533	1,681,269	1,493,386
Additions	197,274	249,605	792,379	596,011
Derecognition	-	(4,065)	-	(6,065)
Payments	(123,924)	(221,208)	(436,432)	(521,309)
Financial charges	30,814	51,249	98,049	119,246
Closing balance	836,278	732,114	2,135,265	1,681,269

The future payments are broken down as follows:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Up to 1 year	207,270	215,257	561,217	498,932
Up to 2 years	165,501	161,243	416,773	365,273
Up to 3 years	129,873	109,793	338,263	260,574
Up to 4 years	111,148	87,311	282,806	210,009
Up to 5 years	118,862	86,462	267,565	193,298
Above 5 years	103,624	72,048	268,641	153,183
	836,278	732,114	2,135,265	1,681,269

13. INVESTMENTS (PROVISION FOR INVESTMENT LOSS)

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Investments in subsidiaries and jointly-controlled subsidiaries	1,251,459	1,237,960	152,044	157,891
Other investments	2,502	2,502	2,503	2,502
Investments	1,253,961	1,240,462	154,547	160,393
Provision for investment loss	(947,760)	(1,251,234)	-	-

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

a) Interest in subsidiaries and jointly-controlled entities

	Company			Consolidated
	Biosev		Biosev	
	Biosev	Bioenergia	Comercializadora	
	Bioenergia S.A.	International S.A.	S.A.	TEAG
Capital	2,985,044	175	14,365	44,701
Profit (loss) for the period	391,792	(10,016)	(17,467)	(849)
Equity	(946,644)	315,981	30,033	39,517
Elimination of gains on the sale of property, plant and equipment with related parties	(1,111)	-	-	-
Shareholding interest	100%	100%	100%	50%
Value of investments in subsidiaries under equity method	(947,755)	315,981	30,033	19,759
Goodwill/realization of concession value, net	494,079	-	-	132,285
Elimination of gains on the sale of property, plant and equipment with related parties	(5)	-	-	-
Investments	(453,681)	315,981	30,033	152,044
Provision for investment loss	(947,760)	-	-	-
Equity pick up in subsidiaries	391,787	(10,016)	(17,467)	(425)

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

	Company							Consolidated	
	Goodwill						12.31.20	03.31.20	
	Biosev	Biosev	Biosev	Tavares de					
	Bioenergia S.A.	International S.A.	Comercializadora S.A.	Melo (*)	Ampla (*)	Other			
Opening balance	(1,251,233)	326,014	6,500	-	-	2,502	(916,217)	(85,938)	
Capital increase	-	-	41,000	-	-	-	41,000	4,000	
Equity pick up in subsidiaries	391,787	(10,016)	(17,467)	-	-	-	364,304	(1,109,447)	
Other comprehensive income (loss)	(88,314)	(17)	-	-	-	-	(88,331)	274,249	
Other	-	-	-	-	-	-	-	920	
Value of investments in subsidiaries under equity method	(947,760)	315,981	30,033	-	-	2,502	(599,244)	(916,216)	
Goodwill	494,079	-	-	407,675	3,691	-	905,445	905,446	
Value of investments	494,079	315,981	30,033	407,675	3,691	2,502	1,253,961	1,240,462	
Provision for investment loss	(947,760)	-	-	-	-	-	(947,760)	(1,251,233)	

(*) Companies merged in prior years.

	Consolidated			
	TEAG	Other	12.31.20	03.31.20
Opening balance	157,890	2,503	160,393	169,913
Equity pick up in subsidiaries	(6,724)	-	(6,724)	(8,952)
Loss	(425)	-	(425)	(553)
Realization of concession value, net	(6,299)	-	(6,299)	(8,399)
Other	878	-	878	(568)
Value of investments	152,044	2,503	154,547	160,393

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

c) Investments in direct subsidiaries

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

On September 30, 2020, Biosev Comercializadora S.A. entered into the Private Agreement for Future Capital Increase, on an irrevocable and unconditional basis, with parent company Biosev S.A., in the amount of R\$41,000, which will be fully convertible into the Company’s registered common shares, without par value.

d) Investments in jointly-controlled entities

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

	TEAG	
	12.31.20	03.31.20
Balance sheet		
Assets		
Total current assets	39,374	47,820
Long-term receivables	3,534	3,032
Property, plant and equipment and intangible assets	126,339	124,014
Total non-current assets	129,873	127,046
Total assets	169,247	174,866
Liabilities		
Total current liabilities	17,520	18,286
Total non-current liabilities	112,210	117,970
Equity		
Total equity	39,517	38,610
Total liabilities and equity	169,247	174,866

	TEAG	
	12.31.20	03.31.20
Statement of operations		
Net revenue	50,204	52,971
Operating expenses		
General, administrative and selling expenses	(45,586)	(51,652)
Other operating income	(1,465)	4,541
Operating income (loss) before finance income (costs)	3,153	5,860
Finance income (costs), net	(4,473)	(7,529)
Loss before taxation	(1,320)	(1,669)
Income tax and social contribution	471	563
Loss for the period	(849)	(1,106)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

14. PROPERTY, PLANT AND EQUIPMENT

	Company					
	12.31.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	15,095	-	15,095	15,095	-	15,095
Buildings	261,196	(95,920)	165,276	259,775	(92,431)	167,344
Improvements	25,623	(14,129)	11,494	25,587	(13,501)	12,086
Facilities	358,086	(217,463)	140,623	351,848	(208,192)	143,656
Furniture and fixtures	12,397	(8,594)	3,803	12,186	(8,193)	3,993
IT equipment	31,287	(29,257)	2,030	30,927	(28,672)	2,255
Machinery and equipment (*)	2,326,957	(1,537,951)	789,006	2,246,767	(1,388,282)	858,485
Vehicles	8,222	(6,565)	1,657	10,615	(8,567)	2,048
Agricultural machinery and implements (**)	961,109	(863,733)	97,376	960,728	(805,016)	155,712
Bearer plant	1,727,704	(1,461,734)	265,970	1,627,300	(1,366,804)	260,496
	5,727,676	(4,235,346)	1,492,330	5,540,828	(3,919,658)	1,621,170
Construction in progress (Note 14.1)	16,826	-	16,826	14,263	-	14,263
	5,744,502	(4,235,346)	1,509,156	5,555,091	(3,919,658)	1,635,433

	Consolidated					
	12.31.20			03.31.20		
	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	20,702	-	20,702	21,084	-	21,084
Buildings	479,283	(197,458)	281,825	475,559	(184,730)	290,829
Improvements	128,627	(62,958)	65,669	128,777	(60,118)	68,659
Facilities	560,585	(338,427)	222,158	545,312	(320,850)	224,462
Furniture and fixtures	21,331	(15,076)	6,255	20,731	(14,443)	6,288
IT equipment	62,163	(55,222)	6,941	60,607	(53,128)	7,479
Machinery and equipment (*)	5,753,067	(4,003,342)	1,749,725	5,595,046	(3,657,614)	1,937,432
Vehicles	29,558	(29,413)	145	35,459	(34,121)	1,338
Agricultural machinery and inputs (**)	1,747,559	(1,555,507)	192,052	1,734,333	(1,426,694)	307,639
Bearer plant	3,136,884	(2,596,187)	540,697	2,966,966	(2,427,778)	539,188
	11,939,759	(8,853,590)	3,086,169	11,583,874	(8,179,476)	3,404,398
Construction in progress (Note 14.1)	55,996	-	55,996	72,993	-	72,993
	11,995,755	(8,853,590)	3,142,165	11,656,867	(8,179,476)	3,477,391

(*) Includes deferred manufacturing costs.

(**) Includes deferred agricultural costs.

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

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Opening balance	1,635,433	1,697,433	3,477,391	3,641,525
Acquisitions and additions	225,586	378,970	435,769	793,991
Residual value of write-offs	(8,832)	(53,726)	(13,686)	(58,913)
Transfer to assets held for sale	17,706	19,312	17,706	22,818
Reversal of allowance for impairment losses (*)	3,377	706	(1,024)	522
Depreciation for the period/year	(364,114)	(407,262)	(773,991)	(922,552)
	1,509,156	1,635,433	3,142,165	3,477,391

(*) See Note 14.3.

14.1 Construction in progress

Construction in progress is broken down by plant as follows:

Plant	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Leme	3,878	7,959	3,878	7,959
Passatempo	5,402	2,497	5,402	2,497
Lagoa da Prata	3,699	2,294	3,699	2,294
Rio Brilhante	3,843	1,513	3,844	1,513
Santa Elisa	-	-	16,679	16,295
Vale do Rosário	-	-	11,027	18,635
MB	-	-	6,344	7,647
Continental	-	-	5,119	16,153
Corporativo	4	-	4	-
	16,826	14,263	55,996	72,993

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

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

As at December 31, 2020, the Company had agreements with suppliers for acquisition of fixed assets, amounting to R\$136,067 (R\$21,607 as at March 31, 2020), and total fixed assets given in guarantee in the amount of R\$1,064,124 (R\$809,362 as at March 31, 2020).

14.3 Impairment

As at December 31, 2020, the reversal/impairment totaled R\$3,377, in Company, and (R\$1,024) in Consolidated (R\$706, in Company, and R\$522, in Consolidated, as at March 31, 2020), due the sales and/or transfers of fixed assets between industrial clusters of the Group.

As at December 31, 2020, the accumulated balance of impairment is R\$58,115, in Company, and R\$191,985 in Consolidated (R\$61,492 and R\$190,961 as at March 31, 2020, respectively).

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

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15. INTANGIBLE ASSETS

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Goodwill				
Biosev Bioenergia	-	-	494,079	494,079
Usinas Tavares de Melo	-	-	407,675	407,675
Ampla	-	-	3,691	3,691
	-	-	905,445	905,445
Software				
Licences	7,998	11,856	9,189	12,997
	7,998	11,856	9,189	12,997
Other	-	-	2,826	3,522
	-	-	2,826	3,522
	7,998	11,856	917,460	921,964

The changes in intangible assets are as follows:

	Company					12.31.20
	03.31.20	Additions	Write-off	Amortization	Reversal impairment	
Software						
Licences	11,856	483	(264)	(4,218)	141	7,998
	11,856	483	(264)	(4,218)	141	7,998

	Company			
	03.31.19	Additions	Amortization	12.31.19
Software				
Licences	9,126	8,829	(5,090)	12,865
	9,126	8,829	(5,090)	12,865

	Consolidated					12.31.20
	03.31.20	Additions	Write-off	Amortization	Reversal impairment	
Goodwill						
Biosev Bioenergia	494,079	-	-	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	-	-	407,675
Ampla	3,691	-	-	-	-	3,691
Software						
Licences	12,997	929	(374)	(4,614)	251	9,189
Other						
Other	3,522	-	-	(696)	-	2,826
	921,964	929	(374)	(5,310)	251	917,460

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Consolidated			
	03.31.19	Additions	Amortization	12.31.19
Goodwill				
Biosev Bioenergia	494,079	-	-	494,079
Usinas Tavares de Melo	407,675	-	-	407,675
Ampla	3,691	-	-	3,691
Software				
Licences	9,726	9,836	(5,893)	13,669
Other				
Other	4,489	-	(526)	3,963
	919,660	9,836	(6,419)	923,077

16. BORROWINGS AND FINANCING

Description	Currency	Weighted average financial			Company	
		charges	Maturity (*)	Collaterals	12.31.20	03.31.20
Advance on Foreign Exchange Contract (ACC) (a)	US\$	Exchange rate change plus average interest rate of 5.37% p.a.	As at 03.31.23	Guarantee and promissory note	1,681,902	1,625,953
Export Prepayment - PPE (a)	US\$	Exchange rate change plus Libor plus average interest rate of 4% p.a.	As at 03.25.23	Promissory note, receivables and collateral	687,669	680,727
Constitutional Fund to Finance the the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	41,505	51,868
Finame	R\$	Average interest rate of 9.38% p.a. and TLP + 4.92% p.a.	From 04.17.23 to 04.15.25	Conditional sale, guarantee and promissory note	30,374	38,370
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2%	As at 04.29.22	Guarantee, promissory note and collateral	181,108	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	244,099	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2%	As at 03.30.23	Collection and assignment of receivables	147,986	139,434
					3,014,643	3,003,043
				Current liabilities	1,318,124	2,935,559
				Non-current liabilities	1,696,519	67,484

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

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

Description	Currency	Weighted average financial			Consolidated	
		charges	Maturity (*)	Collaterals	12.31.20	03.31.20
Restructured debt (ex-Debentures) - R\$	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	68,994	99,771
Restructured debt - US\$	US\$	Exchange rate change plus Libor plus average interest rate of 2.47% p.a.	As at 07.10.23	Guarantee, receivables, mortgage and shares	510,533	741,176
Restructured debt (debenture) - R\$ (a)	R\$	CDI plus 1.72% p.a.	As at 07.10.24	Guarantee, receivables, mortgage and shares	104,040	140,590
Advance on Foreign Exchange Contract - ACC (a)	US\$	Exchange rate change plus average interest rate of 5.40% p.a.	As at 03.31.23	Guarantee and promissory note	3,527,147	3,642,512
Export Prepayment – PPE (a)/(b)	US\$	Exchange rate change plus Libor plus average interest rate of 5.64% p.a.	From 03.25.2023 to 04.30.23	Guarantee, promissory note, receivables and collateral	2,007,966	1,962,581
Constitutional Fund to Finance the Midwest - FCO	R\$	Interest of 10% p.a.	As at 12.01.23	Guarantee, conditional sale and receivables	41,505	51,868
Finame	R\$	Average interest rate of 9.55% p.a. and TLP + 4.92% p.a.	From 04.15.21 to 04.15.25	Conditional sale, guarantee and promissory note	65,966	76,802
Export Credit Note and Bill - NCE	R\$	CDI plus average interest rate of 2% p.a.	As at 04.29.22	Guarantee, promissory note and collateral	181,108	181,212
Offshore Loan (a)	US\$	Exchange rate change plus Libor plus average interest rate of 5.75% p.a.	As at 10.15.27	Mortgage, credit rights and collateral	244,099	285,479
Bank Credit Note - CCB	R\$	CDI plus average interest rate of 2% p.a.	As at 03.30.23	Collection and assignment of receivables	<u>163,202</u>	<u>139,434</u>
				Current liabilities	<u>3,058,308</u>	<u>7,321,425</u>
				Non-current liabilities	<u>3,856,252</u>	<u>96,191</u>

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

(a) Net of commission costs and deferred expenses, in the amount of R\$2,531, in Company, and R\$7,517, in Consolidated, as at December 31, 2020 (R\$2,755, in Company, and R\$8,843, in Consolidated, as at March 31, 2020), monthly recorded in profit or loss through the maturity of such transaction.

(b) Include export prepayments, contracted on January 9, 2015, by subsidiary Biosev Bioenergia International S.A. with the trade union of foreign financial institutions, in the amount of R\$1,148,393 as at December 31, 2020 (R\$1,150,301 as at March 31, 2020). These operations are collateralized by a set of assets for settlement. As at December 31, 2020, the foreign currency-denominated deposits comprise, together with the agricultural production (sugarcane) of specific units and sugar and ethanol inventories, the ratio of 142.70% of the obligations.

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

	<u>Company</u>	<u>Consolidated</u>
	<u>12.31.20</u>	<u>12.31.20</u>
January 2022 to March 2022	100,171	309,008
April 2022 to March 2023	1,399,112	3,026,750
April 2023 to March 2024	51,200	361,988
April 2024 to March 2025	40,128	48,620
April 2025 to October 2027	<u>105,908</u>	<u>109,886</u>
	<u>1,696,519</u>	<u>3,856,252</u>

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

16.1 Changes in borrowings and financing

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Opening balance	3,003,043	2,508,176	7,321,425	5,979,328
Additions	655,622	1,840,335	1,233,828	4,459,444
Payment of principal	(686,058)	(1,961,531)	(1,705,482)	(4,733,209)
Interest, exchange rate changes and inflation adjustments and adjustment to fair value of loans, net	136,838	825,313	293,591	2,080,661
Payment of interest	(94,802)	(209,250)	(228,802)	(464,799)
Closing balance	3,014,643	3,003,043	6,914,560	7,321,425

17. TRADE PAYABLES

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Related parties (Note 20)				
In Brazil	8,975	6,068	8,181	8,001
Abroad	62,043	89,808	5,680	4,494
	71,018	95,876	13,861	12,495
Third parties				
In Brazil	218,256	215,843	664,037	662,534
Abroad	2,655	3,118	(10,264)	129,839
	220,911	218,961	653,773	792,373
	291,929	314,837	667,634	804,868
Current liabilities	287,643	309,104	663,105	798,903
Non-current liabilities	4,286	5,733	4,529	5,965

18. TAXES PAYABLE

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Payment in installments	-	125	2,026	2,137
Tax on Manufactured Products (IPI)	-	-	598	1,027
State VAT (ICMS)	1,683	6,916	1,683	8,152
Taxes on revenue (PIS and COFINS)	2,074	314	7,598	4,979
Social Security Tax (INSS)	4,007	3,867	7,393	11,083
Income tax (IRPJ) and social contribution (CSLL)	299	3,378	31,873	40,299
Withholding Income Tax (IRPF)	12,660	12,660	12,660	12,660
Other	11,492	12,555	11,493	13,316
	32,215	39,815	75,324	93,653
Current liabilities	13,891	21,314	57,000	75,152
Non-current liabilities	18,324	18,501	18,324	18,501

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

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

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

	Company						12.31.20
	03.31.20	Recognition (reversal) of inflation		Additions	Written-off reversals	Written-off payments	
		adjustments	Inflation adjustments				
Tax							
Income tax (IRPJ) and social contribution (CSLL)	79	-	-	-	-	-	79
	<u>79</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79</u>
Labor	84,919	7,758	(5,701)	14,693	(10,616)	(10,964)	80,089
Environmental	1,696	680	(646)	1,018	(263)	-	2,485
Civil	20,782	2,944	(228)	1,062	(301)	-	24,259
Criminal	605	22	(132)	-	(495)	-	-
	<u>108,002</u>	<u>11,404</u>	<u>(6,707)</u>	<u>16,773</u>	<u>(11,675)</u>	<u>(10,964)</u>	<u>106,833</u>
	<u>108,081</u>	<u>11,404</u>	<u>(6,707)</u>	<u>16,773</u>	<u>(11,675)</u>	<u>(10,964)</u>	<u>106,912</u>

	Company						12.31.19
	03.31.19	Recognition (reversal) of inflation		Additions	Written-off reversals	Written-off payments	
		adjustments	Inflation adjustments				
Tax							
Income tax (IRPJ) and social contribution (CSLL)	76	2	-	-	-	-	78
	<u>76</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78</u>
Labor	128,197	(6,165)	32,771	(66,896)	(3,826)		84,081
Environmental	1,468	257	3	(73)	-		1,655
Civil	8,338	5,021	9,510	(560)	-		22,309
Criminal	-	99	202	-	-		301
	<u>138,003</u>	<u>(788)</u>	<u>42,486</u>	<u>(67,529)</u>	<u>(3,826)</u>		<u>108,346</u>
	<u>138,079</u>	<u>(786)</u>	<u>42,486</u>	<u>(67,529)</u>	<u>(3,826)</u>		<u>108,424</u>

	Consolidated						12.31.20
	03.31.20	Recognition (reversal) of inflation		Additions	Written-off reversals	Written-off payments	
		adjustments	Inflation adjustments				
Tax							
IPF levied on sugar sales	17,785	71	-	-	-	-	17,856
PIS and COFINS	3,406	-	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,852	1	-	-	-	-	2,853
Other	16	-	-	-	-	-	16
	<u>24,059</u>	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,131</u>
Labor	227,868	21,276	(18,322)	56,373	(16,322)	(51,102)	219,771
Environmental	11,354	2,751	(997)	2,065	(406)	-	14,767
Civil	30,782	4,023	(2,346)	1,490	(1,691)	-	32,258
Criminal	605	22	(132)	-	(495)	-	-
	<u>270,609</u>	<u>28,072</u>	<u>(21,797)</u>	<u>59,928</u>	<u>(18,914)</u>	<u>(51,102)</u>	<u>266,796</u>
	<u>294,668</u>	<u>28,144</u>	<u>(21,797)</u>	<u>59,928</u>	<u>(18,914)</u>	<u>(51,102)</u>	<u>290,927</u>

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Consolidated					12.31.19
	03.31.19	Recognition (reversal) of inflation adjustments	Additions	Written-off reversals	Written-off payments	
Tax						
IPI levied on sugar sales	17,584	162	-	-	-	17,746
PIS and COFINS	3,406	-	-	-	-	3,406
Income tax (IRPJ) and social contribution (CSLL)	2,850	2	-	-	-	2,852
Other	16	-	-	-	-	16
	23,856	164	-	-	-	24,020
Labor	236,368	(1,706)	90,867	(91,076)	(15,517)	218,936
Environmental	7,611	2,584	1,367	(474)	-	11,088
Civil	19,402	3,850	10,426	(1,542)	-	32,136
Criminal	-	99	202	-	-	301
	263,381	4,827	102,862	(93,092)	(15,517)	262,461
	287,237	4,991	102,862	(93,092)	(15,517)	286,481

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

Tax

The tax claims (court and out-of-court) as at December 31, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Tax	674,573	725,832	1,579,820	1,652,707
	674,573	725,832	1,579,820	1,652,707

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

Civil, environmental and labor

The civil, environmental and labor claims (court and out-of-court) as at December 31, 2020, with an acknowledged possible likelihood of loss and not accrued are shown in the table below:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Civil	156,396	101,979	205,611	147,405
Environmental	34,716	12,278	76,545	74,433
Labor	73,270	76,297	127,033	126,742
	264,382	190,554	409,189	348,580

As at December 31, 2020, the Group was a party to labor, environmental and civil law suits whose likelihood of loss is considered possible based on the opinion of Group's legal counsel.

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

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

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

20. RELATED PARTIES

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

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

The tables below show the balances and transactions as at December 31, 2020 between the Company and its subsidiaries, which are consolidated in its balance sheet:

Subsidiaries	Company		
	Assets		
	Trade receivables	Loan	Total
Biosev Bioenergia International S.A.	82,896	-	82,896
Biosev Bioenergia S.A.	3,806	3,487	7,293
Biosev Comercializadora S.A.	4,657	9,115	13,772
12.31.20	91,359	12,602	103,961

Biosev Bioenergia International S.A.	132,489	-	132,489
Biosev Bioenergia S.A.	4,164	26,736	30,900
Biosev Comercializadora S.A.	3,334	-	3,334
03.31.20	139,987	26,736	166,723

Subsidiaries	Company			
	Liabilities			
	Trade payables (*)	Advances from customers (**)	Loan	Total
Biosev Bioenergia International S.A.	68,244	759,044	-	827,288
Biosev Bioenergia S.A.	3,051	-	-	3,051
Biosev Comercializadora S.A.	3,154	-	-	3,154
Sociedade Operadora Portuária de São Paulo S.A.	-	-	14,315	14,315
12.31.20	74,449	759,044	14,315	847,808

Biosev Bioenergia International S.A.	95,932	814,736	-	910,668
Biosev Bioenergia S.A.	4,134	-	-	4,134
Sociedade Operadora Portuária de São Paulo S.A.	-	-	14,108	14,108
03.31.20	100,066	814,736	14,108	928,910

(*) As at December 31, 2020, the amount of R\$3,061 (R\$3,062 as at March 31, 2020) was recorded in current liabilities, in line item "Other payables".

(**) As at December 31, 2020, the amounts of R\$258,891 (R\$12,232 as at March 31, 2020) and R\$500,153 (R\$802,505 as at March 31, 2020) were recorded in current liabilities and non-current liabilities, respectively.

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Company					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest	Total	Purchases	Interest	Total expenses
Subsidiaries						
Biosev Bioenergia Internacional S.A.	640,294	-	640,294	(511)	(46,038)	(46,549)
Biosev Bioenergia S.A.	44,424	5	44,429	(1,894)	-	(1,894)
Biosev Comercializadora S.A.	21,243	24	21,267	(8,817)	-	(8,817)
Sociedade Operadora Portuária de São Paulo S.A.	-	-	-	-	(385)	(385)
12.31.20	705,961	29	705,990	(11,222)	(46,423)	(57,645)

Subsidiaries						
Biosev Bioenergia Internacional S.A.	145,642	-	145,642	(325)	(50,151)	(50,476)
Biosev Bioenergia S.A.	13,447	2,243	15,690	(732)	-	(732)
Biosev Comercializadora S.A.	31,879	275	32,154	(907)	-	(907)
Sociedade Operadora Portuária de São Paulo S.A.	-	-	-	-	(556)	(556)
12.31.19	190,968	2,518	193,486	(1,964)	(50,707)	(52,671)

The tables below show the balances and transactions as at December 31, 2020 between the Company and other related parties:

	Company			
	Assets			
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
Companies under common control				
Louis Dreyfus Company Suisse S.A.	-	956	-	956
Louis Dreyfus Company Brasil S.A.	-	-	11,615	11,615
Term Commodities Inc.	22,819	-	-	22,819
12.31.20	22,819	956	11,615	35,390

Companies under common control				
Louis Dreyfus Company Suisse S.A.	-	1,014	-	1,014
Louis Dreyfus Company Brasil S.A.	-	-	885,170	885,170
Term Commodities Inc.	19,112	-	-	19,112
03.31.20	19,112	1,014	885,170	905,296

	Consolidated			
	Assets			
	Derivatives (*)	Trade receivables	Advances to suppliers	Total
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	-	11,615	11,615
LDC Ethanol Interior Merchandising	-	90	-	90
Louis Dreyfus Company Suisse S.A.	-	4,360	-	4,360
Term Commodities Inc.	22,819	163	-	22,982
12.31.20	22,819	4,613	11,615	39,047

Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	-	2,506,685	2,506,685
LDC Ethanol Interior Merchandising	-	91	-	91
Louis Dreyfus Company Suisse S.A.	-	2,153	-	2,153
Term Commodities Inc.	19,112	261	-	19,373
03.31.20	19,112	2,505	2,506,685	2,528,302

(*) As at December 31, 2020, the amount of R\$22,819 (R\$19,112 as at March 31, 2020) was recorded in line item "Short-term investments", relating to margin deposits in derivative transactions.

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Company			
	Liabilities			
	Derivatives	Trade payables	Advances from customers	Total
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	1,239	-	1,239
Term Commodities Inc.	1,160	-	-	1,160
Louis Dreyfus Company Suisse S.A.	-	-	11,528	11,528
	<u>1,160</u>	<u>1,239</u>	<u>11,528</u>	<u>13,927</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	1,531	-	1,531
	-	<u>1,531</u>	-	<u>1,531</u>
12.31.20	<u>1,160</u>	<u>2,770</u>	<u>11,528</u>	<u>15,458</u>
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	185	-	185
Louis Dreyfus Company Suisse S.A.	-	-	878,580	878,580
Term Commodities Inc.	6,585	-	-	6,585
	<u>6,585</u>	<u>185</u>	<u>878,580</u>	<u>885,350</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	1,749	-	1,749
	-	<u>1,749</u>	-	<u>1,749</u>
03.31.20	<u>6,585</u>	<u>1,934</u>	<u>878,580</u>	<u>887,099</u>
Consolidated				
Liabilities				
	Derivatives	Trade payables	Advances from customers	Total
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	1,363	-	1,363
Louis Dreyfus Company Suisse S.A.	-	5,595	11,528	17,123
Term Commodities Inc.	1,160	-	-	1,160
LDC Trading and Services Co.S.A.	-	-	-	-
Term Commodities Inc.	-	85	-	85
	<u>1,160</u>	<u>7,043</u>	<u>11,528</u>	<u>19,731</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	6,818	-	6,818
	-	<u>6,818</u>	-	<u>6,818</u>
12.31.20	<u>1,160</u>	<u>13,861</u>	<u>11,528</u>	<u>26,549</u>
Companies under common control				
Louis Dreyfus Company Brasil S.A.	-	309	-	309
Louis Dreyfus Company Suisse S.A.	289	4,251	2,486,605	2,491,145
LDC Trading and Services Co. S.A.	-	243	-	243
Term Commodities Inc.	6,585	-	-	6,585
	<u>6,874</u>	<u>4,803</u>	<u>2,486,605</u>	<u>2,498,282</u>
Jointly-controlled entity				
TEAG - Terminal Exp. Açúcar Guarujá Ltda.	-	7,692	-	7,692
	-	<u>7,692</u>	-	<u>7,692</u>
03.31.20	<u>6,874</u>	<u>12,495</u>	<u>2,486,605</u>	<u>2,505,974</u>

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

	Company					
	Profit (loss)					
	Income			Expenses		
	Sales	Interest and exchange rate	Total income	Sales	Interest and exchange rate	Total expenses
Companies under common control						
Louis Dreyfus Company Brasil S.A.	-	-	-	(1,145,910)	-	(1,145,910)
Louis Dreyfus Company Suisse S.A.	1,350,168	-	1,350,168	(185)	-	(185)
Macrofértil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(105)	-	(105)
Term Commodities Inc.	-	-	-	(15,561)	-	(15,561)
	<u>1,350,168</u>	<u>-</u>	<u>1,350,168</u>	<u>(1,161,761)</u>	<u>-</u>	<u>(1,161,761)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(4,875)	-	(4,875)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,875)</u>	<u>-</u>	<u>(4,875)</u>
12.31.20	<u>1,350,168</u>	<u>-</u>	<u>1,350,168</u>	<u>(1,166,636)</u>	<u>-</u>	<u>(1,166,636)</u>
Companies under common control						
Louis Dreyfus Company Brasil S.A.	3,009	7,769	10,778	(1,003,279)	-	(1,003,279)
Louis Dreyfus Company Suisse S.A.	1,025,424	-	1,025,424	-	(7,103)	(7,103)
Term Commodities Inc.	-	-	-	(7,023)	-	(7,023)
	<u>1,028,433</u>	<u>7,769</u>	<u>1,036,202</u>	<u>(1,010,302)</u>	<u>(7,103)</u>	<u>(1,017,405)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(1,914)	-	(1,914)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,914)</u>	<u>-</u>	<u>(1,914)</u>
12.31.19	<u>1,028,433</u>	<u>7,769</u>	<u>1,036,202</u>	<u>(1,012,216)</u>	<u>(7,103)</u>	<u>(1,019,319)</u>
Consolidated						
Profit (loss)						
Income			Expenses			
Sales	Interest and exchange rate changes	Total income	Sales	Interest and exchange rate changes	Total expenses	
Companies under common control						
LDC Trading and Services Co.S.A.	-	-	-	(864)	(2)	(866)
Louis Dreyfus Company Brasil S.A.	731	-	731	(2,812,831)	-	(2,812,831)
Louis Dreyfus Company Suisse S.A.	4,761,728	23,980	4,785,708	(386,585)	-	(386,585)
Louis Dreyfus Commodities Agroindustrial S.A.	-	-	-	-	-	-
Macrofértil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(185)	-	(185)
Term Commodities Inc.	-	15	15	(15,939)	-	(15,939)
	<u>4,762,459</u>	<u>23,995</u>	<u>4,786,454</u>	<u>(3,216,404)</u>	<u>(2)</u>	<u>(3,216,406)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	-	-	(21,452)	-	(21,452)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,452)</u>	<u>-</u>	<u>(21,452)</u>
12.31.20	<u>4,762,459</u>	<u>23,995</u>	<u>4,786,454</u>	<u>(3,237,856)</u>	<u>(2)</u>	<u>(3,237,858)</u>
Companies under common control						
Louis Dreyfus Company Ethanol Merchandising LLC	-	9	9	(564)	-	(564)
LDC Trading and Services Co.S.A.	3,405	46,903	50,308	(1,177,190)	-	(1,177,190)
Louis Dreyfus Company Brasil S.A.	1,859,470	-	1,859,470	(31,085)	(46,382)	(77,467)
Louis Dreyfus Company Suisse S.A.	-	3	3	-	-	-
Macrofértil Indústria e Comércio de Fertilizantes Ltda.	-	-	-	(674)	-	(674)
Term Commodities Inc.	-	1	1	(7,414)	-	(7,414)
	<u>1,862,875</u>	<u>46,916</u>	<u>1,909,791</u>	<u>(1,216,927)</u>	<u>(46,382)</u>	<u>(1,263,309)</u>
Jointly-controlled entity						
Teag-Terminal Exp. Açúcar Guarujá Ltda.	-	8	8	(17,235)	-	(17,235)
	<u>-</u>	<u>8</u>	<u>8</u>	<u>(17,235)</u>	<u>-</u>	<u>(17,235)</u>
12.31.19	<u>1,862,875</u>	<u>46,924</u>	<u>1,909,799</u>	<u>(1,234,162)</u>	<u>(46,382)</u>	<u>(1,280,544)</u>

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

a) Compensation of key management personnel

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

	Company and Consolidated			
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Short-term benefits	1,003	1,902	8,556	9,464
Long-term benefits	-	-	2,302	1,458
	<u>1,003</u>	<u>1,902</u>	<u>10,858</u>	<u>10,922</u>

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

21. NET REVENUE AND COST OF SALES AND SERVICES

	Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
Gross revenue								
Domestic market								
Sugar	65,535	12,475	188,126	68,344	86,311	30,943	241,640	131,211
Ethanol	222,937	293,265	520,988	1,139,980	346,681	605,429	874,305	1,992,677
Energy	29,671	31,643	146,290	151,751	221,735	79,674	510,459	308,804
Other	14,378	4,513	17,401	10,154	25,103	12,452	51,484	39,402
	<u>332,521</u>	<u>341,896</u>	<u>872,805</u>	<u>1,370,229</u>	<u>679,830</u>	<u>728,498</u>	<u>1,677,888</u>	<u>2,472,094</u>
Foreign market								
Sugar	252,805	99,166	823,366	228,378	1,032,043	426,477	2,860,306	1,093,006
Ethanol	32,184	-	81,570	1,128	529,371	11,200	1,083,794	244,611
Other (a)	287,819	259,441	1,408,931	1,037,869	707,183	336,818	3,104,033	1,209,025
	<u>572,808</u>	<u>358,607</u>	<u>2,313,867</u>	<u>1,267,375</u>	<u>2,268,597</u>	<u>774,495</u>	<u>7,048,133</u>	<u>2,546,642</u>
	<u>905,329</u>	<u>700,503</u>	<u>3,186,672</u>	<u>2,637,604</u>	<u>2,948,427</u>	<u>1,502,993</u>	<u>8,726,021</u>	<u>5,018,736</u>
Taxes (b)	(28,402)	(42,648)	(74,512)	(156,928)	(76,823)	(112,452)	(189,140)	(355,109)
Sales rebates	(2,041)	(467)	(3,563)	(1,792)	(2,942)	(995)	(13,990)	(3,258)
Net revenue	<u>874,886</u>	<u>657,388</u>	<u>3,108,597</u>	<u>2,478,884</u>	<u>2,868,662</u>	<u>1,389,546</u>	<u>8,522,891</u>	<u>4,660,369</u>
Cost of sales and services (c)								
Domestic market								
Sugar	(58,660)	(14,380)	(161,254)	(62,041)	(75,626)	(29,311)	(201,774)	(97,864)
Ethanol	(149,101)	(187,073)	(391,124)	(788,854)	(233,459)	(405,774)	(646,134)	(1,373,244)
Energy	(11,364)	(11,492)	(32,984)	(40,948)	(189,184)	(52,206)	(334,853)	(161,439)
Other	(847)	(7,622)	(7,958)	(9,224)	(7,504)	(14,683)	(41,197)	(33,200)
	<u>(219,972)</u>	<u>(220,567)</u>	<u>(593,320)</u>	<u>(901,067)</u>	<u>(505,773)</u>	<u>(501,974)</u>	<u>(1,223,958)</u>	<u>(1,665,747)</u>
Foreign market								
Sugar (d)	(153,388)	(111,414)	(545,625)	(208,787)	(787,466)	(421,289)	(2,218,420)	(1,091,418)
Ethanol (d)	(19,237)	-	(53,212)	(3,576)	(420,450)	(6,976)	(824,648)	(269,363)
Other (a)	(297,554)	(258,737)	(1,440,306)	(1,042,517)	(717,530)	(339,067)	(3,125,369)	(1,216,583)
	<u>(470,179)</u>	<u>(370,151)</u>	<u>(2,039,143)</u>	<u>(1,254,880)</u>	<u>(1,925,446)</u>	<u>(767,332)</u>	<u>(6,168,437)</u>	<u>(2,577,364)</u>
Gains on changes in fair value less estimated costs to sell biological assets								
Sugar	33,905	912	379,208	29,909	105,083	26,006	580,466	79,487
Ethanol	26,915	1,356	214,839	122,205	87,816	25,937	346,977	167,818
	<u>60,820</u>	<u>2,268</u>	<u>594,047</u>	<u>152,114</u>	<u>192,899</u>	<u>51,943</u>	<u>927,443</u>	<u>247,305</u>
	<u>(629,331)</u>	<u>(588,450)</u>	<u>(2,038,416)</u>	<u>(2,003,833)</u>	<u>(2,238,320)</u>	<u>(1,217,363)</u>	<u>(6,464,952)</u>	<u>(3,995,806)</u>

(a) Amounts relating to the export of commodities.

(b) Include government grants, which reduced the taxable base on sales by R\$60,504, in Company, in the period ended December 31, 2020 (R\$73,699 as at December 31, 2019).

(c) Include PIS and COFINS credits in the amount of R\$10,226, in Company, and R\$18,404, in Consolidated, in the period ended December 31, 2020 (R\$12,552 and R\$22,765, as at December 31, 2019, respectively), as prescribed by article 3, of Law 10637/02, which addresses the non-cumulativeness of PIS/PASEP; and article 3, of Law 10833/03, which addresses the non-cumulativeness of COFINS.

(d) Include REINTEGRA credits, in the amount of R\$905, in Company, and R\$3,414, in Consolidated, in the period ended December 31, 2020 (R\$2,516 and R\$3,535, as at December 31, 2019, respectively), as set forth in article 21, of Law 13043, of November 13, 2014, which addresses the REINTEGRA reintroducing.

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

22. EXPENSES BY NATURE

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

	Company				Consolidated			
	Three-month period		Nine-month period		Three-month period		Nine-month period	
	ended	ended	ended	ended	ended	ended	ended	
	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
Cost of sales and services								
Personnel (*)	(53,070)	(48,250)	(171,320)	(169,105)	(120,156)	(122,123)	(400,104)	(357,314)
Depreciation and amortization (**)	(269,792)	(201,726)	(806,410)	(710,420)	(559,540)	(422,078)	(1,637,969)	(1,401,291)
Raw materials and inputs, net of taxes:								
Raw materials	(58,171)	(62,681)	(170,827)	(177,109)	(346,079)	(222,739)	(999,000)	(765,595)
Inputs and services	(1,571)	(6,023)	(24,037)	(17,263)	(19,128)	(22,584)	(91,467)	(81,314)
Products for resale	(307,547)	(272,038)	(1,459,869)	(1,082,050)	(1,386,316)	(479,782)	(4,263,855)	(1,637,597)
	<u>(367,289)</u>	<u>(340,742)</u>	<u>(1,654,733)</u>	<u>(1,276,422)</u>	<u>(1,751,523)</u>	<u>(725,105)</u>	<u>(5,354,322)</u>	<u>(2,484,506)</u>
Gains on changes in fair value less estimated costs to sell biological assets	60,820	2,268	594,047	152,114	192,899	51,943	927,443	247,305
	<u>(629,331)</u>	<u>(588,450)</u>	<u>(2,038,416)</u>	<u>(2,003,833)</u>	<u>(2,238,320)</u>	<u>(1,217,363)</u>	<u>(6,464,952)</u>	<u>(3,995,806)</u>
General, administrative and selling expenses								
Personnel (*)	(11,942)	(15,304)	(32,221)	(57,801)	(29,520)	(30,245)	(93,401)	(106,337)
Depreciation	(2,496)	(3,110)	(7,904)	(8,887)	(5,429)	(5,935)	(16,152)	(17,758)
Freight	(21,084)	(9,175)	(71,261)	(28,080)	(77,888)	(30,858)	(221,419)	(115,217)
Services	(12,884)	(28,386)	(34,983)	(54,845)	(29,885)	(41,381)	(84,175)	(88,825)
Shipping expenses	(2,496)	(363)	(7,178)	(2,775)	(23,191)	(8,771)	(67,492)	(29,944)
Other	(5,379)	(7,981)	(11,783)	(18,945)	(9,492)	(10,838)	(22,985)	(30,782)
	<u>(56,281)</u>	<u>(64,319)</u>	<u>(165,330)</u>	<u>(171,333)</u>	<u>(175,405)</u>	<u>(128,028)</u>	<u>(505,624)</u>	<u>(388,863)</u>

(*) As at December 31, 2020, the personnel expenses, in Company and Consolidated, comprise R\$203,541 and R\$493,505, respectively (R\$226,906 and R\$463,651 as at December 31, 2019), and R\$5,336 and R\$11,971 (R\$6,163 and R\$12,700 as at December 31, 2019) relating to INSS contribution, respectively.

(**) Includes biological asset and agricultural produce.

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

23. FINANCE INCOME (EXPENSES)

	Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
Finance income								
Discounts obtained	320	22	1,005	373	603	50	1,649	987
Revenue from fixed income short-term investments	286	570	1,252	4,157	826	1,700	3,238	9,635
Interest	4,356	6,631	10,739	15,054	945	7,708	9,979	17,557
Other	-	53	1,713	973	242	844	3,315	3,821
	4,962	7,276	14,709	20,557	2,616	10,302	18,181	32,000
Finance costs								
Interest	(72,624)	(67,073)	(229,958)	(278,465)	(138,058)	(140,674)	(442,538)	(506,458)
Discounts granted	-	1	(1)	(36)	-	1	(8)	(36)
Tax on Financial Transactions (IOF)	(410)	(468)	(2,543)	(1,235)	(1,528)	(1,119)	(7,180)	(4,714)
Tax on Financial Transactions (IOF) - loan	-	-	-	(64)	(3)	(479)	(176)	(2,731)
Other	(446)	(485)	(1,558)	(730)	(1,072)	(436)	(3,560)	(3,822)
Taxes on revenue (PIS and COFINS) on finance income	(601)	(293)	(986)	(798)	(700)	(472)	(1,410)	(1,442)
	(74,081)	(68,318)	(235,046)	(281,328)	(141,361)	(143,179)	(454,872)	(519,203)
Derivatives								
Commodities derivatives - Commercial transactions	35,068	52,544	(315,865)	75,302	(50,963)	15,491	(52,742)	8,292
Commodities derivatives - Financial transactions	(77,216)	(13,730)	22,511	(54,682)	(77,216)	(13,730)	22,511	(54,682)
Interest rate derivatives - Libor sw ap	-	-	-	-	(2,315)	(358)	(7,162)	(1,030)
	(42,148)	38,814	(293,354)	20,620	(130,494)	1,403	(37,393)	(47,420)
Exchange rate changes								
Foreign exchange assets	404,257	267,940	580,466	488,556	1,384,550	653,572	2,951,186	1,322,034
Foreign exchange liabilities	(114,986)	(190,124)	(570,267)	(594,306)	(824,890)	(473,251)	(2,984,885)	(1,528,160)
	289,271	77,816	10,199	(105,750)	559,660	180,321	(33,699)	(206,126)
Finance income (costs)	178,004	55,588	(503,492)	(345,901)	290,421	48,847	(507,783)	(740,749)

24. OTHER OPERATING INCOME (EXPENSES)

	Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19	12.31.20	12.31.19
Recognition of provision for tax, labor, civil and environmental contingencies	4,136	31,205	5,866	28,869	16,985	25,775	10,088	5,747
Contractual fines and indemnities	(61,046)	(6,612)	(72,853)	(25,825)	(115,875)	(19,936)	(152,153)	(66,587)
Tax expenses	(844)	(3,673)	(3,099)	(6,696)	588	(5,885)	(1,196)	(11,636)
Reversal of impairment of fixed assets and Intangible assets	505	-	3,518	555	(4,951)	-	(773)	1,976
Gains (losses) on sale of property, plant and equipment	(2,309)	2	(7,403)	407	(1,384)	2	(5,025)	6,436
Investments sold	-	-	-	(3,767)	-	-	-	(3,767)
Impairment of assets held for sale	-	103	119	53,374	-	103	119	53,374
Reversal (recognition) of estimated losses on doubtful accounts	6	(488)	30	(747)	55	(545)	466	(1,002)
Law suit - Instituto do Acucar e do Alcool - IAA	-	-	-	(1,438)	-	-	-	31,660
Provision for other losses	(22)	(42)	(39)	(168)	(10,283)	1,890	(13,937)	(59,702)
Untimely PIS and COFINS credits	-	-	-	18,110	-	-	-	65,101
Other operating expenses, net	5,642	7,112	7,009	(805)	10,094	7,486	12,999	2,839
Total other operating income (expenses), net	(53,932)	27,607	(66,852)	61,869	(104,771)	8,890	(149,412)	24,439
Total other operating income	7,406	7,098	19,210	88,657	19,292	14,621	36,463	187,254
Total other operating expenses	(61,338)	20,509	(86,062)	(26,788)	(124,063)	(5,731)	(185,875)	(162,815)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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25. LOSS PER SHARE

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

	Company		Consolidated	
	Nine-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Profit (loss) for the period attributable to the Company's owners	453,998	(470,117)	453,998	(470,117)
Weighted average number of shares used to calculate basic and diluted earnings per share	509,508,430	433,678,306	509,508,430	433,678,306
Total basic and diluted earnings (loss) per share	0.89105	(1.08402)	0.89105	(1.08402)

26. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

I - Risk management

The Company is exposed to certain risks arising from its operations, such as: market, credit, liquidity and capital risks.

In order to manage these risks, the Company timely implements the proper committee to discuss the following issues: i) monitoring and approval of the hedge percentages through financial instruments and respective sugar, ethanol and power price levels; ii) monitoring of the exposure and approval of the credit limit; iii) monitoring of the liquidity and definition of the strategic actions to meet the cash needs in the short, medium and long terms; and iii) monitoring of the claims in the Company's operations and insurance coverage.

On a daily basis, the exposures are mapped and reported to the Company's management so that the necessary decisions are undertaken.

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

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

26.1 Market risk

The Company is mainly exposed to risks related to foreign exchange, agricultural commodity price fluctuations, power price and interest rates. In order to hedge against these market risks, the Company contracts the following derivative instruments:

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

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

As at December 31, 2020, the assets and liabilities relating to the derivative transactions are broken down as follows:

	Company		Consolidated	
	12.31.20	03.31.20	12.31.20	03.31.20
Exchange risk management (Note 26.1.1)	(26,474)	(343,960)	(26,473)	(343,959)
Interest rate risk management (Note 26.1.2)	-	-	(25,130)	(27,963)
Agricultural commodity risk management (Note 26.1.3)	(1,478)	(5,441)	(84,892)	50,155
	(27,951)	(349,401)	(136,495)	(321,767)
Current assets	92,157	225,787	105,423	225,787
Non-current assets	-	-	-	55,885
Current liabilities	(120,108)	(575,188)	(231,324)	(586,843)
Non-current liabilities	-	-	(10,594)	(16,596)

26.1.1 Foreign exchange risk management

Because the Company's functional currency is the Brazilian real (R\$), the foreign currency-denominated operations are exposed to the foreign exchange risk. In order to reduce the changes in profit or loss and balance arising from net revenue flows, costs and debts denominated in US dollars, the Company held the following outstanding derivative positions as at December 31, 2020:

	Company and Consolidated							
	Average exchange rate		Notional value				Fair value	
			Foreign currency		Domestic currency (*)			
	12.31.20	03.31.20	12.31.20	03.31.20	12.31.20	03.31.20	12.31.20	03.31.20
			(Sale) purchase		(Sale) purchase			
Outstanding forward contracts – NDF								
US Dollar								
Hedge Accounting - Cash Flow								
Sale	5.3425	4.2685	(230,888)	(380,500)	(1,233,528)	(1,624,177)	33,007	(359,644)
Purchase	5.1370	4.2685	34,714	-	178,326	-	1,776	-
			(196,174)	(380,500)	(1,055,202)	(1,624,177)	34,784	(359,644)
Non-hedge Accounting								
Sale	5.4119	4.6227	(213,858)	(314,500)	(1,157,373)	(1,453,833)	45,012	(190,392)
Purchase	5.4396	4.7351	445,032	425,000	2,420,785	2,012,401	(106,236)	205,822
			231,174	110,500	1,263,412	558,568	(61,224)	15,430
Futures B3 - Non - Hedge Accounting								
DOL - dollar futures	5.1967	5.1987	(66,750)	54,750	(346,880)	284,629	2,350	1,443
DDI - future exchange coupon			129,818	(85,160)	674,627	(442,721)	(2,448)	(1,511)
DI - 1 day:			(218,412)	70,725	(1,135,022)	367,677	65	322
			(155,344)	40,315	(807,275)	209,585	(33)	254
							(26,473)	(343,960)

(*) Convenience conversion.

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26.1.2 Interest rate risk management

The Company is exposed to floating interest rates (Libor USD and CDI) arising from borrowings and financing, advances from customers, cash and cash equivalents and short-term investments.

In order to hedge against variations that may impact its cash flow, the Company hedged a portion of its exposure (Debt indexed to the Libor USD) through derivative instruments (Cash Flow Swap) contracted with first class financial institutions, in order to exchange the exposure to the Libor USD for fixed interest rates.

These derivative instruments are broken down as follows as at December 31, 2020:

	Consolidated						
	rate - %	Notional value				Fair value	
		Foreign currency		Domestic currency (*)		12.31.20	03.31.20
	12.31.20	12.31.20	03.31.20	12.31.20	03.31.20	12.31.20	03.31.20
Hedge Accounting							
Outstanding position:							
Less than 1 year	3.1467%	39,967	39,967	207,695	207,775	(14,536)	(11,367)
1 to 2 years	3.1467%	39,967	39,967	207,695	207,775	(8,311)	(10,659)
2 to 5 years	3.1467%	16,035	56,002	83,329	291,136	(2,283)	(5,937)
		95,968	135,936	498,718	706,686	(25,130)	(27,963)

(*) Convenience conversion.

26.1.3 Agricultural commodity risk management

The Company is exposed to the changes in sugar, ethanol and power prices that may impact its future income. In order to mitigate such market exposure, the Company's risk committee approves the volumes and price levels to be hedged as contracted by the Company's market intelligence desk.

As at December 31, 2020, the outstanding derivative instruments are broken down as follows:

	Company					
	Notional value				Fair value	
	Foreign currency		Domestic currency (*)		12.31.20	03.31.20
	12.31.20	03.31.20	12.31.20	03.31.20	12.31.20	03.31.20
Sugar futures - ICE						
Hedge Accounting - Cash Flow	(157,266)	(138,660)	(817,265)	(720,852)	(8,308)	(2,026)
Hedge Accounting - Fair Value	99,870	132,652	518,993	689,618	6,566	1,600
Non-hedge Accounting	8,177	(5,365)	42,492	(27,889)	593	(6,159)
	(49,219)	(11,373)	(255,780)	(59,123)	(1,149)	(6,585)
Sugar options - ICE						
Non-hedge Accounting	(2)	2,359	(12)	12,264	(12)	606
	(2)	2,359	(12)	12,264	(12)	606
Sugar options - OTC						
Non-hedge Accounting	-	(10,545)	-	(54,820)	-	(836)
	-	(10,545)	-	(54,820)	-	(836)
NDF sugar - OTC						
Non-hedge Accounting	-	(9,822)	-	(51,062)	-	1,156
	-	(9,822)	-	(51,062)	-	1,156
Ethanol futures - B3						
Non-hedge Accounting	24,751	(425)	128,623	(2,211)	(317)	218
	24,751	(425)	128,623	(2,211)	(317)	218
					(1,478)	(5,441)

(*) Convenience conversion.

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	Consolidated					
	Notional value				Fair value	
	Foreign currency		Domestic currency (*)		12.31.20	03.31.20
	12.31.20	03.31.20	12.31.20	03.31.20	12.31.20	03.31.20
Sugar futures - ICE						
Hedge Accounting - Cash Flow	(157,266)	(138,660)	(817,265)	(720,852)	(8,308)	(2,026)
Hedge Accounting - Fair Value	99,870	132,652	518,993	689,618	6,566	1,600
Non-hedge Accounting	8,177	(5,365)	42,492	(27,889)	593	(6,159)
	(49,219)	(11,373)	(255,780)	(59,123)	(1,149)	(6,585)
Sugar Sales Agreements						
Hedge Accounting - Fair Value	(99,870)	(132,652)	(518,993)	(689,618)	(82,298)	55,885
	(99,870)	(132,652)	(518,993)	(689,618)	(82,298)	55,885
Sugar options - ICE						
Non-hedge Accounting	(2)	2,359	(12)	12,264	(12)	606
	(2)	2,359	(12)	12,264	(12)	606
Sugar options - OTC						
Non-hedge Accounting	-	(14,035)	-	(72,964)	-	(1,125)
	-	(14,035)	-	(72,964)	-	(1,125)
NDF sugar - OTC						
Non-hedge Accounting	-	(9,822)	-	(51,062)	-	1,156
	-	(9,822)	-	(51,062)	-	1,156
Power Sales Agreements						
Non-hedge Accounting	19,279	-	100,186	-	(1,117)	-
	19,279	-	100,186	-	(1,117)	-
Ethanol futures - B3						
Non-hedge Accounting	24,751	(425)	128,623	(2,211)	(317)	218
	24,751	(425)	128,623	(2,211)	(317)	218
					(84,892)	50,155

(*) Convenience conversion.

26.2 Credit risk

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

26.3 Liquidity risk and capital management

Company monitors capital through financial leverage index analysis; these indexes include adjusted net debt to adjusted EBITDA ratio. In turn, the net debt corresponds to total borrowings and financing (including short- and long-term borrowings and financing), plus interest swap, less cash, cash equivalents, short-term investments and highly liquid inventory (ethanol, sugar and allowance for negative inventory margin).

Moreover, the products manufactured by the Company are highly liquid and can be easily sold to generate cash or also be provided as a guarantee for financial transactions.

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The contractual obligations and financial commitments that may impact the Company's liquidity are broken down below:

	Company			Total
	Less than 1	1 to 5 years	Over 5 years	
As at December 31, 2020				
Borrowings and financing	1,318,124	1,590,611	105,908	3,014,643
Lease liability	207,270	525,384	103,624	836,278
Derivative financial instruments	120,108	-	-	120,108
Trade payables	287,643	4,286	-	291,929
Accrued payroll and related taxes	48,704	-	-	48,704
Taxes payable	13,891	18,324	-	32,215
Other payables	51,840	72,577	-	124,417
	2,047,579	2,211,182	209,532	4,468,294

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

	Consolidated			Total
	Less than 1	1 to 5 years	Over 5 years	
As at December 31, 2020				
Borrowings and financing	3,058,308	3,746,367	109,885	6,914,560
Lease liability	561,217	1,305,407	268,641	2,135,265
Derivative financial instruments	231,324	10,594	-	241,918
Trade payables	663,105	4,529	-	667,634
Accrued payroll and related taxes	93,903	-	-	93,903
Taxes payable	57,000	18,324	-	75,324
Other payables	94,961	149,070	-	244,031
	4,759,819	5,234,290	378,526	10,372,635

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

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26.4 Margin calls

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

To trade on the ICE, the margin call required, as at December 31, 2020, is R\$22,461 (R\$7,376 as at March 31, 2020), fully deposited by the Company's in cash, through fiduciary agent Term Commodities Inc., a company under common control.

To trade on the B3, the margin call required, as at December 31, 2020, is R\$43,312 (R\$26,502 as at March 31, 2020), deposited in current account.

As at December 31, 2020, the Company's transactions in the over-the-counter market did not require an initial margin call in guarantee.

26.5 Categories of financial instruments

The financial instruments recognized in the balance sheet are stated at contractual value, as the characteristics of these financial instruments approximate their market value, except for derivative instruments and lease liabilities, which are stated at market value. The categories are described below:

	Classification	Company		Consolidated		
		CPC 48 / IFRS 9	12.31.20	03.31.20	12.31.20	03.31.20
Financial assets:						
Cash and cash equivalents (Note 3)	Amortized cost		141,536	396,124	484,178	1,174,943
Short-term investments and debentures (Note 4)	Amortized cost		71,453	42,052	127,949	52,245
Trade receivables (Note 5)	Amortized cost		159,191	211,537	279,203	216,242
Other financial assets	Amortized cost		482,012	572,469	685,797	793,595
Derivatives designated as hedge accounting (Note 26)	VJR		51,775	225,676	65,041	281,561
Derivatives designated as cash flow hedge (Note 26)	VJORA		40,381	111	40,382	111
			-		-	
Financial liabilities:						
Borrowings and financing (Note 16)	Amortized cost		3,014,643	3,003,043	6,914,560	7,321,425
Lease liability (Note 12)	Amortized cost		836,278	732,114	2,135,265	1,681,269
Trade payables (Note 17)	Amortized cost		291,929	314,837	667,634	804,868
Other financial liabilities	Amortized cost		205,335	253,674	413,258	469,434
Derivatives designated as fair value hedge or not (Note 26)	VJR		106,203	361,781	202,883	389,743
Derivatives designated as cash flow hedge (Note 26)	VJORA		13,906	213,407	39,035	213,696

26.6 Measurement at fair value recognized in balance sheet

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

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

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

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

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The Company's financial assets and liabilities measured at fair value on a recurring basis and subject to disclosure as required by CPC 40 (R1)/IFRS 7, as at December 31, 2020, are as follows:

	Company			Consolidated		
	12.31.20			12.31.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets at fair value through profit or loss						
Derivative financial assets	-	92,156	92,156	-	105,423	105,423
	<u>-</u>	<u>92,156</u>	<u>92,156</u>	<u>-</u>	<u>105,423</u>	<u>105,423</u>
Financial liabilities at fair value through profit or loss						
Derivative financial liabilities	(1,511)	(118,598)	(120,109)	(1,510)	(240,408)	(241,918)
	<u>(1,511)</u>	<u>(118,598)</u>	<u>(120,109)</u>	<u>(1,510)</u>	<u>(240,408)</u>	<u>(241,918)</u>

	Company			Consolidated		
	03.31.20			03.31.20		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets at fair value through profit or loss						
Derivative financial assets	15,885	209,902	225,787	15,886	265,786	281,672
	<u>15,885</u>	<u>209,902</u>	<u>225,787</u>	<u>15,886</u>	<u>265,786</u>	<u>281,672</u>
Financial liabilities at fair value through profit or loss						
Derivative financial liabilities	(22,000)	(553,188)	(575,188)	(21,999)	(581,440)	(603,439)
	<u>(22,000)</u>	<u>(553,188)</u>	<u>(575,188)</u>	<u>(21,999)</u>	<u>(581,440)</u>	<u>(603,439)</u>

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

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

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

26.7.1 Cash flow hedge

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

- **Recognized liability hedge – debts subject to the Libor rate:** The Company entered into swap contracts subject to the Libor interest rate contracted to mitigate the effects from interest rate changes of the long-term debts, in which case the respective exposure is subject to a fixed interest rate.
- **Highly probable transaction hedge – Revenue from sugar and ethanol exports in US dollar:** The Company entered into i) sugar futures contracts for purposes of price risk hedge; and ii) currency forward contracts (NDF) and US dollar-denominated debts (Natural HACC), both contracted to protect against exchange rate changes in the revenue from exports.
- **Highly probable transaction hedge – Cost related to the future purchase of agricultural inputs in US dollar:** Effective on July 22, 2021, the Company enters into currency forward contracts (NDF) to protect against exchange rate changes in the invoicing, upon issuance of the invoice and, therefore, the exposure is terminated.

26.7.2 Fair value hedge

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

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26.7.3 Discontinued hedge accounting

As at March 31, 2019, the Company discontinued the revenue hedge accounting program (Natural HACC) with respect to the debts already designated. Such discontinuity resulted from the change in the Company's foreign exchange risk management, which aimed to offset the exchange rate changes of the debts against equity, which will be directly recorded in the finance income (costs) to be offset against the long positions expressed in foreign currency using derivative financial instruments – also recognized in finance income (costs) (CPC 48, items B6.5.26 (a) and B6.5.28 (b)).

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

As at December 31, 2020, the annual expected realization of derivatives recorded in equity is as follows:

		Company						
Hedge	Impact	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025 to 2028	Total
Exchange rate changes on future interest flows (*)	Finance income (costs)	(1,226)	(3,854)	(2,367)	(1,226)	(733)	(759)	(10,165)
		<u>(1,226)</u>	<u>(3,854)</u>	<u>(2,367)</u>	<u>(1,226)</u>	<u>(733)</u>	<u>(759)</u>	<u>(10,165)</u>

		Consolidated						
Hedge	Impact	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025 to 2028	Total
Exchange rate changes on future interest flows (*)	Finance costs	(1,226)	(3,854)	(2,367)	(1,226)	(733)	(759)	(10,165)
HACC Natural	Operating losses	-	(79,173)	(79,173)	(25,544)	-	-	(183,890)
		<u>(1,226)</u>	<u>(83,027)</u>	<u>(81,540)</u>	<u>(26,770)</u>	<u>(733)</u>	<u>(759)</u>	<u>(194,055)</u>

(*) Program discontinued in prior years.

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26.7.4 Sensitivity analysis

The table below shows the Company's sensitivity to the presented risk factor, based on changes in the risk factor considered reasonably possible by management (probable scenario), which takes into account the current volatility of the asset – in addition to other two scenarios, based on which the market conditions are subject to 25% and 50% stress scenarios.

The probable scenario is obtained based on future dollar, sugar, ethanol and power (as at December 31, 2020) and the Group's expectations for each one of the variables indicated, over a twelve-month period.

Company					
	Notional amount		Effects on fair value		
	Foreign currency	Risk factor	Probable scenario	25% stress	50% stress
Exchange risk	(347,181)	Increase in US\$	(1,018,856)	(1,263,926)	(2,527,851)
Price risk	132,795	Decrease in price	201,401	157,750	315,512
Sugar hedge accounting	108,044	Increase in price	206,921	163,553	327,118
Ethanol	24,751	Decrease in price	(5,520)	(5,803)	(11,606)
Effects on equity	(214,386)		(817,455)	(1,106,176)	(2,212,340)
Exchange risk	(196,174)	Increase in US\$	205,480	254,905	509,809
Price risk	(157,266)	Increase in price	(295,657)	(233,694)	(467,388)
Sugar hedge accounting	(157,266)	Increase in price	(295,657)	(233,694)	(467,388)
Effects on equity	(353,441)		(90,177)	21,211	42,421

Consolidated					
	Notional amount		Effects on fair value		
	Foreign currency	Risk factor	Probable	25% stress	50% stress
Exchange risk	(906,688)	Increase in US\$	(1,765,014)	(2,189,559)	(4,379,119)
Price risk	52,204	Decrease in price	1,729	4,356	8,723
Sugar hedge accounting	8,175	Decrease in price	16,741	13,230	26,472
Ethanol	24,751	Decrease in price	(5,520)	(5,803)	(11,606)
Energia	19,279	Decrease in price	(9,492)	(3,072)	(6,143)
Effects on equity	(854,483)		(1,763,284)	(2,185,204)	(4,370,396)
Exchange risk	(196,174)	Increase in US\$	205,480	254,905	509,809
Price risk	(157,266)	Decrease in price	(295,657)	(233,694)	(467,388)
Sugar hedge accounting	(157,266)	Increase in price	(295,657)	(233,694)	(467,388)
Interest rate risk	95,968	Decrease in Libor rate	(186)	(372)	(744)
Effects on equity	(257,472)		(90,363)	20,839	41,678

As at December 31, 2020, the probable scenario considers the CDI rate projected for 12 months – disclosed at B3's website (DI swap reference rates x PRE) and the Libor rate for 12 months disclosed by Bloomberg. These rates were applied in the Company's exposure volume – composed of: borrowings and financing, advances from customers, cash and cash equivalents and short-term investments.

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

The consolidated sensitivity results are broken down below:

Company				
	Notional amount	Probable		
		scenario	25% stress	50% stress
Operations indexed to CDI	(221,639)	(6,139)	(7,674)	(11,511)
Operations indexed to Libor	(2,582,545)	(6,653)	(8,317)	(12,475)
Total	(2,804,184)	(12,792)	(15,991)	(23,986)

Consolidated				
	Notional amount	Probable		
		scenario	25% stress	50% stress
Operations indexed to CDI	(359,406)	(9,956)	(12,444)	(18,667)
Operations indexed to Libor	(5,958,761)	(15,352)	(19,189)	(28,784)
Total	(6,318,167)	(25,308)	(31,633)	(47,451)

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27. COMMITMENTS

a) Selling

The Group has several arrangements in the sugar and ethanol market under which it commits to sell volumes of these products in future crops. As at December 31, 2020, the volumes of these commitments total –1,315,234.61 tons of sugar (1,693,385 tons of sugar as at March 31, 2020), 122,822 cubic meters of ethanol (211,440 cubic meters as at March 31, 2020), and electricity supply commitments, assumed in power auctions and free market, which total 6,221 GWh to be supplied by 2035 (7,595 GWh as at March 31, 2020).

b) Purchases

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

As at December 31, 2020, estimated purchase commitments by crop are as follows:

Harvest	Consolidated		
	Area (hectares)	Estimated quantity of cane (ton)	Estimated amount
2021/2022	119,228	9,141,541	813,053,466
2022/2023	93,049	7,207,772	641,062,991
2023/2024	73,357	5,595,239	497,643,514
2024/2025	45,849	3,621,041	322,057,262
After 2025	113,014	8,426,270	749,436,898
	444,497	33,991,863	3,023,254,131

The Group has commitments for the purchase of energy in the amount of 316 GWh (1,048 GWh as at March 31, 2020). The price of these agreements is bilaterally negotiated by the agents selling electric energy in the Free Trade Market (ACL).

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

TEAG is a party to an agreement for the lease of a port terminal with Companhia Docas do Estado de São Paulo ("CODESP"), which provides for the payment by TEAG, as lease, of a fixed monthly installment of R\$3.4163/m² calculated on a minimum area of 74,206.410 m² equivalent to R\$253.51 per month or R\$3,042 per year, plus a guaranteed variable minimum installment equivalent to R\$7,559 per year payable to CODESP, corresponding to R\$3.103/ton calculated on a minimum handling of two million four hundred and thirty-six thousand tons of cargo. TEAG operates under the concession agreement entered into with Companhia Docas do Estado de São Paulo (CODESP), falling due on July 6, 2038.

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

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

e) Bank guarantees and collateral insurance

As at December 31, 2020, the balances of (i) bank guarantee is R\$144,198 in Consolidated (R\$142,240 in Consolidated as at March 31, 2020); and (ii) collateral insurance relating to law suits of R\$250,129, in Company, and R\$667,326 in Consolidated (R\$277,600 and R\$588,750 as at March 31, 2020, respectively).

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

28. EMPLOYEES' BENEFIT

The consolidated amount invested by the Company in the pension plan was R\$1,281 in the period ended December 31, 2020 (R\$1,040 in the period ended December 31, 2019), recognized in line item "General, administrative and selling expenses". Due to the features and design of the pension plan, the Company does not incur any future postemployment or actuarial obligations.

As at December 31, 2020, the Company booked a liability related to the deferred variable compensation that will be paid to some eligible employees, according to the policy, in the amount of R\$28,101 (R\$26,021 as at March 31, 2020). Additionally, the Company has recorded a liability related to PPR (Profit Sharing Program), as set forth in the Collective Labor Agreement, in the amount of R\$28,830 (R\$31,550 as at March 31, 2020).

29. SEGMENT INFORMATION

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

Consolidated profit (loss) by product	Consolidated				
	Three-month period ended 12.31.20				
	Sugar	Ethanol	Energy	Other	Total
Net revenue	1,107,815	834,034	199,627	727,186	2,868,662
Cost of sales and services	(758,009)	(566,093)	(189,184)	(725,034)	(2,238,320)
Gross profit	349,806	267,941	10,443	2,152	630,342
Gross margin	32%	32%	5%	0%	22%
Selling expenses	(61,694)	(39,953)	(2,971)	(411)	(105,029)
Operating margin	288,112	227,988	7,472	1,741	525,313

Sales by geographic area	Consolidated				
	Three-month period ended 12.31.20				
	Sugar	Ethanol	Energy	Other	Total
Asia	710,120	481,558	-	477,399	1,669,077
North America	28,406	40,860	-	51,118	120,384
South America	7,483	909	-	-	8,392
Africa	284,797	516	-	43,088	328,401
Europe	767	5,528	-	135,578	141,873
Oceania	470	-	-	-	470
Foreign market	1,032,043	529,371	-	707,183	2,268,597
Domestic market	75,772	304,663	199,627	20,003	600,065
TOTAL	1,107,815	834,034	199,627	727,186	2,868,662

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Consolidated profit (loss) by product	Consolidated				
	Three-month period ended 12.31.19				
	Sugar	Ethanol	Energy	Other	Total
Net revenue	451,943	520,497	68,978	348,128	1,389,546
Cost of sales and services	<u>(424,594)</u>	<u>(386,813)</u>	<u>(52,206)</u>	<u>(353,750)</u>	<u>(1,217,363)</u>
Gross profit	<u>27,349</u>	<u>133,684</u>	<u>16,772</u>	<u>(5,622)</u>	<u>172,183</u>
Gross margin	6%	26%	24%	-2%	12%
Selling expenses	<u>(37,934)</u>	<u>(2,128)</u>	<u>(2,026)</u>	<u>(194)</u>	<u>(42,282)</u>
Operating margin	<u>(10,585)</u>	<u>131,556</u>	<u>14,746</u>	<u>(5,816)</u>	<u>129,901</u>

Sales by geographic area	Consolidated				
	Three-month period ended 12.31.19				
	Sugar	Ethanol	Energy	Other	Total
Asia	386,370	1,163	-	297,311	684,844
North America	6,598	10,037	-	-	16,635
South America	9,413	-	-	-	9,413
Africa	23,700	-	-	1,816	25,516
Europe	<u>396</u>	<u>-</u>	<u>-</u>	<u>37,691</u>	<u>38,087</u>
Foreign market	<u>426,477</u>	<u>11,200</u>	<u>-</u>	<u>336,818</u>	<u>774,495</u>
Domestic market	<u>25,466</u>	<u>509,297</u>	<u>68,978</u>	<u>11,310</u>	<u>615,051</u>
TOTAL	<u>451,943</u>	<u>520,497</u>	<u>68,978</u>	<u>348,128</u>	<u>1,389,546</u>

Consolidated profit (loss) by product	Consolidated				
	Nine-month period ended 12.31.20				
	Sugar	Ethanol	Energy	Other	Total
Net revenue	3,077,873	1,848,845	448,550	3,147,623	8,522,891
Cost of sales and services	<u>(1,839,728)</u>	<u>(1,123,805)</u>	<u>(334,853)</u>	<u>(3,166,566)</u>	<u>(6,464,952)</u>
Gross profit (loss)	<u>1,238,145</u>	<u>725,040</u>	<u>113,697</u>	<u>(18,943)</u>	<u>2,057,939</u>
Gross margin	40%	39%	25%	-1%	24%
Selling expenses	<u>(224,874)</u>	<u>(64,928)</u>	<u>(8,545)</u>	<u>(1,083)</u>	<u>(299,430)</u>
Operating margin	<u>1,013,271</u>	<u>660,112</u>	<u>105,152</u>	<u>(20,026)</u>	<u>1,758,509</u>

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Consolidated					
Nine-month period ended 12.31.20					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	1,820,205	821,842	-	2,320,721	4,962,768
North America	119,125	205,516	-	116,376	441,017
South America	7,483	36,565	-	-	44,048
Africa	853,227	-	-	117,688	970,915
Europe	47,972	19,871	-	549,247	617,090
Oceania	12,294	-	-	-	12,294
Foreign market	2,860,306	1,083,794	-	3,104,032	7,048,132
Domestic market	217,567	765,051	448,550	43,591	1,474,759
TOTAL	3,077,873	1,848,845	448,550	3,147,623	8,522,891

Consolidated					
Nine-month period ended 12.31.19					
Consolidated profit (loss) by product	Sugar	Ethanol	Energy	Other	Total
Net revenue	1,204,825	1,939,982	270,343	1,245,219	4,660,369
Cost of sales and services	(1,109,795)	(1,474,789)	(161,439)	(1,249,783)	(3,995,806)
Gross profit	95,030	465,193	108,904	(4,564)	664,563
Gross margin	8%	24%	40%	0%	14%
Selling expenses	(122,296)	(24,422)	(7,145)	(323)	(154,186)
Operating margin	(27,266)	440,771	101,759	(4,887)	510,377

Consolidated					
Nine-month period ended 12.31.19					
Sales by geographic area	Sugar	Ethanol	Energy	Other	Total
Asia	814,573	11,983	-	1,018,773	1,845,329
North America	121,581	232,628	-	-	354,209
South America	26,026	-	-	-	26,026
Africa	95,105	-	-	12,266	107,371
Europe	35,721	-	-	177,986	213,707
Foreign market	1,093,006	244,611	-	1,209,025	2,546,642
Domestic market	111,819	1,695,371	270,343	36,194	2,113,727
TOTAL	1,204,825	1,939,982	270,343	1,245,219	4,660,369

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

	Consolidated		Consolidated	
	Three-month period ended		Nine-month period ended	
	12.31.20	12.31.19	12.31.20	12.31.19
Operating margin	525,313	129,901	1,758,509	510,377
Other operating expenses	(177,963)	(80,268)	(362,330)	(220,292)
Finance costs	290,421	48,847	(507,783)	(740,749)
Income tax and social contribution	(326,154)	(95,623)	(434,496)	(19,708)
Profit (loss) for the period	311,617	2,857	453,900	(470,372)

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Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

Information on key customers

In the period ended December 31, 2020, the Group has one customer, its related party Louis Dreyfus Company Suisse S.A., under common control, which accounts for 56% of the Group's consolidated revenue.

30. SUBSEQUENT EVENTS

According to the material fact disclosed on February 8, 2021, Biosev S.A. ("Company"), its parent company Hédera Investimentos e Participações S.A. ("Hédera"), Raízen S.A. and Raízen Combustíveis S.A., among others, entered into the acquisition agreement, on the same date, whereby, upon compliance with certain suspensive conditions, including the approval of the transaction by the Administrative Council of Economic Defense (CADE), Company shall become the subsidiary of one or both companies Raízen, or the subsidiary of a holding company that owns the companies Raízen ("Transaction"). In this context, the Company's shares will be merged into Hédera, in which case the Company's shareholders will become the Hédera's shareholders and, after the implementation of the Transaction, the shareholders will hold indirect equity (through Hédera) in, represented by preferred shares with no voting right, the companies Raízen or in one of them, or in a holding company that owns the companies Raízen. The Transaction also comprises the Company's debt reorganization, which will result in the (i) assumption of the debt portion by Hédera through the signature of new financing agreements entered into with the Company's creditors; and (ii) payment with the funds arising from the Company's capitalization by Raízen, in the amount of R\$3.6 billion, after common adjustments to net debt and working capital, as well as other operational adjustments by virtue of the conduction of businesses through the closing of the Transaction.

31. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Company's Management and authorized for issue on February 11, 2021.

Biosev S.A.

Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

NON-STATUTORY AUDIT COMMITTEE OPINION

The non-statutory Audit Committee of Biosev S.A. ("Company"), jointly with representatives of the Company and of BDO RCS Auditores Independentes, independent auditors of the Company, examined the interim financial statements of the Company related to the period ended on December 31st, 2020 and the corresponding management reports. Based in the analysis performed and considering the draft of the audit report, without remarks, prepared by BDO RCS Auditores Independentes, the non-statutory Audit Committee of the Company recommended to the Board of Directors of the Company, unanimously and without remarks, the approval of the referred interim financial statements and the corresponding management reports.

São Paulo, February 10th, 2021

FEDERICO ADRIAN CERISOLI

PATRICK JULIEN TREUER

ADRIAN LIMA DA HORA

Biosev S.A.

Notes to the Interim Financial Statements For the Nine-month Period Ended December 31, 2020

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

OPINIONS AND STATEMENTS

As Executive Officers of Biosev S.A., we declare, under Article 25, Paragraph 1st, Item VI of CVM Instruction nº 480 of December 7, 2009, as amended, that we have reviewed, discussed and agreed with the interim financial statements and the terms of the independent auditors report on the interim financial statements related to the period ended on December 31st, 2020.

São Paulo, February 11th, 2021

Juan Jose Blanchard
Chief Executive Officer

Leonardo Oliveira D'Elia
Chief Financial and Investor Relations Officer

Ricardo Lopes da Silva
Chief Operating Officer