



# EARNINGS RELEASE

## 3Q21







# Earnings Release 3Q21

**Porto Alegre, November 10, 2021** - SLC AGRÍCOLA S.A. (B3: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA) announces today its results for the third quarter of 2021. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

**NOTE:** On 07/01/2021, the Company assumed control of the management and guidelines of Terra Santa Agro S.A., which became a wholly-owned subsidiary of SLC Agrícola S.A. As from this quarter, the consolidated interim financial statements of the Company will incorporate the results of Terra Santa Agro S.A.

To maintain comparability between periods, all data for 3Q20 and 9Q20 reflect the combination of the data reported by SLC Agrícola and Terra Santa Agro in both periods.

## Terms:

**In this Earnings Release, the terms below will have the following meaning:**

*“Combined Data”*: sum of the data reported by SLC Agrícola S.A. (Consolidated) and of the data reported by Terra Santa Agro S.A. (Parent Company), currently a wholly-owned subsidiary of SLC Agrícola S.A.

*“3Q20 Combined”*: strictly means the sum of the data reported by SLC Agrícola S.A. (for 3Q20 – July to September 2020) and of the data reported by Terra Santa Agrícola S.A. (Parent Company, for 3Q20 – July to September 2020), currently a wholly-owned subsidiary of SLC Agrícola S.A.

*“3Q20”*: means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries, Refers to the third quarter of 2020 (July to September).

*“3Q21”*: means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries for the third quarter of 2021 (July to September). As from this quarter, Terra Santa Agro S.A., a wholly-owned subsidiary of SLC Agrícola S.A., will be incorporated into the Company’s consolidated interim financial statements.

*“9M20 Combined”*: strictly means the sum of the data reported by SLC Agrícola S.A. (for 9M20 – January to September 2020) and of the data reported by Terra Santa Agrícola S.A. (Parent Company, for 3Q20 – July to September 2021), currently a wholly-owned subsidiary of SLC Agrícola S.A.

*“9M20”*: means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries, for the first nine months of 2020 (January to September).

*“9M21”*: means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries, for the first nine months of 2021 (January to September). As from this quarter, Terra Santa Agro S.A., a wholly-owned subsidiary of SLC Agrícola S.A., will be incorporated into the Company’s consolidated interim financial statements.

*“HA” and “VA”*: HA refers to the percentage of horizontal variation between two periods and VA refers to the percentage representation of the account over a given total.

# 3Q21 Conference Call

Date 11/11/2021

Thursday

## Portuguese

10h00 a.m. (Brasília)  
08h00 a.m. (New York)  
01h00 p.m. (London)  
Dial-in: +55 (11) 2188-0155  
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09h00 a.m. (New York)  
02h00 p.m. (London)  
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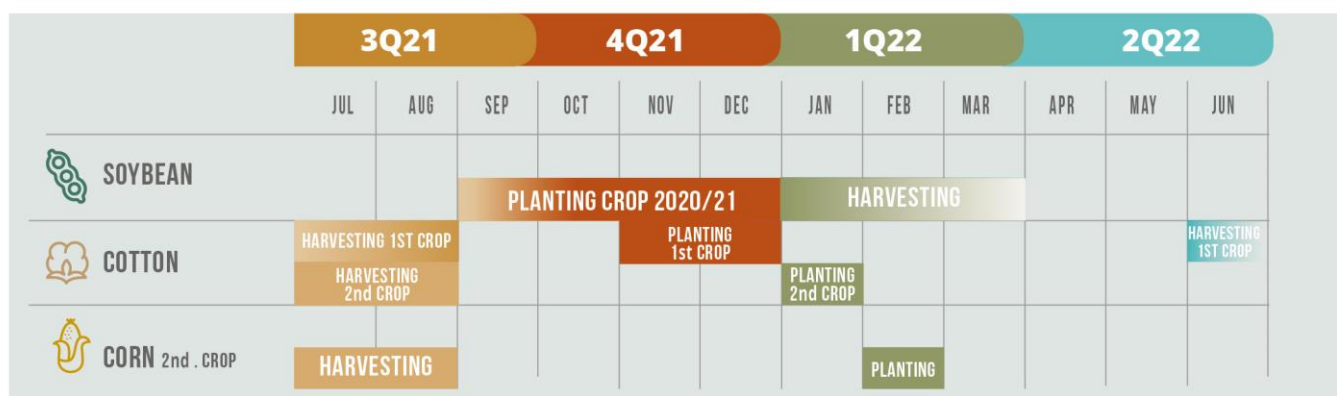
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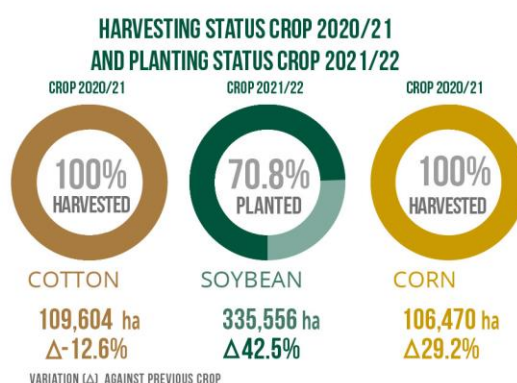
# DASHBOARD

## WHERE WE ARE IN THE CYCLE



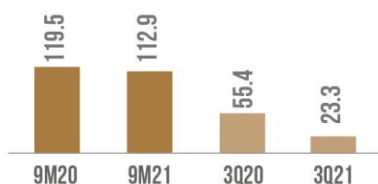
## MAIN OPERATING INDICATORS

YIELDS (KG/ HA)	CROP 2020/21	CROP 2021/22	Δ%
	ACHIEVED (A)	BUDGET (B)	(B)\(A)
COTTON LINT 1 <sup>ST</sup> CROP	1,899	1,871	-1.5%
COTTON LINT 2 <sup>ND</sup> CROP	1,607	1,804	12.3%
COTTON SEED	2,287	2,299	0.5%
SOYBEAN (COMMERCIAL + SOYBEAN SEED)	3,970	3,765	-5.2%
CORN 2 <sup>ND</sup> CROP	5,715	7,653	34.0%

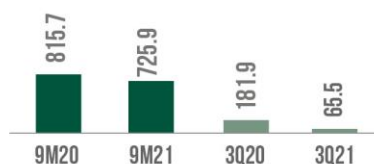


## VOLUME INVOICED (Thd Tons)

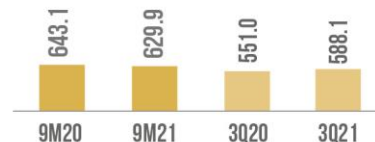
**COTTON**



**SOYBEAN**

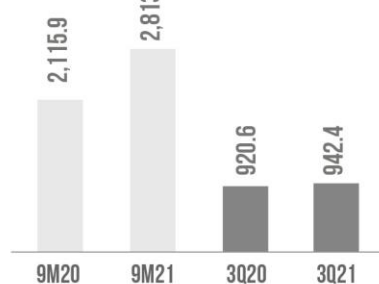


**CORN**

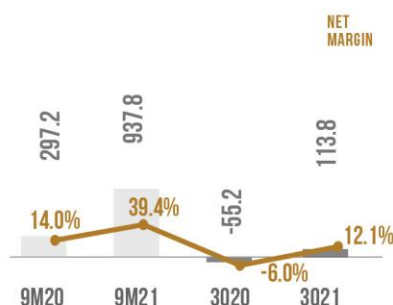


## FINANCIALS (R\$ MM)

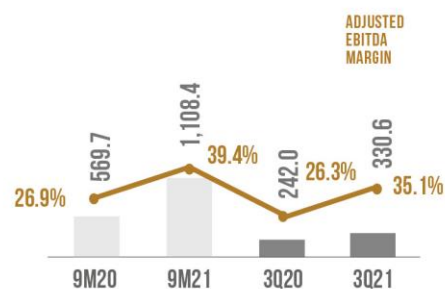
**NET REVENUE**



**NET INCOME**



**ADJUSTED EBITDA**





## Message from Management

### *Operational Performance – 2020/21 Crop Year*

We concluded the 2020/21 crop year with the harvest of the cotton and corn crops. The soybean crop achieved a yield of 3,970 kg/ha, setting a new record for the fourth straight year and coming in 5.8% above our initial estimate and 12.5% above the national average (according to CONAB, October 2021). First and second crop cotton ended the crop year with an average yield of 1,815 kg/ha, or 2.1% below the initial estimate, but 3.9% higher than in the 2019/20 crop year and 5.6% above the national average. Second crop corn achieved a yield of 5,715 kg/ha, 24.7% below our initial estimate, but 41.2% above the national average (according to CONAB, October 2021). The drop in productivity in corn and cotton was mainly caused by irregularity in the distribution of rain volumes over the months of March and April, mainly on the farms in Mato Grosso do Sul.

### *Conclusion of Business Combination with Terra Santa*

On July 1, the Company assumed control of the management of Terra Santa Agro S.A. (wholly-owned subsidiary). After concluding the merger of the shares in Terra Santa Agro S.A., 2,516,454 new common shares in SLC Agrícola were issued on behalf of the shareholders of Terra Santa. The purpose of the share issue was to exchange all the shares and warrants of Terra Santa Agro S.A.

On October 29, the operation was concluded with the price adjustment agreement entered into between the parties involved in the business combination. This adjustment of the operation's final price will result in the payment of R\$20 million by Terra Santa Propriedades Agrícolas to SLC Agrícola, this will imply under a mutual settlement by both parties. This amount will be composed as follows: (i) The amount of R\$ 12,000,000.00 (twelve million reais), as well as any additional amount arising from the Financial Advisory Agreement entered into between Terra Santa Agro and the Assessors Banks, will be paid by Terra Santa Propriedades Agrícolas, directly to the advisory banks, arising from the advisory costs for the transaction that are the responsibility of Terra Santa Propriedades Agrícolas; (ii) The amount of R\$ 8,000,000.00 (eight million reais) will be paid in national currency.

Some Assets and Liabilities were not assumed by SLC Agrícola, so surplus assets (contingencies and bills payable) and liabilities (securities receivable, taxes recoverable, other assets and investment properties) provided for in the Association Agreement and Other Covenants, will be conducted by the Company, upon liquidation, they will be received or collected from the former shareholders without any burden or bonus on the part of the Company. The amount of contingent assets and liabilities resulted in a net contingent liability of R\$53,828 thousand.

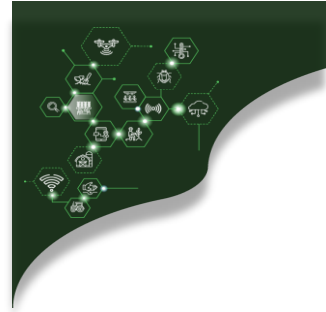
Below is the opening of the consideration transferred by SLC Agrícola to Terra Santa Propriedades Agrícolas:

**Table 1 Consideration transferred SLC Agrícola X Terra Santa Agricultural Properties <sup>(1)</sup>**

(R\$ thd)	07/01/2021
Number of common shares issued by SLC Agrícola on the transaction date	2,516,454
Multiplied by the share price of SLC Agrícola on the transaction date (a) (in R\$)	52
Fair value of shares issued in the transaction (In thousands of reais)	130,856
Cash consideration arising from the right to use the lease between Terra Santa and TS Brasil S.A.	70,000
Change in assets and liabilities	(203,486)
Present value of tax credits	195,488
Fair value of transferred consideration	192,858

<sup>(1)</sup>For more informations check note 2.2 of the ITR





In relation to the fair value of the transferred consideration, Net Assets were received in the amount of R\$145,503 thousand, as follows:

*Table 2 Goodwill Calculation Business combination with Terra Santa Agro S.A.*

(R\$ thd)	07/01/2021
Fair value of transferred consideration	192,858
Value of acquired assets and liabilities	145,503
Goodwill amount	47,355

<sup>(1)</sup> For more informations check note 2.2 of the ITR

This transaction resulted in a goodwill amount of R\$47,355 thousand, further details can be seen in explanatory note 2.2 of the ITR.

The integration of processes, systems and people is advancing gradually and positively, while taking advantage of the synergies in best market practices between the companies. This business combination is aligned with our current strategy based on Asset Light Growth.

### **Financial Performance**

As, as of 07/01, the Company took control of the management of the business of Terra Santa Agro S.A., the consolidated interim financial statements now include the results of Terra Santa Agro S.A.

In order to maintain comparability between periods, data for 3Q20 and 9M20 reflect the combination of data released by SLC Agrícola and Terra Santa Agro in both periods. All analyzes contained in this release were conducted in relation to the combined periods. Here are some important definitions:

**“3Q20 Combined”:** It strictly means the sum of the data released by SLC Agrícola S.A. (for 3Q20 – July to September 2020) plus the data released by Terra Santa Agro S.A. (Parent Company, for 3Q20 – July to September 2020), currently a wholly owned subsidiary of SLC agricultural S.A.

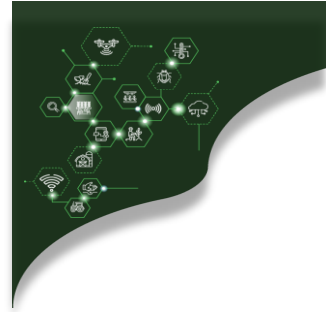
**“9M20 Combined”:** It strictly means the sum of data released by SLC Agrícola S.A. (for 9M20 – January to September 2020) + Data released by Terra Santa Agro S.A. (Parent Company, for 3Q20 (July to September 2020), currently a wholly owned subsidiary of SLC Agrícola S.A.

**Net Revenue.** Net Income advanced 2.4% in 3Q21 and 33.0% in 9M21 compared to the same periods of 2020. As highlights, higher prices billed in both periods. It should be noted that this quarter we had a contribution of R\$112.8 million in Net Revenue from Terra Santa.

**Adjusted EBITDA.** In the quarter, Adjusted EBITDA was a record R\$330.6 million, increasing 36.6%. Adjusted EBITDA Margin was 35.1%, expanding 8.8 p.p. on 3Q20. The main variations in the quarter were: the higher Gross Income generated by crops, combined with measurement at fair value of investment properties, which were partially offset by General and Administrative expenses. Adjusted EBITDA from the Terra Santa operation in the quarter was R\$17.1 million.

In 9M21, we achieved an important mark by surpassing R\$1 billion for the first time, with Adjusted EBITDA of R\$1,108 billion, representing growth of 94.6% compared to 9M20. Adjusted EBITDA Margin came to 39.4%, expanding 12.5 p.p. The strong growth in Adjusted EBITDA was driven substantially by the higher Gross Income, which reflects the higher prices invoiced for all crops and the record soybean yield.

**Net Income (Loss).** Net income came to R\$113.7 million in 3Q21 and R\$937.8 million in 9M21, In the quarter, net Income from the Terra Santa operation was R\$20.2 million representing robust growth in both periods, with net margin expanding 18.1 p.p. in the quarter and 19.3 p.p. in the year to date. The main factors contributing to this variation were the growth in Gross Income (effect from higher sales prices invoiced) and the positive impact from the dynamics for recognizing Biological Assets (Revenue – Cost), given the expectations of higher margins compared to the previous crop year.



**Debt.** The Company's adjusted net indebtedness ended the period at R\$2.2 billion, an increase of R\$1.5 billion compared to 2020, and the Net Debt/EBITDA ratio is currently 1.47 times. Net debt was mainly impacted by the increase in Working Capital Needs and the investment in the acquisition of Terra Santa Agro and the new lease agreement of Agrícola Xingú.

**Share buyback.** On September 13, we announced, via Material Fact, the Board's approval to carry out a new Share Buyback Program, in the amount of 2,000,000 (two million shares). The repurchase plan is in progress and the shares acquired will be held in treasury for sale and/or cancelled. The company will inform its shareholders in due course, upon completion of the mentioned program.

**Land Appraisal.** In August, the new valuation of SLC Agrícola's land portfolio was completed, which presented a total value of R\$6,941 billion, an increase of 75.2% compared to 2020. The average value of arable hectare is currently at R\$ 35,693 (thirty-five reais and six hundred and ninety-three thousand). This raises the value of the Company's NAV (Net Asset Value) to R\$8.3 billion (3Q21 position), which corresponds to a NAV per share of R\$43.34 (forty-three reais and thirty-four cents).

**Shares Bonus.** The Company's Board of Directors resolved, on this date, to submit to the Extraordinary General Meeting (EGM), to be called by the Company, a capital increase, in the total amount of R\$ 500,000,000.00 (five hundred million reais), for through the incorporation of part of the balance of the Statutory Reserves account, with shares bonus, at the rate of 10% (ten percent), which will correspond to the issuance of 19,311,145 new common shares, with unit cost attributed to the bonus shares of R\$25.89 (twenty-five reais and eighty-nine cents).

Further details will be disclosed through the Material Fact on today's date and later when the documents relating to the matter are disclosed for the purposes of the (EGM).

**Hedge Position.** We made progress in our hedge position for the 2021/22 crop year, achieving international prices levels for all our crops (see Table 32 for more details), which enable us to maintain margins in 2022. We also made progress on our hedge position for the 2022/23 crop year, due to the acquisition of some inputs, as explained below:

#### **Acquisition of Inputs 2022/23 Crop Year**

With regard to input purchases for the 2022/23 crop year, we have acquired approximately 20% of all our chemical needs and 70% of potassium chloride. For both products purchased, we obtained good prices in relation to current market prices.

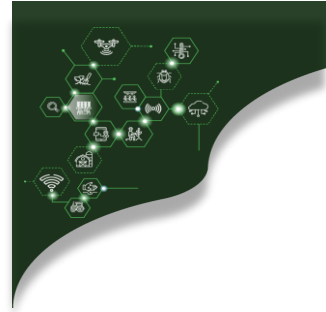
Our strategy for purchasing the remaining inputs is to wait for the the proper exchange ratio between input prices and commodity prices, since input prices are currently increasing sharply. In line with our hedge strategy, which aims to protect the Company's operating margin, ensuring the maintenance of good margins for the operation.

#### **ESG**

In this Earnings Release, the ESG section is dedicated to our **Materiality** survey. We are conducting a new Materiality survey of our stakeholders to identify the topics they consider of the greatest interest and strategic relevance, namely those that could influence the decisions and actions of the organization and its stakeholders and cause significant economic, environmental and social impacts both inside and outside the organization.

After identifying the priority topics, they will be presented and validated by the Company's senior management and support the preparation of the Integrated Report 2021.

In the 2020/2021 harvest (August/2021), we end the expansion cycle via land transformation, thus enabling the disclosure of the commitment not to open new areas for agricultural production. In line with this commitment, until 2Q21, there were 2,872 hectares that were in the licensing process, that is, awaiting the release of an environmental license for opening, even though the environmental license has already been granted, the Company will allocate this area to the lands of remaining native vegetation. With this addition, the company currently has 100,200 hectares of areas dedicated to Legal Reserve and Permanent Preservation.



This quarter, SLC Agrícola donated R\$1 million through the SLC Institute, which resulted in 180 tons of food donations that will improve the lives of thousands of Brazilians, with one of the institutions benefited the Rio Grande do Sul Food Bank.

In all, associations, organizations and families from over 30 municipalities in seven Brazilian states received boxes of food staples.

### COVID-19

The Company registered cases of Covid-19 among its employees in the quarter, but emphasizes that, to date, its operations **have not been affected and continue to operate normally**. The Crisis Committee remains responsible for preparing and monitoring continuously the “COVID-19 Contingency Plan” and the “Guide to Combating COVID-19.”

### Awards

With a total of seven recognitions involving different and important business fronts. The accolades leave us not only very proud of our team, but also even stronger to continue serving as a reference in the agricultural industry.

Table 3 Awards 3Q21

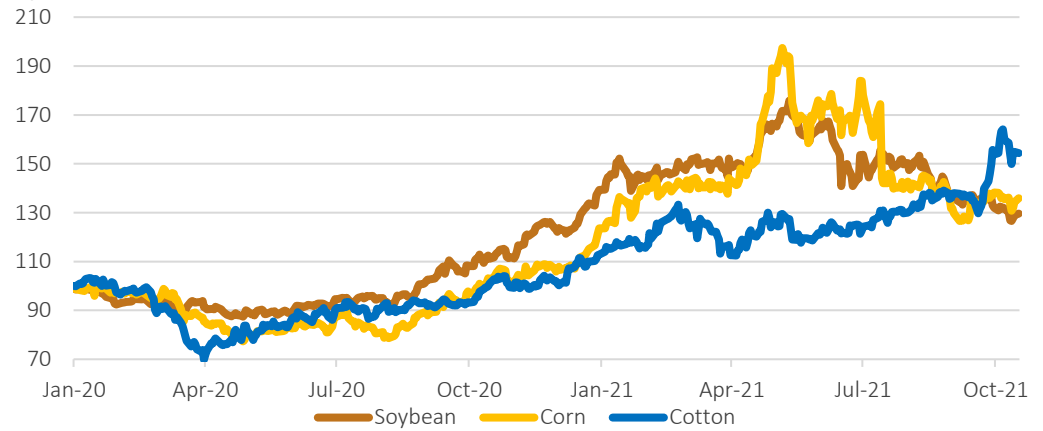
Award	Classification
100 Open Startups 2021	TOP 5 in Agribusiness Ranking   5th place
Great Places to Work   FIA UOL	52nd place in general ranking of 120 companies 16th place in ranking of 34 large companies
A Granja	Corn Producer category
Gupy Destaca	1st Edition of Award - Recognized on list of Brazil's 100 most inspiring HRs. Highlight in categories Development and Innovation in Recruiting
Época 360º	25th place in general ranking   419 companies participating - 3rd place in South region 1st place in Agribusiness   18 companies participating Agricultural sector dimensions: 5th place - Financial Performance; 1st place - Corporate Governance; 2nd place - Innovation; 3rd place - Vision of Future; 12th place - People; 2nd place Sustainability.
The Best of Dinheiro   Istoé	1st place - Agribusiness Recognition in following areas: 3rd place - Financial Sustainability; 1st place - Human Resources; 1st place - Innovation & Quality; 1st place - Social Responsibility; 2nd place - Corporate Governance.
Top Ser Humano ABRH RS	Winning Case Study: “Inclusive Education: continuing learning to challenge and transform.”

### The Management

## Market Overview

### Commodities

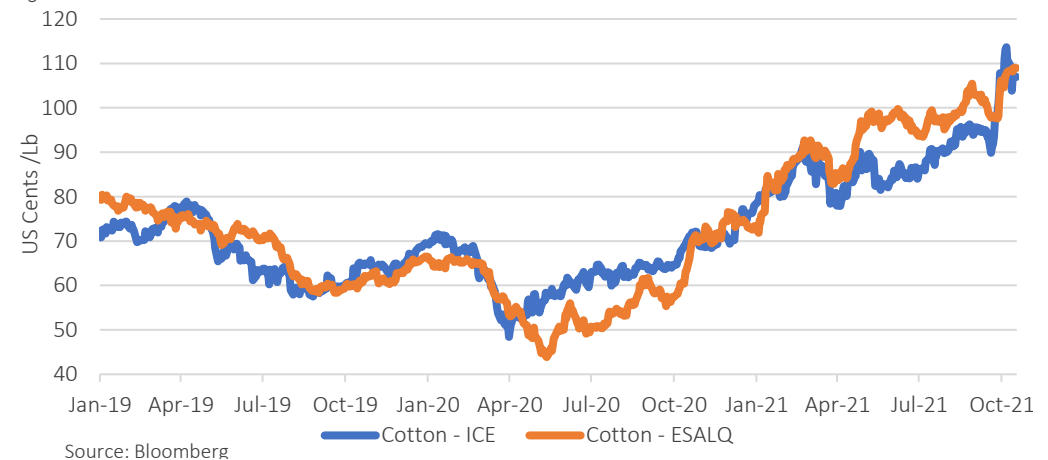
Figure 1 Price Variations, Select Commodities, Jan/2020 to Oct/2021- Base100



### Cotton

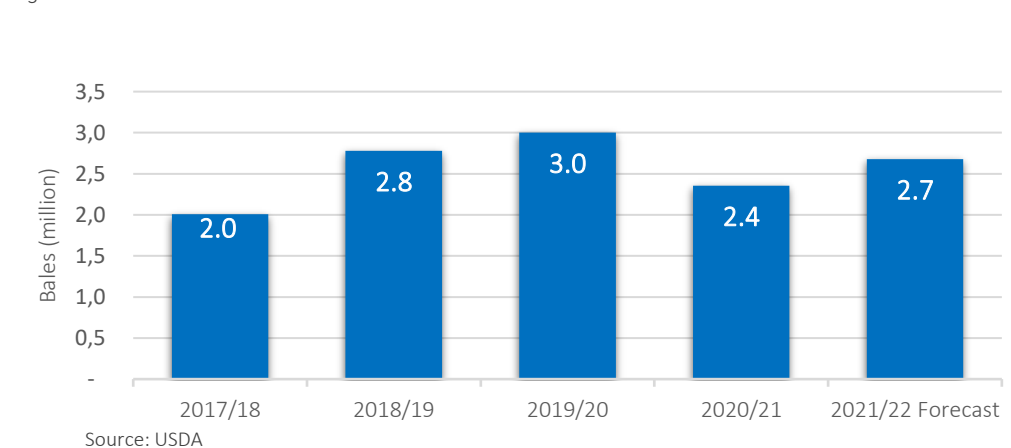
The third quarter of 2021 was marked by higher cotton prices in spot contracts on the New York Stock Exchange, with prices for the fiber surpassing 100 ct/lb. The reduction in planted area in the United States for the 2021/22 cycle and in Brazil for 2020/21 were the main factors influencing price variations from the supply standpoint.

Figure 2 Cotton Prices in International Market vs. Brazil



*“higher cotton spot prices on the NYSE, which surpassed **100 ct/lb.**”*

Figure 3 Cotton – Production Volume in Brazil

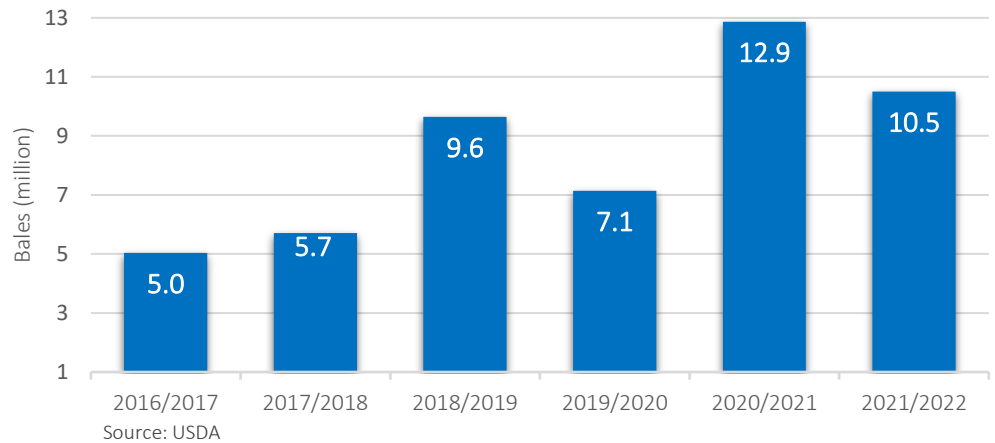


*In the 2021/22 cycle, Brazilian cotton lint production is expected to recovery, but with final production still projected to fall short of the highs of the 2019/20 cycle, as estimated by CONAB*



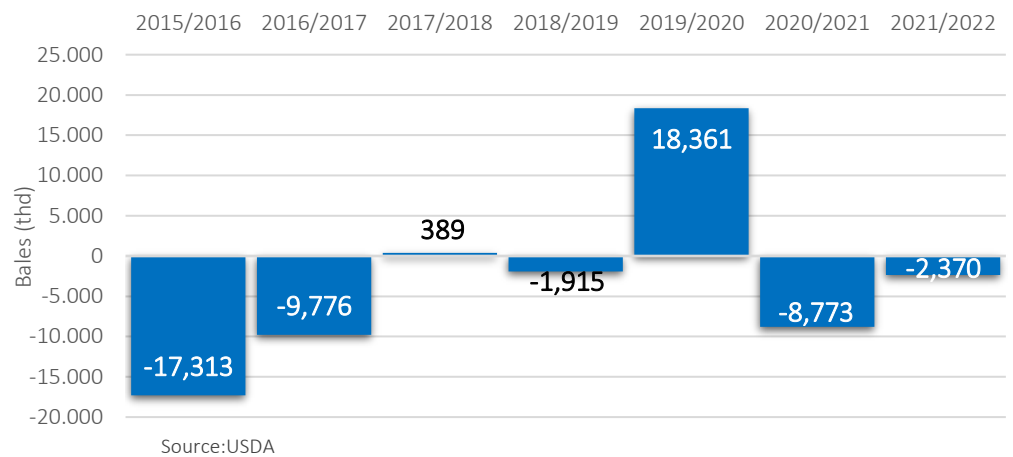
On the demand side, the highlight was the growth in imports by China, which reached 12.9 million bales in the 2020/21 cycle, the highest level of the last six years. For 2021/22, volume also is expected to remain above the average of the last six years, at approximately 10.5 million bales.

Figure 4 Cotton – Chinese Imports Volume per Crop



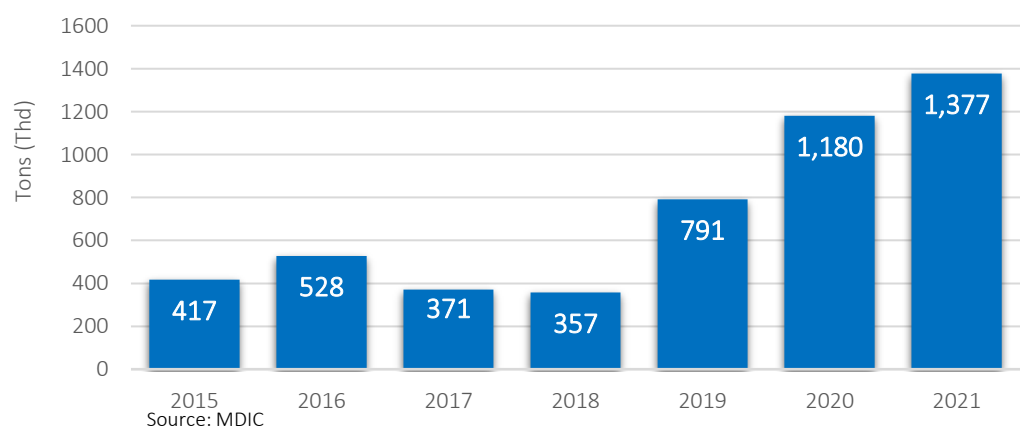
The expectation for global cotton consumption to stabilize and the scenario of declining production in key exporting countries, combined with the uncertainties in prior cycles caused by the Covid-19 pandemic at the global level, are factors that have been contributing to the global supply-demand balance ending the 2021/22 cycle with a deficit of around 2.3 million bales, according to USDA estimates.

Figure 5 Cotton – World Supply-Demand Balance



Exports from Brazil increased, with demand for the country's fiber maintaining its upward trend over the first nine months of 2021, which registered record monthly shipments 17% higher than in the same period of 2020, consolidating the country's position as the world's second largest cotton exporter.

Figure 6 Cotton –Accumulated January-September Brazilian Exports



## Soybean

Soybean spot prices quoted on the Chicago Board of Trade (CBOT) and the prices paid for the grain based on the Paranaguá/CEPEA reference registered high volatility throughout 2021.

The prices in Chicago, combined with the premiums paid and local currency depreciation, enabled soybean prices to reach levels above those in the same period last year and, more recently, led to prices of over 170.00 R\$/bag, according to CEPEA data for Paranaguá, with the equivalent price nearing USD13.50/Bu.

Figure 7 Soybean - Price in International Market vs. Brazil

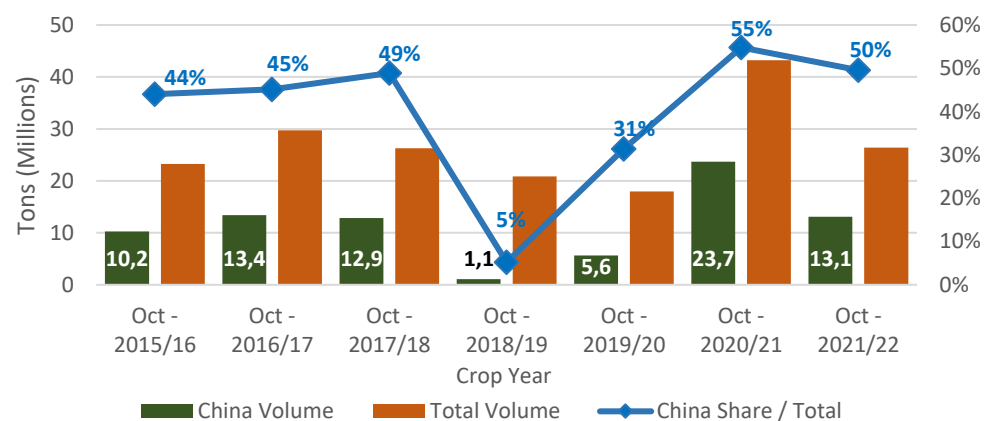


"prices surpassed 170.00 R\$/bag, according to CEPEA data for Paranaguá, with the equivalent price nearing USD13.50/Bu".

The volume of U.S. soybean sales has been an important factor supporting prices on the CBOT, since the volume committed to China of the general total signals a normalization of trade between the United States and China.

After the 2018/19 and 2019/20 cycles, periods marked by a trade war between the United States and China that reduced trade between the countries, there was high uncertainty regarding the build in inventories in the United States due to the weaker Chinese demand, which adversely affected price formation in the international market.

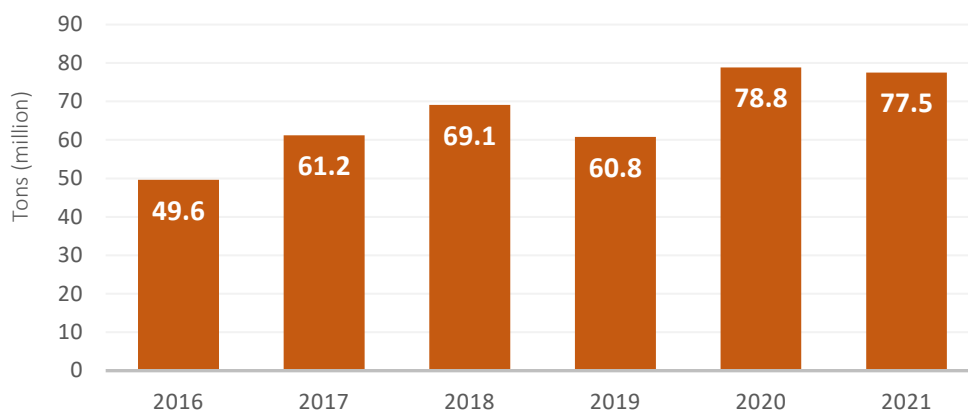
Figure 8 Soybean – Comparative annual US soybean sales to China and all countries



In Brazil, soybean exports in the first nine months of 2021 maintained their upward trend observed in recent years, with shipments of 77.5 million tons, down approximately 2% from the same period of 2020, further consolidating Brazil's position as an important soybean supplier to global markets.

“volume aproximadamente 2% inferior à mesmo período do ano anterior, consolidando o Brasil como importante fornecedor de soja ao mercado global.”

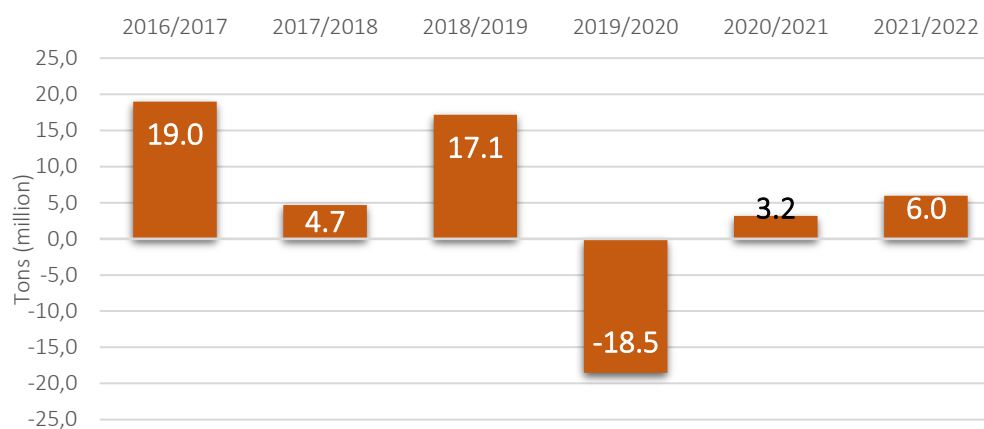
Figure 9 Soybean – January-September Exports in Brazil



Source: MDIC

At the global level, for the current cycle (2021/22), the global supply-demand balance should register a surplus of approximately 6.0 million tons, following the surplus of 3.2 million tons in 2020/21 and the deficit of 18.5 million tons in 2019/20.

Figure 10 Soybean – World Supply-Demand Balance

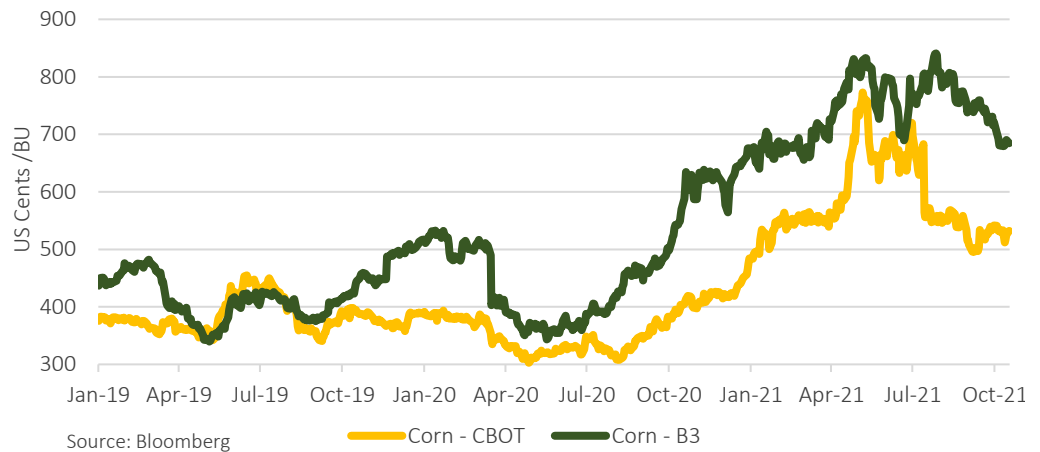


Source: USDA

## Corn

Corn prices in spot contracts on the CBOT and in the Brazilian market remained above the historical average of recent years, partially maintaining the upward trend observed since mid-2020.

Figure 11 Corn - Price in International Market vs. Brazil

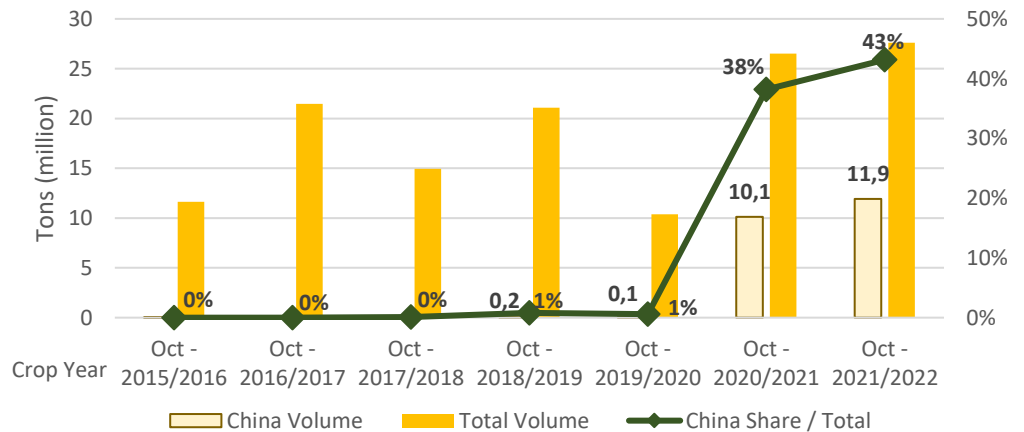


"corn prices remained above the historical average of recent years"

In the third quarter of 2021, the scenario marked by strong demand, measured especially by U.S. corn sales to China, continued to support corn prices in Chicago.

The volume of U.S. corn sales has been an important factor supporting corn prices on the CBOT, since its total committed volume is significantly higher than in prior crop years, which strengthens expectations of the country's ending stocks coming in below recent historical levels.

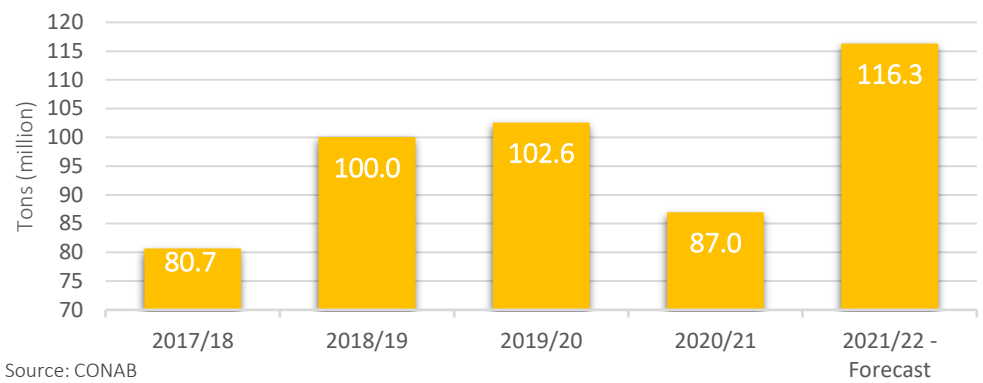
Figure 12 Corn - Comparative annual US corn sales to China and all countries



In Brazil, where important second-crop corn production regions faced adverse weather conditions for crop development, production ended 2020/21 at approximately 87 million tons, down 15% from the last cycle.



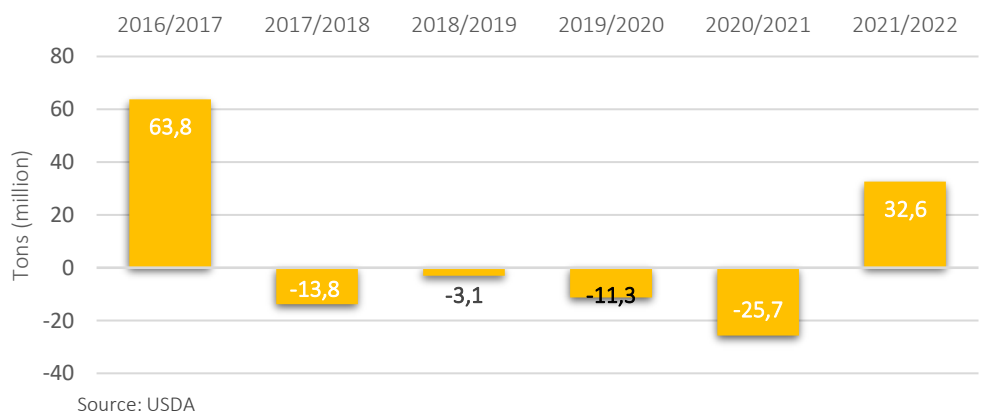
Figura 13 Corn – Brazil Production



As such, local supply-demand dynamics, combined with uncertainties regarding the country's consumption and export numbers, should remain the main drivers of prices in the domestic market.

In the global scenario, the difference in supply and demand should result in a surplus of 25.7 million tons, which is also an important factor to monitor as a driver of future corn prices in the international market.

Figure 14 Corn - World Supply-Demand Balance



## Operational Performance – 2020/21 Crop Year

The third quarter of 2021 was marked by the conclusion of the harvest of the cotton crop and of the second-crop of other products, such as corn and cotton.

### Planted Area

The table below presents final data for planted area in 2020/21 crop year. For more details on the planted area, see the Additional Information section of this document.

Table 4 Planted Area by Crop, 2019/20 vs. 2020/21

Crop Mix	Planted Area 2019/20 -----ha-----	Planted Area 2020/21 <sup>(1)</sup> -----ha-----	Share 2020/21 %	Δ%
<b>Cotton</b>	<b>125,462</b>	<b>109,604</b>	<b>23.7%</b>	<b>-12.6%</b>
Cotton lint 1st crop	74,054	78,011	16.8%	5.3%
Cotton lint 2nd crop	51,408	31,594	6.8%	-38.5%
<b>Soybean (Commercial + Seed)</b>	<b>235,444</b>	<b>229,449</b>	<b>49.5%</b>	<b>-2.5%</b>
<b>Corn 2nd crop</b>	<b>82,392</b>	<b>106,470</b>	<b>23.0%</b>	<b>29.2%</b>
Other Crops <sup>(2)</sup>	5,270	17,644	3.8%	234.8%
<b>Total Area</b>	<b>448,568</b>	<b>463,167</b>	<b>100.0%</b>	<b>3.3%</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Other crops (Corn 1st crop 6,393.58 ha, Corn Seed 460.79 ha, Popcorn Corn 987.17 ha, Wheat 631.08 ha, Livestock 3,526.71, Brachiaria Seed 5,258.62 ha and Mung Beans 386.10) total 17,644.05 ha

### Yields

Table 5 Achieved Yields 2020/21 Crop Year

Yields (kg/ha)	2019/20 Crop Year Achieved (a)	2020/21 Crop Year Budget (b)	2020/21 Crop Year Achieved (c)	Δ% (c) x (a)	Δ% (b) x (a)	Δ% (c) x (b)
Cotton lint 1 <sup>st</sup> crop	1,785	1,878	1,899	6.4%	5.2%	1.1%
Cotton lint 2 <sup>nd</sup> crop	1,713	1,792	1,607	-6.2%	4.6%	-10.3%
Cotton seed	2,161	2,328	2,287	5.8%	7.7%	-1.8%
Soybean (Commercial + Seed)	3,867	3,753	3,970	2.7%	-2.9%	5.8%
Corn 2 <sup>nd</sup> crop	7,300	7,589	5,715	-21.7%	4.0%	-24.7%

### Commercial Soybean

For the fourth straight year, we set a new yield record, which is in line the Company's current strategy of focusing on maximizing operating efficiency. The yield was 5.8% above our initial projection and 12.5% above the national average (Oct/21 estimate by CONAB).

### Soybean Seed

We produced 696.0 thousand bags of Soybean Seeds, with an average quality indicator of 93.8% official germination. Today, we produce soybean seed in four Brazilian states and remain completely focused on improving quality and meeting our clients' needs. To offer more varieties, we hold licenses for four brands for direct sale as well as two vertically-oriented brands. Final production data will be disclosed in 4Q21, after shipments are concluded.

### Cotton Seed

Our production of cotton seeds is estimated at 80,000 bags. To date, our average quality indicator is 94.5% official germination. We currently hold licenses for three cotton seed brands in order to offer our clients a diversified product portfolio. Cotton seed delinting operations should be concluded by November 15. We currently are carrying out seed treatment operations and should conclude the delivery of lots by December. Final production data will be disclosed in 4Q21, after shipments are concluded.

## Brachiaria Seed

The brachiaria seeds have been harvested, with total production volume of 100,000 kg, which will be exported under the SLC Sementes brand. Currently, we are shipping the seeds for delivery to clients. The average quality indicators are as follows: official purity 92.3%, germination 90.2% and crop value 83.3%.

## Cotton First Crop

The harvest was concluded on September 24, with a cotton lint yield of 1,899 kg/ha, which is 1.1% above the initial projection and 6.4% higher than the yield achieved in the previous crop year.

## Cotton Second Crop

The harvest was concluded on September 16, with a cotton lint yield of 1,607 kg/ha, which is 10.3% below the initial projection and 6.2% lower than the yield achieved in the previous crop year. This decline in estimated yield reflects the irregular distribution of precipitation in March and April, especially at the farms in the state of Mato Grosso.

## Corn Second Crop

The harvest was concluded on October 8 with a final yield of 5,715 kg/ha, which is 24.7% below the initial projection and 21.7% lower than the yield achieved in the previous crop year. As in the case of cotton, irregular precipitation also affected the corn areas in Mato Grosso. Meanwhile, in the state of Mato Grosso do Sul, low precipitation resulted in a lower yield.

## Production Cost - 2020/21 Crop Year

Table 6 Breakdown of Budget Production Cost by Crop (R\$/ha), 2020/21 Crop Year

%	Cotton	Soybean	Corn	Average 2020/21	Average 2019/20
<b>Variable Costs</b>	<b>82.5</b>	<b>75.9</b>	<b>81.9</b>	<b>79.9</b>	<b>79.5</b>
Seeds	8.5	12.7	16.6	10.5	12.1
Fertilizers	19.7	20.5	39.4	21.4	22.1
Chemicals	28.1	22.3	12.4	24.4	23.8
Air Spraying	2.1	1.4	0.9	1.8	1.7
Fuels and Lubricants	3.3	4.8	3.3	3.9	3.6
Labor	0.9	0.8	0.8	0.8	0.6
Ginning	9.7	2.9	2.0	6.5	6.2
Maintenance	4.0	4.7	2.9	4.1	4.1
Others	6.2	5.8	3.6	6.5	5.3
<b>Fixed Costs</b>	<b>17.5</b>	<b>24.1</b>	<b>18.1</b>	<b>20.1</b>	<b>20.5</b>
Labor	7.0	9.0	6.0	7.7	8.1
Depreciation and amortizations	4.0	6.1	3.8	4.8	4.8
Right-of-Use Amortization - Leasing	4.2	6.1	6.4	5.1	5.1
Others	2.3	2.9	1.9	2.5	2.5

Table 7 Production Cost in R\$/hectare, 2020/21 Crop Year

Total (R\$/ha)	Achieved 2019/20 (a)	Budget 2020/21 (b)	Achieved 2020/21 <sup>(1)</sup> (c)	Δ% (b x a)	Δ% (c x b)
Cotton 1 <sup>st</sup> crop	9,362	9,899	10,971	5.7%	10.8%
Cotton 2 <sup>nd</sup> crop	8,264	9,306	9,951	12.6%	6.9%
Soybean	3,015	3,300	3,529	9.5%	6.9%
Corn 2 <sup>nd</sup> crop	2,545	2,858	2,990	12.3%	4.6%
<b>Total average cost</b>	<b>4,735<sup>(2)</sup></b>	<b>5,168<sup>(2)</sup></b>	<b>5,582<sup>(2)</sup></b>	<b>9.1%</b>	<b>8.0%</b>

<sup>(1)</sup> Figures may suffer changes by the end of cotton processing and the sale of grains.

<sup>(2)</sup> Weighted by areas in the 2020/21 crop year to avoid impacts from changes in the product mix.

The costs per hectare estimated for the 2020/21 crop year registered an average increase in Brazilian real of 9.1% compared to actual costs in the 2019/20 crop year, basically due to the depreciation of the Brazilian real against the U.S. dollar in the period, since approximately 60% of costs are denominated in the currency. This effect was offset by our Hedge Policy, which establishes the sale of dollar futures on the same curve as the exchange rate of input payments. With regard to Budgeted vs. Achieved production cost in 2020/21, we registered an increase of 8.0%, which is explained by the effects from the weaker Brazilian real on the acquisition of inputs in U.S. dollar, also offset by the increase in revenue. In addition, we also incurred impacts from fuel, freight and energy prices above the inflation rate projected adopted in our budget.

# Operational Performance – 2021/22 Crop Year

## Planted Area

Our current estimate is of **668.8 thousand** hectares of planted area in this crop year, expanding **44.4%** in relation to the previous crop year. The following table presents the forecast on planted area for the 2021/22 crop year and a comparison with the previous crop year. For more details, see the Additional Information section of this document.

Table 8 Planted Area by Crop, 2020/21 vs. 2021/22

Crop Mix	Planted Area 2020/21 -----ha-----	Planted Area 2021/22 <sup>(1)</sup>	Share 2021/22 %	Δ%
<b>Cotton</b>	<b>109,604</b>	<b>175,961</b>	<b>26.3%</b>	<b>60.5%</b>
Cotton lint 1st crop	78,011	86,021	12.9%	10.3%
Cotton lint 2nd crop	31,594	89,940	13.5%	184.7%
<b>Soybean (Commercial + Seed)</b>	<b>235,444</b>	<b>336,464</b>	<b>50.3%</b>	<b>46.6%</b>
<b>Corn 2nd crop</b>	<b>106,470</b>	<b>121,572</b>	<b>18.2%</b>	<b>14.2%</b>
Other Crops <sup>(2)</sup>	11,649	34,792	5.2%	97.2%
<b>Total Area</b>	<b>463,167</b>	<b>668,790</b>	<b>100.0%</b>	<b>44.4%</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Other crops (Corn 1st crop 13,818.10 ha, Corn Seed 606.69 ha, Popcorn Corn 2,010.55 ha, Wheat 636.48 ha, Livestock 3,869.48, Brachiaria Seed 6,873.52 ha and Mung Beans 9,976.99) total 34,791.81

## Yields

Table 9 Projected Yields 2021/22 Crop Year

Yields (kg/ha)	Safra 2020/21 Achieved (a)	Safra 2021/22 Burget (b)	Δ% (b) x (a)
Cotton lint 1 <sup>st</sup> crop	1,899	1,871	-1.5%
Cotton lint 2 <sup>nd</sup> crop	1,607	1,804	12.3%
Cotton seed	2,287	2,299	0.5%
Soybean (Commercial + Seed)	3,970	3,765	-5.2%
Corn 2 <sup>nd</sup> crop	5,715	7,653	34.0%

## Commercial Soybean

The planting of super-early and early soybean varieties, which enables ample time for planting second-crop cotton and corn, began on September 24. The area seeded as of October 28 was 238,247 ha, which represents 70.8% of the area planned for soybean. We managed to plant 100% of the super-early and early soybean varieties in the ideal window for high soybean productive potential and soybean harvest in the best window for planting the 2<sup>nd</sup> cotton and corn crop. To date the crops are presenting excellent development.

## Soybean Seed

We estimate total production of 800,000 bags of Soybean Seeds, with an average quality indicator above 90% official germination (SLC Seeds Guarantee program). Today, we produce soybean seed in four Brazilian states and remain completely focused on quality and meeting our clients' needs. To offer more varieties, we hold licenses for four brands for direct sale as well as two vertically-oriented brands.

## Cotton Seed

We estimate total production of 90,000 bags of Cotton Seed, with an average quality indicator of 90% official germination (SLC Seeds Guarantee program). We currently hold licenses for three cotton seed brands in order to offer our clients a diversified product portfolio.



## Production Cost - 2021/22 Crop Year

Table 10 Breakdown of Budget Production Cost by Crop (R\$/ha), 2021/22 Crop Year

%	Cotton	Soybean	Corn	Average 2021/22	Average 2020/21
<b>Variable Costs</b>	<b>82,0</b>	<b>76,2</b>	<b>81,9</b>	<b>79,9</b>	<b>79,8</b>
Seeds	9,2	16,1	16,6	12,0	10,5
Fertilizers	24,2	19,4	36,4	24,3	21,4
Chemicals	25,3	21,5	12,4	22,0	24,4
Air Spraying	1,2	0,7	0,9	1,0	1,8
Fuels and Lubricants	3,6	4,2	3,3	3,7	3,9
Labor	0,8	1,0	0,8	0,8	0,8
Ginning	8,1	1,8	2,0	5,3	6,5
Maintenance	3,4	4,2	2,9	3,5	4,1
Others	6,2	7,3	3,8	7,3	6,5
<b>Fixed Costs</b>	<b>18,0</b>	<b>23,8</b>	<b>18,1</b>	<b>20,1</b>	<b>20,2</b>
Labor	6,9	8,5	6,0	7,3	7,7
Depreciation and amortizations	3,7	5,6	3,8	4,3	4,8
Right-of-Use Amortization - Leasing	5,5	7,1	6,4	6,4	5,1
Others	1,9	2,6	1,9	2,1	2,5

Table 11 Production Cost in R\$/hectare, 2021/22 Crop Year

Total (R\$/ha)	Achieved 2020/21 <sup>(1)</sup>	Budget 2021/22	Δ%
Cotton 1 <sup>st</sup> crop	10,971	12,658	15.4%
Cotton 2 <sup>nd</sup> crop	9,951	10,863	9.2%
Soybean	3,529	4,131	17.1%
Corn 2 <sup>nd</sup> crop	2,990	3,939	31.7%
<b>Total average cost</b>	<b>5,608<sup>(2)</sup></b>	<b>6,509<sup>(2)</sup></b>	<b>16.1%</b>

<sup>(1)</sup> Figures may suffer changes by the end of cotton processing and the sale of grains.

<sup>(2)</sup> Weighted by areas in the 2021/22 crop year to avoid impacts from changes in the product mix.

Projected costs per hectare in Brazilian real for the 2021/22 crop year increased 16.1% compared to actual costs in the 2020/21 crop year.

The main factors contributing to this increase were:

- (i) higher prices for our main inputs, such as seeds and fertilizers;
- (ii) higher costs with fuel and energy (increase in price and tariff);
- (iii) higher costs with leases, which are linked to the price of soybean bags. The planted area on leased areas increased from 58% (2020/21 crop year) to 69% (2021/22 crop year).

## Financial Performance

### Income Statement Analysis

Starting this quarter, we are reporting the accounting information for 3Q21 and 9M21 considering the merger of Terra Santa Agro S.A. (wholly-owned subsidiary of SLC Agrícola). For comparison purposes, we are reporting the periods 9M20 and 3Q20 on a combined basis, i.e., the sum of the numbers for 3Q20 of SLC Agrícola and of Terra Santa Agro S.A. (parent company).

### Adjusted EBITDA

We achieved **an important mark for Adjusted EBITDA** in the first nine months of 2021, which **surpassed R\$1 billion for the first time**. In the quarter, we also set another new record for the period.

In the quarter, Adjusted EBITDA reached R\$330.6 million, an increase of 36.6%. The Adjusted EBITDA Margin was 35.1%, an increase of 8.8 p.p. compared to 3Q20. The main variations in the quarter were: the higher Gross Income from crops, added to the measurement of the fair value of investment properties, partially offset by General and Administrative expenses. In the quarter, Terra Santa contributed with an Adjusted EBITDA of R\$17.1 million.

In 9M21, Adjusted EBITDA was R\$1.108 billion, advancing 94.6% on 9M20. Adjusted EBITDA margin also set a new record, of 39.4%, expanding 12.5 p.p. on the prior-year period. The strong growth in Adjusted EBITDA was driven substantially by the higher Gross Income, which reflects the higher prices invoiced for all crops and the record soybean yield.

Table 12 Adjusted EBITDA Reconciliation

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Net Revenue	2,115,856	1,971,778	2,813,708	33.0%	920,595	776,517	942,369	2.4%
Change in FVBA <sup>(1)</sup>	813,519	690,204	1,583,061	94.6%	98,062	(25,253)	201,128	105.1%
(-) Cost of Goods Sold	(2,099,304)	(1,930,171)	(2,698,667)	28.6%	(903,592)	(734,459)	(934,982)	3.5%
Cost of Goods	(1,503,801)	(1,364,838)	(1,722,346)	14.5%	(689,984)	(551,021)	(683,870)	-0.9%
Realiz. of FVBA <sup>(1)</sup>	(595,503)	(565,333)	(976,321)	63.9%	(213,608)	(183,438)	(251,112)	17.6%
Gross Income	830,071	731,811	1,698,102	104.6%	115,065	16,805	208,515	81.2%
(-) Sales Expenses	(105,329)	(101,873)	(123,901)	17.6%	(26,707)	(23,251)	(37,736)	41.3%
(-) Gen. & admin. expenses	(80,333)	(72,523)	(155,174)	93.2%	(32,979)	(25,169)	(79,010)	139.6%
General and administrative	(56,125)	(48,315)	(91,734)	63.4%	(23,575)	(15,765)	(45,999)	95.1%
Profit share program	(24,208)	(24,208)	(63,440)	162.1%	(9,404)	(9,404)	(33,011)	251.0%
(-) Administrative Fees	(11,468)	(11,468)	(14,333)	25.0%	(2,583)	(2,583)	(3,166)	22.6%
(-) Other operating revenues	(8,361)	(152)	105,814	n.m.	(9,002)	(793)	96,777	n.m.
(=) Income from Activity	624,580	545,795	1,510,508	141.8%	43,794	(34,991)	185,380	323.3%
(+) Deprec. & amortization	98,128	84,982	99,555	1.5%	48,637	35,491	38,799	-20.2%
EBITDA	722,708	630,777	1,610,063	122.8%	92,431	500	224,179	142.5%
(-)Variation in Fair FVBA <sup>(4)</sup>	(813,519)	(690,204)	(1,583,061)	94.6%	(98,062)	25,253	(201,128)	105.1%
(+) Realization of FVBA <sup>(5)</sup>	595,503	565,333	976,321	63.9%	213,608	183,438	251,112	17.6%
(+)Low Fixed Assets	6,192	6,046	8,653	39.7%	1,362	1,216	872	-36.0%
(+)Other Trans. Prop., Plant and Equip	916	916	618	-32.5%	675	675	(5)	n.m.
(+)Appreciation of investments	-	-	8,909	n.m.	-	-	8,909	n.m.
(+)Amortization adjust.IFRS 16 <sup>(6)</sup>	57,879	49,457	86,855	50.1%	31,967	23,545	46,673	46.0%
Adjusted EBITDA <sup>(2 and 3)</sup>	569,679	562,325	1,108,358	94.6%	241,981	234,627	330,612	36.6%
Adjusted EBITDA Margin <sup>(2 and 3)</sup>	26.9%	28.5%	39.4%	12.5p.p.	26.3%	30.2%	35.1%	8.8p.p.

<sup>(1)</sup> Fair Value of Biological Assets <sup>(2)</sup> Excludes the effects from Biological Assets, since they are noncash. <sup>(3)</sup> Excludes Write-offs of Property, Plant and Equipment and Other Property, Plant and Equipment Transactions which are noncash; <sup>(4)</sup> Change in Fair Value of Biological Assets (Note 28 of the Quarterly Financial Information) <sup>(5)</sup> Realization of the Fair Value of Biological Assets (Note 27 of the Quarterly Financial Information); <sup>(6)</sup> Amortization of right-of-use assets - leases.

## Net Revenue

Table 13 Net Revenue

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Net Revenue</b>	<b>2,115,856</b>	<b>1,971,778</b>	<b>2,813,708</b>	<b>33.0%</b>	<b>920,595</b>	<b>776,517</b>	<b>942,369</b>	<b>2.4%</b>
Cotton lint	881,712	809,902	1,041,268	18.1%	402,745	330,935	197,167	-51.0%
Cotton seed	98,207	81,770	173,643	76.8%	68,477	52,040	137,234	100.4%
Soybean	1,107,992	1,098,854	1,319,080	19.1%	297,601	288,463	165,631	-44.3%
Corn	287,191	241,519	379,188	32.0%	238,516	192,844	352,643	47.8%
Cattle Herd	7,073	7,073	19,640	177.7%	6,704	6,704	9,823	46.5%
Others	38,986	37,965	140,904	261.4%	35,463	34,442	101,558	186.4%
FX Hedge income	(305,305)	(305,305)	(260,015)	-14.8%	(128,911)	(128,911)	(21,687)	-83.2%

Table 14 Volume Invoiced (tons)

Tons	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Volume Invoiced</b>	<b>1,813,654</b>	<b>1,609,274</b>	<b>1,700,934</b>	<b>-6.1%</b>	<b>956,904</b>	<b>752,524</b>	<b>847,399</b>	<b>-11.4%</b>
Cotton lint Ton	119,501	107,499	112,923	-5.5%	55,391	43,389	23,252	-58.0%
Cotton seed Ton	203,434	162,539	173,936	-14.5%	145,881	104,986	130,423	-10.6%
Soybean Ton	815,698	814,225	725,935	-11.0%	181,899	180,426	65,463	-64.0%
Corn Ton	643,068	497,225	629,935	-2.0%	551,031	405,188	588,113	6.7%
Other Ton	31,953	27,786	58,205	82.2%	22,702	18,535	40,148	76.8%

Table 15 Volume Invoiced (heads)

Heads	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Volume Invoiced</b>	<b>2,720</b>	<b>2,720</b>	<b>4,314</b>	<b>58.6%</b>	<b>2,572</b>	<b>2,572</b>	<b>2,087</b>	<b>-18.9%</b>
Cattle Herd Heads	2,720	2,720	4,314	58.6%	2,572	2,572	2,087	-18.9%

Net revenue advanced by 2.4% and 33.0% in relation to 3Q20 and 9M20, respectively.

In the quarter, despite the higher prices invoiced for all crops, invoiced volume for cotton and soybean declined. In the case of cotton, the lower availability of ships and containers affected the estimated volume to be shipped in the quarter. For soybean, the lower volume shipped in 3Q21 should be more than recuperated in 4Q21, supported by the sales strategy to obtain better prices. Sales revenue from cattle increased 46.5%, despite the lower invoiced volume, reflecting the higher unit price invoiced (see the section Gross Income by Crop – Cattle). In this period, we also have an addition of R\$112.8 million from Terra Santa Agro.

The growth of 33.0% in Net Revenue in 9M21 compared to 9M20 mainly reflects higher invoiced prices for all our products. In the case of cattle, the number of head invoiced and the unit price both increased, contributing to the 177.7% increase in net revenue from cattle compared to the prior-year period.

Table 16 Variation in Fair Value of Biological Assets

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Variation in Fair Value of Bio. Assets</b>	<b>813,519</b>	<b>690,204</b>	<b>1,583,061</b>	<b>94.6%</b>	<b>98,062</b>	<b>(25,253)</b>	<b>201,128</b>	<b>105.1%</b>
Cotton lint	407,113	298,465	623,001	53.0%	82,477	(26,171)	161,468	95.8%
Cotton seed	28,208	28,208	143,838	409.9%	(1,710)	(1,710)	69,237	n.m.
Soybean	233,115	233,115	725,639	209.5%	-	-	-	n.m.
Corn	75,658	62,353	79,844	5.5%	14,709	1,404	(32,938)	-323.9%
Cattle Herd	2,738	2,738	10,744	292.4%	1,224	1,224	3,366	175.0%
Other	66,687	65,325	(5)	n.m.	1,362	-	(5)	n.m.

The calculation of Variation in Fair Value of Biological Assets ("VFVBA") reflects the estimated gross margin (sale price at farm less unit costs incurred) of crops presenting significant biological transformation in the calculation period.

In 3Q21, we concluded the apportionment of the Fair Value Variation for the cotton and corn crops.

Cotton VFVBA increased 95.8% in 3Q21 compared to 3Q20, reflecting the better yield expectations and the better cotton prices in relation to the previous crop year, despite the smaller planted area in 2020/21 crop year. In addition, 3Q20 registered a negative mark-to-market adjustment to VFVBA of R\$26,171, given the downward revision in the crop's yield estimate. In the year to date, VFVBA increased 53.0%, mainly due to the better margins estimated for 2020/21 crop year vs. the 2019/20 crop year.

Corn VFVBA registered negative apportionment in the quarter due to the decline in yield compared to the 2019/20 crop year, while in 9M20, it increased 5.5% due to the larger planted area and higher prices, which more than offset the lower yield.

## Cost of Goods Sold

Table 17 Cost of Goods Sold

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Cost of Goods Sold</b>	<b>(1,503,801)</b>	<b>(1,364,838)</b>	<b>(1,722,346)</b>	<b>14.5%</b>	<b>(689,984)</b>	<b>(551,021)</b>	<b>(683,870)</b>	<b>-0.9%</b>
Cotton lint	(499,419)	(450,088)	(524,487)	5.0%	(225,840)	(176,509)	(101,781)	-54.9%
Cotton seed	(60,425)	(51,852)	(78,799)	30.4%	(46,311)	(37,738)	(67,545)	45.9%
Soybean	(652,022)	(638,804)	(649,321)	-0.4%	(179,760)	(166,542)	(120,307)	-33.1%
Corn	(240,580)	(176,620)	(339,529)	41.1%	(213,615)	(149,655)	(320,006)	49.8%
Cattle Herd	(5,698)	(5,698)	(14,511)	154.7%	(5,351)	(5,351)	(7,218)	34.9%
Other	(45,657)	(41,776)	(115,699)	153.4%	(19,107)	(15,226)	(67,013)	250.7%

Cost of goods sold in the quarter decreased 0.9%, mainly due to the lower volume of cotton and soybean invoiced in the period.

In 9M21, COGS increased 14.5% compared to 9M20, explained by the higher unit costs, in line with increase in cost per hectare compared to the previous crop year.

In the case of corn, the increase in unit cost was due to two factors: the higher cost per hectare and the lower yield in the comparison of 2020/21 with 2019/20.

The unit cost of cattle increased in both periods, due to the higher prices for purchasing cattle and for main inputs.

Table 18 Realization of Fair Value of Biological Assets

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Realization of the FVBA<sup>(1)</sup></b>	<b>(595,503)</b>	<b>(565,333)</b>	<b>(976,321)</b>	<b>63.9%</b>	<b>(213,608)</b>	<b>(183,438)</b>	<b>(251,112)</b>	<b>17.6%</b>
Cotton lint	(158,325)	(139,140)	(195,594)	23.5%	(85,096)	(65,911)	(84,636)	-0.5%
Cotton seed	(12,530)	(12,530)	(43,413)	246.5%	(9,172)	(9,172)	(39,132)	326.6%
Soybean	(300,627)	(301,236)	(672,249)	123.6%	(62,857)	(63,466)	(72,587)	15.5%
Corn	(57,178)	(45,584)	(61,781)	8.1%	(51,603)	(40,009)	(53,063)	2.8%
Other	(66,843)	(66,843)	(3,284)	-95.1%	(4,880)	(4,880)	(1,694)	-65.3%

<sup>(1)</sup> Realization of Fair Value of Biological Assets

Realization of Fair Value of Biological Assets (RFVBA) is the corresponding entry to Variation in Fair Value (calculated upon harvest) and is recognized as the products are invoiced.

RFVBA was 17.6% and 63.9% higher in 3Q21 and 9M21, respectively. The main impact in the quarter was the increase in RFVBA for cotton seed and soybean, whose margins are expected to exceed those of the previous crop year, when the mark-to-market adjustment was made.

In 9M21, RFVBA increased, which reflects the expectation of higher margins for this crop in relation to the prior crop year.



## Gross Income by Crop

To contribute to a better understanding of margins by crop, in this section the gain (loss) from currency hedge is allocated among cotton, soybean and corn.

### Cotton Lint and Cotton Seed

Table 19 Gross Income - Cotton Lint

Cotton Lint		9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Volume Invoiced	Ton	119,501	107,499	112,923	-5.5%	55,391	43,389	23,252	-58.0%
Net Revenue	R\$/thd	881,712	809,902	1,041,268	18.1%	402,745	330,935	197,167	-51.0%
Result of currency hedge	R\$/thd	(210,660)	(210,660)	(240,750)	14.3%	(100,401)	(100,401)	(22,973)	-77.1%
Net Rev. adj. for result of cur. hedging	R\$/thd	671,052	599,242	800,518	19.3%	302,344	230,534	174,194	-42.4%
Unit Price	R\$/ton	5,615	5,574	7,089	26.2%	5,458	5,313	7,492	37.2%
Total Cost	R\$/thd	(499,419)	(450,088)	(524,487)	5.0%	(225,840)	(176,509)	(101,781)	-54.9%
Unit Cost	R\$/ton	(4,179)	(4,187)	(4,645)	11.1%	(4,077)	(4,068)	(4,377)	7.4%
<b>Unitary Gross Income</b>	<b>R\$/ton</b>	<b>1,436</b>	<b>1,387</b>	<b>2,444</b>	<b>70.2%</b>	<b>1,381</b>	<b>1,245</b>	<b>3,114</b>	<b>125.5%</b>

Gross Income grew 125.5% in 3Q21 and 70.2% in 9M21 compared to the prior-year periods. The higher invoiced prices in both periods, which were partially offset by higher unit costs, contributed to the increase in Unit Gross Income from cotton. In the quarter, 84% of the cotton invoiced was produced in the 2020/21 crop year.

Table 20 Gross Income - Cotton Seed

Cotton Seed		9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Volume Invoiced	Ton	203,434	162,539	173,936	-14.5%	145,881	104,986	130,423	-10.6%
Net Revenue	R\$/thd	98,207	81,770	173,643	76.8%	68,477	52,040	137,234	100.4%
Unit Price	R\$/ton	483	503	998	106.8%	469	496	1,052	124.2%
Cost Total	R\$/thd	(60,425)	(51,852)	(78,799)	30.4%	(46,311)	(37,738)	(67,545)	45.9%
Unit Cost	R\$/ton	(297)	(319)	(453)	52.5%	(317)	(359)	(518)	63.1%
<b>Unitary Gross Income</b>	<b>R\$/ton</b>	<b>186</b>	<b>184</b>	<b>545</b>	<b>193.6%</b>	<b>152</b>	<b>136</b>	<b>534</b>	<b>251.7%</b>

Unit prices increased sharply, more than offsetting the rise in unit cost. As a result, unit gross income increased 251.7% in 3Q21 and 193.6% in 9M21 compared to the prior-year periods.

### Soybean

Table 21 Gross Income – Soybean

Soybean		9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Volume Invoiced	Ton	815,698	814,225	725,935	-11.0%	181,899	180,426	65,463	-64.0%
Net Revenue	R\$/thd	1,107,992	1,098,854	1,319,080	19.1%	297,601	288,463	165,631	-44.3%
Result of currency hedge	R\$/thd	(76,604)	(76,604)	(19,861)	-74.1%	(14,499)	(14,499)	518	-103.6%
Net Rev. adj. for result of cur. hedging	R\$/thd	1,031,388	1,022,250	1,299,219	26.0%	283,102	273,964	166,149	-41.3%
Unit Price	R\$/ton	1,264	1,255	1,790	41.5%	1,556	1,518	2,538	63.1%
Total Cost	R\$/thd	(652,022)	(638,804)	(649,321)	-0.4%	(179,760)	(166,542)	(120,307)	-33.1%
Unit Cost	R\$/ton	(799)	(785)	(894)	11.9%	(988)	(923)	(1,838)	86.0%
<b>Unitary Gross Income</b>	<b>R\$/ton</b>	<b>465</b>	<b>471</b>	<b>895</b>	<b>92.5%</b>	<b>568</b>	<b>595</b>	<b>700</b>	<b>23.3%</b>

Unit Gross Income from soybean increased 23.3% in 3Q21 and 92.5% in 9M21 compared to the prior-year periods, supported mainly by higher invoiced prices, which were partially neutralized by the higher unit cost.

Soybean unit cost increased 86.0% in the quarter, explained by supplementary costs at farms that already had closed their invoiced volume.

In 9M21, the increase in unit cost surpassed the increase in cost per hectare in 2020/21 vs. 2019/20, reflecting the mix of farms invoicing products in the period.

## Corn

Table 22 Gross Income – Corn

Corn		9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Volume Invoiced	Ton	643,068	497,225	629,935	-2.0%	551,031	405,188	588,113	6.7%
Net Revenue	R\$/thd	287,191	241,519	379,188	32.0%	238,516	192,844	352,643	47.8%
Result of currency hedge	R\$/thd	(18,041)	(18,041)	1,413	n.m.	(14,011)	(14,011)	1,413	n.m.
Net Rev. adj. for result of cur. hedging	R\$/thd	269,150	223,478	380,601	41.4%	224,505	178,833	354,056	57.7%
Unit Price	R\$/ton	419	449	604	44.4%	407	441	602	47.8%
Total Cost	R\$/thd	(240,580)	(176,620)	(339,529)	41.1%	(213,615)	(149,655)	(320,006)	49.8%
Unit Cost	R\$/ton	(374)	(355)	(539)	44.1%	(388)	(369)	(544)	40.4%
<b>Unitary Gross Income</b>	<b>R\$/ton</b>	<b>44</b>	<b>94</b>	<b>65</b>	<b>46.8%</b>	<b>20</b>	<b>72</b>	<b>58</b>	<b>193.0%</b>

Invoiced corn prices in 3Q21 and 9M21 were higher than in the prior-year periods, which more than offset the higher unit cost. The higher unit cost in both periods is explained by the lower yield in 2020/21 compared to 2019/20.

## Cattle Herd

Table 23 Gross Income – Cattle Herd

Cattle Herd		9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Volume Invoiced	Heads	2,720	2,720	4,314	58.6%	2,572	2,572	2,087	-18.9%
Net Revenue	R\$/thd	7,073	7,073	19,640	177.7%	6,704	6,704	9,823	46.5%
Result of currency hedge	R\$/thd	-	-	(817)	n.m.	-	-	(645)	n.m.
Net Rev. adj. for result of cur. hedging	R\$/thd	7,073	7,073	18,823	166.1%	6,704	6,704	9,178	36.9%
Unit Price	R\$/ton	2,600	2,600	4,363	67.8%	2,607	2,607	4,398	68.7%
Total Cost	R\$/thd	(5,698)	(5,698)	(14,511)	154.7%	(5,351)	(5,351)	(7,218)	34.9%
Unit Cost	R\$/ton	(2,095)	(2,095)	(3,364)	60.6%	(2,080)	(2,080)	(3,459)	66.2%
<b>Unitary Gross Income</b>	<b>R\$/ton</b>	<b>506</b>	<b>506</b>	<b>1,000</b>	<b>97.7%</b>	<b>526</b>	<b>526</b>	<b>939</b>	<b>78.5%</b>

We registered growth of unit Gross Income for both periods, mainly due to better invoiced prices, which more than offset unit cost increase.

## Gross Income

Table 24 - Gross Income

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Gross Income</b>	<b>830,071</b>	<b>731,811</b>	<b>1,698,102</b>	<b>104.6%</b>	<b>115,065</b>	<b>16,805</b>	<b>208,515</b>	<b>81.2%</b>
Cotton lint	171,633	149,154	282,276	64.5%	76,504	54,025	78,658	2.8%
Cotton seed	37,782	29,918	88,599	134.5%	22,166	14,302	63,444	186.2%
Soybean	379,366	383,446	649,898	71.3%	103,342	107,422	45,842	-55.6%
Corn	28,570	46,858	41,072	43.8%	10,890	29,178	34,050	212.7%
Cattle Herd	1,375	1,375	4,312	213.6%	1,353	1,353	1,960	44.9%
Others	(6,671)	(3,811)	25,205	n.m.	16,356	19,216	34,545	111.2%
Biological Assets	218,016	124,871	606,740	178.3%	(115,546)	(208,691)	(49,984)	-56.7%

Excluding the effects from Biological Assets (Variation and Realization of Fair Value) indicates the actual margins of the products invoiced. In this analysis, Gross Income increased 12.1% in 3Q21 compared to 3Q20, mainly due to the higher margins for all crops, except soybean. In the year to date, Gross Income increased 78.3%, with improvement in all crops due to the higher invoiced prices.

## Selling Expenses

Selling expenses increased 41.3% in the quarter, which mainly reflects the adjustment to the item “Others” in 3Q20 related to the expenses with soybean seed royalties. In addition, freight expenses declined in the quarter, given the lower volume invoiced and higher expenses with commissions in the period. In 9M21 vs. 9M20, selling expenses increased 17.6%, led by higher expenses with commissions, exports and storage, which are indexed to U.S. dollar and were pressured by the Brazilian real depreciation against the U.S. dollar in the period.

Table 25 - Selling Expenses

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Freight	34,448	34,448	37,995	10.3%	12,422	12,422	10,540	-15.2%
Storage	33,514	30,577	37,231	11.1%	12,744	9,807	13,933	9.3%
Commissions	10,831	10,831	16,373	51.2%	2,369	2,369	3,882	63.9%
Classification of Goods	1,029	1,029	1,032	0.3%	571	571	467	-18.2%
Export Expenses	23,693	23,693	27,506	16.1%	8,150	8,150	5,116	-37.2%
Others	1,814	1,295	3,764	107.5%	(9,549)	(10,068)	3,798	n.m.
<b>Total</b>	<b>105,329</b>	<b>101,873</b>	<b>123,901</b>	<b>17.6%</b>	<b>26,707</b>	<b>23,251</b>	<b>37,736</b>	<b>41.3%</b>
% Net Revenue	5.0%	5.2%	4.4%	-0.6%	2.9%	3.0%	4.0%	-6.9%

## Administrative Expenses

Administrative Expenses (excluding amounts related to Profit Sharing Program) increased 95.1% in 3Q21 and 63.4% in 9M21 in relation to the same periods last year.

The main variations in both periods are explained below:

- (i) Increase in Personnel Expenses, mainly due to expenses with personnel adjustments and headcount expansion. We also paid a retention bonus to maintain the employees of Terra Santa Agro S.A. (wholly-owned subsidiary of SLC Agrícola) following the business combination of SLC Agrícola and Terra Santa Agro S.A.
- (ii) Increase in expenses with Third Parties Fees, which mainly refers to expenses with advisory services related to the business combination with Terra Santa Agro S.A.
- (iii) Increase in Software Maintenance Expenses.
- (iv) Increase in the item Donations, due to SLC Agrícola's participation, via the SLC Institute, in a national campaign to benefit organizations offering assistance to socially vulnerable people in municipalities in the states where SLC Agrícola's farms are located, as well as in communities near its headquarters in Porto Alegre, Rio Grande do Sul. In all, associations, organizations and families in over 30 municipalities in seven Brazilian states received boxes of food staples. The amount contributed was R\$1 million, which resulted in donations of 180 tons of food.

Table 26 Administrative Expenses

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Expenses with personnel	31,532	27,871	40,763	29.3%	13,217	9,556	17,654	33.6%
Fees	5,138	3,739	26,240	410.7%	2,697	1,298	17,573	551.6%
Depreciations and amortizations	2,475	1,521	2,225	-10.1%	1,436	482	991	-31.0%
Expenses with travels	983	832	817	-16.9%	133	(18)	431	224.1%
Software maintenance	3,943	3,599	6,174	56.6%	1,606	1,262	3,073	91.3%
Marketing/Advertisement	1,677	1,639	2,034	21.3%	334	296	578	73.1%
Communications Expenses	2,418	2,477	3,235	33.8%	825	884	1,325	60.6%
Rentals	863	827	1,546	79.1%	352	316	547	55.4%
Labor, Tax and Environmental Contingencies	34	34	452	n.m.	(14)	(14)	319	n.m.
Electricity	202	130	932	361.4%	103	31	846	721.4%
Taxes and other fees	1,005	977	1,811	80.2%	382	354	527	38.0%
Contributions and donations	2,230	2,230	3,306	48.3%	598	598	1,845	208.5%
Other	3,625	2,439	2,199	-39.3%	1,906	720	290	-84.8%
<b>Subtotal</b>	<b>56,125</b>	<b>48,315</b>	<b>91,734</b>	<b>63.4%</b>	<b>23,575</b>	<b>15,765</b>	<b>45,999</b>	<b>95.1%</b>
% Net Revenue	2.7%	2.5%	3.3%	0.6%	2.6%	2.0%	4.9%	2.3%
Provision for profit share program	24,208	24,208	63,440	162.1%	9,404	9,404	33,011	251.0%
<b>Total</b>	<b>80,333</b>	<b>72,523</b>	<b>155,174</b>	<b>93.2%</b>	<b>32,979</b>	<b>25,169</b>	<b>79,010</b>	<b>139.6%</b>

## Net Financial Result

Since a portion of the Company's debt in USD was swapped to BRL (in line with the Risk Management Policy), the exchange variation on dollar-denominated debt does not affect Financial Result when analyzing aggregate figures, since any gains and losses on such liabilities in USD from exchange variation are offset by gains/losses in an equal proportion to the respective swap.

Table 27 Adjusted Net Financial Income (Expense)

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Interest</b>	(74,240)	(50,562)	(38,594)	-48.0%	(38,597)	(14,919)	(9,141)	-76.3%
FX Variation	(6,056)	11,943	(53,095)	776.7%	(13,561)	4,438	(38,432)	183.4%
Monetary Variation	(16,129)	-	(2,595)	-83.9%	(16,129)	-	(2,600)	-83.9%
APV-Liability Lease <sup>(1)</sup>	(49,640)	(43,547)	(103,603)	108.7%	(21,045)	(14,952)	(49,644)	135.9%
Other finan. revenues (expenses)	(32,953)	(4,700)	11,590	-135.2%	(29,221)	(968)	16,158	-155.3%
<b>Total</b>	<b>(179,018)</b>	<b>(86,866)</b>	<b>(186,297)</b>	<b>4.1%</b>	<b>(118,553)</b>	<b>(26,401)</b>	<b>(83,659)</b>	<b>-29.4%</b>
<b>% Net Revenue</b>	<b>-6.4%</b>	<b>-4.41%</b>	<b>-6.9%</b>	<b>-0.5p.p.</b>	<b>-12.9%</b>	<b>-3.40%</b>	<b>-8.9%</b>	<b>4.0p.p.</b>

(1) APV: Adjusted to Present Value - Liability Lease (IFRS16)

In 3Q21 and 9M21, the adjusted Net Financial Result increased in relation to the prior-year periods.

The main factors were:

- (i) the Adjustment to Present Value of Leases in the quarter, given the lengthening of the terms of certain agreements, and the higher soybean bag price in BRL (indexer adopted in agreements).
- (ii) the exchange variation loss, due to the weaker local currency in the quarter and year to date, which impacted amounts payable to suppliers in U.S. dollar
- (iii) There was a reduction in the interest account, in the quarter and in the nine-month period, despite the increase in net debt, reflecting the acquisition of Terra Santa and the increase in the average CDI in the period. This reduction is due to the positive adjustment of the reversal of values in the settlement of the fee letter of the indebtedness arising from Terra Santa

## Net Income (Loss)

Table 28 Net Income

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
<b>Income before taxes on profit</b>	<b>445,561</b>	<b>458,928</b>	<b>1,324,213</b>	<b>197.2%</b>	<b>(74,759)</b>	<b>(61,392)</b>	<b>101,723</b>	<b>n.m.</b>
Income Tax & Social Contrib. on Profit	(148,323)	(142,151)	(386,414)	160.5%	19,510	25,682	12,031	-38.3%
<b>Consol. Net Income f. the Period</b>	<b>297,238</b>	<b>316,777</b>	<b>937,799</b>	<b>215.5%</b>	<b>(55,249)</b>	<b>(35,710)</b>	<b>113,754</b>	<b>n.m.</b>
Assigned to parent company	285,932	305,471	882,596	208.7%	(43,288)	(23,749)	121,011	-379.5%
Assigned to non-controlling comp. members	11,306	11,306	55,204	388.3%	(11,961)	(11,961)	(7,257)	-39.3%
<b>% Net Revenue</b>	<b>14.0%</b>	<b>16.1%</b>	<b>33.3%</b>	<b>19.3%</b>	<b>-6.00%</b>	<b>-4.60%</b>	<b>12.1%</b>	<b>18.1%</b>

Net income amounted to R\$113.7 million in 3Q21 and R\$937.8 million in 9M21, representing robust growth in both periods, with net margin expanding 18.1 p.p. in the quarter and 19.3 p.p. in the year to date.

In the quarter, the main factors that contributed to the increase in net income were the increase in Gross Income and the positive result of measuring the fair value of investment properties. In the 9-month period, the main variation was the increase in Gross Profit (the effect of better billed sales prices). In both periods, and the positive reflection of the accounting dynamics of Biological Assets (Revenue – Cost), reflected positively due to expectations of higher margins compared to the previous crop year, contributing to the net income for the period.

## Statement of Cash Flow Analysis

Free cash generation was positive in the quarter, at R\$82.4 million, reflecting the improvement in cash flow, which is a normal characteristic for this time of year (end of payment for harvest inputs and increase in received volumes of cotton).

Year-to-date, however, free cash generation is still negative, at R\$366.8 million. This situation will be reversed in the fourth quarter, as cotton sales for the 2020/21 crop will take place and also as the working capital accounts reflect greater cash flow. These variations do not consider the amount paid in connection with the business combination with Terra Santa Agro S.A.

Table 29 Summarized Cash Flow

(R\$ thd)	9M20	9M21	HA	3Q20	3Q21	HA
Cash generated in operations	760,548	1,097,539	44.3%	291,507	341,408	17.1%
Changes in assets and liabilities	(533,420)	(865,894)	62.3%	91,513	(76,677)	n.m.
Net cash used in investment activities	(182,106)	(376,675)	106.8%	(51,762)	(164,250)	217.3%
In Fixed assets	(166,191)	(283,643)	70.7%	(46,978)	(88,999)	89.4%
In Intangible assets	(15,915)	(27,415)	72.3%	(4,784)	(10,340)	116.1%
Land return payment	-	(706)	100.0%	-	(706)	100.0%
<b>Presented Free Cash</b>	<b>(45,022)</b>	<b>(145,030)</b>	<b>-422.10%</b>	<b>331,258</b>	<b>100,481</b>	<b>-69.7%</b>
Net cash gen./ (cons.) in fin. act. <sup>(1)</sup>	(45,332)	12	-100.00%	(11,704)	6	-100.00%
Paid leases <sup>(2)</sup>	(113,140)	(221,856)	96.10%	(4,406)	(17,952)	307.40%
Share buyback	-	168	100.00%	-	-	-
Payment of CRA Costs	-	(131)	100.00%	-	(121)	100.00%
<b>Adjusted Free Cash</b>	<b>-113,450</b>	<b>-366,837</b>	<b>n.m.</b>	<b>315,148</b>	<b>82,414</b>	<b>-73.8%</b>

<sup>(1)</sup> The variations of said account are non-cash.

<sup>(2)</sup> Due to the adoption of IFRS 16, the payment of leases is now accounted in the Statement of Cash Flows under Financing Activities. However, it should be considered as an operating cash disbursement.

## Property, Plant & Equipment / CAPEX

Table 30 Capital Expenditures

(R\$ thd)	9M20 Combined (a)	9M20 (b)	9M21 (c)	HA c x a	3Q20 Combined (a)	3Q20 (b)	3Q21 (c)	HA c x a
Machin., implements and equip.	83,172	82,557	142,035	70.8%	13,222	12,607	67,762	412.5%
Land acquisition	102	102	322	215.7%	-	-	-	n.m.
Soil correction	56,758	48,792	88,544	56.0%	45,405	37,439	67,235	48.1%
Buildings and facilities	17,834	17,101	39,690	122.6%	6,175	5,442	12,300	99.2%
Cotton ginning plant	3,781	3,409	2,331	-38.3%	1,872	1,500	1,860	-0.6%
Grains storage	2,415	2,185	359	-85.1%	626	396	220	-64.9%
Soil cleaning	8,974	8,974	18,494	106.1%	4,700	4,700	10,499	123.4%
Vehicles	1,234	1,136	1,321	7.1%	1,015	917	401	-60.5%
Aircraft	701	21	440	-37.2%	680	-	440	-35.3%
Software	14,123	13,988	27,186	92.5%	5,316	5,181	8,352	57.1%
Improv. in own properties	19	19	-	-100.0%	19	19	-	-100.0%
Improv. in Third Party Real Estate	998	998	940	-5.8%	322	322	1	-99.7%
Buildings	106	106	-	-100.0%	-	-	-	n.m.
Others	9,813	9,763	16,089	64.0%	4,797	4,747	4,981	3.8%
<b>Total</b>	<b>200,030</b>	<b>189,151</b>	<b>337,751</b>	<b>68.9%</b>	<b>84,149</b>	<b>73,270</b>	<b>174,051</b>	<b>106.8%</b>

In the quarter, investments were concentrated in machinery, tools and equipment, soil correction and buildings and facilities.

In machinery, tools and equipment, the highlight was the investment in machinery for the Paysandu Farm. Meanwhile, soil correction was carried out at various farms, led by the Paysandu, Paiguás, Planorte and Pantanal farms.

The most significant investments in buildings and facilities were made in the following farms: Pamplona (irrigation, telemetry and house renovations); Planeste (expansion of cotton bale press machine, sampling equipment room and improvements to the cotton grading room, cotton beating machine and cotton gin); Planalto (construction of a pen) and Panorama (aeration of seed warehouse floor, led projectors and materials for capacitor banks).

## Debt

Adjusted Net Debt ended the third quarter of 2021 at R\$2.2 billion, representing an **increase of R\$1.5 billion** from the end of 2020. Net debt was influenced mainly by higher Working Capital Needs, which in turn were influenced by the higher payments for agricultural inputs for the 2020/21 and 2021/22 crop years and the settlement of all debt held by Terra Santa. Note that an increase in debt in this period of the year is expected, given the cash conversion cycle of the business.

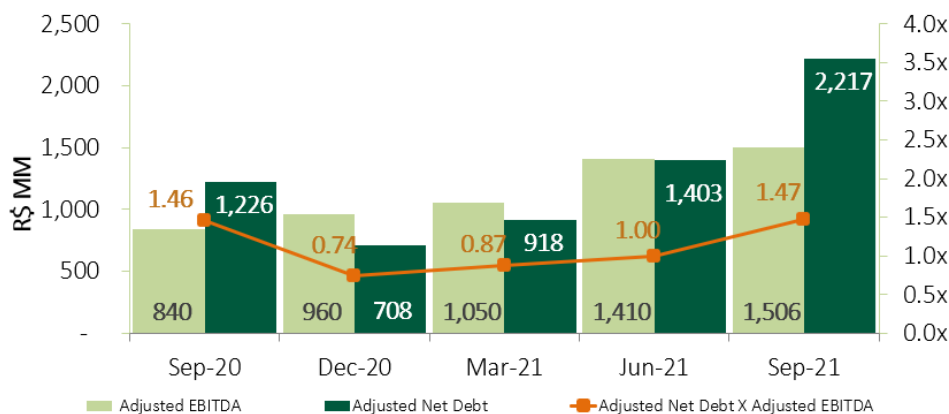
Table 31 Financial Net Debt

Credit Line	Average Rate (%)			Consolidated	
(R\$ thd)	Indexer	2020	9M21	2020	9M21
Applied in Fixed Assets				57,053	45,403
Finame – BNDES	Pré and Coin Basket	5.4%	5.5%	57,053	45,403
Applied in Working Capital				2,377,936	2,937,253
Rural Credit	Prefixed	4.3%	5.5%	12,186	16,053
CRA	CDI <sup>(1)</sup>	3.7%	7.2%	841,616	886,466
Working Capital	CDI <sup>(1)</sup>	3.1%	7.3%	577,936	920,032
Export Loans	CDI <sup>(1)</sup>	3.2%	7.4%	946,198	1,114,701
Total Indebtedness <sup>(3)</sup>		3.4%	7.3%	2,434,989	2,982,656
(+) Gains and losses with deriv. connected with applications and debts <sup>(2)</sup>				121,794	39,740
(=) Adjusted Debt				2,313,195	2,942,915
(-) Cash				1,604,716	726,095
(=) Adjusted Net Debt				708,479	2,216,820
Adjusted EBITDA (Last 12 months)				960,262	1,506,296
Adjusted Net Debt/EBITDA				0.74	1.47

<sup>(1)</sup> Final Interest Rate with swap; <sup>(2)</sup> Transactions with gains and losses from Derivatives (see note 23e of the Quarterly Financial Information)

<sup>(3)</sup> Total debt is different from the accounting position due to the costs of CRA transactions, see note 16 of the Quarterly Financial Information

Figure 15 Change in Net Debt/Adjusted EBITDA Ratio





## Hedge Position

### Currency and agricultural commodity hedge

The Company's sales revenues are generated mainly by the trading of agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollar on international exchanges, such as the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE).

Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities. To protect from currency variation we use derivative instruments, with the portfolio of these instruments basically comprising non-deliverable forwards (NDFs).

In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established operating margin with a combination of factors such as Price, Exchange Rate and Cost, most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). We also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions.

The hedge positions for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in USD) are shown below, broken down by commercial hedge and financial hedge and updated as of November 8<sup>th</sup>:

Table 32 Hedge Position

FX Hedge – Soybean					Commercial Hedge - Soybean				
Crop	2020/21	2021/22	2022/23		Crop	2020/21	2021/22	2022/23	
%	100.5	40.5	10.0		%	99.2	49.3	7.4	
R\$/USD	5.2505	5.5640	6.1986		USD/bu <sup>(2)</sup>	12.42	12.46	13.27	
Commitments % <sup>(1)</sup>	-	25.1	59.3		Commitments % <sup>(1)</sup>	-	10.9	20.3	
FX Hedge – Cotton					Commercial Hedge - Cotton				
Crop	2020/21	2021/22	2022/23		Ano agrícola	2020/21	2021/22	2022/23	
%	96.7	40.7	15.0		%	97.3	65.4	10.0	
R\$/USD	5.4333	5.9015	6.2946		US\$/lb <sup>(2)</sup>	70.8	78.2	80.56	
Commitments % <sup>(1)</sup>	-	27.6	50.8		Commitments % <sup>(1)</sup>	-	-	-	
FX Hedge – Corn					Commercial Hedge – Corn				
Crop	2020/21	2021/22	2022/23		Crop	2020/21	2021/22	2022/23	
%	102.1	48.7	24.7		%	96.7	59.9	38.5	
R\$/USD	5.2327	5.7101	6.3320		R\$/bag <sup>(3)</sup>	41.01	53.89	61.17	
Commitments % <sup>(1)</sup>	-	17.3	40.3		Commitments % <sup>(1)</sup>	-	-	-	

<sup>(1)</sup> Commitments with payments for fixed-rate securities in U.S. dollar, natural hedge with payments related to land acquisitions and lease agreements based on soybean bags. <sup>(2)</sup> Based on FOB Port - prices at our production units also are influenced by transport expenses and any discounts for quality. <sup>(3)</sup> Farm Price.



## ESG communication with stakeholders

# CONTRIBUTE TO OUR MATERIALITY SURVEY

We want to hear your opinion to identify the most relevant sustainability topics for the next Integrated Report of SLC Agrícola.

### Materiality Survey

Since 2016, SLC Agrícola has published annual sustainability reports in conformity with the framework of the Global Reporting Initiative (GRI), Core option, and aligned with the principles of the UN Global Compact and UN Sustainable Development Goals (SDG), through which it effectively undertakes the commitment expected from the private sector to achieving the goals of the UN 2030 Agenda. Since the third cycle, we have achieved advances as we adopt the International Framework. The goal is to keep our capital providers and other stakeholders informed on how we create and share value sustainably.

The Integrated Report enables us to improve the quality of our financial and non-financial information in harmony with our good management practices. Since the 2018 cycle, the Integrated Report and the Management Report of SLC Agrícola have been published simultaneously, given that, together, they express the integrated vision of the Company.

In the 2019 cycle, we made further progress and added to the report the Company's Sustainability Positioning and Priority Vectors regarding our main challenges in Sustainability-related topics. This effectively integrated the entire process with our Big Dream, which is "to positively impact future generations as the world leader in efficient agricultural business and respect for the planet."

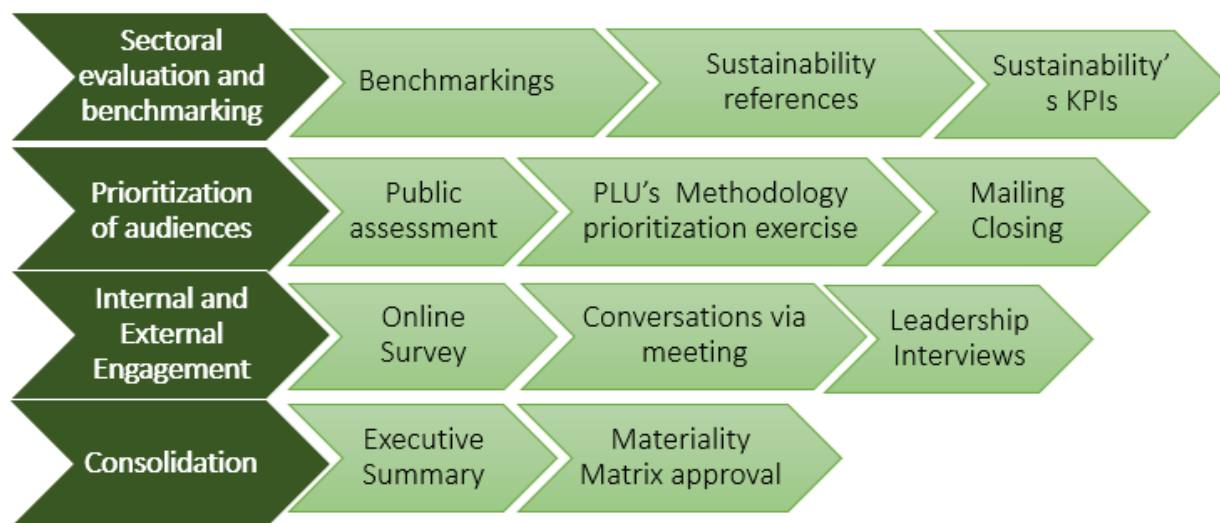
The first materiality survey of SLC Agrícola was carried out in 2016, in accordance with GRI standards. In 2018, the materiality topics were revised to consider the relevance of the matrix from the perspective of the Integrated Report framework, when adherence to the material topics previously identified was confirmed.

Engagement with key stakeholder groups was maintained through formal relationship channels and the work climate survey, which identify the needs of internal and external stakeholders. In the new cycle of the Integrated Report 2021, the Company opted to conduct a comprehensive review of the materiality matrix.

The process began with an industry assessment to identify benchmarks, sustainability references and key performance indicators (KPIs). The second step consisted of prioritizing publics by creating stakeholder groups, defining priorities and concluding the mailing process to guide the internal and external direction.

The other steps, which consist of driving engagement by submitting questionnaires, conducting interviews, consolidating the process by closing the executive summary and approving the materiality matrix, are expected to occur in the fourth quarter of this year.

Figure 16 Timeline – New Materiality Matrix



The results obtained will reveal the new matrix with topics with the most interest and strategic relevance, namely those that could influence the decisions and actions of the organization and its stakeholders and cause significant economic, environmental and social impacts both inside and outside the organization. After identifying the priority topics, they will be presented and validated by the Company's senior management and support the preparation of the Integrated Report 2021.

## Return Indicators

The Company believes that the calculation of Return on Equity, Return on Net Assets and Return on Invested Capital should consider, in addition to net income or operating income of the period, the net annual appreciation (based on the independent report of Deloitte Touche Tohmatsu Consultores Ltda., prepared every year) in the value of its land.

Table 33 Return on Equity

(R\$ million)	2014	2015	2016	2017	2018	2019	2020
Net Profit <sup>(1)</sup>	70	121	16	289	405	293	511
Net Land Appreciation <sup>(2)</sup>	428	140	199	19	110	142	216
<b>Subtotal</b>	<b>498</b>	<b>261</b>	<b>215</b>	<b>308</b>	<b>515</b>	<b>435</b>	<b>727</b>
Shareholder's Equity <sup>(3)</sup>	3,771	3,911	4,346	4,438	4,641	4,973	5,361
<b>Return</b>	<b>13.2%</b>	<b>6.7%</b>	<b>4.9%</b>	<b>6.9%</b>	<b>11.1%</b>	<b>8.7%</b>	<b>13.6%</b>

<sup>(1)</sup> Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific line.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), updated in October/2020; net of tax amounts.

<sup>(3)</sup> Adjusted for land price appreciation.

Table 34 Return on Net Assets

(R\$ million)	2014	2015	2016	2017	2018	2019	2020
Net Profit <sup>(1)</sup>	70	121	16	289	405	293	511
Net Land Appreciation <sup>(2)</sup>	428	140	199	19	110	142	216
<b>Subtotal</b>	<b>498</b>	<b>261</b>	<b>215</b>	<b>308</b>	<b>515</b>	<b>435</b>	<b>727</b>
<b>Net Assets</b>	<b>4,859</b>	<b>5,005</b>	<b>5,026</b>	<b>5,097</b>	<b>5,443</b>	<b>6,551</b>	<b>7,352</b>
Working Capital	733	739	561	613	603	912	1,150
Fixed Assets <sup>(3)</sup>	4,126	4,266	4,465	4,484	4,840	5,639	6,202
<b>Return</b>	<b>10.2%</b>	<b>5.2%</b>	<b>4.3%</b>	<b>6.0%</b>	<b>9.5%</b>	<b>6.6%</b>	<b>9.9%</b>

<sup>(1)</sup> Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), updated in October/2020; net of tax amounts.

<sup>(3)</sup> Adjusted for land price appreciation.

Table 35 Return on Invested Capital

(R\$ million)	2014	2015	2016	2017	2018	2019	2020
Operating Income <sup>(1)</sup>	190	285	110	513	657	536	780
IRPJ Rate	21.3%	27.3%	0.0%	26.3%	30.5%	24.0%	26.0%
Adjusted IR	(40)	(78)	20	(135)	(200)	(129)	(203)
Adjusted Operating Income	150	207	130	378	457	407	577
Net Land Appreciation <sup>(2)</sup>	428	140	199	19	110	142	216
<b>Operating results w/ land</b>	<b>578</b>	<b>347</b>	<b>329</b>	<b>397</b>	<b>567</b>	<b>549</b>	<b>793</b>
<b>Invested Capital</b>	<b>4,731</b>	<b>5,005</b>	<b>5,255</b>	<b>5,104</b>	<b>5,584</b>	<b>5,947</b>	<b>6,154</b>
Gross Debt (ST and LT)	1,332	1,795	1,974	1,578	1,586	1,859	2,313
Cash	372	701	1,065	749	643	885	1,520
Net Debt	960	1,094	909	829	943	974	793
Shareholder's Equity <sup>(3)</sup>	3,771	3,911	4,346	4,275	4,641	4,973	5,361
<b>Return on Working Capital</b>	<b>12.2%</b>	<b>6.9%</b>	<b>6.3%</b>	<b>7.8%</b>	<b>10.2%</b>	<b>9.2%</b>	<b>12.9%</b>

<sup>(1)</sup> Even in periods that encompass net income from land sales, in this analysis only the profit from the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific line.

<sup>(2)</sup> Based on the independent appraisal report (Deloitte), updated in October/2020; net of taxes.

<sup>(3)</sup> Adjusted for land price appreciation.

## Additional Information

### Planted Area – 2020/21 and 2021/22 Crop Year

Table 36 Planted Area 2021/22 Crop Year

Area Mix	Planted Area 2020/21 ha	Planted Area 2021/22 <sup>(1)</sup> ha	Share 2021/22 %	Δ%
<b>1<sup>st</sup> crop Area</b>	<b>322,035</b>	<b>447,038</b>	<b>66.8%</b>	<b>38.8%</b>
Owned Area	110,273	112,014	16.7%	1.6%
Leased Area	135,006	252,244	37.7%	86.8%
Joint Ventures Areas <sup>(2)</sup>	41,594	41,163	6.2%	-1.0%
SLC LandCo Areas <sup>(3)</sup>	35,162	41,617	6.2%	18.4%
<b>2<sup>nd</sup> crop Area</b>	<b>141,133</b>	<b>221,751</b>	<b>33.2%</b>	<b>57.1%</b>
Owned Area	51,155	53,340	8.0%	4.3%
Leased Area	60,757	136,644	20.4%	124.9%
Joint Ventures Areas <sup>(2)</sup>	14,228	14,391	2.2%	1.1%
SLC LandCo Areas <sup>(3)</sup>	14,993	17,376	2.6%	15.9%
<b>Total Area</b>	<b>463,167</b>	<b>668,790</b>	<b>100.0%</b>	<b>44.4%</b>

<sup>(1)</sup> Weather factors may affect the planted area forecast.

<sup>(2)</sup> Areas owned by Grupo Roncador and Mitsui.

<sup>(3)</sup> A SLC Agrícola holds an 81.23% interest in SLC LandCo.

### Property portfolio

The portfolio of properties under our management on **November 10, 2021** is presented below:

Table 37 Property Portfolio

Crop 2021/22 (ha)		Owned <sup>(1)</sup>	SLC LandCo <sup>(2)</sup>	Leased	Joint Ventures	Under Control	Total Planted <sup>(3)</sup>
Farm	State	ha					
Pamplona	GO	17,994		8,596		26,590	27,190
Pantanal	MS			26,259		26,259	43,939
Planalto	MS	15,006		1,635		16,641	22,602
Pampeira	MT			24,065		24,065	41,378
Piracema	MT			12,605		12,605	23,786
Pejuçara	MT			14,466		14,466	27,348
Pirapora	MT			11,418		11,418	20,759
Próspera	MT			16,999		16,999	30,772
Planorte	MT	23,454				23,454	31,769
Paiaguás	MT	28,129		17,321		45,450	66,273
Perdizes <sup>(5)</sup>	MT	28,893	13,288			42,181	26,495
Pioneira <sup>(4)</sup>	MT				19,814	19,814	34,205
Panorama	BA		10,373	14,189		24,562	21,736
Paladino <sup>(5)</sup>	BA				21,350	21,350	21,350
Piratini	BA		25,356			25,356	14,219
Paysandu	BA			32,473		32,473	38,001
Palmares	BA	16,195	831	16,936		33,962	25,766
Parceiro	BA	27,564	3,680	6,933		38,177	11,080
Parnaíba	MA	26,193		11,309		37,502	42,723
Palmeira	MA		10,200	16,679		26,879	23,468
Planeste	MA		22,783	20,359		43,142	64,047
Parnaguá	PI	19,416				19,416	9,883
Paineira <sup>(6)</sup>	PI	12,892				12,892	
<b>Total</b>	<b>-</b>	<b>215,736</b>	<b>86,511</b>	<b>252,244</b>	<b>41,164</b>	<b>595,653</b>	<b>668,790</b>

<sup>(1)</sup> Own property, includes Legal Reserves. <sup>(2)</sup> SLC Agrícola currently owns 81.23% of SLC LandCo, while the Valiance fund owns 18.77%. <sup>(3)</sup> Including the second crop. Weather factors could affect the planted area forecast. <sup>(4)</sup> The Pioneira Farm is part of the joint arrangement with Grupo Roncador. <sup>(5)</sup> The Perdizes and Paladino Farms are part of the joint arrangements with Mitsui in SLC-Mit. <sup>(6)</sup> Farm leased to third parties.

## Landbank

As of 2Q21, 2,872 hectares were in the process of being licensed, that is, awaiting an environmental license for their opening. In accordance with our commitment announced to the market, the Company ended the cycle of opening new areas in the 2020/21 crop year (August 2021). Therefore, this area will be allocated to the landbank of remaining native vegetation. The Company currently has 100.2 hectares of areas dedicated to the Legal Reserve and Permanent Preservation. In addition, there was a reduction of 15,662 hectares in the areas prepared for planting in the 2021/22 crop year.

A seguir demonstramos a posição atual do nosso banco de terras.

Table 38 Landbank

Hectares	Under Transformation*	Under Licensing
<b>SLC Agrícola</b>		
Parnaíba	1,464	-
Parnaguá	-	-
Parceiro	2,527	-
<b>Sub Total</b>	<b>3,991</b>	<b>-</b>
<b>SLC LandCo</b>		
Palmeira <sup>(1)</sup>	-	-
Piratini	2,180	-
Parceiro <sup>(1)</sup>	-	-
<b>Subtotal</b>	<b>2,180</b>	<b>-</b>
<b>Total</b>	<b>6,171</b>	<b>-</b>

<sup>(1)</sup> Areas acquired by SLC LandCo to be developed jointly with these farms. \*Under transformation for commercial use.

## Machinery Base and Storage Capacity

Table 39 Machinery Base and Storage Capacity

	2018	2019	2020	2021	3Q21
Machinery (quantity)	867	873	871	863	1172
Tractors	216	212	211	213	343
Grains Combiners	209	206	196	173	217
Cotton Pickers	76	85	92	87	104
Planters	212	209	210	214	299
Self propelled sprayers	154	161	162	176	209
Storage capacity (tons)					
Grains	764,000	764,000	764,000	764,000	1,054,920
% Production <sup>(1)</sup>	52%	52%	44%	44%	61%
Cotton	125,148	125,148	125,148	125,148	190,447
% Production <sup>(1)</sup>	60%	60%	63%	63%	72%

<sup>(1)</sup> Estimate based on the expected planted area and yields for 2020/21 for 3Q21

## Net Asset Value

Table 40 Net Asset Value – NAV

(R\$ Million)	3Q21
SLC Agrícola Farms <sup>(1)</sup>	4,800
SLC LandCo Farms <sup>(1)</sup>	1,360
Infrastructure (excl. land)	1,535
Accounts Receivable (excl. derivatives)	33
Inventories	3,466
Biological Assets	399
Cash	639
<b>Subtotal</b>	<b>12,231</b>
Suppliers	1,076
Gross debt adjusted by results of operations with derivatives	2,786
Outstanding debt related to land acquisition	-
<b>Subtotal</b>	<b>3,682</b>
<b>Net asset value</b>	<b>8,369</b>
<b>Net Asset value per share (193.111.454 shares)</b>	<b>43.3</b>

<sup>(1)</sup> Based on the independent appraisal report (Deloitte, 2021), net of taxes.

NOTE: All accounts are adjusted by SLC Agrícola's interests in subsidiaries/joint ventures.



## Debt

Figure 17 Change in Adjusted Gross Debt (R\$ '000)

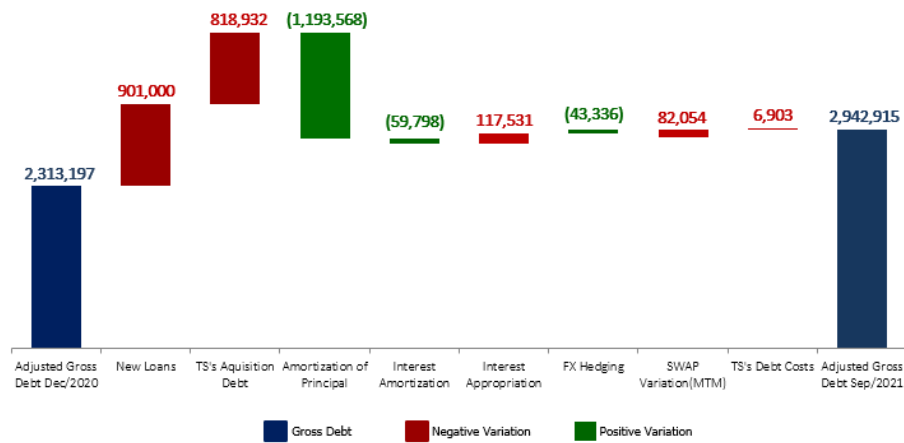


Figure 18 Adjusted gross Debt Amortization Schedule (R\$ '000)

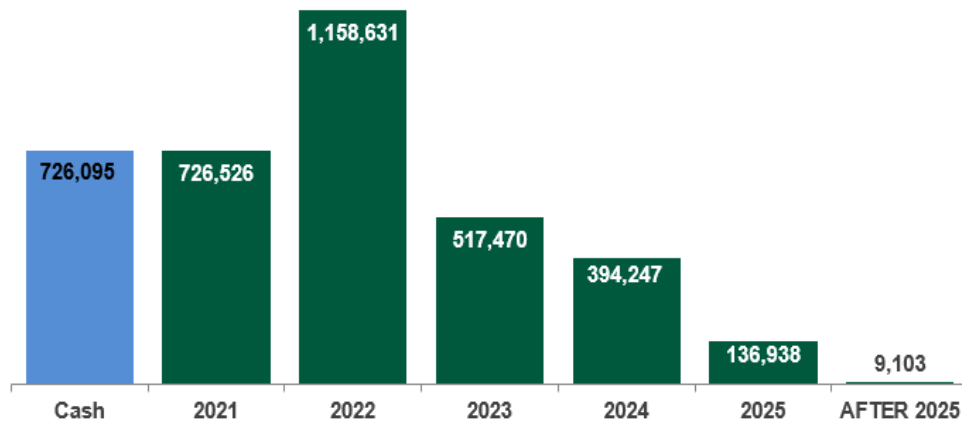


Figure 19 Adjusted Gross Debt Profile

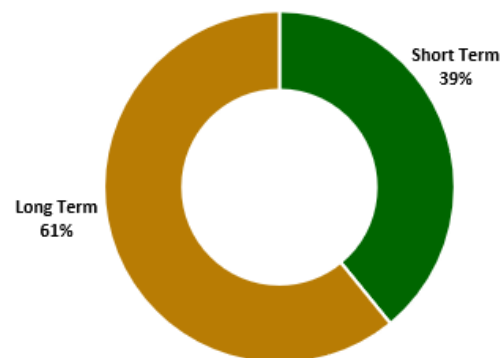
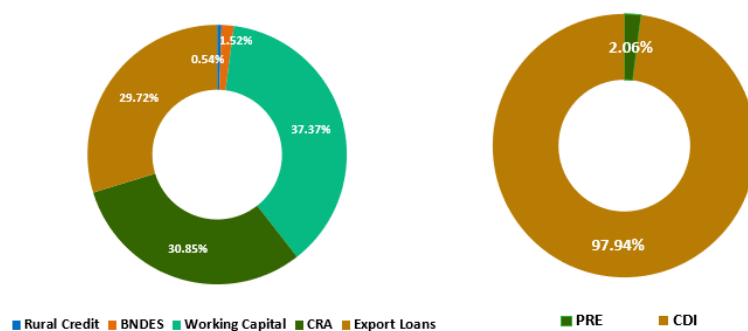


Figure 20 Gross Debt by Index and Instrument



## Location of Production Units and Headquarters



### SLC Agrícola Farms

- |  |  |
|--|--|
| 1. Pioneira (MT) – 34,205 ha <sup>(1)</sup>  | 13. Palmeira (MA) – 23,468 ha <sup>(1)</sup> |
| 2. Perdizes (MT) – 26,495 ha <sup>(1)</sup>  | 14. Planeste (MA) – 64,047 ha <sup>(1)</sup> |
| 3. Paiaguás (MT) – 66,273 ha <sup>(1)</sup>  | 15. Parnaguá (PI) – 9,883 ha <sup>(1)</sup>  |
| 4. Planorte (MT) – 31,769 ha <sup>(1)</sup>  | 16. Parceiro (BA) – 11,080 ha <sup>(1)</sup> |
| 5. Próspera (MT) – 30,772 <sup>(2)</sup>     | 17. Palmares (BA) – 25,766 ha <sup>(1)</sup> |
| 6. Pejucara (MT) – 27,348 <sup>(2)</sup>     | 18. Paladino (BA) – 21,350 ha <sup>(1)</sup> |
| 7. Piracema (MT) – 23,786 <sup>(2)</sup>     | 19. Piratini (BA) – 14,219 ha <sup>(1)</sup> |
| 8. Pampeira (MT) – 41,378 <sup>(2)</sup>     | 20. Panorama (BA) – 21,736 ha <sup>(1)</sup> |
| 9. Pirapora (MT) – 20,759 <sup>(2)</sup>     | 21. Paysandu (BA) – 38,001 <sup>(2)</sup>    |
| 10. Pantanal (MS) – 43,939 ha <sup>(1)</sup> | 22. Pamplona (GO) – 27,190 ha <sup>(1)</sup> |
| 11. Planalto (MS) – 22,602 ha <sup>(1)</sup> | 23. Paineira (PI) - Leased                   |
| 12. Parnaíba (MA) – 42,723 ha <sup>(1)</sup> |  |

#### Observations:

<sup>(1)</sup> Includes 1st and 2nd Crop

<sup>(2)</sup> Will be planted on 21/22 Crop



## Disclaimer

*We make statements concerning future events that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company. Forward-looking statements include information on our current plans, beliefs or expectations, as well as those of the Company's directors and officers. Forward-looking statements include information on potential or assumed operating results as well as statements that are preceded, followed by or include the words "believe," "may," "will," "continue," "expect," "project," "intend," "plan," "estimate" or similar expressions. Forward-looking statements and information provide no guarantee of performance. Because they refer to future events, they involve risks, uncertainties and assumptions and as such depend on circumstances that may or may not occur. The Company's future results and creation of value for shareholders may differ significantly from the figures expressed or suggested in the forward-looking statements. Many factors that will determine these results and values are beyond our capacity to control or predict.*

## Exhibit 1 – Balance Sheet – Assets

R\$ (thd)	12/31/2020	VA	09/30/2021	VA	HA
<b>Current Assets</b>	<b>4,201,380</b>	<b>48.9%</b>	<b>5,245,361</b>	<b>40.9%</b>	<b>24.8%</b>
Short-term interest earning bank deposits	1,604,053	18.7%	725,420	5.7%	-54.8%
Accounts receivable	207,283	2.4%	85,418	0.7%	-58.8%
Advances to suppliers	3,580	0.0%	20,566	0.2%	n.m.
Inventories	1,301,082	15.1%	3,641,559	28.4%	179.9%
Biological assets	891,804	10.4%	435,268	3.4%	-51.2%
Recoverable taxes	39,447	0.5%	99,749	0.8%	152.9%
Securities and credits receivable	31,207	0.4%	48,544	0.4%	55.6%
Operations with derivatives	98,587	1.1%	136,057	1.1%	38.0%
Intercompany transactions	8	0.0%	20	0.0%	150.0%
Other accounts receivable	6,217	0.1%	15,323	0.1%	146.5%
Prepaid expenses	17,141	0.2%	36,864	0.3%	115.1%
Assets held for sale	971	0.0%	573	0.0%	-41.0%
<b>Non-current assets</b>	<b>4,388,311</b>	<b>51.1%</b>	<b>7,580,072</b>	<b>59.1%</b>	<b>72.7%</b>
Financial investments valued at fair value	663	0.0%	675	0.0%	1.8%
Recoverable taxes	111,203	1.3%	152,677	1.2%	37.3%
Deferred income and social contribution taxes	20,480	0.2%	424,977	3.3%	n.m.
Operations with derivatives	146,785	1.7%	156,580	1.2%	6.7%
Accounts receivable	2,700	0.0%	24,077	0.2%	791.7%
Advances to suppliers	59,814	0.7%	76,285	0.6%	27.5%
Prepaid expenses	437	0.0%	23	0.0%	-94.7%
Other credits	13,705	0.2%	19,620	0.2%	43.2%
	<b>355,787</b>	<b>4.1%</b>	<b>854,914</b>	<b>6.7%</b>	<b>140.3%</b>
Investments	-	0.0%	1,614	0.0%	n.m.
Investment Property's	224,194	2.6%	333,486	2.6%	48.7%
Right of use asset	828,496	9.6%	2,933,494	22.9%	254.1%
Property, plant and equipment	2,944,544	34.3%	3,346,896	26.1%	13.7%
Intangible	35,290	0.4%	109,668	0.9%	210.8%
	<b>4,032,524</b>	<b>46.9%</b>	<b>6,725,158</b>	<b>52.4%</b>	<b>66.8%</b>
<b>TOTAL ASSETS</b>	<b>8,589,691</b>	<b>100%</b>	<b>12,825,433</b>	<b>100%</b>	<b>49%</b>

## Exhibit 2 – Balance Sheet – Liabilities

R\$ (thd)	12/31/2020	VA	09/20/2021	VA	HA
<b>Liabilities</b>	<b>2,337,097</b>	<b>27.2%</b>	<b>4,040,434</b>	<b>31.5%</b>	<b>72.9%</b>
Suppliers	1,101,769	12.8%	1,129,503	8.8%	2.5%
Loans and financing	377,547	4.4%	1,174,190	9.2%	211.0%
Taxes, rates and sundry contributions	57,186	0.7%	79,569	0.6%	39.1%
Social charges and labor legislation obligations	79,989	0.9%	120,571	0.9%	50.7%
Advances from clients	68,264	0.8%	309,477	2.4%	353.4%
Debts with realted parties	118	0.0%	150	0.0%	27.1%
Operations with derivatives	358,969	4.2%	646,665	5.0%	80.1%
Securities payable	12,273	0.1%	53,120	0.4%	332.8%
Provisions for tax, environmental and labor risks	5,429	0.1%	31,953	0.2%	488.6%
Dividends payable	86,332	1.0%	9	0.0%	-100.0%
Leases payable	5,283	0.1%	-	0.0%	-100.0%
Third party lease liability	162,258	1.9%	475,513	3.7%	193.1%
Others accounts payables	21,680	0.3%	19,714	0.2%	-9.1%
<b>Non-current liabilities</b>	<b>3,101,536</b>	<b>36.1%</b>	<b>4,939,318</b>	<b>38.5%</b>	<b>59.3%</b>
Loans and financing	2,039,736	23.7%	1,793,876	14.0%	-12.1%
Deferred taxes	230,802	2.7%	306,397	2.4%	32.8%
Operations with derivatives	58,152	0.7%	182,825	1.4%	214.4%
Securities payable	706	0.0%	52,629	0.4%	n.m.
Other debits	-	0.0%	-	0.0%	n.m.
Third party lease liability	114	0.0%	81	0.0%	-28.9%
<b>Non-current liabilities</b>	<b>772,026</b>	<b>9.0%</b>	<b>2,603,510</b>	<b>20.3%</b>	<b>237.2%</b>
<b>Shareholders' Equity</b>	<b>3,151,058</b>	<b>36.7%</b>	<b>3,845,681</b>	<b>30.0%</b>	<b>22.0%</b>
Capital	947,522	11.0%	1,012,522	7.9%	6.9%
Capital reserves	97,504	1.1%	167,599	1.3%	71.9%
(-) Treasury shares	(52,921)	-0.6%	(74,899)	-0.6%	41.5%
Profit reserves	978,074	11.4%	862,055	6.7%	-11.9%
Retained Earnings/Losses	-	0.0%	885,217	6.9%	n.m.
Other comprehensive income	970,200	11.3%	742,617	5.8%	-23.5%
Non-controlling shareholders in subsidiaries	210,679	2.5%	250,570	2.0%	18.9%
<b>TOTAL LIABILITIES</b>	<b>8,589,691</b>	<b>100%</b>	<b>12,825,433</b>	<b>100.0%</b>	<b>49.3%</b>

## Exhibit 3 – Income Statement for the Fiscal Year

(R\$ thd)	9M20	9M21	HA	3Q20	3Q21	HA
<b>Net Operating Revenue</b>	<b>1,971,778</b>	<b>2,813,708</b>	<b>42.7%</b>	<b>776,517</b>	<b>942,369</b>	<b>21.4%</b>
Cotton lint	809,902	1,041,268	28.6%	330,935	197,167	-40.4%
Cotton seed	81,770	173,643	112.4%	52,040	137,234	163.7%
Soybean	1,098,854	1,319,080	20.0%	288,463	165,631	-42.6%
Corn	241,519	379,188	57.0%	192,844	352,643	82.9%
Cattle Herd	7,073	19,640	177.7%	6,704	9,823	46.5%
Others	37,965	140,904	271.1%	34,442	101,558	194.9%
Hedge revenue	(305,305)	(260,015)	n.m.	(128,911)	(21,687)	-83.2%
<b>Changes in Fair Value of Biological assets</b>	<b>690,204</b>	<b>1,583,061</b>	<b>129.4%</b>	<b>(25,253)</b>	<b>201,128</b>	<b>-896.5%</b>
<b>Cost of goods sold</b>	<b>(1,364,838)</b>	<b>(1,722,346)</b>	<b>26.2%</b>	<b>(551,021)</b>	<b>(683,870)</b>	<b>24.1%</b>
Cotton lint	(450,088)	(524,487)	16.5%	(176,509)	(101,781)	-42.3%
Cotton seed	(51,852)	(78,799)	52.0%	(37,738)	(67,545)	79.0%
Soybean	(638,804)	(649,321)	1.6%	(166,542)	(120,307)	-27.8%
Corn	(176,620)	(339,529)	92.2%	(149,655)	(320,006)	113.8%
Cattle Herd	(5,698)	(14,511)	154.7%	(5,351)	(7,218)	34.9%
Others	(41,776)	(115,699)	177.0%	(15,226)	(67,013)	340.1%
<b>Realization of the Fair Value of Biological Assets</b>	<b>(565,333)</b>	<b>(976,321)</b>	<b>72.7%</b>	<b>(183,438)</b>	<b>(251,112)</b>	<b>36.9%</b>
<b>Gross Income</b>	<b>731,811</b>	<b>1,698,102</b>	<b>132.0%</b>	<b>16,805</b>	<b>208,515</b>	<b>n.m.</b>
Operating expenses/income	(186,016)	(187,594)	0.8%	(51,796)	(23,135)	-55.3%
Sales expenses	(101,873)	(123,901)	21.6%	(23,251)	(37,736)	62.3%
General and administrative expenses	(72,523)	(155,174)	114.0%	(25,169)	(79,010)	213.9%
General and administrative	(48,315)	(91,734)	89.9%	(15,765)	(45,999)	191.8%
Provision for profit share program	(24,208)	(63,440)	162.1%	(9,404)	(33,011)	251.0%
Management compensation	(11,468)	(14,333)	25.0%	(2,583)	(3,166)	22.6%
Appreciation of investments	-	(8,909)	n.m.	-	(8,909)	n.m.
Other operating income (expenses)	(152)	114,723	n.m.	(793)	105,686	n.m.
<b>Income (loss) before financial income (loss) and taxes</b>	<b>545,795</b>	<b>1,510,508</b>	<b>176.8%</b>	<b>(34,991)</b>	<b>185,380</b>	<b>-629.8%</b>
Financial income	316,266	588,883	86.2%	78,242	395,990	406.1%
Financial expenses	(403,133)	(775,178)	92.3%	(104,643)	(479,647)	358.4%
<b>Income (loss) before income tax</b>	<b>458,928</b>	<b>1,324,213</b>	<b>188.5%</b>	<b>(61,392)</b>	<b>101,723</b>	<b>-265.7%</b>
Income and social contribution taxes	(142,151)	(386,414)	171.8%	25,682	12,031	-53.2%
Current	(20,443)	(177,998)	770.7%	(16,128)	(38,530)	138.9%
Deffered	(121,708)	(208,416)	71.2%	41,810	50,561	20.9%
<b>Net Income (loss) for the period</b>	<b>316,777</b>	<b>937,799</b>	<b>196.0%</b>	<b>(35,710)</b>	<b>113,754</b>	<b>-418.5%</b>
Assigned to Members of the Parent Company	305,471	882,596	188.9%	(23,749)	121,011	-609.5%
Attributed to Non-Controlling Partners	11,306	55,203	388.3%	(11,961)	(7,257)	-39.3%



## Exhibit 4 – Statement of Cash Flows

R\$ (thd)	9M20	9M21	HA	3Q20	3Q21	HA
<b>Net cash from operating activities</b>	<b>224,302</b>	<b>231,645</b>	<b>3.3%</b>	<b>380,194</b>	<b>264,731</b>	<b>-30.4%</b>
<b>Cash generated from operations</b>	<b>760,548</b>	<b>1,097,539</b>	<b>44.3%</b>	<b>291,507</b>	<b>341,408</b>	<b>17.1%</b>
Net profit (loss) before IRPJ / CSLL	458,928	1,324,213	188.5%	(61,392)	101,724	-265.7%
Depreciation and amortization	84,982	99,555	17.1%	35,491	38,798	9.3%
Result on write-off of fixed assets	6,046	9,157	51.5%	1,216	875	-28.0%
Interest, Foreign Exchange and Current. Monetary	213,201	97,906	-54.1%	58,231	108,636	86.6%
Share-based compensation	4,597	5,901	28.4%	1,543	1,971	27.7%
Variation of Biological Assets	(124,871)	(606,740)	n.m.	208,687	49,985	-76.0%
Inventory adjustment provision at market value	(14)	3,511	n.m.	(345)	3,511	n.m.
Provision (reversal) part. Results and labor contingencies	24,251	63,851	163.3%	9,390	33,084	252.3%
Provision lost recuperable taxes	-	3,676	n.m.	-	3,590	n.m.
Fair Value of Investment Properties	175	(105,892)	n.m.	59	(105,991)	n.m.
Others	249	11,944	n.m.	130	8,909	n.m.
APV - Lease Liabilities	43,547	103,602	137.9%	14,952	49,643	232.0%
Amortization of Right of Use (IFRS-16)	49,457	86,855	75.6%	23,545	46,673	98.2%
<b>Changes in Assets and Liabilities</b>	<b>(533,420)</b>	<b>(865,894)</b>	<b>62.3%</b>	<b>91,513</b>	<b>(76,677)</b>	<b>-183.8%</b>
Accounts receivable from customers	69,235	139,912	102.1%	(70,346)	26,311	-137.4%
Stocks and biological assets	(187,683)	(514,438)	174.1%	(42,725)	(364,922)	754.1%
Taxes to recover	(16,088)	(50,839)	216.0%	6,005	290	-95.2%
Financial investments	45,332	(12)	-100.0%	11,704	(6)	-100.1%
Other accounts receivable	(24,359)	11,599	n.m.	(23,579)	34,854	n.m.
Advance to suppliers	409	(17,012)	n.m.	17	(18,030)	n.m.
Providers	(269,890)	(328,612)	21.8%	331,207	362,818	9.5%
Tax and social obligations	(24,301)	(106,108)	336.6%	(13,654)	(60,122)	340.3%
Obligations with related parties	3	20	566.7%	9	8	-11.1%
Derivative transactions	(148,416)	(27,785)	-81.3%	(3,024)	(70,918)	n.m.
Titles to pay	(706)	6,626	n.m.	-	6,626	n.m.
Advances from customers	129,682	224,350	73.0%	(100,514)	92,942	n.m.
Leases payable	183	(5,283)	n.m.	254	-	-100.0%
Other bills to pay	15,716	(16,670)	n.m.	10,391	(13,258)	n.m.
Income tax and social contribution paid	(49,588)	(135,142)	172.5%	(3,104)	(63,926)	n.m.
Interest on loans paid	(72,949)	(46,500)	-36.3%	(11,128)	(9,344)	-16.0%
<b>Net Cash Investing Activities</b>	<b>(182,106)</b>	<b>(376,675)</b>	<b>106.8%</b>	<b>(51,762)</b>	<b>(164,250)</b>	<b>217.3%</b>
In fixed assets	(166,191)	(283,643)	70.7%	(46,978)	(88,999)	89.4%
In intangible	(15,915)	(27,415)	72.3%	(4,784)	(10,340)	116.1%
Land return payment	-	(706)	n.m.	-	-	n.m.
Acquisition of Investments subsidiaries	-	(63,297)	n.m.	-	(63,297)	n.m.
Other Investments	-	(1,614)	n.m.	-	(1,614)	n.m.
<b>Net Cash Before Financing Activities</b>	<b>45,022</b>	<b>(145,030)</b>	<b>-422.1%</b>	<b>331,258</b>	<b>100,481</b>	<b>-69.7%</b>
<b>Net Cash Financing Activities</b>	<b>195,382</b>	<b>(733,603)</b>	<b>-475.5%</b>	<b>(130,909)</b>	<b>(645,369)</b>	<b>393.0%</b>
Sale and repurchase of shares	3,124	(23,641)	n.m.	463	(28,359)	n.m.
Loans and financing taken	919,822	870,869	-5.3%	61,698	315,879	412.0%
Dividends paid	(466,928)	(202,342)	-56.7%	(114,916)	36,357	n.m.
Loans and financing paid	(147,496)	(1,156,633)	684.2%	(73,748)	(951,294)	n.m.
Paid Leases	(113,140)	(221,856)	96.1%	(4,406)	(17,952)	307.4%
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>240,404</b>	<b>(878,633)</b>	<b>-465.5%</b>	<b>200,349</b>	<b>(544,888)</b>	<b>-372.0%</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>829,427</b>	<b>1,604,053</b>	<b>93.4%</b>	<b>869,482</b>	<b>1,270,308</b>	<b>46.1%</b>
<b>Final Balance of Cash and Cash Equivalents</b>	<b>1,069,831</b>	<b>725,420</b>	<b>-32.2%</b>	<b>1,069,831</b>	<b>725,420</b>	<b>-32.2%</b>
<b>Presented Free Cash</b>	<b>45,022</b>	<b>(145,030)</b>	<b>-422.1%</b>	<b>331,258</b>	<b>100,481</b>	<b>-69.7%</b>
Change in financial investments account <sup>(1)</sup>	(45,332)	12	-100.0%	(11,704)	6	-100.1%
Lease Paid <sup>(2)</sup>	(113,140)	(221,856)	96.1%	(4,406)	(17,952)	307.4%
Payment CRA costs	-	(131)	n.m.	-	(121)	n.m.
Repurchases of shares	-	168	n.m.	-	-	n.m.
<b>Adjusted Free Cash</b>	<b>(113,450)</b>	<b>(366,837)</b>	<b>n.m.</b>	<b>315,148</b>	<b>82,414</b>	<b>-73.8%</b>

<sup>(1)</sup> The variations of said account are non-cash.

<sup>(2)</sup> Due to the adoption of IFRS 16, the payment of leases is now accounted in the Statement of Cash Flows under Financing Activities. However, it should be considered as an operating cash disbursement.

## Exhibit 5 – Balance Sheet – Assets- Combined

R\$ (thd)	12/31/2020 Combined	VA	09/30/2021	VA	HA
<b>Current Assets</b>	<b>5,105,007</b>	<b>48.3%</b>	<b>5,245,361</b>	<b>40.9%</b>	<b>2.7%</b>
Short-term interest earning bank deposits	1,619,226	15.3%	725,420	5.7%	-55.2%
Accounts receivable	223,814	2.1%	85,418	0.7%	-61.8%
Advances to suppliers	3,580	0.0%	20,566	0.2%	n.m.
Inventories	2,081,543	19.7%	3,641,559	28.4%	74.9%
Biological assets	933,313	8.8%	435,268	3.4%	-53.4%
Recoverable taxes	64,785	0.6%	99,749	0.8%	54.0%
Securities and credits receivable	38,607	0.4%	48,544	0.4%	25.7%
Operations with derivatives	98,587	0.9%	136,057	1.1%	38.0%
Intercompany transactions	8	0.0%	20	0.0%	150.0%
Other accounts receivable	6,217	0.1%	15,323	0.1%	146.5%
Prepaid expenses	20,120	0.2%	36,864	0.3%	83.2%
Assets held for sale	15,207	0.1%	573	0.0%	-96.2%
<b>Non-current assets</b>	<b>5,458,977</b>	<b>51.7%</b>	<b>7,580,072</b>	<b>59.1%</b>	<b>38.9%</b>
Financial investments valued at fair value	663	0.0%	675	0.0%	1.8%
Recoverable taxes	155,820	1.5%	152,677	1.2%	-2.0%
Deferred income and social contribution taxes	454,190	4.3%	424,977	3.3%	n.m.
Operations with derivatives	146,785	1.4%	156,580	1.2%	6.7%
Accounts receivable	18,187	0.2%	24,077	0.2%	32.4%
Advances to suppliers	59,814	0.6%	76,285	0.6%	27.5%
Prepaid expenses	437	0.0%	23	0.0%	-94.7%
Other credits	35,019	0.3%	19,620	0.2%	-44.0%
	<b>870,915</b>	<b>8.2%</b>	<b>854,914</b>	<b>6.7%</b>	<b>-1.8%</b>
Investments	-	0.0%	1,614	0.0%	n.m.
Investment Property's	237,967	2.3%	333,486	2.6%	40.1%
Right of use asset	1,139,069	10.8%	2,933,494	22.9%	157.5%
Property, plant and equipment	3,174,405	30.0%	3,346,896	26.1%	5.4%
Intangible	36,621	0.3%	109,668	0.9%	199.5%
	<b>4,588,062</b>	<b>43.4%</b>	<b>6,725,158</b>	<b>52.4%</b>	<b>46.6%</b>
<b>TOTAL ASSETS</b>	<b>10,563,984</b>	<b>100%</b>	<b>12,825,433</b>	<b>100%</b>	<b>21.4%</b>

## Exhibit 6 – Balance Sheet – Liabilities - Combined

R\$ (thd)	12/31/2020		09/30/2021		
	Combined	VA		VA	HA
<b>Liabilities</b>	<b>3,320,588</b>	<b>31.4%</b>	<b>4,040,434</b>	<b>31.5%</b>	<b>21.7%</b>
Suppliers	1,378,615	13.1%	1,129,503	8.8%	-18.1%
Loans and financing	829,520	7.9%	1,174,190	9.2%	41.6%
Taxes, rates and sundry contributions	76,456	0.7%	79,569	0.6%	4.1%
Social charges and labor legislation obligations	89,299	0.8%	120,571	0.9%	35.0%
Advances from clients	192,492	1.8%	309,477	2.4%	60.8%
Debts with realted parties	118	0.0%	150	0.0%	27.1%
Operations with derivatives	398,240	3.8%	646,665	5.0%	62.4%
Securities payable	20,015	0.2%	53,120	0.4%	165.4%
Provisions for tax, environmental and labor risks	5,429	0.1%	31,953	0.2%	488.6%
Dividends payable	86,332	0.8%	9	0.0%	-100.0%
Leases payable	60,134	0.6%	-	0.0%	-100.0%
Third party lease liability	162,258	1.5%	475,513	3.7%	193.1%
Others accounts payables	21,680	0.2%	19,714	0.2%	-9.1%
<b>Non-current liabilities</b>	<b>4,065,079</b>	<b>38.5%</b>	<b>4,939,318</b>	<b>38.5%</b>	<b>21.5%</b>
Loans and financing	2,684,506	25.4%	1,793,876	14.0%	-33.2%
Deferred taxes	227,580	2.2%	306,397	2.4%	34.6%
Operations with derivatives	58,152	0.6%	182,825	1.4%	214.4%
Securities payable	3,289	0.0%	52,629	0.4%	1,500.2%
Other debits	-	0.0%	-	0.0%	n.m.
Third party lease liability	51,893	0.5%	81	0.0%	-99.8%
<b>Non-current liabilities</b>	<b>1,039,659</b>	<b>9.8%</b>	<b>2,603,510</b>	<b>20.3%</b>	<b>150.4%</b>
<b>Non-current liabilities</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>n.m.</b>
<b>Shareholders' Equity</b>	<b>3,178,317</b>	<b>30.1%</b>	<b>3,845,681</b>	<b>30.0%</b>	<b>21.0%</b>
Capital	2,943,185	27.9%	1,012,522	7.9%	-65.6%
Capital reserves	97,504	0.9%	167,599	1.3%	71.9%
(-) Treasury shares	(52,921)	-0.5%	(74,899)	-0.6%	41.5%
Profit reserves	978,074	9.3%	862,055	6.7%	-11.9%
Retained Earnings/Losses	(1,806,787)	-17.1%	885,217	6.9%	n.m.
Other comprehensive income	808,583	7.7%	742,617	5.8%	-8.2%
Non-controlling shareholders in subsidiaries	210,679	2.0%	250,570	2.0%	18.9%
<b>TOTAL LIABILITIES</b>	<b>10,563,984</b>	<b>100%</b>	<b>12,825,433</b>	<b>100.0%</b>	<b>21.4%</b>

## Exhibit 7 – Income Statement for the Fiscal Year - Combined

(R\$ thd)	9M20 Combined	9M21	GA	3Q20 Combined	3Q21	HA
<b>Net Operating Revenue</b>	<b>2,115,856</b>	<b>2,813,708</b>	<b>33.0%</b>	<b>920,595</b>	<b>942,369</b>	<b>2.4%</b>
Cotton lint	881,712	1,041,268	18.1%	402,745	197,167	-51.0%
Cotton seed	98,207	173,643	76.8%	68,477	137,234	100.4%
Soybean	1,107,992	1,319,080	19.1%	297,601	165,631	-44.3%
Corn	287,191	379,188	32.0%	238,516	352,643	47.8%
Cattle Herd	7,073	19,640	177.7%	6,704	9,823	46.5%
Others	38,986	140,904	261.4%	35,463	101,558	186.4%
Hedge revenue	(305,305)	(260,015)	n.m.	(128,911)	(21,687)	-83.2%
<b>Changes in Fair Value of Biological assets</b>	<b>813,519</b>	<b>1,583,061</b>	<b>94.6%</b>	<b>98,062</b>	<b>201,128</b>	<b>105.1%</b>
<b>Cost of goods sold</b>	<b>(1,503,801)</b>	<b>(1,722,346)</b>	<b>14.5%</b>	<b>(689,984)</b>	<b>(683,870)</b>	<b>-0.9%</b>
Cotton lint	(499,419)	(524,487)	5.0%	(225,840)	(101,781)	-54.9%
Cotton seed	(60,425)	(78,799)	30.4%	(46,311)	(67,545)	45.9%
Soybean	(652,022)	(649,321)	-0.4%	(179,760)	(120,307)	-33.1%
Corn	(240,580)	(339,529)	41.1%	(213,615)	(320,006)	49.8%
Cattle Herd	(5,698)	(14,511)	154.7%	(5,351)	(7,218)	34.9%
Others	(45,657)	(115,699)	153.4%	(19,107)	(67,013)	250.7%
<b>Realization of the Fair Value of Biological Assets</b>	<b>(595,503)</b>	<b>(976,321)</b>	<b>63.9%</b>	<b>(213,608)</b>	<b>(251,112)</b>	<b>17.6%</b>
<b>Gross Income</b>	<b>830,071</b>	<b>1,698,102</b>	<b>104.6%</b>	<b>115,065</b>	<b>208,515</b>	<b>n.m.</b>
Operating expenses/income	(205,491)	(187,594)	-8.7%	(71,271)	(23,135)	-67.5%
Sales expenses	(105,329)	(123,901)	17.6%	(26,707)	(37,736)	41.3%
General and administrative expenses	(80,333)	(155,174)	93.2%	(32,979)	(79,010)	139.6%
General and administrative	(56,125)	(91,734)	63.4%	(23,575)	(45,999)	95.1%
Provision for profit share program	(24,208)	(63,440)	162.1%	(9,404)	(33,011)	251.0%
Management compensation	(11,468)	(14,333)	25.0%	(2,583)	(3,166)	22.6%
Appreciation of investments	-	(8,909)	n.m.	-	(8,909)	n.m.
Other operating income (expenses)	(8,361)	114,723	n.m.	(9,002)	105,686	n.m.
<b>Income (loss) before financial income (loss) and taxes</b>	<b>624,580</b>	<b>1,510,508</b>	<b>141.8%</b>	<b>43,794</b>	<b>185,380</b>	<b>323.3%</b>
Financial income	326,925	588,883	80.1%	88,901	395,990	345.4%
Financial expenses	(505,944)	(775,178)	53.2%	(207,454)	(479,647)	131.2%
<b>Income (loss) before income tax</b>	<b>445,561</b>	<b>1,324,213</b>	<b>197.2%</b>	<b>(74,759)</b>	<b>101,723</b>	<b>-236.1%</b>
Income and social contribution taxes	(148,323)	(386,414)	160.5%	19,510	12,031	-38.3%
Current	(20,443)	(177,998)	770.7%	(16,128)	(38,530)	138.9%
Deferred	(127,880)	(208,416)	63.0%	35,638	50,561	41.9%
<b>Net Income (loss) for the period</b>	<b>297,238</b>	<b>937,799</b>	<b>215.5%</b>	<b>(55,249)</b>	<b>113,754</b>	<b>-305.9%</b>
Assigned to Members of the Parent Company	285,932	882,596	208.7%	(43,288)	121,011	-379.5%
Attributed to Non-Controlling Partners	11,306	55,203	388.3%	(11,961)	(7,257)	-39.3%





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