



2Q20

Earnings Release





2Q20 Earnings Release

São Paulo, August 13, 2020 - Terra Santa Agro S.A. (“Terra Santa Agro” or “Company”) (B3: TESA3; Bloomberg: TESA3:BZ; Refinitiv (ex-Reuters): TESA3.SA), one of Brazil’s largest grain and fiber producers, announces its results for **2Q20** and informs its shareholders about the performance of the Company’s business. The Company’s financial statements were prepared pursuant to the accounting practices adopted in Brazil (BR GAAP), including the pronouncements of the Accounting Pronouncements Committee (CPC) and International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).



2Q20 Earnings Release

SUMMARY

1. MESSAGE FROM MANAGEMENT.....	5
2. ECONOMIC AND FINANCIAL PERFORMANCE	6
2.1. 2Q20 RESULT	7
2.1.1. NET REVENUES.....	7
2.1.2. COST OF GOODS SOLD	9
2.1.3. GROSS PROFIT	10
2.1.4. OPERATING EXPENSES	11
2.1.5. FINANCIAL RESULT.....	11
2.1.6. NET RESULT	12
2.1.7. EBITDA AND ADJUSTED EBITDA.....	12
2.2. 1H20 RESULT	13
2.2.1. NET REVENUES.....	13
2.2.2. COST OF GOODS SOLD	15
2.2.3. GROSS PROFIT	16
2.2.4. OPERATING EXPENSES	17
2.2.5. FINANCIAL RESULT.....	18
2.2.6. NET RESULT	19
2.2.7. EBITDA AND ADJUSTED EBITDA.....	19
3. DEBT	20
3.1.1. Financial Debt	20
3.1.2. Total Adjusted Debt	22
4. NET ASSET VALUE	22
5. COMMERCIAL HEDGE	23
6. PRODUCTION COST	25
7. OPERATING PERFORMANCE	26
8.1. COTTON PROCESSING	28
8.2. PLANTED AREA	29
8.3. YIELD	29
8.4. LAND PORTFOLIO.....	30
8.5. LAND APPRAISAL	30
8.6. STORAGE.....	30
9. APPENDIX.....	31
9.1. MARKET	31



2Q20 Earnings Release

9.2. CAPITAL MARKET	33
9.2.1. STOCK PERFORMANCE	33
9.2.2. CAPITAL STOCK AND FREE FLOAT	33
10. INCOME STATEMENT	35
11. BALANCE SHEET	36
12. CASH FLOW STATEMENT	37
13. 2Q20 RESULTS WEBINAR	38
14. IR CONTACTS	38



2Q20 Earnings Release

1. MESSAGE FROM MANAGEMENT

Before the coronavirus affected us with positive cases within the Company, we had already taken a proactive approach and created a number of protocols, that is, action plans for different scenarios, which really helped us. To date, we had 90 COVID-19 cases, with little impact on our operations. However, the pandemic has structurally changed the way we see TS Agro's role in the society. The COVID-19 pandemic can have a different impact on people's lives based on their income levels, and low-income individuals have less chance against the disease. While the state has not been able to change this reality, TS Agro has worked to help its employees and their family members. It is clear for us that we have the mission to ensure that all our employees have the same chance against COVID-19 or any other disease, regardless of their income levels. And to achieve this, we will have to do more than just provide a good health plan. We have come to believe that companies, rather than governments, can truly change the world.

The Company is going through a transformation process, with an agenda full of dilemmas requiring that our leaders make difficult decisions. As a result, we realized that the leadership's workload has increased. The way we communicate, the way we assess and renew our machine park, the role played by our HR, the internal KPIs, the structure responsible for fostering an innovation culture, the machinery management and the cost and expense management are examples of activities that are being analyzed and redesigned. As we do all this and readjust ourselves to this future that came earlier than expected, we broke our soybean production record, with 63,5 bags per hectare in the 2019/2020 harvest, and we are on the verge of breaking our cotton production record, with 83% of harvested area with 293,0 arrobas (a unit equivalent to 15 kg) per hectare. We also acquired 100% of the main inputs for the 2020/2021 harvest, set prices for approximately 75% of our expected production based on our best commodity-input price ratio and reduced our U.S. dollar-denominated debt by US\$ 24,0 million in the last 12 months.

With a motivated and engaged team, we are fully aware of the great challenge that lies ahead and remain firm in our mission to innovate the agricultural production management now more than ever.



2Q20 Earnings Release

2. ECONOMIC AND FINANCIAL PERFORMANCE

The Company's accounting results are influenced by the results of two different crops for the quarterly and six-month analysis. The current analysis period considers the current crop (2019/20) and the 2018/19 carryover stock. For comparison purposes, we will analyze the result per crop for the quarter.

Crop breakdown will be presented up to the gross profit line in the Income Statement and for EBITDA and adjusted EBITDA. For the other lines, we will continue presenting the totals per period only.

Since 1Q20, EBITDA is reported considering the adoption of IFRS16 (CPC 06 (R2)), whose effects on the balance sheet refer to the recognition of right-of-use assets and lease liabilities. In the income statement, the effects were the replacement of the rental and lease cost/expense with depreciation of right-of-use assets and interest on lease liabilities. As a result, the Company's EBITDA increased, as interest and depreciation are not considered in the calculation.

Until December 31, 2019, the effects of IFRS16 were adjusted as if this standard were not in effect in order to allow comparisons with 2018, when IFRS16 was not yet in effect.

As of 2020, we have been reporting EBITDA including the effects of IFRS16, comparing with EBITDA for 2019 calculated using the same methodology. In addition, we will adjust the effects of derivative operations.

The Company adjusted the accounting information corresponding to the income statements for the three- and six-month periods ended June 30, 2019, and the cash flow statement for the six-month period then ended, as per Note 2.6, namely:

a) Recognition of “performance operations” acquired by the Company to meet Advance on Foreign-Exchange Contracts (ACC) / Export Prepayment Agreements (PPE):

Results obtained from the performance operations acquired by the Company are recorded in the income statement as a component of the financial result, by their net value, referring to the fulfilment of commitments related to financing agreements.

Previously, the Company recognized these operations as principal in the sale and, as a result, recognized the effects of these operations under Net revenue from sales and Cost of goods sold, in the income statement, by the contractual amounts of the products shipped and the purchase cost of the performance operation, respectively.

b) Classification of freight expenses on sales breakdown by function in the income statement:

The Company understands that freight expenses and port costs for transporting and delivering to the destination agreed with the client are necessary to meet the performance obligation.



2Q20 Earnings Release

Therefore, they should be included in the cost of goods sold (COGS), as set forth by CPC 47 / IFRS 15 – Revenue from Contracts with Customers, in the section "Costs to Fulfil a Contract (IFRS 15)" Previously, these expenses were recorded as Selling expenses in the income statement.

2.1. 2Q20 RESULT

2.1.1. NET REVENUES

Income Statement (R\$ '000)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Revenues	37.740	191.910	229.650	11.073	75.444	86.517	165,4%
Net sales of products	53.283	121.883	175.166	24.689	61.284	85.973	103,7%
Hedge Accounting	(9.981)	(19.842)	(29.823)	(8.801)	(18.434)	(27.235)	9,5%
Evaluation of Biological Assets Suitable for Revenue	-	144.123	144.123	-	58.894	58.894	144,7%
Suitable for Agricultural Product Revenue	(5.562)	(54.254)	(59.816)	(4.815)	(26.300)	(31.115)	92,2%

In 2Q20, the Company's net revenues were affected by revenues from the 2018/19 crop and the 2019/20 crop. Net revenues from the 2018/19 crop totaled R\$ 37.7 million, 240.8% higher than net revenues from the 2017/18 crop recorded in 2Q19, mainly due to a 115.8% increase in net sales of products. Net revenues from the 2019/20 crop totaled R\$ 191.9 million, 154.4% higher than net revenues from the 2018/19 crop recorded in 2Q19, mainly due to net sales of products and valuation of biological assets recognized in revenue.

Net revenues are impacted by (a) net sales of products, (b) the recognition of changes in the fair value of biological assets and agricultural products and (c) hedge accounting.

(a) Net Sales of Products

Net sales of products from the 2018/19 crop totaled R\$53.3 million in 2Q20, 115.8% higher than net sales of products from the 2017/18 crop recorded in 2Q19, mainly due to an increase in cotton revenues. Cotton billed in 2Q20 refers to the 2018/19 carryover stock. In 2Q20, the Company billed 6,400 tons, compared to 2,200 recorded in 2Q19, as a result of delays in cotton shipments to China due to the pandemic. The last shipments should occur over the next few months, i.e., we will still have revenues from the 2018/19 cotton carryover stock in 3Q20.

Net sales of products from the 2019/20 crop recorded in 2Q20 were 98.9% higher than net sales of products from the 2018/19 crop recorded in 2Q19, due to an upturn in soybean revenues from the 2019/20 crop in 2Q20 compared to the figures related to the 2018/19 crop in 2Q19. Increased soybean revenues in the quarter are due to the delay in shipments in 2020 compared to 2019, given the ports' capacity to receive shipments, as ports were operating at full capacity, which compromised the delivery of contracts in the correct months.

2Q20 Earnings Release

(R\$ Mil)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Sales of Products	53.283	121.883	175.166	24.689	61.284	85.973	103,7%
Soybean		113.745	113.745	-	50.878	50.878	123,6%
Corn		4.146	4.146	345	-	345	-
Cotton Feather	53.073	-	53.073	23.945	-	23.945	121,6%
Cotton Seed	59	-	59	5	-	5	-
Others (1)	151	3.992	4.143	394	10.406	10.800	-61,6%

(tons)	2Q20			2Q19			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Billed amount	17.441	88.095	105.536	3.493	61.140	64.633	63,3%
Soybean	-	88.005	88.005	-	50.900	50.900	72,9%
Corn	10.846	-	10.846	1.252	-	1.252	-
Cotton Feather	6.439	-	6.439	2.219	-	2.219	190,2%
Cotton Seed	156	-	156	22	-	22	-
Others (1)	-	90	90	-	10.240	10.240	-99,1%

(1) Popcorn (Zea mays everta), beans, cotton linters and resale of grain/lint/input

(b) Biological Assets and Agricultural Products

Biological Assets and Agricultural Products	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Biological Assets and Agricultural Products	(5.562)	89.869	84.307	(4.815)	32.594	27.779	203,5%
Evaluation of Biological Assets	-	144.123	144.123	-	58.894	58.894	144,7%
Soybean		490	490	-	3.465	3.465	-85,9%
Corn		(4.319)	(4.319)	-	6.104	6.104	-
Cotton		147.952	147.952	-	49.325	49.325	200,0%
Others ⁽¹⁾	-	-	-	-	-	-	-
Evaluation of Agricultural Products	(5.562)	(54.254)	(59.816)	(4.815)	(26.300)	(31.115)	92,2%
Soybean		(49.623)	(49.623)	-	(26.300)	(26.300)	88,7%
Corn		(3.564)	(3.564)	(178)	-	(178)	-
Cotton	(5.562)	(1.067)	(6.629)	(4.637)	-	(4.637)	43,0%
Others ⁽¹⁾	-	-	-	-	-	-	-

Biological Assets:

In 2Q20, the biological asset valuation recognized in revenues from the 2019/20 crop grew by 144.7% compared to the figure for the 2018/19 crop recorded in 2Q19, mainly due to a cotton mark-to-market gain of R\$98.6 million, resulting from (i) a 12% increase in the planted area of the 2019/20 crop; (ii) an estimated upturn in the productivity of the 2019/20 crop and (iii) better results expectations for the 2019/20 crop compared to the 2018/19 crop.

The valuation of biological assets is determined during the relevant crop transformation stage in the field until the harvest, considering the estimated result of the crop at market prices, excluding any forward contracts.

Agricultural Products:

The valuation of agricultural products from the 2018/19 crop was a mark-to-market loss of R\$5.6 million in 2Q20, versus a mark-to-market loss of R\$4.8 million from the 2017/18 crop.



2Q20 Earnings Release

The valuation of agricultural products from the 2019/20 crop was a mark-to-market loss of R\$54.3 million in 2Q20, versus a mark-to-market loss of R\$31.1 million from the 2018/19 crop in 2Q19, mainly due to soybean revenues, which lead to a reversal of the positive agricultural product mark-to-market recognized in 1Q20.

The prices used to determine the value of biological assets do not correspond to those previously set by the Company, since Technical Pronouncement CPC 29 stipulates that biological assets should be booked at fair value, not considering prices set for future sales.

Technical Pronouncement CPC 16 determines that agricultural products should be booked at their net realizable value, i.e., considering volumes sold at their selling price and the remaining balance at market price.

In both cases, selling expenses (taxes, freight, port costs, commissions etc.) are deducted.

Hedge Accounting

As mentioned earlier, in February 2019, the Company's Board of Directors resolved to discontinue the designation of new financial instruments for hedge accounting. Since then, the exchange rate variations incurred on debt contracted after that date have been directly recorded in the income statement for the period. The balance recorded under "Adjustment of equity valuation" refers to exchange rate variations on instruments designated until February 2019 and will be transferred to profit or loss according to the schedule of realization of the hedged item, which is estimated to be concluded by 2022.

As per the schedule of realization of the hedged item, some instruments were to be settled in 2Q20. Therefore, we recorded a negative impact of R\$29.8 million (R\$20.2 from the 2019/20 crop) versus a negative impact of R\$27.2 million (R\$18.4 from the 2018/19 crop) in 2Q19.

2.1.2. COST OF GOODS SOLD

Income Statement (R\$ '000)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Costs of Goods Sold	(45.438)	(88.647)	(134.085)	(25.708)	(45.193)	(70.901)	89,1%
COGS Products	(32.025)	(66.268)	(98.293)	(14.755)	(36.989)	(51.744)	90,0%
Conducting Biological Assets at Cost Suitable	(13.413)	(22.379)	(35.792)	(10.953)	(8.204)	(19.157)	86,8%

The Company's cost of goods sold (COGS) moved up from R\$70.9 million in 2Q19 to R\$ 134.1 million in 2Q20. The cost of the 2018/19 crop recorded in 2Q20 was 76.7% higher than the cost of the 2017/18 crop recorded in 2Q19, and the cost of the 2019/20 crop recorded in 2Q20 was 96.2% higher than the cost of the 2018/19 crop recorded in 2Q19.

COGS of products from the 2018/19 crop recorded in 2Q20 increased by 117.0%, mainly reflecting higher cotton revenues in the quarter. COGS of products from the 2019/20 crop recorded in 2Q20 moved up by 79.2%, reflecting billing in tons 72.9% higher than in the same period the previous year, coupled with a 16% upturn in average selling costs.

2Q20 Earnings Release

The chart below shows a breakdown of COGS of products in 2Q20 and 2Q19.

(000)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
COGS Products	(32.025)	(66.268)	(98.293)	(14.755)	(36.989)	(51.744)	90,0%
Soybean	-	(59.399)	(59.399)	-	(29.627)	(29.627)	100,5%
Corn	-	(5.359)	(5.359)	(121)	-	(121)	-
Cotton Feather	(31.897)	-	(31.897)	(14.339)	-	(14.339)	122,4%
Cotton Seed	(1)	-	(1)	(1)	-	(1)	0,0%
Others (1)	(127)	(1.510)	(1.637)	(294)	(7.362)	(7.656)	-78,6%

(1) Popcorn (Zea mays everta), beans, cotton linters and resale of grain/lint/inputs

2.1.3. GROSS PROFIT

Income Statement (R\$ '000)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Revenues	37.740	191.910	229.650	11.073	75.444	86.517	165,4%
Net sales of products	53.283	121.883	175.166	24.689	61.284	85.973	103,7%
Hedge Accounting	(9.981)	(19.842)	(29.823)	(8.801)	(18.434)	(27.235)	9,5%
Evaluation of Biological Assets Suitable for Revenue	-	144.123	144.123	-	58.894	58.894	144,7%
Suitable for Agricultural Product Revenue	(5.562)	(54.254)	(59.816)	(4.815)	(26.300)	(31.115)	92,2%
Costs of Goods Sold	(45.438)	(88.647)	(134.085)	(25.708)	(45.193)	(70.901)	89,1%
COGS Products	(32.025)	(66.268)	(98.293)	(14.755)	(36.989)	(51.744)	90,0%
Conducting Biological Assets at Cost Suitable	(13.413)	(22.379)	(35.792)	(10.953)	(8.204)	(19.157)	86,8%
Income Gross	(7.698)	103.263	95.565	(14.635)	30.251	15.616	-
<i>Gross Margin</i>	<i>-20,4%</i>	<i>53,8%</i>	<i>41,6%</i>	<i>-132,2%</i>	<i>40,1%</i>	<i>18,0%</i>	<i>1,3 p.p.</i>

The Company's gross profit is the combination of the gross result of the crops billed in the period (net sales of products – COGS of products), the expected future results of crops still under development and the effects of hedge accounting.

In 2Q20, the Company recorded gross profit of R\$95.6 million, a negative R\$7.7 million of which from the 2018/19 crop and R\$103.3 million from the 2019/20 crop, mostly affected by (i) the good operating result in soybean, (ii) positive expectations for cotton and (iii) currency depreciation in the period, which has a positive impact on the Company's gross results.

The result of the 2018/19 crop recorded in 2Q20 basically refers to the hedge accounting allocated. Excluding hedge accounting, the gross profit from the 2018/19 crop recognized in 2Q20 would total R\$2.3 million. With the mark-to-market and the reversal of biological assets and agricultural products, gross profit in the billing of the product is likely to be around zero.

The 2019/20 crop result in 2Q20, however, mainly refers to the cotton mark-to-market, due to the positive expectations for this crop's results.



2Q20 Earnings Release

2.1.4. OPERATING EXPENSES

Income Statement (R\$ '000)	2Q20	2Q19 (Resubmitted)	Chg. %
Operational Expenses	(12.563)	(3.095)	305,9%
General, Administrative	(10.888)	(8.518)	27,8%
Other Income (Expenses)	663	7.935	-91,6%
Storage Expenses	(2.022)	(2.512)	-19,5%
Selling Expenses	(316)	-	-

The Company recorded operating expenses of R\$12.6 million in 2Q20, up from R\$3.1 million in 2Q19.

General and administrative expenses totaled R\$10.9 million in 2Q20, an increase of 27.8% from 2Q19, mainly driven by (i) increase of personnel expenses by R\$ 2.1 million motivated by an incentive plan for the long-term alignment paid to directors and an increase in the seniority of some areas of the company and (ii) an increase in expenses with legal advisory and external audit services .

Other operating income (expenses) came to a positive R\$663,000 in 2Q20, against a positive R\$7.9 million in 2Q19. The main difference between the periods is due to the positive result from asset sales, which totaled R\$9.6 million in 2Q19.

Storage expenses totaled R\$2.0 million in 2Q20, 19.5% lower than in 2Q19 given due to lower firewood and warehouse maintenance costs.

Finally, selling expenses totaled R\$316,000 in 2Q20, an item basically comprised of product sales commissions. As mentioned at the beginning of this chapter 2, adjustments were made in this line, reclassifying freight expenses and port expenses to the Cost of Goods Sold (CPV) line.

2.1.5. FINANCIAL RESULT

We recorded a financial loss of R\$72.0 million in 2Q20, versus a net financial loss of R\$9.4 million in 2Q19, as shown below.

Income Statement (R\$ '000)	2Q20	2Q19 (Resubmitted)	Chg. %
Financial Result	(72.013)	(9.446)	-
Financial income	2.342	4.249	-44,9%
Financial Expense	(31.817)	(38.627)	-17,6%
Foreign Exchange Variation	(12.930)	15.347	-
Derivatives	(29.608)	9.585	-

Financial income amounted to R\$2.3 million in 2Q20, against R\$4.2 million in 2Q19.

Financial expenses totaled R\$38.7 million in 2Q20, in line with the 2Q19 figure.

Financial expenses, in turn, totaled R\$ 31.8 million in 2Q20, 17.6% less than the R\$ 38.6 million recorded in the same period of the previous year, mainly (i) due to the reduction in passive monetary variations in

2Q20 Earnings Release

the amount R\$ 4.0 million and (ii) the reduction of interest on financing in the amount of R\$1.6 million, due to the reduction in the cost of credit (interest and labor).

The result of derivatives was negative by R\$ 29.6 million in 2Q20, compared with the positive result of R\$ 9.6 million verified in 2Q19, highlighting the hedge operations involving the exchange rate (NDF of dollar).

The dollar-denominated NDFs are aimed at protecting the Company's cash flow against an appreciation of the Brazilian currency, which would negatively affect revenues. In the period, the dollar appreciated to 5.4760, in contrast to the Company's position, which carried out operations based on an average dollar of R\$4.80. Despite this negative impact on derivative operations, the impact on revenues offsets this loss, given that most of the billing has been and will be at a higher exchange rate.

The exchange rate variation had a negative impact of R\$12.9 million on the Company's financial result in 2Q20, versus a positive result of R\$15.3 million in 2Q19. After the hedge accounting operations were discontinued in 2019, exchange rate variations on new debt contracted are recorded under "Exchange rate variation" in the Financial Result.

2.1.6. NET RESULT

Income Statement (R\$ '000)	2Q20	2Q19 (Resubmitted)	Chg. %
Income (loss) before Tax and Social Contribution	10.989	3.075	257,4%
IR e CSLL	(21.098)	(6.490)	225,1%
Current Taxes	-	44	-
Deferred Taxes	(21.098)	(6.534)	222,9%
Profit (loss) for the Period	(10.109)	(3.415)	196,0%
<i>Margem Líquida</i>	<i>-4,4%</i>	<i>-3,9%</i>	<i>0,1 p.p.</i>

The Company recorded net loss of R\$11.0 million in 2Q20, compared to a net loss of R\$3.1 million in 2Q19. Despite the Company's excellent operating performance in the quarter, our net loss was impacted by losses in derivative operations and exchange rate variation, both of which non-cash.

2.1.7. EBITDA AND ADJUSTED EBITDA

Income Statement (R\$ '000)	2Q20			2Q19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Operational Income - EBIT	(8.014)	91.016	83.002	(14.635)	27.156	12.521	-
<i>Operational Margin</i>	2.004	6.085	8.089	-	3.462	3.462	133,7%
EBITDA	(6.010)	97.101	91.091	(14.635)	30.618	15.983	469,9%
(+) Hedge Accounting	-	29.823	29.823	8.801	18.434	27.235	9,5%
(+) Operating Exchange Variation	(8.956)	(2.703)	(11.659)	1.135	3.887	5.022	-
(+) Non-recurring provisions and impairment of assets	-	290	290	-	(7.936)	(7.936)	-
(+) Derivatives, net	(4.935)	(24.673)	(29.608)	-	9.585	9.585	-
Adjusted EBITDA	(19.901)	99.838	79.937	(4.699)	54.588	49.889	60,2%

Note: Until 12/31/2019, we had been adjusting the effects of IFRS16 as if this standard were not in effect in order to allow comparisons with 2018, when IFRS16 was not yet in effect. As of 2020, we have been reporting EBITDA including the effects of IFRS16, comparing with EBITDA for 2019 calculated using the same methodology, which is why we have restated Adjusted EBITDA for 1Q19. In addition, we began adjusting the effects of derivative operations.



2Q20 Earnings Release

The Company's EBITDA came to R\$91.1 million (a negative R\$6.0 million from the 2018/19 crop and R\$97.1 million from the 2019/20 crop) in 2Q20, against R\$16.0 million (a negative R\$14.6 million from the 2017/18 crop and R\$30.6 million from the 2018/19 crop) in 2Q19.

Since 2Q18, the Company has been reporting adjusted EBITDA excluding effects from hedge accounting and non-recurring provisions and including operational exchange rate variation.

Adjusted EBITDA amounted to R\$79.9 million (a negative R\$19.9 million from the 2018/19 crop and R\$99.8 million from the 2019/20 crop) in 2Q20, against R\$49.9 million (a negative R\$4.7 million from the 2017/18 crop and R\$54.6 million from the 2018/19 crop) in 2Q19.

2.2. 1H20 RESULT

2.2.1. NET REVENUES

Income Statement (R\$ '000)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Revenues	183.069	554.525	737.594	141.061	347.396	488.457	51,0%
Net sales of products	176.551	349.380	525.931	113.019	305.335	418.354	25,7%
Hedge Accounting	(9.981)	(19.842)	(29.823)	(15.454)	(36.902)	(52.356)	-43,0%
Evaluation of Biological Assets Suitable for Revenue	-	220.401	220.401	-	77.219	77.219	185,4%
Suitable for Agricultural Product Revenue	16.499	4.586	21.085	43.496	1.744	45.240	-53,4%

In 1H20, the Company's net revenues were affected by revenues from the 2018/19 crop and the 2019/20 crop. Net revenues from the 2018/19 crop totaled R\$183.1 million, 29.8% higher than net revenues from the 2017/18 crop recorded in 1H19, mainly due to a 56.2% increase in net sales of products. Net revenues from the 2019/20 crop totalled R\$554.5 million, 59.6% higher than net revenues from the 2018/19 crop recorded in 1H19, mainly due to net sales of products and valuation of biological assets.

Net revenues are impacted by (a) net sales of products, (b) the recognition of changes in the fair value of biological assets and agricultural products and (c) hedge accounting.

(a) Net Sales of Products

In 1H20, net sales of products from the 2018/19 crop were 56.2% higher than the figures from the 2017/18 crop recorded in 1H19, mainly due to a 21.7% increase in cotton revenues in 1H20 versus 1H19, reflecting the 22,200 tons of cotton lint carryover stock from the 2017/18 crop, compared to the 18,700 tons of carryover stock from the 2018/19 crop. The higher carryover stock recorded in this crop results from better cotton productivities when compared to the previous crop.

Net sales of products from the 2019/20 crop were 14.4% higher than the figures from the 2018/19 crop recorded in 1H19, due to (i) record productivity in soybean which, despite the planted area 11.6% lower than in the 2018/19 crop, totaled an output only slightly down on the previous crop and (ii) unit margin

2Q20 Earnings Release

higher than in the previous crop, given the increased selling price in reais, not offset by a proportional upturn in costs.

The chart below shows a breakdown of the Company's net sales of products in 1H20, compared to the same period of the previous year:

(R\$ Mil)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Sales of Products	176.551	349.379	525.930	113.019	305.335	418.354	25,7%
Soybean	-	333.163	333.163	-	291.746	291.746	14,2%
Corn	20	4.146	4.166	1.175	-	1.175	254,6%
Cotton Feather	172.514	-	172.514	109.892	-	109.892	57,0%
Cotton Seed	3.408	-	3.408	1.267	-	1.267	169,0%
Others (1)	609	12.070	12.679	685	13.589	14.274	-11,2%

(tons)	1H20			1H19			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Billed amount	43.143	292.825	335.968	28.837	304.863	333.700	0,7%
Soybean	-	289.409	289.409	-	292.223	292.223	-1,0%
Corn	10.905	-	10.905	4.310	-	4.310	153,0%
Cotton Feather	22.772	-	22.772	18.710	-	18.710	21,7%
Cotton Seed	9.466	-	9.466	5.817	-	5.817	62,7%
Others (1)	-	3.416	3.416	-	12.640	12.640	-73,0%

(1) Popcorn, beans, cotton linters and resale of grain/lint/inputs

(b) Biological Assets and Agricultural Products

Biological Assets and Agricultural Products	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Biological Assets and Agricultural Products	16.500	224.987	241.487	43.496	78.963	122.459	97,2%
Evaluation of Biological Assets	-	220.401	220.401	-	77.219	77.219	185,4%
Soybean	-	67.903	67.903	-	14.773	14.773	359,6%
Corn	-	4.583	4.583	-	10.354	10.354	-55,7%
Cotton	-	147.915	147.915	-	52.092	52.092	183,9%
Others ⁽¹⁾	-	-	-	-	-	-	-
Evaluation of Agricultural Products	16.500	4.586	21.086	43.496	1.744	45.240	-53,4%
Soybean	-	9.217	9.217	-	1.744	1.744	428,5%
Corn	-	(3.564)	(3.564)	6	-	6	-
Cotton	16.500	(1.067)	15.433	43.490	-	43.490	-64,5%

Biological Assets:

In 1H20, the biological asset valuation recognized in revenues from the 2019/20 crop grew by 184.9% compared to the figure for the 2018/19 crop recorded in 1H20, mainly due to (i) an increase in soybean, impacted by the increase in the price in reais as a result of the depreciation of the Brazilian currency in the quarter and by the 8.6% upturn in the productivity of the 2019/20 crop compared to the 2018/19 crop and (ii) a cotton mark-to-market gain deriving from (i) a 12% upturn in the planted area of the 2019/20 crop, (ii) an estimated increase in the productivity of the 2019/20 crop and (iii) better results expectations for the 2019/20 crop compared to the 2018/19 crop.



2Q20 Earnings Release

Agricultural Products:

The valuation of agricultural products from the 2018/19 crop was a mark-to-market gain of R\$16.5 million in 1H20, versus a mark-to-market gain of R\$43.5 million from the 2017/18 crop in 1H19.

The valuation of agricultural products from the 2019/20 crop was a mark-to-market gain of R\$4.6 million in 1H20, versus a mark-to-market gain of R\$1.7 million from the 2018/19 crop in 1H19.

The fair value of the Company's biological assets represents estimated future profitability for these assets, pursuant to level III – Income Approach set forth by CPC 46 – Fair Value Measurement (IFRS 13), which is determined by applying assumptions established by the Company's Management.

Technical Pronouncement CPC 16 determines that agricultural products should be booked at their net realizable value, i.e., considering volumes sold at their selling price and the remaining balance at market price.

In both cases, selling expenses (taxes, freight, port costs, commissions etc.) are deducted.

(c) Hedge Accounting

In 1H20, hedge accounting had a negative impact of R\$29.8 million (R\$19.8 million from the 2019/20 crop), versus a negative impact of R\$52.4 million in 1H19 (R\$36.9 million from the 2018/19 crop).

On February 12, 2019, the Company's Board of Directors resolved to discontinue the designation of new financial instruments for hedge accounting. As of this date, the exchange rate variations incurred on these financial instruments will be directly recorded in the income statement for the period. The balance recorded under "Adjustment of equity valuation" will be transferred to profit or loss according to the schedule of realization of the hedged item, estimated for the 2019-2022 results.

2.2.2. COST OF GOODS SOLD

Income Statement (R\$ '000)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Costs of Goods Sold	(166.021)	(343.883)	(509.904)	(167.169)	(274.170)	(441.339)	15,5%
COGS Products	(115.881)	(242.154)	(358.035)	(74.885)	(225.449)	(300.334)	19,2%
Conducting Biological Assets at Cost Suitable	(50.140)	(101.729)	(151.869)	(92.284)	(48.721)	(141.005)	7,7%

In 1H20, the Company's cost of goods sold totaled R\$509.9 million, versus R\$441.3 million in 1H19. The cost from the 2018/19 crop recorded in 1H20 was 0.7% lower than the figure for the 2017/18 crop recorded in 1H19, while the cost of the 2019/20 crop in the same period was 25.4% higher than the cost of the 2018/19 crop recorded in 1H19.

COGS of products from the 2018/19 crop recorded in 1H20 increased by 54.7%, mainly reflecting higher cotton revenues in the first half. COGS of products from the 2019/20 crop recorded in 1H20 moved up by 7.4%, due to an upturn in soybean average selling cost.

The chart below shows a breakdown of COGS of products in 2019 and 2018.

2Q20 Earnings Release

(000)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
COGS Products	(115.881)	(242.154)	(358.035)	(74.885)	(225.449)	(300.334)	19,2%
Soybean	-	(229.253)	(229.253)	-	(215.442)	(215.442)	6,4%
Corn	(349)	(5.359)	(5.708)	(622)	-	(622)	-
Cotton Feather	(112.986)	-	(112.986)	(72.817)	-	(72.817)	55,2%
Cotton Seed	(1.990)	-	(1.990)	(959)	-	(959)	107,5%
Others (1)	(556)	(7.542)	(8.098)	(487)	(10.007)	(10.494)	-22,8%

(1) Popcorn, beans, cotton linters and resale of grain/lint/inputs

2.2.3. GROSS PROFIT

Income Statement (R\$ '000)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Net Revenues	183.069	554.525	737.594	141.061	347.396	488.457	51,0%
Net sales of products	176.551	349.380	525.931	113.019	305.335	418.354	25,7%
Hedge Accounting	(9.981)	(19.842)	(29.823)	(15.454)	(36.902)	(52.356)	-43,0%
Evaluation of Biological Assets Suitable for Revenue	-	220.401	220.401	-	77.219	77.219	185,4%
Suitable for Agricultural Product Revenue	16.499	4.586	21.085	43.496	1.744	45.240	-53,4%
Costs of Goods Sold	(166.021)	(343.883)	(509.904)	(167.169)	(274.170)	(441.339)	15,5%
COGS Products	(115.881)	(242.154)	(358.035)	(74.885)	(225.449)	(300.334)	19,2%
Conducting Biological Assets at Cost Suitable	(50.140)	(101.729)	(151.869)	(92.284)	(48.721)	(141.005)	7,7%
Income Gross	17.048	210.642	227.690	(26.108)	73.226	47.118	383,2%
<i>Gross Margin</i>	<i>9,3%</i>	<i>38,0%</i>	<i>30,9%</i>	<i>-18,5%</i>	<i>21,1%</i>	<i>9,6%</i>	<i>2,2 p.p.</i>

In 1H20, the Company recorded gross profit of R\$227.7 million, R\$17.0 million of which from the 2018/19 crop and R\$210.6 million from the 2019/20 crop.

The Company's gross profit from the 2018/19 crop totaled R\$17.0 million, versus gross loss of R\$26.1 million from the 2017/18 crop recorded in 1H19. The gross profit from the 2018/19 crop was positively affected by the depreciation of the Brazilian currency in the first half, which positively impacted prices in reais at the time of billing.

The Company's gross profit from the 2019/20 crop totaled R\$201.6 million, with a gross margin of 38.0%, versus a gross profit of R\$73.2 million from the 2018/19 crop in 1H19, and gross margin of 21.1%. The gross profit from the 2019/20 crop was impacted (i) mostly by the cotton mark-to-market, due to positive expectations for this crop and (ii) by the result of soybean, whose revenues benefited from the depreciation of the Brazilian real in the first half and which, despite the reduction in planted area, presented record productivity.

For a better analysis of the results, we present below the 1H20 gross profit by crop.

R\$ Thousand	1H2020							
	Crop 2019/20				Crop 2018/19			Total
	Soybean	Cotton	Corn	Other	Cotton	Corn	Other	
Net Product Revenue	333.163		4.146	12.070	175.922	20	609	525.930
Valuation of Biological Assets Appropriated to Revenue	67.903	147.915	4.583					220.401
Agricultural Product Appropriate to Revenue	9.217	-1.067	-3.565		16.501			21.086
Hedge accounting	-19.842				-9.981			-29.823
Net Revenue	390.441	146.848	5.164	12.070	182.442	20	609	737.594
(-) CPV of Products	-229.253		-5.359	-7.542	-112.986	-349	-2.546	-358.035
(-) Realization of Biological Assets Appropriated to Costs	-101.729				-49.531	-609		-151.869
Gross profit	59.459	146.848	-195	4.528	19.925	-938	-1.937	227.690



2Q20 Earnings Release

2.2.4. OPERATING EXPENSES

Income Statement (R\$ '000)	1H20	1H19 (Resubmitted)	Chg. %
Operational Expenses	(21.822)	(17.969)	21,4%
General, Administrative	(21.737)	(19.512)	11,4%
Other Income (Expenses)	6.017	8.095	-25,7%
Storage Expenses	(5.786)	(6.245)	-7,3%
Selling Expenses	(316)	(307)	2,9%

The Company recorded operating expenses of R\$21.8 million 1H20, versus R\$18.0 million in 1H19.

General and administrative expenses totaled R\$21.7 million in 1H20, 11.4% higher than in 1H19, mainly due to (i) an increase in personnel expenses of R\$ 1.4 million, motivated by an incentive plan for the long-term alignment paid to directors and an increase in the seniority of some areas of the company and (ii) an increase in expenses with legal advisory services and external audit.

Other operating income (expenses) came to a positive R\$6.0 million in 1H20, against a positive R\$8.0 million in 1H19.

The variation is due to the result of the sale of assets, which in 1Q19 was higher than in 1Q20.

Storage expenses totaled R\$ 5.8 million in 1H20, 7.3% lower than in 1H19, due to lower expenses with firewood and maintenance of warehouse structures.

Finally, selling expenses totaled R\$316,000 in 1H20, virtually identical to 1H19. As mentioned at the beginning of this chapter 2, adjustments were made in this line, reclassifying freight expenses and port expenses to the Cost of Goods Sold (CPV) line.



2Q20 Earnings Release

2.2.5. FINANCIAL RESULT

We recorded a net financial loss of R\$169.9 million in 1H20, versus a net financial loss of R\$36.0 million in 1H19, as shown below.

Income Statement (R\$ '000)	1H20	1H19 (Resubmitted)	Chg. %
Financial Result	(169.868)	(36.001)	371,8%
Financial income	5.898	4.948	19,2%
Financial Expense	(56.988)	(69.215)	-17,7%
Foreign Exchange Variation	(83.305)	14.999	-
Derivatives	(35.473)	13.267	-

Financial income amounted to R\$5.9 million in 1H20, against R\$4,900 in 1H19, due to an increase of R\$704,000 in interest income and of R\$1.9 million in discounts.

Financial expenses totaled R\$57.0 million in 1H20, 17.7% lower than the R\$69.2 million recorded in 1H19, mainly due to (i) a R\$6.0 million decline in interest on financing, arising from a reduction in credit cost (interest rate and LIBOR) and (ii) by the reduction of passive monetary variations in the amount of R\$ 5.1 million.

The result of derivatives was negative by R\$35.5 million in 1H20, compared to a positive R\$13.3 million in 1H19, mainly driven by hedging operations related to the exchange rate (dollar-denominated NDFs).

The dollar-denominated NDFs are aimed at protecting the Company's cash flow against an appreciation of the Brazilian currency, which would negatively affect revenues. In the period, the dollar appreciated to 5.4760, in contrast to the Company's position, which carried out operations based on an average dollar of R\$4.80. Despite this negative impact on derivative operations, the impact on revenues offsets this loss, given that most of the billing has been and will be at a higher exchange rate.

The exchange rate variation had a negative impact of R\$83.3 million on the Company's financial result in 1H20, versus a positive result of R\$15.0 million in 1H19. The exchange rate variation on loans and financing stood at a negative R\$37.1 million, referring to financial instruments not designated in hedge accounting. The exchange variation of cash and cash equivalents was R\$ 3.0 million positive, of operating liabilities in dollar was negative R\$ 72.5 million and of receivables in dollar was R\$ 23.3 million positive.



2Q20 Earnings Release

2.2.6. NET RESULT

Income Statement (R\$ '000)	1H20	1H19 (Resubmitted)	Chg. %
Income (loss) before Tax and Social Contribution	36.000	(6.852)	-
<i>Margem do Lucro Antes do IR e CS</i>	<i>4,9%</i>	<i>-1,4%</i>	-
IR e CSLL	(34.345)	(1.887)	-
Current Taxes	-	(1.282)	-
Deferred Taxes	(34.345)	(605)	-
Profit (loss) for the Period	1.655	(8.739)	-
<i>Margem Líquida</i>	<i>0,2%</i>	<i>-1,8%</i>	-

- i) Net profit of R\$1.6 million in 1H20, compared to a net loss of R\$8.7 million in 1H19. This R\$10.4 million difference in the net result is mainly due to: a R\$180.6 million improvement in gross profit in 1H20 versus 1H19, reflecting (a) higher operating results in soybean and cotton from the 2019/20 crop compared to 2018/19 crop and (b) positive cotton carryover stock from the 2018/19 crop recognized in 1H20, due to the dollar appreciation in the period.
- ii) Financial result in 1H20 R\$133.9 million lower than in 1H19, driven by the R\$147.0 million negative difference resulting from currency depreciation (exchange rate variation and results from derivatives);
- iii) R\$32.5 million increase in Deferred IRPJ/CSLL in 1H20 versus 1H19.

2.2.7. EBITDA AND ADJUSTED EBITDA

Income Statement (R\$ '000)	1H20			1H19 (Resubmitted)			Chg. %
	Crop 18/2019	Crop 19/2020	Total	Crop 17/2018	Crop 18/2019	Total	
Operational Income - EBIT	16.732	189.136	205.868	(26.415)	55.564	29.149	-
(+) Depreciation and amortization	8.458	22.885	31.343	3.045	16.461	19.506	60,7%
EBITDA	25.190	212.021	237.211	(23.370)	72.025	48.655	387,5%
<i>EBITDA Margin</i>	<i>13,8%</i>	<i>38,2%</i>	<i>32,2%</i>	<i>-16,6%</i>	<i>20,7%</i>	<i>10,0%</i>	<i>2,2 p.p.</i>
(+) Hedge Accounting	-	29.823	29.823	15.454	36.902	52.356	-43,0%
(+) Operating Exchange Variation	(1.646)	(47.607)	(49.253)	2.008	4.399	6.407	-
(+) Non-recurring provisions and impairment of assets	-	(5.064)	(5.064)	-	(8.095)	(8.095)	-37,4%
(+) Derivatives, net	(6.145)	(29.328)	(35.473)	760	12.507	13.267	-
Adjusted EBITDA	17.399	159.845	177.244	(5.148)	117.738	112.590	57,4%

Note: CPC 06(R2)/(IFRS 16) – Operating Leases became effective for periods beginning on January 01, 2019. This standard introduces a single model for the accounting of leases for lessees in the balance sheet. A lessee recognizes a right-of-use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. See notes 2.2.1 - CPC 06(R2)/IFRS 16 – Operating Leases and 14 - Right-of-use assets and lease liability.

EBITDA totaled R\$237.2 million (R\$25.2 million from the 2018/19 crop and R\$212.0 million from the 2019/20 crop) in 1H20, against R\$48.7 million (a negative R\$23.4 million from the 2017/18 crop and R\$72.0 million from the 2018/19 crop) in 1H19.



2Q20 Earnings Release

Since 2Q18, the Company has been calculating adjusted EBITDA excluding effects from hedge accounting and non-recurring provisions and including operational exchange rate variation.

Adjusted EBITDA was R\$177.2 million (R\$17.4 million from the 2018/19 crop and R\$159.8 million from the 2019/20 crop) in 1H20, against R\$112.6 million (a negative R\$5.1 million from the 2017/18 crop and R\$117.7 million from the 2018/19 crop) in 1H19.

3. DEBT

3.1.1. Financial Debt

The Company's financial debt in reais increased by 16.0%, from R\$829.7 million on December 31, 2019, to R\$962.7 million on June 30, 2020, reflecting the depreciation of the Brazilian currency in the quarter, as it has a direct impact on the Company's dollar-denominated debt, which accounts for 91% of the total.

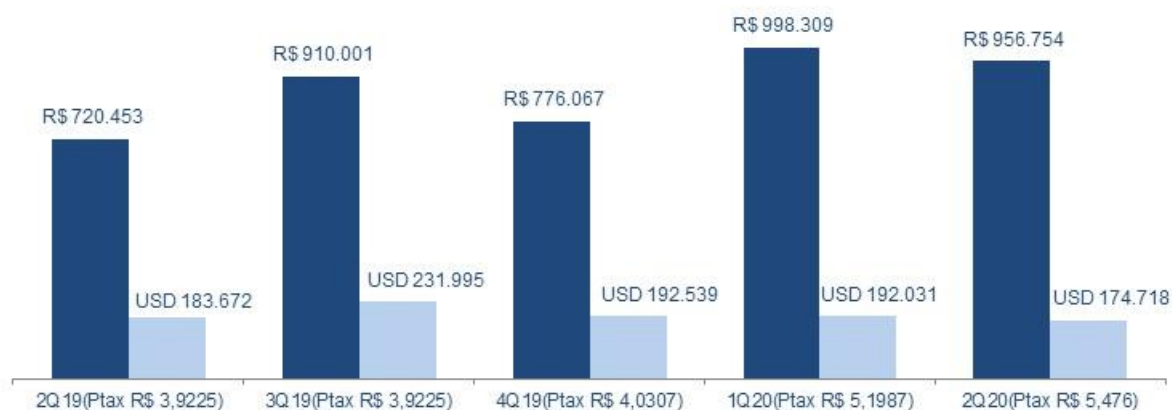
Financial Debt Composition	R\$ thousand
Balance on 06/30/2019	829.738
(+) Funding of loans and financing	97.942
(-) Amortization of loans and financing	(208.305)
(-) Payments of funding costs	(34.582)
(+) Interest update	(1.094)
(-) Depreciation interest	31.715
(+/-) Currency variation updates	245.947
(-) Funding costs appropriated as an exp	1.338
Final balance on 06/30/2020	962.699

It is worth noting that foreign-currency debt has a natural hedge, since most of the Company's revenues are denominated in US dollars.

The chart below shows the evolution of the Company's financial net debt in reais and converted into US dollars. We can see that debt converted into US dollars has remained stable over the quarters.



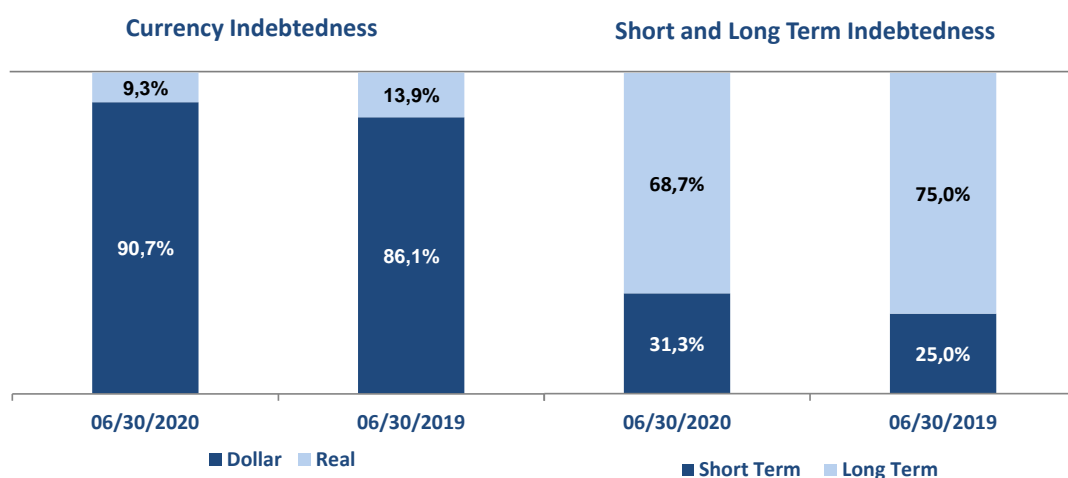
2Q20 Earnings Release



The following breakdown provides a better understanding of the Company's debt:

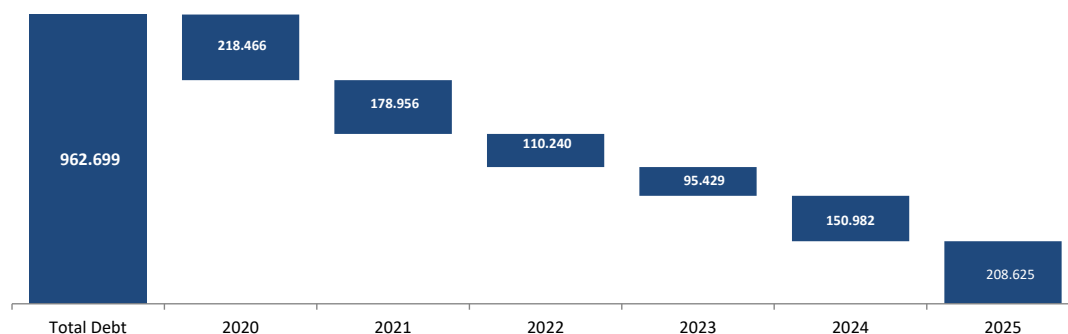
- **Structural debt:** comprises long-term debt, mainly export prepayment facilities (PPEs). The debt duration is 2.2 years.
- **Funding:** includes working capital debt and agricultural funding. These are short-term debts and the main lines are rural credit and advances on foreign exchange contracts (ACCs). The debt duration is 0.8 year.
- **Capex:** comprises financing lines for the acquisition of machinery and fixed assets. The debt duration is 1.5 years.

The graphs below show the composition of short- and long-term debt by currency and the current amortization flow.



2Q20 Earnings Release

Contractual Amortization Flow (R\$ thousand)



3.1.2. Total Adjusted Debt

In addition to the financial debt, the Company also has debts with clients, suppliers and the government. Given this, we will present, in addition to the financial debt, a breakdown of total debt.

The Company's total adjusted debt decreased by 8.6% in dollars, from US\$258.2 million on June 30, 2019, to US\$236.0 million on June 30, 2020, as shown in the table below:

Composition of Total Adjusted Debt	06/30/2020	06/30/2019	Variation
Bank Debt	962.699	731.607	231.092
Short term	289.517	225.303	64.214
Long term	673.182	506.304	166.878
Input Suppliers Debt	288.655	212.589	76.066
Clients (Advances) Debt	25.576	29.831	(4.255)
Installment Tax Debt	21.741	26.814	(5.073)
Adjusted Gross Debt	1.298.671	1.000.841	297.830
Cash	5.945	11.312	(5.367)
Adjusted Net Debt (R\$ Thousand)	1.292.726	989.529	303.197
Exchange rate	5,4757	3,8322	1,6435
Adjusted Net Debt (US\$ Thousand)	236.084	258.214	184.483

4. NET ASSET VALUE

The table below contains the Company's net asset value:



2Q20 Earnings Release

Net Asset Value (NAV)	2T20
R\$ million	
(+) Own Farms + Infrastructure (1) (2)	1.475
(+) Accounts Receivable / Titles Receivable	17
(+) Inventories	208
(+) Biological Assets	412
(+) Cash	6
(+) Subtotal	2.119
(-) Providers	298
(-) Advances from Customers	26
(-) Bank Debt	963
(-) Subtotal	1.286
(=) Net Asset Value (NAV)	833
Number of shares (million)	21,7
Net Value of Assets per Share	38,47
Share Value (R\$ per Share) on 06/30/2020	17,00
Share price discount on the market in relation to NAV	55,8%

(1) Considering the Independent Valuation Report of March 2019 for fiscal year 2018.

(2) Tax on capital gains from land sales were not deducted due to the Company's accumulated corporate income or social contribution tax credits on June 30, 2020, resulting from tax losses, a negative calculation base for social contribution and unamortized tax goodwill in the amount of R\$212.7 million.

5. COMMERCIAL HEDGE

In compliance with its hedging policy, the Company seeks to lock in margins, i.e. it sells part of its production as it incurs obligations to purchase raw materials.

Sales are carried out through the flat or frame modalities. The flat modality is understood as the locking of all price components at the same time, while the frame modality locks components separately, which can occur at the same time or at different times, depending on the market scenario.

The Company has been adopting the frame modality in order to obtain the best prices for each of its components and, consequently, a better final sale price for the crop. In order to provide this information in a segregated manner, we will present the sale by price component, considering prices and percentages locked by frame, as well as market prices for percentages not yet locked, as a way of obtaining a market-to-market price for each crop.



2Q20 Earnings Release

2019/20 Crop

Soybean	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
2019/20	CBOT Fixed	cts/bu	100,0%	937,8	0,0%	0,0	
	CBOT Hedged	cts/bu	0,0%	0,0			
	Basis Pre.	cts/bu	100,0%	43,7	0,0%	0,0	
	FOB Port (US\$/bgs)						21,64
	Fobblings	US\$/ton	100,0%	11,5	0,0%	0,0	
	Freight	R\$/ton	100,0%	327,2	0,0%	0,0	
	FOB Farm (US\$/bgs)						16,40

Cotton	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
2019/20	NY Dec Fixed	US\$/pound	50%	0,6557	25%	0,6401	
	NY Dez Hedged	US\$/pound	25%	0,6937			
	Premium	US\$/pound	58%	0,0295	42%	-0,0150	
	FOB Port (US\$/pound)						0,6721
	Freight	R\$/ton	0%	0,00	100%	379,50	
	Port Costs	R\$/ton	3%	144,00	100%	144,00	
	FOB Farm (US\$/pound)						0,6273

Corn	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
2019/20	CBOT Fixed	cts/bu	100,0%	403,49	0,0%	0,0	
	CBOT Hedged	cts/bu	0,0%	0			
	Basis Pre.	cts/bu	100,0%	29,1	0,0%	0,0	
	FOB Port (US\$/bgs)						10,22
	Fobblings	cts/bu	100,0%	11	0,0%	0,0	
	Freight	cts/bu	100,0%	285,5	0,0%	0,0	
	FOB Farm (US\$/bgs)						5,51

2Q20 Earnings Release

2020/21 Crop

Soybean	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
	CBOT Fixed	cts/bu	60,3%	890,6	23,7%	887,0	
	CBOT Hedged	cts/bu	16,0%	923,0			
	Basis Pre.	cts/bu	79,6%	45,3	20,4%	64,8	
2020/21	FOB Port (US\$/bgs)						20,82
	Fobbings	US\$/ton	79,60%	11,5	20,4%	11,5	
	Freight	R\$/ton	79,60%	305,5	20,4%	300,0	
	FOB Farm (US\$/bgs)						16,39
Cotton	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
	NY Dec Fixed	US\$/pound	34,74%	0,5998	24,0%	0,6431	
	NY Dez Hedged	US\$/pound	41,23%	0,6535			
	Premium	US\$/pound	51,78%	0,0244	48,2%	0,0000	
2020/21	FOB Port (US\$/pound)						0,6450
	Freight	R\$/ton	0,00%	0,00	100,0%	353,93	
	Port Costs	R\$/ton	13,00%	148,19	87,0%	160,00	
	FOB Farm (US\$/pound)						0,6019
Corn	Frame	Unit	% Hedged / Fixed	Hedged Price/ Fixed	% to fix	Market Price	Price MTM
	CBOT Fixed	cts/bu	75,00%	395,1	28,0%	362,3	
	CBOT Hedged	cts/bu	0,00%	0,0			
	Basis Pre.	cts/bu	75,00%	39,5	28,0%	55,2	
2020/21	FOB Port (US\$/bgs)						10,16
	Fobbings	cts/bu	75,00%	11,0	28,0%	11,0	
	Freight	cts/bu	75,00%	289,2	28,0%	315,0	
	FOB Farm (US\$/bgs)						5,77

6. PRODUCTION COST

The table below shows the costs of the 2018/19 crop, as well as the forecast for the 2019/20 crop.

Crop	2018/19 Crop - Realized						2019/20 Crop - Estimated					
	Realized			% Realized			Current Estimate			% Realized		
	R\$/ha	Composition		%	% realized by currency		R\$/ha	Composition		%	% realized by currency	
		% R\$	% US\$		% R\$	% US\$		% R\$	% US\$		% R\$	% US\$
Soybeans 1st Crop	(2.886)	53%	47%	100%	100%	100%	(3.307)	50%	50%	89%	92%	87%
Cotton 1st Crop	(11.090)	39%	61%	100%	100%	100%	(14.453)	48%	52%	79%	74%	83%
Cotton 2nd crop	(8.167)	43%	57%	100%	100%	100%	(9.416)	37%	63%	68%	49%	78%
Corn 1st crop	-	0%	0%	0%	0%	0%	(3.831)	57%	43%	94%	97%	89%
Corn 2nd crop	(2.179)	58%	42%	100%	100%	100%	(2.326)	52%	48%	79%	87%	71%
Corn 2nd alternative	(1.270)	70%	30%	100%	100%	100%	(1.421)	66%	34%	90%	89%	92%
Popcorn	(3.190)	51%	49%	100%	100%	100%	-	100%	0%	0%	0%	0%
Others (1)	(1.446)	63%	37%	100%	85%	0%	(1.597)	53%	47%	92%	95%	0%

We present below the percentage breakdown of our total production costs per item to provide increasingly detailed information about our costs.

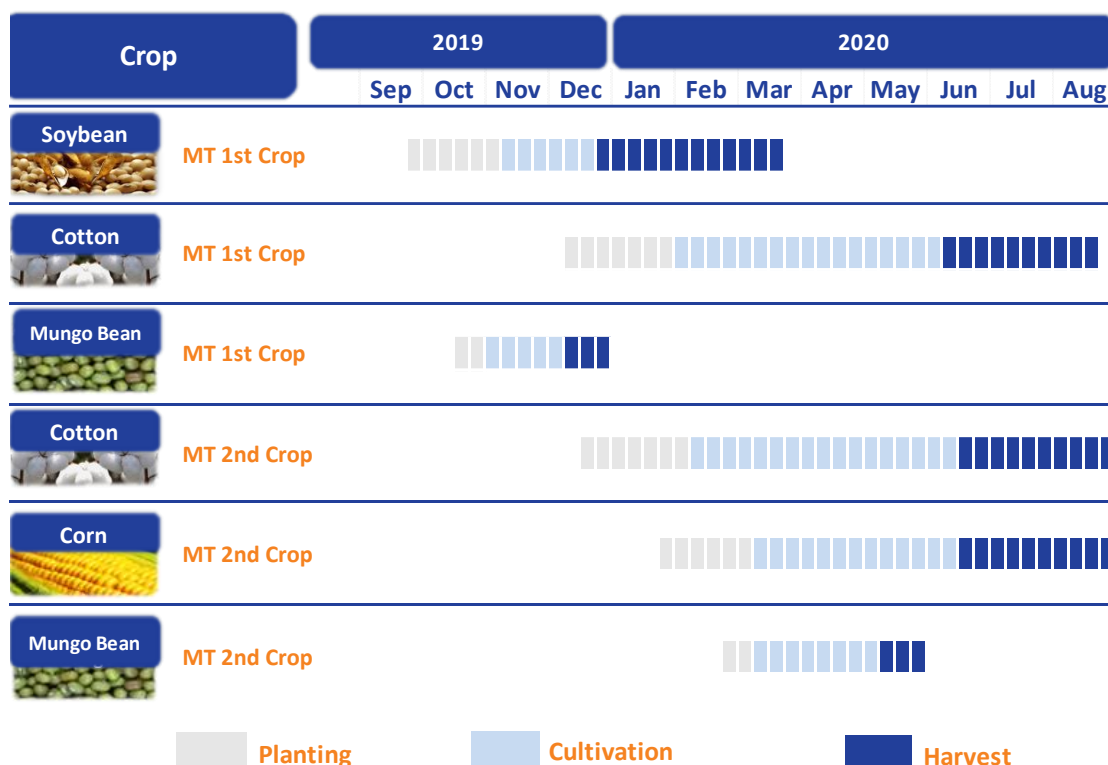
2Q20 Earnings Release

Breakdown of total production cost (%)	Crop 2018/19							Estimated - Crop 2019/20					
	Cotton	Soybean	Corn	Popcorn	Stylosanthes	Bean	Average	Cotton	Soybean	Corn	Stylosanthes	Bean	Average
Variable costs	85,4	77,2	78,3	80,6	50,8	83,4	81,2	87,8	80,6	79,0	57,7	78,2	84,3
Seeds	7,9	11,8	18,4	21,2	2,2	8,7	10,7	9,1	11,9	17,1	7,2	9,7	10,8
Fertilizers	18,2	25,2	28,1	22,2	-	39,1	22,1	19,0	23,5	30,8	-	22,1	21,6
Pesticides	31,4	22,3	13,6	26,6	17,2	22,1	25,8	35,0	26,1	16,6	16,5	31,2	30,1
Third party services	5,2	7,1	5,3	2,4	4,3	1,0	6,0	5,3	8,1	5,2	4,9	1,2	6,3
Fuels and lubricants	5,0	4,5	7,7	5,5	16,7	9,0	5,1	3,3	6,1	4,3	19,2	7,3	4,5
Processing	10,6	-	-	-	-	-	5,0	9,5	0,0	0,0	-	-	5,1
Maintenance material	4,0	6,1	5,1	2,6	9,8	3,4	5,0	3,0	4,7	4,8	9,7	6,5	3,8
Others	3,0	0,2	0,2	0,1	0,5	0,1	1,5	3,8	0,2	0,2	0,2	0,3	2,1
Fixed Costs	14,6	22,8	21,7	19,4	49,2	16,6	18,8	12,2	19,4	21,0	42,3	21,8	15,7
Labor	7,0	10,1	8,2	5,6	22,9	8,8	8,4	6,1	8,9	7,8	22,9	9,2	7,3
Depreciation and amortization	3,8	5,9	4,9	3,1	10,5	3,2	4,8	2,9	4,8	4,4	11,2	5,6	3,8
Leases	1,7	3,2	4,9	8,1	10,9	1,1	2,7	1,3	2,4	5,0	2,7	2,6	2,0
Others	1,6	2,4	2,0	1,4	4,9	1,5	2,0	1,5	2,3	2,2	5,5	2,5	1,9
Corporate Expenses - Support for Production	0,4	1,2	1,7	1,1	-	2,0	0,9	0,4	1,1	1,5	0,0	1,9	0,7

7. OPERATING PERFORMANCE

OPERATING PERFORMANCE

As shown in the chart below, 2Q20 was marked by the beginning of the harvest of corn, beans and second cotton crop.



The current stage of our crops is as follows:



2Q20 Earnings Release

Corn

Production Unit	Corn				
	Planted Area	Harvest Area	(%)	Estimated Yield	
				Kg/ha	bgs/ha
Mato Grosso (1st crop)	395	395	100,0%	5.211	86,9
Mato Grosso (2nd crop)	23.798	23.706	99,6%	6.150	102,5
Mato Grosso (Alternative)¹	1.338	728	54,4%	3.270	54,5
Total	25.531	24.829	98,3%	5.985	99,7

The harvest of 2nd corn crop started on May 2020 at the Sete Placas production unit and ended on July 28, with an average productivity of 6,150 kg/ha (102.5 bgs/ha).

This crop's corn productivity was negatively impacted by (i) heavy rainfall accumulated up to the 25th day after plant emergence, which caused the nitrogen fertilizer top-dressing applied to be less effective, and (ii) heavy rainfall during the tassel stage of corn.

Cotton

Production Unit	Cotton				
	Planted Area	Harvest Area	(%)	Estimated Yield	
				Kg/ha	@/ha
Mato Grosso (1st crop)	223	223	100,0%	2.895	193,0
Mato Grosso (2nd crop)	40.028	33.260	83,1%	4.395	293,0
Total	40.251	33.483	83,2%	4.385	292,3

The harvest of 1st cotton crop started on June 22 and ended on July 9. The 223-ha area was directed to a project for analysis of technologies and production systems in sandy soil, having recorded average productivity of 2,895 kg/ha (193.0 @/ha).

The harvest of 2nd cotton crop started on June 15 at the Mãe Margarida production unit. Up to August 12, the Company had harvested 33,260 ha, accounting for 83.1% of the total planted area, with an average productivity of 4,395 kg/ha (293.0 @/ha) for cotton seed.

Cotton seed estimated productivity is 4,395 kg/ha (293.0 @/ha), 5.3 % higher than the Company's initial target. The final estimate for cotton lint yield is 41.0%. The crop's positive prospects reflect the good harvest planning and handling, which includes: (i) use of technologies in planted crops and (ii) good rainfall, temperature and light conditions.

Beans

Production Unit	Bean				
	Planted Area	Harvest Area	(%)	Estimated Yield	
				Kg/ha	bgs/ha
Mato Grosso	1.963	1.963	100,0%	1.283	21,4
Total	1.963	1.963	100,0%	1.283	21,4

The harvest of beans started on May 2 and ended on June 20, 2020, with an average productivity of 1,283 kg/ha (21.4 bags/ha).



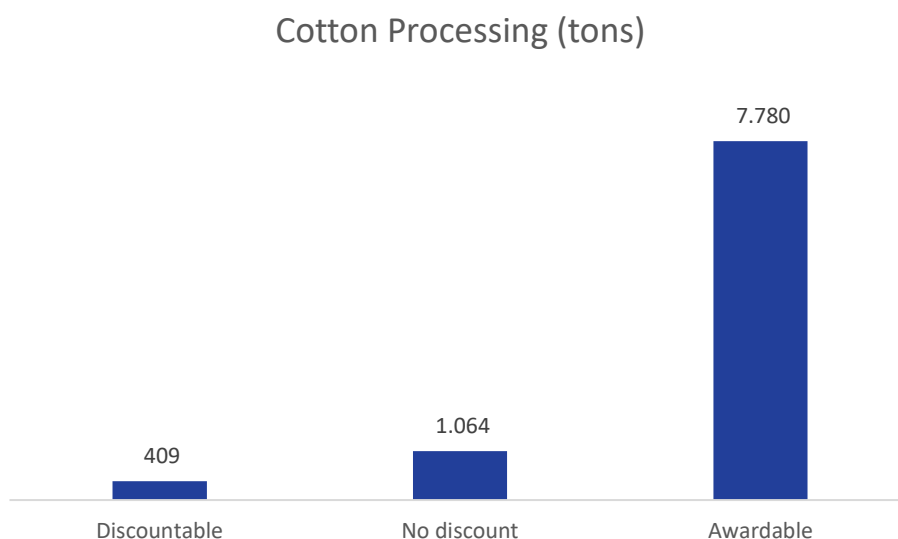
2Q20 Earnings Release

8.1. COTTON PROCESSING

After harvesting, cotton is submitted to processing, which consists of separating lint from seed.

The cotton lint is analyzed and classified based on (i) visual aspects, in which type, color, leaf and contaminants are observed; and (ii) the HVI analysis, which comprises length, resistance, fiber thickness, uniformity and others.

These analyses determine if the lint fits in the normal market standard, which means that it will be sold without any discount on the price. Similarly, superior standard lint may be sold at a price premium. By August 7, the Company had already processed 46,725 bales from the 2019/20 crop. The chart below presents a breakdown of bales according to classification and the consequent possibility of obtaining a premium/discount on the price.





2Q20 Earnings Release

8.2. PLANTED AREA

The table below shows the second planting intentions for the 2020/21 crop.

Crop Mix	PLANTING			
	2019/20		2020/21	
	Realized	Part. (%)	1st Intention	Part. (%)
Soybean	80.526	54%	80.886	54%
1st Crop	80.526	54%	80.886	54%
Cotton	40.250	27%	43.336	29%
1st Crop	223	0%	0	0%
2nd Crop	40.028	27%	43.336	29%
Corn	25.531	17%	23.332	16%
1st Crop	395	0%	1.362	1%
2nd Crop	23.798	16%	20.651	14%
Alternative	0	0%	1.319	1%
Popcorn	0	0%	0	0%
Curtain	1.338	1%	0	0%
Bean	3.445	2%	1.985	1%
1st Crop	1.482	1%	0	0%
2nd Crop	1.963	1%	1.985	1%
Others	0	0%	0	0%
Total	149.752	100%	149.539	100%

8.3. YIELD

The table below presents the Company's yield.

Yield (kg/ha)	14/15	15/16	16/17	17/18	18/19	19/20E
Soybean - 1st Crop	3.264	3.084	3.600	3.558	3.510	3.808
Corn - 2nd Crop	7.261	6.050	7.036	7.027	6.660	6.150
Cotton Feather -1st and 2nd Crop	1.656	1.421	1.661	1.751	1.757	1.802
Cotton Seed -1st and 2nd Crop	3.956	3.519	4.014	4.312	4.320	4.395

2Q20 Earnings Release

8.4. LAND PORTFOLIO

The Company's land portfolio in the 2019/20 crop will be as follows:

Unidade de Produção	Localização	Própria		Arrendada		Total	
		Total	Cultivável	Total	Cultivável	Total	Cultivável
UP Guapirama	Diamantino - MT	0,0	0,0	14,7	14,7	14,7	14,7
UP Mãe Margarida	Santa Rita do Trivelato - MT	12,7	5,6	7,6	7,6	20,3	13,2
UP Ribeiro do Céu	Nova Mutum - MT	12,5	8,6	2,4	2,4	14,9	11,1
UP São José	Campo Novo do Parecis - MT	17,2	7,3	10,3	10,3	27,5	17,6
UP Parecis	Campo Novo do Parecis - MT	0,0	0,0	4,7	4,7	4,7	4,7
UP Sete Placas	Diamantino - MT	3,2	1,4	3,2	3,2	6,4	4,6
UP Terra Santa	Tabapora - MT	29,3	14,3	2,7	2,7	32,0	17,1
Fazenda Iporanga	Nova Maringá - MT	12,8	0,0	0,0	0,0	12,8	0,0
Total		87,7	37,3	45,6	45,6	133,3	82,9

Hectares mil

8.5. LAND APPRAISAL

The bare land owned by the Company, excluding construction and improvements, has a market value equivalent to R\$1.2 billion, as indicated by an appraisal issued in March 2019, referring to fiscal year 2018, by an independent appraiser.

8.6. STORAGE

The Company owns five-grain storage units in Mato Grosso, with a static storage capacity of 191,000 tons. It also has three leased units, with a static storage capacity of 55,500 tons. Therefore, the total static storage capacity in the 2019/20 crop is 246,500 tons.

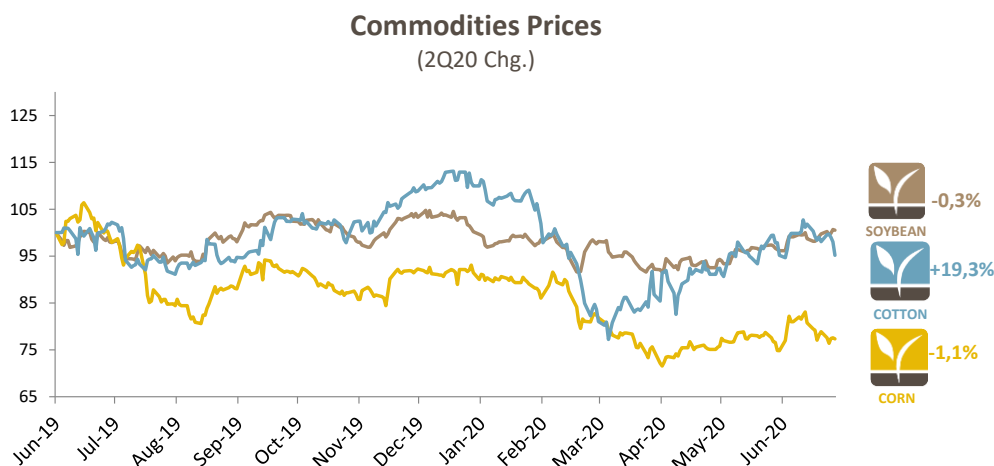
For cotton bales, the Company has enough processing and storage capacity for a planted area of 40,000 hectares.



2Q20 Earnings Release

9. APPENDIX

9.1. MARKET



Soybean, corn and cotton prices decreased 6.4%, 12.7% and 11.6%, respectively, on the international exchanges in the first half of 2020.

International soybean prices closed 2Q20 at US\$8.83/bu, 0.3% lower than at the end of March 2020.

In 2Q20, soybean prices were affected by (I) the China-US trade war, (II) the African swine fever and (III) the coronavirus outbreak.

The trade war between the United States and China persists. Even after the “Phase 1” agreement, there was no significant increase in purchases. In addition, the results of the coronavirus pandemic worsened the tension between the two great powers, given the US accusations that China may have been the great cause of the pandemic.

It is not yet clear what the result of this agreement between the two countries will be.

Despite the negative impact of the coronavirus on global growth and the impact of the worldwide spread of COVID-19 on prices, agribusiness commodities are the least affected, given that they seek basis on the market, trying to understand the impact on global demand for food.

In face of the fear of a second COVID-19 outbreak in China, the country has been increasing purchases for stock formation. China is expected to continue having access to and buying high volumes from the Brazilian market.

The 2020/21 North American crop is in the development phase, with good expectations regarding production.



2Q20 Earnings Release

In Argentina, the tension between the government and producers has intensified due to the new increase in export duties. Brazil may benefit from this scenario, as it could make room for the country in the medium-term.

With regard to the African swine fever, the strong slaughter of swine in China led to increased protein prices, which boosts fast herd growth and the production of other types of meat.

Corn prices fell by 1.1% from the end of March 2020, closing the quarter at US\$3.38/bu.

In addition to the impacts of COVID-19, corn prices in 2Q20 were affected by (I) the African swine fever crisis and (II) the beginning of planting of the North-American crop.

The demand for corn for ethanol fell as a result of the drop in oil prices, coupled with a decline in demand for gasoline driven by the reduced mobility due to the pandemic, which led to a strong increase in this the products' stock.

Two other factors negatively affecting this commodity's quotations were (i) the beginning of planting of the North-American crop, for which large production volumes are expected and (ii) the closing of meat processing plants in the United States, thus reducing field corn consumption.

As a result of the swine fever, China is expected to reduce corn consumption, increasing domestic stocks. Demand will come back strongly as soon as the herd starts growing again.

Finally, domestic corn production totals around 100 million tons in the 2019/20 crop. The harvest of the 1st crop has already been completed and the bigger loss was in Rio Grande do Sul. The lack of rainfall affected local supply. The harvest of the 2nd crop is in progress and, if the weather is favorable, we expect it to be large.

Cotton prices moved up by 19.3%, ending the quarter at US\$0.61/lb.

In 2Q20, cotton prices were affected by (I) the US-China trade war; (II) the coronavirus outbreak and (III) the progress of the North-American crop.

The US-China trade war had a negative impact on cotton prices. An agreement between the two countries would boost demand for US fiber and cause a reaction in prices in New York.

As stated above, the signing of Phase 1 of the agreement did not have the expected impact since it does not specify purchase volumes or terms.

As already mentioned, the COVID-19 outbreak had a strong impact on global oil demand. Therefore, cotton tends to suffer more with lower oil prices, as the price of synthetic fiber also falls, becoming a strong competitor for cotton fiber.

The consumption recovery expected for 20/21, as well as its extent, will depend on the speed of global economy recovery.

The 2020/21 North-American crop fell by more than 11% on the previous crop due to a draught during the development of the plants.



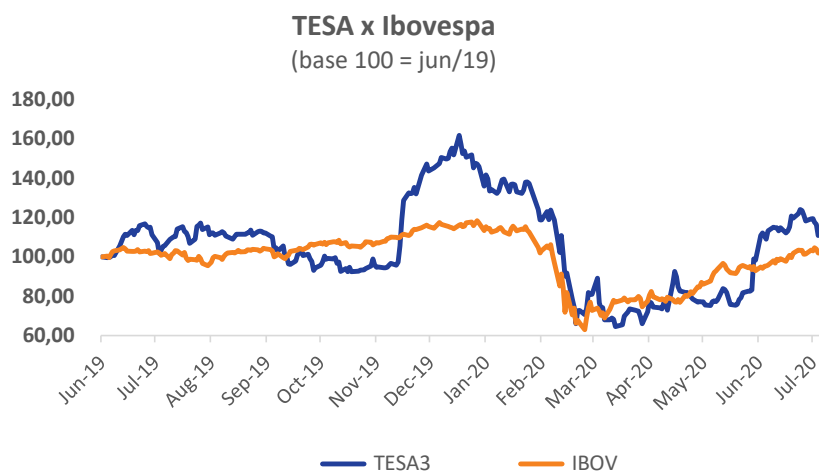
2Q20 Earnings Release

9.2. CAPITAL MARKET

9.2.1. STOCK PERFORMANCE

Terra Santa's shares (TESA3) closed 2Q20 priced at R\$17.00/share, resulting in a market cap of R\$368.2million.

In 2Q20, TESA3 appreciated by 47%, from R\$11.60/share at the end of March 2020 to R\$17.00/share at the end of June 2020. In the same period, the Ibovespa index moved up by 30%.



Terra Santa Agro's shares, listed in the top corporate governance listing segment (Novo Mercado), were traded in all trading sessions in 2Q20. The average daily trading volume was R\$1.0 million in 236 trades in the period.

9.2.2. CAPITAL STOCK AND FREE FLOAT

The Company's capital stock consists of 21,656,539 registered common shares with no par value, of which 36.9% are held by individuals, 54.9% by institutional investors and 8.2% by foreign investors, totaling over 7,613 investors.

The Company's shareholding structure is widely dispersed. More than 98.3% of investors are Brazilian, and the largest shareholder owns 42.5% of the Company.

Below is the current shareholding structure:



2Q20 Earnings Release

AUGUST/20



(1) Considering the position directly and indirectly held by Bonsucex Holding

(2) Considering positions in which it is the fund manager

(3) Pursuant to the Notice to the Market of November 12, 2018, Gávea Investimentos communicated the disposal of 532,930 common shares of the Company, which reduced its total interest in Company shares to 8.24%. Simultaneously, it entered into derivative agreements with financial settlement referenced to Company shares. Considering jointly the common shares directly held and the derivative instruments, the total exposure of Gávea funds in common shares issued by the Company did not change, remaining at 14.19%



2Q20 Earnings Release

10. INCOME STATEMENT

Income Statement (R\$ '000)	2Q20	2Q19 (Resubmitted)	Chg. %	1H20	1H19 (Resubmitted)	Chg. %
Net Revenues	229.650	86.517	165,4%	737.594	488.457	51,0%
Net sales of products	175.166	85.973	103,7%	525.930	418.354	25,7%
Hedge Accounting	(29.823)	(27.235)	9,5%	(29.823)	(52.356)	-43,0%
Evaluation of Biological Assets Suitable for Revenue	144.123	58.894	144,7%	220.401	77.219	185,4%
Suitable for Agricultural Product Revenue	(59.816)	(31.115)	92,2%	21.086	45.240	-53,4%
Costs of Goods Sold	(134.085)	(70.901)	89,1%	(509.904)	(441.339)	15,5%
COGS Products	(98.293)	(51.744)	90,0%	(358.035)	(300.334)	19,2%
Conducting Biological Assets at Cost Suitable	(35.792)	(19.157)	86,8%	(151.869)	(141.005)	7,7%
Income Gross	95.565	15.616	-	227.690	47.118	383,2%
Operational Expenses	(12.563)	(3.095)	305,9%	(21.822)	(17.969)	21,4%
General, Administrative	(10.888)	(8.518)	27,8%	(21.737)	(19.512)	11,4%
Other Income (Expenses)	663	7.935	-91,6%	6.017	8.095	-25,7%
Storage Expenses	(2.022)	(2.512)	-19,5%	(5.786)	(6.245)	-7,3%
Selling Expenses	(316)	-	-	(316)	(307)	2,9%
Operational Income - EBIT	83.002	12.521	-	205.868	29.149	-
Margem Operacional	36,1%	14,5%	1,5 p.p.	27,9%	6,0%	21,9 p.p.
Financial Result	(72.013)	(9.446)	-	(169.868)	(36.001)	371,8%
Financial income	2.342	4.249	-44,9%	5.898	4.948	19,2%
Financial Expense	(31.817)	(38.627)	-17,6%	(56.988)	(69.215)	-17,7%
Foreign Exchange Variation	(12.930)	15.347	-	(83.305)	14.999	-
Derivatives	(29.608)	9.585	-	(35.473)	13.267	-
Income (loss) before Tax and Social Contribution	10.989	3.075	257,4%	36.000	(6.852)	-
Margem do Lucro Antes do IR e CS	4,8%	3,6%	0,3 p.p.	4,9%	-1,4%	-
IR e CSLL	(21.098)	(6.490)	225,1%	(34.345)	(1.887)	-
Current Taxes	-	44	-	-	(1.282)	-
Deferred Taxes	(21.098)	(6.534)	222,9%	(34.345)	(605)	-
Profit (loss) for the Period	(10.109)	(3.415)	196,0%	1.655	(8.739)	-
EBITDA	91.091	15.983	469,9%	237.211	48.655	387,5%
Adjusted EBITDA	79.937	49.889	60,2%	177.244	112.590	57,4%

2Q20 Earnings Release

11. BALANCE SHEET

Assets	06/30/2020	VA (%)	31/12/2019	VA (%)	HA (%)
CURRENT					
Cash and cash equivalents	5.945	0,2%	50.357	2,0%	-88,2%
Accounts receivable from customers	7.810	0,3%	6.160	0,2%	26,8%
Titles to receive	6.264	0,3%	11.147	0,4%	-43,8%
Stocks	207.912	8,5%	393.755	15,8%	-47,2%
Biological assets	412.320	16,9%	213.573	8,6%	93,1%
Taxes to recover	30.158	1,2%	39.623	1,6%	-23,9%
Prepaid expenses	2.706	0,1%	580	0,0%	366,6%
Other Resources	3.662	0,2%	3.254	0,1%	12,5%
Non-current assets held for sale	-	0,0%	10.170	0,4%	-
Total current assets	676.777	27,7%	728.619	29,3%	-7,1%
NOT CURRENT					
Titles to receive	3.382	0,1%	3.579	0,1%	-5,5%
Taxes to recover	53.793	2,2%	52.581	2,1%	2,3%
Deferred taxes	196.936	8,1%	215.486	8,7%	-8,6%
Related parts	5.683	0,2%	5.555	0,2%	2,3%
Judicial deposits	15.265	0,6%	15.537	0,6%	-1,8%
Total long-term assets	275.059	11,3%	292.738	11,8%	-6,0%
Total Assets	2.440.044	100%	2.488.577	100,0%	-2,0%
Investment Property	14.049	0,6%	4.190	0,2%	235,3%
Asset use rights	210.153	8,6%	193.134	7,8%	8,8%
Immobilized	987.288	40,5%	993.451	39,9%	-0,6%
Intangible	276.718	11,3%	276.445	11,1%	0,1%
Total non-current assets	1.763.267	72,3%	1.759.958	70,7%	0,2%
Total of Assets	2.440.044	100%	2.488.577	100,0%	-2,0%
Liabilities and Shareholders' Equity	06/30/2020	VA (%)	31/12/2019	VA (%)	HA (%)
CURRENT					
Salaries and social contributions	7.687	0,3%	6.698	0,3%	14,8%
Providers	297.379	12,2%	159.337	6,4%	86,6%
Lease to pay	35.866	1,5%	30.354	1,2%	18,2%
Taxes to be collected	11.466	0,5%	11.007	0,4%	4,2%
Loans and financing	289.517	11,9%	355.347	14,3%	-18,5%
Taxes in installments	7.024	0,3%	6.900	0,3%	1,8%
Customer advances	25.576	1,0%	195.653	7,9%	-86,9%
Derivative financial instruments	19.837	0,8%	13.686	0,5%	44,9%
Titles to pay	8.062	0,3%	7.876	0,3%	2,4%
Total Current Liabilities	702.414	28,8%	786.858	31,6%	-10,7%
NOT CURRENT					
Providers	140	0,0%	-	0,0%	-
Loans and Financing	673.182	27,6%	474.391	19,1%	41,9%
Leases payable	167.097	6,8%	171.793	6,9%	-2,7%
Installment taxes	14.717	0,6%	17.501	0,7%	-15,9%
Titles to pay	2.980	0,1%	2.807	0,1%	6,2%
Deferred taxes	88.010	3,6%	72.215	2,9%	21,9%
Provision for lawsuits	21.970	0,9%	19.993	0,8%	9,9%
Total Non-Current Liabilities	968.096	39,7%	758.700	30,5%	27,6%
Total Liabilities	1.670.510	68,5%	1.545.558	62,1%	18,3%
Capital	2.758.062	113,0%	2.757.844	110,8%	0,0%
Adjustment of equity valuation	(196.843)	-8,1%	(21.485)	-0,9%	816,2%
Accumulated losses	(1.791.685)	-73,4%	(1.793.340)	-72,1%	-0,1%
Total Shareholders' Equity	769.534	31,5%	943.019	37,9%	-18,4%
Total Liabilities and Shareholders' Equity	2.440.044	100%	2.488.577	100%	-2,0%



2Q20 Earnings Release

12.CASH FLOW STATEMENT

	2T20	2T19 (Resubmitted)
Cash flow from operating activities		
(Loss) earnings before income tax and social contribution	36.000	(6.852)
Adjustments to reconcile (loss) profit for the period with cash generated by operational activities:		
Change in the fair value of biological assets and agricultural product	(241.487)	(122.459)
Realization of the fair value of biological assets	151.869	141.005
Depreciation and amortization	31.343	19.507
Result on sale and write-off of fixed assets	(370)	(15.504)
Provision for lawsuits	4.023	5.672
Loss (reversal) due to impairment of receivables	(1.311)	(243)
Provision (reversal) of estimated losses on inventories	(1.183)	722
Gain (loss) on derivative financial instruments	27.160	(13.267)
Adjustment to present value of financial assets and liabilities	7.569	9.241
Interest and exchange variations, net	48.104	91.100
Variation in assets and liabilities:		
Accounts receivable from customers	18.872	6.395
Titles to receive	9.572	23.301
Stocks	386.595	203.108
Biological assets	(339.810)	(130.047)
Taxes to recover	37	(6.731)
Prepaid expenses	(2.126)	(1.352)
Other assets	(136)	(599)
Judicial deposits	(38)	(2.919)
Salaries and social contributions	989	743
Providers	176.341	25.932
Taxes to be collected	8.674	13.139
Advances from customers	(170.077)	(116.936)
Non-current assets held for sale		2.925
Taxes in installments	(3.074)	(1.794)
Payable leases	18.026	2
Payments of lawsuits	(2.136)	(728)
Mutual		
Titles to pay	358	4.141
Cash generated by operating activities	163.784	127.502
Income tax and social contribution paid	-	(20)
Interest paid	(36.792)	(35.213)
Derivative financial instruments paid - NDF	(21.009)	(333)
Net cash (invested in) generated by operating activities	105.983	91.936
Cash flow from investing activities		
Receipt for the sale of assets	-	12.087
Acquisition of fixed assets	(13.278)	(6.977)
Acquisition of intangible assets	(359)	(5)
Net cash used in investing activities	(13.637)	5.105
Cash flow from financing activities		
Borrowing and financing	97.942	73.070
Amortization of loans and financing	(209.399)	(220.020)
Derivative financial instruments paid - Swap	-	3.887
Payments for lease liabilities	(25.519)	(23.343)
Capital increase	218	50.000
Net cash provided by (invested in) financing activities	(136.758)	(116.406)
(Decrease) net increase in cash and cash equivalents	(44.412)	(19.365)
Cash and cash equivalents at the beginning of the period	50.357	30.677
Cash and cash equivalents at the end of the period	5.945	11.312



2Q20 Earnings Release

13. 2Q20 RESULTS WEBINAR

Date: Friday, August 14, 2020

Time: 11h00 (Brasília time)

Webinar held on Zoom platform

To participate, [click here](#)

14. IR CONTACTS

José Humberto Prata Teodoro Júnior

CEO and Investor Relations Officer

Maria Luisa Almeida

Investor Relations Manager

Tatiana D'Alessandro Zaghini Horta

Investor Relations Analyst

ri@tsagro.com

+55 11 3137-3100

www.terrasantaagro.com/ri

Praça General Gentil Falcão, 108, 8º andar, cj 81 – Cidade Monções – CEP: 04571-150 - São Paulo, SP.