



Release 4Q20

SLC *Agrícola*

Earnings Release 4Q20

Porto Alegre, March 17, 2021 - SLC AGRÍCOLA S.A. (B3: SLCE3; ADR's: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA) announces today its results for the fourth quarter and fiscal year of 2020. 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: 4Q19 and 4Q20 refer to the cumulative three-month periods from October to December of fiscal years 2019 and 2020. 2019 and 2020 refer to the cumulative 12-month periods from January to December of fiscal years 2019 and 2020. HA refers to the horizontal percentage variation between two periods and VA refers to the percentage representativeness of the account over a given total.

4Q20 Conference Call

Date: 3/18/2021

Thursday

Portuguese

9:00 a.m. (Brasília)

8:00 a.m. (New York)

12:00 p.m. (London)

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English

11:00 a.m. (Brasília)

10:00 a.m. (New York)

2:00 p.m. (London)

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DASHBOARD

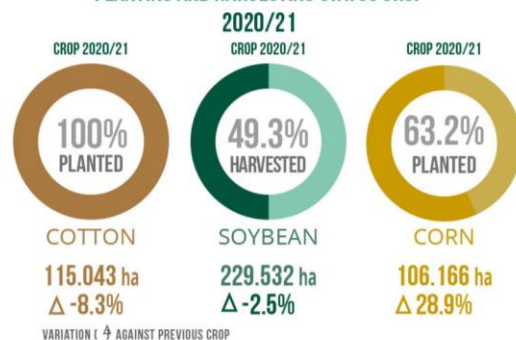
WHERE WE ARE IN THE CYCLE



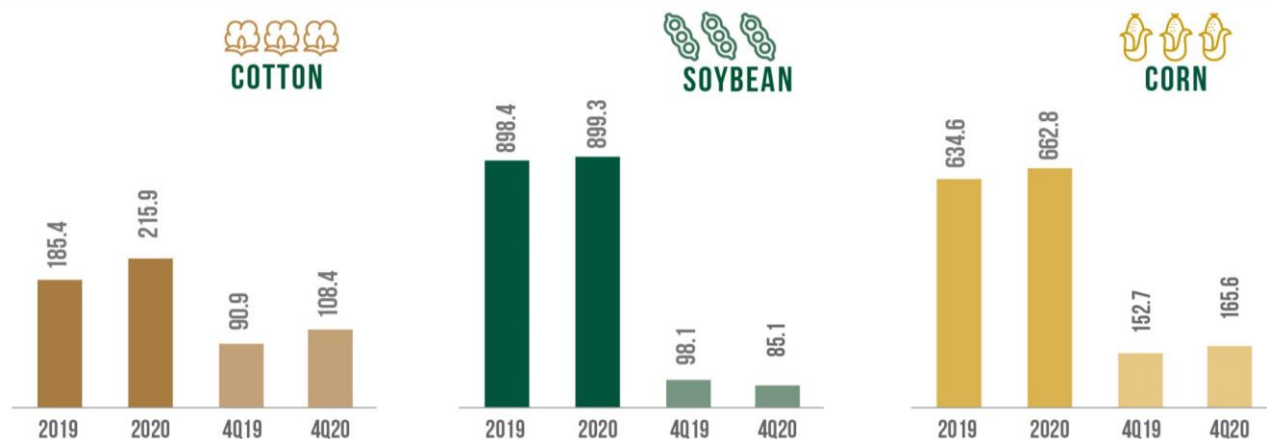
MAIN OPERATING INDICATORS

YIELDS (KG/ HA)	CROP 2019/20	CROP 2020/21	Δ%
	BUDGET	BUDGET	
COTTON LINT 1st CROP	1,842	1,863	1.1%
COTTON LINT 2nd CROP	1,749	1,638	-6.3%
COTTON SEED	2,261	2,221	-1.8%
SOYBEAN	3,607	3,755	4.1%
CORN 2nd CROP	7,385	7,567	3.2%

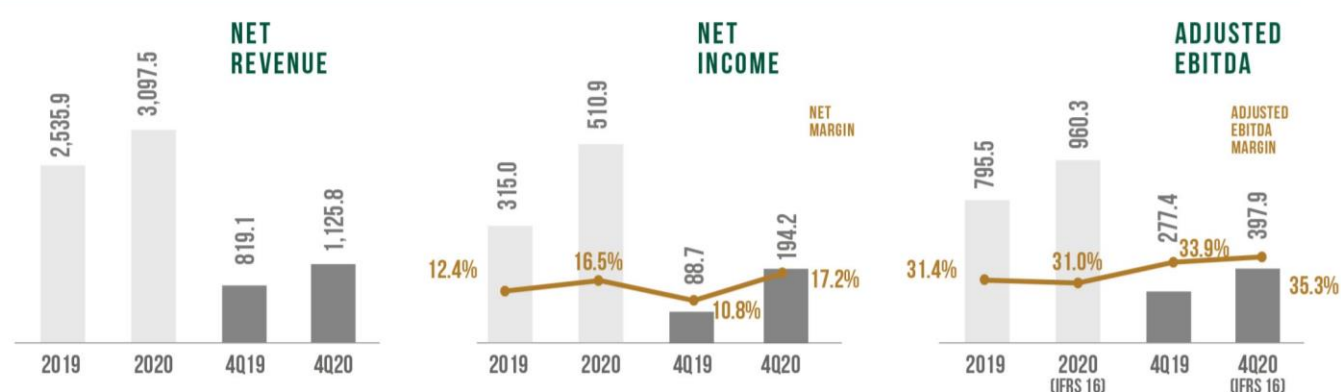
PLANTING AND HARVESTING STATUS CROP



VOLUME INVOICED (Thd Tons)



FINANCIALS (R\$ MM)



Message from Management

The year 2020 will remain unforgettable, one in which the world was stunned by a pandemic (covid-19) that brought major impacts on our lives. However, it also led to many opportunities for reinvention and innovation. We are delivering yet another year with many challenges surmounted and entering 2021 even stronger. Our business and employees proved resilient and transformed 2020 into another successful year.

Strategy

Asset Light Growth

In November 2020, we disclosed to the market through a Material Fact notice the planned business combination with Terra Santo Agro S.A., which was approved by Brazil's antitrust agency CADE and is in the due diligence process. The business is aligned with and accelerates significantly the Asset Light growth strategy adopted by the Company, and will support important synergies given the geographic proximity of the production units of Terra Santa and SLC Agrícola in Mato Grosso state. Based on the current planting intentions for the 2020/21 crop year disclosed by Terra Santa, the potential exists to expand our planted area by approximately 130,000 hectares.

Efficiency and distancing from industry average

In line with our strategy to maximize operating efficiency, we registered, for the third straight year, a record yield for the soybean crop, of 3,900 kg /ha, which is 4.3% higher than in the prior crop year, 8.1% higher than the initial projection and 15.4% higher than the Brazilian average (Feb/21 estimate from CONAB).

Meanwhile, our average yield for cotton (first and second crops) was 1,749kg/ha, 3.0% lower than the initial projection and 5.5% higher than the yield registered in the 2018/19 crop year. Compared to the Brazilian average, our cotton yield was 2.9% lower. However, our cost per hectare was 3.7% lower (Feb/2021 estimate from CONAB).

The yield of second-crop corn was 3.0% higher than in the 2018/19 crop year and down 0.7% from the initial projection, at 7,333 kg/ha. In relation to the national average, the yield was 34.4% higher (Feb/2021 estimate from CONAB).

Financial Solidity for Shareholders

In 2020, Net Revenue surpassed for the first time the mark of R\$3 billion, growing 22.1% on 2019. The increase was mainly due to the higher prices of the soybean and corn invoiced, as well as the higher volume of cotton invoiced, compared to the levels in 2019.

Adjusted EBITDA set a new record, of R\$960.3 million, with adjusted EBITDA margin expanding 2.8 p.p. to 31%. Net Income also set a new record, of R\$510.9 million, with margin of 16.5%. The operation delivered, for another straight year, positive cash generation, of R\$415.1 million, with a low leverage ratio of 0.74x (Net Debt/Adjusted EBITDA).

A highlight was the significant increase in another important indicator, Return on Invested Capital, which ended the year at 13.6%, compared to 8.7% in 2019.

As you can see, we ended 2020 with excellent levels of profitability and robust free cash generation. Cash generation in the year enabled the distribution of R\$147.5 million in dividends and R\$32.3 million in interest on equity, as well as the maintenance of very low financial leverage, which assures us the capacity to grow with financial solidity.

Property Appraisal 2020

In September, a new independent appraisal of SLC Agrícola's property portfolio was concluded by the firm Deloitte Touche Tohmatsu, which indicated a total value of R\$3.962 billion, representing appreciation of 4.62% in relation to 2019. The average price per arable hectare of the Company's properties is currently R\$19,455.

Innovation Strategy & Creation of SLC Ventures

The revision of the 2020 Strategic Planning with the Board of Directors, Senior and Managers, which was conducted virtually, resulted in, among other things, the outlining and approval by the Board of a plan for investments in new businesses with a digital focus that adopt the latest technological trends in our industry. The initiative confers a new mandate to our Innovation Strategy with the aim of renewing the business with a long-term vision, and complements the various efforts already being adopted to reinforce the existing business (early-adopter of new technologies). The vehicle for these investments will be SLC Ventures.

ESG Stewardship

Since playing a leadership role in ESG is part of our strategy, we dedicated a section in the earnings release to explore the topic, as of 2Q20, seeking to give greater visibility to the goals and actions being taken in connection with Environment, Social and Governance aspects. In the second quarter, we covered Value Creation through the 6 capitals, our main goals and our governance structure. And in the third quarter, we presented information on 2 of the 3 main action fronts, namely Water & Biodiversity, Climate Change and Soil. In this edition, we explain our efforts in Stakeholder Relations.

An important milestone in our liability management was our first issue of green bonds, in the form of Agribusiness Receivables Certificates (CRA), with a second-party opinion and report, in the amount of R\$480 million. The notes are due in 2025 and all proceeds will be used in eligible projects approved and included in the Digital Agriculture, Low Carbon and Soil Conservation, and Green Fertilizer programs.

Covid-19

To weather this turbulent period, we structured various actions focusing on crisis management and followed strategies to minimize the impacts on our employees and our business.

One of these important actions was the rapid creation of a Crisis Committee, which was responsible for preparing and monitoring continuously the "Covid-19 Contingency Plan" and the "Guide to Combating Covid-19," which are two important instruments for identifying risks and vulnerabilities, as well as for creating measures to protect, control and contain any spread of covid-19 in our operations.

We also created a work protocol for identifying suspected cases of covid-19 among employees who present symptoms related to virus infection and for verifying other stakeholders who present predetermined characteristics to support rapid and effective actions. We did have cases of covid-19 among employees, but our operations were not affected and continued normally.

During the first half of 2020, a total of R\$1.6 million was donated to support measures to combat the pandemic, demonstrating the effective actions adopted by the Company in its local communities.

Outlook 2020/21 Crop Year

The 2020/21 crop year started with some delay due to below-average rainfall, especially in western Mato Grosso state. However, our planted area for the current cycle is 468,200 hectares, which represents a new record and expansion of 4.4% on 2019/20. The delay in the start of rains in the Midwest led to the postponement of soybean planting and consequently shortened the window for planting second-crop cotton and corn. As a result, a portion of the second crop initially planned for cotton was migrated to corn, which has a longer planting window, and to

cotton 1st crop. Despite the late rains, we expect to deliver the soybean yield specified in our budget. The first-crop cotton areas, which already have been planted and are in the plant development phase, are presenting high production potential. The planting of second-crop cotton ended in February, while the planting of second-crop corn is expected to be concluded at the end of the first half of March. To date, we also expect to deliver the projected yield given for both crops.

In recent months, international cotton, soybean and corn prices have improved significantly, which, combined with the BRL/USD exchange rate remaining above R\$5.00, supported an advance in the hedge position of all crops to ensure a significant increase in the BRL prices hedged for the 2020/21 and 2021/22 crop years. Considering the prices hedged, fixed production costs and expected yields, we expect to maintain a high level of profitability in 2021.

We also made progress in procuring inputs for the 2021/22 crop year. To date, we already have acquired all of the phosphate and potash, as well as 15% approximately of the chemicals for the new crop year, with both negotiations resulting in a significant decline in U.S. dollar amounts compared to the 2020/21 crop year.

Considering the current scenario for dollar-denominated costs and prices, as well as the current FX rate, our expectation is for the good levels of profitability to be maintained for 2021/22.

Important Events

At the end of July, we held our first Annual Shareholders Meeting. And early December, we held our first Virtual Public Meeting, with over 230 people participating online.

Awards

We were very pleased to commemorate the following recognitions received during the year:

- ⇒ Best Agribusiness Company in the 2020 ranking of the magazine *Institutional Investor*
 - 1st place for Sustainability (ESG Metrics)
 - 1st place for Best CEO
 - 1st place for Best CFO
 - 1st and 3rd places for Best IR Professional
 - 1st place for Best IR Team
 - 1st place for Best IR Program
 - 1st place for Best Analyst Day
- ⇒ **Best Companies to Work For** (GPTW)
 - Elected one of the country's 150 best companies in the ranking compiled by GPTW in partnership with the magazine *Época*.
 - 6th place among Agribusiness companies in the ranking compiled by GPTW, the Brazilian Agribusiness Association (Abag) and the magazine *Globo Rural*.
 - 9th place in the category Large Companies in Rio Grande do Sul State.
- ⇒ Winner of the **Transparency Trophy 2020** – 24th ANEFAC – FIPECAFI Awards.
- ⇒ Best Agribusiness Company in the ranking of **Época Negócios 360°**.
- ⇒ Winner of the **Best in Agribusiness 2020** award (magazine *Revista Globo Rural* /Editora Globo), in the category Agricultural Production.
- ⇒ Winner of the **Incredible Places to Work** award in the FIA Employee Experience Survey (FEEx) of the business school Fundação Instituto de (FIA).
- ⇒ Recognized one of the Best Companies in People Management in the **Valor Carreira** ranking of the newspaper *Valor Econômico* and the consulting firm Mercer.
- ⇒ Second place in Agriculture and Cattle Raising in the **Estadão Empresas Mais Awards**.

- ⇒ SLC Group placed 29th in the annual ranking of the 500 Largest Companies in the South, 2020 edition, and 9th among the 100 largest companies in Rio Grande do Sul state.
- ⇒ Elected Agribusiness Highlight in the 48th edition of RS Exports Awards sponsored by the Brazilian Association of Marketing and Sales Leaders (ADVB/RS).
- ⇒ Best Company in the Agribusiness category – Best Companies in Safety & Health Awards 2020, sponsored by the Brazilian Association of Occupational Safety and Protection Material Industries (ANIMASEG).

Closing Message

The successful execution of our strategy in 2020 reflects our solid pillar formed by People, Technology/Innovation and Processes. The goal of our strategy is to obtain the best business opportunities and to remain a reference in our business of producing food and fibers, while allocating the capital invested efficiently and creating value for our shareholders. All this combined with a strong ESG pillar to protect the environment and consequently future generations.

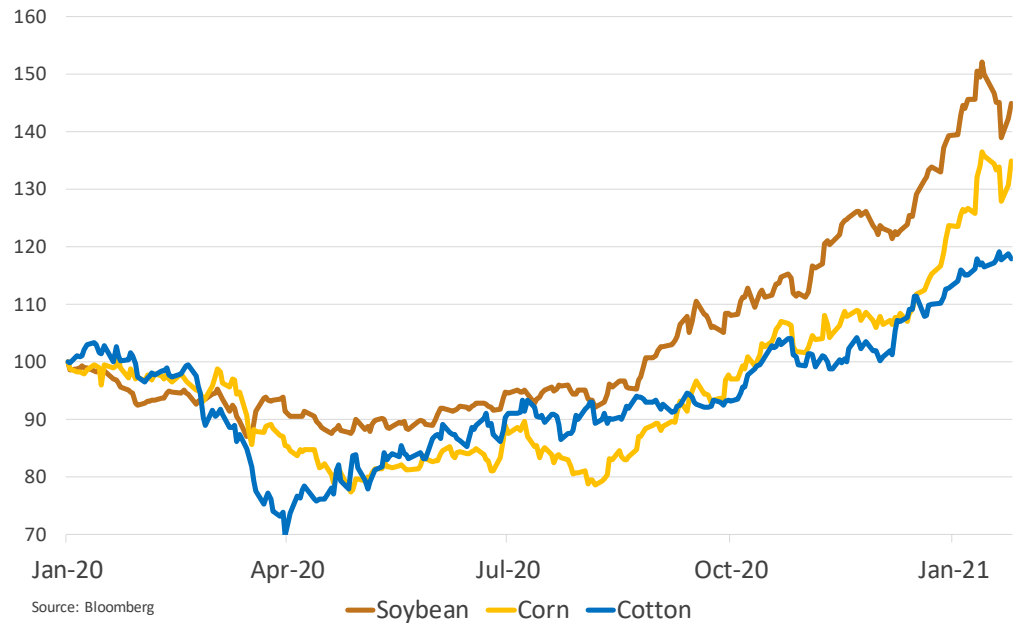
We want to thank especially our employees who, despite facing a challenging scenario marked by physical distancing, rapidly adapted to ensure the continuity of our operations with the same efficiency. Lastly, we thank our other stakeholders for yet another year of success.

The Management

Market Overview

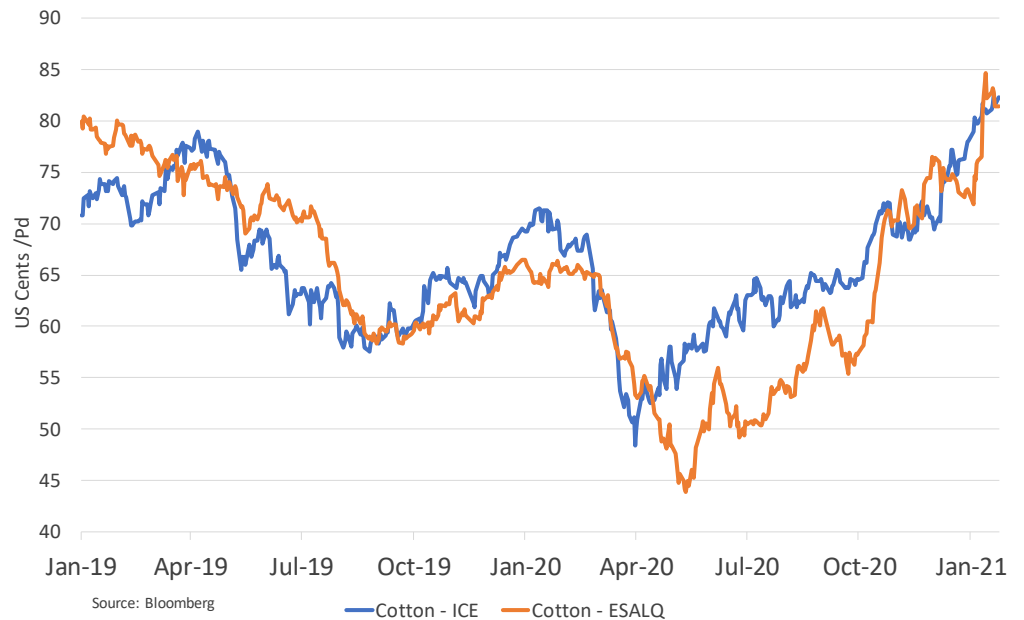
Commodities

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



Cotton

Figure 2 Cotton Prices in International Markets vs. Brazil



The fourth quarter of 2020 was marked by a recovery in cotton prices in the international and Brazilian markets.

The scenario of downward revisions in production forecasts in the United States, where unfavorable weather reduced the country's cotton crop by approximately 20% in relation to initial estimates, was another key catalyst for the structural changes in cotton prices in New York over the year.

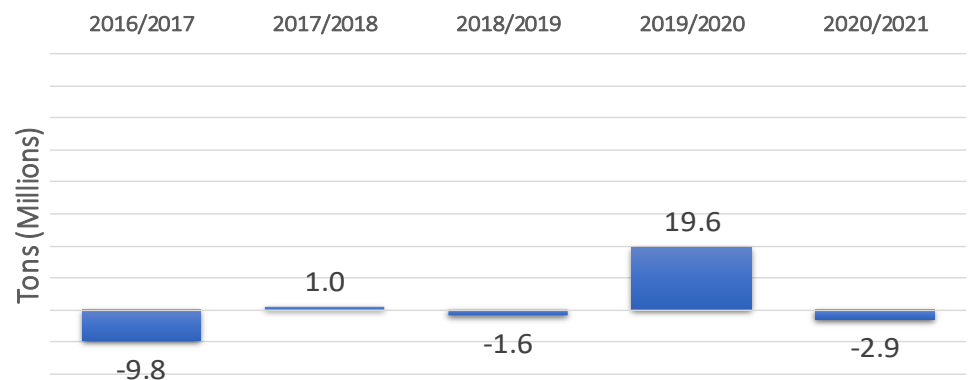
Figure 3 Estimate of Cotton Production in the United States for 2020/21 crop year



Source: USDA

The reduction in U.S. production, combined with the expected stability in global fiber consumption, which points to the global supply-demand balance ending the current cycle with a deficit of approximately 2.9 million bales, according to USDA estimates, has been an important factor for sustaining fiber prices.

Figure 4 World Supply-Demand Balance



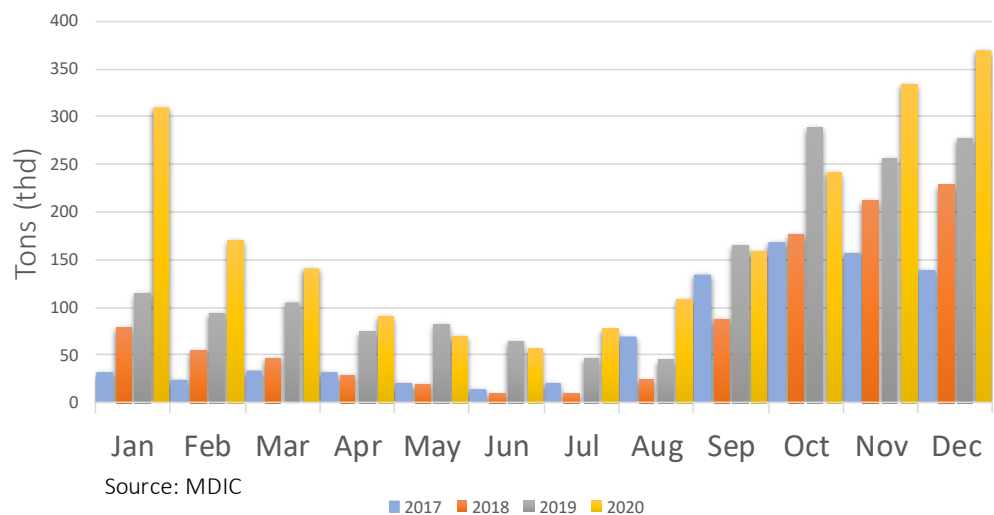
Source: USDA

“Global supply-demand balance ending the current cycle with a deficit of approximately 2.9 million bales should be an important factor for sustaining fiber prices”

Combined with the fundamentals of the supply-demand scenario during the closing months of the year, the economic uncertainties caused by the pandemic that affected assets in general ceded space in the market narrative for optimism on advances in vaccinations and economic recovery, which consequently contributed to an increase in cotton prices of around 30% in the last quarter of the year.

Regarding exports from Brazil, demand for the country’s fiber maintained an upward trend over the year, especially in the last quarter, when record monthly shipments were responsible for sustaining and consolidating the country’s position as the world’s second largest cotton exporter.

Figure 5 Cotton - Monthly Brazilian Cotton Exports from 2017 to 2020

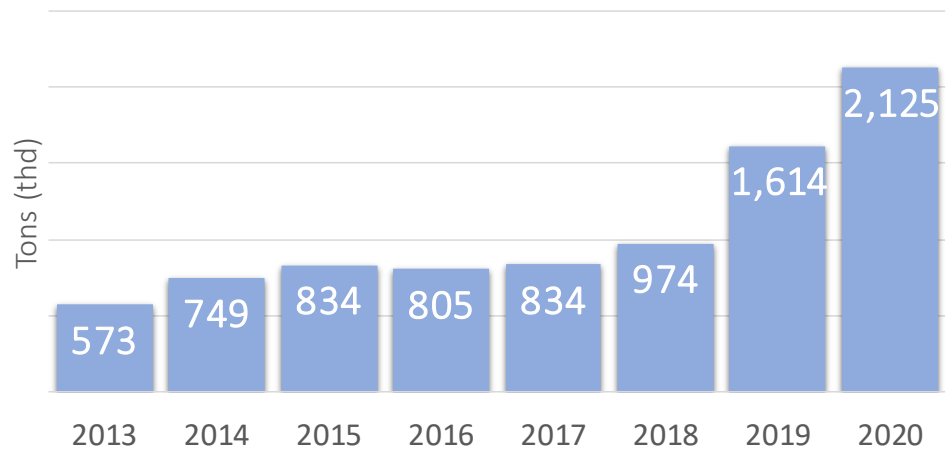


Source: MDIC

■ 2017 ■ 2018 ■ 2019 ■ 2020

Brazilian exports ended the year at 2.1 million tons, approximately 30% higher than in 2019.

Figure 6 Annual Cotton Exports – Brazil

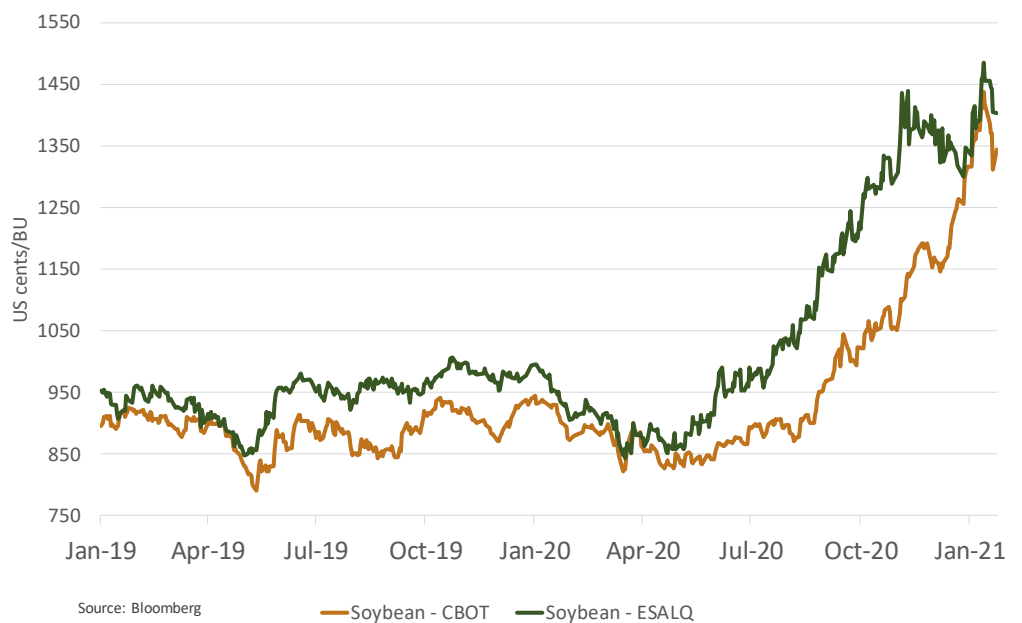


Source: MDIC

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 maintained their upward path during the fourth quarter of 2020.

Figure 7 Soybean Price in International Market vs. Brazil

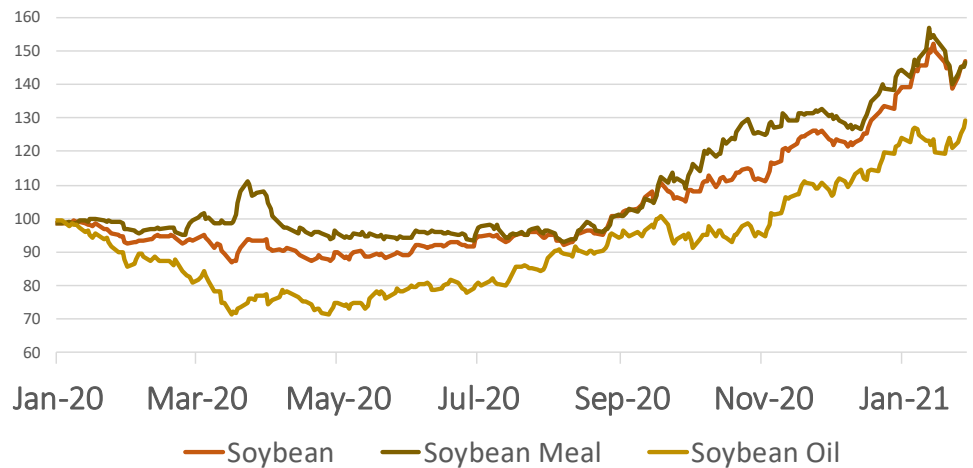


"Soybean prices (CBOT) registered a cumulative increase of 42.3% in 2020"

The high prices in Chicago during 2020, combined with the premiums paid and local currency depreciation, enabled soybean prices to reach levels above those in same period last year and, more recently, led to quotes of over 170.00 R\$/bag, according to CEPEA data for Paranaguá.

In a quarter marked by the resilience and subsequent increase in prices for the soybean complex in Chicago, the prices of soybeans and soy meal ended the period from January 2020 to January 2021 with a cumulative gain of over 45%, while soybean oil prices rose approximately 30%.

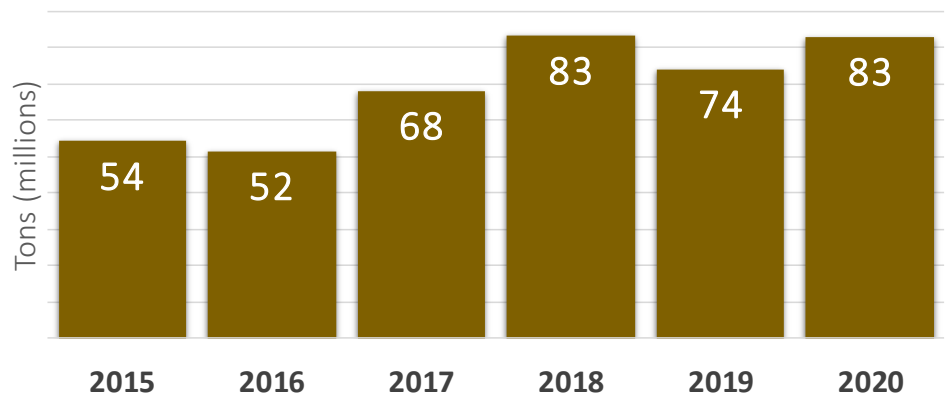
Figure 8 Soybean – Soybean Complex, January/2020 to January/2021



Source: Bloomberg - Jan-20 = 100

Brazilian soybean exports in 2020 maintained their upward trend over the last years, registering shipments of 82.9 million tons and consolidating Brazil as an important soybean supplier in the international market.

Figure 9 Soybean – Annual Soybean Exports – Brazil

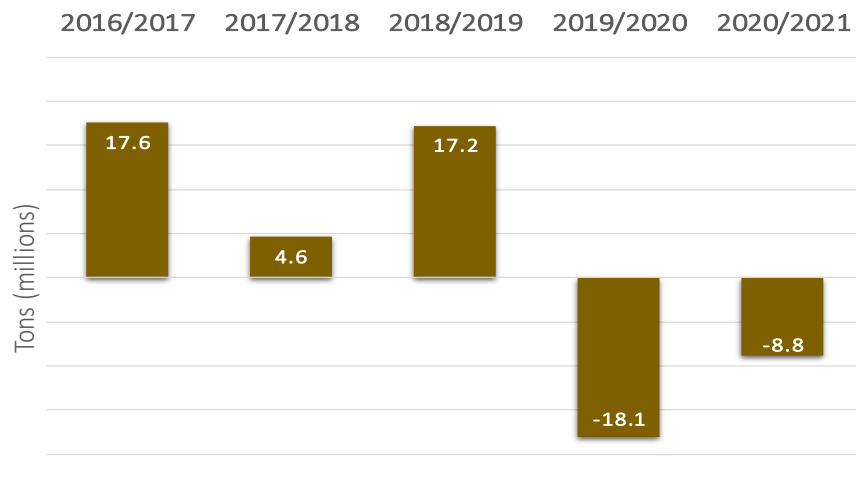


Source: MDIC

“Over the year, the USDA has been revising upward its forecasts for soybean imports by China

At the global level, the global supply and demand balance for the current cycle (2020/2021) should register a deficit for the second straight year, with consumption expected to outstrip production by approximately 8.8 million tons, following the deficit of 18.1 million tons in 2019/2020.

Figure 10 Soybean World Supply-Demand Balance



Source: USDA

“The global supply-demand balance for the current cycle (2020/21) should register a deficit for the second straight year, with consumption expected to outstrip production by approximately 8.8 million tons, following the deficit of 18.1 million tons in 2019/20.”

Corn

Corn spot prices quoted on the CBOT registered significant volatility over 2020, in which, after a downward cycle during April, prices followed a solid path of recovery and appreciation in both the international (Chicago) and domestic (B3) markets. The period of the sharpest increases in corn prices was the last quarter of the year.

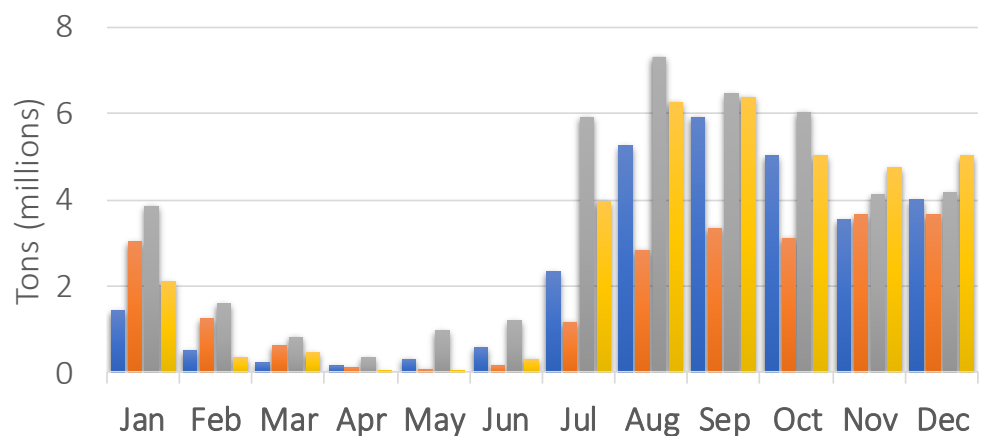
Figure 11 Corn Prices in International Market vs. Brazil



In July, August and September, prices on the U.S. exchange showed signs of recovery after the country's corn planted area was affected by adverse weather conditions. Later, in the last quarter of the year, a scenario of strong demand, mainly due to U.S. corn exports to China, continued to support the grain's prices in Chicago.

Similarly, in Brazil, where production regions in the South faced adverse weather conditions for the development of first-crop corn, for which production data should confirm the actual volumes produced, the market remained strong over the entire year due to demand from the animal protein industry and from export markets. Accordingly, local supply and demand dynamics, combined with the conditions marked by uncertainty in the United States, set the tone for prices in the domestic market.

Figure 12 Corn – Monthly Brazilian Corn Exports from 2017 to 2020



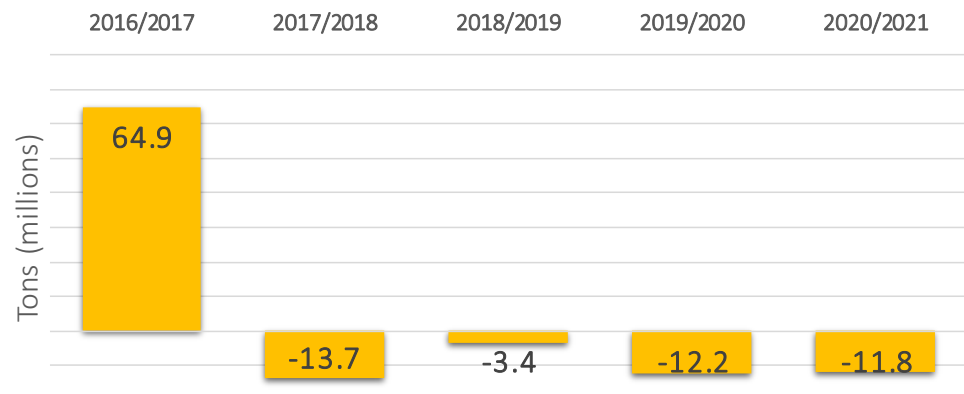
Source:MDIC

"In Brazil, the market remained strong over the year driven by the animal protein industry and export markets"

In exports, shipments from Brazil between January and December surpassed 34 million tons, which was approximately 20% lower than in the last cycle, but higher than the average of the last 5 years. In the global scenario, the difference in supply and demand should result in a

shortfall of 11.8 million tons in the 2020/21 crop year. The persistence of the global shortfall should work to accelerate the growth in consumption and the drawdown in global stocks, which could become a significant factor sustaining future corn prices in the international market.

Figure 13 Corn –World Supply-Demand Balance



Source: USDA

Operational Performance – 2019/20 Crop Year

Planted Area

The following table presents the latest data on planted area for the 2019/20 crop year and a comparison with the previous crop year. For more details, see the Additional Information section of this document.

Table 1 Planted Area by Crop, 2018/19 vs. 2019/20

Crop Mix	Planted Area	Planted Area	Share	Δ%
	2018/19 ha	2019/20 ⁽¹⁾ ha	2019/20 %	
Cotton	123,727	125,462	28.0	1.4
Cotton lint 1st crop	72,852	74,054	16.5	1.6
Cotton lint 2nd crop	50,875	51,408	11.5	1.0
Soybean (Commercial + Seed)	243,148	235,444	52.5	-3.2
Corn 2nd crop	89,312	82,392	18.4	-7.7
Other Crops ⁽²⁾	1,912	5,270	1.1	175.6
Total Area	458,099	448,568	100.0	-2.1

⁽¹⁾ Weather factors may affect the planted area forecast.

⁽²⁾ Wheat, corn 1st crop, corn seed and brachiaria.

The planted area contracted 2.1% from the previous crop year, due to the delay in the start of rains in the state of Maranhão, which postponed the planting of soybean, thereby reducing the planting potential of second-crop corn.

Yields

Table 2 Actual Yields for 2019/20 Crop Year

Yields (kg/ha)	2018/19 Crop Year	2019/20 Crop Year	2019/20 Crop Year	Δ%	Δ%	Δ%
	Achieved (a)	Budget (b)	Achieved (c)	(c) x (a)	(b) x (a)	(c) x (b)
Cotton lint 1 st crop	1,688	1,842	1,779	5.4%	9.1%	-3.4%
Cotton lint 2 nd crop	1,613	1,749	1,705	5.7%	8.4%	-2.5%
Cotton seed	2,090	2,261	2,175	4.1%	8.2%	-3.8%
Soybean (Commercial + Seed)	3,739	3,607	3,900	4.3%	-3.5%	8.1%
Corn 2 nd crop	7,121	7,385	7,333	3.0%	3.7%	-0.7%

Commercial Soybean

For the third straight year, we set a new yield record, which is in line the Company's current strategy of focusing on maximizing operating efficiency. This record yield was 8.1% higher than our initial projection and 15.4% higher than the national average (Feb/2021 estimate from CONAB).

Soybean Seed

We have produced 373 thousand bags of soybean seed. Of the production, 120,000 bags were used for internal consumption (as seeds for the 2020/21 crop) and 128,000 for the vertically oriented model. In addition, 125,000 bags were sold under the brand SLC Sementes. The germination quality indicator stood at 94.8%.

Cotton 1st crop

Despite the crop's good development, some areas in the states of Bahia and Maranhão suffered water scarcity, with low humidity and high temperatures during the crop's formation. As a result, production potential was slightly reduced, leading to production 3.4% below the initial projection. However, final production reached 1,779kg kg per hectare, 5.4% higher than the yield in the previous crop.

Cotton 2nd crop

Second-crop cotton also was affected by water stress during the crop's planting and the cotton-ball development phase, mainly in the region of Mato Grosso state. The final yield was 1,705 kg/ha of cotton lint, 2.5% lower than the projected volume and 5.7% higher than the yield registered in 2018/19 crop year.

Cor 2nd crop

The yield of second-crop corn was 3.0% higher than in the 2018/19 crop year and 0.7% lower than the projected rate, at 7,333 kg/ha. In relation to the national average, the yield was 34.4% higher (Feb/2021 estimate from CONAB).

Production Cost – 2019/20 Crop Year

Table 3 Actual Production Cost in R\$/hectare, 2019/20 Crop Year

Total (R\$/ha)	Budget 2019/20	Achieved 2019/20 ⁽¹⁾	Δ%
Cotton 1 st crop	8,397	9,362	11.5%
Cotton 2 nd crop	7,727	8,264	6.9%
Soybean	2,901	3,015	3.9%
Corn 2 nd crop	2,410	2,545	5.6%
Total average cost	4,368⁽²⁾	4,597	5.2%

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

⁽²⁾ Weighted by areas in the 2019/20 crop year to avoid impacts from changes in the product mix.

The final cost per hectare was 5.2% above the estimate, mainly due to the higher USD/BRL exchange rate compared to the assumption adopted in the budget. The increase was fully offset by revenue, in accordance with the Company's hedge policy.

Operational Performance – 2020/21 Crop Year

The following table presents initial planting intentions for the 2020/21 crop year and a comparison with the previous crop year.

Planted Area

The latest data on planted area for the 2020/21 crop year is presented in the following table. Compared to the first estimate, disclosed in November 2020, planted area had a slight reduction to 468.2 thousand hectares, due to some one-time adjustments in planning still related to the delay in the start of rains in the Midwest.

For more details on the planted area, see the Additional Information section of this document.

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

Crop Mix	Planted Area 2019/20 -----ha-----	Planted Area 2020/21 ⁽¹⁾	Share 2020/21 %	Δ%
Cotton	125,462	109,660	23.4	-12.6
Cotton lint 1st crop	74,054	78,015	16.7	5.3
Cotton lint 2nd crop	51,408	31,645	6.8	-38.4
Soybean (Commercial + Seed)	235,444	229,497	49.0	-2.5
Corn 2nd crop	82,392	110,670	23.6	34.3
Other ⁽²⁾	5,270	18,369	3.9	248.6
Total Area	448,568	468,196	100.0	4.4

⁽¹⁾ Weather factors may affect the planted area forecast.

⁽²⁾ Other crops: (Corn 1st crop 6,391.89 ha, Corn Seed 460.79 ha, Popcorn Corn 911.87 ha, Wheat 675.77 ha, Livestock 3,526.71, Brachiaria Seed 6,069.43 ha and Mung Beans 332.14 ha). Total: 18,368.60 ha.

Yields

Table 5 Projected Yields, 2020/21 Crop Year

Yields (kg/ha)	2019/20 Crop Year Budget	2020/21 Crop Year Budget	Δ%
Cotton lint 1 st crop	1,842	1,863	1.1%
Cotton lint 2 nd crop	1,749	1,638	-6.3%
Cotton seed	2,261	2,221	-1.8%
Soybean (Commercial + Seed)	3,607	3,755	4.1%
Corn 2 nd crop	7,385	7,567	2.5%

Commercial Soybean

In the Midwest, as mentioned in the 3Q20 Earnings Release, there was a delay in the start of rains, which led to a revision of the agricultural plan for the region. After planting, there was a good distribution of rainfall, which supported good crop development. Note that, in the Northeast, weather conditions were highly favorable as from the start of the cycle.

61.8% of the crop had already been harvested as of (03/04/2021). To date, the areas are presenting good potential and the expectation is to achieve the estimated yield.

Soybean Seed

The planting of areas allocated to seed production was concluded on December. To the date, 10.4% of the area had been harvested (03/04/2021 date position). The areas are presenting good potential and the expectation is for gross production to exceed the budget.

We estimate a total production of 470,000 bags, from which 120,000 bags are intended for internal consumption, 150,000 bags for sales under the brand SLC Sementes and 200,000 for verticalized production.

Cotton 1st crop

Most of the planted area fell within the ideal planting window, i.e., up to end-December. The areas already are passing from the plant development phase to the flowering phase and present potential to reach the estimated yield.

Cotton 2nd crop

The delay in soybean planting due to the later than usual rains consequently delayed harvesting, which affected the ideal window for planting second-crop cotton. To optimize the potential of the planting window for second-crop cotton, we reduced the planted area and increased the area for second-crop corn, which has a longer planting window. Even with the reduction of the area, sowing was carried out at the end of the planting window, reducing the productive potential. We are estimating a productivity of 1,638 kg/ha, 6.3% lower than the previous harvest budget.

Production Cost – 2020/21 Crop

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

%	Cotton	Soybean	Corn	Average 2020/21	Average 2019/20
Variable Costs	83.1	77.5	81.8	80.8	79.5
Seeds	9.8	14.7	18.2	12.4	12.1
Fertilizers	21.3	21.3	36.4	22.5	22.1
Chemicals	28.6	24.3	14.5	25.3	23.8
Air Spraying	1.6	1.0	1.5	1.4	1.7
Fuels and Lubricants	2.9	3.3	3.0	3.0	3.6
Labor	0.9	0.7	0.4	0.6	0.6
Ginning	8.3	2.6	2.4	5.8	6.2
Maintenance	3.5	4.3	3.2	3.7	4.1
Others	6.2	5.3	2.2	6.1	5.3
Fixed Costs	16.9	22.5	18.2	19.2	20.5
Labor	7.3	9.3	7.4	8.0	8.1
Depreciation and amortizations	4.5	6.2	4.5	5.1	4.8
Right-of-Use Amortization - Leasing	3.1	4.5	4.3	3.8	5.1
Others	2.0	2.5	2.0	2.3	2.5

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

Total (R\$/ha)	Achieved 2019/20 ⁽¹⁾	Budget 2020/21	Δ%
Cotton 1 st crop	9,362	9,899	5.7%
Cotton 2 nd crop	8,264	9,306	12.6%
Soybean	3,015	3,300	9.5%
Corn 2 nd crop	2,545	2,858	12.3%
Total average cost	4,735⁽²⁾	5,168⁽²⁾	9.1%

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

⁽²⁾ 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 the actual costs in 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.

Financial Performance

Income Statement Analysis

Adjusted EBITDA

Adjusted EBITDA in the quarter came to R\$397.9 million, up 101.8% from 4Q19, with Adjusted EBITDA Margin of 35.3%. EBITDA growth was driven by the significant improvement in prices for the soybean and corn invoiced compared to 4Q19, and by the higher cotton shipments (see the section Gross Income by Crop).

In 2020, Adjusted EBITDA was R\$960.3 million, representing a new record for the company. Considering only EBITDA from Agricultural Operations (given that the result for 2019 includes a land sale operation), Adjusted EBITDA grew by 34.2%. This performance was in large part due to the higher prices for the soybean and corn invoiced.

Note that, because of the adoption of IFRS16, lease costs were excluded from the EBITDA calculation. A total of R\$129.6 million was paid for leases in 2020, compared to R\$78.9 million in 2019.

Table 8 Adjusted EBITDA Reconciliation

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Net Revenue	2,535,905	3,097,547	22.1%	819,109	1,125,770	37.4%
Change in Fair Value of Biological Assets	504,751	775,534	53.6%	86,308	85,329	-1.1%
(-) Cost of Goods and/or Services Sold	(2,257,472)	(2,802,782)	24.2%	(706,336)	(872,611)	23.5%
Cost of Goods	(1,733,206)	(2,051,786)	18.4%	(581,307)	(686,949)	18.2%
Realiz. of the Fair Value of Bio. Assets	(524,266)	(750,996)	43.2%	(125,029)	(185,662)	48.5%
Gross Income	783,184	1,070,299	36.7%	199,081	338,488	70.0%
(-) Sales Expenses	(152,972)	(173,964)	13.7%	(63,473)	(72,089)	13.6%
(-) General and administrative expenses	(89,324)	(115,452)	29.3%	(23,005)	(42,930)	86.6%
General and administrative	(63,236)	(70,058)	10.8%	(16,183)	(21,744)	34.4%
Participations Results	(26,088)	(45,394)	74.0%	(6,822)	(21,186)	210.6%
(-) Administrative Fees	(13,827)	(14,716)	6.4%	(3,056)	(3,249)	6.3%
(-) Other operating revenues (loss)	31,651	14,763	-53.4%	24,345	14,916	-38.7%
Sale of Land	24,712	-	-100.0%	24,712	-	-100.0%
Other revenue	6,939	14,763	112.8%	(367)	14,916	n.m.
(=) Income from Activity	558,712	780,930	39.8%	133,892	235,136	75.6%
(+) Depreciation and amortization	105,810	119,686	13.1%	29,994	34,704	15.7%
EBITDA	664,522	900,616	35.5%	163,886	269,840	64.7%
(-) Variation Fair Val. of Biological Assets ⁽³⁾	(504,751)	(775,534)	53.6%	(86,308)	(85,329)	-1.1%
(+) Realization Fair Val. of Biolog. Assets ⁽⁴⁾	524,266	750,996	43.2%	125,029	185,662	48.5%
(+) Low Fixed Assets ⁽²⁾	12,228	8,067	-34.0%	3,573	2,021	-43.4%
(+) Other Trans. Prop., Plant and Equip ⁽²⁾	425	2,455	477.6%	90	1,539	1610.0%
(+) Sale of Land Costs	36,029	-	-100.0%	36,029	-	-100.0%
(+) Retained Earnings - IFRS 16 ⁽⁵⁾	19,466	-	-100.0%	19,466	-	-100.0%
(+) Amortization adjustment - IFRS 16 ⁽⁵⁾	43,336	73,663	70.0%	15,648	24,206	54.7%
Adjusted EBITDA ⁽¹⁾⁽²⁾						
(farming operation + sale of land)	795,521	960,263	20.7%	277,413	397,939	43.4%
Adjusted EBITDA Margin ⁽¹⁾⁽²⁾						
(farming operation + sale of land)	31.4%	31.0%	-0.4p.p	33.9%	35.3%	1.4p.p
Adjusted EBITDA ⁽¹⁾⁽²⁾						
(farming operation)	715,314	960,263	34.2%	197,206	397,939	101.8%
Adjusted EBITDA Margin ⁽¹⁾⁽²⁾						
(farming operation)	28.2%	31.0%	2.8p.p	24.1%	35.3%	11.2p.p

⁽¹⁾ Excludes the effects from Biological Assets, since they are noncash. ⁽²⁾ Excludes Write-offs of Property, Plant and Equipment and Other Property, Plant and Equipment Transactions which are noncash; ⁽³⁾ Note 32 of the Quarterly Financial Information; ⁽⁴⁾ Note 31 of the Quarterly Financial Information

⁽⁵⁾ Amortization of right-of-use assets - leases.

Net Revenue

Table 9 Net Revenue

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Net Revenue	2,535,905	3,097,547	22.1%	819,109	1,125,770	37.4%
Cotton lint	1,212,573	1,697,671	40.0%	593,350	887,768	49.6%
Cotton seed	77,154	156,269	102.5%	24,489	74,498	204.2%
Soybean	1,036,218	1,291,803	24.7%	119,286	192,949	61.8%
Corn	253,376	383,504	51.4%	67,308	141,985	110.9%
Others	72,874	99,907	37.1%	35,128	54,872	56.2%
FX income	(116,290)	(531,607)	357.1%	(20,452)	(226,302)	n.m.

Table 10 Volume Invoiced (tons)

(Tons)	2019	2020	AH	4Q19	4Q20	AH
Volume Invoiced	2,004,703	2,107,961	5.2%	430,377	495,967	15.2%
Cotton lint	185,374	215,965	16.5%	90,930	108,466	19.3%
Cotton seed	234,986	281,613	19.8%	75,020	119,074	58.7%
Soybean	898,368	899,278	0.1%	98,121	85,053	-13.3%
Corn	634,644	662,840	4.4%	152,650	165,615	8.5%
Others	51,331	48,265	-6.0%	13,656	17,759	30.0%

Net Revenue grew 37.4% in 4Q20 compared to 4Q19, basically due to the lower prices invoiced for all crops, combined with the higher volume of cotton and corn invoiced. In 2020, Net Revenue surpassed for the first time the mark of R\$3 billion, growing 22.1% on 2019. The increase was supported mainly by the higher prices invoiced for soybean and corn as well as the higher volume of cotton invoiced compared to 2019.

Table 11 Variation in Fair Value of Biological Assets

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Variation in Fair Value of Biol. Assets	504,751	775,534	53.6%	86,308	85,329	-1.1%
Cotton lint	224,433	298,465	33.0%	-	-	-
Cotton seed	15,411	28,208	83.0%	-	-	-
Soybean	229,668	315,535	37.4%	83,856	82,419	-1.7%
Corn	17,933	62,353	247.7%	-	-	-
Others	17,306	70,973	310.1%	2,452	2,910	18.7%

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.

This quarter, we started the recording of VFVBA for soybean crop in 2020/21 crop year. At the start of 2020/21 crop year, there was a delay in soybean planting, mainly in the Mato Grosso state region, due to the lack of rainfall in normal periods for soybean planting. In view of this delay in planting, upon the calculation of fair value of biological assets, harvest area decreased (33,000 hectares in 4Q20 versus 68,000 hectares in 4Q19), which affected the recording of VFVBA, despite the expectation of higher margins when compared to the 2019/20 crop year. In the year, VFVBA was 53.6% higher than in 2019, explained by the expectation of higher margins in the 2019/20 crop year compared to the 2018/19 crop year.

Cost of Goods Sold

Table 12 Cost of Goods Sold

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Cost of Goods Sold	(1,733,206)	(2,051,786)	18.4%	(581,307)	(686,949)	18.2%
Cotton lint	(762,874)	(945,782)	24.0%	(424,403)	(495,694)	16.8%
Cotton seed	(61,257)	(98,128)	60.2%	(18,400)	(46,276)	151.5%
Soybean	(644,331)	(697,641)	8.3%	(64,931)	(58,837)	-9.4%
Corn	(198,182)	(230,112)	16.1%	(45,321)	(53,492)	18.0%
Others	(66,562)	(80,123)	20.4%	(28,252)	(32,650)	15.6%

Cost of goods sold in the quarter increased 18.2% compared to 4Q19, due to the higher volume of cotton and corn invoiced in the period. Combined with this factor, there was also an increase in unit cost for soybean and corn, in line with the higher cost per hectare of 2019/20 crop year compared to 2018/19 crop year, which was partially offset by better yields. In the case of cotton, despite the higher volume invoiced, the unit cost was lower, due to the mix of farms that invoiced the product in the period. In 2020, cost of goods sold increased 18.4% in relation to 2019,

reflecting the higher volumes invoiced and the higher unit costs, mainly due to the Brazilian real depreciation. This increase was partially offset by the higher yields in the 2019/20 crop year compared to the 2018/19 crop year.

Table 13 Realization of Fair Value of Biological Assets

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Realiz. of the Fair Value of Biological Assets	(524,266)	(750,996)	43.2%	(125,029)	(185,662)	48.5%
Cotton lint	(254,413)	(281,368)	10.6%	(93,016)	(142,228)	52.9%
Cotton seed	(15,898)	(21,114)	32.8%	(4,832)	(8,584)	77.6%
Soybean	(217,389)	(317,382)	46.0%	(20,991)	(16,145)	-23.1%
Corn	(19,593)	(63,591)	224.6%	(5,762)	(18,007)	212.5%
Others	(16,973)	(67,541)	297.9%	(428)	(698)	63.1%

The 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 48.5% higher than in 4Q19, led by cotton, given the higher volume invoiced in the period. In 2020, RFVBA was 43.2% higher than in 2019, due to the higher margin estimated upon the recording of fair value of biological assets.

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 14 Gross Income - Cotton Lint

Cotton Lint		2019	2020	AH	4Q19	4Q20	AH
Volume Invoiced	Ton	185,374	215,965	16.5%	90,930	108,466	19.3%
Net Revenue	R\$/thd	1,212,573	1,697,671	40.0%	593,350	887,768	49.6%
Result of currency hedge	R\$/thd	(61,699)	(398,374)	545.7%	(16,468)	(187,714)	n.m.
Net inc. adj. for the result of cur. hed.	R\$/thd	1,150,874	1,299,297	12.9%	576,882	700,054	21.4%
Unit Price	R\$/ton	6,208	6,016	-3.1%	6,344	6,454	1.7%
Total Cost	R\$/thd	(762,874)	(945,782)	24.0%	(424,403)	(495,694)	16.8%
Unit Cost	R\$/ton	(4,115)	(4,379)	6.4%	(4,667)	(4,570)	-2.1%
Unitary Gross Income	R\$/ton	2,093	1,637	-21.8%	1,677	1,884	12.3%

Of the volume of cotton invoiced in 4Q20, 100% refers to the 2019/20 crop year. The 12.3% increase in Unit Gross Income in the quarter was due to the combination of higher prices and lower unit costs. In 2020, Unit Gross Income from cotton fell 21.8% from 2019, due to the 3.1% reduction in unit price combined with the 6.4% increase in unit cost. The latter factor reflects the increase in average cost and decrease in average yield per hectare of cotton invoiced during the year (37% - 2018/19 crop, 63% -2019/20 crop) compared to 2019 (41% -2017/18 crop, 59% - 2018/19 crop).

Table 15 Gross Income - Cotton Seed

Cotton Seed		2019	2020	AH	4Q19	4Q20	AH
Volume Invoiced	Ton	234,986	281,613	19.8%	75,020	119,074	58.7%
Net Revenue	R\$/thd	77,154	156,269	102.5%	24,489	74,498	204.2%
Unit Price	R\$/ton	328	555	69.2%	326	626	92.0%
Total Cost	R\$/thd	(61,257)	(98,128)	60.2%	(18,400)	(46,276)	151.5%
Unit Cost	R\$/ton	(261)	(348)	33.3%	(245)	(389)	58.8%
Unitary Gross Income	R\$/ton	67	207	209.0%	81	237	192.6%

In the quarter, cotton seed Unit Gross Income increased significantly. Despite the higher unit cost, this performance is mainly due to the higher unit price, which rose by 92.0% in the quarter (4Q20 vs. 4Q19), reflecting domestic demand for animal food supplements and biodiesel production. Cotton seed Unit Gross Income increased significantly in comparison with 2019. Despite the higher unit cost, this performance is mainly due to the increase in unit price, of 69.2%, reflecting domestic demand for animal food supplements and biodiesel production.

Soybean

Table 16 Gross Income - Soybean

Soybean		2019	2020	AH	4Q19	4Q20	AH
Volume Invoiced	Ton	898,368	899,278	0.1%	98,121	85,053	-13.3%
Net Revenue	R\$/thd	1,036,218	1,291,803	24.7%	119,286	192,949	61.8%
Result of currency hedge	R\$/thd	(46,758)	(106,204)	127.1%	(1,490)	(29,600)	n.m
Net inc. adj. for the result of cur. hedging	R\$/thd	989,460	1,185,599	19.8%	117,796	163,349	38.7%
Unit Price	R\$/ton	1,101	1,318	19.7%	1,201	1,921	60.0%
Cost Total	R\$/thd	(644,331)	(697,641)	8.3%	(64,931)	(58,837)	-9.4%
Unit Cost	R\$/ton	(717)	(776)	8.2%	(662)	(692)	4.5%
Unitary Gross Income	R\$/ton	384	542	41.1%	539	1,229	128.0%

Soybean Unit Gross Income in 4Q20 compared to 4Q19 registered strong growth of 128%, due to better prices for the soybean invoiced and the higher yield achieved in 2019/20 compared to 2018/19. In 2020, soybean Unit Gross Income increased 41.1% from 2019, due to the better average invoiced prices.

Corn

Table 17 Gross Income - Corn

Corn		2019	2020	AH	4Q19	4Q20	AH
Volume Invoiced	Ton	634,644	662,840	4.4%	152,650	165,615	8.5%
Net Revenue	R\$/thd	253,376	383,504	51.4%	67,308	141,985	110.9%
Result of currency hedge	R\$/thd	(7,833)	(23,165)	195.7%	(2,494)	(5,124)	105.5%
Net inc. adj. for the result of cur. hedging	R\$/thd	245,543	360,339	46.8%	64,814	136,861	111.2%
Unit Price	R\$/ton	387	544	40.6%	425	826	94.4%
Cost Total	R\$/thd	(198,182)	(230,112)	16.1%	(45,321)	(53,492)	18.0%
Unit Cost	R\$/ton	(312)	(347)	11.2%	(297)	(323)	8.8%
Unitary Gross Income	R\$/ton	75	197	162.7%	128	503	293.0%

In 4Q20, unit gross income increased 293% in relation to 4Q19, mainly due to the higher average sales price, with this factor partially offset by the higher unit cost, reflecting the higher costs per hectare in the 2019/20 crop year compared to the 2018/19 crop year. In 2020, 93% of the corn invoiced was produced in the 2019/20 crop year. The 162.7% increase in Unit Gross Income reflects the better invoiced prices, with this factor partially offset by the increase in unit cost.

Gross Income

Table 18 – Gross Income

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Gross Profit	783,184	1,070,299	36.7%	199,081	338,488	70.0%
Cotton lint	388,000	353,515	-8.9%	152,479	204,360	34.0%
Cotton seed	15,897	58,141	265.7%	6,089	28,222	363.5%
Soybean	345,129	487,958	41.4%	52,865	104,512	97.7%
Corn	47,361	130,227	175.0%	19,493	83,369	327.7%
Others	6,312	15,920	152.2%	6,876	18,358	167.0%
Biological Assets	(19,515)	24,538	n.m	(38,721)	-100,333	159.1%

To support the analysis of consolidated Gross Income, we excluded the effects from Biological Assets (Variation and Realization of Fair Value) to show the actual margins of products invoiced in the period.

In the quarter compared to 4Q19, biological assets increased by 159.1%, mainly due to the growth in Gross Income in all products. In 2020 compared to 2019, Gross Income grew 30.3%, reflecting the increase in unit gross income for the soybean and corn crops, which was partially offset by the lower income from cotton.

Selling Expenses

Selling Expenses increased 13.6% in the quarter. The main variation contributing to the increase was Export Expenses, given the higher volume of cotton invoiced combined with the Brazilian real depreciation against the U.S. dollar in the period, since the amounts are denominated in foreign currency.

In 2020, selling expenses increased 13.7% from 2019, mainly due to Export Expenses, given the higher volume of cotton invoiced combined with the Brazilian real depreciation against the U.S. dollar in the period, since the amounts are denominated in foreign currency.

Table 19 – Selling Expenses

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Freight	58,191	63,602	9.3%	28,754	29,153	1.4%
Storage	32,458	36,424	12.2%	6,291	5,846	-7.1%
Commissions	13,359	13,979	4.6%	3,102	3,147	1.5%
Classification of Goods	2,070	2,130	2.9%	1,078	1,102	2.2%
Export Expenses	28,535	40,228	41.0%	13,223	16,535	25.0%
Others	18,359	17,601	-4.1%	11,025	16,306	47.9%
Total	152,972	173,964	13.7%	63,473	72,089	13.6%
% Net Revenue	6.0%	5.6%	-0.4p.p.	7.7%	6.4%	-1.3p.p.

Administrative Expenses

In 4Q20, Administrative Expenses (excluding amounts related to the Profit Sharing Program) increased 34.4% in relation to the prior-year quarter.

The main variations were:

- (i) Increase of 32.2% in Personnel Expenses, mainly due to adjustments to the Information Technology team to support the automation of processes;
- (ii) Expenses with Contributions and Donations supported by tax incentives, which increased 162.2% compared to 2019;
- (iii) Increase of 97.8% in Outsourcing expenses, due to the expenses with open innovation initiatives.

Administrative Expenses (excluding amounts related to the Profit Sharing Program) increased 10.8% in 2020 in relation to the same period last year.

The main variations are explained below:

- (i) Increase of 22% in Personnel Expenses, mainly due to adjustments to the Information Technology team to support the automation of processes;
- (ii) Increase in Expenses with Contributions and Donations, due to the support of health institutions for investments in initiatives to combat covid-19 in the first half and in the last quarter of the year (donations with tax incentives);
- (iii) Increase in Expenses with Communications, due to costs related to the migration to a home-office model in view of the pandemic.

Table 20 Administrative Expenses

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Expenses with personnel	31,952	38,989	22.0%	8,412	11,118	32.2%
Fees	5,058	5,877	16.2%	1,081	2,138	97.8%
Depreciations and amortizations	1,897	2,094	10.4%	492	574	16.7%
Expenses with travels	2,694	1,176	-56.3%	823	344	-58.2%
Software maintenance	6,161	5,090	-17.4%	1,614	1,491	-7.6%
Marketing/Advertisement	2,674	2,692	0.7%	958	1,053	9.9%
Expenses with Communications	2,707	3,798	40.3%	851	1,321	55.2%
Rentals	904	1,293	43.0%	191	466	144.0%
Labor, Tax and Environmental Contingencies	1,734	186	-89.3%	71	153	115.5%
Electricity	193	175	-9.3%	47	44	-6.4%
Taxes and other fees	1,275	1,332	4.5%	198	355	79.3%
Contributions and donations	2,322	4,283	84.5%	783	2,053	162.2%
Other	3,665	3,073	-16.2%	662	634	-4.2%
Subtotal	63,236	70,058	10.8%	16,183	21,744	34.4%
% Net Revenue	2.5%	2.3%	-0.2p.p.	2.0%	1.9%	0.1p.p.
Provision for profit share program	26,088	45,394	74.0%	6,822	21,186	210.6%
Total	89,324	115,452	29.3%	23,005	42,930	86.6%

Net Financial Income (Expense)

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

Table 21 Adjusted Net Financial Income (Expense)

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Interest	(101,197)	(53,637)	-47.0%	(28,715)	(3,423)	-88.1%
FX Variation	5,940	28,775	384.4%	(632)	17,182	n.m.
Monetary Variation	139	-	-100.0%	-	-	-
Ad. to pres. value of leas. contracts (IFRS16)	(47,607)	(61,106)	28.4%	(14,183)	(17,560)	23.8%
Other financial revenues (expenses)	(1,325)	(5,783)	336.5%	(1,793)	(1,082)	-39.7%
Total	(144,050)	(91,751)	-36.3%	(45,323)	(4,883)	-89.2%
% Net Revenue	5.7%	3.0%	-2.7p.p.	5.5%	0.4%	-5.1p.p

Adjusted Net Financial Income (Loss) decreased in 4Q20 compared to the same period last year. The main impact refers to the interest line, mainly due to the reduction in adjusted net debt during the year (compared to 2019) and the decline in the CDI rate in the period.

The increase in Adjustment to Present Value of Leases, during the quarter and the year, was due to the lengthening of the terms of certain agreements and to the increase in the price of the soybean bag in BRL (adjustment index adopted in agreements).

In 2020, there also was an increase in the line Other Financial Income (Expenses) related to the recording of negative goodwill on the expenses with PIS/COFINS on financial income.

Net Income (Loss)

Table 22 Net Income

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Income before taxes on profit	414,662	689,179	66.2%	88,568	230,252	160.0%
Income Tax and Social Contrib. on Profit	(99,621)	(178,231)	78.9%	98	(36,079)	n.m.
Consolidated Net Income for the Period	315,041	510,948	62.2%	88,666	194,173	119.0%
Assigned to parent company	311,514	488,674	56.9%	84,554	183,202	116.7%
Assigned to non-controlling comp. members	3,527	22,274	531.5%	4,112	10,971	166.8%
% Net Revenue	12.4%	16.5%	4.1p.p	10.8%	17.2%	6.4p.p.
Net Income Farming Operation	292,893	510,948	74.4%	66,518	194,173	191.9%
Net Margin Farming Operation	11.5%	16.5%	5.0p.p	8.1%	17.2%	9.1p.p.
Net Profit Sale of Land	22,148	-	-100.0%	22,148	-	-100.0%

Considering only income from Agricultural Operations (given the contribution in 2019 from land sales), Net Income in the quarter compared to 4Q19 increased by R\$127.6 million, or 191.9%, mainly due to the significant improvement in Gross Income from crops. Net margin was 17.2%, expanding 9.1 p.p. compared to 4Q19.

In 2020, net income reached R\$510.9 million, growing 74.4% from 2019 (considering only the result from agricultural operations). The increase was mainly due to the higher Gross Income from the soybean and corn crops, which was partially offset by the lower Income from cotton.

Net margin from farming operation ended the year at 16.5%, representing expansion of 5.0 p.p. on the prior year.

Statement of Cash Flow Analysis

Free Cash Flow was positive in 4Q20, mainly due to the lower Working Capital Needs (Changes in Assets and Liabilities), explained by the higher volumes of crops invoiced, especially cotton.

The quarter was also influenced by the receipt of inputs for the next crop year, which increased the balance of the line Suppliers. Note that in 4Q20 there also was the receipt of the final portion of the amount related to the sale of a property in 2019, with a positive impact of R\$42.6 million in the quarter.

In 2020, Free Cash Generation was R\$415 million, more than double the generation in 2019, mainly due to the strong growth in operating cash generation, led by the increase in gross income from soybean and corn crops.

Table 23 Summarized Cash Flow

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Cash generated in operations	778,746	1,155,649	48.4%	178,039	395,101	121.9%
Changes in assets and liabilities	(246,585)	(370,788)	50.8%	285,474	161,926	-43.8%
Net cash used in investment activities	(160,300)	(169,846)	5.5%	6,340	12,966	268.7%
<i>In Fixed assets</i>	(235,175)	(190,129)	-19.2%	(33,808)	(23,938)	-29.2%
<i>In Intangible assets</i>	(5,746)	(21,654)	276.9%	(1,474)	(5,739)	289.3%
<i>Receipt from sale of land</i>	80,621	42,643	-47.1%	41,622	42,643	2.5%
<i>Land return payment</i>	(705)	(706)	0.1%	(2,823)	-	-100.0%
Presented Free Cash	371,861	615,015	65.4%	469,853	569,993	21.3%
Net cash gen./.(cons.) in fin. act. ⁽¹⁾	(74,436)	(55,329)	-25.7%	(42,827)	(9,997)	-76.7%
Paid leases ⁽²⁾	(78,929)	(129,634)	64.2%	(17,788)	(16,494)	-7.3%
Share buyback	-	(268)	100.0%	-	(268)	100.0%
Payment of CRA Costs	(5,423)	(14,700)	171.1%	-	(14,700)	100.0%
Adjusted Free Cash	213,073	415,084	94.8%	409,238	528,534	29.2%

⁽¹⁾ The variations of said account are non-cash.

⁽²⁾ 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 operating cash disbursement.

Property, Plant and Equipment / CAPEX

Table 24 Capital Expenditure

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Machinery, implements and equipment	109,101	91,999	-15.7%	10,564	9,442	-10.6%
Land acquisition	3,072	102	-96.7%	18	-	-100.0%
Soil correction	42,772	56,156	31.3%	6,267	7,363	17.5%
Buildings and facilities	49,575	22,154	-55.3%	7,753	5,103	-34.2%
Cotton ginning plant	33,710	3,687	-89.1%	1,655	278	-83.2%
Grains storage	1,763	2,380	35.0%	260	196	-24.6%
Soil cleaning	3,630	20,009	451.2%	897	11,035	n.m
Vehicles	4,029	2,506	-37.8%	234	1,370	485.5%
Aircraft	7,542	21	-99.7%	-	-	-
Software	9,798	21,111	115.5%	5,521	7,123	29.0%
Improvements in own properties	2	39	n.m	-	19	100.0%
Improvements in Third Party Real Estate	1,917	1,324	-30.9%	195	326	67.2%
Buildings	-	106	100.0%	-	-	-
Others	9,620	12,652	31.5%	2,268	2,889	27.4%
Total	276,531	234,246	-15.3%	35,632	45,144	26.7%

Investments increased 26.7% in 4Q20 compared to 4Q19. The main investments in the quarter were in Machinery & Equipment and Soil Correction. In the line Machinery, the main acquisition7s refer to planters and tractors for the Planeste Farm and to tractors for the Planorte Farm. Soil correction was carried out at all farms, with the highlights the Pioneira, Paiaguás and Parnaíba farms.

In the year, CAPEX was 15.3% lower than in 2019, basically reflecting the postponement of certain expenditures to 2021.

Debt

Adjusted Net Debt ended 2020 at R\$708 million, decreasing R\$265.3 million compared to 2019. This reduction is explained by the strong free cash generation in the year, of R\$415.1 million.

Of this free cash, R\$147.5 million was used to pay dividends (for fiscal year 2019) and R\$32.3 million to pay interest on equity (for fiscal year 2020).

Note that, in November, the Company successfully placed its third CRA issue, in the amount of R\$480 million, with interest of IPCA + 3.6726% p.a. (with a swap operation to convert IPCA + 3.6726% p.a. to CDI + 1.85% p.a.) and amortizations in the fourth and fifth year, which lengthened the debt profile at an attractive cost.

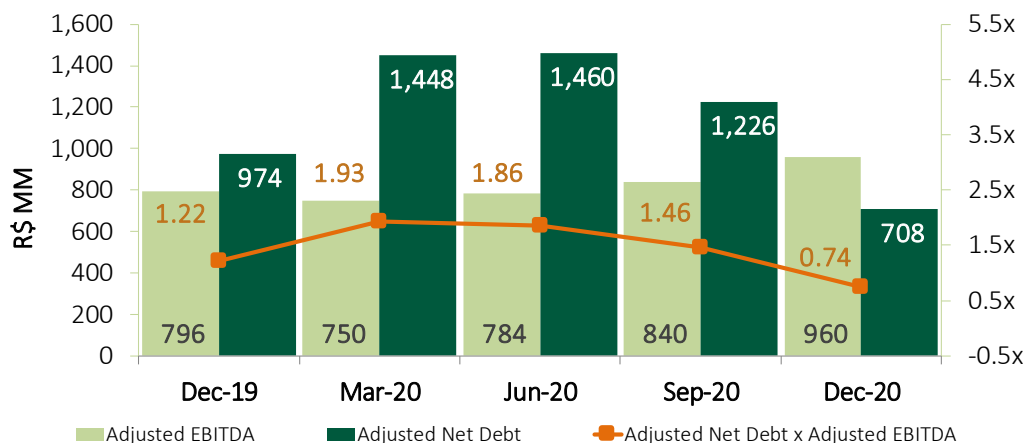
Table 25 Financial Net Debt

Credit Line (R\$ thd)	Average Rate (%) Index	2019	2020	Consolidated	
Applied in Fixed Assets				2019	2020
Finame – BNDES	Pref, Bask. of Curr.	5.4%	5.4%	73,235	57,053
Applied in Working Capital				1,792,631	2,377,936
Rural Credit	Prefixed	6.0%	4.3%	108,483	12,186
CRA	CDI ⁽¹⁾	4.4%	2.9%	561,447	841,616
Working Capital	CDI ⁽¹⁾	5.1%	3.1%	413,490	577,936
Export Loans	Prefixed	6.5%	-	111,422	-
Export Loans	CDI ⁽¹⁾	5.1%	3.2%	597,789	946,198
Total Indebtedness ⁽³⁾		5.0%	3.1%	1,865,866	2,434,989
(+/-) Gains and losses with deriv. connected with applications and debts ⁽²⁾				6,691	121,794
(=) Adjusted Debt				1,859,175	2,313,195
(-) Cash				885,418	1,604,716
(=) Adjusted Net Debt				973,757	708,479
Adjusted EBITDA (Last 12 months)				795,521	960,263
Adjusted Net Debt/EBITDA				1.22	0.74

⁽¹⁾ Final Interest Rate with swap; ⁽²⁾ Transactions with gains and losses from Derivatives (see note 25e of the Quarterly Financial Information).

⁽³⁾ Total debt is different from the accounting position due to the costs of CRA transactions (see note 18 of the Quarterly Financial Information).

Figure 14 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 Adjusted EBITDA margin with a combination of factors such as Price, Foreign Exchange 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 mark-to-market adjustments of future, swap and option transactions are recorded under financial income (expense).

The hedge position for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. Dollar) is shown below, broken down by commercial hedge and financial hedge and updated as of March 8:

Table 26 Hedge Position

FX Hedge – Soybean				Commercial Hedge - Soybean			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	100.0	67.5	9.8	%	100.0	56.7	20.6
R\$/USD	4.4814	5.0885	5.6104	USD/bu ⁽²⁾	10.29	10.92	11.03
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	15.09	14.4
FX Hedge – Cotton				Commercial Hedge - Cotton			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	96.4	69.8	15.4	%	98.7	71.6	41.3
R\$/USD	4.4476	5.3236	5.8486	US\$/lb ⁽²⁾	70.89	66.27	74.32
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	-	-
FX Hedge – Corn				Commercial Hedge - Corn			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	100.0	59.7	24.8	%	100.0	61.9	40.0
R\$/USD	4.4681	5.2383	5.6672	R\$/bag ⁽³⁾	35.38	37.29	49.82
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	-	-

⁽¹⁾ 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. ⁽²⁾ Based on FOB Port - prices at our production units also are influenced by transport expenses and any discounts for quality. ⁽³⁾ Farm price.

Environment, Social & Corporate Governance (ESG)

STAKEHOLDER RELATIONS

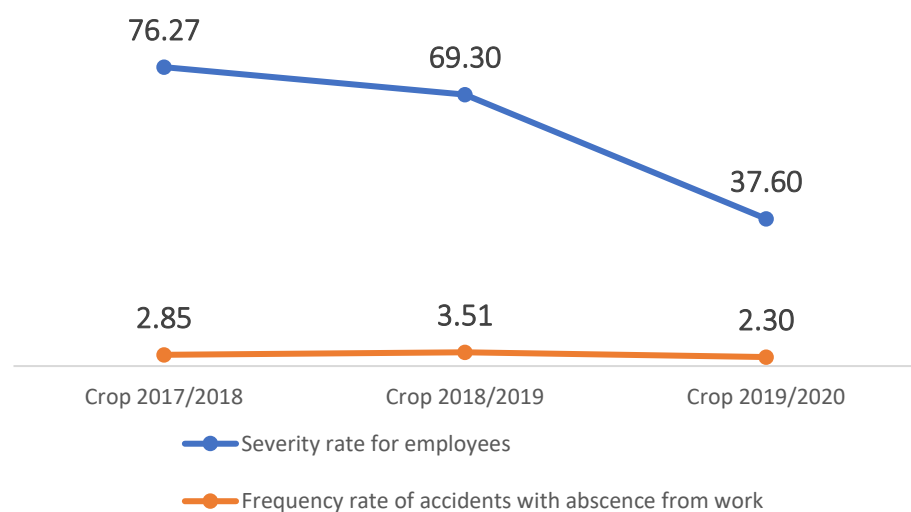


We build long-term, ethical and transparent relationships with all stakeholders connected to our business model. We identify and work to improve our operations to meet the expectations and demands of suppliers, employees and communities in the municipalities where we have operations. To strengthen relations, we also disclose our corporate values and our strategy for materializing our purpose: Our Big Dream. Open dialogue and respect for diversity are key pillars that sustain our way of acting.

Safety and quality of life

Our first priority is the safety and health of our employees and of the people in our operations. The Integrated Management System (SGI), which already has been certified under the new standard ISO 45001, establishes the procedures and protocols for avoiding the risks of accidents, executing continuous improvement plans and ensuring health and quality of life. The effective adoption by our units of the SGI is evaluated monthly at all farms (even those not certified yet), through the Safety, Quality & Productivity (SQP) Program. Under the SQP, local committees composed of the farm's manager, area coordinators and other select professionals monitor a series of indicators to identify opportunities for improvement and to establish action plans. In 2019/20 crop year, we registered the Company's best performance ever, with significant reduction in accidents with lost-time injuries involving both employees (from 38 to 25 compared to the prior crop year) and third parties (from 10 to 3). Considering only employees, the injury frequency rate declined by 31% from the previous crop year. Meanwhile, the severity rate fell by 46%.

Figure 15 Safety Indicators



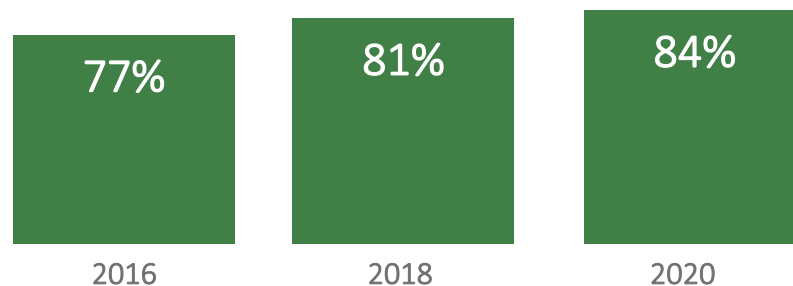
Human Capital

Employee engagement in performing activities efficiently and precisely is essential for our Company's success and for achieving the goals we establish every year. As such, we create and maintain a workplace that attracts and develops people who are connected to Our Big Dream, while valuing diversity, inclusion and individual growth.

At the end of 2020, we had 2,723 employees with at-will employment contracts and working full time, as well as 74 apprentices and 44 interns. The team is distributed across our 16 farms and the Company's headquarters located in Porto Alegre, Rio Grande do Sul.

On the farms, over the course of the year, we also employ temporary workers to support planting and harvesting operations for our soybean, corn and cotton crops. These professionals have short-term employment contracts executed in accordance with all requirements and legal parameters established by the Consolidation of Labor Laws (CLT), Federal Law 5,889/73 and Decree 73,626/79, which govern this type of employment relationship. Given that the number of temporary workers varies during the year, this Report always monitors the average number of these professional in each period. In 2020, the average was 1,025 people, stable in relation to the 1,021 people in 2019.

Figure 16 Changes in Pensa Survey – Employee Satisfaction



Inclusion & Diversity

Ensuring an inclusive workplace that values diversity is part of Our Big Dream. To support these efforts, two initiatives in particular are carried out at all our units. One is the Semear Program, which focuses on the professional development and growth of persons with disabilities (PwDs).

Our company aspires to go beyond mere compliance with legal requirements (Federal Law 8,213/91), and we want our professionals with disabilities to have the autonomy and quality to perform their functions.

With this purpose, the Semear Program features lectures, behavioral training and technical education, such as the course on Brazilian Sign Language (BSL) for all employees. Another action is the Youth & Adult Education (EJA) program, which is made available on our farms to employees who have not completed elementary or high school. In 2020, even with the covid-19 pandemic, some units maintained their on-site classes. At other farms located in municipalities that were more affected, classes were suspended by the local education departments.

Figure 17 Investment in Education – Employees Enrolled in EJA



Partnership with Communities

Our Company contributes to the growth and development of communities in the municipalities where we are located. The purpose of this local partnership is to carry out actions that improve quality of life, education and the local situation.

Our initiatives were expanded in 2020 with the creation of the SLC Institute, which was conceived by the SLC Group (our company's shareholder), which is responsible for managing the resources we allocate to Social Private Investment (ISP). One of the main advantages of this configuration is the capacity to join forces with other companies in the SLC Group, such as SLC Maquinas.

Created as a non-profit organization, SLC Institute focuses on developing people and communities by supporting education as an important vector of social transformation and opportunity creation.

In 2020, its initiatives focused on cooperation in combating the coronavirus pandemic, with donations amounting to R\$1.6 million (learn more at https://www.slc.com.br/instituto_slc).

Of this amount, R\$1 million came from the own funds of SLC Agrícola. Combined with the funds involving tax incentives allocated to social projects in 2020, the Company's total social investment last year was R\$2.9 million. One of these was the Entrepreneur Project, which works to reduce dropout rates through educational initiatives that foster knowledge, self-esteem and better communication between students and teachers. Over the last year, due to the pandemic, on-site workshops were postponed, and we conducted five sessions 100% online, with the participation of 99 teachers.

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 operating income in 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 27 Return on Equity

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

⁽¹⁾ 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.

⁽²⁾ Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

⁽³⁾ Adjusted for land price appreciation.

Table 28 Return on Net Assets

(R\$ million)	2014	2015	2016	2017	2018	2019	2020
Net Profit ⁽¹⁾	70	121	16	289	405	293	511
Net Land Appreciation ⁽²⁾	428	140	199	19	110	142	216
Subtotal	498	261	215	308	515	435	727
Net Assets	4,859	5,005	5,026	5,097	5,443	6,551	5,964
Working Capital	733	739	561	613	603	912	1,150
Fixed Assets ⁽³⁾	4,126	4,266	4,465	4,484	4,840	5,639	6,202
Return	10.2%	5.2%	4.3%	6.0%	9.5%	6.6%	9.9%

⁽¹⁾ 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.

⁽²⁾ Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

⁽³⁾ Adjusted by land-price appreciation.

Table 29 Return on Invested Capital

(R\$ million)	2014	2015	2016	2017	2018	2019	2020
Operating Income ⁽¹⁾	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 ⁽²⁾	428	140	199	19	110	142	216
Operating results w/ land	578	347	329	397	567	549	793
Invested Capital	4,731	5,005	5,255	5,104	5,584	5,947	6,154
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 ⁽³⁾	3,771	3,911	4,346	4,275	4,641	4,973	5,361
Return on Working Capital	12.2%	6.9%	6.3%	7.8%	10.2%	9.2%	12.9%

⁽¹⁾ Even in periods that encompass operational results from the land sales, in this analysis only the results of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.

⁽²⁾ Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2019.

⁽³⁾ Adjusted for land price appreciation.

Additional Information

Planted Area – 2020/21 crop year

Table 30 Planted Area – 2020/21 crop year

Area Mix	Planted Area 2019/20 ----- ha -----	Planted Area 2020/21 ⁽¹⁾ -----	Share 2020/21 %	Δ%
1st crop Area	313,458	322,085	68.7%	2.8%
Owned Area	111,101	109,999	23.5%	-1.0%
Leased Area	129,946	135,330	28.9%	4.1%
Joint Ventures Areas ⁽²⁾	40,148	41,594	8.9%	3.6%
SLC LandCo Areas ⁽³⁾	32,263	35,162	7.5%	9.0%
2nd crop Area	135,110	146,111	31.2%	8.1%
Owned Area	54,156	52,145	11.1%	-3.7%
Leased Area	53,604	63,589	13.6%	18.6%
Joint Ventures Areas ⁽²⁾	9,876	14,229	3.0%	44.1%
SLC LandCo Areas ⁽³⁾	17,474	16,148	3.4%	-7.6%
Total Area	448,568	468,196	100.0%	4.4%

⁽¹⁾ Weather factors may affect the planted area forecast.

⁽²⁾ Areas owned by Grupo Roncador and Mitsui.

⁽³⁾ A SLC Agrícola holds an 81.23% interest in SLC LandCo.

Planted Area – 2019/20 crop year

Table 31 Planted area by type (own, leased, companies and partnerships)

Area Mix	Planted Area 2018/19 ----- ha -----	Planted Area 2019/20 ⁽¹⁾ -----	Share 2019/20 %	Δ%
1st crop Area	316,159	313,458	69.9	-0.9
Owned Area	111,279	111,101	24.8	-0.2
Leased Area	130,669	129,946	29.0	-0.6
Joint Ventures Area ⁽²⁾	39,551	40,148	9.0	1.5
LandCo Area ⁽³⁾	34,660	32,263	7.1	-6.9
2nd crop Area	141,940	135,110	30.1	-4.8
Owned Area	62,000	54,156	12.1	-12.7
Leased Area	56,611	53,604	11.9	-5.3
Joint Ventures Area ⁽²⁾	8,516	9,876	2.2	16.0
LandCo Area ⁽³⁾	14,813	17,474	3.9	18.0
Total Area	458,099	448,568	100.0	-2.1

⁽¹⁾ Weather factors may affect the planted area forecast.

⁽²⁾ Areas owned by Grupo Roncador and Mitsui.

⁽³⁾ A SLC Agrícola holds an 81.23% interest in SLC LandCo.

Property portfolio

The portfolio of properties under our management on March 17, 2021 is presented below:

Table 32 Property portfolio

Crop 2020/21 (ha)		Owned ⁽¹⁾	SLC LandCo ⁽²⁾	Leased	Joint Ventures	Under Control	Total Planted ⁽³⁾
Farm	State	----- ha -----					
Pamplona	GO	17,994		3,854		21,848	22,547
Pantanal	MS			25,996		25,996	43,547
Planalto	MS	15,006		1,635		16,641	22,522
Planorte	MT	23,454				23,454	29,663
Paiguás	MT	28,129		17,318		45,447	62,930
Perdizes ⁽⁵⁾	MT	28,893	13,288			42,181	26,667
Pioneira ⁽⁴⁾	MT				19,705	19,705	33,934
Panorama	BA		10,373	14,253		24,626	21,806
Paladino ⁽⁵⁾	BA				21,889	21,889	21,889
Piratini	BA		25,356			25,356	8,446
Palmares	BA	16,195	831	16,470		33,496	24,383
Parceiro	BA	27,564	3,680	9,441		40,685	14,365
Parnaíba	MA	26,193		11,570		37,763	43,252
Palmeira	MA		10,200	14,459		24,659	21,154
Planeste	MA		22,784	20,334		43,118	61,872
Paineira ⁽⁶⁾	PI	12,892				12,892	-
Parnaguá	PI	19,416				19,416	9,219
Total	-	215,736	86,512	135,330	41,594	479,172	468,196

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

Landbank

The current position of our landbank is presented below:

Table 33 Landbank

Hectares	Under Transformation*	Under Licensing
SLC Agrícola		
Parnaíba	1,464	-
Parnaguá	-	2,872
Parceiro	5,627	-
Subtotal	7,091	2,872
SLC LandCo		
Palmeira ⁽¹⁾	4,749	-
Piratini	9,993	-
Parceiro ⁽¹⁾	-	-
Subtotal	14,742	-
Total	21,833	2,872

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

Property Appraisal

In September, a new independent appraisal of SLC Agrícola's property portfolio was concluded by the firm Deloitte Touche Tohmatsu, the result of which indicated a total value of R\$3.962 billion, representing appreciation of 4.62% in relation to 2019. The average price per arable hectare of the Company's properties is currently R\$19,455.

Machinery Base and Storage Capacity

Table 34 Machinery Base and Storage Capacity

	2018	2019	2020
Machinery (quantity)	867	873	868
Tractors	216	212	211
Grains Combiners	209	206	196
Cotton Pickers	76	85	92
Planters	212	209	210
Self propelled sprayers	154	161	159
Storage capacity (tons)			
Grains	764,000	764,000	764,000
% Production ⁽¹⁾	52%	52%	44%
Cotton	125,148	125,148	125,148
% Production ⁽¹⁾	60%	60%	63%

⁽¹⁾ Estimate based on the estimated planted area and yield for 2020/21.

Net Asset Value

Table 35 Net Asset Value – NAV

(R\$ million)	4Q20
SLC Agrícola Farms ⁽¹⁾	2,767
SLC LandCo Farms ⁽¹⁾	755
Infrastructure (excl. land)	1,114
Accounts Receivable (excl. derivatives)	149
Inventories	1,225
Biological Assets	808
Cash	1,520
Subtotal	8,338
Suppliers	1,021
Gross debt adjusted by results of operations with derivatives	2,130
Outstanding debt related to land acquisition	-
Subtotal	3,151
Net asset value	5,187
Net Asset value per share (190,595,000 shares)	27.2

⁽¹⁾ Based on the independent appraisal report (Deloitte, 2020), net of taxes.

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

Debt

Figure 18 Change in Adjusted Gross Debt (R\$ thd)

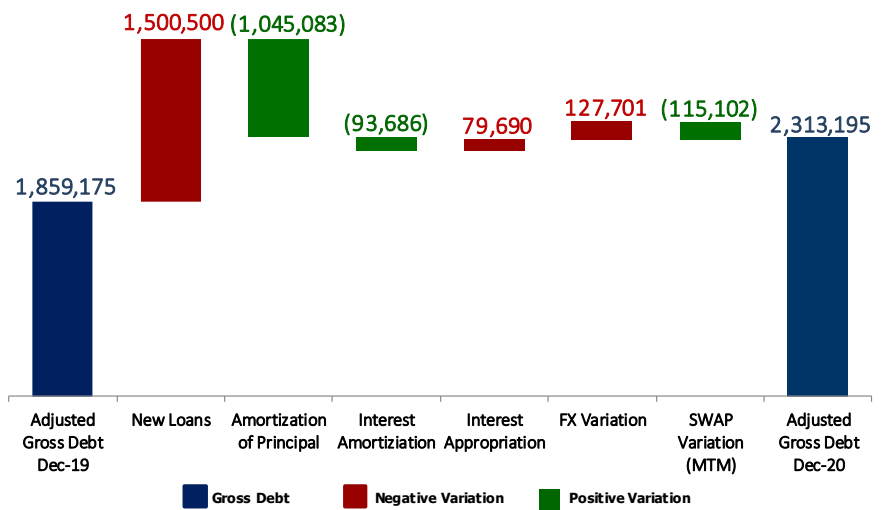


Figure 19 Adjusted Gross Debt Amortization Schedule (R\$ thd)

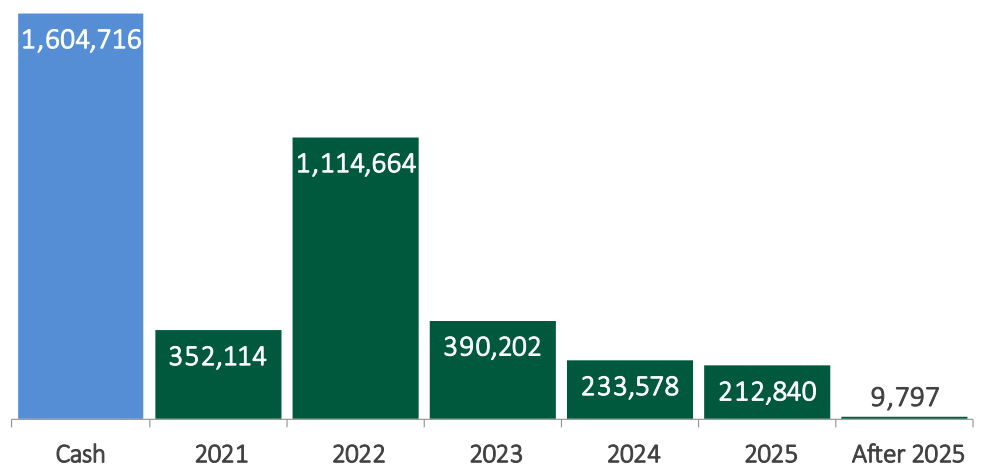


Figure 20 Adjusted Gross Debt Profile

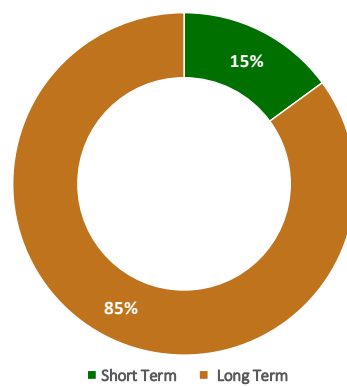
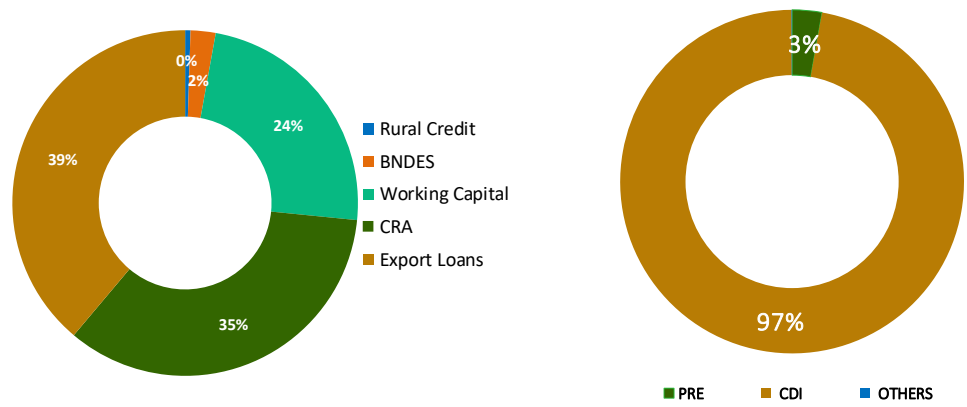
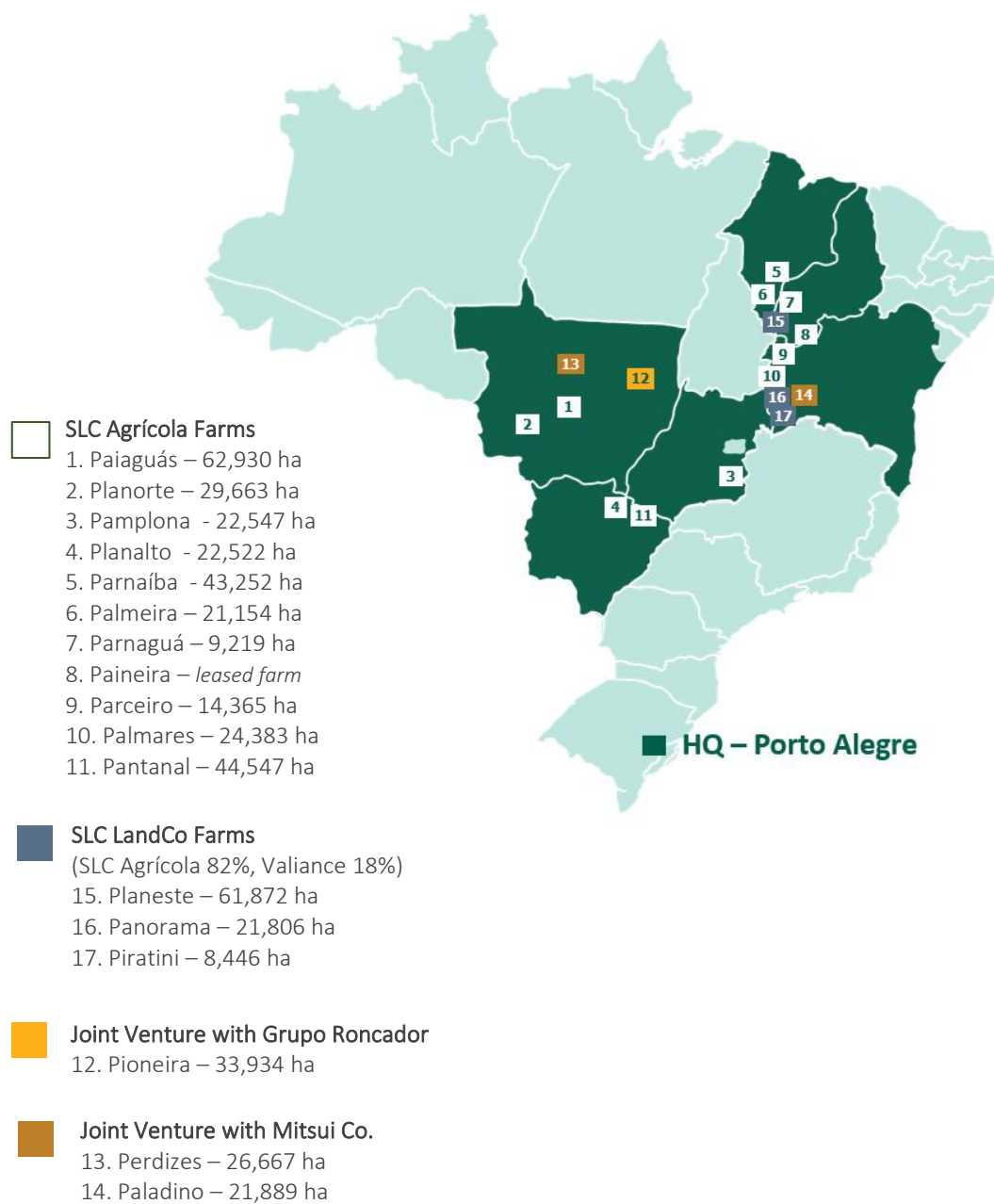


Figure 21 Gross Debt by Index and Instrument



Location of Production Units and Headquarters



Disclaimer

This release makes 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)	2019	AV	2020	AV	AH
Current Assets	3,090,810	44.4%	4,201,380	48.9%	35.9%
Cash and cash equivalents	829,427	11.9%	1,604,053	18.7%	93.4%
Short-term interest earnings bank deposits	55,342	0.8%	-	0.0%	-100.0%
Accounts receivable	178,405	2.6%	207,283	2.4%	16.2%
Advances to suppliers	2,443	0.0%	3,580	0.0%	46.5%
Inventories	1,071,354	15.4%	1,301,082	15.1%	21.4%
Biological assets	780,589	11.2%	891,804	10.4%	14.2%
Recoverable taxes	41,943	0.6%	39,447	0.5%	-6.0%
Securities and credits receivable	71,657	1.0%	31,207	0.4%	-56.4%
Operations with derivatives	34,008	0.5%	98,587	1.1%	189.9%
Intercompany transactions	11	0.0%	8	0.0%	-27.3%
Other accounts receivable	11,412	0.2%	6,217	0.1%	-45.5%
Prepaid expenses	14,030	0.2%	17,141	0.2%	22.2%
Assets held for sale	189	0.0%	971	0.0%	413.8%
Non-current assets	3,867,319	55.6%	4,388,311	51.1%	13.5%
Financial investments at fair value	650	0.0%	663	0.0%	2.0%
Recoverable taxes	122,469	1.8%	111,203	1.3%	-9.2%
Deferred income and social contribution taxes	22,517	0.3%	20,480	0.2%	-9.0%
Operations with derivatives	11,328	0.2%	146,785	1.7%	n.m.
Accounts receivable	5,248	0.1%	2,700	0.0%	-48.6%
Advances to suppliers	30,241	0.4%	59,814	0.7%	97.8%
Prepaid expenses	528	0.0%	437	0.0%	-17.2%
Other credits	7,945	0.1%	13,705	0.2%	72.5%
	200,926	2.9%	355,787	4.1%	77.1%
Property, plant and equipment	217,010	3.1%	224,194	2.6%	3.3%
Right of use asset	555,031	8.0%	828,496	9.6%	49.3%
Property, plant and equipment	2,878,989	41.4%	2,944,544	34.3%	2.3%
Intangible	15,363	0.2%	35,290	0.4%	129.7%
	3,666,393	52.7%	4,032,524	46.9%	10.0%
TOTAL ASSETS	6,958,129	100%	8,589,691	100.0%	23.4%

Exhibit 2 – Balance Sheet – Liabilities

R\$ (thd)	2019	AV	2020	AV	AH
Current Liabilities	2,043,561	29.4%	2,337,097	27.2%	14.4%
Suppliers	922,000	13.3%	1,101,769	12.8%	19.5%
Loans and financing	699,515	10.1%	377,547	4.4%	-46.0%
Taxes, rates and sundry contributions	57,510	0.8%	57,186	0.7%	-0.6%
Social charges and labor legislation obligations	54,572	0.8%	79,989	0.9%	46.6%
Advances from clients	33,289	0.5%	68,264	0.8%	105.1%
Debts with realted parties	125	0.0%	118	0.0%	-5.6%
Operations with derivatives	55,230	0.8%	358,969	4.2%	550.0%
Securities payable	12,273	0.2%	12,273	0.1%	0.0%
Provisions for tax, environmental and labor risks	4,121	0.1%	5,429	0.1%	31.7%
Dividends payable	73,759	1.1%	86,332	1.0%	17.0%
Leases payable	225	0.0%	5,283	0.1%	n.m
Third party lease liability	114,567	1.6%	162,258	1.9%	41.6%
Others accounts payables	16,375	0.2%	21,680	0.3%	32.4%
Non-current liabilities	1,930,147	27.7%	3,101,536	36.1%	60.7%
Loans and financing	1,160,251	16.7%	2,039,736	23.7%	75.8%
Deferred taxes	247,531	3.6%	230,802	2.7%	-6.8%
Operations with derivatives	5,643	0.1%	58,152	0.7%	930.5%
Securities payable	1,412	0.0%	706	0.0%	-50.0%
Other debits	161	0.0%	114	0.0%	-29.2%
Third party lease liability	515,149	7.4%	772,026	9.0%	49.9%
Shareholder's Equity	2,984,421	42.9%	3,151,058	36.7%	5.6%
Capital	947,522	13.6%	947,522	11.0%	0.0%
Capital Reserves	97,760	1.4%	97,504	1.1%	-0.3%
(-) Treasury shares	(64,321)	-0.9%	(52,921)	-0.6%	-17.7%
Profit reserves	680,719	9.8%	978,074	11.4%	43.7%
Accumulated profits	-	-	-	-	-
Other comprehensive income	1,122,997	16.1%	970,200	11.3%	-13.6%
Non-controlling shareholders in subsidiaries	199,744	2.9%	210,679	2.5%	5.5%
TOTAL LIABILITIES	6,958,129	100%	8,589,691	100%	22.7%

Exhibit 3 – Income Statement for the fiscal year

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Net Operating Revenue	2,535,905	3,097,547	22.1%	819,109	1,125,770	37.4%
Cotton lint	1,212,573	1,697,671	40.0%	593,350	887,768	49.6%
Cotton seed	77,154	156,269	102.5%	24,489	74,498	204.2%
Soybean	1,036,218	1,291,803	24.7%	119,286	192,949	61.8%
Corn	253,376	383,504	51.4%	67,308	141,985	110.9%
Others	72,874	99,907	37.1%	35,128	54,872	56.2%
FX - Hedge Income/Loss	(116,290)	(531,607)	357.1%	(20,452)	(226,302)	1006.5%
Change of the Fair Value of Biological Assets	504,751	775,534	53.6%	86,308	85,329	-1.1%
Cost of goods sold	(1,733,206)	(2,051,786)	18.4%	(581,307)	(686,949)	18.2%
Cotton lint	(762,874)	(945,782)	24.0%	(424,403)	(495,694)	16.8%
Cotton seed	(61,257)	(98,128)	60.2%	(18,400)	(46,276)	151.5%
Soybean	(644,331)	(697,641)	8.3%	(64,931)	(58,837)	-9.4%
Corn	(198,182)	(230,112)	16.1%	(45,321)	(53,492)	18.0%
Others	(66,562)	(80,123)	20.4%	(28,252)	(32,650)	15.6%
Realization of the Fair Value of Biological Assets	(524,266)	(750,996)	43.2%	(125,029)	(185,662)	48.5%
Gross Income	783,184	1,070,299	36.7%	199,081	338,488	70.0%
Operating expenses/income	(224,472)	(289,369)	28.9%	(65,189)	(103,352)	58.5%
Sales expenses	(152,972)	(173,964)	13.7%	(63,473)	(72,089)	13.6%
General and administrative expenses	(89,324)	(115,452)	29.3%	(23,005)	(42,930)	86.6%
General and administrative	(63,236)	(70,058)	10.8%	(16,183)	(21,744)	34.4%
Provision for profit share program	(26,088)	(45,394)	74.0%	(6,822)	(21,186)	210.6%
Management compensation	(13,827)	(14,716)	6.4%	(3,056)	(3,249)	6.3%
Other operating income (expenses)	31,651	14,763	-53.4%	24,345	14,916	-38.7%
Income (loss) before financial income (loss) and taxes	558,712	780,930	39.8%	133,892	235,136	75.6%
Financial income	203,659	429,678	111.0%	88,010	113,412	28.9%
Financial expenses	(347,709)	(521,429)	50.0%	(133,334)	(118,296)	-11.3%
Income (loss) before income tax	414,662	689,179	66.2%	88,568	230,252	160.0%
Income and social contribution taxes	(99,621)	(178,231)	78.9%	98	(36,079)	n.m.
Current	(90,856)	(111,392)	22.6%	(56,069)	(90,949)	62.2%
Deffered	(8,765)	(66,839)	662.6%	56,167	54,870	-2.3%
Net Income (loss) for the period	315,041	510,948	62.2%	88,666	194,173	119.0%
Assigned to Members of the Parent Company	311,514	488,674	56.9%	84,554	183,202	116.7%
Attributed to Non-Controlling Partners	3,527	22,274	531.5%	4,112	10,971	166.8%

Exhibit 4 – Statement of Cash Flows

(R\$ thd)	2019	2020	AH	4Q19	4Q20	AH
Net cash from operational activities	532,866	784,861	47.3%	466,336	557,027	19.4%
Cash generated in operations	778,746	1,155,649	48.4%	178,039	395,101	121.9%
Net income (loss) before income and social contribution taxes	414,662	689,179	66.2%	88,570	230,251	160.0%
Depreciation and amortization	105,810	119,686	13.1%	29,994	34,704	15.7%
Income from write-off of permanent assets	(17,811)	8,067	n.m	(26,465)	2,021	n.m
Interest, foreign exchange variation and price-level restatement	143,595	148,785	3.6%	16,244	(64,416)	n.m
Share-based compensation	5,386	6,463	20.0%	1,426	1,866	30.9%
Variation in biological assets	19,515	(24,538)	n.m	38,720	100,333	159.1%
Inventory adjustment provision at market value	14	(14)	n.m	14	-	-100.0%
Provision (reversal) of profit sharing and labor contingencies	26,088	45,590	74.8%	7,228	21,339	195.2%
Provision for losses in recoverable taxes	-	24,904	100.0%	-	24,904	100.0%
Fair Value of Investment Properties	(7,928)	(7,184)	-9.4%	(7,928)	(7,359)	-7.2%
Other ajusts	(1,528)	9,942	n.m	405	9,693	n.m
Avp - Lease Liability (IFRS 16)	47,607	61,106	28.4%	14,183	17,559	23.8%
Amortization of right of use (IFRS 16)	43,336	73,663	70.0%	15,648	24,206	54.7%
Changes in assets and liabilities	(245,880)	(370,788)	50.8%	288,297	161,926	-43.8%
Trade accounts receivable	(46,859)	(28,878)	-38.4%	57,604	(98,113)	n.m
Inventories and biological assets	(242,580)	(273,792)	12.9%	(53,686)	(86,109)	60.4%
Recoverable taxes	5,426	(10,468)	n.m	(6,097)	5,620	n.m
Financial investments	74,436	55,329	-25.7%	42,827	9,997	-76.7%
Other accounts receivable	(4,003)	(4,367)	9.1%	30,804	19,992	-35.1%
Advances to suppliers	22,012	5,952	-73.0%	8,720	5,543	-36.4%
Suppliers	187,493	161,769	-13.7%	376,918	431,659	14.5%
Taxes and social payables	(53,658)	(63,699)	18.7%	(6,712)	(39,398)	487.0%
Debts with related parties	(33)	(4)	-87.9%	(156)	(7)	-95.5%
Operations with derivatives	(1,087)	(83,583)	n.m	2,993	64,833	n.m
Advances from clients	(8,874)	34,975	n.m	(90,680)	(94,707)	4.4%
Lease	(58,517)	5,058	n.m	(22,457)	4,875	n.m
Other accounts payable	(945)	23,860	n.m	869	8,144	837.2%
Income tax and social contribution paid	(31,839)	(99,255)	211.7%	(11,454)	(49,667)	333.6%
Interest paid	(86,852)	(93,685)	7.9%	(41,196)	(20,736)	-49.7%
Net cash used in investment activities	(161,005)	(169,846)	5.5%	3,517	12,966	268.7%
In Fixed assets	(235,175)	(190,129)	-19.2%	(33,808)	(23,938)	-29.2%
In Intangible assets	(5,746)	(21,654)	276.9%	(1,474)	(5,739)	289.3%
Receipt from sale of land	80,621	42,643	-47.1%	41,622	42,643	2.5%
Land return payment	(705)	(706)	0.1%	(2,823)	-	-100.0%
Net cash before cash used in investment activities	371,861	615,015	65.4%	469,853	569,993	21.3%
Net cash generated/(consumed) in financing activities	(54,742)	159,611	n.m	(244,356)	(35,771)	-85.4%
Sale (repurchase) of shares	(37,835)	4,681	n.m	3,910	1,557	-60.2%
Loans and financing obtained	1,512,923	1,485,800	-1.8%	403,655	565,978	40.2%
Loans and financing paid	(1,269,658)	(1,021,393)	-19.6%	(634,133)	(554,465)	-12.6%
Dividends paid	(181,243)	(179,843)	-0.8%	-	(32,347)	100.0%
Paid leases	(78,929)	(129,634)	64.2%	(17,788)	(16,494)	-7.3%
Increase (decrease) in cash and cash equivalents	317,119	774,626	144.3%	225,497	534,222	136.9%
Opening balance of cash and cash equivalents	512,308	829,427	61.9%	603,930	1,069,831	77.1%
Closing balance of cash and cash equivalents	829,427	1,604,053	93.4%	829,427	1,604,053	93.4%
Presented Free Cash	371,861	615,015	65.4%	469,853	569,993	21.3%
Change in financial investments account ⁽¹⁾	(74,436)	(55,329)	-25.7%	(42,827)	(9,997)	-76.7%
Paid Leases ⁽²⁾	(78,929)	(129,634)	64.2%	(17,788)	(16,494)	-7.3%
(-) Payment of CRA Costs	(5,423)	(14,700)	171.1%	-	(14,700)	n.m
Share Buyback	-	(268)	100.0%	-	(268)	100.0%
Adjusted Free Cash	213,073	415,084	94.8%	409,238	528,534	29.2%

⁽¹⁾ The variations of said account are non-cash.

⁽²⁾ 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 operating cash disbursement.

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