

Contents

Company Information

Capital composition.....	2
--------------------------	---

Individual financial statements

Balance sheet - Assets.....	3
Balance sheet - Liabilities.....	4
Statement of income	6
Statements of comprehensive income	7
Statement of cash flows	8

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity - 01/01/2020 to 09/30/2020.....	9
Statement of changes in shareholders' equity - 01/01/2019 to 09/30/2019.....	10
Statement of added-value	11

Consolidated financial statements

Balance sheet - Assets.....	12
Balance sheet - Liabilities.....	13
Statement of income	15
Statements of comprehensive income	16
Statement of cash flows	17

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity - 01/01/2020 to 09/30/2020.....	18
Statement of changes in shareholders' equity - 01/01/2019 to 09/30/2019.....	19
Statement of added-value	20
Management report and comments on performance.....	21
Notes to the quarterly information	51
Commentary on the Behavior of Business Projections.....	121
Other information the company deems to be relevant	123

Reports and declarations

Special Review Report - Without Respect.....	126
Opinion of the Fiscal Council or Equivalent Body.....	128
Declaration of directors on the financial statements	129
Statements of Directors on the Report of the Independent Auditor	130

(A free translation of the original in Portuguese)

Company information / Capital composition

Number of shares (units)	Current Quarter 09/30/2020
Paid-up capital	
Common shares	190,595,000
Preferred shares	0
Total	190,595,000
Treasury shares	
Common shares	3,271,492
Preferred shares	0
Total	3,271,492

(A free translation of the original in Portuguese)

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year	Accumulated of the previous year
		09/30/2020	12/31/2019
1	Total assets	8,069,117	7,064,518
1.01	Current assets	2,934,972	2,538,852
1.01.01	Cash and cash equivalents	731,302	649,548
1.01.02	Financial investments	10,000	53,652
1.01.02.01	Financial Applications evaluated fair value through profit or loss result	10,000	53,652
1.01.02.01.01	Trading Securities	10,000	53,652
1.01.03	Bills to receive	194,310	178,695
1.01.03.01	Customers	103,629	137,114
1.01.03.02	Other Accounts Receivable	90,681	41,581
1.01.03.02.01	Advances to suppliers	3,067	1,924
1.01.03.02.02	Derivative	76,510	30,975
1.01.03.02.03	Credits Related Party	3,728	1,040
1.01.03.02.04	Other Accounts Receivable	7,376	7,642
1.01.04	Inventories	1,754,350	941,957
1.01.05	Biological assets	178,582	667,954
1.01.06	Recoverable taxes	34,984	33,970
1.01.06.01	Current taxes recoverable	34,984	33,970
1.01.07	Prepaid expenses	29,314	12,887
1.01.08	Other Current Assets	2,130	189
1.01.08.02	Discontinued Operations Assets	2,130	189
1.02	Non-current assets	5,134,145	4,525,666
1.02.01	Long-term assets	184,524	124,503
1.02.01.01	Financial Applications evaluated fair value through profit or loss result	660	650
1.02.01.01.01	Securities designated at fair value	660	650
1.02.01.08	Prepaid expenses	1,600	528
1.02.01.09	Related parties	32,704	31,050
1.02.01.09.02	Loans to subsidiaries	32,704	31,050
1.02.01.10	Other Non-current Assets	149,560	92,275
1.02.01.10.03	Taxes to recover	83,081	73,432
1.02.01.10.04	Derivative	59,653	10,492
1.02.01.10.05	Other Accounts Receivable	3,098	3,059
1.02.01.10.06	Advances to suppliers	3,728	5,292
1.02.02	Investments	2,166,299	2,200,537
1.02.02.01	Equity	2,166,299	2,200,537
1.02.02.01.01	Investments in Affiliates	2,166,299	2,200,537
1.02.03	PP&E	2,754,873	2,185,335
1.02.03.01	Construction in Operation	849,522	780,689
1.02.03.02	Right to Use in Rent	1,893,345	1,388,969
1.02.03.02.01	Asset use rights	1,893,345	1,388,969
1.02.03.03	Construction in Progress	12,006	15,677
1.02.04	Intangible	28,449	15,291
1.02.04.01	Intangibles	28,449	15,291
1.02.04.01.02	New Systems Implementation	24,162	12,379
1.02.04.01.03	Other (systems)	4,287	2,912

Individual financial statements / Balance sheet – Liabilities

(In thousands of Reais)

Code of account	Account description	Accumulated of	Accumulated of
		the current year 09/30/2020	the previous year 12/31/2019
2	Total liabilities	8,069,117	7,064,518
2.01	Current liabilities	2,211,941	1,867,588
2.01.01	Payroll and Related Charges	9,699	4,475
2.01.01.01	Social obligations	9,183	3,666
2.01.01.02	Labor obligations	516	809
2.01.02	Suppliers	545,451	773,124
2.01.02.01	National suppliers	545,451	773,124
2.01.02.01.01	National suppliers	545,451	773,124
2.01.03	Tax obligations	6,642	47,905
2.01.03.01	Federal Taxes	4,705	47,000
2.01.03.01.01	Income Tax and Social Contribution Payable	0	45,107
2.01.03.01.02	Other taxes and contributions	4,705	1,893
2.01.03.02	State Taxes	1,624	592
2.01.03.03	Municipal Taxes	313	313
2.01.04	Loans and Financing	784,933	623,874
2.01.04.01	Loans and Financing	784,933	623,874
2.01.04.01.01	In Local Currency	784,933	623,874
2.01.05	Other obligations	813,948	374,726
2.01.05.01	Liabilities Related Party	2,472	2,763
2.01.05.01.02	Debts with Subsidiaries	2,456	2,741
2.01.05.01.04	Other Payables to Related Parties	16	22
2.01.05.02	Others	811,476	371,963
2.01.05.02.02	Mandatory minimum dividend payable	12	73,759
2.01.05.02.04	Advances from Customers	145,120	28,907
2.01.05.02.05	Operations with Derivatives	375,939	47,839
2.01.05.02.06	Lease payable	154	225
2.01.05.02.08	Other debts	12,710	10,644
2.01.05.02.09	Lease liabilities with related parties	146,792	104,591
2.01.05.02.10	Third parties leasing liabilities	130,749	105,998
2.01.06	Provisions	51,268	43,484
2.01.06.01	Provisions for tax, environmental, labor and civil risks	50,938	43,154
2.01.06.01.01	Tax provisions	1,052	0
2.01.06.01.02	Social Security and Labor Provisions	25,337	15,173
2.01.06.01.03	Provisions for Employee Benefits	22,577	24,503
2.01.06.01.04	Civil provisions	403	2,003
2.01.06.01.05	Labor Provisions for contingencies	1,569	1,475

(A free translation of the original in Portuguese)

2.01.06.02	Other Provisions	330	330
2.01.06.02.03	Provisions for environmental liabilities and Deactivation	330	330
2.02	Non-current liabilities	3,139,404	2,412,253
2.02.01	Loans and Financing	1,203,237	933,853
2.02.01.01	Loans and Financing	1,203,237	933,853
2.02.01.01.01	In Local Currency	1,203,237	933,853
2.02.02	Other obligations	1,782,963	1,290,547
2.02.02.02	Others	1,782,963	1,290,547
2.02.02.02.03	Derivative	93,796	3,519
2.02.02.02.04	Other debts	128	161
2.02.02.02.05	Lease liabilities with related parties	1,090,023	795,214
2.02.02.02.06	Third parties leasing liabilities	599,016	491,653
2.02.03	Deferred taxes	153,204	187,853
2.02.03.01	Income Tax and Social Contribution Deferred	153,204	187,853
2.03	Equity	2,717,772	2,784,677
2.03.01	Capital Stock	947,522	947,522
2.03.02	Capital reserves	41,160	33,439
2.03.02.01	Premium on issue of shares	41,032	43,611
2.03.02.04	Options Granted	58,746	54,149
2.03.02.05	Treasury shares	(58,618)	(64,321)
2.03.04	Profit Reserves	606,970	680,719
2.03.04.01	Legal reserve	62,711	62,711
2.03.04.02	Statutory reserve	523,760	523,760
2.03.04.05	Retained Earnings Reserve	5,628	5,628
2.03.04.08	Additional Dividend Proposed	0	73,749
2.03.04.10	Incentivized Investment Reserve	14,871	14,871
2.03.05	Profits / Losses	308,039	0
2.03.08	Other Comprehensive Income	814,081	1,122,997

(A free translation of the original in Portuguese)

Individual financial statements / Statement of income**(In thousands of Reais)**

Code of account	Account description	Accumulated			
		Current Quarter 07/01/2020 to 09/30/2020	of the current year 01/01/2020 to 09/30/2020	Same quarter previous year 07/01/2019 to 09/30/2019	of the Previous year 01/01/2019 to 09/30/2019
3.01	Sales revenue of Goods and / or Services	657,703	2,274,355	511,968	1,846,366
3.01.01	Operating Revenue of Products	660,291	1,666,775	599,029	1,449,336
3.01.02	Change in fair value of biological assets	(2,588)	607,580	(87,061)	397,030
3.02	Cost of Goods and / or Services Sold	(625,280)	(1,642,178)	(568,578)	(1,357,118)
3.02.01	Cost of Products	(466,583)	(1,156,751)	(458,565)	(1,005,447)
3.02.02	Realization of Fair Value of Biological Assets	(158,697)	(485,427)	(110,013)	(351,671)
3.03	Gross income	32,423	632,177	(56,610)	489,248
3.04	Operating Income / Expenses	(27,168)	(70,029)	(13,297)	(34,556)
3.04.01	Selling Expenses	(17,696)	(86,250)	(28,771)	(78,385)
3.04.02	General and Administrative Expenses	(23,792)	(75,728)	(20,172)	(70,253)
3.04.02.01	General and Administrative	(21,341)	(64,771)	(17,633)	(60,228)
3.04.02.02	Management's fees	(2,451)	(10,957)	(2,539)	(10,025)
3.04.04	Other Operating Income	1,373	6,855	9,184	20,212
3.04.05	Other Operating Expenses	(1,850)	(6,499)	(2,233)	(8,522)
3.04.06	Equity income	14,797	91,593	28,695	102,392
3.05	Income before financial result and taxes	5,255	562,148	(69,907)	454,692
3.06	Financial result	(48,222)	(143,262)	(53,068)	(141,304)
3.06.01	Financial income	60,800	256,018	34,651	99,404
3.06.02	Financial expenses	(109,022)	(399,280)	(87,719)	(240,708)
3.07	Income before Taxes on Profit	(42,967)	418,886	(122,975)	313,388
3.08	Income Tax and Social Contribution on Net profit	19,218	(113,415)	42,677	(86,428)
3.08.01	Current	(1)	(508)	(230)	(12,636)
3.08.02	Deferred	19,219	(112,907)	42,907	(73,792)
3.09	Net Income from Continuing Operations	(23,749)	305,471	(80,298)	226,960
3.11	Profit / Loss for the Period	(23,749)	305,471	(80,298)	226,960
3.99	Earnings per share - (R \$ / Share)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	-0.12687	1.63184	-0.42956	1.21413
3.99.02	Diluted earnings per share				
3.99.02.01	ON	-0.12674	1.63025	-0.42600	1.20408

(A free translation of the original in Portuguese)

Individual financial statements / Statement of Comprehensive Income**(In thousands of Reais)**

Code of account	Account description	Current	Accumulated	Same quarter	Accumulated
		Quarter	of the	previous year	of the
		07/01/2020 to	current year	07/01/2019 to	Previous
		09/30/2020	01/01/2020 to	09/30/2019	year
			09/30/2020		01/01/2019 to
					09/30/2019
4.01	Net income (loss) for the period	(23,749)	305,471	(80,298)	226,960
4.02	Other Comprehensive Income	(46,565)	(306,348)	(51,943)	33,907
4.02.01	Cash flow hedge derivatives	(72,370)	(433,987)	(74,717)	47,523
4.02.02	Cash flow hedge derivatives - Controlled	1,199	(19,917)	(2,628)	2,542
4.02.03	Income tax and social contribution	24,606	147,556	25,402	(16,158)
4.03	Results Comprehensive Period	(70,314)	(877)	(132,241)	260,867

(A free translation of the original in Portuguese)

Individual financial statements / Statement of cash flows - Indirect method (In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2020 to 09/30/2020	Accumulated of the previous quarter 01/01/2019 to 09/30/2019
6.01	Net Cash Operating Activities	314,434	196,040
6.01.01	Funds From Operations	645,632	487,941
6.01.01.01	Net Income (loss) before income taxes	418,886	313,388
6.01.01.02	Depreciation and amortization - in search results	57,069	54,117
6.01.01.03	Result in low of fixed assets	5,631	8,190
6.01.01.04	Equity	(91,593)	(102,392)
6.01.01.05	Interest,exchange and monetary variation	163,481	113,817
6.01.01.06	Stock-based compensation	4,597	3,960
6.01.01.07	Variation of Biological Assets	(122,153)	(45,359)
6.01.01.08	Provision (reversal) Partic. the results and labor contingencies	21,825	16,617
6.01.01.09	Provision (reversal) for Inventory Adjustment to market value	(14)	428
6.01.01.10	APV - Liabilities rental	108,057	85,289
6.01.01.11	Amortization of Right of Use	79,610	42,487
6.01.01.12	Others	236	(2,601)
6.01.02	Changes in Assets and Liabilities	(331,198)	(291,901)
6.01.02.01	Accounts receivable	33,485	(93,293)
6.01.02.02	Inventories and biological assets	(149,770)	(127,241)
6.01.02.03	Taxes to recover	(10,663)	13,379
6.01.02.04	Financial investments	43,642	38,898
6.01.02.05	Other accounts receivable	(19,213)	(32,539)
6.01.02.06	Suppliers	(227,555)	(120,836)
6.01.02.07	Fiscal and social obligations	(21,162)	(33,931)
6.01.02.08	Obligations with related parties	(4,633)	(50,905)
6.01.02.09	Derivative transactions	(110,306)	(8,476)
6.01.02.10	Advances from customers	116,213	76,274
6.01.02.11	Rentals payable	(71)	(27,740)
6.01.02.12	Other bills to pay	9,479	(1,376)
6.01.02.13	Dividends Received	104,260	114,106
6.01.02.14	Advance to suppliers	421	12,949
6.01.02.15	Interest Paid	(58,001)	(41,020)
6.01.02.16	Income tax and social contribution paid	(37,324)	(10,150)
6.02	Net cash investing activities	(155,497)	(169,713)
6.02.02	In fixed assets	(139,664)	(165,732)
6.02.03	In intangible	(15,833)	(3,981)
6.03	Net cash from financing activities	(77,183)	32,992
6.03.01	Loans and financing	714,822	985,868
6.03.02	Loans and financing paid	(389,746)	(608,073)
6.03.03	Sale or repurchase of Shares	3,124	(41,744)
6.03.04	Paid leases	(257,839)	(126,745)
6.03.05	dividends paid	(147,496)	(176,314)
6.03.06	Payment of Capital	(48)	0
6.05	Increase (Decrease) in Cash	81,754	59,319
6.05.01	Opening balance of cash and cash equivalents	649,548	384,628
6.05.02	Closing balance of cash and cash equivalents	731,302	443,947

(A free translation of the original in Portuguese)

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020 to 09/30/2020**(In thousands of Reais)**

Code of account	Account description						Shareholders' equity
		Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	
5.01	Opening balances	947,522	33,439	680,719	0	1,122,997	2,784,677
5.03	Initial Adjusted Balances	947,522	33,439	680,719	0	1,122,997	2,784,677
5.04	Capital transactions with Partners	0	7,721	0	0	0	7,721
5.04.03	Recognized Granted Options	0	4,597	0	0	0	4,597
5.04.05	Treasury shares sold	0	5,703	0	0	0	5,703
5.04.08	Goodwill on the delivery of shares	0	(2,579)	0	0	0	(2,579)
5.05	Total Comprehensive Income	0	0	0	308,039	(308,916)	(877)
5.05.01	Net income for the period	0	0	0	305,471	0	305,471
5.05.02	Other Comprehensive Income	0	0	0	2,568	(308,916)	(306,348)
5.05.02.01	Financial Instruments Adjustments	0	0	0	0	(433,987)	(433,987)
5.05.02.02	Taxes on Adjustments Financial Instruments	0	0	0	0	147,556	147,556
5.05.02.03	Equity in the comprehensive income of subsidiaries and affiliates	0	0	0	0	(19,917)	(19,917)
5.05.02.06	Realization of depreciation of the deemed cost fixed assets	0	0	0	1,940	(1,940)	0
5.05.02.07	Realization of sales of the deemed cost a to fixed assets	0	0	0	416	(416)	0
5.05.02.08	Realization of depreciation of the deemed cost fixed assets- Subsidiaries	0	0	0	212	(212)	0
5.06	Internal Changes in Equity	0	0	(73,749)	0	0	(73,749)
5.06.05	Additional dividend approved for 2019 year	0	0	(73,749)	0	0	(73,749)
5.07	Ending balances	947,522	41,160	606,970	308,039	814,081	2,717,772

(A free translation of the original in Portuguese)

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019 to 09/30/2019**(In thousands of Reais)**

Code of account	Account description	Capital reserves, Options granted and		Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
		Paid-up capital	Treasury shares				
5.01	Opening balances	947,522	65,888	496,797	0	1,087,961	2,598,168
5.03	Initial Adjusted Balances	947,522	65,888	496,797	0	1,087,961	2,598,168
5.04	Capital transactions with Partners	0	(37,785)	0	0	0	(37,785)
5.04.03	Recognized Granted Options	0	3,960	0	0	0	3,960
5.04.04	Treasury Shares Acquired	0	(42,708)	0	0	0	(42,708)
5.04.05	Treasury shares sold	0	2,405	0	0	0	2,405
5.04.08	Goodwill on the delivery of shares	0	(1,442)	0	0	0	(1,442)
5.05	Total Comprehensive Income	0	0	0	230,142	30,725	260,867
5.05.01	Net income for the period	0	0	0	226,960	0	226,960
5.05.02	Other Comprehensive Income	0	0	0	3,182	30,725	33,907
5.05.02.01	Financial Instruments Adjustments	0	0	0	0	47,523	47,523
5.05.02.02	Taxes on Adjustments Financial Instruments	0	0	0	0	(16,158)	(16,158)
5.05.02.03	Equity in the comprehensive income of subsidiaries and affiliates	0	0	0	0	2,542	2,542
5.05.02.06	Realization of depreciation of the deemed cost a to fixed assets	0	0	0	2,127	(2,127)	0
5.05.02.07	Realization of sales of the deemed cost a to fixed assets	0	0	0	1,265	(1,265)	0
5.05.02.08	Realization of depreciation of the deemed cost a to fixed assets-Subsidiaries	0	0	0	(210)	210	0
5.06	Internal Changes in Equity	0	0	(88,156)	0	0	(88,156)
5.06.04	Proposed additional dividend	0	0	(88,156)	0	0	(88,156)
5.07	Ending balances	947,522	28,103	408,641	230,142	1,118,686	2,733,094

(A free translation of the original in Portuguese)

Individual financial statements / Statement of added value**(In thousands of Reais)**

Code of account	Account description	Accumulated of the current year	Accumulated of the previous year
		01/01/2020 to 09/30/2020	01/01/2019 to 09/30/2019
7.01	Revenue	2,645,497	2,068,102
7.01.01	Sales of Goods, Products and Services	1,970,295	1,591,776
7.01.02	Other Revenues	614,514	412,780
7.01.02.01	Other Revenues	6,934	15,750
7.01.02.02	Change in fair value of biological assets	607,580	397,030
7.01.03	Revenue from the Construction of Own Assets	60,688	63,546
7.02	Inputs Acquired from Third Parties	(1,554,927)	(1,260,132)
7.02.01	Costs of Products, merchandises and services sold	(6,133)	(3,486)
7.02.02	Materials, Energy, Third Parties Services and Others	(407,488)	(375,054)
7.02.03	Loss / Recovery Asset Values	0	(428)
7.02.04	Others	(1,141,306)	(881,164)
7.02.04.01	Raw materials consumed	(655,879)	(529,493)
7.02.04.02	Adjustment to fair value of biological assets	(485,427)	(351,671)
7.03	Gross Added Value	1,090,570	807,970
7.04	Retentions	(136,679)	(96,604)
7.04.01	Depreciation, Amortization and Depletion	(57,069)	(54,117)
7.04.02	Others	(79,610)	(42,487)
7.04.02.01	Amortization of Right of Use	(79,610)	(42,487)
7.05	Value Added Net Produced	953,891	711,366
7.06	Value Added Received in Transfer	351,659	202,200
7.06.01	Equity income	91,593	102,392
7.06.02	Financial income	256,018	99,404
7.06.03	Others	4,048	404
7.07	Value Added Total Distributable	1,305,550	913,566
7.08	Distribution of Value Added	1,305,550	913,566
7.08.01	Expenses with personnel	195,925	190,588
7.08.01.01	Direct compensation	113,597	116,213
7.08.01.02	Benefits	70,505	62,874
7.08.01.03	F.G.T.S.	11,823	11,501
7.08.02	Taxes, fees and contributions	139,226	90,429
7.08.02.01	Federal	136,805	88,662
7.08.02.02	State	2,039	1,340
7.08.02.03	Municipal	382	427
7.08.03	Third parties' assets	664,928	405,589
7.08.03.01	Interest	646,365	332,104
7.08.03.02	Rents	18,563	73,485
7.08.04	Equity Compenstion	305,471	226,960
7.08.04.03	Retained Earnings / Loss for the Period	305,471	226,960

(A free translation of the original in Portuguese)

Consolidated financial statements / Balance sheet - Assets**(In thousands of Reais)**

Code of account	Account description	Accumulated of the current year 09/30/2020	Accumulated of the Previous Year 12/31/2019
1	Total assets	7,830,049	6,958,129
1.01	Current assets	3,641,770	3,090,810
1.01.01	Cash and cash equivalents	1,069,831	829,427
1.01.01.01	Cash and cash equivalents	1,069,831	829,427
1.01.02	Financial investments	10,000	55,342
1.01.02.01	Financial Applications evaluated fair value through profit or loss result	10,000	55,342
1.01.02.01.01	Trading Securities	10,000	55,342
1.01.03	Bills to receive	283,266	297,936
1.01.03.01	Customers	109,170	178,405
1.01.03.02	Other Accounts Receivable	174,096	119,531
1.01.03.02.01	Advances to suppliers	3,599	2,443
1.01.03.02.02	Derivative	86,161	34,008
1.01.03.02.03	Titles and credits receivable	73,759	71,657
1.01.03.02.04	Credits Related Party	0	11
1.01.03.02.05	Other Accounts Receivable	10,577	11,412
1.01.04	Inventories	1,976,064	1,071,354
1.01.05	Biological assets	225,479	780,589
1.01.06	Recoverable taxes	44,024	41,943
1.01.06.01	Current taxes recoverable	44,024	41,943
1.01.07	Prepaid expenses	30,768	14,030
1.01.08	Other Current Assets	2,338	189
1.01.08.02	Discontinued Operations Assets	2,338	189
1.02	Non-current assets	4,188,279	3,867,319
1.02.01	Long-term assets	305,427	200,926
1.02.01.01	Financial Applications evaluated fair value through profit or loss result	660	650
1.02.01.01.01	Securities designated at fair value	660	650
1.02.01.07	Deferred taxes	31,745	22,517
1.02.01.07.01	Income Tax and Social Contribution Deferred	31,745	22,517
1.02.01.08	Prepaid expenses	1,600	528
1.02.01.10	Other Non-current Assets	271,422	177,231
1.02.01.10.03	Taxes to recover	136,476	122,469
1.02.01.10.04	Derivative	90,409	11,328
1.02.01.10.05	Other Accounts Receivable	13,180	7,945
1.02.01.10.06	Advances to suppliers	28,676	30,241
1.02.01.10.07	Titles and credits receivable	2,681	5,248
1.02.02	Investments	216,835	217,010
1.02.02.02	Investment Property	216,835	217,010
1.02.03	PP&E	3,637,517	3,434,020
1.02.03.01	Construction in Operation	2,929,430	2,858,958
1.02.03.02	Right to Use in Rent	693,227	555,031
1.02.03.02.01	Asset use rights	693,227	555,031
1.02.03.03	Construction in Progress	14,860	20,031
1.02.04	Intangible	28,500	15,363
1.02.04.01	Intangibles	28,500	15,363
1.02.04.01.02	New Systems Implementation	24,162	12,379
1.02.04.01.03	Others (system)	4,338	2,984

(A free translation of the original in Portuguese)

Consolidated financial statements / Balance sheet – Liabilities**(In thousands of Reais)**

Code of account	Account description	Accumulated of the current year	Accumulated of the Previous Year
		09/30/2020	12/31/2019
2	Total liabilities	7,830,049	6,958,129
2.01	Current liabilities	2,475,175	2,043,561
2.01.01	Payroll and Related Charges	15,693	9,652
2.01.01.01	Social obligations	15,096	8,753
2.01.01.02	Labor obligations	597	899
2.01.02	Suppliers	653,488	922,000
2.01.02.01	National suppliers	653,488	922,000
2.01.02.01.01	National suppliers	653,488	922,000
2.01.03	Tax obligations	22,398	57,510
2.01.03.01	Federal Taxes	20,371	56,497
2.01.03.01.01	Income Tax and Social Contribution Payable	15,462	54,290
2.01.03.01.02	Other taxes and contributions	4,909	2,207
2.01.03.02	State Taxes	1,679	653
2.01.03.03	Municipal Taxes	348	360
2.01.04	Loans and Financing	959,531	699,515
2.01.04.01	Loans and Financing	959,531	699,515
2.01.04.01.01	In Local Currency	959,531	699,515
2.01.05	Other obligations	764,560	305,843
2.01.05.01	Liabilities Related Party	117	125
2.01.05.01.04	Other Payables to Related Parties	117	125
2.01.05.02	Others	764,443	305,718
2.01.05.02.02	Mandatory minimum dividend payable	12	73,759
2.01.05.02.04	Advances from Customers	162,971	33,289
2.01.05.02.05	Operations with Derivatives	425,004	55,230
2.01.05.02.06	Lease payable	408	225
2.01.05.02.07	Titles to pay	12,273	12,273
2.01.05.02.08	Other debts	22,014	16,375
2.01.05.02.10	Third parties leasing liabilities	141,761	114,567
2.01.06	Provisions	59,505	49,041
2.01.06.01	Provisions for tax, environmental, labor and civil risks	59,175	48,711
2.01.06.01.01	Tax provisions	1,123	0
2.01.06.01.02	Social Security and Labor Provisions	28,714	17,236
2.01.06.01.03	Provisions for Employee Benefits	25,515	27,684
2.01.06.01.04	Civil provisions	1,993	2,003
2.01.06.01.05	Labor Provisions for contingencies	1,830	1,788
2.01.06.02	Other Provisions	330	330
2.01.06.02.03	Provisions for environmental liabilities and Deactivation	330	330
2.02	Non-current liabilities	2,444,148	1,930,147
2.02.01	Loans and Financing	1,494,494	1,160,251
2.02.01.01	Loans and Financing	1,494,494	1,160,251

(A free translation of the original in Portuguese)

2.02.01.01.01	In Local Currency	1,494,494	1,160,251
2.02.02	Other obligations	738,325	522,365
2.02.02.02	Others	738,325	522,365
2.02.02.02.03	Titles to pay	706	1,412
2.02.02.02.04	Derivative	110,268	5,643
2.02.02.02.05	Other debts	128	161
2.02.02.02.06	Third parties leasing liabilities	627,223	515,149
2.02.03	Deferred taxes	211,329	247,531
2.02.03.01	Income Tax and Social Contribution Deferred	211,329	247,531
2.03	Consolidated Shareholders' Equity	2,910,726	2,984,421
2.03.01	Capital Stock	947,522	947,522
2.03.02	Capital reserves	41,160	33,439
2.03.02.01	Premium on issue of shares	41,032	43,611
2.03.02.04	Options Granted	58,746	54,149
2.03.02.05	Treasury shares	(58,618)	(64,321)
2.03.04	Profit Reserves	606,970	680,719
2.03.04.01	Legal reserve	62,711	62,711
2.03.04.02	Statutory reserve	523,760	523,760
2.03.04.05	Retained Earnings Reserve	5,628	5,628
2.03.04.08	Additional Dividend Proposed	0	73,749
2.03.04.10	Incentivized Investment Reserve	14,871	14,871
2.03.05	Profits / Losses	308,039	0
2.03.08	Other Comprehensive Income	814,081	1,122,997
2.03.09	Shareholders Non-controlling interest	192,954	199,744

(A free translation of the original in Portuguese)

Consolidated financial statements / Statement of income**(In thousands of Reais)**

Code of account	Account description	Current	Accumulated	Same	Accumulated
		Quarter	of the	quarter	of the
		07/01/2020 to	01/01/2020 to	07/01/2019 to	01/01/2019 to
		09/30/2020	09/30/2020	09/30/2019	09/30/2019
3.01	Sales revenue of Goods and / or Services	751,267	2,661,982	563,106	2,135,237
3.01.01	Operating Revenue of Products	776,517	1,971,778	684,903	1,716,794
3.01.02	Change in fair value of biological assets	(25,250)	690,204	(121,797)	418,443
3.02	Cost of Goods and / or Services Sold	(734,459)	(1,930,171)	(625,332)	(1,551,137)
3.02.01	Cost of Products	(551,022)	(1,364,838)	(512,277)	(1,151,899)
3.02.02	Realization of Fair Value of Biological Assets	(183,437)	(565,333)	(113,055)	(399,238)
3.03	Gross income	16,808	731,811	(62,226)	584,100
3.04	Operating Income / Expenses	(51,797)	(186,016)	(47,648)	(159,282)
3.04.01	Selling Expenses	(23,250)	(101,873)	(32,030)	(89,498)
3.04.02	General and Administrative Expenses	(27,753)	(83,991)	(22,319)	(77,091)
3.04.02.01	General and Administrative	(25,169)	(72,523)	(19,664)	(66,319)
3.04.02.02	Management's fees	(2,584)	(11,468)	(2,655)	(10,772)
3.04.04	Other Operating Income	1,098	6,810	9,139	16,296
3.04.05	Other Operating Expenses	(1,892)	(6,962)	(2,438)	(8,989)
3.05	Income before financial result and taxes	(34,989)	545,795	(109,874)	424,818
3.06	Financial result	(26,403)	(86,867)	(41,308)	(98,726)
3.06.01	Financial income	78,241	316,266	40,706	115,649
3.06.02	Financial expenses	(104,644)	(403,133)	(82,014)	(214,375)
3.07	Income Before Taxes on Profit	(61,392)	458,928	(151,182)	326,092
3.08	Income Tax and Social Contribution on Net Profit	25,682	(142,151)	54,223	(99,718)
3.08.01	Current	(16,128)	(20,443)	(12,676)	(34,787)
3.08.02	Deferred	41,810	(121,708)	66,899	(64,931)
3.09	Net Income from Continuing Operations	(35,710)	316,777	(96,959)	226,374
3.11	Profit / Loss Consolidated Period	(35,710)	316,777	(96,959)	226,374
3.11.01	Assigned to Controlling Company's Partners	(23,749)	305,471	(80,298)	226,960
3.11.02	Assigned to non-controlling Partners	(11,961)	11,306	(16,661)	(586)
3.99	Earnings per share - (R \$ / Share)	0	0	0	0
3.99.01	Basic earnings per share	0	0	0	0
3.99.01.01	ON	-0.12687	1.63184	-0.42956	1.21413
3.99.02	Diluted earnings per share	0	0	0	0
3.99.02.01	ON	-0.12674	1.63025	-0.42600	1.20408

(A free translation of the original in Portuguese)

Consolidated financial statements / Statement of Comprehensive Income**(In thousands of Reais)**

Code of account	Account description	Current	Accumulated	Same quarter	Accumulated
		Quarter	of the	previous year	of the
		07/01/2020 to	current year	07/01/2019 to	Previous
		09/30/2020	01/01/2020 to	09/30/2019	year
			09/30/2020		01/01/2019 to
					09/30/2019
4.01	Consolidated Net income (loss) for the period	(35,710)	316,777	(96,959)	226,374
4.02	Other Comprehensive Income	(45,382)	(324,444)	(54,471)	36,433
4.02.01	Cash flow hedge derivatives	(68,761)	(491,582)	(82,554)	55,205
4.02.02	Income tax and social contribution	23,379	167,138	28,083	(18,772)
4.03	Consolidated Comprehensive Income for the period	(81,092)	(7,667)	(151,430)	262,807
4.03.01	Assigned to Controlling Company's Partners	(70,314)	(877)	(132,241)	260,867
4.03.02	Assigned to non-controlling Partners	(10,778)	(6,790)	(19,189)	1,940

(A free translation of the original in Portuguese)

Consolidated financial statements / Statement of cash flows - Indirect method**(In thousands of Reais)**

Code of account	Account description	Accumulated of the current year 01/01/2020 to 09/30/2020	Accumulated of the previous year 01/01/2019 to 09/30/2019
6.01	Net Cash Operating Activities	227,128	68,648
6.01.01	Funds From Operations	760,548	600,707
6.01.01.01	Net Income (loss) before income taxes	458,928	326,092
6.01.01.02	Depreciation and amortization - in search results	84,982	75,816
6.01.01.03	Result in low of fixed assets	6,046	8,654
6.01.01.04	Interest,exchange and monetary variation	213,201	127,351
6.01.01.05	Stock-based compensation	4,597	3,960
6.01.01.06	Variation of Biological Assets	(124,871)	(19,205)
6.01.01.07	Provision (reversal) Partic. the results and labor contingencies	24,251	18,860
6.01.01.08	Provision (reversal) for Inventory Adjustment to market value	(14)	766
6.01.01.09	APV - Liabilities rental	43,547	33,424
6.01.01.10	Amortization of Right of Use	49,457	27,688
6.01.01.11	Others	249	(2,699)
6.01.01.12	Fair value of investment properties	175	0
6.01.02	Changes in Assets and Liabilities	(533,420)	(532,059)
6.01.02.01	Accounts receivable	69,235	(104,463)
6.01.02.02	Inventories and biological assets	(187,683)	(188,894)
6.01.02.03	Taxes to recover	(16,088)	11,523
6.01.02.04	Financial investments	45,332	31,609
6.01.02.05	Other accounts receivable	(24,359)	(34,807)
6.01.02.06	Suppliers	(269,890)	(189,425)
6.01.02.08	Fiscal and social obligations	(24,301)	(46,946)
6.01.02.09	Obligations with related parties	3	123
6.01.02.10	Derivative transactions	(148,416)	(4,080)
6.01.02.11	Advances from customers	129,682	81,806
6.01.02.12	Rentals payable	183	(36,060)
6.01.02.13	Other bills to pay	15,716	(1,814)
6.01.02.15	Advance to suppliers	409	13,292
6.01.02.16	Interest Paid	(72,949)	(45,656)
6.01.02.17	Income tax and social contribution paid	(49,588)	(20,385)
6.01.02.18	Titles to pay	(706)	2,118
6.02	Net cash investing activities	(182,106)	(166,640)
6.02.01	In fixed assets	(166,191)	(201,367)
6.02.02	In intangible	(15,915)	(4,272)
6.02.03	Proceeds from land sales	0	38,999
6.03	Net cash from financing activities	195,382	189,614
6.03.01	Loans and financing	919,822	1,109,268
6.03.02	Loans and financing paid	(466,928)	(635,525)
6.03.03	Sale or repurchase of Shares	3,124	(41,745)
6.03.04	Paid leases	(113,140)	(61,141)
6.03.05	Dividends paid	(147,496)	(181,243)
6.05	Increase (Decrease) in Cash	240,404	91,622
6.05.01	Opening balance of cash and cash equivalents	829,427	512,308
6.05.02	Closing balance of cash and cash equivalents	1,069,831	603,930

(A free translation of the original in Portuguese)

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2020 to 09/30/2020**(In thousands of Reais)**

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	947,522	33,439	680,719	0	1,122,997	2,784,677	199,744	2,984,421
5.03	Initial Adjusted Balances	947,522	33,439	680,719	0	1,122,997	2,784,677	199,744	2,984,421
5.04	Capital transactions with Partners	0	7,721	0	0	0	7,721	0	7,721
5.04.03	Recognized Granted Options	0	4,597	0	0	0	4,597	0	4,597
5.04.05	Treasury shares sold	0	5,703	0	0	0	5,703	0	5,703
5.04.08	Goodwill on the delivery of shares	0	(2,579)	0	0	0	(2,579)	0	(2,579)
5.05	Total Comprehensive Income	0	0	0	308,039	(308,916)	(877)	(6,790)	(7,667)
5.05.01	Net income for the period	0	0	0	305,471	0	305,471	11,306	316,777
5.05.02	Other Comprehensive Income	0	0	0	2,568	(308,916)	(306,348)	(18,096)	(324,444)
5.05.02.01	Financial Instruments Adjustments	0	0	0	0	(464,164)	(464,164)	(27,417)	(491,581)
5.05.02.02	Taxes s / Adjustments Financial Instruments	0	0	0	0	157,816	157,816	9,321	167,137
5.05.02.06	Realization of depreciation of the deemed cost fixed assets	0	0	0	2,356	(2,356)	0	0	0
5.05.02.07	Cost assigned fixed assets	0	0	0	212	(212)	0	0	0
5.06	Internal Changes in Equity	0	0	(73,749)	0	0	(73,749)	0	(73,749)
5.06.04	Additional dividend approved for 2019 year	0	0	(73,749)	0	0	(73,749)	0	(73,749)
5.07	Ending balances	947,522	41,160	606,970	308,039	814,081	2,717,772	192,954	2,910,726

(A free translation of the original in Portuguese)

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2019 to 09/30/2019**(In thousands of Reais)**

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	947,522	65,888	496,797	0	1,087,961	2,598,168	196,585	2,794,753
5.03	Initial Adjusted Balances	947,522	65,888	496,797	0	1,087,961	2,598,168	196,585	2,794,753
5.04	Capital transactions with Partners	0	(37,785)	0	0	0	(37,785)	0	(37,785)
5.04.03	Recognized Granted Options	0	3,960	0	0	0	3,960	0	3,960
5.04.04	Treasury Shares Acquired	0	(42,708)	0	0	0	(42,708)	0	(42,708)
5.04.05	Treasury shares sold	0	2,405	0	0	0	2,405	0	2,405
5.04.08	Goodwill on the delivery of shares	0	(1,442)	0	0	0	(1,442)	0	(1,442)
5.05	Total Comprehensive Income	0	0	0	230,142	30,725	260,867	1,940	262,807
5.05.01	Net income for the period	0	0	0	226,960	0	226,960	(586)	226,374
5.05.02	Other Comprehensive Income	0	0	0	3,182	30,725	33,907	2,526	36,433
5.05.02.01	Financial Instruments Adjustments	0	0	0	0	51,373	51,373	3,832	55,205
5.05.02.02	Taxes s / Adjustments Financial Instruments	0	0	0	0	(17,466)	(17,466)	(1,306)	(18,772)
5.05.02.06	Realization of depreciation of the deemed	0	0	0	3,392	(3,392)	0	0	0
5.05.02.07	Cost assigned fixed assets	0	0	0	(210)	210	0	0	0
5.06	Internal Changes in Equity	0	0	(88,156)	0	0	(88,156)	(1,355)	(89,511)
5.06.04	Additional dividend approved for 2019 year	0	0	(88,156)	0	0	(88,156)	(1,355)	(89,511)
5.07	Ending balances	947,522	28,103	408,641	230,142	1,118,686	2,733,094	197,170	2,930,264

(A free translation of the original in Portuguese)

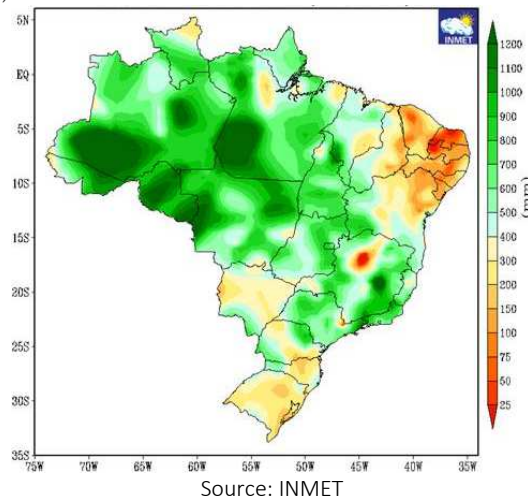
Consolidated financial statements / Statement of added value**(In thousands of Reais)**

Code of account	Account description	Accumulated of the current year 01/01/2020 to 09/30/2020	Accumulated of the previous year 01/01/2019 to 09/30/2019
7.01	Revenue	3,122,178	2,374,497
7.01.01	Sales of Goods, Products and Services	2,345,334	1,857,358
7.01.02	Other Revenues	703,682	432,034
7.01.02.01	Other Revenues	13,478	13,591
7.01.02.02	Change in fair value of biological assets	690,204	418,443
7.01.03	Revenue from the Construction of Own Assets	73,162	85,105
7.02	Inputs Acquired from Third Parties	(1,843,791)	(1,486,855)
7.02.01	Costs of Products, merchandises and services sold	(11,340)	(8,491)
7.02.02	Materials, Energy, Third Parties Services and Others	(476,537)	(449,855)
7.02.03	Loss / Recovery Asset Values	0	(428)
7.02.04	Others	(1,355,914)	(1,028,081)
7.02.04.01	Raw materials consumed	(790,581)	(628,843)
7.02.04.02	Adjustment to fair value of biological assets	(565,333)	(399,238)
7.03	Gross Added Value	1,278,387	887,642
7.04	Retentions	(134,439)	(103,504)
7.04.01	Depreciation, Amortization and Depletion	(84,982)	(75,816)
7.04.02	Others	(49,457)	(27,688)
7.04.02.01	Amortization of Right of Use	(49,457)	(27,688)
7.05	Value Added Net Produced	1,143,948	784,138
7.06	Value Added Received in Transfer	320,685	129,157
7.06.02	Financial income	316,266	115,649
7.06.03	Others	4,419	13,508
7.07	Value Added Total Distributable	1,464,633	913,295
7.08	Distribution of Value Added	1,464,633	913,295
7.08.01	Expenses with personnel	234,290	223,503
7.08.01.01	Direct compensation	139,261	137,507
7.08.01.02	Benefits	81,724	73,002
7.08.01.03	F.G.T.S.	13,305	12,994
7.08.02	Taxes, fees and contributions	184,455	116,960
7.08.02.01	Federal	177,190	114,519
7.08.02.02	State	6,883	2,003
7.08.02.03	Municipal	382	438
7.08.03	Third parties' assets	729,111	346,458
7.08.03.01	Interest	711,222	310,133
7.08.03.02	Rents	17,889	36,325
7.08.04	Equity Compensation	316,777	226,374
7.08.04.03	Retained Earnings / Loss for the Period	305,471	226,960
7.08.04.04	Part. No controllers in retained Earnings	11,306	(586)

Message from Management

Operations. The planted area planned for the new cycle is 471.7 thousand hectares, a new record, and with a 5.2% growth over 2019/20. The delay in the beginning of the rains in the mid-west region caused the postponement of soybean planting and, consequently, the reduction in the second-crop cotton planting window. As a result, part of the second crop area initially planned for cotton was transferred to corn, which has a more extensive planting window. Despite the delay in rainfall, given that the forecast for the 2020/21 harvest points out for the occurrence of the La Niña weather phenomenon, the estimate is for rains above average in the Cerrado region, and below average for the South portion of South America.

Figure 1 Rainfall Forecast, Nov-20 to Jan-21



Financials. Net revenue grew 14.9% in the comparison between 9M20 and 9M19, and the accumulated Adjusted EBITDA of 2020 reached the amount of R\$562.3 million with a margin of 28.5%. The combination of the devaluation of the Real over 2020 and the recovery in commodity prices in recent months contributed to the accumulated net profit for 9M20 of R\$316.8 million, 40% higher than 2019.

Free Cash Flow was positive in the quarter, at R\$315.1 million, reflecting the improvement in cash flow that is characteristic of the second half of the year (end of payment of crop inputs and increase in invoiced cotton volumes). As a result, the Company's Adjusted Net Debt ended the third quarter of 2020 at R\$1.2 billion, showing a decrease of R\$234.4 million compared to 2Q20, reflecting the positive free cash generation in the period due to the financial cycle. The Net Debt /EBITDA ratio also fell, to 1.46 times.

We also highlight that the Company's Board of Directors approved, at a meeting held on October 5, 2020, the issuance of a "Rural Financial Product Note" ("CPR-F") by the Company, in the amount of up to R\$480 million, for the benefit of ISEC Securitizadora SA, which will serve as a backing for the agribusiness receivables securitization operation that will result in the issuance of Agribusiness Receivables Certificates ("CRA") in the initial amount of R\$400 million, which can be increased up to R\$480 million, with coordinators Banco Bradesco BBI SA, Banco Santander (Brasil) SA and Banco Itaú BBA SA. The CRA's public offering is subject to analysis and registration by the Brazilian Securities and Exchange Commission, in accordance with CVM Instruction 400.

Additionally, we raised funds of R\$100 million on October 29 from Banco Santander in the first operation with the "Green Bond" seal carried out by the Company, enabling a differentiated loan rate, due to our practices in Environmental Management and Social Responsibility.

Land Appraisal 2020. In September, the new independent appraisal of the Company's land portfolio was concluded by Deloitte Touche Tohmatsu, which showed a total value of R\$3.962 billion, an increase of 4.62% in relation to 2019. The average value of the agricultural land owned by the Company is currently R\$19.343.

Payment of Interest on Own Capital. Considering the cash generation in the period, as well as the taxable profit, Management approved on this date the payment of R\$ 37.1 million as Interest on Own Capital to its shareholders. Payment will be made on December 16, with a cut-off date of November 13. The amount corresponding to the payment of interest on own capital will be imputed in the calculation of the mandatory dividend for fiscal year 2020, as provided for in the Company's Bylaws.

Innovation Strategy and creation of SLC Ventures. In the review of the 2020 Strategic Planning with Directors and Managers, which was carried out in digital format, among other deliberations, a plan for investments in new businesses in agriculture with a digital focus was outlined and approved with the Board, in connection with the new technological trends in course in the sector. The initiative gives a new mandate to the Innovation Strategy, with a view to renewing the business in the long-term and complements the various efforts already underway that aim at strengthening the current business (early-adopter of new technologies). The vehicle for carrying out the investments will be SLC Ventures.

ESG. In this Release, the section dedicated to the theme focuses on Environmental Management.

Awards. We are pleased to celebrate the following acknowledgments received during the quarter:

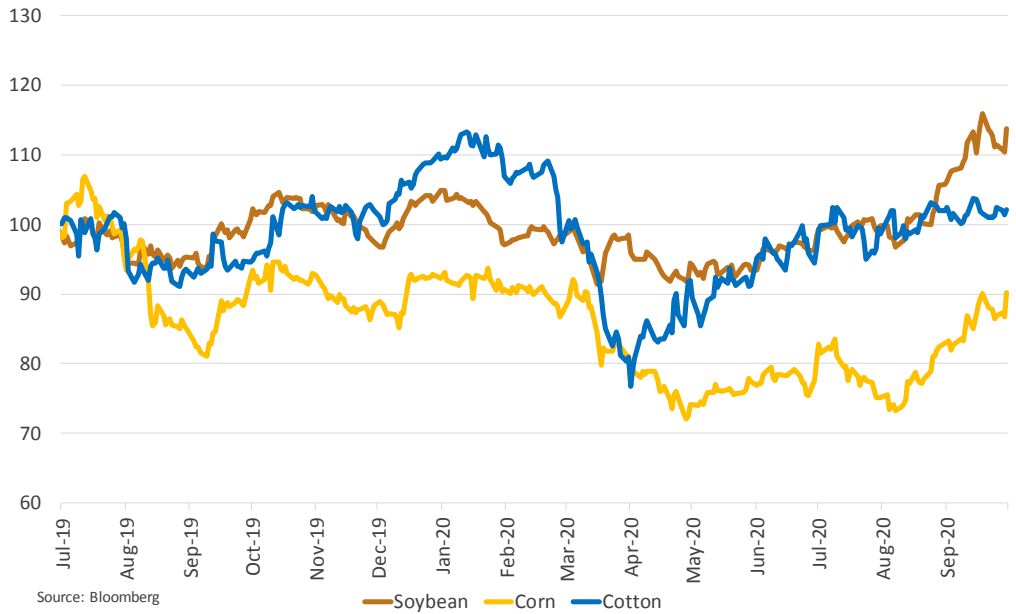
- 1st place in the Agribusiness Category of Época Negócios Magazine;
- 1st place in the Agribusiness sector of As Melhores da Dinheiro Rural Magazine;
- One of the Winners of the "Transparency Trophy", promoted by the National Association of Finance, Administration and Accounting Executives (ANEFAC), which assesses the quality and transparency of the financial statements of companies based in Brazil;
- 6th Best Company to work for in the Large Companies Category of GPTW Agro;
- Best Corn Producer by A Granja Magazine;
- Among the 5 Best in the Country in People Management (in the category between 1,501 to 3,000 employees), by the Valor Econômico newspaper.

The Administration

Market Overview

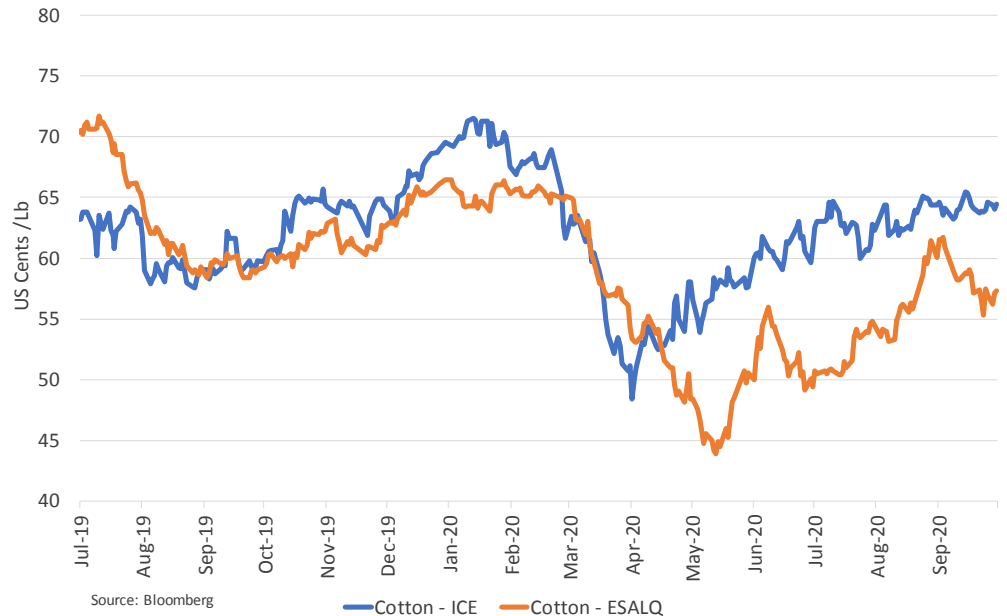
Commodities

Figure 2 Price Variations, Select Commodities, Jul/2019 to Sept/2020



Cotton

Figure 3 Cotton Prices in International Markets vs. Brazil.

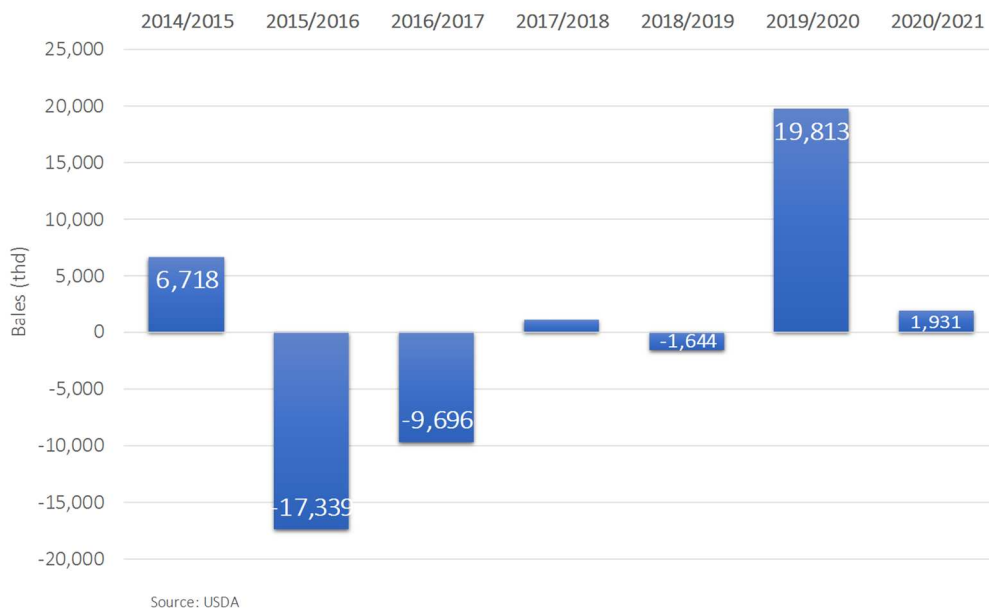


The third quarter of 2020 was marked by significant events related to the cotton market.

The quarter was marked by a series of downward revisions in production estimates for countries in the Northern Hemisphere resulting from a scenario of unfavorable weather conditions combined with a scenario of stabilization in consumption. All these factors produced fundamentals for the world supply-demand scenario marked by a projected balance between world production and consumption that is considerably lower than in the previous cycle.

(A free translation of the original in Portuguese)

Figure 4 Cotton – World Supply-Demand Balance



Cotton prices recovered do to the contraction in planting areas and unfavorable weather

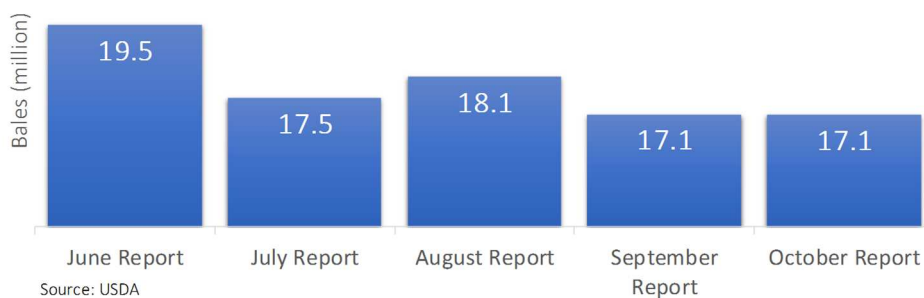
The economic uncertainties generated by the pandemic that severely affected markets in general led to declines of over 20% in cotton prices in USD, with this scenario showing signs of recovery in recent months.

The decline in prices, which initially was influenced by the weaker demand for the fiber from agents in the textile chain, created opportunities for consumers positioned in segments of the chain where economic activity recovered earlier than expected.

The decline in the commodity’s prices during the year affected planting decisions in cotton-producing countries in the Northern Hemisphere (especially the United States), where, according to USDA data, the country’s planted area for the 2020/21 crop year contracted by approximately 12% compared to the previous cycle.

Combined with the smaller planted area, the world’s main cotton exporter experienced a less favorable weather scenario for the crop’s development, which led production estimates also to register successive declines in the Supply and Demand reports published by the USDA.

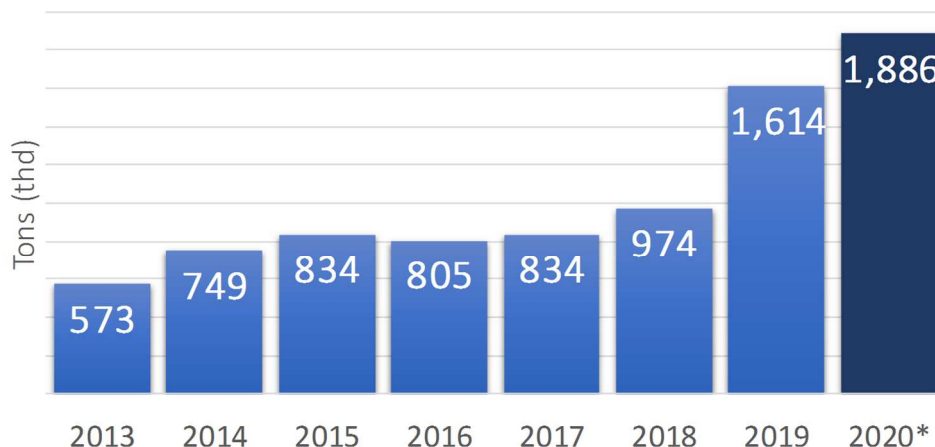
Figure 5 United States – Estimated production



Any challenges posed to U.S. production, which is mostly exported, could be factors supporting exports from Brazil, which, according to ANEA, will export 1.88 million tons of cotton, in line with the growth trend observed over the last four years.

(A free translation of the original in Portuguese)

Figure 6 Brazil - Annual Cotton Exports



Source: MDIC *ANEA Forecast

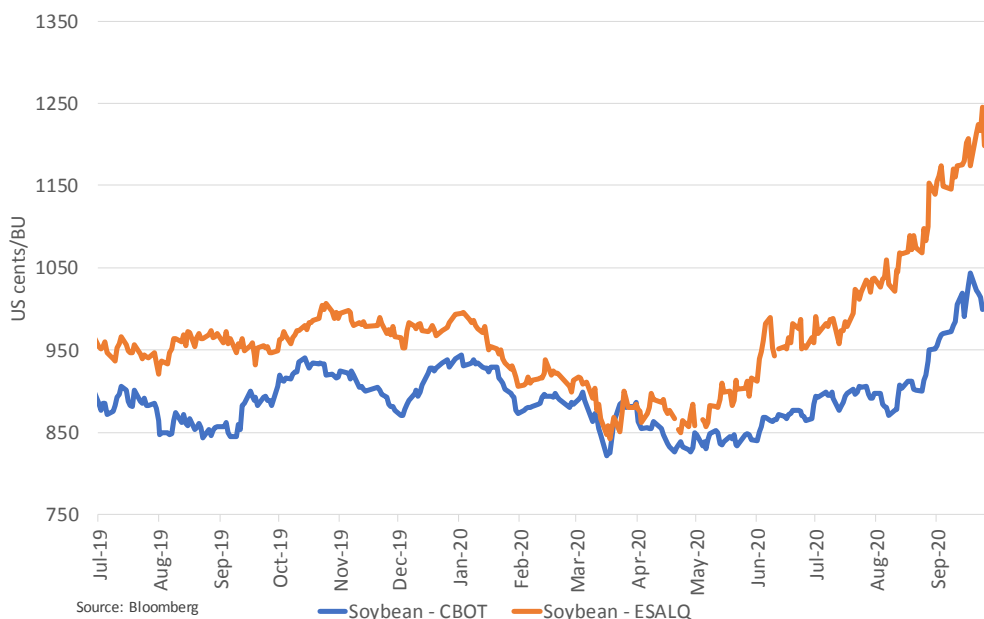
If achieved, this figure would be 17% higher than in 2019, in line with the country’s growth trend in the segment, and would ensure the maintenance of Brazil as the world’s second largest cotton exporter, according to USDA data.

Brazil’s export data should continue to assure the country’s position as an important player in the global market, consolidating its competitiveness supported by a continuation of record-high export shipments.

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 remained on a recovery path during the third quarter of 2020.

Figure 7 Soybean Price in International Market vs. Brazil



Source: Bloomberg

— Soybean - CBOT — Soybean - ESALQ

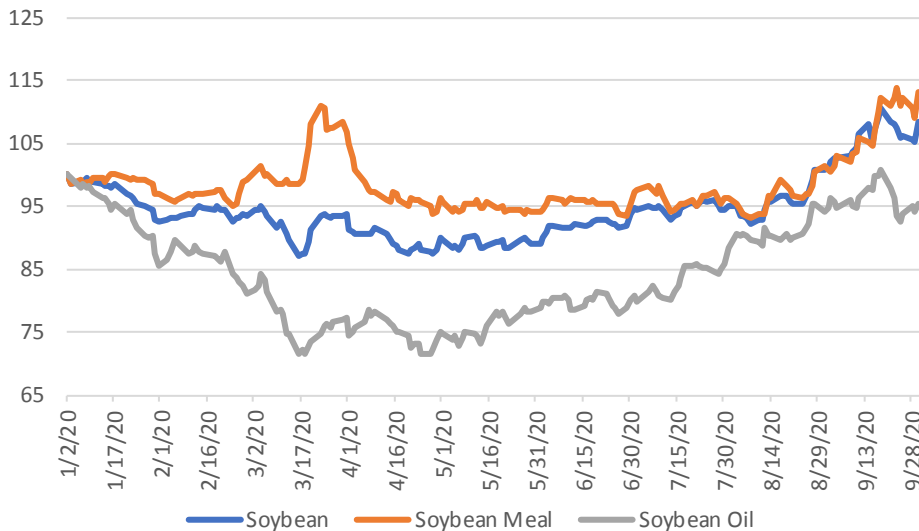
“Soybean prices in USD already have risen 15% this year”

Stability in the premiums paid and local currency depreciation enabled soybean prices to reach levels above those in same period last year and, more recently, resulted in quotes of over 150.00 R\$/SC, according to CEPEA data for Paranaguá.

(A free translation of the original in Portuguese)

In a quarter market by resilience in prices for the soy complex (bean, bran and oil) in Chicago, bran and grain prices ended the period registering an increase in the year to date of over 15%.

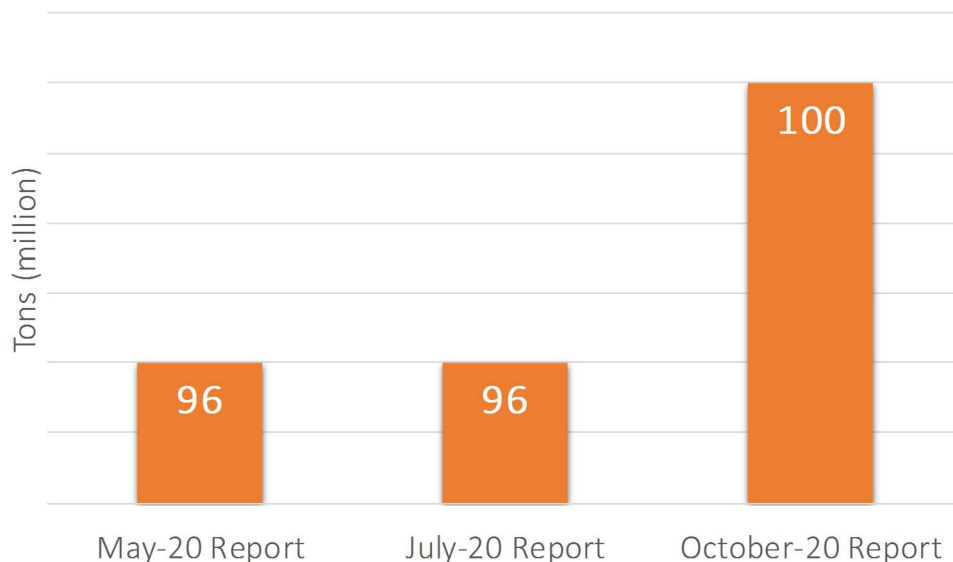
Figure 8 Soybean – Soybean Complex, January to September/2020



The resumption of imports by China driven by domestic demand in the country has been the main factor sustaining prices, especially after the past cycle marked by the U.S.-China trade war and African Swine Flu, which contributed to the scenario of depressed prices for the commodity in international markets in 2019.

Over the year, the USDA has been revising upwards its expectations for Chinese imports for the 2020/21 cycle, from its initial estimate of 96 million tons to 100 million tons for its calculation in October.

Figure 9 China – Soybean Import Estimates

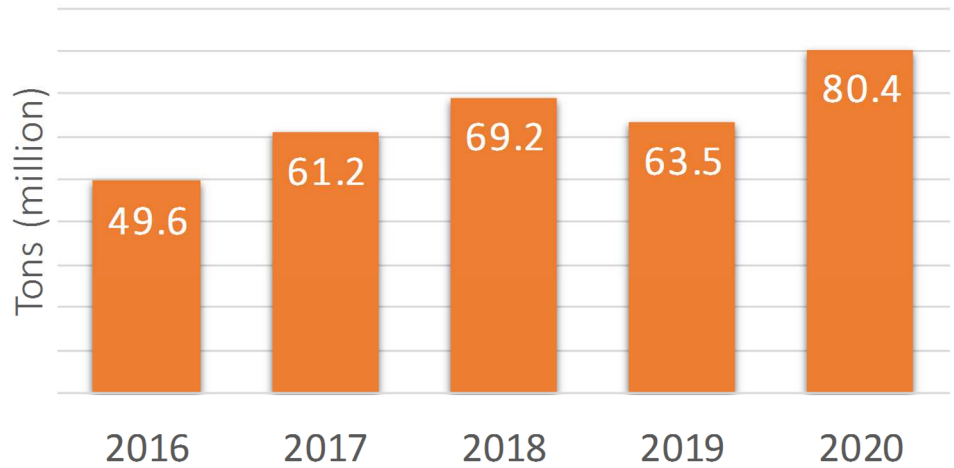


“Over the year, the USDA has been revising upward its forecasts for soybean imports by China”

Source: USDA

Brazilian soybean exports in 9M20 maintained their upward trend to register record shipments of 80.4 million tons, consolidating Brazil as an important soybean supplier in the international market.

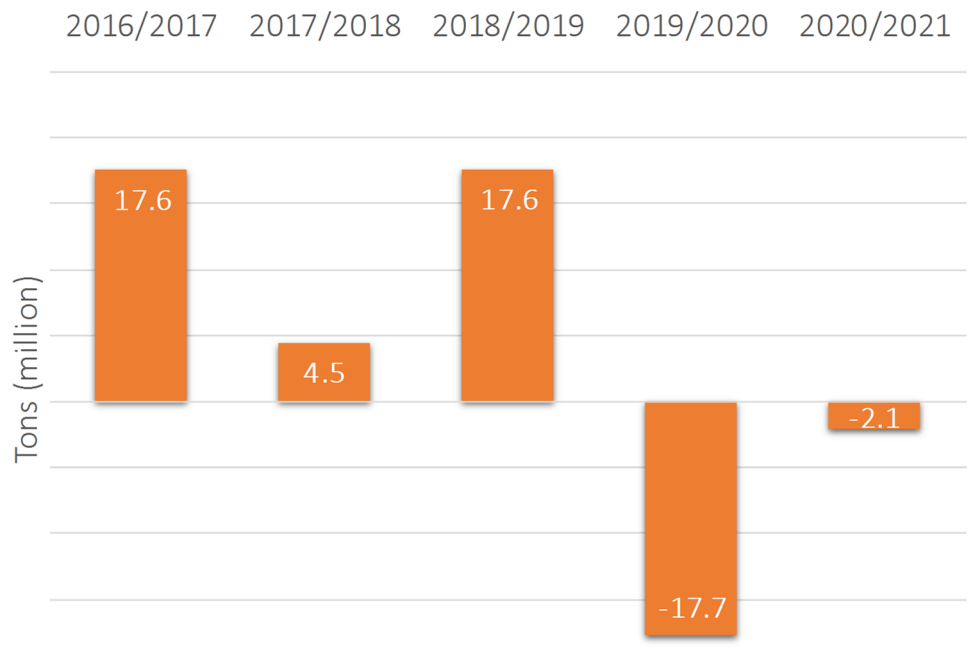
Figure 10 Soybean Exports, January to September 2020



Source: MDIC

For the current crop year (2020/21), the supply-demand balance is posting a deficit for the second straight year, with volume of approximately 2 million tons, following the deficit in the previous crop year of 17.7 million tons.

Figure 11 Soybean World Supply-Demand Balance



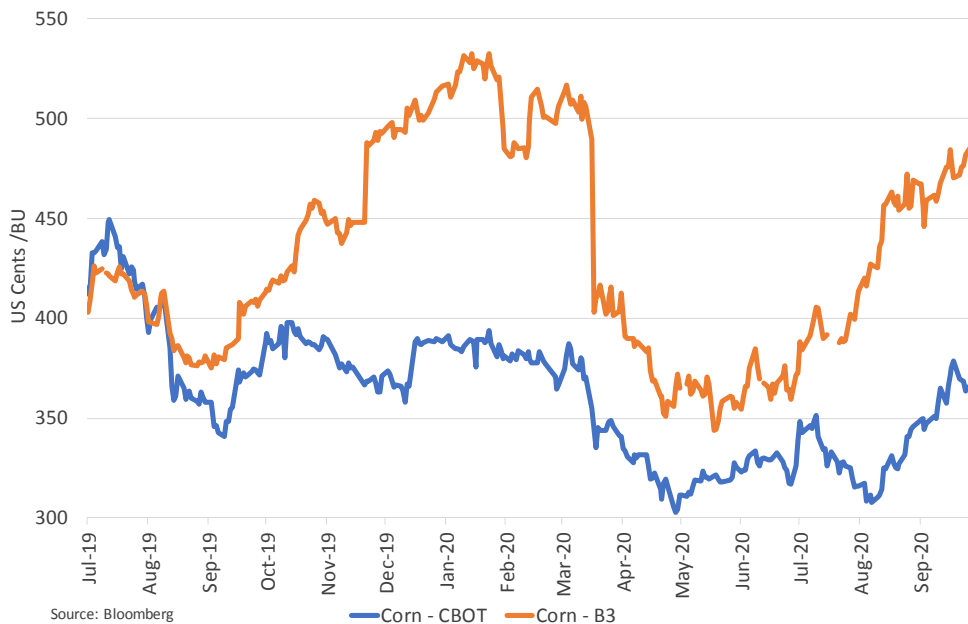
Source: USDA

(A free translation of the original in Portuguese)

Corn

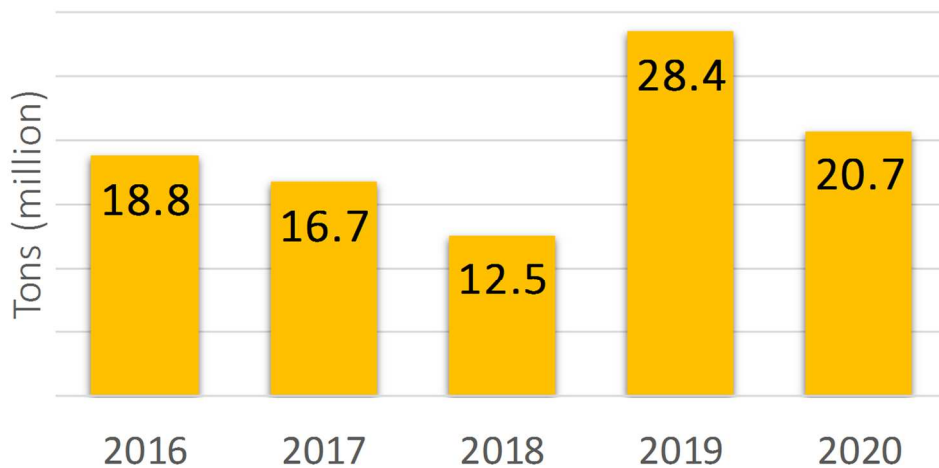
Similar to local prices (B3), corn prices in Chicago registered a sustained upward trend during the third quarter of 2020, reflecting the impacts on the corn planted area from weather events, such as storms and severe drought. As a result, the final U.S. corn planted area should be 6% smaller than the agency’s initial estimates.

Figure 12 Corn Prices in International Market vs. Brazil



In Brazil, the market remained strong in the first half of the year due to demand from the animal protein industry and from export markets.

Figure 13 Corn – Brazilian Exports, January-September



Source: MDIC

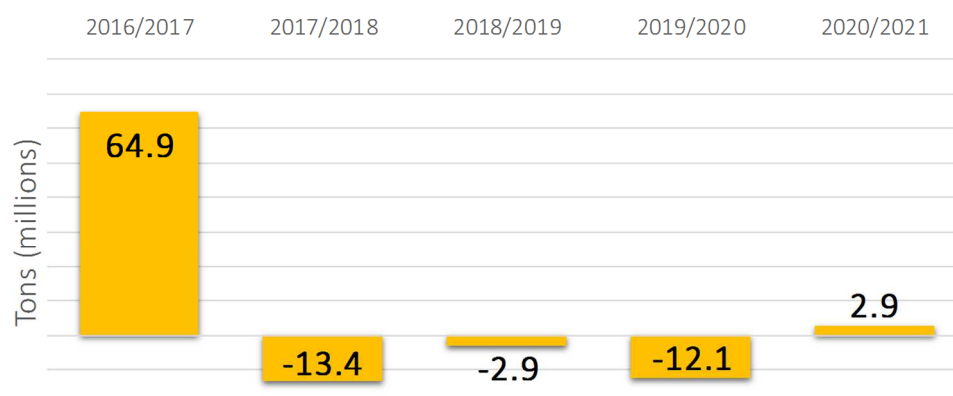
In exports, shipments from Brazil in the period from January to September reached approximately 21 million tons, which is slightly lower than in the prior-year period, but higher than the average of the last five years.

“In Brazil, the market has proven robust during the first half due to demand from the animal protein and export markets”

(A free translation of the original in Portuguese)

In the global scenario, the difference in supply and demand should result in a surplus of 2.9 million tons, revealing a shift in the scenario of recent years marked by deficits.

Figure 14 Corn – World Supply-Demand Balance



Source: USDA

Operational Performance – 2019/20 Crop Year

The third quarter of 2020 was marked by the end of the harvest for cotton 1st crop and for the second crop of corn and cotton.

Planted Area

The following table presents the final 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	2019/20 ⁽¹⁾	2019/20	
	----- ha -----	-----	%	
Cotton	123,727	125,462	28.0	1.4
Cotton lint 1 st crop	72,852	74,054	16.5	1.6
Cotton lint 2 nd crop	50,875	51,408	11.5	1.0
Soybean (Commercial + Seed)	243,149	235,444	52.5	-3.2
Corn 2nd crop	89,311	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.

Table 2 Achieved Yields for 2019/20 Crop Year

Yields (kg/ha)	2018/19	2019/20	2019/20	Δ%	Δ%	Δ%
	Crop Year	Crop Year	Crop Year			
	Achieved (a)	Budget (b)	Achieved (c)	(c) x (a)	(b) x (a)	(c) x (b)
Cotton lint 1 st crop	1,688	1,842	1,785	5.7%	9.1%	-3.1%
Cotton lint 2 nd crop	1,613	1,749	1,693	5.0%	8.4%	-3.2%
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	7,179	0.8%	3.7%	-2.8%

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. The final yield was 8.1% higher than our initial projection and 15.4% higher than the national average (Sep/2020 estimate from CONAB).

Soybean Seed

120 thousand bags (40kg) were produced for internal consumption (as seeds for the 2020/21 harvest), and 128 thousand bags in the verticalized model with BASF. In addition, up to the date of November 03, 125 thousand bags had already been sold via the SLC Sementes (SLC Seeds) brand. The germination quality indicator was of 94.8%.

First-crop cotton

The final yield attained was 1,785kg per hectare, down 3.1% from the projected rate **but up 5.7% from the previous crop year.**

Second-crop cotton

Second-crop cotton ended the period with a yield of 1,693 kg/ha of cotton lint. The rate was down 3.2% from the projected rate but up **5.0% from the yield achieved in the 2018/19 crop year.**

Second-crop corn

The yield of second-crop corn was **0.8% higher than in the 2018/19 crop year** and down 2.8% from the projected rate, reaching 7,179 kg/ha. In relation to the **national average, the yield was 31.6% higher** (based on the Sep/2020 estimate from CONAB).

Table 3 Achieved 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	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 actual cost per hectare was 5.2% higher than in the estimate, mainly due to the higher actual exchange rate (USD/R\$) compared to the assumption adopted in the budget. The increase, however, was fully offset on the revenues, 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 planted area planned for the new cycle is 471,700 hectares, which represents a new record and growth of 5.2% on 2019/20.

The delay due to the start of rains in the Midwest led to the postponement of soybean planting and consequently shortened the window for the planting of second-crop cotton.

As a result, a portion of the second crop initially planned for cotton was transferred to corn, which has a longer planting window.

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	Planted Area	Share	Δ%
	2019/20	2020/21 ⁽¹⁾	2020/21	
	-----ha-----	-----	%	
Cotton	125,462	115,748	24.5	-7.7
Cotton lint 1st crop	74,054	74,180	15.7	0.2
Cotton lint 2nd crop	51,408	41,568	8.8	-19.1
Soybean (Commercial + Seed)	235,444	235,039	49.8	-0.2
Corn 2nd crop	82,392	108,931	23.1	32.2
Other ⁽²⁾	5,270	12,001	2.5	127.7
Total Area	448,568	471,719	100.0	5.2

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

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

Table 5 Projected Yields, 2020/21 Crop Year

Yields (kg/ha)	2019/20	2020/21	Δ%
	Crop Year	Crop Year	
	Budget	Budget	
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	7,622	3.2%

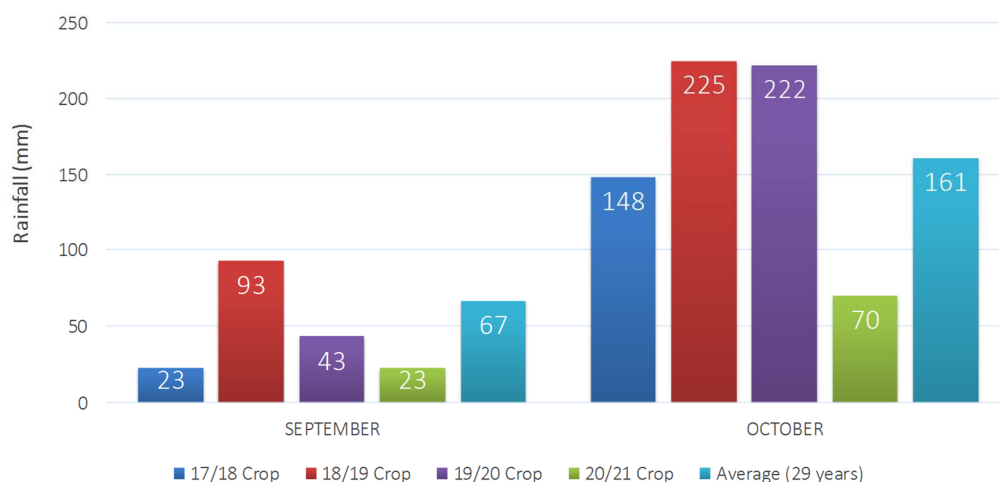
Commercial Soybean

In the last days of September, we started the new agricultural year 2020/21 with the planting of soybeans. This year, there was a delay in the beginning of the rains in the Midwest region, which made it impossible to advance planting at the same intensity as the historical average, effectively postponing the crop cycle. Until November 05, we had 59.6% of the total area planned for soybeans planted, against 62.4% in the same period of the previous year. In view of this delay, the Company transferred part of the area initially planned for planting second-crop cotton (which has a shorter planting window) to second-crop corn.

(A free translation of the original in Portuguese)

The following chart shows historical precipitation at the company's farms located in the state of Mato Grosso (MT) in the last four years in relation the historical average.

Figure 15 Farms in MT - SLC Agrícola – Precipitation (in last four crop years vs. historical)



Soybean Seed

We estimate a production of 120 thousand bags for internal consumption, 150 thousand bags destined for external sale via the SLC Sementes (SLC Seeds) brand and 200 thousand bags of verticalized production with BASF.

Second-crop cotton

Given that the delay in soybean planting will affect the second-crop cotton planting window, we are estimating a lower potential yield than in the previous crop year budget.

Production Cost

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 the 2019/20 crop year, basically due to the currency's depreciation against the U.S. dollar in the period, since approximately 64% of costs are denominated in dollar.

Financial Performance

Income Statement Analysis

Adjusted EBITDA

Adjusted EBITDA was **R\$234.6 million and R\$562.3 million** in 3Q20 and 9M20, respectively.

In the quarter, Adjusted EBITDA **increased 30.8%** in relation to 3Q19. Adjusted EBITDA margin ended the period at 30.2, expanding 4% p.p. In 9M20, the margin **expanded 8.5 p.p.**, to 28.5%.

The main factor contributing to this performance in both periods was the increase in Gross Income (excluding the changes in Biological Assets) from the soybean and corn crops compared to 2019, which was partially offset by the reduction in Gross Income from cotton.

Table 8 Adjusted EBITDA Reconciliation

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Net Revenue	1,716,794	1,971,778	14.9%	684,900	776,517	13.4%
Change in Fair Value of Biological Assets ⁽³⁾	418,443	690,204	64.9%	(121,797)	(25,253)	-79.3%
(-) Cost of Goods and/or Services Sold	(1,551,137)	(1,930,171)	24.4%	(625,331)	(734,459)	17.5%
Cost of Goods	(1,151,899)	(1,364,838)	18.5%	(512,277)	(551,021)	7.6%
Realiz. of the Fair Value of Bio. Assets ⁽⁴⁾	(399,238)	(565,333)	41.6%	(113,054)	(183,438)	62.3%
Gross Income	584,100	731,811	25.3%	(62,228)	16,805	n.m.
(-) Sales Expenses	(89,498)	(101,873)	13.8%	(32,031)	(23,251)	-27.4%
(-) General and administrative expenses	(66,319)	(72,523)	9.4%	(19,663)	(25,169)	28.0%
General and administrative	(47,053)	(48,315)	2.7%	(14,548)	(15,765)	8.4%
Participations Results	(19,266)	(24,208)	25.7%	(5,115)	(9,404)	83.9%
(-) Administrative Fees	(10,772)	(11,468)	6.5%	(2,654)	(2,583)	-2.7%
(-) Other operating revenues (loss)	7,307	(152)	n.m.	6,701	(793)	n.m.
Other revenue	7,307	(152)	n.m.	6,701	(793)	n.m.
(=) Income from Activity	424,818	545,795	28.5%	(109,875)	(34,991)	-68.2%
(+) Depreciation and amortization	75,816	84,982	12.1%	33,681	35,491	5.4%
EBITDA	500,634	630,777	26.0%	(76,194)	500	n.m.
(-) Variation Fair Val. of Biological Assets	(418,443)	(690,204)	64.9%	121,797	25,253	-79.3%
(+) Realization Fair Val. of Biolog. Assets ⁽⁴⁾	399,238	565,333	41.6%	113,054	183,438	62.3%
(+) Low Fixed Assets ⁽²⁾	8,654	6,046	-30.1%	2,103	1,216	-42.2%
(+) Other Trans. Prop., Plant and Equip ⁽²⁾	335	916	173.4%	335	675	101.5%
(+) Amortization adjustment - IFRS 16 ⁽⁵⁾	27,688	49,457	78.6%	18,251	23,545	29.0%
Adjusted EBITDA⁽¹⁾⁽²⁾	518,106	562,325	8.5%	179,346	234,627	30.8%
Adjusted EBITDA Margin	30.2%	28.5%	-1.7p.p.	26.2%	30.2%	4.0p.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 26 of the Quarterly Financial Information; ⁽⁴⁾ Note 25 of the Quarterly Financial Information
⁽⁵⁾ Amortization of right-of-use assets - leases.

Net Revenue

Table 9 Net Revenue

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Net Revenue	1,716,794	1,971,778	14.9%	684,900	776,517	13.4%
Cotton lint	619,224	809,902	30.8%	233,114	330,935	42.0%
Cotton seed	52,663	81,770	55.3%	40,508	52,040	28.5%
Soybean	916,932	1,098,854	19.8%	245,525	288,463	17.5%
Corn	186,068	241,519	29.8%	156,121	192,844	23.5%
Others	37,746	45,038	19.3%	30,187	41,146	36.3%
Hedge income	(95,839)	(305,305)	218.6%	(20,555)	(128,911)	527.2%

(A free translation of the original in Portuguese)

Table 10 Volume Invoiced (tons)

(tons)	9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	1,574,326	1,611,994	2.4%	803,400	755,096	-6.0%
Cotton lint	94,444	107,499	13.8%	35,129	43,389	23.5%
Cotton seed	159,966	162,539	1.6%	124,504	104,986	-15.7%
Soybean	800,247	814,225	1.7%	215,246	180,426	-16.2%
Corn	481,994	497,225	3.2%	411,796	405,188	-1.6%
Others	37,675	30,506	-19.0%	16,725	21,107	26.2%

Net Revenue advanced 13.4% and 14.9% in relation to 3Q19 and 9M19, respectively. The quarter was marked by an increase in the volume of cotton invoiced and by better prices for the soybean and corn invoiced.

In 9M20, there was an increase in the volume invoiced of the main products and higher prices for the soybean and corn invoiced, with these factors partially offset by the lower price of cotton invoiced (based on the allocation of currency hedge by crop, as detailed in Table 14).

Table 11 Variation in Fair Value of Biological Assets

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Variation in Fair Value of Biol. Assets	418,443	690,204	64.9%	(121,797)	(25,253)	-79.3%
Cotton lint	224,433	298,465	33.0%	(109,606)	(26,171)	-76.1%
Cotton seed	15,411	28,208	83.0%	(6,002)	(1,710)	-71.5%
Soybean	145,812	233,115	59.9%	-	-	-
Corn	17,933	62,353	247.7%	(6,256)	1,404	n.m.
Others	14,854	68,063	358.2%	67	1,224	n.m.

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

In 3Q20, we concluded the recording of VFBVA for the cotton and corn crops. In the case of cotton, as occurred in 3Q19, in 3Q20 VFBVA was negative due to the downward revision of the yield estimate for the crop.

In 9M20 compared to 9M19, VFBVA increased 64.9%. For cotton and corn, VFBVA reflects the better expectations for the gross revenue of these products in relation to the previous crop year.

For soybean, the increase in VFBVA is partially due to the assumptions used in the calculation: in 2019, after calculating Variation in Fair Value of Biological Assets for the 2018/19 crop year, the crop's prices and yield improved, leading the Variation in Fair Value to underestimate the crop's result for that year. Furthermore, given the sharp increase in soybean prices over recent months, which allowed for moving forward with sales for the crop year at substantially higher prices than those obtained until then, actual soybean unit gross income will be higher than in the previous crop year, as can be seen in the Gross Income by Crop section.

Cost of Goods Sold

Table 12 Cost of Goods Sold

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Cost of Goods Sold	(1,151,899)	(1,364,838)	18.5%	(512,277)	(551,021)	7.6%
Cotton lint	(338,471)	(450,088)	33.0%	(158,855)	(176,509)	11.1%
Cotton seed	(42,857)	(51,852)	21.0%	(33,602)	(37,738)	12.3%
Soybean	(579,400)	(638,804)	10.3%	(172,413)	(166,542)	-3.4%
Corn	(152,861)	(176,620)	15.5%	(133,012)	(149,655)	12.5%
Others	(38,310)	(47,474)	23.9%	(14,395)	(20,577)	42.9%

Cost of Goods Sold increased 7.6% in the quarter, mainly due to the higher cotton volume invoiced in the period and to the increase in soybean and corn unit cost.

In 9M20, the increase in COGS compared to the prior-year period is explained by the combination of higher volumes invoiced of the main products and the higher unit costs.

(A free translation of the original in Portuguese)

Table 13 Realization of Fair Value of Biological Assets

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Realiz. of the Fair Value of Biological Assets	(399,238)	(565,333)	41.6%	(113,054)	(183,438)	62.3%
Cotton lint	(161,397)	(139,140)	-13.8%	(41,530)	(65,911)	58.7%
Cotton seed	(11,066)	(12,530)	13.2%	(6,635)	(9,172)	38.2%
Soybean	(196,398)	(301,236)	53.4%	(52,912)	(63,466)	19.9%
Corn	(13,832)	(45,584)	229.6%	(9,279)	(40,009)	331.2%
Others	(16,545)	(66,843)	304.0%	(2,698)	(4,880)	80.9%

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 62.3% higher than in 3Q19, notably in cotton, given the higher volume invoiced in the period.

Compared to 9M19, RFVAB was 41.6% higher, with the main variations in the soybean and corn crops, mainly due to the higher volumes invoiced in the periods.

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 within cotton, soybean and corn.

Cotton Lint and Cotton Seed

Table 14 Gross Income - Cotton Lint

Cotton Lint		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	94,444	107,499	13.8%	35,129	43,389	23.5%
Net Revenue	R\$/thd	619,224	809,902	30.8%	233,114	330,935	42.0%
Result of currency hedge	R\$/thd	(45,232)	(210,660)	365.7%	(13,187)	(100,401)	661.4%
Net inc. adj. for the result of cur. hed.	R\$/thd	573,992	599,242	4.4%	219,927	230,534	4.8%
Unit Price	R\$/ton	6,078	5,574	-8.3%	6,261	5,313	-15.1%
Total Cost	R\$/thd	(338,471)	(450,088)	33.0%	(158,855)	(176,509)	11.1%
Unit Cost	R\$/ton	(3,584)	(4,187)	16.8%	(4,522)	(4,068)	-10.0%
Unitary Gross Income	R\$/ton	2,494	1,387	-44.4%	1,739	1,245	-28.4%

Of the volume of cotton invoiced in 3Q20, 45% refers to the 2018/19 crop year and 55% to the 2019/20 crop year, while in 3Q19 the cotton invoiced almost entirely referred to the 2018/19 crop year. The 28.4% reduction in Unit Gross Income in the quarter was due to the lower price of the cotton invoiced, which was partially offset by the reduction in unit cost. The reduction in unit cost reflects the volume of the product related to the 2019/20 crop year.

In 9M20, Unit Gross Income decreased 44.4% from 9M19, which is mainly explained by the fact that 78% of cotton invoiced in this period was produced in the 2018/19 crop year, when Gross Income was lower than in the 2017/18 crop year due to the factors of yield (lower) and cost per hectare (higher).

Table 15 Gross Income - Cotton Seed

Cotton Seed		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	159,966	162,539	1.6%	124,504	104,986	-15.7%
Net Revenue	R\$/thd	52,663	81,770	55.3%	40,508	52,040	28.5%
Unit Price	R\$/ton	329	503	52.9%	325	496	52.6%
Total Cost	R\$/thd	(42,857)	(51,852)	21.0%	(33,602)	(37,738)	12.3%
Unit Cost	R\$/ton	(268)	(319)	19.0%	(270)	(359)	33.0%
Unitary Gross Income	R\$/ton	61	184	201.6%	55	136	149.1%

In 3Q20 and 9M20, cotton seed Unit Gross Income increased significantly. Despite the increase in unit cost, this performance is mainly due to the higher unit prices, which rose by 52.6% in the quarter (3Q20 vs. 3Q19) and by 52.9% in the year to date (9M20 vs. 9M19), reflecting domestic demand for animal food supplements and biodiesel production.

(A free translation of the original in Portuguese)

Soybean

Table 16 Gross Income – Soybean

Soybean		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	800,247	814,225	1.7%	215,246	180,426	-16.2%
Net Revenue	R\$/thd	916,932	1,098,854	19.8%	245,525	288,463	17.5%
Result of currency hedge	R\$/thd	(45,268)	(76,604)	69.2%	(3,198)	(14,499)	353.4%
<i>Net inc. adj. for the result of cur. hedg.</i>	R\$/thd	871,664	1,022,250	17.3%	242,327	273,964	13.1%
Unit Price	R\$/ton	1,089	1,255	15.2%	1,126	1,518	34.8%
Total Cost	R\$/thd	(579,400)	(638,804)	10.3%	(172,413)	(166,542)	-3.4%
Unit Cost	R\$/ton	(724)	(785)	8.4%	(801)	(923)	15.2%
Unitary Gross Income	R\$/ton	365	471	28.8%	325	595	83.1%

In 3Q20 and 9M20 compared to the prior-year periods, Unit Gross Income from soybean increased 83.1% and 28.8%, respectively. The increases are due to the higher yield obtained in the 2019/20 crop year compared to 2018/19 crop year, combined with the significant increases in the average invoiced prices.

Corn

Table 17 Gross Income – Corn

Corn		9M19	9M20	AH	3Q19	3Q20	AH
Volume Invoiced	Ton	481,994	497,225	3.2%	411,796	405,188	-1.6%
Net Revenue	R\$/thd	186,068	241,519	29.8%	156,121	192,844	23.5%
Result of currency hedge	R\$/thd	(5,339)	(18,041)	237.9%	(4,170)	(14,011)	236.0%
<i>Net inc. adj. for the result of cur. hedg.</i>	R\$/thd	180,729	223,478	23.7%	151,951	178,833	17.7%
Unit Price	R\$/ton	375	449	19.7%	369	441	19.5%
Total Cost	R\$/thd	(152,861)	(176,620)	15.5%	(133,012)	(149,655)	12.5%
Unit Cost	R\$/ton	(317)	(355)	12.0%	(323)	(369)	14.2%
Unitary Gross Income	R\$/ton	58	94	62.1%	46	72	56.5%

The corn invoiced in 3Q20 was produced in the 2019/20 crop year. In 3Q20, unit gross income increased 56.5% in relation to 3Q19, mainly due to the higher average sales price, with this factor partially offset by the higher unit cost, reflecting the increases in costs per hectare in the 2019/20 crop year compared to the 2018/19 crop year.

In 9M20, 90% of the corn invoiced was from the 2018/19 crop year, while in 9M19 most of the volume was from the 2017/18 crop year. The 62,1% increase in unit Gross Income also reflects the better invoice prices, with this factor partially offset by the increase in unit cost, in this case resulting from the higher cost per hectare in the 2018/19 crop year compared to the 2017/18 crop year.

Gross Income

Table 18 – Gross Income

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Gross Profit	584,100	731,811	25.3%	(62,228)	16,805	n.m.
Cotton lint	235,521	149,154	-36.7%	61,072	54,025	-11.5%
Cotton seed	9,806	29,918	205.1%	6,906	14,302	107.1%
Soybean	292,264	383,446	31.2%	69,914	107,422	53.6%
Corn	27,868	46,858	68.1%	18,939	29,178	54.1%
Others	(564)	(2,436)	331.9%	15,792	20,569	30.2%
Biological Assets	19,205	124,871	550.2%	(234,851)	(208,691)	-11.1%

Excluding the effects from Biological Assets (Variation and Realization of Fair Value) will indicate the actual margins for the products invoiced.

Based on this calculation, In the quarter Gross Income increased 30.6%, due to the higher cotton volume invoiced in the period and the higher prices of the soybean and corn invoiced.

In 9M20 compared to 9M19, Gross Income advanced 7.4%. This variation was mainly due to the higher volumes invoiced for all products and to the higher invoice prices for soybean and corn.

(A free translation of the original in Portuguese)

Selling Expenses

Selling Expenses decreased 27.4% in the quarter, mainly due to the reclassification of expenses with royalties from Selling Expenses to Prepaid Expenses, under Assets.

In 9M20 compared to 9M19, selling expenses increased 13.8%, mainly in the line Export Expenses, reflecting the depreciation in the Brazilian real against the U.S. dollar in the period, since these amounts are indexed to the dollar.

Table 19 - Selling Expenses

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Freight	29,436	34,448	17.0%	10,331	12,422	20.2%
Storage	26,167	30,577	16.9%	9,011	9,807	8.8%
Commissions	10,257	10,831	5.6%	2,157	2,369	9.8%
Classification of Goods	992	1,029	3.7%	704	571	-18.9%
Export Expenses	15,312	23,693	54.7%	4,797	8,150	69.9%
Others	7,334	1,295	-82.3%	5,031	(10,068)	n.m.
Total	89,498	101,873	13.8%	32,031	23,251	-27.4%
% Net Revenue	5.2%	5.2%	-	4.7%	3.0%	-1.7p.p.

Administrative Expenses

Administrative Expenses (excluding amounts related to the Profit Sharing Program) increased 8.4% in 3Q20 and 2.7% in 9M20 in relation to the same periods last year.

In the quarter and year to date, the main variations were:

- (i) increase in Personnel Expenses, mainly due to adjustments to the Information Technology team to support improvements in digital tools and the automation of processes;
- (ii) decrease in expenses with travel due to COVID-19;
- (iii) decrease in contingency expenses due to lawsuits reclassified from "Probable" To "Possible" risks.

Table 20 Administrative Expenses

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Expenses with personnel	23,540	27,871	18.4%	7,882	9,556	21.2%
Fees	3,977	3,739	-6.0%	1,578	1,298	-17.7%
Depreciations and amortizations	1,404	1,521	8.3%	481	482	0.2%
Expenses with travels	1,871	832	-55.5%	659	(18)	n.m.
Software maintenance	4,547	3,599	-20.8%	1,604	1,262	-21.3%
Marketing/Advertisement	1,716	1,639	-4.5%	153	296	93.5%
Expenses with Communications	1,856	2,477	33.5%	688	884	28.5%
Rentals	713	827	16.0%	262	316	20.6%
Labor, Tax and Environmental Contingencies	1,663	34	-98.0%	(1,176)	(14)	-98.8%
Electricity	146	130	-11.0%	40	31	-22.5%
Taxes and other fees	1,077	977	-9.3%	301	354	17.6%
Contributions and donations	1,539	2,230	44.9%	544	598	9.9%
Other	3,004	2,439	-18.8%	1,532	720	-53.0%
Subtotal	47,053	48,315	2.7%	14,548	15,765	8.4%
% Net Revenue	2.7%	2.5%	-0.3p.p.	2.1%	2.0%	-0.1p.p.
Provision for profit share program	19,266	24,208	25.7%	5,115	9,404	83.9%
Total	66,319	72,523	9.4%	19,663	25,169	28.0%

Net Financial Income (Expense)

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

Table 21 Adjusted Net Financial Income (Expense)

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Interest	(72,782)	(50,562)	-30.5%	(31,002)	(14,920)	-51.8%
FX Variation	6,872	11,943	73.8%	3,213	4,439	38.2%
Monetary Variation	139	-	-100.0%	1	-	-100.0%
Adj. to pres. value of leas. contracts IFRS16	(33,424)	(43,547)	30.3%	(12,751)	(14,953)	17.3%
Other financial revenues (expenses)	469	(4,700)	n.m.	(767)	(968)	26.2%
Total	(98,726)	(86,866)	12.0%	(41,307)	(26,401)	-36.1%
% Net Revenue	5.8%	4.4%	-1.3p.p.	6.0%	3.4%	-2.6p.p

Adjusted Net Financial Income (Loss) decreased 36.1% in 3Q20 compared to the same period last year. The main impact refers to the "Interest" line, reflecting the decline in the CDI (Brazilian benchmark fixed-income rate), which is the main indexer adopted in debt agreements.

The increase in Adjustment to Present Value of Leases was due to the lengthening of the terms of certain leasing contracts and to the increase in the price of the soybean bag in BRL (adjustment indexer adopted in agreements). In addition, there was an increase in the line Other financial income (expenses) related to discount on the transfer of ICMS tax and the expenses with PIS/COFINS on financial income.

Net Income (Loss)

Table 22 Net Income

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Income before taxes on profit	326,092	458,928	40.7%	(151,182)	(61,392)	-59.4%
Income Tax and Social Cont. on Profit	(99,718)	(142,151)	42.6%	54,222	25,682	-52.6%
Consolid. Net Income for the Period	226,374	316,777	39.9%	(96,960)	(35,710)	-63.2%
Assigned to parent company	226,960	305,471	34.6%	(80,296)	(23,749)	-70.4%
Assigned to non-controlling members	(586)	11,306	n.m.	(16,664)	(11,961)	-28.2%
Net Margin	13.2%	16.1%	2.9p.p.	-14.2%	-4.6%	9.6p.p.

Net Income in 9M20 came to R\$316.8 million, representing growth of 40% compared to 9M19, which is explained by: (i) the R\$42.0 million increase in Gross Income from the crops invoiced (excluding impacts from Biological Assets), given the higher volumes and better prices (for soybean and corn); and (ii) the accounting dynamics of Biological Assets, which estimates higher Gross Income for cotton in the 2019/20 crop year compared to 2018/19 crop year, which already is implicit in net income for the year to date.

In 3Q20, the company reported a Net Loss of R\$35.7 million, basically due to the accounting dynamics of Variation and Realization of Fair Value of Biological Assets. Therefore, for a good understanding of the Net Loss for 3Q20, it is necessary to consider that, as already mentioned (in the section Variation of Fair Value of Biological Assets), the estimated yield for the cotton crop for the 2019/20 crop year was revised downward, which required an adjustment in the calculation of Fair Value, which was recognized in the quarter.

Statement of Cash Flow Analysis

Free cash generation was positive in the quarter, at R\$315.1 million, reflecting the better cash flow characteristic of the second half of the year (the end of payments for agricultural inputs and the higher volumes invoiced of cotton).

In 9M20, however, free cash generation is still negative, at R\$113.5 million. This situation will be reversed in the fourth quarter, as the invoicing of cotton from the 2019/20 crop year accelerates and as working capital reflects the higher release of cash.

Table 23 Summarized Cash Flow

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Cash generated in operations	600,707	760,548	26.6%	200,524	291,507	45.4%
Changes in assets and liabilities	(532,059)	(533,420)	0.3%	28,668	91,513	219.2%
Net cash used in investment activities	(166,640)	(182,106)	9.3%	(35,160)	(51,762)	47.2%
<i>In Fixed assets</i>	<i>(201,367)</i>	<i>(166,191)</i>	<i>-17.5%</i>	<i>(33,977)</i>	<i>(46,978)</i>	<i>38.3%</i>
<i>In Intangible assets</i>	<i>(4,272)</i>	<i>(15,915)</i>	<i>272.5%</i>	<i>(1,183)</i>	<i>(4,784)</i>	<i>304.4%</i>
<i>Receipt from sale of land</i>	<i>38,999</i>	<i>-</i>	<i>-100.0%</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net cash bef. cash used in inv. act.	(97,992)	45,022	-145.9%	194,032	331,258	70.7%
Net cash gen./(cons.) in fin. act. ⁽¹⁾	(31,609)	(45,332)	43.4%	36,070	(11,704)	-132.4%
Paid leases ⁽²⁾	(61,141)	(113,140)	85.0%	(12,823)	(4,406)	-65.6%
Payment of CRA Costs	(5,792)	-	-100.0%	(369)	-	-100.0%
Adjusted Free Cash	(196,534)	(113,450)	-42.3%	216,910	315,148	45.3%

⁽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)

(R\$ thd)	9M19	9M20	AH	3Q19	3Q20	AH
Machinery, implements and equipment	98,537	82,557	-16.2%	7,614	12,607	65.6%
Land acquisition	3,054	102	-96.7%	161	-	-100.0%
Soil correction	36,505	48,792	33.7%	25,394	37,439	47.4%
Buildings and facilities	41,822	17,101	-59.1%	10,917	5,442	-50.2%
Cotton ginning plant	32,055	3,409	-89.4%	3,470	1,500	-56.8%
Grains storage	1,503	2,185	45.4%	136	396	191.2%
Soil cleaning	2,734	8,974	228.2%	1,054	4,700	345.9%
Vehicles	3,795	1,136	-70.1%	774	917	18.5%
Aircraft	7,542	21	-99.7%	-	-	-
Software	4,277	13,988	227.1%	1,497	5,181	246.1%
Improvements in own properties	2	19	850.0%	-	19	100.0%
Improvements in Third Party Real Estate	1,722	998	-42.0%	535	322	-39.8%
Buildings	7,352	106	-98.6%	-	-	-
Others	-	9,763	100.0%	3,273	4,747	45.0%
Total	240,900	189,151	-21.5%	54,825	73,270	33.6%

Investments increased 33.6% in 3Q20 compared to 3Q19. The main investments in the quarter were in Machinery & Equipment and Soil Correction. In the line Machinery, the main acquisitions were in planters for the Planalto and Pioneira farms. Soil correction was carried out at all farms, led by the Piratini, Planeste, Parnaíba, Planorte and Pantanal farms.

In 9M20, CAPEX decreased by 21.5% compared to 2019. As commented in greater detail in the Earnings Release for 1Q20, due to the pandemic, and adopting a conservative approach, the Company reduced its investments for 2020 as a cash preservation measure. The main investments made, as in the quarter, were in Machinery & Equipment and Soil Correction.

Debt

Adjusted Net Debt ended the third quarter of 2020 at R\$1.226 billion, representing a decrease of R\$234.4 million from 2Q20, reflecting the positive free cash generation in the period due to the cash conversion cycle. As a result, the Net Debt/EBITDA ratio also declined, to 1.46 times.

At a Board meeting held on October 5, 2020, the issuance of a Rural Financial Product note ("CPR-F") by the Company was approved, pursuant to Law 8,929, of August 22, 1994, as amended, in the amount of up to R\$ 480,000,000.00 (four hundred and eighty million reais), for the benefit of ISEC Securitizadora SA ("Securitizadora"), which will serve as a backing for the securitization of Agribusiness Receivables Certificates ("CRA") by ISEC Securitizadora in the initial amount of R\$400,000,000.00 (four hundred million reais), which can be increased up to R\$ 480,000,000.00 (four hundred and eighty million reais), and which will be coordinated by Banco Bradesco BBI SA, Banco Santander (Brasil) SA and Banco Itaú BBA SA. The CRA's public offering is subject to analysis and registration by the Securities and Exchange Commission, in accordance with CVM Instruction 400.

Additionally, we raised R\$100 million on October 29th from Banco Santander in the first Green Bond operation carried out by the Company, enabling a differentiated loan rate, due to our Environmental Management, Social Responsibility, Management and Security practices.

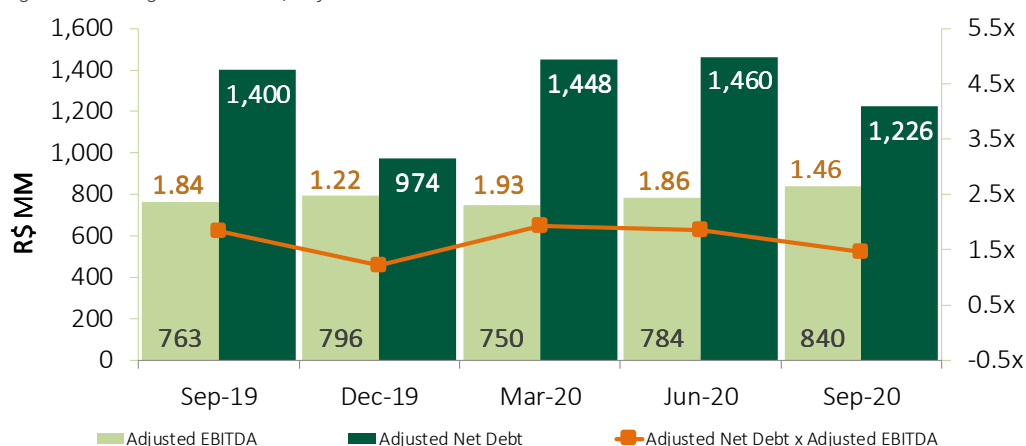
Table 25 Financial Net Debt

Credit Line (R\$ thd)	Average rate (%)		Consolidated		
	Index	2019	3Q20	2019	3Q20
Applied in Fixed Assets				73,235	60,886
Finame – BNDES	Pref. and Bask. Of Curr.	5.4%	5.4%	73,235	60,886
Applied in working Capital				1,792,631	2,397,479
Rural Credit	Pref.	6.0%	4.3%	108,483	12,057
CRA	CDI	4.4%	1.9%	561,447	563,750
Working Capital	CDI ⁽¹⁾	5.1%	3.3%	413,490	724,295
Export Loans	Pref.	6.5%	-	111,422	-
Export Loans	CDI ⁽¹⁾	5.1%	3.2%	597,789	1,097,377
Total Indebtedness⁽⁴⁾		5.0%	3.0%	1,865,866	2,458,365
(+/-) Gains and losses with deriv. connected with applic. and debts				6,691	151,908
(=) Adjusted Debt				1,859,175	2,306,457
(-) Cash				885,418	1,080,491
(=) Adjusted Net Debt				973,757	1,225,966
Adjusted EBITDA (last 12 months)				795,521	839,737
Adjusted Net Debt/Adjusted EBITDA				1.22	1.46

⁽¹⁾ Final Interest Rate with swap; ⁽²⁾ Transactions with gains and losses from Derivatives (see note 22e of the Quarterly Financial Information).

⁽⁴⁾ Total debt is different from the accounting position due to the costs of CRA transactions (see note 15 of the Quarterly Financial Information).

Figure 16 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 November 03:

Table 26 Hedge Position

FX Hedge – Soybean				Commercial Hedge – Soybean			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	98.70%	51.60%	-	%	99.70%	53.50%	13.80%
R\$/USD	4.4734	4.9429	-	USD/bu ⁽²⁾	10.19	9.75	10.32
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	6.00%	14.30%

FX Hedge – Cotton				Commercial Hedge – Cotton			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	94.50%	48.9%	0.5%	%	96.70%	66.6%	-
R\$/USD	4.42	5.2680	5,5520	US\$/lb ⁽²⁾	68.27	65.34	-
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	-	-

FX Hedge – Corn				Commercial Hedge – Corn			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	97.60%	44.00%	-	%	94.40%	55.00%	-
R\$/USD	4.4081	5.1148	-	R\$/bag ⁽³⁾	32.95	35.16	-
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)

ENVIRONMENTAL MANAGEMENT

Preserving the environment is our commitment and part of our strategy, with Environmental, Social and Corporate Governance (ESG) criteria adopted as key pillars of our business. The company has set strategic goals to reduce greenhouse gas emissions, for which it adopts various Environmental Management practices. The use of new technologies, for example, aims to reduce the consumption of inputs and the generation of waste, while contributing to the protection of habitats.

WATER & BIODIVERSITY

Initiatives on this front work to optimize water consumption and conserve water resources and biodiversity. To achieve this, we invest in eco-efficient production systems, conduct conservation and reforestation actions and adopt best management practices, as shown by the certifications attained by our operations.

Water

The rational use and conservation of natural resources, especially water, guide continuous research into optimal techniques for cultivating and managing crops. Today, around 99% of our planted area does not require mechanical irrigation, instead adopting a technique known as dry farming.

Crops on the remaining 1% already have infrastructure for irrigation based on the Sistema Irriga technology, whereby irrigation parameters are defined based on analyses of soil humidity at different depths, on the water needs of each crop in each cultivation phase and on the precipitation forecast for the regions.

At our farms, we draw water from rivers primarily for crop irrigation using the Center-Pivot Irrigation system, and from artesian aquifers for activities at operational facilities and in the field, such as for washing machinery and equipment.

For human use, the only source is groundwater. Every month, we monitor the amount consumed using hydrometers installed in the wells. The sewage generated by our Production Units is sent to septic tanks and the filter systems of our sewage treatment plants. Today, 100% of wastewater is treated by one of these systems.

Biodiversity

At our units, which include the 16 farms we operate and the Paineira Farm (leased by a third party), we have 99,400 hectares of conservation areas, which are home to the vegetation typical to the local biomes and the headwaters of the waterways, as well as the species of fauna. Designated as Legal Reserves and Permanent Preservation Areas (APP), as provided for by Brazilian environmental law, these lands represent 32.6% of our entire area.

In some cases, the legal reserves and APPs also are adjacent to conservation units or parks, environmental reserves and indigenous areas.

At all locations, we monitor continuously the geographical boundaries of the farms and rigorously adopt operational procedures, such as building firebreaks and installing signage on the boundaries of the farms to avoid any adverse effects on the environment.

99%

*of areas cultivated are
dryland (no irrigation)*

100%

*of wastewater treated before
discharged*

**99.4k
hectares**

*designated as Legal
Reserves and Permanent
Protection Areas,
equal to:*

4 times

the city of Frankfurt

290

Central Parks

92k

football fields

Biodiversity conservation actions

Our Company supports and participates in projects to protect fauna and flora in the regions where our farms are located. Two important examples of these initiatives are Pantanal Headwaters Pact and the Cerrado Biodiversity Conservation Project. The Pantanal Headwaters Pact works to protect headwaters in the Cerrado biome that flow long distances to irrigate the wetlands and preserve ecological processes in the Pantanal, one of the biomes with the greatest diversity of species on the planet. The Cerrado Biodiversity Conservation program is conducted on the Planalto Farm in partnership with the Federal University of Rio Grande do Sul (UFRGS). Its goal is to support academic research in doctoral programs on the legal reserve and APPs of one of the production units located adjacent to Emas National Park and Taquari River Springs Park. The focus of the study is to assess the impact of agricultural activities as an inducer of the quality of support of the remnants of native Cerrado vegetation.

CLIMATE & SOIL CHANGE

The efforts to mitigate climate change are based on two key approaches: minimizing the consumption of agricultural inputs, the generation of waste and the use of fossil fuels to ultimately reduce our carbon footprint; and improving soil quality on our cultivation areas to contribute to carbon sequestration.

Better protected soils function as carbon stocks

Mitigating our contribution to climate change is one of the goals established by our company. In 2020, we will launch the implementation of a ten-year plan to reduce GHG emissions by up to 25% by 2030.

Today, 90% of the land of SLC Agrícola is cultivated using direct seeding methods, which contributes to increasing organic matter and to fixing carbon in the soil.

The new technologies that we have adopted for the localized application of pesticides potentially enable a reduction of up to 90% in the consumption of inputs and water.

We have reduced by 19.5% the impacts caused from fuel consumption by the fleet and agricultural machinery, mainly by adopting technologies and innovations that have optimized the management of these vehicles.

Our business model is focused on developed areas that do not require any transformation of the land (suppression of vegetation). Approximately 99% of our planted areas are currently well developed and with maturity of over three years. Our plan is to end, in 2020, the cycle of expansion by transforming areas so that we can disseminate our commitment to zero deforestation for agricultural production.

300 kg*

more carbon sequestered in the soil using direct seeding compared to conventional methods =

* kg / year- Source: Bayer et al., 2006 (Carbon sequestration in two Brazilian Cerrado soils under no-till.

X

90%

the area of SLC Agrícola cultivated using direct seeding

**+ 360k
tCO₂e**

equals the potential additional sequestration of carbon in our soil by adopting this technique, equivalent to planting 51k trees

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 report of an independent auditor prepared every year) in the value of its land.

Table 27 Return on Equity

(R\$ million)	2013	2014	2015	2016	2017	2018	2019
Net Profit ⁽¹⁾	97	70	121	16	289	405	293
Net Land Appreciation ⁽²⁾	374	428	140	199	19	110	142
Subtotal	471	498	261	215	308	515	435
Shareholder's Equity ⁽³⁾	3,087	3,771	3,911	4,346	4,438	4,641	4,973
Return	15.3%	13.2%	6.7%	4.9%	6.9%	11.1%	8.7%

⁽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)	2013	2014	2015	2016	2017	2018	2019
Net Profit ⁽¹⁾	97	70	121	16	289	405	293
Net Land Appreciation ⁽²⁾	374	428	140	199	19	110	142
Subtotal	471	498	261	215	308	515	435
Net Assets	4,276	4,859	5,005	5,026	5,097	5,443	6,551
Working Capital	641	733	739	561	613	603	912
Fixed Assets ⁽³⁾	3,635	4,126	4,266	4,465	4,484	4,840	5,639
Return	11.0%	10.2%	5.2%	4.3%	6.0%	9.5%	6.6%

⁽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 by land-price appreciation.

Table 29 Return on Invested Capital

(R\$ million)	2013	2014	2015	2016	2017	2018	2019
Operating Income ⁽¹⁾	150	190	285	110	513	657	536
IRPJ Rate	23.1%	21.3%	27.3%	0.0%	26.3%	30.5%	24.0%
Adjusted IR	(35)	(40)	(78)	20	(135)	(200)	(129)
Adjusted Operating Income	115	150	207	130	378	457	407
Net Land Appreciation ⁽²⁾	374	428	140	199	19	110	142
Operating results w/ land	489	578	347	329	397	567	549
Invested Capital	3,864	4,731	5,005	5,255	5,104	5,584	5,947
Gross Debt (ST and LT)	1,170	1,332	1,795	1,974	1,578	1,586	1,859
Cash	393	372	701	1,065	749	643	885
Net Debt	777	960	1,094	909	829	943	974
Shareholder's Equity ⁽³⁾	3,087	3,771	3,911	4,346	4,275	4,641	4,973
Return	12.7%	12.2%	6.9%	6.3%	7.8%	10.2%	9.2%

⁽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

Area Mix	Planted Area	Planted Area	Share	Δ%
	2019/20	2020/21 ⁽¹⁾	2020/21	
	----- ha -----		%	
1st crop Area	313,458	323,722	68.6	3.3
Owned Area	111,101	109,814	23.3	-1.2
Leased Area	129,946	136,550	28.9	5.1
Joint Ventures Areas ⁽²⁾	40,148	41,771	8.9	4.0
SLC LandCo Areas ⁽³⁾	32,263	35,587	7.5	10.3
2nd crop Area	135,110	147,997	31.4	9.5
Owned Area	54,156	56,734	12.1	4.8
Leased Area	53,604	62,968	13.3	17.5
Joint Ventures Areas ⁽²⁾	9,876	12,035	2.6	21.9
SLC LandCo Areas ⁽³⁾	17,474	16,260	3.4	-7.0
Total Area	448,568	471,719	100.0	5.2

⁽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 30 Planted area by type (own, leased, joint operations and partnerships)

Area Mix	Planted Area	Planted Area	Share	Δ%
	2018/19	2019/20 ⁽¹⁾	2019/20	
	----- ha -----		%	
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 Areas ⁽²⁾	39,551	40,148	9.0	1.5
SLC LandCo Areas ⁽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 Areas ⁽²⁾	8,516	9,876	2.2	16.0
SLC LandCo Areas ⁽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 **November 6, 2020** is presented below:

Table 31 Property Portfolio

Area 2019/20 Crop (ha)	Owned ⁽¹⁾	SLC LandCo ⁽²⁾	Leased	Joint Ventures	Under Control	Total Planted ⁽³⁾
Pamplona	GO	17,994	3,857		21,851	20,992
Pantanal	MS		26,014		26,014	44,599
Planalto	MS	15,006	1,635		16,641	22,523
Planorte	MT	23,454			23,454	31,346
Paiguás	MT	28,129	17,318		45,447	67,381
Perdizes ⁽⁵⁾	MT	28,893	13,288		42,181	26,947
Pioneira ⁽⁴⁾	MT			19,855	19,855	31,889
Panorama	BA	10,373	14,253		24,626	21,806
Paladino ⁽⁵⁾	BA			21,917	21,917	21,917
Piratini	BA	25,356			25,356	8,446
Palmares	BA	16,195	831	16,293	33,319	23,916
Parnaíba	MA	26,193	11,545		37,738	43,007
Palmeira	MA		10,200	14,500	24,700	21,322
Planeste	MA		22,785	20,339	43,124	62,069
Parceiro	BA	27,564	3,680	10,796	42,040	14,313
Paineira ⁽⁶⁾	PI	12,892			12,892	-
Parnaguá	PI	21,933			21,933	9,246
Total	-	218,253	86,513	136,550	41,771	483,088
						471,719

⁽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 32 Landbank

Hectares	Under Transformation	Under Licensing
SLC Agrícola		
Parnaíba	-	1,464
Parnaguá	-	3,426
Parceiro	6,698	-
Sub Total	6,698	4,890
SLC LandCo		
Palmeira ⁽¹⁾	4,749	-
Piratini	9,993	-
Parceiro ⁽¹⁾	-	-
Subtotal	14,742	-
Total	21,440	4,890

⁽¹⁾ Areas acquired by SLC LandCo to be developed jointly with these farms.

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\$19,343.

Machinery base and Storage capacity

Table 33 Machinery Base and Storage Capacity

	2018	2019	9M20
Machinery (quantity)	867	873	870
Tractors	216	212	208
Grains Combiners	209	206	198
Cotton Pickers	76	85	92
Planters	212	209	210
Self propelled sprayers	154	161	162
Storage capacity (tons)			
Grains	764,000	764,000	764,000
% Production ⁽¹⁾	52%	52%	52%
Cotton	125,148	125,148	125,148
% Production ⁽¹⁾	60%	60%	60%

⁽¹⁾ Estimate based on the estimated planted area and yield for 2019/20.

Net Asset Value

Table 34 Net Asset Value – NAV

(R\$ million)	3Q20
SLC Agrícola Farms ⁽¹⁾	2,767
SLC LandCo Farms ⁽¹⁾	755
Infrastructure (excl. land)	1,112
Accounts Receivable (excl. derivatives)	51
Inventories	1,842
Biological Assets	202
Cash	980
Subtotal	7,709
Suppliers	600
Gross debt adjusted by results of operations with derivatives	1,804
Outstanding debt related to land acquisition	-
Subtotal	2,404
Net asset value	5,305
Net Asset value per share (190,595,000 shares)	27.8

⁽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.

(A free translation of the original in Portuguese)

Debt

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

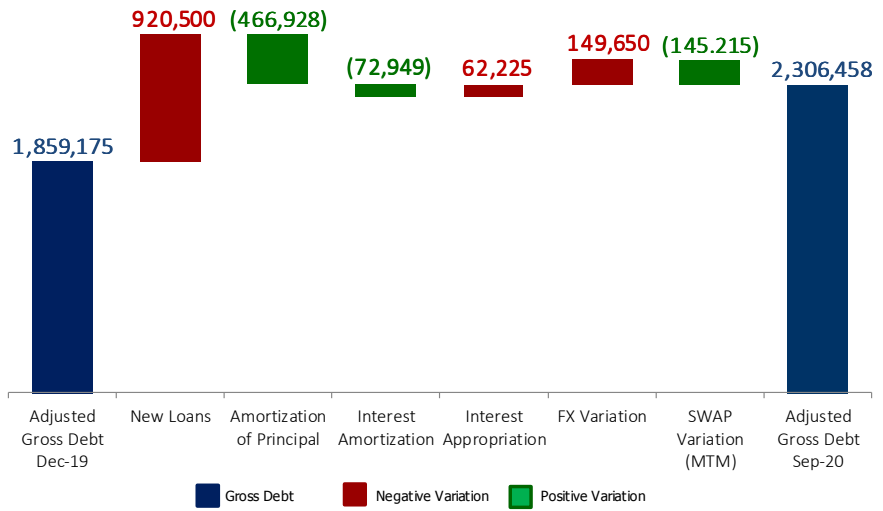


Figure 18 Adjusted Gross Debt Amortization Schedule (R\$ '000)

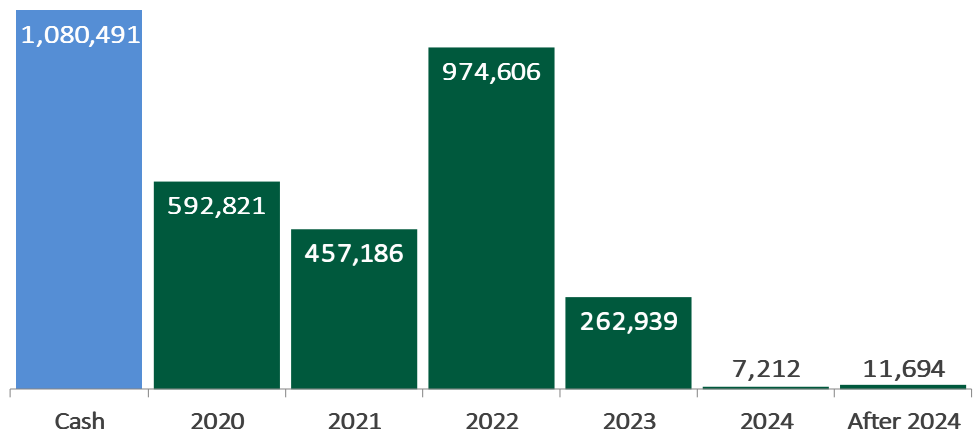


Figure 19 Adjusted Gross Debt Profile

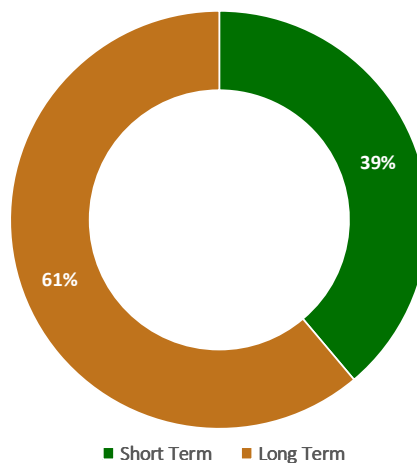
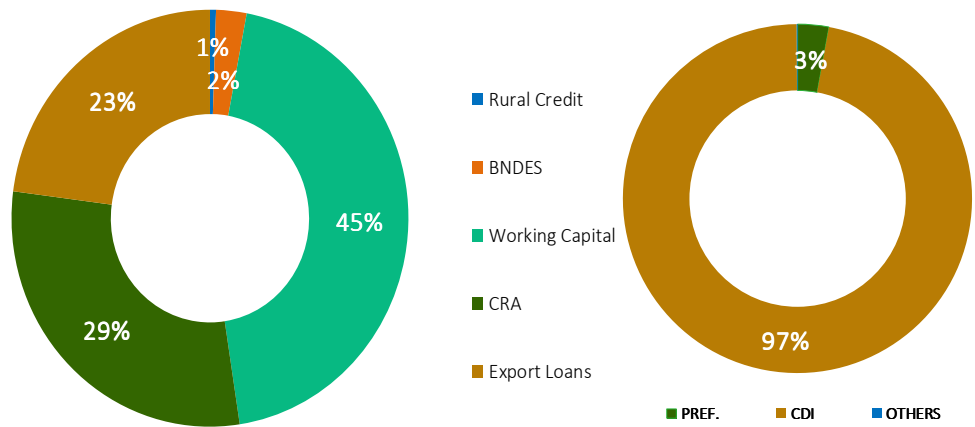
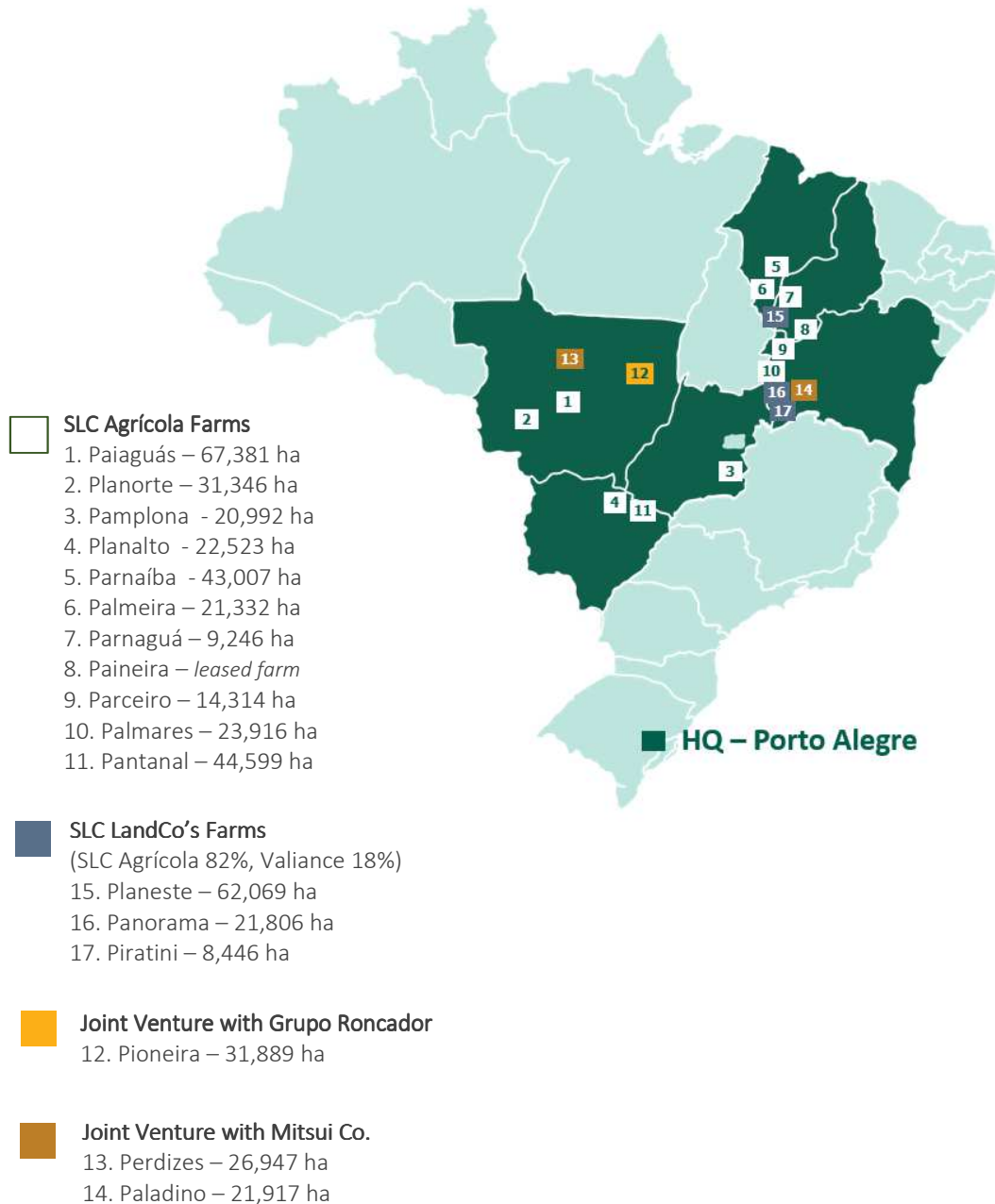


Figure 20 Adjusted Gross Debt by Index and Instrument



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.

SLC Agrícola S.A.

Notes to the quarterly information

September 30, 2020

(in thousands of Reais)

1 Operations

SLC Agrícola S.A., founded in 1977, hereinafter referred to as "Parent Company", "SLC" or "Company", and its subsidiaries (jointly referred to as "the Group" or "Consolidated"), has its headquarters located in the city of Porto Alegre, RS, Brazil and has as its corporate purpose the activities of agriculture and cattle raising; production and marketing of seeds and seedlings; processing and marketing of its products, being able to export and import goods for its own use and consumption; supply of primary agricultural goods and products and goods in general; reception, cleaning, drying and storage services of cereals for third parties; provision of services with agricultural machinery and implements for third parties; trade, import and export of agricultural products; agro-industrial activity of industrialization of sugar cane, alcohol and its derivatives; and participation in other companies; lease of own property.

On September 1, 2020, the Company and subsidiaries began its cultivation of the 2020/2021 crop with operations at sixteen production units and a total planted area of 471.7 thousand hectares, including company-owned areas and areas leased from third parties and realted parties, which are located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

Effects of COVID-19 on the Financial Statements

In compliance with Circular Letter SNC / SEP 02/2020, which deals with guidance on the disclosure of the potential impacts of COVID-19 on the financial statements of publicly-held companies, carefully considering the main risks and uncertainties arising from this analysis and observing the accounting standards, Company worked, especially in the analysis of the following possible impacts:

- a) Actions taken by the Company as a result of COVID-19 and possible impacts on its internal controls;
- b) Increased risk of losses on financial assets (CPC 48 - Financial Instruments);
- c) Realizable value of inventories (CPC 16 - Inventories);
- d) Impairment of fixed and intangible assets (CPC 01 - Impairment of Assets);
- e) Measurement of the fair value of Biological assets and investment properties;
- f) Impacts on revenue for the period and margins;
- g) Analysis of the Company's operational continuity;
- h) Cash flow, impacts on access to credit for loans and financing and covenants.

The Company carried out a study of the items listed above and did not identify any relevant impacts on its individual and consolidated interim financial statements. In this sense, it is important to comment that the operations of the Company and its subsidiaries are being accompanied by a crisis management model and strategies are being set up so that the Company can cross this period with the least possible negative impact. The Company acted quickly and assertively in the creation of a Committee, which was responsible for the preparation and continuous monitoring of the COVID-19 Contingency Plan and the COVID-19 Coping Guide, two instruments that aim at the identification of risks and vulnerabilities, in addition to establishing protection, control and containment measures against eventual proliferation of COVID-19 within the scope of the Company and its subsidiaries.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

1 Operations (Continued)

Effects of COVID-19 on the Financial Statements (Continued)

In relation to its business, it is worth mentioning that the Company is part of a sector considered essential, in relation to the maintenance of its productive activity, since, among its three main products, two are used by the food and beverage industry as material -cousin. Another factor that deserves mention and that directly involves the Company is the strong demand for exports, favored by the appreciation of the dollar. Regarding the logistics chain, it is worth noting that there were no significant disruptions in the operations and export logistics, as well as in the operations for receiving inputs, which are already largely acquired.

Regarding firm sales commitments to customers, the Company does not expect material changes in its composition, since its origin lies in a strong correlation with the way in which negotiations are carried out and the players chosen as commercial partners, having not been identified, to date, issues related to these commitments.

Additionally, at times like this, concerns about cash, financial leverage, cost efficiency and debts subject to exchange variation are accentuated and, in this sense, the Company is well positioned to overcome the effects arising from COVID-19, being possible to highlight also the risk management policy applied by the Company consistently in recent years. Short- and long-term liquidity are preserved and, even eventual changes in shipments and receipts, are sized so that they do not materially affect the Company's financial position. Accordingly, the Company has not identified any relevant risks in relation to its ability to continue operating.

2 Summary of significant accounting practices

a) Basis of preparation and presentation of the individual and consolidated quarterly information

The individual and consolidated interim financial information for the quarter ended September 30, 2020 was prepared in accordance with CPC 21 (R1) - Interim Financial Statements and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and presented in accordance with the standards established by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of the Quarterly Information (ITR).

The individual and consolidated quarterly information was prepared by the Company to update the users on the relevant information presented in the period and should be analyzed together with the complete financial statements for the year ended December 31, 2019.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

2 Summary of significant accounting practices (Continued)

a) Basis of preparation and presentation of the individual and consolidated quarterly information (Continued)

The Company followed, in the preparation of these interim financial statements, the same accounting policies and calculation methods as applied in the individual and consolidated financial statements of December 31, 2019. The Company adopted all standards, revisions of standards and interpretations issued by the CPC, by the IASB and regulatory bodies that were in effect on September 30, 2020.

The Company's Management understands that all relevant information specific to the interim financial statements is being evidenced and corresponds to that used by it in its management, as provided for in OCPC 7 - Disclosure in the Disclosure of General Purpose Accounting and Financial Reports.

The issue of the individual and consolidated quarterly information was authorized by the Executive Board on November 06, 2020.

Seasonality

The Company's financial information is subject to seasonal variations resulting from the harvest period, which occurs at different times throughout the year, depending on the location of the farms and the cultivated products, as detailed in note 7 (a). In addition, climatic factors and restrictions financial markets may alter the working capital requirement over the period, as well as directly impact current levels of inventories, customer advances, loans, suppliers and sales volume.

The Company's operations, in the judgment of its Management, are not impacted by these effects in a way that requires disclosures or additional information to the explanatory notes.

b) Presentation of the notes to the quarterly information

To avoid redundancy in the presentation of the Interim Financial Information and for the purposes of Article 29 of CVM Instruction 480/09, the Company indicates below the number of notes disclosed in the individual and consolidated financial statements as of December 31, 2019, and not repeated in full or part in this interim financial information: 3 - Accounting policies, 13 – Investment property, 24 - Profit-sharing program, 26 - Government subsidies and assistance and 26 - Insurance coverage.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

2 Summary of significant accounting practices (Continued)

c) Basis of measurement

The preparation of this interim information in accordance with Technical Pronouncement CPC 21(R1) and with Accounting Standard IAS 34 requires the use of certain accounting estimates by the management of the Company.

The individual and consolidated Interim Information was prepared based on historical cost, except for the following material items recognized on the statements of financial position:

- Derivative instruments measured at fair value;
- Biological assets, not classified as carrier plants, measured at fair value, using the market approach, less sales expenses and costs from the point of harvest;
- Investment properties measured at fair value less selling expenses;
- Share-based payment transactions measured at fair value on grant date.

d) Functional and reporting currency

This individual and consolidated quarterly information is being presented in Brazilian real, which is the functional currency of the Company. All financial information presented in Brazilian real has been rounded to the nearest thousandth, except where stated otherwise.

e) New or revised standards

There are no other standards and interpretations issued and not yet adopted that may, in Management's opinion, have a significant impact on the results or shareholders' equity disclosed by the Company in the interim financial statements of September 30, 2020.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

3 Consolidated financial statements

The consolidated financial statements include the operations of the Company and of the following subsidiaries, whose equity interest as of the reporting date is as follows:

Main activity	Companies	Subsidiaries		Location (State)
		Directs %	Indirects %	
Culture of soybean, corn and herd.	Fazenda Pioneira Empreendimentos Agrícolas S.A.	50.0	-	Mato Grosso – MT
Culture of cotton and soybean.	SLC-MIT Empreendimentos Agrícolas S.A.	52.2	-	Rio Grande do Sul - RS
Culture of soybean, corn and cotton.	Fazenda Perdizes Empreendimentos Agrícolas Ltda.	-	50.1	Mato Grosso - MT
Investments in other companies or commercial ventures and leasing.	SLC Investimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100.0	-	Maranhão - MA
	Fazenda Planorte Empreendimentos Agrícolas Ltda.	100.0	-	Mato Grosso - MT
	Fazenda Pamplona Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Planalto Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Palmares Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100.0	-	Rio Grande do Sul - RS
	Fazenda Paiaguas Empreendimentos Agrícolas S.A.	100.0	-	Rio Grande do Sul - RS
	SLC Perdizes Empreendimentos Agrícolas S.A.	100.0	-	Rio Grande do Sul - RS
	SLC LandCo Empreendimentos Agrícolas S.A.	-	81.2	Rio Grande do Sul - RS
	Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Piratini Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Palmeira Empreendimentos Agrícolas Ltda.	-	81.2	Rio Grande do Sul - RS
	Fazenda Parceiro Empreendimentos Agrícolas Ltda.	-	100.0	Rio Grande do Sul - RS
	Fazenda Paineira Empreendimentos Agrícolas Ltda.	6.1	93.9	Rio Grande do Sul - RS
Purchasing and sale, lease, construction and managing of real estate				

The financial statements of the subsidiaries included in the consolidation are the same as those of the Parent Company and the accounting policies were applied uniformly in the consolidated companies and are consistent with those used in the previous year.

At the Extraordinary General Meeting held on March 10, 2020, of the subsidiary SLC-MIT Empreendimentos Agrícolas SA, the capital increase was approved in the amount of R\$ 47, being fully paid up by the Company, which now has the amount of 52.2% of the subsidiary's total capital. This exclusive subscription by SLC Agrícola S.A. was approved by the other shareholder, Mitsui & Co. Ltd.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

4 Cash and cash equivalents and short-term interest earning bank deposits

Description	Yields	Parent company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents in R\$	-	221	84	256	105
Forex exchange cash **	-	11,232	5,228	11,232	6,656
CDB-DI	100.88% of CDI*	729,849	645,154	1,068,026	820,891
Repurchase and resale commitments	-	-	28,889	-	32,360
LAM	100.00% of CDI*	-	23,843	317	24,755
Other investments	70.58% of CDI*	660	652	660	652
		741,962	703,850	1,080,491	885,419
Cash and cash equivalents		731,302	649,548	1,069,831	829,427
CP Interest earnings bank deposits		10,000	53,652	10,000	55,342
LP Interest earnings bank deposits		660	650	660	650

(*) Average yield on September 30, 2020.

(**) Amounts in reais, converted by the dollar P-tax purchase on September 30, 2020.

The financial operations contracted by the Company are represented by investments in bank certificates of deposit and lease bills, at market prices and rates, updated by the income earned up to September 30, 2020, not exceeding the trading value.

Short-term investments consist of CDBs and lease bills with a maturity of more than 90 days and a grace period for redemption in September 2020, in addition to capitalization securities and CDBs with a redemption period of less than 365 days and linked to reciprocity in maintaining balances in return for the release of loans.

Among short and long-term financial investments, there are reciprocity transactions (financial investments used as guarantees for financial loans and collateralized operations), which represent, in current and non-current assets, respectively, the amount of R\$ 10,000 of the portfolios in the parent company and in the consolidated.

Long-term financial investments are reciprocated (collateralized operations), which represent in the non-current assets the amount of R\$ 660 of the portfolio in the parent company and in the consolidated.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 22.

The balance of cash and cash equivalents remained stable in the period, mainly due to the Company's strategy of maintaining a comfortable cash level in order to cover possible economic /financial stress scenarios arising from COVID-19.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

5 Trade accounts receivable

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Domestic market	50,567	11,135	51,509	11,463
Foreign market	53,062	125,979	57,661	166,942
Total	103,629	137,114	109,170	178,405

The group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 22.

6 Inventories

	Parent company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Agricultural products	1,238,516	431,819	1,355,996	476,433
Agricultural products - formation costs	948,569	333,616	1,050,536	379,394
Agricultural products – Adjustment at fair value	289,947	98,203	305,460	97,039
Seeds, composts, fertilizers and pesticides	439,502	470,911	527,509	549,264
Packages and containerization material	15,875	9,848	17,646	11,492
Spare parts	8,979	8,364	10,807	10,145
Other inventories	47,923	19,296	59,662	22,264
Advances to suppliers	3,555	1,719	4,444	1,756
	1,754,350	941,957	1,976,064	1,071,354

7 Biological assets

Below is the movement of the Company's biological assets:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Biological assets - culture in formation	165,708	666,930	199,373	779,543
Biological assets -herd of cattle	12,874	1,024	26,106	1,046
Total	178,582	667,954	225,479	780,589

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

7 Biological assets

a) Biological assets culture

The movement in fair value of biological assets during the year is as follows:

	Parent Company				Total
	Soybean	Cotton	Corn	Other crops	
Balances at december 31, 2019	370,603	217,205	42,837	36,285	666,930
Expenditures with planting	265,743	786,531	172,860	66,541	1,291,675
Variation of the fair value(*)	183,556	306,910	61,248	52,170	603,884
Harvesting - agricultural products	(756,985)	(1,246,822)	(254,529)	(138,445)	(2,396,781)
Balances at September 30, 2020	62,917	63,824	22,416	16,551	165,708
Agricultural products – formation costs	62,917	63,824	22,416	16,551	165,708

	Consolidated				Total
	Soybean	Cotton	Corn	Other crops	
Balances at december 31, 2019	461,928	237,584	43,959	36,072	779,543
Expenditures with planting	329,315	928,438	203,530	75,087	1,536,370
Variation of the fair value(*)	233,115	326,673	62,353	65,325	687,466
Harvesting - agricultural products	(945,122)	(1,415,524)	(284,578)	(158,782)	(2,804,006)
Balances at September 30, 2020	79,236	77,171	25,264	17,702	199,373
Agricultural products – formation costs	79,236	77,171	25,264	17,702	199,373

(*) Effect of biological assets in the statement of income for the period.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

7 Biological assets (Continued)

a) Biological assets culture (Continued)

Below we present the main assumptions used in determining the fair value of biological assets:

	Parenty Company		Consolidated	
	09/30/2020 ^(*)	09/30/2019 ^(**)	09/30/2020 ^(*)	09/30/2019 ^(**)
Soybean				
Harvested area (ha)	164,833	186,239	205,508	229,960
Productivity achieved (sc/ha)	63	62	64	61
Average price (R\$/sc) ^(***)	R\$73.79	R\$64.85	R\$73.33	R\$64.43
Corn				
Harvested area (ha)	71,874	75,606	86,271	88,929
Productivity achieved (sc/ha)	125	122	120	118
Average price (R\$/sc) ^(***)	R\$ 31.66	R\$ 24.08	R\$ 30.91	R\$ 23.62
Cotton seed				
Harvested area (ha)	108,132	105,432	125,441	123,702
Productivity achieved (@/ha)	287	282	285	273
Average price (R\$/@) ^(***)	R\$ 39.40	R\$ 35.01	R\$ 39.15	R\$ 34.80

(*) Crop date 2019/20 on the calculation date

(**) Crop date 2018/19 on the calculation date

(***) Average prices at market value on the date of calculation

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

7 Biological assets (Continued)

a) Biological assets culture (Continued)

Soybean, corn and cotton crops occur in the following periods:

Unit	Location	Crops		
		Soybean	Cotton	Corn
Pamplona Farm	Cristalina-GO	September 25 to April 15	November 05 to August 30	January 20 to July 15
Planalto Farm	Costa Rica-MS	September 20 to March 25	December 05 to August 30	January 20 to July 10
Planorte Farm	Sapezal-MT	September 20 to March 15	January 01 to August 30	February 10 to July 10
Paiaguás Farm	Diamantino-MT	September 20 to March 15	January 01 to August 30	February 10 to July 15
Perdizes Farm	Porto dos Gaúchos - MT	September 20 to March 15	December 20 to August 30	February 01 to July 10
Pioneira Farm	Querência - MT	October 10 to March 25	Does not plant	January 20 to July 15
Panorama Farm	Correntina-BA	October 20 to April 30	December 01 to August 30	Does not plant
Paladino Farm	São Desidério - BA	November 01 to April 30	December 01 to August 30	Does not plant
Piratini Farm	Jaborandi-BA	November 01 to April 30	Does not plant	Does not plant
Palmares Farm	Barreiras-BA	October 20 to April 30	December 01 to August 30	Does not plant
Parceiro Farm	Formosa do Rio Preto -BA	November 01 to April 30	December 01 to August 30	Does not plant
Parnaíba Farm	Tasso Fragoso-MA	October 20 to April 15	December 10 to August 30	January 25 to July 15
Planeste Farm	Balsas-MA	October 15 to April 15	December 20 to August 30	January 25 to July 15
Parnaguá Farm	Santa Filomena-PI	November 01 to April 15	Does not plant	December 01 to July 15
Pantanal Farm	Chapadão do Sul - MS	September 20 to March 25	December 05 to August 30	January 10 to July 10
Palmeira Farm	Tasso Fragoso-MA	October 10 to April 15	December 10 to August 30	February 01 to July 15

The following is an updated table of the planned area for crop year 2019/20 and a comparison with the previous crop year:

Crops	Area	Planted area 2019/20	Planted area 2018/19
Cotton	ha	125,462	125,922
Soybean **	ha	235,444	236,138
Corn	ha	82,392	91,229
Other Crops *	ha	5,270	5,651
		448,568	458,940

(*) Other crops include corn seed, wheat and sorghum.

(**) The planted area of soybeans also comprises seed soybeans.

For crop year 2020/21, the following area is planned:

Crops	Area	Planned area 2020/21 ^(*)
Cotton	ha	115,748
Soybean	ha	235,039
Corn	ha	108,931
Other Crops (**)	ha	12,001
		471,719

(*) Planned area on 09/30/2020.

(**) Other crops include corn seed, popcorn, brachiaria, wheat .beans and cattle raising permanent.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

7 Biological assets (Continued)

b) Biological assets – cattle raising

The Pioneira, Perdizes, Planorte, Paiaguás, Planalto, Pantanal and Planest farms compose the Company's Livestock Integration Project - ILP. This system aims to optimize land use, in places where it is only possible to carry out a crop (soybean), using the herd as a second crop. The ILP project is characterized as fattening activity.

The fair value of cattle raising is calculated using the market value, due to the existence of an active market. The gain or loss in the variation in the fair value of biological assets is recognized in the income statement in the period in which it occurs.

The Company considered the prices practiced in the cattle market in the regions considering the main market, and through the metrics used in the market. In this way the measurement is based on the at sign and age group.

	<u>Parenty company</u>	<u>Consolidated</u>
Balances at december 31, 2019	1,024	1,046
Purchase cost	13,423	28,020
Variation in fair value adjustment (*)	3,696	2,738
Low por sale	(5,269)	(5,698)
Balances at september 30, 2020	12,874	26,106
Biological assets - cattle	9,178	23,368
Biological assets – adjustment at fair value	3,696	2,738

(*) Effect of biological assets in the statement of income for the period.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

8 Recoverable taxes

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Income tax	5,089	2,570	6,045	3,027
Social contribution	993	85	1,004	128
ICMS	96,469	87,005	133,552	119,633
COFINS	9,952	9,861	29,628	28,795
PIS	2,186	2,120	6,168	6,080
IRRF recoverable	3,004	4,815	3,664	5,580
Other	372	946	439	1,169
	118,065	107,402	180,500	164,412
Portion classified in current assets	34,984	33,970	44,024	41,943
Portion classified in non-current assets	83,081	73,432	136,476	122,469

Income and social contribution taxes

It corresponds to the prepayments of Income and social contribution taxes, which will be offset with taxes of the same nature, in addition to the negative balance of IRPJ and CSLL, which will be offset with federal taxes and contributions.

Recoverable IRRF

Corresponds to withholding income tax on financial investments. Throughout the year they are offset against the IRPJ debt, after closure, these credits are realizable by offsetting with federal taxes and contributions.

ICMS, PIS and COFINS to be offset/recovered

These refer to credits generated in normal operations of the Company and its subsidiaries and may be offset with taxes of the same nature.

The estimated realization of ICMS, PIS and COFINS sales taxes is evaluated by management based on estimated projections of sales of agricultural products, commercialization of ICMS tax credits and on compensation or offsetting of PIS and COFINS with other taxes generated by the Group's operation. The estimated terms of realization of these assets are described below. The Company does not expect losses due to the non-realization of recoverable taxes.

Deadline	Parent Company			Consolidated		
	ICMS	COFINS	PIS	ICMS	COFINS	PIS
up to 1 year	16,920	7,192	1,584	18,847	13,881	2,738
1 to 2 years	25,435	45	9	28,090	4,646	1,207
2 to 3 years	9,434	-	-	19,411	-	-
over 3 years	44,680	2,715	593	67,204	11,101	2,223
	96,469	9,952	2,186	133,552	29,628	6,168

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

9 Securities and credits receivable

At September 30, 2020, the consolidated balance of securities receivable is comprised of an amount of R\$ 76,440 (R\$ 76,905 at December 31, 2019) as follows:

	<u>Consolidated</u>
Balance at December 31, 2019	76,905
Monetary variation	1,685
Withholding income tax	(449)
Receipts*	(1,701)
Balance at September 30, 2020	<u>76,440</u>
Portion classified in current assets	73,759
Portion classified in non-current assets	2,681

Sale of land in the subsidiaries Fazenda Paiaguás and Fazenda Parceiro

The subsidiaries Fazenda Paiaguás Empreendimentos Agrícolas Ltda. and Fazenda Parceiro Empreendimentos Agrícolas Ltda. In February 2018, the buyer sold 11,604 hectares of land to third parties in 2017, in the total amount of R\$ 176,654, of which R\$ 52,996 was received in that year, and the rest was deposited by the buyer, in February 2018, in a guaranteed account ("Escrow Account"), being invested in securities backed by an Interbank Deposit Certificate (CDI). The contract provided that some documental formalizations such as transfer of reserves, registration with the real estate registry with the unfolding of their registration and release of mortgages, in addition to the transfer of the funds to the Company itself, should be completed within 12 months of signing the contract, which occurred on December 20, 2017. The contract was postponed, in November 2018, in order to postpone the deadline for some documental formalizations, such as transfer of reserves, registration in real estate registries with the unfolding of their registration and release of mortgages, in addition to agreeing on the transfer of the funds to the Company itself, in relation to the previous conditions already met, in the amount of R\$ 63,789.

In April 2019 the amount of R\$ 38,999 was released from the escrow account due to the bookkeeping of the last glebe of Fazenda Paiaguás for the buyer, totaling R\$ 102,787 of the original amount, in favor of the Company.

In December 2019 there was a new amendment to the contract, with the replacement of an area of the Partner Farm with another area in the same unit, as provided for in the initial pact as a possibility. In view of the need to dismember this replaced area, the new deadline for complying with the remaining precedent conditions was agreed for June 20, 2020, which may be extended for a period to be adjusted between the parties.

With the advent of the pandemic and the difficulties resulting from the event, the dismemberment of the replaced area was hampered in relation to the term, making it understood by the need to postpone the dismemberment date.

As of September 30, 2020, the balance of receivables related to this transaction is R\$ 29,367 (R\$ 29,193 as of December 31, 2019).

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

9 Securities and credits receivable (Continued)

Sale of land in the subsidiary Fazenda Parnaíba

On November 12, 2019, the subsidiary Fazenda Parnaíba Empreendimentos Agrícolas Ltda. sold 5,205 hectares of land to third parties, in the total amount of R\$ 83,245. The payment for the acquisition of the land was divided into two installments, the first of which, in the amount of R\$ 41,623, corresponding to 50% of the total amount and received on November 28, 2019. The remaining balance, in the amount of R\$ 41,622, was deposited in a guaranteed account ("Escrow Account"), which will remain invested in securities backed by an Interbank Certificate of Deposit (CDI) and released when some documentary formalizations such as transferring reserves, registering in real estate with the splits of their registrations and releasing mortgages are fully met. The deadline for fulfilling the remaining precedent conditions will end on November 12, 2020.

As of September 30, 2020, the balance of receivables related to this transaction is R\$ 42,690 (R\$ 41,751 as of December 31, 2019).

Complements the item "securities receivable" balances of other amounts receivable in the amount of R\$ 4,383 on September 30, 2020 (R\$ 5,961 on December 31, 2019).

10 Investments (Parent company)

Total investments at September 30, 2020 and December 31, 2019 are comprised of the following:

	<u>09/30/2020</u>	<u>12/31/2019</u>
Investments parent company	<u>2,166,299</u>	<u>2,200,537</u>
	<u>2,166,299</u>	<u>2,200,537</u>

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

10 Investments (Parent company) (Continued)

The relevant investments in subsidiaries, valued by the equity method, with a balance on September 30, 2020, are shown in the table below:

Investment	Capital stock	Shareholders' equity	Unrealized gain in equity	Adjustments to IFRS 16 / CPC 06 (R2) in shareholder's equity	Net income for the period	Unrealized profit for the period income	Adjustments to IFRS 16 / CPC 06 (R2) for the period	Percentage of interest	Equity in income of subsidiaries and associated companies	Equity participation
Fazenda Parnaíba Emp. Agr. Ltda.	21,053	228,556	-	(24,658)	11,006	7,871	(3,845)	100.00%	15,032	203,898
Fazenda Planorte Emp. Agr. Ltda.	57,099	234,082	(61)	(10,695)	19,401	1,265	(8,851)	100.00%	11,815	223,326
Fazenda Pioneira Emp. Agr. S.A.	91,672	82,775	-	-	8,302	-	-	50.00%	4,151	41,390
SLC-MIT Emp. Agr. S.A.	109,981	95,622	-	(1,748)	10,236	-	(1,157)	52.20%	4,596	46,204
SLC Invest. Agrícolas Ltda.	279,405	715,374	(20)	208	15,264	(5,230)	(74)	100.00%	9,960	715,562
Fazenda Pamplona Emp. Agr. Ltda.	31,766	168,205	(6)	(5,525)	10,700	232	(4,292)	100.00%	6,640	162,674
Fazenda Planalto Emp. Agr. Ltda.	9,137	238,501	(1)	(9,609)	18,558	(136)	(8,314)	100.00%	10,108	228,891
Fazenda Palmares Emp. Agr. Ltda.	109,800	177,506	(31)	(5,525)	12,435	61	(5,094)	100.00%	7,402	171,950
Fazenda Parnaguá Emp. Agr. Ltda.	34,291	51,505	-	1,374	2,789	2	1,148	100.00%	3,939	52,879
Fazenda Paineira Emp. Agr. Ltda.	73,985	144,921	-	-	2,249	-	-	6.082%	138	8,808
Fazenda Paiaguás Emp. Agr. Ltda.	20,347	216,617	(2)	(8,641)	18,545	1,038	(6,319)	100.00%	13,264	207,974
SLC Perdizes Emp. Agr. Ltda.	77,163	105,810	(34)	(3,033)	4,858	589	(899)	100.00%	4,548	102,743
									91,593	2,166,299

The main movements in investments in direct permanent equity interests, as at September 30, 2020, are as follows:

Investment	Balance on 12/31/2019	Capital integralization	Distributed dividends	Equity accounting	Unrealized gain/(loss) with hedge instruments	Balance on 09/30/2020
Fazenda Parnaíba Emp. Agr. Ltda.	228,766	-	(39,900)	15,032	-	203,898
Fazenda Planorte Emp. Agr. Ltda.	231,211	-	(19,700)	11,815	-	223,326
Fazenda Pioneira Emp. Agr. S.A. ¹	38,124	-	-	4,151	(885)	41,390
SLC-MIT Emp. Agr. S.A. ¹	60,593	47	-	4,596	(19,032)	46,204
SLC Invest. Agrícolas Ltda.	706,562	-	(960)	9,960	-	715,562
Fazenda Pamplona Emp. Agr. Ltda.	163,734	-	(7,700)	6,640	-	162,674
Fazenda Planalto Emp. Agr. Ltda.	231,433	-	(12,650)	10,108	-	228,891
Fazenda Palmares Emp. Agr. Ltda.	174,348	-	(9,800)	7,402	-	171,950
Fazenda Parnaguá Emp. Agr. Ltda. ²	50,641	-	(1,701)	3,939	-	52,879
Fazenda Paineira Emp. Agr. Ltda.	8,670	-	-	138	-	8,808
Fazenda Paiaguás Emp. Agr. Ltda.	208,260	-	(13,550)	13,264	-	207,974
SLC Perdizes Emp. Agr. Ltda.	98,195	-	-	4,548	-	102,743
Total	2,200,537	47	(105,961)	91,593	(19,917)	2,166,299

¹ The Company controls Fazenda Pioneira Empreendimentos Agrícolas S.A. and SLC-MIT Empreendimentos Agrícolas S.A. because it is responsible for managing the relevant activities of these companies and is exposed to variable returns on investment due to its influence over them.

² The dividend received from the company Fazenda Parnagua Emp. Agr. Ltda, in the amount of R\$ 1,701 without cash effect.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

10 Investments (Parent company) (Continued)

The following is the main information on investments in permanent equity investments as of September 30, 2020:

Investments	Directly and indirectly controlled						Expenses
	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	
Fazenda Parnaíba Emp. Agr. Ltda.	53,100	191,253	5,365	10,432	228,556	17,814	6,808
Fazenda Planorte Emp. Agr. Ltda.	12,726	230,299	3,063	5,880	234,082	24,061	4,660
Fazenda Pioneira Emp. Agr. S.A.	139,822	122,807	112,584	67,270	82,775	138,081	129,778
SLC-MIT Emp. Agr. S.A.	385,963	339,378	284,379	345,340	95,622	326,022	315,786
SLC Investimentos Agrícolas Ltda	364	727,109	11,568	531	715,374	15,330	67
Fazenda Pamplona Emp. Agr. Ltda	9,658	165,470	1,687	5,236	168,205	13,152	2,452
Fazenda Planalto Emp. Agr. Ltda.	14,688	234,608	2,957	7,838	238,501	23,125	4,566
Fazenda Palmares Emp. Agr. Ltda	9,547	172,998	2,445	2,594	177,506	14,851	2,415
Fazenda Parnaguá Emp. Agr. Ltda.	5,468	46,910	428	445	51,505	3,413	624
Fazenda Paineira Emp. Agr. Ltda.	9,039	138,051	202	1,967	144,921	2,929	680
Fazenda Paiaguás Emp. Agr. Ltda.	30,807	196,426	3,353	7,263	216,617	22,688	4,143
SLC Perdizes Emp. Agrícolas Ltda.	8,626	126,389	29,013	192	105,810	9,180	4,321
SLC LandCo Emp. Agrícolas S.A.	5,338	548,966	438	-	553,866	15,729	1,505
Fazenda Planeste Emp. Agr. Ltda.	18,798	132,785	405	3,481	147,697	7,890	1,674
Fazenda Piratini Emp. Agr. Ltda	7,850	115,827	208	2,058	121,411	3,312	843
Fazenda Panorama Emp. Agr. Ltda.	16,745	112,250	285	1,902	126,808	5,636	1,421
Fazenda Palmeira Emp. Agr. Ltda.	1,071	4,383	10	1,502	3,942	170	43
Fazenda Parceiro Emp. Agr. Ltda.	31,204	89,260	881	618	118,965	2,396	739

11 Leasing operations

The movement of the right-of-use assets in the period ended September 30, 2020 is shown below:

	Parent company	Consolidated
Balance at 12/31/2019	1,388,969	555,031
Remeasurement	576,900	166,651
Additions of new contracts	43,809	44,019
(-) Amortization of the right to use asset	(116,333)	(72,474)
Balance at 09/30/2020	1,893,345	693,227
Cotton rental	15,114	20,336
Culture lands	1,860,921	655,581
Leasing of buildings	1,142	1,142
Machinery	16,168	16,168
	1,893,345	693,227
Amortization of right of use in the period:		
Cotton rental	(1,087)	(1,087)
Culture lands	(112,466)	(68,607)
Leasing of buildings	(455)	(455)
Machinery	(2,325)	(2,325)
Total period	(116,333)	(72,474)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

11 Leasing operations (Continued)

The change in lease liabilities in the period ended September 30, 2020 is shown below:

	Parent company	Consolidated
Balance at 12/31/2019	1,497,456	629,716
Additions of new contracts and remeasurement lease liability	620,607	210,562
Realization of the APV on lease liabilities	108,057	43,547
(-) Payments	(259,540)	(114,841)
Balance at 09/30/2020	1,966,580	768,984
Liabilities current	277,541	141,761
Intercompany(note 13.a)	146,792	-
Third-party	130,749	141,761
Liabilities non-current	1,689,039	627,223
Intercompany(note 13.a)	1,090,023	-
Third-party	599,016	627,223

(*) The amount of R\$ 1,701 as payment for leases was without cash effect.

Of the contracts that were included in IFRS 16/ CPC 06(R2), the Company's management considered as a leasing component only the fixed minimum amount for the measurement of the lease liability. The measurement of the lease liability corresponds to the total of future rent and lease payments, net of tax effects, adjusted to present value, considering the nominal discount rate.

The incremental rate of funding used by the Company for discount is composed by the "CDI / Pre weighted curve", added to the Company's credit risk and to a risk spread of the underlying asset.

It should be noted that the land leasing contracts are indexed by the price of the soybean sack in the region of each production unit, and the values of the right of use and lease liabilities are converted into Reais using the quotation of the soybean in each region. The amounts of the payments may suffer significant variation until the moment of payment, due to the change in the value of the soybean market in each region.

Impacts on income for the period

With the implementation of IFRS 16 / CPC 06 (R2), all leases were accounted for under a single model, similar to the accounting of financial leases, bringing a new financial component, which reduced the cost of production, due to the effect of recording the adjustment to present value in the financial result. The amount recorded in the financial result for the period represents R\$ 108,057 in the parent company and R\$ 43,547 in the consolidated.

The expense for the period related to variable lease payments not included in the measurement of lease liabilities was R\$ 6,553.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

11 Leasing operations (Continued)

The Company has land lease agreements with its subsidiaries, as described in note 13. The adoption of said rule caused differences between the results of the parent company and the consolidated, which were adjusted in the calculation of equity of the parent company, so that the results of the parent company's period and the consolidated result attributed to the controlling shareholders were equal, based on ICPC 09 (R2) - Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method. The calculation of the equity method is shown in note 10.

Sub-lease of right of use asset

On December 27, 2019, a rural lease agreement was signed between SLC Agrícola S.A with SLC Landco Empreendimentos Agrícolas S.A, for a minimum period of 7 years. Concomitant with the signing of this rural lease, SLC Agrícola S.A entered into a sublease agreement with Fazenda Perdizes Empreendimentos Agrícolas S.A., for the same lease period.

The Parent Company's revenue in the period, resulting from the subleasing of rights-of-use assets, was R\$ 3,183.

Additional information

The Company, in full compliance with IFRS 16 / CPC 06 (R2), in measuring and remeasuring its lease liabilities and the right to use, proceeded to use the discounted cash flow technique without considering the projected future inflation in the flows to be discounted, according to the prohibition imposed by IFRS 16 / CPC 06 (R2).

As of September 30, 2020, the gross contractual flow of lease contracts entitled to PIS / COFINS credit is R\$ 3,389,158 in the parent company and R\$ 1,091,051 in the consolidated (R\$ 2,489,415 in the parent company and R\$ 839,494 in the consolidated, in December 31, 2019). The potential PIS and COFINS credit on the gross contractual flow, brought to present value, is R\$ 212,058 in the parent company and R\$ 71,527 in the consolidated (R\$ 156,092 in the parent company and R\$ 55,326 in the consolidated, as of December 31, 2019).

In compliance with the guidance of CVM's technical areas, as required in circular letter CVM / SNC / SEP / nº 02/2019 in order to provide additional information to users, the comparative balances of the lease liability, the asset are presented below rights of use, adjustment to present value and amortization of the right of use considering the projection of future inflation in the flows to be discounted.

When remeasuring lease liabilities, the Company projected cash flow with future inflation, incorporating the inflation obtained through the quotation of future contracts available at B3 SA - Brasil, Bolsa and Balcão, discounted at the same rate identified in the initial measurement, presenting the impacts as below.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

11 Leasing operations (Continued)

Additional information (Continued)

Parent company		
	Considerations without inflation ⁽¹⁾	Considerations with inflation ⁽²⁾
Right of use asset	1,893,345	2,500,824
Liabilities leasing - current	277,541	326,286
Liabilities leasing - non current	1,689,039	2,382,182
Amortization of the right to use period	79,610	99,532
Adjustment to present value (APV) – about leases period	108,057	144,100
Consolidated		
	Considerations with inflation ⁽¹⁾	Considerations with inflation ⁽²⁾
Right of use asset	693,227	870,473
Liabilities leasing - current	141,761	162,685
Liabilities leasing - non current	627,223	833,869
Amortization of the right to use period	49,457	58,648
Adjustment to present value (APV) – about leases period	43,547	54,739

(1) Discounted cash flow without considering projected future inflation

(2) Discounted cash flow without considering projected future inflation

Below is the gross contractual flow:

	Parent company		Consolidated	
	Considerations without inflation ⁽¹⁾	Considerations with inflation ⁽²⁾	Considerations with inflation ⁽¹⁾	Considerations with inflation ⁽²⁾
up to year	296,322	347,045	148,812	170,377
1 to 2 years	285,190	328,226	135,749	154,995
2 to 3 years	282,422	338,901	132,584	157,904
3 to 4 years	261,494	327,600	110,317	137,129
4 to 5 years	254,783	333,021	92,420	119,554
over 5 years	2,047,925	3,372,749	510,147	789,374
	3,428,136	5,047,542	1,130,029	1,529,333

(1) Discounted cash flow without considering projected future inflation

(2) Discounted cash flow without considering projected future inflation

CVM Resolution 859, of July 7, 2020, approved the document for revision of Technical Pronouncements no. 16, referring to Technical Pronouncement IFRS 16 / CPC 06 (R2) Leases, issued by the Accounting Pronouncements Committee - CPC, bringing the practical procedures described below in its wording.

A lessee may choose not to assess whether a lease concession related to COVID-19 is a lease modification. The lessee who makes this option must account for any change in lease payments resulting from the lease concession related to COVID-19 in the same way that it would account for the change that applies IFRS 16 (CPC 06 (R2)) if the change were not a modification of the lease.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

11 Leasing operations (Continued)

The practical expedient applies only to rental concessions that occur as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in a revised consideration for the lease that is substantially the same or less than the consideration for the lease immediately prior to the change;
- Any reduction in rental payments affects only payments originally due on or before June 30, 2021 (a rental concession would meet this condition if it results in reduced rental payments on or before June 30, 2021 and increased rental payments that extend beyond June 30, 2021); and
- There are no substantial changes to other lease terms and conditions.

During the period ended September 30, 2020, there was no change in the Company's lease contracts related to COVID-19, which would result in remeasurement of the lease liability

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

12 Property, plant and equipment

a) Composition of fixed assets

Cost of the gross fixed assets	Parent Company					Balance on 09/30/2020
	Balance on 12/31/2019	Additions	Write-offs	Transfers	Reclassification	
Soil correction and development	419,286	43,425	-	-	-	462,711
Buildings and improvements	269,823	534	(73)	18,230	-	288,514
Agricultural equipment and industrial facilities	785,385	72,998	(21,511)	2,139	-	839,011
Vehicles	57,644	1,255	(1,504)	-	(5,697)	51,698
Furniture and fixtures	13,765	1,992	(221)	80	-	15,616
Equipment and facilities of the office	21,022	6,418	(372)	9	(1)	27,076
Other	3,336	520	(26)	19	-	3,849
Works in progress	15,677	16,824	(18)	(20,477)	-	12,006
Plants carrier	4,239	-	-	-	-	4,239
Total	1,590,177	143,966	(23,725)	-	(5,698)	1,704,720

Depreciation	Balance on 12/31/2019	Depreciation	Write-offs	Reclassification	Balance on 09/30/2020
Soil correction and development	(293,772)	(15,063)	-	-	(308,835)
Buildings and improvements	(44,144)	(7,535)	18	-	(51,661)
Agricultural equipment and industrial facilities	(413,067)	(40,954)	16,613	5	(437,403)
Vehicles	(20,654)	(3,943)	942	3,127	(20,528)
Furniture and fixtures	(7,017)	(861)	177	-	(7,701)
Equipment and facilities of the office	(10,880)	(2,232)	340	-	(12,772)
Others	(38)	(15)	-	-	(53)
Plants carrier	(4,239)	-	-	-	(4,239)
Total	(793,811)	(70,603)	18,090	3,132	(843,192)

Net residual value	12/31/2019	09/30/2020
Soil correction and development	125,514	153,876
Buildings and improvements	225,679	236,853
Agricultural equipment and industrial facilities	372,318	401,608
Vehicles	36,990	31,170
Furniture and fixtures	6,748	7,915
Equipment and facilities of the office	10,142	14,304
Other	3,298	3,796
Works in progress	15,677	12,006
Total	796,366	861,528

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

12 Property, plant and equipment (Continued)

a) Composition of fixed assets (Continued)

Cost of the gross fixed assets	Consolidated					Balance on 09/30/2020
	Balance on 12/31/2019	Additions	Write-offs	Transfers	Reclassification	
Crop lands	1,719,924	102	-	-	-	1,720,026
Soil correction and development	644,369	57,768	-	-	-	702,137
Buildings and improvements	478,602	1,027	(81)	24,435	-	503,983
Agricultural equipment and industrial facilities	923,512	80,852	(22,333)	2,163	-	984,194
Vehicles	65,261	1,267	(1,619)	(28)	(6,384)	58,497
Furniture and fixtures	16,235	2,231	(239)	80	-	18,307
Equipment and facilities of the office	27,600	6,900	(381)	9	(1)	34,127
Other	7,177	636	(26)	31	-	7,818
Works in progress	20,031	21,537	(18)	(26,690)	-	14,860
Plants carrier	4,239	-	-	-	-	4,239
Total	3,906,950	172,320	(24,697)	-	(6,385)	4,048,188

Depreciation	Balance on 12/31/2019	Depreciation	Write-offs	Reclassification	Balance on 09/30/2020
Soil correction and development	(420,391)	(24,139)	-	-	(444,530)
Buildings and improvements	(101,918)	(15,106)	20	-	(117,004)
Agricultural equipment and industrial facilities	(456,196)	(50,976)	17,086	21	(490,065)
Vehicles	(24,218)	(4,359)	1,005	3,562	(24,010)
Furniture and fixtures	(7,809)	(1,038)	189	-	(8,658)
Equipment and facilities of the office	(12,844)	(2,535)	348	-	(15,031)
Other	(346)	(15)	-	-	(361)
Plants carrier	(4,239)	-	-	-	(4,239)
Total	(1,027,961)	(98,168)	18,648	3,583	(1,103,898)

Net residual value	12/31/2019	09/30/2020
Crop lands	1,719,924	1,720,026
Soil correction and development	223,978	257,607
Buildings and improvements	376,684	386,979
Agricultural equipment and industrial facilities	467,316	494,129
Vehicles	41,043	34,487
Furniture and fixtures	8,426	9,649
Equipment and facilities of the office	14,756	19,096
Other	6,831	7,457
Works in progress	20,031	14,860
Total	2,878,989	2,944,290

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

12 Property, plant and equipment (Continued)

b) Construction in progress

As of September 30, 2020, the consolidated balance of works in progress was substantially represented by cotton works in the amount of R\$ 4,224, accommodation in the amount of R\$ 1,158, a project to prevent and combat fires in the amount of R\$ 2,120, construction of warehouses, sheds and deposits totaling R\$ 1,513, drilling of artesian wells R\$ 1,090 and other improvements in the amount of R\$ 4,755.

The amount of interest that was capitalized for works in progress in the period ended September 30, 2020 was R\$ 510 (R\$ 2,274 as of December 31, 2019). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was approximately 4.51% y.y.

c) Guarantees

At September 30, 2020 and December 31, 2019, property, plant and equipment were pledged as collateral for mortgages, bank loans and lawsuits, as shown below:

Assets under secure	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Hypothec	-	-	307,066	349,860
Pledge of financing	11,255	14,071	18,932	24,424
Assets in legal proceedings	14,232	14,232	14,232	14,232
	25,487	28,303	340,230	388,516

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

13 Balances and transactions with related parties

At September 30, 2020 and December 31, 2019, the Parent Company's balances and transactions with related parties are as follows:

a) Related-party balances

Balances receivable from related parties:

	Parent company		Consolidated
	Other accounts receivable		Other accounts receivable
	09/30/2020	12/31/2019	12/31/2019
Direct subsidiaries			
Fazenda Perdizes Empr. Agr. Ltda	5,595	1,631	-
Fazenda Pioneira Empr. Agr. S.A	1,952	242	-
SLC Perdizes Empr. Agr. Ltda	28,427	29,954	-
Indirect subsidiaries			
SLC LandCo Emp. Agr. S.A.	46	-	-
SLC - MIT Empr. Agr. S.A	412	251	-
Parent company			
SLC Participações S.A.	-	3	3
Other related parties			
	-	9	8
	36,432	32,090	11
Portion classified as current	3,728	1,040	11
Portion classified as non-current	32,704	31,050	-

Balances payable to related parties:

	Parent company						Consolidated	
	Leases payable		Other accounts payable		Total payable		Other accounts payable	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Direct subsidiaries								
Fazenda Parnaíba Empr. Agr. Ltda	150,082	103,020	-	-	150,082	103,020	-	-
Fazenda Planorte Empr. Agr. Ltda	215,218	137,389	-	-	215,218	137,389	-	-
Fazenda Pamplona Empr. Agr. Ltda	111,860	78,535	-	-	111,860	78,535	-	-
Fazenda Planalto Empr. Agr. Ltda	194,407	132,846	-	-	194,407	132,846	-	-
Fazenda Pioneira Empr. Agr. S.A	-	-	3	-	3	-	-	-
Fazenda Palmares Empr. Agr. Ltda	111,212	80,375	-	-	111,212	80,375	-	-
Fazenda Parnagua Empr. Agr. Ltda	54,107	35,244	-	-	54,107	35,244	-	-
Fazenda Parceiro Empr. Agr. Ltda	24,890	16,329	-	-	24,890	16,329	-	-
SLC Paiaguas Empr. Agr. Ltda	195,279	131,278	-	-	195,279	131,278	-	-
Indirect subsidiaries								
Fazenda Planeste Empr. Agr. Ltda	72,247	76,181	-	-	72,247	76,181	-	-
Fazenda Panorama Empr. Agr. Ltda	50,919	52,700	-	-	50,919	52,700	-	-
Fazenda Piratini Empr. Agr. Ltda	30,112	31,076	-	-	30,112	31,076	-	-
Fazenda Perdizes Empr. Agr. Ltda	-	-	16	968	16	968	-	-
SLC - MIT Empr. Agr. S.A	-	-	2,437	63	2,437	63	-	-
Soper Agrícola S.A.	1,687	1,716	-	-	1,687	1,716	-	-
SLC Landco Empr. Agr. Ltda	24,795	23,116	-	1,710	24,795	24,826	-	-
Subsidiaries								
SLC Participações S.A.	-	-	16	22	16	22	16	22
Other related parties								
	1,236,815	899,805	2,472	2,763	1,239,287	902,568	117	103
Liabilities current	146,792	104,591	2,472	2,763	149,264	107,354	117	125
Liabilities non-current	1,090,023	795,214	-	-	1,090,023	795,214	-	-

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

13 Balances and transactions with related parties (Continued)

a) Related-party balances (Continued)

SLC Participações S.A. is the final Parent Company of the Company. There are no relevant transactions with the Parent Company, except dividend payments.

b) Transactions with related parties

	Amortization of the right to use IFRS 16 (CPC 06(R2))		APV-Liabilities Rental IFRS16 (CPC 06(R2))	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Direct subsidiaries				
Fazenda Parnaíba Empr. Agr. Ltda	4,655	2,259	7,843	7,737
Fazenda Planorte Empr. Agr. Ltda	4,459	2,205	10,610	8,439
Fazenda Pamplona Empr. Agr. Ltda	2,842	1,109	5,935	4,626
Fazenda Planalto Empr. Agr. Ltda	4,599	1,920	10,079	7,841
Fazenda Palmares Empr. Agr. Ltda	1,701	1,681	6,292	4,893
Fazenda Parnagua Empr. Agr. Ltda	1,719	509	2,704	936
Fazenda Parceiro Empr. Agr. Ltda	612	318	1,246	509
Fazenda Paiaguás Emp. Agr. Ltda.	5,863	2,131	10,025	7,885
Indirect subsidiaries				
Fazenda Planeste Empr. Agr. Ltda	3,404	2,760	5,190	5,015
Fazenda Panorama Empr. Agr. Ltda	1,281	1,315	3,619	3,469
Fazenda Piratini Empr. Agr. Ltda	15	1,189	2,137	2,046
Fazenda Palmeira Emp. Agr. Ltda.	46	161	120	114
SLC Landco Empr. Agr. S.A.	2,075	-	991	178
Subsidiaries				
SLC Participações S.A.	101	-	10	-
	33,372	17,557	66,801	53,688

	Sales of goods/products/ property, plant and equipment		Purchases of goods/products/ Corporate TI		Financial expenses - Warranty Fee	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Direct subsidiaries						
Fazenda Pioneira Empr. Agr. Ltda	3,698	2,385	-	-	-	-
Indirect subsidiaries						
Fazenda Perdizes Empr. Agr. Ltda	3,182	3,142	-	-	-	-
SLC MIT Empr. Agr. S.A	3,848	3,158	7,042	242	-	-
Subsidiaries						
SLC Participações S.A.	-	-	101	1,691	10	428
	10,728	8,685	7,143	1,933	10	428

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

13 Balances and transactions with related parties (Continued)

c) Rental contracts payable

The purpose of the rural lease agreement is for the lessor to make the land, facilities and other goods available for the lessee to exploit the agricultural activity through the cultivation of cotton, soybeans, corn and other crops in return for a rental price.

The Company has lease agreements with its subsidiaries for a minimum term of 20 years, with renewal depending on the will of the parties, however the lessees have preference.

As of September 30, 2020, the lease liability with its subsidiaries can be demonstrated as follows:

Farm	Localization	Accounting value	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Parnaíba	Tasso Fragoso - MA	150,082	17,827	4,781	5,252	5,766	6,306	110,150
Planorte	Sapezal - MT	215,218	24,886	6,048	6,649	7,300	7,980	162,355
Pamplona	Cristalina - GO	111,860	13,697	4,054	4,453	4,887	5,347	79,422
Planalto	Costa Rica - MS	194,407	23,805	7,048	7,738	8,493	9,293	138,030
Palmares	Barreiras - BA	115,155	14,086	4,157	4,565	5,010	5,482	81,855
Parnaguá	Santa Filomena - PI	54,107	3,457	160	135	147	387	49,821
Parceiro	Formosa do Rio Preto - BA	24,890	1,821	97	273	491	1,090	21,118
Paiaguás	Diamantino - MT	195,279	23,196	6,220	6,834	7,502	8,205	143,322
Planeste	Balsas - MA	72,247	9,522	3,445	3,778	4,142	4,532	46,828
Panorama	Correntina - BA	50,919	6,711	2,428	2,663	2,919	3,194	33,004
Piratini	Jaborandi - BA	30,112	3,969	1,436	1,575	1,726	1,889	19,517
Palmeira	Alto Parnaíba - MA	1,687	200	54	59	65	71	1,238
Matriz	Porto Alegre - RS	20,852	3,615	2,433	2,594	2,766	2,947	6,497
		1,236,815	146,792	42,361	46,568	51,214	56,723	893,157
Liabilities current		146,792						
Liabilities non current		1,090,023						

The book value represents the lease liability with future payment flows adjusted to present value, considering the nominal discount rate. The Company has opted to use the practical expedient of using the single discount rate according to the respective terms for contracts with similar characteristics. For this reason, it presents a rate ranging from 6.38% to 9.75%.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

13 Balances and transactions with related parties (Continued)

c) Rental contracts payable (Continued)

The rural lease contract concluded for the Piratini, Planeste, Panorama and Palmeira Farms, for a minimum period of 20 years, provides for the price of the lease calculated on a rate of 3.25% of the property's valuation value. This in turn is calculated on the areas suitable for agriculture and their respective proportional legal reserve areas, including the value of their infrastructure. The appraiser with proof of excellence in the elaboration of rural property evaluations is chosen by the Board of Directors of SLC Agrícola S.A. and annually the evaluation is elaborated according to the rules and guidelines issued by the Brazilian Association of Technical Standards for Rural Property Evaluation.

For the other contracts, the price of the lease is paid annually in BRL, converted by the value of the over-the-counter quotation of each region's soybean bag on the day of payment, according to the contractual clause. The price of the soybean bag must be set by the lessor at least 15 days in advance, with no repricing foreseen.

d) Administration fees

The Company considers as key management personnel the unpaid Directors, the paid Independent Directors and the Directors (Statutory).

Administrators are remunerated in the form of pro-labore and salaries, paid via payroll. The total amount of directors' remuneration, including bonuses and other benefits, is shown under a specific heading in the income statement and is detailed below:

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Directors fee	(4,460)	(4,084)	(4,756)	(4,428)
Bonuses	(2,973)	(2,945)	(3,083)	(3,187)
Charges	(2,198)	(1,806)	(2,303)	(1,966)
Stock option plan	(1,290)	(1,158)	(1,290)	(1,158)
Other benefits	(36)	(32)	(36)	(33)
Total	(10,957)	(10,025)	(11,468)	(10,772)

The Company does not offer post-employment benefits, termination benefits or other long-term benefits to its managers.

At the Annual Shareholders' Meeting, held on July 30, 2020, the global annual remuneration of the parent company's management was approved, in the amount of up to R\$ 15,910, with distribution to be made by the Board of Directors. It should be noted that the subsidiaries, which are public limited companies, also have approval of global annual amounts for their administrators independently.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

14 Suppliers

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Suppliers	417,485	549,699	508,584	646,442
Suppliers risk drawn	127,966	223,425	144,904	275,558
Total	545,451	773,124	653,488	922,000

The balance of suppliers on September 30, 2020 is made up of R\$ 545,451 in the parent company and R\$ 653,488 in the consolidated, of which R\$ 127,966 in the parent company and R\$ 144,904 in the consolidated correspond to the risk operations drawn, with an average maturity 117 days and an average rate of 6.08% y.y. The due to the commercial negotiation resulting from the the need for advance payment by suppliers, noting that there were no changes in terms of payments and prices negotiated with suppliers as a result of this transaction.

15 Loans and financing

	Index	Average annual interest rates (%)		Parent company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
<u>Used in the property, plant and equipment</u>							
Finame – BNDES	Pre and Coin Basket	5.43%	5.38%	37,549	45,537	60,886	73,235
				37,549	45,537	60,886	73,235
<u>Invested in working capital</u>							
Rural credit	Pré	4.30%	6.00%	3,014	87,146	12,057	108,483
Working capital (CRA)	CDI	1.90%	4.41%	563,750	561,447	563,750	561,447
Working capital	CDI	3.66%	5.21%	402,941	210,488	511,656	210,488
Working capital	Swap EUR/CDI	6.28%	6.28%	212,640	203,002	212,640	203,002
Export financing	Pré	-	6.50%	-	111,423	-	111,423
Export financing	CDI	3.32%	5.16%	375,006	234,573	548,086	416,492
Export financing	Swap EUR/US\$/CDI	1.52%	3.03%	397,611	110,212	549,291	181,297
				1,954,962	1,518,291	2,397,480	1,792,632
(-)Transaction cost working capital (CRA)				(4,341)	(6,101)	(4,341)	(6,101)
				1,988,170	1,557,727	2,454,025	1,859,766
Portion classified in current assets				784,933	623,874	959,531	699,515
Installment classified in non-current				1,203,237	933,853	1,494,494	1,160,251

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

15 Loans and financing (Continued)

Finame - BNDES - Investment Lines of the National Development Bank (BNDES). They are guaranteed by fiduciary alienation or pledge of the financed assets and by guarantee of the Company and SLC Participações S.A. (Parent Company). Depreciation is carried out on a monthly, annual and half-yearly basis, after the grace period, and will take place between 10/15/2020 and 05/15/2032.

Rural Credit - Resources intended for the costing and marketing of crops, whose rules, purposes and conditions are established in the Rural Credit Manual (MCR) prepared by the Central Bank of Brazil. They are guaranteed by the Company, and, in some operations, by the pledge of the crop. The periodicity of their depreciation is annual, with maturities between 07/12/2021 and 08/12/2021.

Working Capital - Line for the purpose of meeting cash requirements, due on 10/05/2020 and 09/14/2023 backed in stock or production.

Export Financing - Financing of exports with short- and long-term lines raised in BRL or dollar indexed to Libor 6 months (London Interbank Offered Rate) plus prefixed rate or prefixed rate only: CCE (Export Credit Note), NCE (Export Credit Note) and PPE (Prepayment of Exports). The periodicity of their depreciation is annual, half-yearly or according to the term negotiated, with maturities between 10/05/2020 and 05/29/2023. They are guaranteed by the Company with a mortgage on land or a "clean" guarantee.

CRA - Certificate of Agribusiness Receivables - Fixed-income securities issued by the securitization company Cibrasec on behalf of SLC Agrícola, backed by receivables originated from business between rural producers, or their cooperatives, and third parties, covering financing or loans related to the production, marketing, processing or industrialization of products, agricultural inputs or machinery and implements used in agricultural production. The 1st issue is guaranteed by a mortgage on land and the 2nd issue with a "clean" guarantee. On the 1st issue the interest payment is half-yearly and the payment of the principal in full on the due date, 11/30/2020. In the 2nd issue the interest payment is semiannual and the payment of the principal in two installments, on 06/13/2022 and 06/13/2023. The costs of these transactions recorded under the loans and financing heading totaled R\$ 4,341 at September 30, 2020. The CRA agreements provide for compliance with certain commitments ("covenants") approved by the Company (Current Liquidity, Third Party Equity, Net Financial Debt on Ebitda and Cash Liquidity), as shown below.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

15 Loans and financing (Continued)

Contractual clauses for financial commitments (Covenants)

The CRA operations foresee the fulfillment of financial commitments (Covenants) on the base dates of each fiscal year applicable to the Company, as follows:

- i. Current liquidity ratio (CA/CL): current assets divided by the consolidated current liabilities, equal to or greater than 1.1x (one comma once);
- ii. Total consolidated liabilities/tangible shareholders' equity: total liabilities divided by shareholders' equity minus intangible assets, equal to or less than 2.0x (two times);
- iii. Consolidated net leverage (total consolidated net financial debt/EBITDA): total loans and financing, minus cash position, banks and "cash equivalents", minus financial investments plus or minus bound swaps, divided by operating income before financial income (expense), equity in subsidiaries, depreciation and amortization for the last 12 (twelve) months excluding the effects of biological assets, equal to or less than 4.0x (four times);

Failure to comply with the contractual clauses of financial commitments may result in early maturity of loans and financing. Considering that the contractual clauses refer to the indexes calculated on the annual financial statements, the Company is monitoring the indicators for the proper fulfillment of the commitments assumed for December 31, 2020.

On December 31, 2019, the date of the last annual measurement, the Company was in compliance with the financial commitment clauses.

The maturities of short- and long-term loans and financing are as follows:

Years of maturity	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
2020	515,362	623,874	612,443	699,515
2021	416,092	347,516	512,725	425,294
2022	791,823	447,794	1,035,093	584,556
2023	252,753	125,967	274,938	130,586
2024	4,017	4,086	7,172	7,426
After 2024	8,123	8,490	11,654	12,389
	<u>1,988,170</u>	<u>1,557,727</u>	<u>2,454,025</u>	<u>1,859,766</u>

The Group's exposure to liquidity risk is disclosed in note 22.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

16 Provisions for tax, environmental, labor and civil risks

The Company records provisions when the Management, based on the opinion of its legal advisors, understands that there are probabilities of probable losses and that they are sufficient to cover eventual losses with legal and administrative proceedings that arise in the normal course of its business.

The provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, tax inspection findings or additional exposures identified based on new matters or court decisions.

a) Provisions

The Company records provisions for civil, labor and environmental lawsuits classified as probable loss, which presented the following movement:

	Parenty Company				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2019	1,475	330	-	2,003	3,808
Addition of provision	207	-	1,052	-	1,259
Reverse of provision	(113)	-	-	(1,600)	(1,713)
Balance in 09/30/2020	1,569	330	1,052	403	3,354

	Consolidated				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2019	1,788	330	-	2,003	4,121
Addition of provision	207	-	7,310	-	7,517
Reverse of provision	(165)	-	(6,187)	(10)	(6,362)
Balance in 09/30/2020	1,830	330	1,123	1,993	5,276

b) Contingents liabilities

Based on the nature of the actions in which it is involved, and supported by the opinion of its legal advisors, the Company discloses its contingent liabilities for which it has an expectation of possible loss. For these actions, no provisions were set up for eventual losses, as established by CPC 25 of the Accounting Pronouncements Committee.

Nature	Parenty Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Labor (i)	669	981	669	1,065
Environmental (ii)	3,754	3,754	3,754	3,754
Tributary (iii)	13,539	14,500	41,754	47,350
Civil (iv)	8,550	13,524	36,028	14,175
	26,512	32,759	82,205	66,344

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

16 Provisions for tax, environmental, labor and civil risks (Continued)

b) Contingents liabilities (Continued)

(i) *Labor lawsuits*

The labor lawsuits are related to complaints filed mainly by former employees of the Company and the Labor Ministry.

(ii) *Environmental actions*

The environmental actions are related to infraction notices issued by IBAMA - Brazilian Institute of Environment and Renewable Natural Resources.

(iii) *Tax*

The tax lawsuits are related to the federal and state level.

(iv) *Civil*

Civil actions relate to claims for damages from suppliers, damages caused to third parties and litigation in contractual matters.

c) Contingents assets

In February of this year, the Federal Supreme Court (STF) decided on the leading case (RE 759244), guaranteeing the applicability of the immunity related to social contributions on revenues resulting from exports intermediated by commercial exporting companies ("trading companies"), in a similar process to which the Company has on the subject, which is currently awaiting the processing of the STF decision mentioned above.

Recently, the Brazilian Federal Revenue Service suspended the collection of the contribution related to the social security contribution on indirect exports, through the reissue of IN 971/2009, which enabled the Company to stop paying the tax as from September 2020.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

17 Deferred income and social contribution taxes

Deferred income and social contribution taxes are presented as follows:

Description	Parent Company					
	09/30/2020			12/31/2019		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for stock losses	-	-	-	3	1	4
Provision for profit-sharing	5,644	2,032	7,676	6,126	2,206	8,332
Operations with derivatives	106,480	38,333	144,813	25,560	9,201	34,761
Provision for Senar	1,905	686	2,591	1,876	675	2,551
APV - Lease liability	-	-	-	11,051	3,978	15,029
Others	3,857	1,390	5,247	2,467	888	3,355
Tax losses and negative basis	4,303	1,882	6,185	-	-	-
	122,189	44,323	166,512	47,083	16,949	64,032
Liabilities:						
Incentivized depreciation from rural activity	(144,608)	(52,059)	(196,667)	(130,526)	(46,989)	(177,515)
Bargain gain on acquisition of equity interest	(5,647)	(2,033)	(7,680)	(5,647)	(2,033)	(7,680)
Deemed cost from property, plant and equipment	(5,272)	(1,898)	(7,170)	(6,164)	(2,219)	(8,383)
Fair value of biological assets	(73,411)	(26,428)	(99,839)	(42,873)	(15,434)	(58,307)
APV - Lease liability	(6,147)	(2,213)	(8,360)	-	-	-
	(235,085)	(84,631)	(319,716)	(185,210)	(66,675)	(251,885)
Total net	(112,896)	(40,308)	(153,204)	(138,127)	(49,726)	(187,853)
Classified in the non-current liabilities	(112,896)	(40,308)	(153,204)	(138,127)	(49,726)	(187,853)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

17 Deferred income and social contribution taxes (Continued)

Description	Consolidated					
	09/30/2020			12/31/2019		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for inventory adjustment	-	-	-	3	1	4
Provision for profit-sharing	6,380	2,296	8,676	6,922	2,492	9,414
Provision to tax losses	204	74	278	-	-	-
Operations with derivatives	114,810	40,704	155,514	3,885	1,398	5,283
Provision for Senar	2,086	751	2,837	2,055	740	2,795
APV - Lease liability	-	-	-	11,077	3,987	15,064
Others	5,936	2,137	8,073	27,627	9,666	37,293
Tax losses and negative basis	38,713	14,872	53,585	33,434	12,176	45,610
	168,129	60,834	228,963	85,003	30,460	115,463
Liabilities:						
Incentivized depreciation from rural activity	(174,600)	(62,733)	(237,333)	(161,635)	(58,065)	(219,700)
Bargain gain on acquisition of equity interest	(5,539)	(1,994)	(7,533)	(5,539)	(1,994)	(7,533)
Deemed cost from property, plant and equipment	(27,052)	(13,640)	(40,692)	(27,843)	(13,926)	(41,769)
Fair value for investment property	(1,844)	(996)	(2,840)	(1,844)	(996)	(2,840)
APV - Lease liability	(7,374)	(2,655)	(10,029)	-	-	-
Fair value of biological assets	(77,050)	(27,738)	(104,788)	(45,832)	(16,499)	(62,331)
Others	(3,739)	(1,593)	(5,332)	(4,560)	(1,744)	(6,304)
	(297,198)	(111,349)	(408,547)	(247,253)	(93,224)	(340,477)
Net total	(129,069)	(50,515)	(179,584)	(162,250)	(62,764)	(225,014)
Classified in non-current assets	23,342	8,403	31,745	16,612	5,905	22,517
Classified in the non-current liabilities	(152,411)	(58,918)	(211,329)	(178,862)	(68,669)	(247,531)

The Company and its subsidiaries, based on the expectation of generating future taxable income, based on a technical study approved by management, recognized tax credits on tax losses, negative social contribution base and temporary differences, which have no statute of limitations. The book value of deferred charges is reviewed annually by the Company and the resulting adjustments have not been significant in relation to management's initial forecast. The technical study considers the investments and incentives that farms may be entitled to.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

17 Deferred income and social contribution taxes (Continued)

Based on this technical study to generate future taxable income, the Company estimates to recover these tax credits in the following years:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
2020	64,246	52,872	80,922	63,328
2021	76,187	9,859	100,013	18,193
2022	26,079	901	34,988	9,829
2023	-	400	10,579	9,110
2024	-	-	2,461	7,962
2025	-	-	-	3,690
2026	-	-	-	3,351
	166,512	64,032	228,963	115,463

Estimates of tax credit recovery were based on projections of taxable income taking into consideration various financial and business assumptions. Consequently, these estimates are subject to the uncertainties inherent in such forecasts not being realized in the future.

Reconciliation of tax expense with official rates

Income and social contribution taxes, calculated based on the nominal rates of these taxes, are reconciled to the amount recorded as Income and social contribution taxes expenses as follows:

	Parent Company			
	09/30/2020		09/30/2019	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	418,886	418,886	313,388	313,388
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	(104,722)	(37,700)	(78,347)	(28,205)
Adjustments for calculation of effective rate				
Equity income	22,898	8,243	25,598	9,215
Permanent additions	(1,579)	(236)	(5,567)	(1,673)
Other	(376)	57	774	(8,223)
Value recorded in the income	(83,779)	(29,636)	(57,542)	(28,886)
Total income and social contribution taxes		(113,415)		(86,428)
Deferred taxes		(112,907)		(73,792)
Current taxes		(508)		(12,636)
Effective rate		27.08%		27.58%

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

17 Deferred income and social contribution taxes (Continued)

Reconciliation of tax expense with official rates (Continued)

	Consolidated			
	09/30/2020		09/30/2019	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	458,928	458,928	326,092	326,092
Income and social contribution taxes at the nominal rate of 25% and 9%, respectively	(114,732)	(41,304)	(81,523)	(29,348)
Adjustments for calculation of effective rate				
Permanent additions and exclusions	(5,450)	(1,620)	(5,678)	(1,691)
Tax incentives of subsidiaries	43	15	850	81
Income and social contribution taxes in companies taxed by the deemed profit system	23,361	8,255	12,038	4,192
Elimination Unrealized profit	1,597	575	11,328	4,078
IFRS 16 effects	(9,424)	(3,393)	(2,684)	(966)
Other	(223)	149	(1,518)	(8,877)
Value recorded in the income	(104,828)	(37,323)	(67,187)	(32,531)
Total income and social contribution taxes		(142,151)		(99,718)
Deferred taxes		(121,708)		(64,931)
Current taxes		(20,443)		(34,787)
Effective rate		30.97%		30.58%

Reconciliation of deferred Income and social contribution taxes variation

Income and social contribution taxes, recorded in asset and liability accounts in the parent company and in the consolidated accounts, are shown as follows:

Description	Parent Company			Balance on 09/30/2020
	Balance on 12/31/2019	Recognized in income	Recognized in comprehensive income	
Provision for inventory adjustment	4	(4)	-	-
Provision for profit-sharing	8,332	(656)	-	7,676
Operations with derivatives	34,761	(37,504)	147,556	144,813
Provision for Senar	2,551	40	-	2,591
Others	3,355	1,892	-	5,247
Tax losses and negative basis	-	6,185	-	6,185
Incentivized depreciation from rural activity	(177,515)	(19,152)	-	(196,667)
Bargain gain on acquisition of equity interest	(7,680)	-	-	(7,680)
Deemed cost from property, plant and equipment	(8,383)	1,213	-	(7,170)
Fair value of biological assets	(58,307)	(41,532)	-	(99,839)
Capitalization of interest on borrowings	15,029	(23,389)	-	(8,360)
Total	(187,853)	(112,907)	147,556	(153,204)
Non-current liabilities	(187,853)			(153,204)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

17 Deferred income and social contribution taxes (Continued)

Reconciliation of deferred Income and social contribution taxes variation (Continued)

Description	Consolidated			Balance on 09/30/2020
	Balance on 12/31/2019	Recognized in income	Recognized in comprehensive income	
Provision for inventory adjustment	4	(4)	-	-
Provision for profit-sharing	9,414	(738)	-	8,676
Provision to tax losses	-	278	-	278
Operations with derivatives	5,283	(16,907)	167,138	155,514
Provision for Senar	2,795	42	-	2,837
Others	37,293	(29,220)	-	8,073
Tax losses and negative basis	45,610	7,975	-	53,585
APV - Lease liability	15,064	(25,093)	-	(10,029)
Incentivized depreciation from rural activity	(219,700)	(17,633)	-	(237,333)
Bargain gain on acquisition of equity interest	(7,533)	-	-	(7,533)
Deemed cost from property, plant and equipment	(41,769)	1,077	-	(40,692)
Fair value for investment property	(2,840)	-	-	(2,840)
Fair value of biological assets	(62,331)	(42,457)	-	(104,788)
Others	(6,304)	972	-	(5,332)
Total	<u>(225,014)</u>	<u>(121,708)</u>	<u>167,138</u>	<u>(179,584)</u>
Non-current assets	22,517			31,745
Non-current liabilities	(247,531)			(211,329)

18 Securities payable (Consolidated)

The Company, through its subsidiaries, has contracts related to the purchase of land, for its use and exploration. The balance as of September 30, 2020 is shown as follows:

	<u>Fixed amount payable</u>
Balance at December 31, 2019	13,685
Payments	<u>(706)</u>
Balance at September 30, 2020	<u><u>12,979</u></u>
Current liabilities	12,273
Non-current liabilities	706

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

19 Equity

a) Capital stock

On September 30, 2020, the subscribed capital in the amount of R\$ 947,522 is represented by 190,595,000 common, nominative, book-entry shares with no par value.

The following is a distribution of the common shares among the shareholders:

Shareholder	Quantity of shares	
	09/30/2020	12/31/2019
SLC Participações S.A.	100,974,342	100,969,142
Management	253,448	242,772
Treasury shares	3,271,492	3,590,152
Other	86,095,718	85,792,934
Total shares of paid-in capital	190,595,000	190,595,000
(-) Treasury shares	(3,271,492)	(3,590,152)
Total shares - ex-treasury	187,323,508	187,004,848

b) Capital reserve – goodwill in the issue of shares

Represented by the goodwill received on the public share offerings held in June 2007 and June 2008 and by the goodwill on treasury stock sales made in connection with the stock option plans, less the costs of issuing these shares (commissions, fees and other expenses), net of tax effects in accordance with CPC 10 (R1) (IFRS 2).

c) Treasury shares

The balance of treasury shares at September 30, 2020 is R\$ 58,618 and consists of 3,271,492 shares (R\$ 64,321 at December 31, 2019, consisting of 3,590,152 shares). The movement in the number of treasury shares in the year was as follows:

	Treasury shares	
	In nº shares	In R\$
Balance at December 31, 2019	3,590,152	(64,321)
Shares exercised under the stock option plans	(318,660)	5,703
Balance at September 30, 2020	3,271,492	(58,618)

The market value of treasury shares, calculated based on the last stock exchange quotation before the year-end date, was R\$ 83,390 (R\$ 25.49 per share) at September 30, 2020 and R\$ 89,036 (R\$ 24.80 per share at December 31, 2019).

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

19 Equity (Continued)

d) Legal reserve

The legal reserve is established on the basis of 5% of the net profit for the year limited to 20% of the share capital. As provided for in the Bylaws in article 35, paragraph a, in the fiscal year in which the balance of the legal reserve plus the amounts of the capital reserves referred to in paragraph 1 of article 182 of Law 6,404/76 exceeds thirty percent (30%) of the capital stock, it shall not be mandatory to allocate part of the net profit of the fiscal year to the legal reserve.

e) Reserve for expansion

According to the provisions of Article 194 of Law 6,404/76 and Article 35 of the Company's Bylaws, a Reserve for Expansion shall be formed based on the remaining profit after the legal and statutory deductions, for the purpose of investing in operating assets or capital expenditures, this reserve may not exceed the amount of capital stock.

f) Profit retention reserve

The balance at September 30, 2020 and December 31, 2019 refers to the remaining balance of retained earnings for the year 2007, which was retained as a profit retention reserve for the realization of new investments, provided for in a capital budget approved by the Board of Directors, in accordance with article 196 of Law 6,404/76.

g) Incentive investment reserve

It corresponds to tax benefits granted by the states of Mato Grosso do Sul, Mato Grosso and Goiás for the reduction in the amount of ICMS to be collected from 70% to 75%, in the form of a presumed credit, for the operations of cotton, cotton seed and corn, classified as investment subsidy.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

19 Equity (Continued)

h) Dividends

According to the Bylaws, the minimum mandatory dividend is calculated on the basis of 25% of the net profit remaining for the year, after the reserves established by law have been constituted.

On July 30, 2020, at the Annual Shareholders' Meeting, the financial statement for the year ended December 31, 2019 was approved, including the allocation of the results for that year. Among them, the distribution of dividends was approved, referring to the year ended December 31, 2019, in the total amount of R\$ 147,502, equivalent to 50% of the adjusted net income, corresponding to R\$ 0.787546 for each common share, being R\$ 73,753 as minimum mandatory dividend and R\$ 73,749 as additional dividend over the 2019 financial year, based on the total number of shares according to the mandatory dividend payment date of April 9, 2020 and the payment of the additional dividend that occurred on August 13, 2020.

i) Earning per share

In accordance with CPC 41 - Earnings per Share (IAS 33), the following table reconciles the net income for the period with the values used to calculate basic and diluted earnings per share.

The Company has a category of dilutive potential common shares that refer to stock option plans. For these stock option plans, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's stock) based on the monetary value of the subscription rights attached to the stock option plans.

The number of shares calculated as described above is compared with the number of shares issued, assuming the exercise of the stock option plans.

	09/30/2020	09/30/2019
Numerator		
Net income for the period (a)	305,471	226,960
Denominator		
Weighted average of common shares (b)	187,194,129	186,931,456
Weighted average of common shares considering dilutive effects (c)	187,377,326	188,492,767
Basic (loss) income per common share (a/b)	1.63184	1.21413
Diluted (loss) income per common share (a/c)	1.63025	1.20408

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

19 Equity (Continued)

j) Other comprehensive income

The other comprehensive income in shareholders' equity, net of tax effects, is composed as follows:

	09/30/2020	12/31/2019
<i>Hedge accounting</i>	(364,411)	(20,864)
Cost assigned fixed assets and fair value adjustment related to property for investments	1,152,583	1,117,952
Gain in the variation of interest	25,909	25,909
Other comprehensive income	814,081	1,122,997

20 Finance income (loss)

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Financial expenses:				
Interest paid	(56,262)	(71,644)	(66,426)	(85,309)
Foreign exchange	(224,462)	(61,968)	(281,158)	(68,539)
APV - Liabilities Lease	(108,057)	(85,289)	(43,547)	(33,424)
Losses with derivative operations	(5,995)	(19,238)	(6,319)	(23,411)
Others	(4,504)	(2,569)	(5,683)	(3,692)
	(399,280)	(240,708)	(403,133)	(214,375)
Financial income:				
Income from interest-earning bank deposits	10,712	12,683	15,864	18,708
Foreign exchange	129,939	53,225	144,781	59,236
Gains with derivative operations	114,565	30,187	154,638	33,405
Others	802	3,309	983	4,300
	256,018	99,404	316,266	115,649
Financial income (loss)	(143,262)	(141,304)	(86,867)	(98,726)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

21 Commitments

21.1 Sales contracts for future delivery

The Company and its subsidiaries have sales contracts for future delivery with some customers, as shown below:

Parent Company						
Product	Delivery Date	Quantity	Agreements	Unit	Price	
<u>2019/20 crop</u>						
Cotton lint	Oct/20- Jul/21	102,093	51	ton	USD 1,492.15	
Soybean	Oct/20-Nov/20	525,000	4	sc	R\$ 126.88	
Corn	Oct/20-Dec/20	1,683,334	17	sc	R\$ 48.35	
<u>2020/21 crop</u>						
Cotton lint	Aug/21- Dec/21	52,800	6	ton	USD 1,565.27	
Soybean	Jun/21-May/21	1,806,650	29	sc	US\$ 18.04	
Soybean	Jun/21-May/21	4,237,667	69	sc	R\$ 84.20	
Corn	Jun/21-Aug/21	6,700,000	34	sc	R\$ 23.80	
<u>2021/22 crop</u>						
Soybean	Jan/22-Apr/22	1,650,000	15	sc	US\$ 18.69	
Soybean	Jan/22-Apr/22	6,000	1	sc	R\$ 94.00	
Consolidated						
Product	Delivery Date	Quantity	Agreements	Unit	Price	
<u>2019/20 crop</u>						
Cotton lint	Oct/20 - Jul/21	115,212	64	ton	USD 1,478.97	
Soybean	Oct/20 - Nov/20	600,000	5	sc	R\$ 126.50	
Corn	Oct/20-Dec/20	1,883,334	19	sc	R\$ 48.08	
<u>2020/21 crop</u>						
Cotton lint	Aug/20- Dec/21	62,000	10	ton	USD 1,564.16	
Soybean	Jan/21-May/21	2,430,170	34	sc	US\$ 17.95	
Soybean	Jan/21-May/21	4,962,667	76	sc	R\$ 83.51	
Corn	Jun/21-Aug/21	7,680,000	41	sc	R\$ 23.72	
<u>2020/21 crop</u>						
Soybean	Jan/22-Apr/22	2,040,000	20	sc	US\$ 18.59	
Soybean	Jan/22-Apr/22	6,000	1	sc	R\$ 94.00	

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

21 Commitments (Continued)

21.2 Third party lease agreements

As of September 30, 2020, the Company and its subsidiaries have third-party lease agreements and building leases, thus distributed:

Unit	Location	Currency	Lease liability (CPC 06(R2)scope)	
			09/30/2020	12/31/2019
Paiaguás	Diamantino - MT	R\$	59,263	37,669
Paladino	São Desidério - BA	R\$	39,221	32,062
Palmares	Barreiras - BA	R\$	107,037	91,774
Palmeira	Alto Parnaíba - MA	R\$	26,760	32,872
Pamplona	Cristalina - GO	R\$	14,307	17,136
Panorama	Correntina - BA	R\$	86,047	56,701
Pantanal	Chapadão do Céu - GO e Chapadão do Sul - MS	R\$	272,582	227,453
Parceiro	Formosa do Rio Preto - BA	R\$	15,514	19,965
Parnaíba	Tasso Fragoso - MA	R\$	45,167	48,765
Planalto	Costa Rica - MS	R\$	5,283	6,436
Planeste	Balsas - MA	R\$	93,733	54,785
Planorte	Sapezal - MT	R\$	3,253	3,472
Matriz	Porto Alegre - RS	R\$	817	626
			768,984	629,716
Liabilities current			141,761	114,567
Liabilities non-current			627,223	515,149

The lease liabilities shown above have a discount rate ranging from 4.26% to 9.45%.

In relation to third party lease agreements we also inform you that: (i) there are no contingent payment clauses; (ii) there are no renewal terms or purchase options, except for the contract of Fazenda Planalto, related to 1,603 ha, which has annual renewal; (iii) the land lease contracts are indexed, in its majority, to the variation of the price of the soybean bag, and there are no other readjustment clauses; (iv) there are no restrictions imposed, such as those related to dividends and interest on equity, additional debt, or any other that requires additional disclosure.

In addition to leasing crop land, the Company has operational leasing contracts for a cotton processing unit at Fazenda Palmares (in Barreiras-BA, for R\$ 1,850 per year, until August 31, 2023), at Fazenda Paladino (in São Desidério-BA, for R\$ 1,000 per year until August 31, 2021) and at Fazenda Pantanal (Chapadão do Céu - GO, for R\$ 400 per year until August 31, 2030), equipment rents at Fazenda Planorte (in Sapezal-MT) and Fazenda Paiaguás (in Diamantino-MT), with decreasing values each year until April 30, 2026, and rents from its administrative headquarters in Porto Alegre-RS.

The statement of the maturity flows of lease and lease liabilities payable is presented in note 22.

22 Risk management and financial instruments

The sales revenues of the Company and its subsidiaries are generated mainly from the commercialization of agricultural commodities such as cotton, soybeans and corn; products that are quoted in dollars on the Chicago Board of Trade - CBOT and Intercontinental Exchange Futures US - ICE international exchanges. Therefore, the volatility of the international price of the commodity and the exchange rate are market risks to which the Company and its subsidiaries are exposed.

In addition, the Company and its subsidiaries engage in financing operations in the financial market at pre-fixed or post-fixed rates. Therefore, the Company presents a risk to the variation of interest rates in the indebtedness contracted with post-fixed interest rates.

Fair values are determined based on market price quotations, where available, or, in the absence of these, on the present value of expected cash flows. The fair values of cash and cash equivalents, trade receivables, short-term debt and trade payables are equivalent to their book values. The fair values of other long-term assets and liabilities do not differ significantly from their book values.

The estimated fair value of the long-term loans of the parent company and consolidated at September 30, 2020 was R\$ 1,189,230 and R\$ 1,474,379, respectively, calculated at prevailing market rates, considering the nature, term and risks similar to those of the contracts recorded, and can be compared with the book value of R\$ 1,203,237 and R\$ 1,494,494.

The hierarchy of fair values of financial assets and liabilities recorded at fair value on a recurring basis was performed using the following criteria:

- Level 1 - Prices quoted (unadjusted) in active markets for assets and liabilities and identical
- Level 2 - Inputs, except quoted prices, included in Level 1 that are observable for the asset or liability, directly (prices) or indirectly (derived from prices)
- Level 3 - Assumptions, for assets or liabilities, that are not based on observable market data (unobservable inputs).

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Risk management and financial instruments (Continued)

The table below presents the hierarchy of fair values of financial assets and liabilities recorded at fair value on a recurring basis:

	Parent Company			
	Book value		Fair value	
	09/30/2020	12/31/2019	Level 2 09/30/2020	Level 2 12/31/2019
Assets				
<u>Fair value through profit or loss</u>				
Cash and cash equivalents	731,302	649,548	731,302	649,548
Short term financial Investments	10,660	54,302	10,660	54,302
Subtotal	741,962	703,850	741,962	703,850
<u>Amortized cost</u>				
Trade accounts receivable	103,629	137,114	103,629	137,114
Receivables from related parties	36,432	32,090	36,432	32,090
Subtotal	140,061	169,204	140,061	169,204
<u>Fair value of hedge instruments</u>				
Operations with Derivatives	136,163	41,467	136,163	41,467
Subtotal	136,163	41,467	136,163	41,467
Total assets	1,018,186	914,521	1,018,186	914,521
Liabilities				
<u>Liabilities at the amortized cost</u>				
Loans and financing	1,988,170	1,557,727	1,983,434	1,544,998
Suppliers	545,451	773,124	545,451	773,124
Payables to related parties	2,472	2,763	2,472	2,763
Liabilities - lease with related parties	1,236,815	899,805	1,236,815	899,805
Third-party lease liability	729,765	597,651	729,765	597,651
Leases to pay	154	225	154	225
Other accounts payable	157,970	113,471	157,970	113,471
Subtotal	4,660,797	3,944,766	4,656,061	3,932,037
<u>Fair value of hedge instruments</u>				
Derivatives payable	469,735	51,358	469,735	51,358
Subtotal	469,735	51,358	469,735	51,358
Total liabilities	5,130,532	3,996,124	5,125,796	3,983,395

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Risk management and financial instruments (Continued)

	Consolidated			
	Book Value		Fair Value	
	09/30/2020	12/31/2019	Level 2 09/30/2020	Level 2 12/31/2019
Assets				
<u>Fair value through profit or loss</u>				
Cash and cash equivalents	1,069,831	829,427	1,069,831	829,427
Short term financial Investments	10,660	55,992	10,660	55,992
Subtotal	1,080,491	885,419	1,080,491	885,419
<u>Amortized cost</u>				
Trade accounts receivable	109,170	178,405	109,170	178,405
Receivables from related parties	-	11	-	11
Other accounts receivable	76,440	76,905	76,440	76,905
Subtotal	185,610	255,321	185,610	255,321
<u>Fair value of hedge instruments</u>				
Operations with Derivatives	176,570	45,336	176,570	45,336
Subtotal	176,570	45,336	176,570	45,336
Total assets	1,442,671	1,186,076	1,442,671	1,186,076
Liabilities				
<u>Liabilities at the amortized cost</u>				
Loans and financing	2,454,025	1,859,766	2,443,864	1,840,398
Suppliers	653,488	922,000	653,488	922,000
Payables to related parties	117	125	117	125
Other accounts payable	185,125	123,584	185,125	123,584
Third-party lease liability	768,984	629,716	768,984	629,716
Leases to pay	408	225	408	225
Securities payable	12,979	13,685	12,979	13,685
Subtotal	4,075,126	3,549,101	4,064,965	3,529,733
<u>Fair value of hedge instruments</u>				
Derivatives payable	535,272	60,873	535,272	60,873
Subtotal	535,272	60,873	535,272	60,873
Total liabilities	4,610,398	3,609,974	4,600,237	3,590,606

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

a) Policy of use, objectives and strategies

The objective of the use of financial derivative instruments by the Company and its subsidiaries is the protection of operating margins. The Company created an Executive Risk Management Committee in July 2008 and approved the Risk Management Policy at the meeting of the Board of Directors on October 29, 2008. The Risk Management Executive Committee is the liaison body between the Board of Directors and the Company's Executive Board. Its mission involves the daily support to the decisions of the Executive Board, the monitoring of compliance with the established risk limits and, when appropriate, the preliminary analysis and evaluation of proposals for adjustments or reformulation of policies or risk limits for subsequent submission to the Board of Directors for deliberation.

Derivative transactions are carried out with prime financial institutions (institutions in the country with "Rating" of at least "A" in at least one of the three main international rating agencies, namely: Moody's, S&P and/or Fitch), observing limits and exposures to the exchange, commodities and interest risks of its counterparties on a regular basis.

b) Gains (losses) from financial instruments under parent company and consolidated shareholders' equity

Forward contract (NDF) and commodity swap transactions (see note 22.h) are fixed to protect future sales exposure in dollars. In addition, debt swap operations aim to protect the future exchange rate variation of dollar loans. These operations are documented for registration through the hedge accounting methodology in accordance with CPC 48 and IFRS 9. The Company records in a specific shareholders' equity account the unrealized effects of these instruments contracted for its own operations or those contracted on a consolidated basis to cover future sales.

c) Currency risk

In order to protect the sales revenues of the Company and its subsidiaries, which are subject to exchange rate volatility, financial derivative instruments are used, whose portfolio basically consists of NDF (Non-Deliverable Forward) contracts.

These operations are carried out directly with financial institutions, in an over the counter environment, where there are no margin calls. The impact on the cash flow of the Company and its subsidiaries occurs only on the date of settlement of the contracts. However, it should be considered that the settlement of these financial transactions is associated with the receipt of sales, which are also associated with foreign exchange variation, thus offsetting any gains or losses in hedging derivative instruments due to exchange rate variations.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

c) Currency risk (Continued)

The Business Plan is constantly updated for analysis of exchange rate risk exposure, considering the following premises: (I) projection of planted area; (II) expected productivity; (III) prices of commodities, which are quoted in the dollar currency, considering the volume weighted average of sales prices and market prices of the volume to be sold; and, (IV) distribution of sales in the analyzed periods. After the definition of the Business Plan and the measurement of the previously exposed items, the total exchange rate exposure is reached.

Based on the cost already formed with the purchase of the main inputs (fertilizers, defensives and seeds) and estimated fixed costs, the expected operating margin is determined. In this way, the risk management committee executes the parameters described in the risk management policy, with the objective of reducing the standard deviation of the operating margin defined as a target.

The table below shows the positions, of the Company and its subsidiaries, with the nominal and fair values of each instrument contracted, namely:

Description	Reference value (notional)			Fair value (MTM)		
	Currency	09/30/2020	12/31/2019	Currency	09/30/2020	12/31/2019
Forward contracts (NDF):						
Foreign currency - Short position						
Maturity in 2020	USD	145,610	369,332	R\$	(188,909)	(6,452)
Maturity in 2021	USD	311,090	68,450	R\$	(250,275)	7,911
Maturity in 2022	USD	15,300	-	R\$	(4,426)	-
TOTAL	USD	472,000	437,782	R\$	(443,610)	1,459

The following details the maturity schedule of the derivative operations and deferred exchange variation, which are framed in the "hedge accounting" methodology:

Maturity	Currency	Forward Contracts (NDF)
Up to 12/31/2020	R\$	(188,909)
Up to 03/31/2021	R\$	(143,383)
Up to 06/30/2021	R\$	(38,654)
Up to 09/30/2021	R\$	(17,207)
Up to 12/31/2021	R\$	(51,031)
Up to 03/31/2022	R\$	(4,426)
TOTAL	R\$	(443,610)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

c) Currency risk (Continued)

The table below shows the opening of foreign exchange derivatives by counterparty (of the Company and its subsidiaries):

Description	Reference value (notional)			Fair value		
	Currency	09/30/2020	12/31/2019	Currency	09/30/2020	12/31/2019
Banco Itaú BBA S/A	USD	88,870	98,990	R\$	(92,669)	1,175
XP Investimentos S.A.	USD	11,300	15,000	R\$	(2,613)	(979)
Banco Safra S.A.	USD	35,350	7,475	R\$	(24,985)	(58)
Banco BNP Paribas Brasil S.A.	USD	45,850	5,700	R\$	(34,891)	1,197
Banco Bradesco S/A	USD	24,300	31,795	R\$	(17,938)	(939)
Banco Votorantim S/A	USD	23,240	70,460	R\$	(30,352)	(3,524)
Morgan Stanley S/A	USD	47,770	72,100	R\$	(61,699)	4,433
Banco J.P. Morgan S/A	USD	43,950	14,550	R\$	(53,526)	781
Banco Santander Brasil S/A	USD	67,530	66,962	R\$	(72,948)	1,425
Banco ABC Brasil S.A.	USD	25,970	16,760	R\$	(34,948)	2,035
Rabobank International Brasil S.A.	USD	11,500	29,990	R\$	(10,291)	(2,988)
Banco BTG Pactual S.A.	USD	46,370	8,000	R\$	(6,750)	(1,099)
Total	USD	472,000	437,782	R\$	(443,610)	1,459

The following criteria were used to determine the fair value of forward contract operations (NDF): future dollar curve published by B3 (www.b3.com.br) at the end of each period. Based in this information, the adjustment projected in the maturity of each operation is discounted by the yield curve DI x Pre B3 (www.b3.com.br) of closing each period.

Risks of exchange rate variation

The Company projected the potential impact of foreign exchange hedging operations and indebtedness in dollars in five scenarios for the years 2020, 2021 and 2022, as follows:

- Probable Scenario: Based on the FOCUS report (BACEN) released on September 25, 2020, we have defined the probable scenario with the dollar quotation of R\$ 5.2000 varying to the Ptax rate of R\$ 5.6528 on September 30, 2020.
- Exchange rate Decrease of 25%: in this scenario the operations would be settled at the rate of R\$ 3.9375, equivalent to 25% lower than the rate in the Probable Scenario.
- Decrease of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 2.6250, equivalent to 50% less than the rate in the Probable Scenario.
- Increase of 25% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 6.5625, equivalent to 25% higher than the rate in the Probable Scenario.
- Increase of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 7.8750, equivalent to 50% higher than the rate in the Probable Scenario.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

c) Currency risk (Continued)

The following is a summary of the consolidated impacts in each projected scenario:

Description	Parent Company				
	Remote scenario Quotation R\$	Possible scenario Quotation R\$	Probable scenario Quotation R\$	Possible scenario Quotation R\$	Remote scenario Quotation R\$
	2.6250	3.9375	5.6528	6.5625	7.8750
Year 2020					
Highly probable estimated revenue in USD (1)	(288,540)	(144,270)	44,276	144,270	288,540
Estimated commitments in USD (2)	140,096	70,048	(21,497)	(70,048)	(140,096)
Forward Contracts (NDF) (3)	197,138	98,569	(30,250)	(98,569)	(197,138)
Net exposure in USD (1)-(2)-(3)	48,694	24,347	(7,471)	(24,347)	(48,694)
Year 2021					
Highly probable estimated revenue in USD (1)	(1,213,034)	(606,517)	186,137	606,517	1,213,034
Estimated commitments in USD (2)	303,503	151,751	(46,572)	(151,751)	(303,503)
Forward Contracts (NDF) (3)	409,894	204,947	(62,897)	(204,947)	(409,894)
Net exposure in USD (1)-(2)-(3)	(499,637)	(249,819)	76,668	249,819	499,637
Year 2022					
Highly probable estimated revenue in USD (1)	(1,455,899)	(727,949)	223,404	727,949	1,455,899
Estimated commitments in USD (2)	34,125	17,063	(5,236)	(17,063)	(34,125)
Net exposure in USD (1)-(2)	(1,421,774)	(710,886)	218,168	710,886	1,421,774
Total	(1,872,717)	(936,358)	287,365	936,358	1,872,717

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

c) Currency risk (Continued)

Risks of exchange rate variation (Continued)

Description	Consolidated				
	Remote scenario Quotation R\$	Possible scenario Quotation R\$	scenario by period-end Quotation R\$	Possible scenario Quotation R\$	Remote scenario Quotation R\$
	2.6250	3.9375	5.6528	6.5625	7.8750
Year 2019					
Highly probable estimated revenue in USD (1)	(329,149)	(164,574)	50,507	164,574	329,149
Estimated commitments in USD (2)	169,864	84,932	(26,065)	(84,932)	(169,864)
Forward contracts (NDF) (3)	212,363	106,181	(32,587)	(106,181)	(212,363)
Net exposure in USD (1)-(2)-(3)	53,078	26,539	(8,145)	(26,539)	(53,078)
Year 2020					
Highly probable estimated revenue in USD (1)	(1,424,850)	(712,425)	218,640	712,425	1,424,850
Estimated commitments in USD (2)	341,880	170,940	(52,461)	(170,940)	(341,880)
Forward contracts (NDF) (3)	474,731	237,366	(72,846)	(237,366)	(474,731)
Net exposure in USD (1)-(2)-(3)	(608,239)	(304,119)	93,333	304,119	608,239
Year 2021					
Highly probable estimated revenue in USD (1)	(1,678,976)	(839,488)	257,635	839,488	1,678,976
Estimated commitments in USD (2)	40,163	20,081	(6,163)	(20,081)	(40,163)
Net exposure in USD (1)-(2)	(1,638,813)	(819,407)	251,472	819,407	1,638,813
Total	(2,193,974)	(1,096,987)	336,660	1,096,987	2,193,974

The following shows the net exposure to currency risk:

	Parent Company			
	09/30/2020		12/31/2019	
	Amount in Reais (R\$)	Amount in Dólares (USD)	Amount in Reais (R\$)	Amount in Dólares (USD)
Trade accounts receivable (note 5)	53,062	9,387	125,979	31,255
Suppliers	(79,243)	(14,019)	(138,313)	(34,315)
Net exposure of the shareholders' equity	(26,181)	(4,632)	(12,334)	(3,060)

	Consolidated			
	09/30/2020		12/31/2019	
	Amount in Reais (R\$)	Amount in Dólares (USD)	Amount in Reais (R\$)	Amount in Dólares (USD)
Trade accounts receivable (note 5)	57,661	10,200	166,942	41,418
Suppliers	(105,489)	(18,661)	(167,891)	(41,653)
Net exposure of the shareholders' equity	(47,828)	(8,461)	(949)	(235)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

d) Price risk

Most of the protection against commodity price fluctuations is carried out through sales directly with our customers with physical future delivery (forward contracts). In addition, futures contracts, negotiated in an exchange environment, and financial transactions of *swap* contracts, with financial institutions in the over-the-counter market are also used. These operations are traded with reference to prices of commodities quoted in the futures market. All operations are related to the net exposure of the production of the Company and its subsidiaries, so that every operation has its ballast in physical product. Transactions carried out in an exchange environment require the availability of initial margins and adjustments are made daily, according to the variation in the reference price. On the other hand, operations with financial institutions do not require initial margins, since these operations are supported by a credit limit pre-approved by financial institutions.

The table below shows the derivative financial instruments contracted for protection against variation in the price of commodities, the effects of which are recorded in shareholders' equity as they are recorded in the form of hedge accounting.

Description	Reference value (notional)			Fair value		
	Currency	09/30/2020	12/31/2019	Currency	09/30/2020	12/31/2019
Year of Maturity at 2020						
Financial operations						
Commodities - Cotton	USD	44,301	135,483	R\$	1,749	(19,444)
Commodities - Cotton	USD	8,477	-	R\$	(2,400)	-
Subtotal	USD	52,778	135,483	R\$	(651)	(19,444)
Year of Maturity at 2021						
Financial operations						
Commodities - Cotton	USD	140,120	17,656	R\$	(65,908)	(4,245)
Subtotal	USD	140,120	17,656	R\$	(65,908)	(4,245)
Year of Maturity at 2022						
Financial operations						
Commodities - Cotton	USD	9,644	-	R\$	(441)	-
Total	USD	202,542	153,139	R\$	(67,000)	(23,689)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

d) Price risk (Continued)

Commodity price risk

The Company has projected the potential impact of changes in soybean and cotton prices in 5 scenarios for the years 2020 and 2021, as follows:

- Probable Scenario: Based on the closing price on 09/30/2020 of the reference future contract on the stock exchange where production is priced.
- 25% drop in the price of the reference futures contract on the exchange where production is priced.
- 50% drop in the price of the reference futures contract on the exchange where production is priced.
- 25% increase in the price of the reference future contract on the stock exchange where production is priced.
- 50% increase in the price of the reference future contract on the stock exchange where production is priced.

The price sensitivity assessment considers as exposure the total estimated revenue (highly probable sales revenue) and the totality of hedge instruments contracted, generally represented by future sales of agricultural products, in relation to the exposure of the same items sold (hedged highly probable sales revenue).

The following is a summary of the impacts in each projected scenario converted into R\$ 5.4416 by the PTAX sale at the end of September 30, 2020:

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

d) Price risk (Continued)

Commodity price risk (Continued)

Income variation highly to price scenarios					
Description	Remote scenario -50%	Possible scenario -25%	Probable scenario	Possible scenario + 25%	Remote scenario +50%
Cotton - Year 2020					
Highly probable income	1,759,785	1,759,785	1,759,785	1,759,785	1,759,785
Highly probable income protected	1,759,785	1,759,785	1,759,785	1,759,785	1,759,785
Net exposure	-	-	-	-	-
Change in net exposure	-	-	-	-	-
Soybean - Year 2020					
Highly probable income	1,373,208	1,390,655	1,408,103	1,425,551	1,442,998
Highly probable income protected	1,338,313	1,338,313	1,338,313	1,338,313	1,338,313
Net exposure	34,895	52,342	69,790	87,238	104,685
Change in net exposure	(34,895)	(17,448)	-	17,448	34,895
Cotton - Year 2021					
Highly probable income	1,666,227	1,711,284	1,756,341	1,801,398	1,846,455
Highly probable income protected	1,576,113	1,576,113	1,576,113	1,576,113	1,576,113
Net exposure	90,114	135,171	180,228	225,285	270,342
Change in net exposure	(90,114)	(45,057)	-	45,057	90,114
Soybean - Year 2021					
Highly probable income	940,719	1,078,655	1,216,592	1,354,529	1,492,465
Highly probable income protected	664,846	664,846	664,846	664,846	664,846
Net exposure	275,873	413,809	551,746	689,683	827,619
Change in net exposure	(275,873)	(137,937)	-	137,937	275,873

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

e) Interest risk

A portion of the indebtedness related to the Company's export financing operations is linked to pre-fixed interest rates, which is the interest rate used in loans indexed to the US dollar or euro.

In order to hedge foreign exchange variation on loans, financings and suppliers, the Company carries out hedge operations through *swap* instruments with first-tier financial institutions. These operations consist of an exchange of exchange rate and pre-fixed interest rates for interest rate in CDI plus Pre-fixed Rate (passive position). The value of the principal (notional) and maturity of the swap transaction is identical to the debt flow, which is the object of the hedge. This eliminates the risk of exchange rate fluctuation.

The following is a breakdown of the currency and interest rate swap transaction:

Counterparty	Hedge instrument	Hedged object	MTM	Financial income	Shareholders' equity
Itaú	Swap de R\$ 50MM (Assets VC / Liability CDI+Pré)	Debit of USD 13,3MM interest of 4.37% yy.	26,631	26,024	607
Itaú	Swap de R\$ 150MM (Assets VC / Liability CDI+Pré)	Debit of EUR 31,7MM interest of 0.95% yy.	59,657	60,095	(438)
Rabobank	Swap de R\$ 60MM (Assets VC / Liability CDI+Pré)	Debit of EUR 11MM interest of 1.25% yy.	11,561	11,832	(271)
Rabobank	Swap de R\$ 24,5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 4,3MM interest of 1.55% yy.	3,439	3,551	(112)
Rabobank	Swap de R\$ 8MM (Assets VC / Liability CDI+Pré)	Debit of EUR 1,3MM interest of 2.05% yy.	757	766	(9)
Bradesco	Swap of R\$ 200MM (Assets Pré / Liability CDI+Pré)	Debit of R\$ 200MM interest of 6.28% yy.	11,301	4,554	6,747
Rabobank	Swap de R\$ 30MM (Assets VC / Liability CDI+Pré)	Debit of EUR 6,9MM interest of 1.11% yy.	14,078	14,087	(9)
Rabobank	Swap de R\$ 15MM (Assets VC / Liability CDI+Pré)	Debit of EUR 2,7MM interest of 1.45% yy.	2,406	2,473	(67)
Itaú	Swap de R\$ 23MM (Assets VC / Liability CDI+Pré)	Debit of EUR 4,3MM interest of 0.65% yy.	5,400	5,413	(13)
Rabobank	Swap de R\$ 5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 1.15MM interest of 1.11% yy.	2,346	2,348	(2)
Rabobank	Swap de R\$ 17,5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% yy.	7,166	7,355	(189)
Rabobank	Swap de R\$ 17,5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% yy.	7,166	7,355	(189)
			151,908	145,853	6,055

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

e) Interest risk

Risk of variations in interest rates

In order to verify the sensitivity of the indexes on the Company's debt, based on the position as of September 30, 2020, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of September 30, 2020 we have defined the key figures for CDI and Foreign Exchange. Based on this information we defined the Probable Scenario for the analysis and from this we calculated the variations of 25% and 50%. For each scenario, the financial expense or gross financial revenue was considered, not considering the incidence of taxes and the flow of maturities of debts and redemptions of financial investments scheduled for 2020. The base date for the portfolio was September 30, 2020, projecting the indexes for one year and checking their sensitivity in each scenario.

The following is a summary of the impacts over the next 12 months in each scenario:

	Interest rate *	Balance on 09/30/2020	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in reais - prefixed rate							
Rural credit	4.30%	12,057	N/A	N/A	N/A	N/A	N/A
BNDES	5.41%	58,853	N/A	N/A	N/A	N/A	N/A
Debt in reais – post-fixed rate							
BNDES	UMBNDDES	2,033	(84)	(103)	(121)	(139)	(157)
Working Capital	192.85%	511,656	(13,718)	(16,149)	(18,579)	(21,009)	(23,440)
Export financing	174.48%	548,086	(12,818)	(15,422)	(18,025)	(20,629)	(23,232)
CRA	100.25%	563,750	(5,382)	(8,060)	(10,738)	(13,415)	(16,093)
Debits in dólares							
NCE	4.17%	76,441	N/A	N/A	N/A	N/A	N/A
Debits in euro							
CCE	0.95%	210,455	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	25,420	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	25,420	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	7,741	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	46,446	N/A	N/A	N/A	N/A	N/A
NCE	1.55%	28,616	N/A	N/A	N/A	N/A	N/A
NCE	2.05%	8,911	N/A	N/A	N/A	N/A	N/A
NCE	0.65%	28,837	N/A	N/A	N/A	N/A	N/A
NCE	1.25%	73,188	N/A	N/A	N/A	N/A	N/A
NCE	1.45%	17,816	N/A	N/A	N/A	N/A	N/A
Debits in dólares							
NCE	6.28%	212,640	N/A	N/A	N/A	N/A	N/A

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

e) Interest risk (Continued)

Risk of variations in interest rates (Continued)

	Interest rate *	Balance on 09/30/2020	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Swaps - debits in dólares							
Swap VC x CDI + PRÉ**	Assets: 0.81% y.y. Liability: CDI + 0.85% y.y.	7,166	(129)	(163)	(197)	(231)	(265)
Swap VC x CDI + PRÉ**	Assets: 0.81% y.y. Liability: CDI + 0.85% y.y.	7,166	(129)	(163)	(197)	(231)	(265)
Swap VC x CDI + PRÉ**	Assets: 1.11% y.y. Liability: CDI + 0.75% y.y.	2,346	(40)	(551)	(62)	(73)	(84)
Swap VC x CDI + PRÉ**	Assets: 1.11% y.y. Liability: CDI + 0.75% y.y.	14,078	(239)	(306)	(373)	(440)	(507)
Swap VC x CDI + PRÉ**	Assets: 1.55% y.y. Liability: CDI + 2.17% y.y.	3,439	(107)	(124)	(140)	(156)	(173)
Swap VC x CDI + PRÉ**	Assets: 2.05% y.y. Liability: CDI + 1.99% y.y.	757	(22)	(26)	(29)	(33)	(37)
Swap VC x CDI + PRÉ**	Assets: 4.37% y.y. Liability: CDI + 0.50% y.y.	26,631	(386)	(513)	(639)	(766)	(892)
Swap VC x CDI + PRÉ**	Assets: 0.95% y.y. Liability: CDI + 1.07% y.y.	59,657	(1,205)	(1,488)	(1,722)	(2,055)	(2,339)
Swap VC x CDI + PRÉ**	Assets: 6.28% y.y. Liability: CDI + 0.55% y.y.	11,301	(170)	(223)	(277)	(331)	(384)
Swap VC x CDI + PRÉ**	Assets: 0.65% y.y. Liability: CDI + 0.80% y.y.	5,400	(94)	(120)	(146)	(171)	(197)
Swap VC x CDI + PRÉ**	Assets: 1.25% y.y. Liability: CDI + 1.90% y.y.	11,561	(329)	(384)	(439)	(494)	(549)
Swap VC x CDI + PRÉ**	Assets: 1.45% y.y. Liability: CDI + 2.05% y.y.	2,406	(72)	(84)	(95)	(106)	(118)
Interest earnings bank deposits							
CDB and Debentures	100.88%	1,069,003	10,243	15,364	20,486	25,607	30,729

(*) Average annual rates.

(**) Amounts refer to the calculation of the adjustment of the transaction on September 30, 2020.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

f) Credit risk

A substantial portion of the sales of the Company and its subsidiaries is made to select and highly qualified clients: trading companies and weaving mills among others that usually acquire large volumes to guarantee local and international trading. Credit risk is managed by specific customer acceptance rules, credit analysis and setting exposure limits per customer. Historically, the Company and its subsidiaries have not recorded significant losses on trade accounts receivable.

Depending on the above, the credit risk assumed is not relevant. The Company considers the balance of accounts receivable from customers as exposed to this risk. At September 30, 2020, the balance is R\$ 103,629 in the Parent Company and R\$ 109,170 in the consolidated (R\$ 137,114 in the Parent Company and R\$ 178,405 in the consolidated at December 31, 2019).

g) Liquidity risk

The gross outflows, disclosed below, represent the contractual undiscounted cash flows related to derivative and non-derivative financial liabilities held for risk management purposes and that are not normally closed before the contractual maturity. The table presents net cash flows for cash derivatives settled by net exposure and gross cash outflows for derivatives that have simultaneous gross settlement.

September 30, 2020	Parent Company							
	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Financial liabilities								
Non Derivatives								
Loans and financing	1,988,170	2,080,447	800,293	910,376	350,385	5,770	2,709	10,914
Suppliers	545,451	545,451	545,451	-	-	-	-	-
Lease liabilities	1,966,580	3,428,136	296,322	285,190	282,422	261,494	254,783	2,047,925
	4,500,201	6,054,034	1,642,066	1,195,566	632,807	267,264	257,492	2,058,839
Derivatives								
Operations with Derivatives	333,572	(333,572)	(299,429)	(61,846)	27,703	-	-	-
	333,572	(333,572)	(299,429)	(61,846)	27,703	-	-	-
	4,833,773	5,720,462	1,342,637	1,133,720	660,510	267,264	257,492	2,058,839

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

g) Liquidity risk (Continued)

	Consolidated							
	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	
September 30, 2020								
Financial liabilities								
Non Derivatives								
Loans and financing	2,454,025	2,562,038	977,500	1,164,042	391,478	10,436	4,128	14,454
Suppliers	653,488	653,488	653,488	-	-	-	-	-
Securities payable	12,979	12,979	12,979	-	-	-	-	-
Lease liabilities	768,984	1,130,029	148,812	135,749	132,584	110,317	92,420	510,147
	3,889,476	4,358,534	1,792,779	1,299,791	524,062	120,753	96,548	524,601
Derivatives								
Operations with Derivatives	358,702	(358,702)	(338,843)	(61,893)	42,034	-	-	-
	358,702	(358,702)	(338,843)	(61,893)	42,034	-	-	-
	4,248,178	3,999,832	1,453,936	1,237,898	566,096	120,753	96,548	524,601

Cash flows included in the maturity analysis are not expected to occur significantly earlier or at different values.

On February 27, 2020, S&P Global Ratings published the Company's corporate rating, ranking it as br AA- on a national scale (Brazil).

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

h) Summary of outstanding derivative transactions

The following table presents the consolidated derivative instruments of the Company that are reflected under assets and liabilities:

Description	Currency	Reference value (notional)		Currency	Fair value recorded in assets		Fair value recorded in liabilities	
		09/30/2020	12/31/2019		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Hedge operations for exchange rates								
Non Deliverable Forwards - 22.c	USD	472,000	437,782	R\$	4,141	24,663	447,751	23,204
Subtotal	USD	472,000	437,782	R\$	4,141	24,663	447,751	23,204
Hedge operations for products								
Cotton - Financial operations 22.d	USD	194,065	153,139	R\$	19,881	12,721	84,481	36,410
Corn - Financial operations 22.d	USD	8,477	-	R\$	-	-	2,400	-
Subtotal	USD	202,542	153,139	R\$	19,881	12,721	86,881	36,410
Swap VC+Pré x Pré								
Swap VC+Pré x CDI+Pré	USD	13,333	26,666	R\$	26,631	6,915	-	-
Subtotal	USD	13,333	26,666	R\$	26,631	6,915	-	-
Swap VC+Pré x Pré								
Swap VC+Pré x CDI+Pré	USD	71,025	15,671	R\$	114,616	-	640	1,259
Subtotal	USD	71,025	15,671	R\$	114,616	-	640	1,259
Interest protection operations								
Swap VC+Pré x Pré		200,000	200,000	R\$	11,301	1,037	-	-
Subtotal	USD	200,000	200,000	R\$	11,301	1,037	-	-
Total	USD			R\$	176,570	45,336	535,272	60,873
Portion classified in current assets				R\$	86,161	34,008	425,004	55,230
Portion in noncurrent liabilities				R\$	90,409	11,328	110,268	5,643

i) Gains/losses on derivative transactions

The following table presents the consolidated gains and losses on derivative transactions in the year, grouped by the main risk categories:

Description	Currency	Gains and Losses recorded in the income				Gains and Losses recorded in shareholders' equity		
		Allocated in the gross income at		Allocated in the financial income at		09/30/2020	Movement	12/31/2019
		09/30/2020	09/30/2019	09/30/2020	09/30/2019			
Foreign exchange hedge operations								
Non deliverable forwards	R\$	(321,235)	(82,641)	-	(1,599)	(460,752)	(453,938)	(6,814)
Trade Finance Contracts	R\$	-	(24,050)	-	-	-	-	-
Sub-total	R\$	(321,235)	(106,691)	-	(1,599)	(460,752)	(453,938)	(6,814)
Hedge operations for commodities								
Agricultural commodities swap								
Cotton	R\$	15,930	10,852	1	3	(68,495)	(43,400)	(25,095)
Sub-total	R\$	15,930	10,852	1	3	(68,495)	(43,400)	(25,095)
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R\$	-	-	144,177	11,590	(692)	(366)	(326)
Sub-total	R\$	-	-	144,177	11,590	(692)	(366)	(326)
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R\$	-	-	4,141	-	6,747	6,123	624
Sub-total	R\$	-	-	4,141	-	6,747	6,123	624
Total		(305,305)	(95,839)	148,319	9,994	(523,192)	(491,581)	(31,611)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

22 Management of risks and financial instruments (Continued)

j) Management of capital stock

The main objective of capital management is to ensure the continuity of the Company's business, maintaining a low leverage policy, thus protecting its capital from government economic policy fluctuations, maximizing shareholder value.

The Company manages the capital structure and adjusts it considering the changing economic conditions in the country. To maintain or adjust the capital structure, the Company may adjust the dividend payment policy to the shareholders.

There was no change in the dividend policy in the Company's capital management objectives, policies or processes in the period ended September 30, 2020.

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Short and long-term loans and financing	1,988,170	1,557,727	2,454,025	1,859,766
(-) Cash and cash equivalents and short-term interest earnings bank deposits	(741,962)	(703,850)	(1,080,491)	(885,419)
Gains and losses on derivatives linked to investments and debt	(113,346)	(7,951)	(151,908)	(6,693)
Net debt	<u>1,132,862</u>	<u>845,926</u>	<u>1,221,626</u>	<u>967,654</u>
Shareholders' equity	<u>2,717,772</u>	<u>2,784,677</u>	<u>2,910,726</u>	<u>2,984,421</u>
Financial leverage index	<u>41.68%</u>	<u>30.38%</u>	<u>41.97%</u>	<u>32.42%</u>

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

23 Share-based payments

a) Stock option plan

In the Extraordinary Shareholders' Meeting held on May 23, 2007, the Company's shareholders approved a stock option plan to take effect on June 15, 2007, for the Company's officers and managers. The plan is managed by the Management Committee, which was created by the Board of Directors on May 23, 2007.

The stock option plan is limited to a maximum number of options that results in the dilution of 3% of the Company's capital stock on the creation date of each Annual Program. Dilution corresponds to the percentage represented by the number of shares underlying the options divided by the total number of shares issued by the Company.

The beneficiaries of the Stock Option Plan may exercise their options within 5 years as from the respective grant date. The vesting period is up to three years, with 30% vested as from the first anniversary, 60% as from second anniversary and 100% as from the third anniversary. The Company has 30 days to issue the shares as from the delivery date of the Declaration of Exercise of the Stock Option Plan.

In meetings of the Board of Directors the following grants were approved:

<u>Grant date</u>	<u>Plan^(*)</u>	<u>Number of shres granted</u>
11/11/2015	2015	393,000
11/08/2016	2016	363,500
11/08/2017	2017	373,000
11/13/2018	2018	195,893
11/13/2019	2019	613,750

(*) The 2015 to 2018 plans have their number of shares granted before the capital split.

The movements of the shares granted in the 2015, 2016, 2017, 2018 and 2019 Annual Program and the respective Strike prices, in BRL, are presented as follows:

<u>Grant year</u>	<u>Strike price - R\$</u>	<u>Balance in 12/31/2019</u>	<u>Exercised</u>	<u>Balance in 09/30/2020</u>
2015	R\$ 13.79	14,800	-	14,800
2016	R\$ 11.64	139,100	(84,300)	54,800
2017	R\$ 18.02	580,600	(196,800)	383,800
2018	R\$ 46,25	388,936	(37,180)	351,756
2019	R\$ 14,23	613,750	-	613,750
		<u>1,737,186</u>	<u>(318,280)</u>	<u>1,418,906</u>

(*) The 2015 to 2018 plans have the value of their shares before the capital split.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

23 Share-based payments (Continued)

a) Stock option plan (Continued)

The Strike price of the 2015, 2016, 2017, 2018 and 2019 annual programs were set based on the average of the 90 closing prices of the Company's shares at Bovespa, prior to the approval of the plan, with a 20% discount.

The grace periods from the date of granting are as follows:

<u>Grace periods beginning as of grant date</u>	<u>% of options released to be exercised</u>	<u>Maximum quantity of shares</u>
As from– 11/08/2018	5%	65,200
As from– 11/08/2019	12%	173,300
As from– 11/13/2019	18%	250,806
As from– 11/08/2020	37%	530,906
As from– 11/12/2020	59%	832,567
As from– 11/12/2021	83%	1,173,406
As from– 11/12/2022	100%	1,418,906

The Company recognizes the cost of the option plan based on the fair value of the options granted, considering the fair value of the options at the date of grant. The model used for pricing the fair value of options is Black-Scholes for the 2015, 2017, 2018 and 2019 plans. The 2016 plan was priced using the Binomial model.

In determining the fair value of the options plans, the Company adopts the "Level 3" valuation technique.

The weighted average fair value, the premiums considered, and the economic assumptions used for the calculation in the model are presented below:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Weighted average fair value	R\$ 21.36	R\$ 17.20	R\$ 18.02	R\$ 46.25	R\$ 14.23
Awards	R\$ 7.57	R\$ 5.56	R\$ 6.93	R\$ 18.16	R\$ 6.05
Dividends	1.00%	1.00%	1.00%	1.00%	3.50%
Volatility of share price	33.44%	32.39%	32.39%	36.80%	41.45%
Risk-free rate of return					
1st maturity	15.41%	12.27%	7.12%	6.95%	4.57%
2nd maturity	15.72%	11.49%	8.30%	8.01%	5.14%
3rd maturity	15.78%	11.27%	9.18%	8.86%	5.68%
Period expected up to the maturity					
1st maturity	365	366	365	365	365
2nd maturity	731	731	730	730	730
3rd maturity	1,096	1,096	1,095	1,095	1,095

(*) Fair value calculated based on the share price on the grant date of each plan.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

23 Share-based payments (Continued)

a) Stock option plan (Continued)

Reconciliation of outstanding stock options

The number and weighted average share option prices under the share option program are as follows:

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	09/30/2020	09/30/2020	12/31/2019	12/31/2019
Outstanding at January 1	R\$30.73	1,737,186	R\$39.51	912,673
Granted during the period	-	-	R\$14.23	613,750
Exercised during the period	R\$19.63	(318,280)	R\$13.87	(699,130)
Capital stock split	-	-	R\$20.10	909,893
Outstanding	R\$33.22	1,418,906	R\$30.73	1,737,186
Exercisable	R\$22.95	250,806	R\$22.45	550,786

Options outstanding as of September 30, 2020 have a Strike price in the range of R\$ 19.63 to R\$ 33.22 (R\$ 13.68 to R\$ 39.51 as of December 31, 2019).

The weighted average stock price on the exercise date for stock options exercised in the period ended September 30, 2020 was R\$ 25.49 (R\$ 22.45 at December 31, 2019).

b) Restricted Share Plan

In an Extraordinary General Meeting held on April 29, 2015, the Company's shareholders approved a restricted share plan, to be effective as of November 11, 2015, for the Company's officers and managers. The plan is managed by the Management Committee, created by the Board of Directors on May 23, 2007.

The total number of Restricted Shares that may be granted annually under the Plan, in the sum of all active Programs, shall not exceed 1% (one percent) of the shares representing the total capital stock of the Company.

The beneficiaries of the Restricted Shares Plan shall acquire the rights to the Restricted Shares to the extent that they remain continuously bound as administrator or employee of the Company or other company under its control, for the period between the Granting Date and the specified dates. The vesting period is up to 3 years, with releases of 30% from the first anniversary, 60% from the second anniversary and 100% from the third anniversary.

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

23 Share-based payments (Continued)

b) Restricted Share Plan (Continued)

Until the rights to the Restricted Shares are fully vested, according to the conditions set forth above, the beneficiary may not pledge, sell, assign, dispose or transfer, directly or indirectly, the Restricted Shares. Once the conditions established are met and provided that the applicable legal and regulatory requirements are complied with, including but not limited to obtaining authorization from the Brazilian Securities and Exchange Commission for private transfer of shares, the Company will transfer the respective Restricted Shares to the name of the beneficiary, by means of a term of transfer of the Company's registered shares in the system of the agent responsible for the bookkeeping of the shares issued by the Company, at no cost to the beneficiary.

At meetings of the Board of Directors held on November 08, 2017, November 13, 2018 and November 13, 2019, the Restricted Shares Award Programs for 2017, 2018 and 2019 were approved, with the granting of 93,375 (before the capital split), 48,973 (before the capital split) and 153,438 shares, respectively.

Grant year	Strike price - R\$	Quantity of shares	
		Balance on 12/31/2019	Balance on 09/30/2020
2017	R\$ 18.02	69,100	69,100
2018	R\$ 54.60	67,564	67,564
2019	R\$ 18.46	153,438	153,438
		290,102	290,102

(*) The 2017 and 2018 plans have the value of their shares before the capital split.

In compliance with CPC 10 (R1), based on the grace periods presented, the amounts with restricted share plans were recognized in the statement of income according to the length of the *vesting* period, with a corresponding entry in shareholders' equity in a specific capital reserve account. In current liabilities, in a specific account for labor obligations, the amounts of INSS and FGTS (expenses), as presented below:

	Plan of restricted shares			
	09/30/2020		09/30/2019	
Expense	R\$	1,988	R\$	1,674
INSS Expense	R\$	251	R\$	83
FGTS Expense	R\$	222	R\$	74

In compliance with CPC 10 (R1), based on the grace periods presented, the amounts with stock options plan and restricted stock plan were recognized in the statement of income, due to the expiration of the vesting period, with a corresponding entry in shareholders' equity in a specific capital reserve account, the amount of R\$ 4,597 (expense) at September 30, 2020 (R\$ 3,960 at September 30, 2019).

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

24 Net sales revenue

We present below the gross operating revenue:

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Gross operating income	1,725,364	1,500,717	2,044,857	1,775,150
Sale of goods	1,974,105	1,591,949	2,350,162	1,870,989
Income (loss) from hedge operations	(248,741)	(91,232)	(305,305)	(95,839)
Deductions, taxes and contributions	(58,589)	(51,381)	(73,079)	(58,356)
Net operating income	1,666,775	1,449,336	1,971,778	1,716,794

25 Nature of expenses

The Company's income statements are presented by function. The following sets forth the breakdown of expenses by nature.

	Parent company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Expenses according to the role				
Cost of goods sold	(1,642,178)	(1,357,118)	(1,930,171)	(1,551,137)
Sales expenses	(86,250)	(78,385)	(101,873)	(89,498)
General and administrative expenses	(64,771)	(60,228)	(72,523)	(66,319)
Other operating expenses	(6,499)	(8,521)	(6,962)	(8,989)
	(1,799,698)	(1,504,252)	(2,111,529)	(1,715,943)
Expenses per type				
Depreciation and amortization	(57,069)	(54,117)	(84,982)	(75,816)
Personnel expenses	(190,284)	(187,123)	(229,512)	(214,177)
Raw material and material	(930,886)	(758,971)	(1,118,742)	(919,905)
Rents and leases	(18,563)	(73,485)	(17,889)	(36,325)
Amortization of right of use	(79,610)	(42,487)	(49,457)	(27,688)
COGS biological asset variation	(485,427)	(351,671)	(565,333)	(399,238)
Freight	(31,057)	(26,945)	(34,448)	(29,436)
Other expenses	(6,802)	(9,453)	(11,166)	(13,358)
	(1,799,698)	(1,504,252)	(2,111,529)	(1,715,943)

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

26 Reporting by segment

The Group has two reportable segments, as described below, which are the strategic business units of the Group. The strategic business units offer different products and services, for each of the strategic business units, Management reviews internal reporting at least once a quarter. The following summary describes the operations in each of the Group's reportable segments:

- Agricultural production segment: growing mainly cotton, soybean and corn crops.
- Land portfolio segment: acquisition and development of land for agriculture.

Information regarding the results of each reportable segment is included below. Performance is evaluated based on the segment's profit before income tax and social contribution, as included in the internal reports that are analyzed by the Group's Management. Segment profit is used to evaluate performance, as management believes that such information is more relevant in assessing segment results.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Net revenue	1,982,415	1,711,589	143,742	98,107	(154,379)	(92,902)	1,971,778	1,716,794
Biologic assets	690,204	418,443	-	-	-	-	690,204	418,443
Products Costs	(1,966,732)	(1,608,376)	(8,515)	(7,978)	45,076	65,217	(1,930,171)	(1,551,137)
Gross income	705,887	521,656	135,227	90,129	(109,303)	(27,685)	731,811	584,100
Operating expenses/ income	(96,609)	(158,185)	(3,704)	(7,014)	(85,703)	5,917	(186,016)	(159,282)
Sales expenses	(101,873)	(89,498)	-	-	-	-	(101,873)	(89,498)
General and administrative expenses	(75,685)	(70,961)	(3,279)	(1,564)	6,441	6,206	(72,523)	(66,319)
Management compensation	(11,002)	(10,108)	(466)	(664)	-	-	(11,468)	(10,772)
Other operating income (expenses)	91,951	12,382	41	(4,786)	(92,144)	(289)	(152)	7,307
Income before financial income and taxes	609,278	363,471	131,523	83,115	(195,006)	(21,768)	545,795	424,818
Net financial income	(162,441)	(158,933)	3,469	3,859	72,105	56,348	(86,867)	(98,726)
Income before income tax	446,837	204,538	134,992	86,974	(122,901)	34,580	458,928	326,092
Income and social contribution taxes	(122,827)	(84,334)	(18,630)	(10,468)	(694)	(4,916)	(142,151)	(99,718)
Consolidated Income for the period	324,010	120,204	116,362	76,506	(123,595)	29,664	316,777	226,374

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

26 Reporting by segment (Continued)

Information on reportable segments (Continued)

	Agricultural Production		Land		Eliminations		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current assets	3,460,757	2,933,700	235,031	193,964	(54,018)	(36,854)	3,641,770	3,090,810
Non-current assets	5,596,329	4,933,271	2,126,630	2,151,136	(3,534,680)	(3,217,088)	4,188,279	3,867,319
Total assets	9,057,086	7,866,971	2,361,661	2,345,100	(3,588,698)	(3,253,942)	7,830,049	6,958,129
Current liabilities	2,608,904	2,141,231	62,306	53,909	(196,035)	(151,579)	2,475,175	2,043,561
Non-current liabilities	3,552,014	2,743,240	50,442	52,680	(1,158,308)	(865,773)	2,444,148	1,930,147
Shareholders' equity	2,896,168	2,982,500	2,248,912	2,238,512	(2,234,354)	(2,236,591)	2,910,726	2,984,421
Total liabilities and shareholders' equity	9,057,086	7,866,971	2,361,660	2,345,101	(3,588,697)	(3,253,943)	7,830,049	6,958,129

The Group sells its products to the domestic and foreign markets. In sales to the external market are considered the sales made directly, with the Group as operator, and indirectly, with sales to commercial exporters based in Brazil.

Consolidated domestic and foreign sales are thus represented:

	09/30/2020	09/30/2019
Domestic market	497,647	337,213
Sale of goods	497,647	337,213
Foreign market	1,547,210	1,437,937
Sale of goods - indirect export	1,042,000	929,652
Income from hedge operations indirect	(94,645)	(50,607)
Sale of goods - direct export	810,515	604,124
Income from hedge operations direct	(210,660)	(45,232)
Gross operating income	2,044,857	1,775,150
Deductions, taxes and contributions	(73,079)	(58,356)
Net operating income	1,971,778	1,716,794

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

26 Reporting by segment (Continued)

Information on reportable segments (Continued)

Gross product sales information, by geographic segment, has been prepared from the country of origin of the revenue and can thus be presented:

Country	09/30/2020		09/30/2019	
	Value	% Participation	Value	% Participation
Indonesia	267,000	32.94	219,735	36.37
China	134,517	16.60	119,985	19.86
Vietnam	107,903	13.31	78,654	13.02
Bangladesh	101,063	12.47	43,635	7.22
Turkey	82,319	10.16	41,862	6.93
Pakistan	67,027	8.27	17,862	2.96
Malaysia	34,036	4.20	49,955	8.27
Others	16,650	2.05	32,436	5.37
	810,515	100.00	604,124	100.00

The amount of revenue from major customers is thus represented:

Customer	Agricultural Product					Total	% on net revenue
	Fheated cotton	Cottonseed	Bulk corn	Bulk soybeans	Other cultures		
Cargill Agrícola S.A.	43,888	130	67,237	433,174	-	544,429	27.61%
Bunge Alimentos S.A.	-	469	40,767	311,656	5	352,897	17.90%
	43,888	599	108,004	744,830	5	897,326	45.51%

SLC Agrícola S.A.

Notes to the quarterly information
September 30, 2020
(in thousands of Reais)

27 Subsequent event

Issuance of rural producer financial note (CPR-F)

At a meeting of the Company's Board of Directors, held on October 5, 2020, the issuance of a rural financial product note ("CPR-F") was approved, under the terms of the Rural Product Note Law No. 8,929 of August 22 of 1994, as amended, in the amount of up to R\$ 480,000 (four hundred and eighty million reais), for the benefit of ISEC Securitizadora SA ("Securitizadora").

Such operation will serve as a guarantee for the agribusiness receivables securitization operation that will result in the issuance of agribusiness receivables certificates ("CRA") by the Securitizadora in the initial amount of R\$ 400,000 (four hundred million reais), which may be increased up to R\$ 480,000 (four hundred and eighty million reais) and will be coordinated by Banco Bradesco BBI SA, Banco Santander (Brazil) SA and Banco Itaú BBA SA ("Coordinators").

Fund-raising

On October 29, 2020, the Company raised R\$ 100,000 (one hundred million reais), with Banco Santander S.A., in the first operation with Selo Verde carried out by the Company.

Payment of Interest on Own Capital

On November 6, 2020, at a meeting of the Company's Board of Directors, the distribution and payment of interest on equity based on the application of the TJLP (Long Term Interest Rate), calculated up to the base date of 13 November 2020, on the Company's shareholders' equity, to be imputed to the mandatory dividend for the year 2020, in the gross amount of R\$ 37,118, corresponding to R\$ 0.19813998 per share, excluding treasury shares. Distribution will be made on November 16, 2020.

(A free translation of the original in Portuguese)

INITIAL ESTIMATES FOR 2019/20 CROP YEAR, AND UPDATE ON HEDGE POSITION

SLC Agrícola S.A. (BM&FBOVESPA: SLCE3; ADR's: SLCJY; BLOOMBERG:SLCE3:BZ; Reuters: SLCE3.SA) ("SLC Agrícola"), one of world's largest producers of grains and fibers, informs to its shareholders and the market its first estimates for planted area, yields and production costs for the 2020/21 crop year, as well as the current commodities and FX hedged position for 2019/20, 2020/21 and 2021/22.

A planted area shows an increase of 5.2% in relation to the previous crop year. The delay in the beginning of the rains in the mid-west region caused the postponement of soybean planting and, consequently, the reduction in the second-crop cotton planting window. As a result, part of the off-season bulletin planned for cotton was transferred to corn, which has a more extensive planting window.

PLANTED AREA PER CROP (Hectares)

Crop Mix	Planted Area	Planted Area	Share	Δ%
	2019/20	2020/21 ⁽¹⁾	2020/21	
	-----ha-----		%	
Cotton	125,462	115,748	24.5	-7.7
Cotton lint 1st crop	74,054	74,180	15.7	0.2
Cotton lint 2nd crop	51,408	41,568	8.8	-19.1
Soybean (Commercial + Seed)	235,444	235,039	49.8	-0.2
Corn 2nd crop	82,392	108,931	23.1	32.2
Other Crops ⁽²⁾	5,270	12,001	2.5	127.7
Total Area	448,568	471,719	100.0	5.2

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

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

The costs per hectare budgeted for the 2020/21 crop show an average increase in Reais of 9.1% in relation to the realized for the 2019/20 crop, basically due to the devaluation of the Real against the dollar in the period, since approximately 64% of the costs are dollarized.

PRODUCTION COST (R\$/ha)

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.

Yield estimates for the upcoming crop follow the trendline, thus incorporating the relevant gains achieved over the previous years.

YIELDS (kg/ha)

Yields (kg/ha)	2019/20	2020/21	Δ%
	Crop Year Budget	Crop Year Budget	
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	7,622	3.2%

HEDGE POSITION

The following is our current FX and commodity hedging position:

FX Hedge – Soybean				Commercial Hedge - Soybean			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	98.70%	51.60%	-	%	99.70%	53.50%	13.80%
R\$/USD	4.4734	4.9429	-	USD/bu ⁽²⁾	10.19	9.75	10.32
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	6.00%	14.30%

Hedge de câmbio – Algodão				Commercial Hedge – Cotton			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	94.50%	49.80%	0.5	%	96.70%	66.6%	-
R\$/USD	4.42	5.2680	5.5520	US¢/lb ⁽²⁾	68.27	65.34	-
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	-	-

Hedge de câmbio – Milho				Commercial Hedge - Corn			
Crop	2019/20	2020/21	2021/22	Crop	2019/20	2020/21	2021/22
%	97.60%	44.00%	-	%	94.40%	55.00%	-
R\$/USD	4.4081	5.1148	-	R\$/bag ⁽³⁾	32.95	35.16	-
Commitments ⁽¹⁾	-	-	-	Commitments ⁽¹⁾	-	-	-

⁽¹⁾ Commitments with debt payments in U.S. dollar. ⁽²⁾ Based on FOB Port (prices at our production units are also influenced by transport expenses and possible quality discounts). ⁽³⁾ Natural hedge with payments related to land acquisitions and leasing agreements in soybean bags. ⁽⁵⁾ Farm price.

Other Information the company deems to be relevant

Ownership Breakdown Balance on 09/30/2020						
Shareholders	Common Shares Unit	%	Preferred Shares Unit	%	Total Shares Unit	%
Controllers	100,974,342	52.98%	-	-	100,974,342	52.98%
SLC Participações S.A.	100,974,342	52.98%	-	-	100,974,342	52.98%
Board of Director	253,448	0.13%	-	-	253,448	0.13%
Board	65,200	0.03%	-	-	65,200	0.03%
Directoror	188,248	0.10%	-	-	188,248	0.10%
Fiscal Council	-	0.00%	-	-	-	0.00%
Shareholders over 5%	17,408,700	9.13%	-	-	17,408,700	9.13%
Odey Asset Management LLC	17,408,700	9.13%	-	-	17,408,700	9.13%
Treasury Shares	3,271,492	1.72%	-	-	3,271,492	1.72%
Others Shareholders	68,687,018	36.04%	-	-	68,687,018	36.04%
Total	190,595,000	100.00%	-	-	190,595,000	100.00%
Free Float	86,095,718	45.17%	-	-	86,095,718	45.17%

Ownership Breakdown Balance on 06/30/2020						
Shareholders	Common Shares Unit	%	Preferred Shares Unit	%	Total Shares Unit	%
Controllers	100,974,342	52.98%	-	-	100,974,342	52.98%
SLC Participações S.A.	100,974,342	52.98%	-	-	100,974,342	52.98%
Board of Director	221,472	0.12%	-	-	221,472	0.12%
Board	65,200	0.03%	-	-	65,200	0.03%
Directoror	156,272	0.08%	-	-	156,272	0.08%
Fiscal Council	-	0.00%	-	-	-	0.00%
Shareholders over 5%	18,473,292	9.69%	-	-	18,473,292	9.69%
Odey Asset Management LLC	18,473,292	9.69%	-	-	18,473,292	9.69%
Treasury Shares	3,312,972	1.74%	-	-	3,312,972	1.74%
Others Shareholders	67,612,922	35.47%	-	-	67,612,922	35.47%
Total	190,595,000	100.00%	-	-	190,595,000	100.00%
Free Float	86,086,214	45.17%	-	-	86,086,214	45.17%

Ownership Breakdown Balance on 03/31/2020						
Shareholders	Common Shares Unit	%	Preferred Shares Unit	%	Total Shares Unit	%
Controllers	100,974,342	52.98%	-	-	100,974,342	52.98%
SLC Participações S.A.	100,938,742	52.96%	-	-	100,938,742	52.96%
Board of Director	248,296	0.13%	-	-	248,296	0.13%
Board	65,100	0.03%	-	-	65,100	0.03%
Director	183,196	0.10%	-	-	183,196	0.10%
Fiscal Council	-	0.00%	-	-	-	0.00%
Shareholders over 5%	18,473,292	9.69%	-	-	18,473,292	9.69%
Odey Asset Management LLC	18,473,292	9.69%	-	-	18,473,292	9.69%
Treasury Shares	3,486,012	1.83%	-	-	3,486,012	1.83%
Others Shareholders	67,413,058	35.37%	-	-	67,413,058	35.37%
Total	190,595,000	100.00%	-	-	190,595,000	100.00%
Free Float	85,886,350	45.06%	-	-	85,886,350	45.06%

Ownership Breakdown Balance on 31/12/2019						
Shareholders	Common Shares Unit	%	Preferred Shares Unit	%	Total Shares Unit	%
Controllers	100,969,142	52.98%	-	-	100,969,142	52.98%
SLC Participações S.A.	100,969,142	52.98%	-	-	100,969,142	52.98%
Board of Director	242,772	0.13%	-	-	242,772	0.13%
Board	56,500	0.03%	-	-	56,500	0.03%
Director	186,272	0.10%	-	-	186,272	0.10%
Fiscal Council	-	0.00%	-	-	-	0.00%
Shareholders over 5%	18,473,292	9.69%	-	-	18,473,292	9.69%
Odey Asset Management LLC	18,473,292	9.69%	-	-	18,473,292	9.69%
Treasury Shares	3,590,152	1.88%	-	-	3,590,152	1.88%
Others Shareholders	67,319,642	35.32%	-	-	67,319,642	35.32%
Total	190,595,000	100.00%	-	-	190,595,000	100.00%
Free Float	85,792,934	45.01%	-	-	85,792,934	45.01%

Ownership Breakdown						
Balance on 09/30/2019						
Shareholders	Common Shares Unit	%	Preferred Shares Unit	%	Total Shares Unit	%
Controllers	100,938,742	52.96%	-	-	100,938,742	52.96%
SLC Participações S.A.	100,938,742	52.96%	-	-	100,938,742	52.96%
Board of Director	149,950	0.08%	-	-	149,950	0.08%
Board	45,200	0.02%	-	-	45,200	0.02%
Director	104,750	0.05%	-	-	104,750	0.05%
Fiscal Council	-	0.00%	-	-	-	0.00%
Shareholders over 5%	0	0.00%	-	-	0	0.00%
		0.00%			0	0.00%
Treasury Shares	4,299,602	2.26%	-	-	4,299,602	2.26%
Others Shareholders	85,206,706	44.71%	-	-	85,206,706	44.71%
Total	190,595,000	100.00%	-	-	190,595,000	100.00%
Free Float	85,206,706	44.71%	-	-	85,206,706	44.71%

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

The Shareholders, Board of Directors and Officers
SLC Agrícola S.A.
Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of SLC Agrícola S.A. for the quarter ended September 30, 2020, comprising the statement of financial position as of September 30, 2020 and the related statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Porto Alegre, November 06, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP15199/O-6

Guilherme Ghidini Neto
Accountant CRC-RS 067795/O-5

Opinions and Statements / Opinion of the Fiscal Council or Equivalent Body

The Fiscal Council of SLC Agrícola S.A., in compliance with the legal and statutory provisions, examined the Management Report and the individual and consolidated Financial Statements of SLC Agrícola S.A., all referring to the quarter ended on September 30, 2020.

Porto Alegre, State of Rio Grande do Sul, November 05, 2020.

João Carlos Sfreddo
Chairman of the Fiscal Council

Paulo Roberto Kruse
Advisor

Mauricio Rocha Alves de Carvalho
Advisor

Declarations Board of Executive Officers on the Financial Statements

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the Financial Statements (Parent Company and Consolidated) for the year ended September 30, 2020.

Porto Alegre, November 06, 2020.

Aurelio Pavinato
Chief Executive Officer

Ivo Marcon Brum
CFO and Investor Relations

Gustavo Macedo Lunardi
Director of Production and Supplies

Aldo Roberto Tisott
Director of Sales and New Business

Alvaro Luis Dilli
Director of Human Resources and Sustainability

Angelo Mottim Castiglia
Director Information Technology

Declarations Board of Executive Officers on the Report of Independent Auditors

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the opinion expressed in the Independent Auditors' Report, dated on November 06, 2020, on to the Financial Statements (Parent Company and Consolidated) for the year ended September 30, 2020.

Porto Alegre, November 06, 2020.

Aurelio Pavinato
Chief Executive Officer

Ivo Marcon Brum
CFO and Investor Relations

Gustavo Macedo Lunardi
Director of Production and Supplies

Aldo Roberto Tisott
Director of Sales and New Business

Alvaro Luis Dilli
Director of Human Resources and Sustainability

Angelo Mottim Castiglia
Director Information Technology