

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

## **Caramuru Alimentos S.A. and Subsidiaries**

Individual and Consolidated  
Interim Financial Information for the  
Three- and Six-month Periods Ended  
June 30, 2021 and Independent Auditor's Report on  
Review of Interim Financial Information

Deloitte Touche Tohmatsu Auditores Independentes

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of  
Caramuru Alimentos S.A.

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of Caramuru Alimentos S.A. ("Company"), included in the Interim Financial Information Form - ITR, for the quarter ended June 30, 2021, which comprises the individual and consolidated balance sheet as at June 30, 2021, and the related individual and consolidated statements of income and of comprehensive income for the three- and six-month periods then ended, of changes in equity and of cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of such information in accordance with the standards issued by the Brazilian Securities and Exchange Commission - CVM, applicable to the preparation of 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 of Interim Financial Information (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 the standards on auditing 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 interim financial information referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34, applicable to the preparation of ITR, and presented in accordance with the standards issued by the CVM.

## Emphasis of matter

### *Restatement of the corresponding figures*


We draw attention to note 2.4 to the individual and consolidated interim financial information, which was changed and is being restated by the Company to present for the first time the statements of value added and the segment reporting for the six-month period ended June 30, 2020, as well as to improve certain disclosures in the notes to the individual and consolidated interim financial information and restate the account balances as at June 30, 2020 due to the correction of errors that Management believes that best reflect the Company's operations, as set forth in technical pronouncement CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, equivalent to international standard IAS 8. Our conclusion is not modified in respect of this matter.

## Other matters

### *Statements of value added*

The individual and consolidated interim financial information referred to above includes the individual and consolidated statements of value added ("DVA") for the six-month period ended June 30, 2021, prepared under the responsibility of the Company's Management and disclosed as supplemental information for purposes of international standard IAS 34. These statements were subject to review procedures performed together with the review of the ITR to reach a conclusion on whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are consistent with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with technical pronouncement CPC 09 and consistently with the accompanying individual and consolidated interim financial information taken as a whole. The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Campinas, August 27, 2021

  
DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

  
Paulo de Tarso Pereira Jr.  
Engagement Partner

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CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

BALANCE SHEETS AS AT JUNE 30, 2021 AND DECEMBER 31, 2020

(In thousands of Brazilian reais - R\$)

ASSETS	Note	Parent		Consolidated		LIABILITIES AND EQUITY	Note	Parent		Consolidated	
		06/30/2021	12/31/2020	06/30/2021	12/31/2020			06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	4.a	179,243	561,351	430,909	858,574	Borrowings and financing	11	2,671,465	1,088,129	2,671,465	1,088,129
Short-term investments	4.b	6,001	-	57,745	-	Trade payables	12.a	445,013	301,156	507,210	362,872
Trade receivables	5	385,322	284,480	510,833	373,993	Lease liabilities	12.b	8,211	8,475	8,211	8,475
Inventories	6.a	2,148,601	661,516	2,272,480	755,794	Payroll and related taxes		32,331	48,095	32,331	48,095
Advances to suppliers	6.b	29,827	63,670	29,827	63,670	Taxes, fees and contributions payable		10,431	42,003	10,431	42,003
Recoverable taxes and contributions	7	162,142	150,072	162,142	150,072	Provision for negative equity of subsidiaries	9	-	70,201	-	-
Due from related parties	20.a	421,131	357,555	4,026	3,990	Futures contracts adjustments	21.b	995,253	579,722	995,253	935,898
Escrow deposit and futures contracts adjustments	21.b	1,030,375	971,004	1,065,246	971,004	Forward and swap contracts payable	21.d	4,016	46,503	4,016	46,503
Forward and swap contracts receivable	21.d	19,713	74,714	19,713	74,714	Advances from customers		30,941	11,623	33,746	13,233
Prepaid expenses and other receivables		43,784	35,312	43,815	35,312	Other payables		23,177	5,252	23,187	5,255
<b>TOTAL CURRENT ASSETS</b>		<b>4,426,139</b>	<b>3,159,674</b>	<b>4,596,736</b>	<b>3,287,123</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>4,220,838</b>	<b>2,201,159</b>	<b>4,285,850</b>	<b>2,550,463</b>
<b>NON-CURRENT ASSETS</b>						<b>NON-CURRENT LIABILITIES</b>					
Long-term investments	4.b	4,019	3,050	4,019	3,050	Borrowings and financing	11	460,942	1,054,565	460,942	1,054,565
Recoverable taxes and contributions	7	431,739	377,024	431,739	377,024	Trade payables	12.a	960	776	960	776
Deferred income tax and social contribution	8.b	113,848	143,442	113,848	143,442	Lease liabilities	12.b	31,894	34,635	31,894	34,635
Due from related parties	20.a	50,075	-	-	-	Provision for risks	13	1,525	1,525	1,525	1,525
Escrow deposits		14,971	14,157	14,971	14,157	Intragroup borrowings	20.a	-	221,822	-	-
Advances to suppliers	6.b	10,064	15,583	10,064	15,583	Post-employment benefit	26	5,656	5,303	5,656	5,303
Other receivables		470	13,962	502	13,995	Other payables		6,940	11,121	6,946	11,121
Other investments	9	470	470	470	470	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>507,917</b>	<b>1,329,747</b>	<b>507,923</b>	<b>1,107,925</b>
Investments in subsidiaries	9	55,536	-	-	-	<b>TOTAL LIABILITIES</b>		<b>4,728,755</b>	<b>3,530,906</b>	<b>4,793,773</b>	<b>3,658,388</b>
Investments in joint ventures	9	69,622	59,150	69,622	59,150	<b>EQUITY</b>					
Property, plant and equipment	10.a	909,123	901,444	909,123	901,444	Capital	14	862,726	862,726	862,726	862,726
Intangible assets	10.b	4,908	5,822	4,908	5,822	Earnings reserve	14	280,996	281,839	280,996	281,839
Right of use	10.c	39,600	42,565	39,600	42,565	Valuation adjustments to equity	14	60,258	60,872	60,258	60,872
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,704,445</b>	<b>1,576,669</b>	<b>1,598,866</b>	<b>1,576,702</b>	Retained earnings		197,849	-	197,849	-
						<b>TOTAL EQUITY</b>		<b>1,401,829</b>	<b>1,205,437</b>	<b>1,401,829</b>	<b>1,205,437</b>
<b>TOTAL ASSETS</b>		<b>6,130,584</b>	<b>4,736,343</b>	<b>6,195,602</b>	<b>4,863,825</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>6,130,584</b>	<b>4,736,343</b>	<b>6,195,602</b>	<b>4,863,825</b>

The accompanying notes are an integral part of this interim financial information.

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CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

STATEMENTS OF INCOME

FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020

(In thousands of Brazilian reais - R\$, except basic and diluted earnings per thousand shares in Brazilian reais)

	Note	Parent				Consolidated			
		2021		2020		2021		2020	
		06/30	06/30	06/30	06/30	06/30	06/30	06/30	06/30
NET OPERATING REVENUE	15	2,096,642	3,263,005	1,694,590	2,709,309	1,985,906	3,254,613	1,727,570	2,762,333
COST OF SALES AND SERVICES	16	(2,215,070)	(3,046,939)	(1,416,554)	(1,688,765)	(1,995,613)	(2,913,984)	(1,427,072)	(1,741,329)
GROSS PROFIT (LOSS)		(118,428)	216,066	278,036	1,020,544	(9,707)	340,629	300,498	1,021,004
Operating income (expenses):									
Selling expenses	16	(38,986)	(64,325)	(40,706)	(67,067)	(41,327)	(70,906)	(47,600)	(78,111)
General and administrative expenses	16	(36,365)	(69,926)	(29,411)	(57,920)	(37,115)	(71,380)	(29,851)	(58,483)
(Reversal) impairment loss on trade receivables and advances	16	5,308	2,125	(1,505)	(11,501)	5,308	2,125	(1,505)	(11,501)
Share of profit (loss) of subsidiaries	9	131,370	131,282	(7,254)	6,608	4,930	5,545	2,447	3,810
Other income (expenses)	18	50,271	34,457	(1,809)	242	49,439	34,582	(2,425)	905
OPERATING INCOME (LOSS) BEFORE FINANCE INCOME (COSTS)		(6,830)	249,679	197,351	890,906	(28,472)	240,595	221,564	877,624
Finance income	19	415,099	542,342	225,687	396,301	435,538	562,924	240,341	482,552
Finance costs	19	(234,237)	(564,698)	(384,168)	(1,210,900)	(233,034)	(576,196)	(423,035)	(1,283,869)
FINANCE INCOME (COSTS), NET		180,862	(22,356)	(158,481)	(814,599)	202,504	(13,272)	(182,694)	(801,317)
PROFIT BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		174,032	227,323	38,870	76,307	174,032	227,323	38,870	76,307
Income tax and social contribution:									
Current	8.a	-	(1,337)	(2,329)	(4,876)	-	(1,337)	(2,329)	(4,876)
Deferred	8.a	(27,634)	(29,594)	(1,592)	(676)	(27,634)	(29,594)	(1,592)	(676)
		(27,634)	(30,931)	(3,921)	(5,552)	(27,634)	(30,931)	(3,921)	(5,552)
PROFIT FOR THE PERIOD		146,398	196,392	34,949	70,755	146,398	196,392	34,949	70,755
BASIC AND DILUTED EARNINGS PER COMMON SHARE (WEIGHTED AVERAGE)	22	5.989	8.034	1.430	2.895	-	-	-	-

The accompanying notes are an integral part of this interim financial information.

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CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

	Parent				Consolidated			
	2021		2020		2021		2020	
	04/01 to	01/01 to	04/01 to	01/01 to	04/01 to	01/01 to	04/01 to	01/01 to
PROFIT FOR THE PERIOD	146,398	196,392	34,949	70,755	146,398	196,392	34,949	70,755
Other comprehensive income	-	-	-	-	-	-	-	-
COMPREHENSIVE INCOME FOR THE PERIOD	<u>146,398</u>	<u>196,392</u>	<u>34,949</u>	<u>70,755</u>	<u>146,398</u>	<u>196,392</u>	<u>34,949</u>	<u>70,755</u>

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CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

	Note	Earnings reserve				Valuation adjustments to equity					Retained earnings	Total
		Capital	Revaluation reserve	Tax incentive reserve	Legal reserve	Total balance sheet reserves	Cost attributable to property, plant and equipment		Actuarial gain (loss) on post-employment benefit plans	Total valuation adjustments to equity		
							Own	Subsidiaries				
BALANCES AS AT JANUARY 1, 2020		633,218	41,567	229,508	29,263	300,338	59,469	2,493	(200)	61,762	-	995,318
Capital increase		229,508	-	(229,508)	-	(229,508)	-	-	-	-	-	-
Realization of revaluation reserve	14.4	-	(847)	-	-	(847)	-	-	-	-	847	-
Realization of cost attributable to property, plant and equipment	14.4	-	-	-	-	-	(390)	(176)	-	(566)	566	-
Profit for the period		-	-	-	-	-	-	-	-	-	70,755	70,755
<b>BALANCES AS AT JUNE 30, 2020</b>		<b>862,726</b>	<b>40,720</b>	<b>-</b>	<b>29,263</b>	<b>69,983</b>	<b>59,079</b>	<b>2,317</b>	<b>(200)</b>	<b>61,196</b>	<b>72,168</b>	<b>1,066,073</b>
BALANCES AS AT JANUARY 1, 2021		862,726	39,867	201,617	40,355	281,839	58,686	2,110	76	60,872	-	1,205,437
Realization of revaluation reserve	14.4	-	(843)	-	-	(843)	-	-	-	-	843	-
Realization of cost attributable to property, plant and equipment	14.4	-	-	-	-	-	(394)	(220)	-	(614)	614	-
Profit for the period		-	-	-	-	-	-	-	-	-	196,392	196,392
<b>BALANCES AS AT JUNE 30, 2021</b>		<b>862,726</b>	<b>39,024</b>	<b>201,617</b>	<b>40,355</b>	<b>280,996</b>	<b>58,292</b>	<b>1,890</b>	<b>76</b>	<b>60,258</b>	<b>197,849</b>	<b>1,401,829</b>

The accompanying notes are an integral part of this interim financial information.

**CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES**

STATEMENTS OF CASH FLOWS - INDIRECT METHOD  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

Note	Parent		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit for the period	196,392	70,755	196,392	70,755
Adjustments to reconcile profit for the period to net cash provided by operating activities:				
Depreciation and amortization	10	32,387	30,835	32,387
Finance charges, inflation adjustment and exchange rate changes on borrowings and financing		(51,044)	492,368	(51,044)
Variations in foreign currency-denominated deposit and restricted short-term investment		-	-	(136,565)
Inflation adjustment and exchange rate changes on advances to producers		(2,176)	(1,467)	(2,176)
Inflation adjustment on recoverable taxes		4,453	(1,410)	4,453
Exchange rate changes on trade receivables		(948)	(109,569)	(948)
Exchange rate changes on related parties		34,447	44,559	-
Exchange rate changes on escrow deposit and other receivables and payables		14,862	(18,542)	14,862
Deferred income tax and social contribution	8.a	29,594	676	29,594
Reversal of provision for labor, civil and tax risks		(50,244)	(9,007)	(50,244)
Increase (reversal) of allowance for doubtful debts and allowance for losses on advances to producers	16	(3,777)	11,185	(2,718)
(Reversal) of provision for non-realization of tax credits		12,647	(649)	12,647
Allowance for other receivables-CONAB		13,026	-	13,026
Accrual for post-employment benefit plan		352	345	352
Allowance for inventory gain/loss		50	-	50
Inventory adjustment to market value		(159,866)	(289,716)	(159,866)
Increase (reversal) of provision for unrealized gain/loss on the fair value of futures contracts		168,656	(66,775)	168,656
Cost of write-off of property, plant and equipment		5,811	1,927	5,811
Share of profit (loss) of subsidiaries	9	(131,282)	(6,608)	(5,545)
Increase of provision for swap and forward transactions		12,514	112,579	12,514
Present value adjustment to FOMENTAR, CEI and PRODUZIR	11	(39,703)	(32,778)	(39,703)
Reversal of present value adjustment to FOMENTAR, CEI and PRODUZIR	11	52,755	10,121	52,755
Discount obtained in auction for settlement of FOMENTAR, CEI and PRODUZIR	11	(55,473)	(10,121)	(55,473)
Decrease (increase) in operating assets:				
Trade receivables		(100,086)	55,873	(136,084)
Short-term investments		(6,971)	(171)	(58,715)
Inventories		(1,325,093)	(848,041)	(1,354,693)
Advances to suppliers		36,446	57,552	36,446
Recoverable taxes and contributions, net		(47,490)	(55,088)	(47,490)
Due from related parties		(154,385)	(21,548)	(18)
Other assets		(210,662)	33,101	(245,557)
Dividends received	9	(51,385)	50,353	-
Increase (decrease) in operating liabilities:				
Trade payables		136,283	180,340	136,763
Payroll and related taxes		(15,763)	(15,849)	(15,763)
Taxes, fees and contributions payable		(1,301)	(390)	(1,301)
Other liabilities		469,830	78,747	44,655
Cash used in operating activities	11	(1,187,144)	(256,413)	(1,465,975)
Interest paid		(50,959)	(72,931)	(50,959)
Interest paid - related parties		(32,915)	-	-
Net cash used in operating activities		(1,271,018)	(329,344)	(1,516,934)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Additions to property, plant and equipment		(33,490)	(46,891)	(33,490)
Investments in joint venture		(4,928)	-	(4,928)
Intragroup borrowings and financing - paid		(202,587)	-	-
Net cash used in investing activities		(241,005)	(46,891)	(38,418)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings and financing - raised	11	1,965,925	935,955	1,965,925
Borrowings and financing - paid	11	(832,805)	(834,573)	(835,032)
Intragroup borrowings and financing- raised		-	31,223	-
Leases - payment	12	(3,961)	(4,233)	(3,961)
Net cash provided by financing activities		1,129,159	128,372	1,126,932
DECREASE IN CASH AND CASH EQUIVALENTS		(382,864)	(247,863)	(428,420)
Cash and cash equivalents at the beginning of the period		561,351	437,475	858,573
Effect of exchange rate changes on cash and cash equivalents		756	621	756
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4.a	179,243	190,233	430,909

The accompanying notes are an integral part of this interim financial information.



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CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

STATEMENTS OF VALUE ADDED  
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2021 AND 2020  
(In thousands of Brazilian reais - R\$)

	Note	Parent		Consolidated	
		06/30/2021	06/30/2020	06/30/2021	06/30/2020
REVENUES		3,402,291	2,844,874	3,393,898	2,897,898
Sales of goods, products and services		3,335,273	2,777,969	3,326,881	2,830,993
Other revenues		21,242	31,672	21,242	31,672
Revenue related to the construction of own assets		41,999	46,418	41,998	46,418
Allowance for doubtful debts	5	3,777	(11,185)	3,777	(11,185)
INPUTS ACQUIRED FROM THIRD PARTIES		3,374,999	1,906,522	3,249,748	1,969,822
Costs of sales and services		2,971,732	1,938,198	2,838,777	1,990,762
Materials, power, outside services and others		416,621	286,650	424,325	297,386
Inventory adjustment to market value, CBOT, futures contracts and trade payables		(13,354)	(318,326)	(13,354)	(318,326)
GROSS VALUE ADDED		27,292	938,352	144,150	928,076
DEPRECIATION, AMORTIZATION AND DEPLETION		32,387	30,835	32,387	30,835
NET WEALTH PRODUCED BY THE COMPANY		(5,095)	907,517	111,763	897,241
WEALTH RECEIVED IN TRANSFER		902,556	517,603	797,401	601,056
Share of profit (loss) of subsidiaries	9	131,282	6,609	5,545	3,810
Finance income	19	542,342	396,300	562,924	482,552
Other		228,932	114,694	228,932	114,694
TOTAL WEALTH FOR DISTRIBUTION		897,461	1,425,120	909,164	1,498,297
DISTRIBUTION OF WEALTH		897,461	1,425,120	909,165	1,498,297
Personnel:		96,525	108,745	96,525	108,745
Direct compensation		67,997	82,226	67,997	82,226
Benefits		23,378	21,858	23,378	21,858
Severance Pay Fund (FGTS)		5,150	4,661	5,150	4,661
Taxes, fees and contributions:		37,748	33,048	37,748	33,048
Federal		20,834	22,196	20,834	22,196
State		16,392	10,393	16,392	10,393
Municipal		522	459	522	459
Lenders and lessors:		566,796	1,212,572	578,500	1,285,749
Interest		564,699	1,210,900	576,196	1,283,869
Rents		2,097	1,672	2,304	1,880
Shareholders:		196,392	70,755	196,392	70,755
Retained earnings		196,392	70,755	196,392	70,755
WEALTH DISTRIBUTED		897,461	1,425,120	909,165	1,498,297

The accompanying notes are an integral part of this interim financial information.

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## CARAMURU ALIMENTOS S.A. AND SUBSIDIARIES

NOTES TO THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2021  
(Amounts in thousands of Brazilian reais - R\$, unless otherwise stated)

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### 1. GENERAL INFORMATION

- Core activity

Caramuru Alimentos S.A. (“Company” or “Parent”), headquartered at Via Expressa Júlio Borges de Souza nº 4240, in the City of Itumbiara, State of Goiás, established as a privately-held company, and main operating company of the Caramuru Group, is engaged in: (i) holding interest in other companies; (ii) soybean, corn, sunflower and canola crushing for extraction of crude oil, refined biodiesel and other derivatives; (iii) processing “in natura” corn and corn derivatives (flour, cornmeal, hominy, oil, pellets, etc.); (iv) exporting soybean and corn kernel and their derivatives; (v) selling imported commodities, such as popcorn and olive oil, among others; (vi) providing port operation, grain transportation and warehousing and multimodal transport services; and, (vii) generating, selling and transmitting power, on own account or through third parties.

- Holding interest in other companies

As at June 30, 2021 and 31 and December 31, 2020, the Company fully or jointly controlled and/or holds interests in other companies, the operations of which are summarized below:

#### Subsidiary

Intergrain Company Ltd. (since February 2002): headquartered in the City of Nassau, in the Bahamas, is mainly engaged in the import and export of soybean, corn kernel and their derivatives.

#### Joint venture

Terminal XXXIX de Santos S.A. (since July 2002): headquartered in the City of Santos, State of São Paulo, is engaged in the use and operation of port facilities in general, exclusively focused on the commercial use of a terminal at the area where Warehouse XXXIX of the Port of Santos is located, for the handling of agricultural products in bulk and other similar commodities.

Terminal São Simão S.A. (since August 2020 - 49%): headquartered in the City of São Simão, State of Goiás, is engaged in the provision of cargo transshipment services using railcars and/or trucks, handling, cleaning and inspection of railcars, exclusively focused on the commercial use of a terminal close to the area where the branch unit of Caramuru Alimentos S.A. in São Simão-GO is located, for the handling of agricultural products in bulk and other similar commodities. Such terminal became operational in the first half of 2021.

#### Holding interest in other companies

Cebragel - Companhia de Armazéns Cerrado do Brasil (since October 1993): headquartered in Vitória, State of Espírito Santo, is engaged in the operation of a bulk silo at the Port of Tubarão, located in the State of Espírito Santo.

The percentage rates of the ownership interests held in the companies are disclosed in note 9.

- Tax incentives

There was no modification in the position of tax incentives obtained by the Company in the period ended June 30, 2021, when compared with the financial statements for the year ended December 31, 2020.

#### COVID-19

On January 31, 2020, the World Health Organization (WHO) has announced the coronavirus (COVID-19) as a global health emergency and, on March 11, 2020, the outbreak was declared by the WHO as a pandemic as the virus has spread over all continents.

During 2020 and the first half of 2021, the global scenario was characterized by the impacts of the Covid-19 pandemic, and the Company is monitoring the possible pandemic-related risks that may affect its operations. Up to the balance sheet date, we highlight that:

- a) Origination, industrial and commercial operations are being routinely conducted, where no impacts were observed.
- b) Waterways and Railways are in full operation.
- c) All ports are in full operation.
- d) Shipments in the domestic market for all segments are normal (animal/industrial and human consumption).
- e) The Company has a contingency committee in place, which holds two weekly meetings to analyze the business, the health and safety of employees, as well as update the documented contingency plan and, when necessary, holds extraordinary meetings.

#### Governmental measures

Except for the partial postponement of tax collection set forth in Provisional Act (MP) No. 932 of March 30, 2020, so far no other Federal government incentives related to COVID-19 were utilized, such as reduction of working hours.

#### Emergency measures - (Standstill)

The Company implemented the emergency measures adopted by the following financial institutions: Banco da Amazônia S.A. - BASA, relating to the Constitutional Northern Region Financing Fund (FNO), for temporary suspension for a 12-month period of the payment of the current financing installments, from May 2020 to April 2021; National Bank for Economic and Social Development (BNDES), relating to the Bank Credit Note (CCB), for temporary suspension for a six-month period of the payment of the financing installments, from May to October 2020, without changing the interest rate.

#### Liquidity and market risks

The Company monitors liquidity risk by managing its cash and cash equivalents and short-term investments.

As at June 30, 2021, there are no significant renegotiations regarding the receivables and default levels show percentage rates similar to those adopted in 2020.

The Company did not grant any payment extension to suppliers and has been fully meeting its financial, legal and tax commitments in the aforesaid years.

Some borrowings are subject to financial covenants, which are measured on annual basis, and Management is constantly monitoring these financial and non-financial covenants, which were met in 2020.

The foreign currency exposure is fully hedged by derivative instruments, as shown in note 21.

The business environment in the six-month period ended June 2021, when compared to the same period in prior year, showed a growth by 17.8% in net revenue, mainly in the differentiated commodities, commodities and biofuel segments together.

#### Monitoring of the accounting estimates after the issuance date hereof

The Company considered in its revised estimates potential increases in the allowance for doubtful debts and allowance for obsolete inventory losses and did not identify the need to increase the existing allowances as at June 30, 2021.

The prices of the contracts with customers were maintained and there were no renegotiations that could indicate negative margins and, accordingly, no future losses are expected in the next months arising from onerous contracts.

#### Risk of impairment losses

The Company analyzed whether there was any indication of impairment of its tangible and intangible assets and no indication on the need to recognize an allowance for impairment losses on long-term assets was identified.

#### Recoverability of deferred income tax and social contribution

In relation to the realization of deferred tax credits, the Company does not expect any impact, considering its expected generation of future taxable income revised as a result of the pandemic, as shown in note 8b.

## 2. BASIS OF PREPARATION OF THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 2.1. Basis of preparation and statement of compliance

The Company's individual and consolidated interim financial information for the three- and six-month periods ended June 30, 2021 has been prepared in accordance with CVM Resolution 673 of October 20, 2011, which approves technical pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The accounting policies adopted in the preparation of the individual and consolidated interim financial information are consistent with those adopted and disclosed in the financial statements for the year ended December 31, 2020 and, therefore, both should be read together.

The presentation of the individual and consolidated Statements of Value Added (SVA) is required by the Brazilian Corporate Law and accounting practices adopted in Brazil applicable to publicly-traded corporations. The IFRSs do not require the presentation of this statement. Consequently, the presentation of the Statement of Value Added is considered by the IFRSs as supplemental information, without prejudice to the set of financial statements.

Management asserts that all relevant information for the individual and consolidated financial statements is being disclosed and corresponds to the information used in managing the Company.

## 2.2. Basis of measurement

The individual and consolidated financial statements have been prepared on the historical cost basis, except for the following material items recognized in the balance sheets:

- Derivative instruments measured at fair value.
- Property, plant and equipment remeasured at fair value in prior periods.
- Commodities inventories measured at fair value.
- Management has defined the operating segments based on its strategic business decisions (note 17).

## 2.3. Functional and presentation currency

These financial statements are presented in Brazilian reais (R\$), which is the Company's functional currency. All balances have been rounded to the nearest thousand, unless otherwise stated.

## 2.4. Restatement of comparative balances

The individual and consolidated interim financial information for the three- and six-month periods ended June 30, 2020 are being restated in connection with the planned request for publicly-held company registration filed with the Brazilian Securities and Exchange Commission (CVM), to present for the first time, in this set of interim financial information, the statement of value added and segment reporting and to improve certain disclosures in the notes to the interim financial information. Also, Management identified adjustments that affect the individual and consolidated statements of income and of cash flows for the period referred to above, which are being restated. Consequently, the Company is restating the abovementioned statements in conformity with the guidelines in CPC 23 – Accounting Policies, Changes in Accounting Estimates and Errors, equivalent to IAS 8.

The main adjustments refer to:

- i) Recognition of share of profit (loss) of subsidiaries and investees in a line item from operating income (loss).
- ii) Reclassification of dividends received to operating activities rather than in investing activities in the statement of cash flows.
- iii) Recognition of current and deferred income tax and social contribution corresponding to the second quarter.

Accordingly, the following financial statements and their related notes are being restated:

- i) Restatement of the individual and consolidated income statements for the period ended June 30, 2020.
- ii) Restatement of the individual and consolidated statements of comprehensive income for the period ended June 30, 2020.
- iii) Restatement of the individual and consolidated statements of cash flows for the period ended June 30, 2020.

## Income statement

	Parent					
	Originally stated - 04/01 to 06/30/2020	Reclassification	Restated - 04/01 to 06/30/2020	Originally stated - 01/01 to 06/30/2020	Reclassification	Restated - 01/01 to 06/30/2020
<b>NET OPERATING REVENUE</b>	<b>1,694,590</b>	-	<b>1,694,590</b>	<b>2,709,309</b>	-	<b>2,709,309</b>
COST OF SALES AND SERVICES	(1,416,554)	-	(1,416,554)	(1,688,765)	-	(1,688,765)
<b>GROSS PROFIT</b>	<b>278,036</b>		<b>278,036</b>	<b>1,020,544</b>		<b>1,020,544</b>
<b>Operating income (expenses):</b>						
Selling expenses	(40,706)	-	(40,706)	(67,067)	-	(67,067)
General and administrative expenses	(29,411)	-	(29,411)	(57,920)	-	(57,920)
Impairment loss on trade receivables and advances	(1,505)	-	(1,505)	(11,501)	-	(11,501)
Share of profit (loss) of subsidiaries	-	(7,254)	(7,254)	-	6,608	6,608
Other income (expenses)	(1,809)	-	(1,809)	242	-	242
<b>Share of profit (loss) of subsidiaries:</b>						
Share of profit (loss) of subsidiaries (without exchange rate effects) - subsidiary	(24,155)	24,155	-	(82,583)	82,583	-
Share of profit (loss) of subsidiaries on exchange rate changes - subsidiary	14,454	(14,454)	-	85,381	(85,381)	-
Share of profit (loss) of joint venture	2,447	(2,447)	-	3,810	(3,810)	-
	<b>(7,254)</b>		<b>-</b>	<b>6,608</b>		<b>-</b>
<b>Operating income before finance income (costs)</b>	<b>197,351</b>		<b>197,351</b>	<b>890,906</b>		<b>890,906</b>
Finance income	225,687	-	225,687	396,301	-	396,301
Finance costs	(384,168)	-	(384,168)	(1,210,900)	-	(1,210,900)
<b>Finance income (costs), net</b>	<b>(158,481)</b>		<b>(158,481)</b>	<b>(814,599)</b>		<b>(814,599)</b>
<b>Profit before income tax and social contribution</b>	<b>38,870</b>		<b>38,870</b>	<b>76,307</b>		<b>76,307</b>
<b>Income tax and social contribution</b>						
Current	-	(2,329)	(2,329)	(4,876)	-	(4,876)
Deferred	-	(1,592)	(1,592)	(676)	-	(676)
			<b>(3,921)</b>	<b>(5,552)</b>		<b>(5,552)</b>
<b>Profit for the period</b>	<b>38,870</b>	(3,921)	<b>34,949</b>	<b>70,755</b>	-	<b>70,755</b>
Basic and diluted earnings per share - common shares (weighted average)	1.590		1.430	2.895		2.895

	Consolidated					
	Originally stated - 04/01 to 06/30/2020	Reclassification	Restated - 04/01 to 06/30/2020	Originally stated - 01/01 to 06/30/2020	Reclassification	Restated - 01/01 to 06/30/2020
<b>NET OPERATING REVENUE</b>	<b>1,727,570</b>	-	<b>1,727,570</b>	<b>2,762,333</b>	-	<b>2,762,333</b>
COST OF SALES AND SERVICES	(1,427,072)	-	(1,427,072)	(1,741,329)	-	(1,741,329)
<b>GROSS PROFIT</b>	<b>300,498</b>		<b>300,498</b>	<b>1,021,004</b>		<b>1,021,004</b>
<b>Operating income (expenses):</b>						
Selling expenses	(47,600)	-	(47,600)	(78,111)	-	(78,111)
General and administrative expenses	(29,851)	-	(29,851)	(58,483)	-	(58,483)
Impairment loss on trade receivables and advances	(1,505)	-	(1,505)	(11,501)	-	(11,501)
Share of profit (loss) of subsidiaries	-	2,447	2,447	-	3,810	3,810
Other income (expenses)	(2,425)	-	(2,425)	905	-	905
<b>Share of profit (loss) of subsidiaries:</b>						
Share of profit (loss) of subsidiaries (without exchange rate effects) - subsidiary	-	-	-	-	-	-
Share of profit (loss) of subsidiaries on exchange rate changes - subsidiary	-	-	-	-	-	-
Share of profit (loss) of joint venture	2,447	(2,447)	-	3,810	(3,810)	-
	<b>2,447</b>		<b>-</b>	<b>3,810</b>		<b>-</b>
<b>Operating income before finance income (costs)</b>	<b>221,564</b>		<b>221,564</b>	<b>877,624</b>		<b>877,624</b>
Finance income	240,341	-	240,341	482,552	-	482,552
Finance costs	(423,035)	-	(423,035)	(1,283,869)	-	(1,283,869)
<b>Finance income (costs), net</b>	<b>(182,694)</b>		<b>(182,694)</b>	<b>(801,317)</b>		<b>(801,317)</b>
<b>Profit before income tax and social contribution</b>	<b>38,870</b>		<b>38,870</b>	<b>76,307</b>		<b>76,307</b>
<b>Income tax and social contribution</b>						
Current	-	(2,329)	(2,329)	(4,876)	-	(4,876)
Deferred	-	(1,592)	(1,592)	(676)	-	(676)
			<b>(3,921)</b>	<b>(5,552)</b>		<b>(5,552)</b>
<b>Profit for the period</b>	<b>38,870</b>	(3,921)	<b>34,949</b>	<b>70,755</b>	-	<b>70,755</b>

## Statement of comprehensive income

	Parent			Consolidated		
	Originally stated - 04/01 to 06/30/2020	Reclassification	Restated - 04/01 to 06/30/2020	Originally stated - 04/01 to 06/30/2020	Reclassification	Restated - 04/01 to 06/30/2020
PROFIT FOR THE PERIOD	38,870	(3,921)	34,949	38,870	(3,921)	34,949
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>38,870</b>		<b>34,949</b>	<b>38,870</b>		<b>34,949</b>

## Statement of cash flows

	Parent			Consolidated		
	Originally stated 06/30/2020	Reclassification	Restated - 06/30/2020	Originally stated - 06/30/2020	Reclassification	Restated - 06/30/2020
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit for the period	70,755	-	70,755	70,755	-	70,755
<b>Adjustments to reconcile profit for the period to net cash provided by operating activities:</b>						
Depreciation and amortization	30,835	-	30,835	30,835	-	30,835
Finance charges, inflation adjustment and exchange rate changes on borrowings and fine	492,368	-	492,368	492,368	-	492,368
Variations in foreign currency-denominated deposit and restricted short-term investment	-	-	-	(136,565)	-	(136,565)
Inflation adjustment and exchange rate changes on advances to producers	(1,467)	-	(1,467)	(1,467)	-	(1,467)
Inflation adjustment on recoverable taxes	(1,410)	-	(1,410)	(1,410)	-	(1,410)
Exchange rate changes on trade receivables	(109,569)	-	(109,569)	(109,569)	-	(109,569)
Exchange rate changes on related parties	44,559	-	44,559	-	-	-
Exchange rate changes on escrow deposit and other receivables and payables	(18,542)	-	(18,542)	(18,542)	-	(18,542)
Deferred income tax and social contribution	676	-	676	676	-	676
Reversal of provision for labor, civil and tax risks	(9,007)	-	(9,007)	(9,007)	-	(9,007)
Increase (reversal) of allowance for doubtful debts and allowance for losses on advances to producers	11,185	-	11,185	3,312	-	3,312
(Reversal) recognition of provision for the non-realization of tax credits	(649)	-	(649)	(649)	-	(649)
Accrual for post-employment benefit plan	345	-	345	345	-	345
Inventory adjustment to market value	(289,716)	-	(289,716)	(289,716)	-	(289,716)
Increase (reversal) of provision for unrealized gain/loss on the fair value of futures contr:	(66,775)	-	(66,775)	(66,775)	-	(66,775)
Cost of write-off of property, plant and equipment	1,927	-	1,927	1,927	-	1,927
Share of profit (loss) of subsidiaries	82,583	(89,191)	(6,608)	-	(3,810)	(3,810)
Exchange rate changes on foreign investments	(3,810)	3,810	-	(3,810)	3,810	-
Share of profit (loss) of joint venture	(85,381)	85,381	-	-	-	-
Increase (reversal) of provision for swap and forward transactions	112,579	-	112,579	112,579	-	112,579
Present value adjustment to FOMENTAR, CEI and PRODUZIR	(32,778)	-	(32,778)	(32,778)	-	(32,778)
Reversal of present value adjustment to FOMENTAR, CEI and PRODUZIR	10,121	-	10,121	10,121	-	10,121
Discount obtained in auction for settlement of FOMENTAR, CEI and PRODUZIR	(10,121)	-	(10,121)	(10,121)	-	(10,121)
<b>Decrease (increase) in operating assets:</b>						
Trade receivables	55,873	-	55,873	38,008	-	38,008
Short-term investments (noncurrent)	(171)	-	(171)	(171)	-	(171)
Inventories	(848,041)	-	(848,041)	(886,955)	-	(886,955)
Advances to suppliers	57,552	-	57,552	57,552	-	57,552
Recoverable taxes and contributions, net	(55,088)	-	(55,088)	(55,088)	-	(55,088)
Due from related parties	(21,548)	-	(21,548)	379	-	379
Other assets	33,101	-	33,101	31,774	-	31,774
Dividends received	-	50,353	50,353	-	-	-
<b>Increase (decrease) in operating liabilities:</b>						
Trade payables	180,340	-	180,340	198,162	-	198,162
Payroll and related taxes	(15,849)	-	(15,849)	(15,849)	-	(15,849)
Taxes, fees and contributions payable	(390)	-	(390)	(390)	-	(390)
Other liabilities	78,747	-	78,747	149,412	-	149,412
<b>Cash provided by operating activities</b>	<b>(306,766)</b>		<b>(256,413)</b>	<b>(440,657)</b>		<b>(440,657)</b>
Interest paid	(72,931)	-	(72,931)	(72,931)	-	(72,931)
<b>Net cash provided by operating activities</b>	<b>(379,697)</b>		<b>(329,344)</b>	<b>(513,588)</b>		<b>(513,588)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Additions to property, plant and equipment	(46,891)	-	(46,891)	(46,891)	-	(46,891)
Dividends received	50,353	(50,353)	-	-	-	-
<b>Net cash used in ( provided by) investing activities</b>	<b>3,462</b>		<b>(46,891)</b>	<b>(46,891)</b>		<b>(46,891)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Borrowings and financing - raised	935,955	-	935,955	935,955	-	935,955
Borrowings and financing - paid	(834,573)	-	(834,573)	(834,573)	-	(834,573)
Intragroup borrowings and financing	31,223	-	31,223	31,223	-	31,223
Leases - payment	(4,233)	-	(4,233)	(4,233)	-	(4,233)
<b>Net cash provided by (used in) financing activities</b>	<b>128,372</b>		<b>128,372</b>	<b>128,372</b>		<b>128,372</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(247,863)</b>		<b>(247,863)</b>	<b>(432,107)</b>		<b>(432,107)</b>
Cash and cash equivalents at the beginning of the period	437,475	-	437,475	764,327	-	764,327
Effect of exchange rate changes on cash and cash equivalents	621	-	621	621	-	621
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>190,233</b>		<b>190,233</b>	<b>332,841</b>		<b>332,841</b>

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these interim financial statements are the same as those adopted in the preparation of the annual individual and consolidated financial statements for the year ended December 31, 2020.

## 4. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

## a) Cash and cash equivalents

	Parent		Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Cash and banks	81,080	23,002	81,080	23,002
Highly-liquid short-term investments (a)	98,163	538,349	98,163	538,349
Foreign currency-denominated bank deposit (b)	-	-	251,666	297,223
Total cash and cash equivalents	<u>179,243</u>	<u>561,351</u>	<u>430,909</u>	<u>858,574</u>

(a) Short-term investments in local currency (R\$) refer mainly to Bank Certificates of Deposit (CDBs) yielding interest at rates ranging, as at June 30, 2021, from 90% to 102% (from 80% to 104% as at December 31, 2020) of the Interbank Deposit (CDI) rate, and fixed-income investment funds, and are available for use in the Company's operations. These short-term investments are held to meet short-term commitments, readily convertible into cash and subject to an insignificant risk of change in value.

(b) Refer to foreign deposits for settlement of highly liquid short-term commitments equivalent to US\$50,311 thousand as at June 30, 2021 (equivalent to US\$57,195 thousand as at December 31, 2020).

## b) Short-term investments

	Parent		Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Capitalization bonds – short term (a)	6,001	-	6,001	-
Capitalization bonds – long term (b)	4,019	3,050	4,019	3,050
Restricted short-term investments - short term (c)	-	-	51,744	-
Total short-term investments	<u>10,020</u>	<u>3,050</u>	<u>61,764</u>	<u>3,050</u>

(a) Refer to capitalization bonds held at Banco Bradesco for loan transactions.

(b) Refer to capitalization bonds held at Banco da Amazônia for loan transactions.

(c) Subsidiary Intergrain has short-term investments amounting to US\$10,344 thousand, equivalent to R\$51,744. This balance is held at the lending financial institutions and refers to early shipments associated with a portion of loans classified into the prepayment and export credit note categories, which does not fall under the classification as cash equivalents and remains invested through the relevant maturity dates. The related short-term investments yield interest of 1% p.a.



## 5. TRADE RECEIVABLES

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Biodiesel	223,698	155,127	223,698	155,127
Farinaceous	32,394	19,674	32,394	19,674
Soybean meal	67,549	70,487	152,117	139,443
Refined soybean oil	32,738	18,661	32,738	18,661
Mix products	7,745	6,707	7,745	6,707
Crude degummed soybean oil	-	-	4,924	2,781
Transportation and warehousing services	681	1,594	681	1,594
Soybeans	218	-	47,825	35,824
Other commodities	30,956	23,002	51,865	38,714
	<u>395,979</u>	<u>295,252</u>	<u>553,987</u>	<u>418,525</u>
Allowance for estimated credit losses	(10,657)	(10,772)	(43,154)	(44,532)
Total current	<u>385,322</u>	<u>284,480</u>	<u>510,833</u>	<u>373,993</u>

The balance of trade receivables is broken down by market as follows:

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Domestic market	377,027	267,374	377,027	267,374
Foreign market	18,952	27,878	176,960	151,151
Total	<u>395,979</u>	<u>295,252</u>	<u>553,987</u>	<u>418,525</u>

The balance of due from related parties is shown in note 20.a and consists mainly of transactions with subsidiary Intergrain Company Ltd., in the amount of R\$417,105, arising mainly from the sale of soybean and soybean meal, in the Parent (R\$353,565 as at December 31, 2020).

The aging list of trade receivables is as follows:

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Current:				
1 to 30 days	362,379	271,150	440,084	329,791
31 to 60 days	14,078	8,964	27,407	13,178
61 to 90 days	3,164	2,057	5,571	4,694
More than 91 days	4,481	438	13,543	4,782
Total current	<u>384,102</u>	<u>282,609</u>	<u>486,605</u>	<u>352,445</u>
Past due:				
1 to 30 days	913	1,827	11,164	6,550
31 to 60 days	26	10	160	2,021
61 to 90 days	36	34	219	477
91 to 120 days	245	-	12,685	12,500
121 to 180 days	31	47	31	47
More than 181 days	10,626	10,725	43,123	44,485
Total past due	<u>11,877</u>	<u>12,643</u>	<u>67,382</u>	<u>66,080</u>
Grand total	<u>395,979</u>	<u>295,252</u>	<u>553,987</u>	<u>418,525</u>

As at June 30, 2021, of the balance of trade receivables, R\$223,698 (R\$155,127 as at December 31, 2020) are due by Petrobras S.A. No other customer accounts for more than 10% of the total trade receivables balance.

To determine whether or not trade receivables are recoverable, the Company takes into consideration any change in the customer's credit rating from the date the loan was initially granted to the end of the reporting period. When excluding the amount receivable from Petrobras, the credit risk concentration is limited because the customer base is comprehensive and there is no relationship between customers.

To calculate the allowance for estimated credit losses, the Company makes an assessment based on past default experience and analysis of the current financial condition of each debtor. In the periods ended June 30, 2021 and December 31, 2020, the allowance matrix was not deteriorated as there is no significant impact on the credit risk of its portfolio.

The variations in the allowance for estimated credit losses are as follows:

	Parent	
	06/30/2021	06/30/2020
Opening balance for the period	(10,772)	(6,028)
Additions	(657)	(4,439)
Reversal	772	64
Closing balance for the period	<u>(10,657)</u>	<u>(10,403)</u>

	Consolidated	
	06/30/2021	06/30/2020
Opening balance for the period	(44,532)	(32,214)
Additions	(3,911)	(13,828)
Reversal	5,289	64
Closing balance for the period	<u>(43,154)</u>	<u>(45,978)</u>

## 6. INVENTORIES AND ADVANCES TO SUPPLIERS

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
a) Inventories:				
Raw materials	1,498,742	275,732	1,498,742	275,732
Finished goods	600,111	343,213	600,111	343,213
Goods for resale	7,503	4,588	131,382	98,866
Packaging material	11,903	7,486	11,903	7,486
Maintenance material and inputs	44,394	44,499	44,394	44,499
Allowance for inventory losses	<u>(14,052)</u>	<u>(14,002)</u>	<u>(14,052)</u>	<u>(14,002)</u>
Subtotal - inventories	<u>2,148,601</u>	<u>661,516</u>	<u>2,272,480</u>	<u>755,794</u>

	Parent		Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
b) Advances to suppliers:				
Advances to producers	30,088	73,681	30,088	73,681
Advance acquisitions	5,773	7,918	5,773	7,918
Freight advance	2,638	1,353	2,638	1,353
Inputs and other	25,170	22,683	25,170	22,683
Allowance for inventory losses	(23,778)	(26,382)	(23,778)	(26,382)
Subtotal - advances to suppliers	<u>39,891</u>	<u>79,253</u>	<u>39,891</u>	<u>79,253</u>
Current	29,827	63,670	29,827	63,670
Noncurrent	10,064	15,583	10,064	15,583

As at June 30, 2021 and December 31, 2020, no inventories were pledged as collateral for liabilities.

The variations in the allowance for inventory losses, related to advances to producers and inventory losses, are as follows:

	Parent and Consolidated	
	<u>06/30/2021</u>	<u>06/30/2020</u>
Opening balance	(40,384)	(27,254)
Additions	(176)	-
Write-offs	<u>2,730</u>	<u>1,063</u>
Closing balance	<u>(37,830)</u>	<u>(26,191)</u>

The balance of advances to suppliers is broken down as follows:

	Parent		Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Current:				
1 to 30 days	7,781	1,890	7,781	1,890
31 to 60 days	19,459	5,357	19,459	5,357
61 to 90 days	12	51,826	12	51,826
91 to 120 days	-	3,148	-	3,148
More than 121 days	<u>870</u>	<u>388</u>	<u>870</u>	<u>388</u>
Total current	<u>28,122</u>	<u>62,609</u>	<u>28,122</u>	<u>62,609</u>
Past due:				
1 to 30 days	374	591	374	591
31 to 60 days	22	26	22	26
61 to 90 days	-	24	-	24
91 to 120 days	554	17	554	17
121 to 180 days	40	681	40	681
More than 181 days	<u>34,557</u>	<u>41,687</u>	<u>34,557</u>	<u>41,687</u>
Total past due	<u>35,547</u>	<u>43,026</u>	<u>35,547</u>	<u>43,026</u>
Grand total	<u>63,669</u>	<u>105,635</u>	<u>63,669</u>	<u>105,635</u>

Commodities inventories mainly comprised of soybean and its derivatives totaled R\$1,273,447 and R\$196,590, respectively (R\$102,750 and R\$115,202 as at December 31, 2020), corn kernel and sunflower seed totaled R\$29,846 and R\$6,942, respectively (R\$42,746 and R\$8,503 as at December 31, 2020), recorded in line items “Raw materials” and “Finished goods”, and are adjusted to present value less costs to sell. Any gains or losses arising from changes in the fair value of inventories are directly recorded in profit or loss, in line item “Cost of sales and services”, and correspond to an approximate gain of R\$254,290 as at June 30, 2021, of which R\$171,535 relating to raw material and R\$82,755 relating to finished goods (gain of R\$94,424 as at December 31, 2020, of which R\$47,476 relating to raw material and R\$46,948 relating to finished goods).

Advances to producers refer to funds delivered to rural producers before plantation and are settled upon the delivery of the grains, which will take place between January and May of the period immediately subsequent to the reporting period of the financial statements, according to the grain quotation on the effective delivery dates, adjusted up to June 30, 2021. These transactions are subject to finance charges, equivalent to simple interest from 0.5% to 1.10% per month or compounded interest from 1.35% to 1.85% per month, in conformity with the terms and conditions agreed upon with the supplier. Costs on adjusted interest on contracts are directly recognized in profit or loss, in line item “Finance income (costs)”. The balance classified in noncurrent assets refers to advances that are being discussed with the rural producers with respect to their realization and, in Management's best estimate, it will occur after 12 months. The Company's Management has not yet included such amount in the allowance for losses as it does not expect to recognize losses on these receivables and has collaterals for them, in the total amount of R\$10,064 (R\$15,583 in 2020).

Advance acquisitions and barter – refer to funds and seeds, delivered to producers to ensure the receipt of grains after harvest, so as to obtain from the producer a firm grain delivery commitment. Advanced funds are settled upon the receipt of the grains, based on the price determined upon advance of the funds and seeds without, therefore, any adjustment to the grain price on the delivery date, as a result of the market price fluctuation.

Transactions related to advances and seeds delivered to producers, as described above, are collateralized, which collaterals are represented by Rural Producer Note (CPR) and respective first-priority pledge of the crop to be harvested and mortgage of the producers' properties, duly registered with real estate registry offices.

The Company recognized an allowance for estimated credit losses on advances not collateralized as mentioned above.

## 7. RECOVERABLE TAXES AND CONTRIBUTIONS

	Parent and Consolidated	
	06/30/2021	12/31/2020
State VAT (ICMS) 0}	16,553	18,866
Taxes on revenue (PIS and COFINS) – non-cumulative	121,316	117,841
Prepaid income tax (IRPJ) and social contribution (CSLL)	12,220	12,111
Withholding income tax (IRRF) on short-term investments	437	105
Other recoverable taxes	11,616	1,149
Total current	162,142	150,072

	Parent and Consolidated	
	06/30/2021	12/31/2020
State VAT (ICMS)	1,497	1,710
Taxes on revenue (PIS and COFINS) – non-cumulative (a)	341,990	284,113
PIS and COFINS – tax base increase	10,184	10,139
PIS – Semiannual	16,536	16,489
Prepaid income tax (IRPJ) and social contribution (CSLL)	51,943	54,959
Other recoverable taxes	9,589	9,614
Total noncurrent	431,739	377,024
Total	593,881	527,096

- (a) The increase in PIS and COFINS balances partially derives from the accounting recognition of ICMS rate differences between tax credits actually paid and included in invoices in the relevant tax bases. On May 13, 2021, the Federal Supreme Court clarified the provisions of a prior decision issued in 2017, which declared the addition of ICMS amounts to PIS and COFINS tax bases as unconstitutional and, therefore, the Company recorded the amount of R\$46,489 in the period ended June 30, 2021, referring to the principal amount reported in line item “Other revenue”. The Company has not offset these tax credits yet; however, it expects to receive a refund through court-ordered debt payments from the Federal Government over the next two years.

In addition, there were no significant changes related to the nature and other descriptions of the balances of recoverable taxes as disclosed in the financial statements for the year ended December 31, 2020.

The balances of recoverable taxes are recognized as follows:

	06/30/2021				
	PIS/COFINS	Prepaid IRPJ and CSLL and IRRF on short-term investments	ICMS	Other	Total
2010	27,275	-	-	91	27,366
2011	5,026	-	-	-	5,026
2012	10,599	21,003	-	-	31,602
2013	40,986	303	-	-	41,289
2014	36,548	17,973	-	3	54,524
2015	43,626	2,242	-	489	46,357
2016	37,441	21,063	-	1,134	59,638
2017	29,174	209	2,094	1,668	33,145
2018	31,788	4	1,594	1,684	35,070
2019	27,247	1,238	6,291	2,299	37,075
2020	61,018	125	5,746	1,883	68,772
2021	139,298	440	2,325	11,954	154,017
Total	490,026	64,600	18,050	21,205	593,881

	12/31/2020				Total
	PIS/COFINS	Prepaid IRPJ and CSLL and IRRF on short-term investments	ICMS	Other	
2010	27,967	-	-	91	28,058
2011	5,026	-	-	-	5,026
2012	10,599	20,865	-	-	31,464
2013	40,986	301	292	-	41,579
2014	36,548	17,841	221	3	54,613
2015	43,626	2,226	1,471	489	47,812
2016	37,441	22,021	2,848	1,077	63,387
2017	29,174	207	2,230	1,588	33,199
2018	31,788	814	1,594	1,761	35,957
2019	37,531	2,778	6,291	1,783	48,383
2020	127,896	122	5,629	3,971	137,618
Total	428,582	67,175	20,576	10,763	527,096

Based on the refund requests and projected future earnings, the Company expects to realize recoverable tax credits as follows:

	PIS/COFINS	Prepaid IRPJ and CSLL and IRRF	Total
	Refund	Use in transactions / offset	
2021	121,316	35,256	156,572
2022	106,120	4,662	110,782
2023	225,309	18,056	243,365
2024	10,561	6,626	17,187
2025 and thereafter	26,720	-	26,720
Total	490,026	64,600	554,626

## 8. INCOME TAX AND SOCIAL CONTRIBUTION

### a) Reconciliation of income tax and social contribution amounts

	Parent		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Profit before income tax and social contribution	227,323	76,307	227,323	76,307
Calculation of income tax and social contribution at statutory rate – 34%	(77,290)	(25,944)	(77,290)	(25,944)
Adjustment to reflect the effective rate:				
Share of profit (loss) of foreign subsidiary	41,857	(28,078)	-	-
Share of profit (loss) of joint venture	1,885	1,295	1,885	1,295
Exchange rate changes on foreign investments (2)	893	29,030	893	29,030
Profit (loss) of foreign subsidiary	(41,857)	28,078	-	-
Negative goodwill – early settlement - FOMENTAR, CEI and PRODUZIR	18,861	3,441	18,861	3,441
Tax benefits - PRODEIC-MT, ICMS-GO Credit and ICMS relief and tax basis exemption	45,940	34,633	45,940	34,633
Unrecognized/reversed deferred income tax and social contribution (1)	-	(12,920)	-	(12,920)
Other permanent differences, net	(21,220)	(35,087)	(21,220)	(35,087)
Income tax and social contribution income (expenses)	(30,931)	(5,552)	(30,931)	(5,552)
Breakdown of income tax and social contribution income (expenses):				
Current income tax and social contribution	(1,337)	(4,876)	(1,337)	(4,876)
Deferred income tax and social contribution	(29,594)	(676)	(29,594)	(676)

- (1) The Company did not recognize part of the deferred income tax and social contribution tax credits, in view of the expected future realization of these credits. As at June 30, 2020, there was a reversal relating to 12/2019 in the amount of R\$17,000 and provision relating to 06/2020 in the amount of R\$29,920, net of R\$12,920.

- (2) The effect of the share of (profit) loss of subsidiaries in the Parent contemplates the positive amount of R\$893 (positive amount of R\$29,030 as at June 30, 2020) related to the exchange rate changes of investee Intergrain abroad for tax purposes, based on the amounts disclosed in the consolidated financial statements.

b) Breakdown of deferred income tax and social contribution assets and liabilities

The Company, as approved by Management, recognized deferred income tax and social contribution on tax loss carryforwards and temporarily taxable and deductible differences, which can be carried forward indefinitely up to the realization limit based on the projections of future taxable income. The carrying amount of deferred income tax assets is periodically reviewed by the Company and is broken down as follows:

	<u>Parent and Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>
<u>Tax credits</u>		
Deferred income tax and social contribution on:		
Tax loss carryforwards (a)	113,069	113,654
Accounting loss on foreign subsidiary – Intergrain (b)	115,966	115,966
Allowance for doubtful debts and allowance for losses on advances to producers	20,973	22,257
Provision for labor, civil and tax risks	518	518
Provision for loss on contingent credits	7,300	7,300
Accrued post-employment benefits	1,942	1,842
Provision for possible non-realization of taxes	3,218	3,218
Provision for inventory adjustment to market value	585	1,433
Adjustment to producer price guarantee agreements and sales agreements	27,586	2,319
Provision for adjustment to futures contracts - CBOT	12,267	111,711
Provision for adjustment to trade payables - MP	9,372	16,371
Provision for non-realization of ICMS in the PIS and COFINS tax basis	57,744	70,744
Provision for possible non-realization of credit-CONAB	4,429	-
Other provisions	22,355	17,679
Unrecognized deferred income tax and social contribution (a)	<u>(57,744)</u>	<u>(70,744)</u>
Deferred income tax and social contribution assets	<u>339,580</u>	<u>414,268</u>
<u>Tax debits</u>		
Deferred income tax and social contribution on:		
Present value adjustment - FOMENTAR, PRODUZIR, CEI and Escrow Account	(24,151)	(28,588)
Provision for inventory adjustment to market value	(125,888)	(37,132)
Unrealized net gains (losses) on forward and swap transactions	(5,337)	(9,592)
Adjustment to producer price guarantee agreements and sales agreements	(20,097)	(144,616)
Actuarial gains/losses on post-employment benefit plans	(39)	(39)
Revaluation reserve	(20,101)	(20,536)
Valuation adjustments to equity – property, plant and equipment	<u>(30,119)</u>	<u>(30,323)</u>
Deferred income tax and social contribution liabilities	<u>(225,732)</u>	<u>(270,826)</u>
Total deferred income tax and social contribution assets, net	<u>113,848</u>	<u>143,442</u>

- (a) Moreover, as at June 30, 2021, the Company recognized R\$372,557 as tax loss carryforwards (R\$334,316 as at December 31, 2020), which tax assets amounting to R\$332,557 are recognized in the financial statements.
- (b) Upon the accounting loss of foreign subsidiary Intergrain Company Ltd. as at December 31, 2020, in the amount of R\$341,077, tax credits in the amount of R\$115,966 were recognized, which must be offset in the following years against accounting profit abroad.

The Company's future business prospects and earnings projections are based on Management's estimates and, therefore, rely on variables in the domestic and foreign markets and are subject to changes.

Based on these projections of future taxable income, the Company estimates realizing deferred income tax and social contribution credits as follows:

	<u>06/30/2021</u>	<u>12/31/2020</u>
	Parent and Consolidated	Parent and Consolidated
2021	85,252	159,940
2022	19,504	19,504
2023	25,347	25,347
2024	29,844	29,844
2025	32,191	32,191
2026	33,181	33,181
2027	33,446	33,446
2028	33,652	33,652
2029	29,699	29,699
2030 and thereafter	17,464	17,464
Total	<u>339,580</u>	<u>414,268</u>

The breakdown by year of unrealized deferred income tax and social contribution credit was determined by the Company's Management using projected results for the next years and consistently assessing the effective realization capacity of these credits, based on the estimated future taxable income.

The Company's future business prospects and earnings projections are based on Management's estimates and, therefore, rely on variables in the domestic and foreign markets and are subject to changes.

#### Tax credits arising from the ICMS deduction from PIS/COFINS tax base

On May 14, 2019, a final and unappealable court decision was rendered in respect of the Company's lawsuit claiming the ICMS deduction from PIS and COFINS tax base. Such final and unappealable court decision did not determine whether the tax base would correspond to the deductible ICMS amount indicated in the invoices or the ICMS amounts actually paid in cash. Consequently, up to the year ended December 31, 2020, the Company recognized the amount of R\$19,011 relating to taxes on revenue (PIS and COFINS) considering the ICMS amount actually paid, supported by its legal counsel's opinion.

In May 2021, the Federal Supreme Court (STF) analyzed the motions to clarify under Extraordinary Appeal No. 574.706, whereby determining that the ICMS amount indicated in invoices should be deducted from PIS and COFINS tax base. Accordingly, during the three- and six-month periods ended June 30, 2021, the Company recognized the amount of R\$46,489 relating to the remaining differences between PIS and COFINS credits calculated on the ICMS amount indicated and the PIS and COFINS credits calculated on the ICMS amount actually paid. The Company elected to settle said lawsuit, which will entail documentary expert analysis and defense arguments to obtain the refund of those tax credits.



Moreover, the Company is entitled to tax credits referring to the tax lawsuit which likelihood of obtaining a favorable outcome was assessed as possible by the Company's legal counsel, primarily due to the lack of case law rulings, and, therefore, these tax credits were recognized as contingent assets since tax authorities may impose restrictions on the methodology adopted to calculate PIS and COFINS credits. As at June 30, 2021, unrecognized tax credits amount to approximately R\$169,826, including the applicable inflation adjustments, and will be recognized as soon as the lack of controversy is virtually certain.

9. INVESTMENTS

	<u>Total ownership interest - %</u>
<u>Investments in subsidiary</u>	
Intergrain Company Ltd.	100.00
<u>Investments in joint venture</u>	
Terminal XXXIX de Santos S.A.	50.00
Terminal São Simão S.A.	49.00

A summary of the balance sheets and statement of income as at June 30, 2021 and December 31, 2020 of the subsidiary and joint venture is set out below:

	Number of shares		Capital (a)		Ownership interest (%)		Equity		Profit (loss) for the year	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	06/30/2020
<u>Subsidiary</u>										
Intergrain Company Ltda. (a)	10,595,180	10,595,180	52,999	55,060	100%	100%	55,536	(70,201)	123,110	2,798
<u>Joint ventures</u>										
Terminal XXXIX de Santos S.A.	14,200,000	14,200,000	14,200	14,200	50%	50%	59,189	52,689	7,499	7,620
Terminal São Simão S.A. (b)	78,000,000	78,000,000	78,000	73,176	49%	49%	81,689	78,034	3,663	-

(a) Intergrain, amount relating to US\$10,595 thousand.

(b) As at December 31, 2020, the investee was at the pre-operating stage and operations partially began in March and were fully effective in May 2021; therefore, the information refers to the five-month period as the monthly closing does not coincide with the same information on the investor.

Profit or loss for the period of Intergrain contemplates the positive amount of R\$2,627 relating to exchange rate changes in the foreign investment recognized by the subsidiary (positive amount of R\$85,381 as at June 30, 2020), as shown below:

Intergrain's profit or loss – Foreign investment	06/30/2021	06/30/2020
Share of profit (loss) of subsidiary – before exchange rate change effects	123,110	(82,583)
Share of profit (loss) of subsidiary – exchange rate change effects	2,627	85,381
Total share of profit (loss) of subsidiary	<u>125,737</u>	<u>2,798</u>

The Company consolidated the financial statements of subsidiary Intergrain Company Ltd. (100% stake) and calculates the share of profit (loss) of joint venture Terminal XXXIX de Santos S.A. (50% stake) and Terminal São Simão S.A. (49% stake), as prescribed by accounting pronouncement CPC 19 (R2).

	Terminal XXXIX	
	06/30/2021	12/31/2020
<u>Current</u>		
Assets	98,807	39,787
Liabilities	(146,010)	(83,605)
<u>Noncurrent</u>		
Assets	153,117	130,648
Liabilities	(46,725)	(35,140)
Equity	<u>59,189</u>	<u>51,690</u>
<hr/>		
Amounts in profit or loss	06/30/2021	06/30/2020
Net sales	54,890	52,319
Cost of sales	(31,535)	(27,939)
Gross profit	<u>23,355</u>	<u>24,380</u>
Operating expenses, net	(12,109)	(12,849)
Income tax and social contribution	(3,747)	(3,911)
Profit for the year	<u>7,499</u>	<u>7,620</u>
<hr/>		
	Terminal São Simão (i)	
	06/30/2021	12/31/2020
<u>Current</u>		
Assets	32,590	14,126
Liabilities	(35,445)	(20,339)
<u>Noncurrent</u>		
Assets	84,544	84,247
Liabilities	-	-
Equity	<u>81,689</u>	<u>78,034</u>
<hr/>		
Amounts in profit or loss	06/30/2021	06/30/2020
Net sales	13,924	-
Cost of sales	(7,850)	-
Gross profit	<u>6,074</u>	-
Operating expenses, net	(522)	-
Income tax and social contribution	(1,889)	-
Profit for the year	<u>3,663</u>	<u>-</u>

	Intergrain	
	<u>06/30/2021</u>	<u>12/31/2020</u>
<u>Current</u>		
Assets	587,702	481,015
Liabilities	(482,117)	(773,071)
<u>Noncurrent</u>		
Assets	32	221,855
Liabilities	(50,081)	-
Equity	55,536	(70,201)
<hr/>		
Amounts in profit or loss	<u>06/30/2021</u>	<u>06/30/2020</u>
Net sales	1,036,396	1,372,570
Cost of sales	(901,002)	(1,442,632)
Gross profit	135,394	(70,062)
Operating income (expenses), net	(12,284)	(12,521)
Subtotal	123,110	(82,583)
Exchange rate changes – foreign investment	2,627	85,381
Profit for the year	<u>125,737</u>	<u>2,798</u>

The balance of investments in subsidiaries and joint venture as at June 30, 2021 and December 31, 2020 is as follows:

	Parent and Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>
Investments in subsidiaries	55,536	-
Investments under the equity method:		
Terminal XXXIX	29,594	25,845
Terminal São Simão (i)	40,028	33,305
Subtotal	69,622	59,150
Other investments (ii)	470	470
Total	<u>70,092</u>	<u>59,620</u>

- (i) Refers to the non-consolidated investment in Terminal São Simão S.A. (49% stake). The investee was at the preoperating stage in December 2020 with partial beginning of activities in March 2021 and final completion took place in May 2021, which is mentioned in note 1.
- (ii) Refers mainly to the non-consolidated investment in Cebragel (24% stake) - Companhia de Armazéns Cerrado do Brasil.

## Variation in investments in subsidiaries and joint venture in comparative periods:

Investments	Opening balance as at 12/31/2020	Share of profit (loss) of subsidiaries	Provision for negative equity	TSS investment (i)	Closing 06/30/2021
In subsidiary:					
Intergrain Company Ltd.	-	125,737	(70,201)	-	55,536
In joint ventures:					
Terminal XXXIX de Santos S.A.	25,845	3,749	-	-	29,594
Terminal São Simão S.A.	33,305	1,796	-	4,927	40,028
Total – joint ventures	59,150	5,545	-	4,927	69,622
Other investments	470	-	-	-	470
Total	<u>59,620</u>	<u>131,282</u>	<u>(70,201)</u>	<u>4,927</u>	<u>125,628</u>

(i) Up to May 2021, there was full payment of capital in investee Terminal São Simão S.A.

Investments	Opening balance as at 12/31/2019	Share of profit (loss) of subsidiaries	Distribution of dividends (i)	Closing 06/30/2020
In subsidiary:				
Intergrain Company Ltd.	250,405	2,798	(50,352)	202,851
In joint ventures:				
Terminal XXXIX de Santos S.A.	20,764	3,810	-	24,574
Other investments	470	-	-	470
Total	<u>271,639</u>	<u>6,608</u>	<u>(50,352)</u>	<u>227,895</u>

(i) In March 2020, dividends were paid to the subsidiary.

## 10. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND RIGHT OF USE

## a) Breakdown of property, plant and equipment

	Average annual depreciation rate - %	Parent and Consolidated 06/30/2021	12/31/2020
Carrying amounts – net residual balance:			
Land	-	57,099	57,099
Buildings and construction	2.57	282,626	286,630
Machinery and equipment	6.45	364,716	370,024
Facilities	7.24	67,165	68,862
Furniture and fixtures	7.56	6,202	6,155
Company cars	13.59	7,606	8,421
IT equipment	21.88	4,060	3,859
Improvements	4.76	16,741	17,385
Other	26.37	18,108	18,590
Construction in progress	-	84,800	64,419
		<u>909,123</u>	<u>901,444</u>

## b) Breakdown of intangible assets

	Average annual depreciation rate - %	Parent and Consolidated	
		06/30/2021	12/31/2020
Software	20.33	4,908	5,822
		<u>4,908</u>	<u>5,822</u>

## c) Breakdown of right-of-use assets

	Parent and Consolidated	
	06/30/2021	12/31/2020
Right-of-use assets	39,600	42,565
	<u>39,600</u>	<u>42,565</u>

Refer to the rent (lease), right of use (partial) of the unit in Sorriso-MT, with monthly payment expected to be made up to April 2026 and of the warehousing unit in the City of Edéia-GO, which contract expired in December 2020 and was not renewed, and for the unit in Sorriso-MT the rent was renewed for another five-year period beginning May 2021, which is expected to expire in April 2026.

Parent and Consolidated															
Cost	Land	Buildings and construction	Machinery and equipment	Facilities	Furniture and fixtures	Company cars	IT equipment	Software	Trademarks and patents	Improvements	Other	Construction in progress	Subtotal	Right of use	Total
Balance as at December 31, 2020	57,099	369,020	677,353	130,741	11,609	16,054	16,697	13,692	-	29,488	42,904	64,420	1,429,077	59,636	1,488,713
Additions	-	72	1,850	328	321	507	480	40	-	-	595	36,720	40,913	1,085	41,998
Write-offs	-	(2)	(303)	(36)	(85)	(264)	(1)	-	-	(37)	(21)	(5,365)	(6,114)	(89)	(6,203)
Transfers	-	176	8,046	1,190	72	-	600	(29)	-	857	62	(10,974)	-	-	-
Balance as at June 30, 2021	57,099	369,266	686,946	132,223	11,917	16,297	17,776	13,703	-	30,308	43,540	84,801	1,463,874	60,632	1,524,506
Depreciation		Buildings and construction	Machinery and equipment	Facilities	Furniture and fixtures	Company cars	IT equipment	Software	Trademarks and patents	Improvements	Other	Subtotal	Right of use	Total	
Balance as at December 31, 2020			(82,391)	(307,329)	(61,880)	(5,453)	(7,632)	(12,838)	(7,872)	-	(12,104)	(24,313)	(521,812)	(17,071)	(538,883)
Depreciation expenses and realization of revaluation reserve			(3,650)	(15,056)	(3,189)	(311)	(1,208)	(842)	(962)	-	(1,471)	(1,139)	(27,828)	(3,961)	(31,789)
Write-offs and disposals of assets			1	158	10	50	150	1	-	-	9	12	391	-	391
Transfers			-	(4)	4	-	-	(37)	37	-	-	-	-	-	-
Realization - deemed cost			(601)	-	(5)	-	-	-	-	-	5	(601)	-	-	(601)
Balance as at June 30, 2021			(86,641)	(322,231)	(65,060)	(5,714)	(8,690)	(13,716)	(8,797)	-	(13,566)	(25,435)	(549,850)	(21,032)	(570,882)
Net balance as at December 31, 2020			286,629	370,024	68,861	6,156	8,422	3,859	5,820	-	17,384	18,591	907,265	42,565	949,830
Net balance as at June 30, 2021			282,625	364,715	67,163	6,203	7,607	4,060	4,906	-	16,742	18,108	914,028	39,600	953,625

Parent and Consolidated															
Cost	Land	Buildings and construction	Machinery and equipment	Facilities	Furniture and fixtures	Company cars	IT equipment	Software	Trademarks and patents	Improvements	Other	Construction in progress	Subtotal	Right of use	Total
Balance as at December 31, 2019	57,099	360,000	615,480	127,134	10,924	15,260	15,925	10,814	9,151	28,664	40,526	75,711	1,366,688	20,135	1,386,822
Additions	-	112	1,559	321	284	266	542	-	-	-	264	42,778	46,126	293	46,419
Write-offs	-	-	(843)	-	(17)	(1,313)	(43)	-	-	-	(82)	(820)	(3,118)	-	(3,118)
Transfers	-	6,786	28,280	2,463	72	-	16	-	-	-	62	(37,679)	-	-	-
Balance as at June 30, 2020	57,099	366,898	644,476	129,918	11,263	14,213	16,440	10,814	9,151	28,664	40,770	79,990	1,409,696	20,428	1,430,123

Depreciation	Buildings and construction	Machinery and equipment	Facilities	Furniture and fixtures	Company cars	IT equipment	Software	Trademarks and patents	Improvements	Other	Subtotal	Right of use	Total
Balance as at December 31, 2019	<u>(73,878)</u>	<u>(281,028)</u>	<u>(55,796)</u>	<u>(4,898)</u>	<u>(7,039)</u>	<u>(11,789)</u>	<u>(6,258)</u>	<u>(1,271)</u>	<u>(10,032)</u>	<u>(22,203)</u>	<u>(474,192)</u>	<u>(8,542)</u>	<u>(482,733)</u>
Depreciation expenses and realization of revaluation reserve	(3,647)	(13,822)	(3,065)	(299)	(1,181)	(803)	(780)	(381)	(939)	(1,096)	(26,013)	(4,233)	(30,246)
Write-offs and disposals of assets	-	458	-	11	655	19	-	-	-	49	1,192	-	1,192
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Realization - deemed cost	<u>(590)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>(590)</u>	<u>-</u>	<u>(590)</u>
Balance as at June 30, 2020	<u>(78,115)</u>	<u>(294,392)</u>	<u>(58,866)</u>	<u>(5,186)</u>	<u>(7,565)</u>	<u>(12,573)</u>	<u>(7,038)</u>	<u>(1,652)</u>	<u>(10,971)</u>	<u>(23,245)</u>	<u>(499,603)</u>	<u>(12,775)</u>	<u>(512,377)</u>
Net balance as at December 31, 2019	286,122	334,452	71,338	6,026	8,221	4,136	4,556	7,880	18,632	18,323	892,496	11,593	904,089
Net balance as at June 30, 2020	288,783	350,084	71,052	6,077	6,648	3,867	3,776	7,499	17,693	17,525	910,093	7,653	917,746



During the period ended June 30, 2021, the Company invested R\$41,998 (R\$147,967 in the year ended December 31, 2020) in fixed assets, to expand the warehousing capacity, modernize and expand the production process, obtain scale gains and optimize administrative processes.

The main investments made in the period and year ended were as follows:

June 30, 2021

- a) Glycerin distillation plant project (2<sup>nd</sup> stage) at the Ipameri unit, in the State of Goiás.
- b) Alcohol and lecithin production plant project at the Sorriso unit, in the State of Mato Grosso.
- c) Railway Terminal Project at the São Simão unit, in the State of Goiás.
- d) Biodiesel production plant modernization project at the São Simão unit, in the State of Goiás.

December 31, 2020

- a) Glycerin distillation plant project at the Ipameri unit, in the State of Goiás.
- b) Alcohol and lecithin production plant project at the Sorriso unit, in the State of Mato Grosso.
- c) Railway Terminal Project at the São Simão unit, in the State of Goiás.
- d) Biodiesel production plant modernization project at the São Simão unit, in the State of Goiás.
- e) Furnace venting system modernization project at the Itumbiara unit, in the State of Goiás.
- f) Furnace venting system modernization project at the Sorriso unit, in the State of Mato Grosso.

As at June 30, 2021, property, plant and equipment includes R\$147,707 (R\$149,581 as at December 31, 2020), corresponding to the surplus arising on voluntary revaluations recorded in 1997, 2002 and 2006 and deemed cost recorded in 2010, base 2009, based on reports prepared by independent experts, less subsequent depreciation and write-off of items.

Depreciation and amounts arising on the write-off of revalued assets and deemed cost, charged to profit or loss in the period ended June 30, 2021, amount to R\$1,876 (R\$1,849 as at June 30, 2020).

The revaluation reserve and deemed cost recognized, net of applicable taxes, are credited to retained earnings (accumulated losses) in equity, due to the depreciation or write-off of the respective assets that originated them. As at June 30, 2021, the balance of deferred income tax and social contribution on these revaluations and deemed cost amounts to R\$50,220 (R\$50,858 as at December 31, 2020) in the Parent and consolidated, classified in noncurrent liabilities, in line item "Deferred income tax and social contribution".

As prescribed by Law No. 11,638/07, the Company and its subsidiaries elected to maintain the revaluation reserve balance existing as at December 31, 2008 up to the effective realization date.

In view of financing agreements entered into for investments in property, plant and equipment and prepayment transactions, as at June 30, 2021, R\$165,018 (R\$186,188 as at December 31, 2020) of property, plant and equipment items, net of accumulated depreciation and not revalued, were pledged as collateral.

In the period ended June 30, 2021, as prescribed by technical pronouncement CPC 20 (R1) – Borrowing Costs, the Company capitalized the amount of R\$2,500 (R\$2,177 as at June 30, 2020) related to borrowing costs directly attributable to the acquisition, construction or production of qualifying assets as part of the asset cost.

## 11. BORROWINGS AND FINANCING

				Parent and Consolidated						
				06/30/2021						
Category	Index	Annual interest rate (%)	Final maturity	Current			Noncurrent			Total noncurrent
				Less than 90 days	More than 90 days	Total current	More than 1 year and up to 3 years	More than 3 years and up to 5 years	More than 5 years	
Foreign currency:										
Prepayment (a)	US\$	3.96	July 2023	76,936	412,681	489,617	-	-	-	-
ACC (a)	US\$	5.43	May 2022	146,997	1,021,935	1,168,932	-	-	-	-
				<u>223,933</u>	<u>1,434,616</u>	<u>1,658,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Local currency:										
Property, plant and equipment (c)	TJLP	2.50 to 6.90	January 2029	5,157	11,652	16,809	17,966	7,239	7,658	32,863
FOMENTAR (d)	-	2.40	December 2032	-	-	-	-	-	2,955	2,955
CEI (e)	-	-	July 2022	-	-	-	6,418	-	-	6,418
PRODUZIR (f)	-	2.40	December 2032	-	-	-	-	-	439	439
NCE (b)	CDI	7.95	January 2024	-	365,609	365,609	65,000	-	-	65,000
NCE (b)	US\$	4.13	September 2022	-	19,561	19,561	57,335	-	-	57,335
FCO (g)	-	6.65	November 2029	1,273	3,101	4,374	7,651	6,796	6,057	20,504
CCE (h)	-	7.39	April 2024	40,997	141,970	182,967	58,333	-	-	58,333
CCE (h)	US\$	4.47	April 2022	-	120,988	120,988	-	-	-	-
FINEP (i)	-	3.00	March 2024	2,093	6,075	8,168	14,176	-	-	14,176
Certificate of Agribusiness Receivables (CRA 400) (j)	CDI	5.50	February 2025	-	12,883	12,883	22,448	11,224	-	33,672
Certificate of Agribusiness Receivables (CRA 400) (j.i)	IPCA	5.60	February 2025	-	48,618	48,618	77,553	38,776	-	116,329
Bank Credit Note (CCB) (k)	-	8.02	January 2029	24,009	215,150	239,159	47,868	6,894	-	54,762
Prepaid interest and unearned commissions	-	-	January 2026	(1,268)	(4,952)	(6,220)	(1,829)	(15)	-	(1,844)
				<u>72,261</u>	<u>940,655</u>	<u>1,012,916</u>	<u>372,919</u>	<u>70,914</u>	<u>17,109</u>	<u>460,942</u>
Total				<u>296,194</u>	<u>2,375,271</u>	<u>2,671,465</u>	<u>372,919</u>	<u>70,914</u>	<u>17,109</u>	<u>460,942</u>

Category	Index	Annual interest rate (%)	Final maturity	Parent and Consolidated						
				12/31/2020						
				Current			Noncurrent			
				Less than 90 days	More than 90 days	Total current	More than 1 year and up to 3 years	More than 3 years and up to 5 years	More than 5 years	Total noncurrent
Foreign currency:										
Prepayment (a)	US\$	4.03	July 2023	31,357	226,056	257,413	366,367	-	-	366,367
ACC (a)	US\$	5.98	January 2022	109,730	430,903	540,633	129,918	-	-	129,918
				<u>141,087</u>	<u>656,959</u>	<u>798,046</u>	<u>496,285</u>	<u>-</u>	<u>-</u>	<u>496,285</u>
Local currency:										
Property, plant and equipment (c)	TJLP	2.50 to 6.90	April 2028	6,246	10,155	16,401	21,678	9,955	7,623	39,256
FOMENTAR (d)	-	2.40	December 2032	-	-	-	-	-	4,319	4,319
CEI (e)	-	-	January 2022	-	-	-	4,909	-	-	4,909
PRODUZIR (f)	-	2.40	December 2032	-	-	-	575	-	-	575
NCE (b)	CDI	5.38	January 2022	64,312	32,500	96,812	110,000	-	-	110,000
NCE (b)	US\$	4.36	September 2022	-	20,344	20,344	59,565	-	-	59,565
FCO (g)	-	6.67	November 2029	1,596	3,491	5,087	7,709	7,651	7,115	22,475
CCE (h)	-	5.93	April 2022	-	40,546	40,546	16,970	-	-	16,970
FINEP (i)	-	7.55	March 2024	2,110	6,075	8,185	16,201	2,025	-	18,226
Certificate of Agribusiness Receivables (CRA) (j)	CDI	1.82	June 2021	-	20,019	20,019	-	-	-	-
Bank Credit Note (CCB) (k)	-	6.31	October 2025	3,623	85,449	89,072	271,358	14,106	-	285,464
Prepaid interest and unearned commissions	-	-	January 2026	(1,430)	(4,953)	(6,383)	(3,430)	(49)	-	(3,479)
				<u>76,457</u>	<u>213,626</u>	<u>290,083</u>	<u>505,535</u>	<u>33,688</u>	<u>19,057</u>	<u>558,280</u>
<b>Total</b>				<u>217,544</u>	<u>870,585</u>	<u>1,088,129</u>	<u>1,001,820</u>	<u>33,688</u>	<u>19,057</u>	<u>1,054,565</u>

## (a) Advances on foreign exchange contracts and prepayment

Refer to advances made to the Company for goods export purposes. These contracts mainly are collateralized by shareholders' signatures.

## (b) Export Credit Note (NCE)

Financing obtained in local currency indexed to the fluctuation of the CDI, the Benchmark Rate (TR) or the US dollar, according to the Company's option when contracting the borrowing, which is intended to fulfill working capital requirements or to acquire assets and inputs for production.

(c) Property, plant and equipment

Includes the Fund for Financing the Acquisition of Industrial Machinery and Equipment (FINAME) and National Bank for Economic and Social Development (BNDES), Automatic and Project Financing (FINEM) credit lines, which are raised for machinery and equipment acquisition.

(d) FOMENTAR

As mentioned in note 1, the Company finances 70% of the ICMS. The liability refers to the amount expected to be settled at the balance sheet date.

In February 2021, the Company participated in the auction conducted by the Goiás State Government and settled in advance, mainly using the deposit balance in the Escrow Account program at the amount of R\$3,055, the ICMS amount financed up to October 2020, totaling R\$30,549. A discount of approximately 89%, equivalent to R\$27,188 was recognized in this auction, which was recorded as a reduction of taxes on sales, and the amount of R\$306 was disbursed.

(e) CEI

As mentioned in note 1, the Company is eligible to CEI, a tax incentive granted by the State of Goiás, which is originated based on 70% of the ICMS payable, after deducting 70% of the FOMENTAR tax incentive. This tax incentive must be used in new investments in the State of Goiás. The liability refers to the amount expected to be settled at the balance sheet date.

In January, February and June 2021, the Company settled in advance the partially financed nominal balance up to June 2020, in the amount of R\$7,279, resulting in a discount of R\$5,823, which was recorded as a reduction of sales deductions. As a result of such settlement, the Company obtained a reduction of 80% of the nominal amount financed, disbursing the amount of R\$1,456.

In March 2020, the Company settled in advance the partially financed nominal balance up to September 2019, in the amount of R\$2,101, resulting in a discount of R\$1,681, which was recorded as a reduction of sales deductions. As a result of such settlement, the Company obtained a reduction of 80% of the nominal amount financed, disbursing the amount of R\$420.

(f) PRODUZIR

As mentioned in note 1, the Company is eligible to PRODUZIR, a tax incentive granted by the State of Goiás, which is intended to finance 73% of the ICMS payable and grant a potential discount if the Company fulfills certain requirements. The liability refers to the amount expected to be settled at the balance sheet date.

In March 2021, the Company settled the financed nominal balance up to October 2020, in the amount of R\$24,958, resulting in a discount of R\$22,462, which was recorded as a reduction of taxes on sales. As a result of such advance settlement, the Company obtained a reduction of 90% of the nominal amount financed. Settlement amounted to R\$2,496, offset upon the release of funds deposited in SEFAZ/GO, in line item "ICMS Produzir prepayment".

In February 2020, the Company settled the financed nominal balance up to October 2019, in the amount of R\$9,378, resulting in a discount of R\$8,440, which was recorded as a reduction of taxes on sales. As a result of such advance settlement, the Company obtained a reduction of 90% of the nominal amount financed. Settlement amounted to R\$938, offset upon the release of funds deposited in SEFAZ/GO, in line item "ICMS Produzir prepayment".

(g) Constitutional Midwest Region Financing Fund (FCO)

Refers to the credit line for development of the Midwest Region, for investments in the modernization and expansion of plants.

(h) Export Credit Note (CCE)

Financing obtained in local currency indexed to the fluctuation of the CDI, the Benchmark Rate (TR) or the US dollar, according to the Company's option when contracting the borrowing, which is intended to finance the export of goods, as well as the supporting export and export-related activities performed by financial institution.

(i) Financiadora de Estudos e Projetos (FINEP)

Brazilian innovation and research company, focused on promoting technology innovation, financing for the development of innovation projects.

## (j) Certificate of Agribusiness Receivables - CRA (476)

In June 2019, the Company carried out a structured transaction for the issuance of Certificate of Agribusiness Receivables (CRA) by the fiduciary agent Oliveira Trust Distribuidora de Títulos e Valores Mobiliários S.A., where the Company issued non-convertible debentures in the total amount of R\$100,000 for private placement (not registered for distribution in the primary market), with maturity in 2021, the proceeds of which are exclusively used in the purchase of soybean, corn kernel and sunflower grains directly from rural producers and/or national rural cooperatives. The interest rate applicable to the debentures is 96% of the accumulated average DI rate fluctuation. These debentures are not subject to covenants in relation to the fulfillment of financial ratios.

## (k) Certificate of Agribusiness Receivables - CRA (400)

In January 2021, the Company carried out a transaction involving Certificate of Agribusiness Receivables (CRA) through the fiduciary agent Pentágono S/A Distribuidora de Títulos e Valores Mobiliários, where the Company conducted a public offering, pursuant to CVM Instruction 400, of December 29, 2003, as effective ("CVM Instruction 400"), CVM Instruction 600 and other legal and regulatory provisions in effect ("Offering"), targeted at qualified investors, as defined in article 9-B and 9-C, as applicable, CVM Instruction 539, of November 13, 2013, as effective (if the CRA are subscribed and paid up within the scope of the Offering, the future holders of the CRA are hereinafter referred to as "CRA Holders"). The transaction above will mature in 2025, the proceeds of which are exclusively used in the purchase of soybean, corn kernel and sunflower grains directly from rural producers and/or national rural cooperatives.

## (l) Bank Credit Note (CCB)

Refers to the Working Capital credit line (BB Giro Corporate Exportação).

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

	<u>06/30/2021</u>
	Parent and Consolidated
2022 (6 months)	154,548
2023	135,717
2024	92,388
2025	58,642
2026 and thereafter	19,647
Total	<u>460,942</u>
	<u>2020</u>
	Parent and Consolidated
2022	879,096
2023	122,723
2024	24,744
2025	8,945
2026 and thereafter	19,057
Total	<u>1,054,565</u>

Collaterals

Conditional sale and pledge of the financed assets were offered as collaterals for the borrowings and financing which, as at June 30, 2021, totaled R\$165,018 (R\$186,187 as at December 31, 2020), net of accumulated depreciation and certificate of agribusiness deposit, promissory notes, bank guarantees and officers' and shareholders' signatures. Beginning January 2021, with the new transaction involving Certificate of Agribusiness Receivables (CRA), the Company, according to the agreement entered into with the institution, must monthly maintain in escrow the amount of R\$150,000 of the domestic market receivables portfolio, proportionally decreasing the collateral until its final settlement expected to take place in February 2025. Beginning January 2021, the Company has no receivables pledged as collateral for other borrowings and financing (R\$34,882 as at December 31, 2020).

Covenants

Certain borrowing agreements are subject to certain annual covenants and include clauses that require the Company to maintain certain financial ratios within preset parameters, mainly linked to current liquidity, solvency and interest coverage. As at June 30, 2021, the Company was not compliant with the long-term debt ratio as regards one of its agreements, which provided for an amount exceeding US\$160,000. The amount of R\$213,844 was classified in current liabilities. No accelerated maturity of the debt was declared for failure to meet such debt ratio agreed upon on April 11, 2019 and December 2, 2020 and the Company obtained a waiver from Rabobank for the second half of 2021. The noncompliance with the relevant covenants did not entail the accelerated maturity of other debts with specific cross-default terms and conditions.

In Management's opinion, all covenants and clauses which ratios are annually measured were properly met in the year ended December 31, 2020.

Reconciliation of the balance sheet variations with cash flows from borrowings and financing:

	<u>06/30/2021</u> (Parent and Consolidated)	<u>06/30/2020</u> (Parent and Consolidated)
Opening balance	2,142,694	1,869,151
Variation in cash flows from financing activities		
Proceeds from borrowings and financing	1,965,925	935,955
Payment of borrowings and financing	(832,805)	(834,573)
Total variation in cash flows from financing activities	<u>1,133,120</u>	<u>101,382</u>
Effect from variations in exchange rates, finance charges and inflation adjustment	<u>(133,547)</u>	<u>423,919</u>
Interest expense	83,520	68,393
Present value adjustment to Fomentar, CEI and Produzir	(39,703)	(32,778)
Reversal of present value adjustment to Fomentar, CEI and Produzir	52,755	10,121
Discount obtained in auction for settlement of Fomentar and CEI	(55,473)	(10,121)
Interest paid	<u>(50,959)</u>	<u>(72,931)</u>
Total other variations related to liabilities	(9,860)	(37,316)
Closing balance	<u><u>3,132,407</u></u>	<u><u>2,357,136</u></u>

## 12. TRADE PAYABLES AND LEASE LIABILITIES

## a) Trade payables

	<u>Parent</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Raw materials - grains	396,163	238,341	396,163	238,341
Raw materials - other	1,615	13,224	1,615	13,224
Consumables and other	7,879	2,368	7,879	2,368
Packages	4,225	3,439	4,225	3,439
Property, plant and equipment	6,008	7,350	6,008	7,350
Goods	2,094	9,261	64,291	70,977
Energy	1,417	827	1,417	827
Freight	13,499	10,163	13,499	10,163
Other	<u>13,073</u>	<u>16,959</u>	<u>13,073</u>	<u>16,959</u>
Total	<u><u>445,973</u></u>	<u><u>301,932</u></u>	<u><u>508,170</u></u>	<u><u>363,648</u></u>
Current	445,013	301,156	507,210	362,872
Noncurrent	960	776	960	776

## b) Lease liabilities

	Parent		Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>	<u>06/30/2021</u>	<u>12/31/2020</u>
Lease/rent	40,105	43,110	40,105	43,110
Total	<u>40,105</u>	<u>43,110</u>	<u>40,105</u>	<u>43,110</u>
Current	8,211	8,475	8,211	8,475
Noncurrent	31,894	34,635	31,894	34,635

Lease of part of the industrial complex of the unit in Sorriso-MT, with final maturity expected for April 2026 (with monthly payment), as at June 30, 2021 in the amount of R\$40,105 (R\$43,110 as at December 31, 2020).

## 13. PROVISION FOR RISKS

The Company is a party to ongoing labor, tax and civil lawsuits before different courts and levels. The Company filed administrative or legal defense for these lawsuits. Management and its legal counsel believe that the decision on most of the lawsuits will be favorable to the Company. As at June 30, 2021 and December 31, the Company recognizes provisions to cover those lawsuits assessed as probable loss, and which final balances are broken down as follows:

	Parent and Consolidated	
	<u>06/30/2021</u>	<u>12/31/2020</u>
Nature of contingency:		
Labor/civil and other	1,525	1,525
Closing balance	<u>1,525</u>	<u>1,525</u>

The variations in the provisions recognized by the Company and its subsidiaries are as follows:

	<u>12/31/2020</u>	<u>Addition</u>	<u>Payments</u>	<u>Inflation adjustment</u>	<u>Reversal</u>	<u>06/30/2021</u>
	Labor/civil and other	1,525	-	-	-	-
	<u>1,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525</u>
	<u>12/31/2019</u>	<u>Addition</u>	<u>Payments</u>	<u>Inflation adjustment</u>	<u>Reversal</u>	<u>06/30/2020</u>
	Tax	2,466	-	-	-	(2,466)
Labor/civil and other	2,989	120	-	-	(1,584)	1,525
	<u>5,455</u>	<u>120</u>	<u>-</u>	<u>-</u>	<u>(4,050)</u>	<u>1,525</u>

Disbursements relating to provisions for risks, based on the legal counsel's opinion, are estimated as follows:

Year	Amount
2021 (6 months)	540
2022	675
2023 and thereafter	310
	1,525

As at June 30, 2021 and December 31, 2020, the nature of the main lawsuits assessed by Management, based on the opinion of its legal counsel, as probable loss and which amounts were, therefore, included in the abovementioned provision, is as follows:

#### Tax

Refers to several tax lawsuits related to the calculation of federal taxes and offset of tax losses in prior years, where the Company is the defendant. As at June 30, 2021 and December 31, 2020, no provision was recognized.

#### Labor/civil and other

Refer to several labor lawsuits to which the Company is a defendant, related mainly to the following claims: (i) commuting hours; and (ii) pain and suffering, among others.

The Company's Management believes that there are no future significant risks that are not covered by sufficient provisions in its financial statements.

#### Contingent liabilities

The Company is a party to other lawsuits and risks, for which Management, based on its legal counsel's opinion, believes that the likelihood of favorable outcome is possible as they have strong defense arguments. There are no court or other decisions on similar lawsuits considered probable that would represent a judicial trend on these issues and, therefore, no provision has been recognized. As at June 30, 2021, lawsuits assessed as possible losses were as follows: (a) R\$38,338 (R\$34,708 as at December 31, 2020) - labor; (b) R\$70,352 (R\$67,345 as at December 31, 2020) - civil; and (c) R\$970,158 (R\$884,746 as at December 31, 2020) – tax. The relevant amounts do not characterize legal obligations and the main are discussed below:

#### Labor

Refer to several labor lawsuits to which the Company is a defendant, related mainly to the following claims: (i) commuting hours; and (ii) pain and suffering, among others.

#### Civil

The main civil lawsuits refer to the Inmetro execution actions, related to tax assessment notices due to irregularities identified in the weight of the Company's packages. These lawsuits amount to R\$21,436 as at June 30, 2021 (R\$22,547 as at December 31, 2020), whereas the remaining amount of R\$48,916 refers to sundry lawsuits to which the Company is a defendant



## Tax

The main tax lawsuits refer to administrative proceedings related to: (i) the ICMS tax assessment notice of the State of Mato Grosso, in the amount of R\$350,761. The notifying authority, ignoring that 2004 had already been audited, relied on the information provided by the company on accessory obligations, which reported shipments for export incorrectly registered using an incorrect operation code. The Company is waiting for the administrative lower court decision; (ii) ICMS tax assessment notice of the State of Mato Grosso, in the amount of R\$143,413, where the tax auditor decided on the lack of ICMS payment considering that they referred to sales to the domestic market, when the correct would be to consider as sales to the foreign market, which are not subject to ICMS. The Company is waiting for the administrative lower court decision; and (iii) ICMS tax assessment notice of the State of São Paulo, in the amount of R\$9,343. This lawsuit is waiting for a new judgment by the Court of Taxes and Emoluments (TIT/SP) of the ordinary appeal filed by the Company. The other amounts totaling R\$466,641 refer to sundry lawsuits to which the Company is a defendant. Moreover, the increase in the six-month period ended June 30, 2021 refers to inflation adjustments, and, in 2020, is due to the inclusion of new lawsuits and also the change of likelihood of loss from remote to possible, in addition to inflation adjustments.

## 14. EQUITY

### 14.1. Capital

As at June 30, 2021, the subscribed and paid-in capital of R\$862,726 (R\$862,726 as at December 31, 2020) is represented by 24,444,000 registered common shares, without par value.

At the Extraordinary Shareholders' Meeting held on April 16, 2021, a proposal for capital payment relating to the tax incentive reserve was submitted, in the amount of R\$201,617, and preliminarily denied. The Company has been assessing the capitalization process and, therefore, until no conclusion is reached, the amount will remain allocated to a tax incentive reserve for future capital increase, without the issuance of new shares, upon capitalization of the tax incentive reserve balance as at December 31, 2020.

On April 17, 2020, the Extraordinary General Meeting approved the capital increase by R\$229,508, without the issuance of new shares, upon capitalization of the tax incentive reserve balance as at December 31, 2019.

### 14.2. Legal reserve

The legal reserve balance, as prescribed in article 193 of Law 6404/76, refers to 5% of profit for the year, limited to 20% of capital. As at December 31, 2020, the Company recognized R\$11,092 (R\$11,914 as at December 31, 2019) as legal reserve.

### 14.3. Tax incentive reserve

In the year ended December 31, 2020, the Company recognized R\$32,999 relating to discount arising on ICMS prepayments of FOMENTAR and PRODUIZIR programs, and R\$246,487 relating to tax benefits arising on the PRODEIC ICMS-MT and ICMS-GO credit and ICMS credits relief and tax basis decrease, totaling R\$279,486. As at December 31, 2020, the Company allocated to the tax incentive reserve the amount of R\$201,617, corresponding to the remaining balance of the reserves recognized from 2014 to 2017 (R\$83,105), concerning tax benefits arising on the PRODEIC ICMS-MT and ICMS-GO credit, retroactive to the past five years that was not considered for purposes of the reserves, as set forth in Supplementary Law No. 160 of 2017; remaining balance for 2018 (R\$38,859) and partial balance generated in 2019 (R\$79,653).

The Company shall, using profit recognized in subsequent years, supplement the tax incentive reserve by the amount of R\$386,825 relating to tax incentives recognized in the following periods for which the reserve was not recognized due to insufficient profit as at December 31, 2020: (i) R\$107,339 relating to the remaining balance in the period ended 2019, and (ii) R\$279,486 relating to the period ended December 31, 2020.

The Company using profit recognized in 2020 has supplemented and allocated to the tax incentive reserve the remaining balance generated from 2014 to 2017, in the amount of R\$83,105, of which R\$38,859 relating to the remaining balance generated in 2018 and the partial balance generated in 2019, in the amount of R\$79,653, totaling R\$201,617.

And the balance remaining up to 2019, which was not allocated, in the amount of R\$107,339, due to insufficient retained earnings in the year ended December 31, 2020, must be supplemented in subsequent years.

Endowments and investment grants will be taxed in case of:

- Capitalization of the amount and subsequent return of capital to shareholders or owners, through capital reduction, in which case the tax base will be the returned amount, limited to total deductions resulting from government endowments or investment grants.
- Return of capital to shareholders or owners, through capital reduction, within the five years prior to the date the endowment or investment grant was awarded, and subsequent capitalization of the endowment or investment grant amount, in which case the tax base will be the returned amount, limited to total deductions resulting from government endowments or investment grants.
- Adding the amount to the tax basis of mandatory dividends.

#### 14.4. Revaluation reserve and deemed cost (valuation adjustments to equity)

The realization of the revaluation reserve is credited to retained earnings, proportionally to the realization of the respective property, plant and equipment items, upon depreciation, sale or write-off of the revalued assets and the realization of the deemed cost, net of taxes, is credited to retained earnings, proportionally to the realization of the respective property, plant and equipment items, upon depreciation, sale or write-off of the valued assets.

#### 14.5. Post-employment plan – actuarial gains (losses)

The actuarial gain (loss) adjustments related to the post-employment plan are recorded as valuation adjustments to equity and deferred income tax and social contribution are calculated on these adjustments, as prescribed by technical pronouncement CPC 33 (R1) – Employee Benefits. Actuarial gains (losses) are annually calculated by Management, due to the immateriality of the possible effects in the periods and are only disclosed in note 26.

## 14.6. Dividends and interest on capital

Under the bylaws, shareholders are entitled to mandatory minimum dividends of 10% of annual profit adjusted pursuant to article 202 of Law 6,404/76.

	<u>2020</u>
Profit for the year	221,843
(-) Recognition of legal reserve	(11,092)
Interest on capital	(12,000)
Realization of revaluation reserve	1,700
Realization of deemed cost of property, plant and equipment	<u>1,166</u>
Profit for distribution	201,617
Recognition of tax incentive reserve	<u>(201,617)</u>
Profit used as a basis for calculating mandatory minimum dividends	<u>-</u>

The Company recognized, in the year ended December 31, 2020, interest on capital at the gross amount of R\$12,000, and withholding income tax at the net amount of R\$10,200, paid in December 2020 and May 2019, using the TJLP rate as a basis for the period between January and December 2019, applied on equity for December 2019. Approved at the shareholders' meeting held on December 29, 2020.

On April 16, 2021, the Annual General Meeting informed that there were no remaining dividends for distribution relating to FY2020.

## 15. NET OPERATING REVENUE

Gross revenue for the periods ended June 30, 2021 and 2020 is broken down as follows:

	<u>Parent</u>			
	<u>2021</u>		<u>2020</u>	
	<u>04/01 to 06/30</u>	<u>01/01 to 06/30</u>	<u>04/01 to 06/30</u>	<u>01/01 to 06/30</u>
Soybean meal	1,019,914	1,464,105	726,628	1,127,236
Biodiesel	609,911	1,171,060	358,081	720,131
Soybeans	134,075	151,739	381,349	500,261
Refined soybean oil	94,676	119,562	61,173	82,695
Farinaceous	70,904	117,766	75,851	123,228
Crude degummed soybean oil	38,420	38,663	7,468	7,581
Refined corn oil	25,218	37,295	19,751	34,094
Corn bran	21,037	35,418	13,911	24,074
Mix products	21,394	37,762	20,524	36,178
Sunflower meal	1,849	4,500	3,123	6,318
Refined sunflower oil	21,323	36,859	21,177	41,901
Refined canola oil	2,778	5,355	2,852	5,293
Transportation and warehousing services	2,858	6,720	2,698	5,157
Soy lecithin	24,274	36,868	17,096	32,122
Glycerin	33,541	57,790	16,214	19,995
Other commodities	<u>16,069</u>	<u>24,901</u>	<u>9,846</u>	<u>20,856</u>
Gross revenue	<u>2,138,241</u>	<u>3,346,363</u>	<u>1,737,742</u>	<u>2,787,120</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Soybean meal	917,509	1,465,266	758,938	1,181,448
Biodiesel	609,911	1,171,060	358,081	720,131
Soybeans	134,155	151,819	381,301	498,000
Refined soybean oil	94,676	119,562	61,173	82,695
Farinaceous	70,904	117,766	75,851	123,228
Crude degummed soybean oil	38,430	38,673	7,580	7,693
Refined corn oil	25,218	37,295	19,751	34,094
Corn bran	21,037	35,418	13,911	24,074
Mix products	21,394	37,762	20,524	36,178
Sunflower meal	1,849	4,500	3,123	6,318
Refined sunflower oil	21,323	36,859	21,177	41,901
Refined canola oil	2,778	5,355	2,852	5,293
Transportation and warehousing services	2,858	6,720	2,698	5,157
Soy lecithin	23,189	34,598	16,300	31,821
Glycerin	30,637	55,977	13,829	17,814
Other commodities	16,069	24,901	9,846	20,861
Gross revenue	<u>2,031,937</u>	<u>3,343,531</u>	<u>1,766,935</u>	<u>2,836,706</u>

The reconciliation between gross revenue and the revenue reported in the statement of income for the periods ended June 30, 2021 and 2020 is as follows:

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Gross revenue	2,138,241	3,346,363	1,737,742	2,787,120
<u>Less</u>				
Taxes on sales	(37,750)	(72,268)	(36,386)	(68,660)
Returns and rebates	<u>(3,848)</u>	<u>(11,090)</u>	<u>(6,766)</u>	<u>(9,151)</u>
Net revenue	<u>2,096,643</u>	<u>3,263,005</u>	<u>1,694,590</u>	<u>2,709,309</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	04/01 to 06/30
Gross revenue	2,031,937	3,343,531	1,766,935	2,836,706
<u>Less</u>				
Taxes on sales	(37,750)	(72,268)	(36,386)	(68,660)
Returns and rebates	<u>(8,281)</u>	<u>(16,650)</u>	<u>(2,979)</u>	<u>(5,713)</u>
Net revenue	<u>1,985,906</u>	<u>3,254,613</u>	<u>1,727,570</u>	<u>2,762,333</u>

Net revenue is broken down by market as follows:

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Domestic market	1,174,206	2,086,397	709,038	1,342,924
Foreign market	922,436	1,176,608	985,552	1,366,385
Net revenue	<u>2,096,642</u>	<u>3,263,005</u>	<u>1,694,590</u>	<u>2,709,309</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Domestic market	1,174,206	2,086,397	709,038	1,342,924
Foreign market	811,700	1,168,216	1,018,532	1,419,409
Net revenue	<u>1,985,906</u>	<u>3,254,613</u>	<u>1,727,570</u>	<u>2,762,333</u>

Revenue from biodiesel basically derives from customer Petrobras S.A., which accounted for 36% as at June 30, 2021 and 26% as at June 30, 2021 of the consolidated net revenue.

#### 16. COSTS AND EXPENSES BY NATURE

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Raw material	(1,921,138)	(2,550,200)	(1,138,611)	(1,178,149)
Freight	(155,992)	(248,144)	(156,414)	(277,052)
Personnel expenses	(52,134)	(105,285)	(47,595)	(90,952)
Management compensation	(3,234)	(6,400)	(2,751)	(10,843)
Export and port expenses	(16,550)	(23,691)	(14,220)	(33,888)
Energy and fuel	(32,413)	(57,597)	(26,358)	(49,610)
Depreciation and amortization	(15,885)	(32,387)	(15,712)	(30,835)
Packages	(13,334)	(20,354)	(12,223)	(20,248)
Inputs	(16,564)	(31,961)	(14,622)	(27,670)
Maintenance	(10,559)	(23,441)	(8,912)	(21,193)
Allowance for doubtful debts and advances to suppliers	5,308	2,125	(1,505)	(11,501)
Outside services	(6,368)	(20,891)	(4,924)	(10,045)
Sales commissions	(8,046)	(13,653)	(5,740)	(10,586)
Advertising	(1,242)	(2,432)	(1,171)	(2,334)
Data communication	(4,829)	(6,643)	(2,526)	(5,918)
Expenses on Company cars	(2,352)	(4,168)	(1,975)	(3,905)
Rental	(203)	(511)	(126)	(299)
Shelf stackers	(1,007)	(1,967)	(932)	(1,813)
Travel and lodging	(297)	(701)	(244)	(1,187)
Insurance	(911)	(1,655)	(871)	(1,599)
Other expenses	(27,363)	(29,109)	(30,744)	(35,626)
Total	<u>(2,285,113)</u>	<u>(3,179,065)</u>	<u>(1,488,176)</u>	<u>(1,825,253)</u>

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Classified as:				
Cost of sales and services	(2,215,070)	(3,046,939)	(1,416,554)	(1,688,765)
Selling expenses	(38,986)	(64,325)	(40,706)	(67,067)
General and administrative expenses	(36,365)	(69,926)	(29,411)	(57,920)
Reversal/impairment loss on trade receivables and advances	5,308	2,125	(1,505)	(11,501)
Total	<u>(2,285,113)</u>	<u>(3,179,065)</u>	<u>(1,488,176)</u>	<u>(1,825,253)</u>
	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Raw material	(1,921,138)	(2,550,200)	(1,138,611)	(1,178,149)
Freight	(155,992)	(248,144)	(156,414)	(277,052)
Personnel expenses	(52,134)	(105,285)	(47,595)	(90,952)
Management compensation	(3,234)	(6,400)	(2,751)	(10,843)
Export and port expenses	(18,891)	(30,235)	(30,350)	(44,932)
Energy and fuel	(32,413)	(57,597)	(26,358)	(49,611)
Depreciation and amortization	(15,885)	(32,387)	(15,712)	(30,835)
Packages	(13,334)	(20,354)	(12,223)	(20,248)
Inputs	(16,564)	(31,961)	(14,622)	(27,670)
Maintenance	(10,559)	(23,441)	(8,912)	(21,193)
Allowance for doubtful debts and advances to suppliers	5,308	2,125	(1,505)	(11,501)
Outside services	(6,886)	(21,846)	(5,088)	(10,248)
Sales commissions	(8,046)	(13,653)	(5,740)	(10,586)
Advertising	(1,243)	(2,432)	(1,171)	(2,334)
Data communication	(4,961)	(6,909)	(2,640)	(6,033)
Expenses on Company cars	(2,352)	(4,168)	(1,975)	(3,905)
Rental	(306)	(718)	(273)	(507)
Shelf stackers	(1,007)	(1,967)	(932)	(1,813)
Travel and lodging	(297)	(701)	(244)	(1,187)
Insurance	(911)	(1,655)	(872)	(1,599)
Income (costs) on repurchase transactions and premium	115,085	103,354	(36,435)	(91,444)
Exchange rate changes (costs) – difference in the sales price of Caramuru for Intergrain inventories	17,512	10,831	(40,156)	(70,521)
Other expenses	59,501	(10,402)	44,551	73,739
Total	<u>(2,068,747)</u>	<u>(3,054,145)</u>	<u>(1,506,028)</u>	<u>(1,889,424)</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Classified as:				
Cost of sales and services	(1,995,613)	(2,913,984)	(1,427,072)	(1,741,329)
Selling expenses	(41,327)	(70,906)	(47,600)	(78,111)
General and administrative expenses	(37,115)	(71,380)	(29,851)	(58,483)
Reversal/impairment loss on trade receivables and advances	5,308	2,125	(1,505)	(11,501)
<b>Total</b>	<b>(2,068,747)</b>	<b>(3,054,145)</b>	<b>(1,506,028)</b>	<b>(1,889,424)</b>

## 17. SEGMENT REPORTING

Operating segments are reported consistently with internal reports provided to the chief operating decision-maker to assess the performance of each segment and the allocation of funds.

An operating segment is defined as the Company's component used in industrial and/or commercial activities, which can generate revenue and incur costs/expenses. Each operating segment is directly responsible for the revenues and costs/expenses related to its operations. The chief operating decision makers assess the performance of each operating segment using information on its revenue and contribution margin, and do not assess operations using information on assets and liabilities.

There are no intersegment transactions and the Company does not allocate administrative expenses, finance income and costs and income tax and social contribution to the operating segments.

The main factors that caused the Company to define its operating segments are related to the capacity of each one of these business segments to generate revenue and incur expenses, and the results of operations are regularly analyzed and revisited by the "Business Manager", taking this as an assumption for making decisions on the allocation of funds, in reliance upon the performance evaluation of the respective business based on gross profit, that is, the capacity of each product within its segment to generate results to defray fixed costs and generate profit for the business.

Results are monthly analyzed by the "Business Manager", considering the gross revenue, less taxes, returns and cost of sales. That is, the gross profit of each segment.

The costs of sales, common to the segments, were allocated according to the margin of each segment.

Operating segments defined by the Company are intended to group business with similar economic characteristics among each other, based on aspects such as the nature of the goods, their production processes, the type or category of the customers, the methods used by the Company for product distribution, as well as the nature of the regulatory environment, in the case of Biofuel.

In this sense, the Company has segmented its activities into four major groups, as follows: differentiated Commodities, Commodities, Biofuel and Consumables & other.

As at June 30, 2021 and 2020, the information on operating segments is as follows:

Segmentation	Consolidated									
	06/30/2021	06/30/2020	Soybean							
			Differentiated commodities		Commodities		Biofuel		Consumables and other	
			06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Net revenue	3,254,613	2,762,333	1,076,272	988,002	707,024	779,620	1,087,499	648,824	383,818	345,887
Cost of sales	(2,986,673)	(1,950,352)	(726,578)	(500,649)	(686,844)	(643,489)	(1,231,710)	(594,704)	(341,541)	(211,510)
Costs of sales - freight	(42,460)	(40,903)	(55,415)	(24,550)	(3,198)	(6,858)	22,853	(2,726)	(6,700)	(6,769)
Costs of sales (adjustments)	115,149	249,926	-	-	-	-	-	-	-	-
Gross profit	<u>340,629</u>	<u>1,021,004</u>	<u>294,279</u>	<u>462,803</u>	<u>16,982</u>	<u>129,273</u>	<u>(121,358)</u>	<u>51,394</u>	<u>35,577</u>	<u>127,608</u>
Gross margin	10%	37%	27%	47%	5%	17%	-11%	8%	9%	37%
									<u>06/30/2021</u>	<u>06/30/2020</u>
Revenue by geographic location:										
Brazil									2,169,699	1,416,056
Germany									394,162	343,389
The Netherlands									252,767	304,506
Indonesia									228,872	164,470
China									47,094	351,841
Thailand									134,976	106,141
Italy									28,910	20,944
Angola									3,871	23,902
Turkey									15,907	6,028
Australia									11,318	4,510
Other									55,955	94,919
Total									<u>3,343,531</u>	<u>2,836,706</u>
Less:										
Taxes on sales									(72,268)	(68,660)
Returns and rebates									(16,650)	(5,713)
Net revenue									<u>3,254,613</u>	<u>2,762,333</u>



## 18. OTHER INCOME (EXPENSES)

	Parent			
	2021		2020	
	04/01 to 06/30	04/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Tax expenses	(11,162)	(20,574)	(8,735)	(14,930)
Rental income	1	2	1	2
Gain (loss) on sale of property, plant and equipment, net	(106)	(172)	109	42
Indemnity for property damages	-	3,191	-	-
Recognition of PIS/COFINS credit on BC ICMS deduction and untimely tax credits	4,813	4,813	243	2,477
Indemnification of transportation company for loss on product transport or non-removal of products	6,576	10,682	756	1,449
Reversal of provision for risks and other	50,009	37,217	4,049	9,126
Other, net	140	(702)	1,768	2,076
<b>Total</b>	<b>50,271</b>	<b>34,457</b>	<b>(1,809)</b>	<b>242</b>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Tax expenses	(11,162)	(20,574)	(8,735)	(14,930)
Rental income	1	2	1	2
Gain (loss) on sale of property, plant and equipment, net	(106)	(172)	109	42
Additional revenue (expenses) due to product quality (export)	(832)	125	(616)	663
Indemnity for property damages	-	3,191	-	-
Partial recognition of PIS/COFINS credit on BC ICMS deduction and untimely tax credits	4,813	4,813	243	2,477
Indemnification of transportation company for loss on product transport or non-removal of products	6,576	10,682	756	1,449
Reversal of provision for risks and other	50,009	37,217	4,049	9,126
Other, net	140	(702)	1,768	2,076
<b>Total</b>	<b>49,439</b>	<b>34,582</b>	<b>(2,425)</b>	<b>905</b>

## 19. FINANCE INCOME (COSTS)

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
<u>Finance income</u>				
Exchange gain – advance on foreign exchange contract/prepayment (*)	246,033	254,257	20,935	20,935
Exchange gain - futures contracts (*)	659	31,830	2,688	21,012
Exchange gain - NCE (*)	26,120	26,120	8,494	8,494
Exchange gain – foreign customers/demand foreign exchange (*)	55,353	90,289	111,139	245,669
Exchange gain – other	12,399	13,781	1,907	17,456
Forward/swap/currency hedge (*)	71,503	117,684	78,941	73,956
Inflation gain	33	33	4	33
Interest receivable	2,226	7,248	1,043	8,013
Discounts obtained	773	1,100	460	649
Other revenue	-	-	76	84
<b>Total</b>	<b>415,099</b>	<b>542,342</b>	<b>225,687</b>	<b>396,301</b>

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
<u>Finance costs</u>				
Exchange loss – advance on foreign exchange contract/prepayment (*)	(9)	(142,500)	(111,193)	(442,134)
Exchange loss – futures contracts (*)	(44,940)	(44,940)	(701)	(701)
Exchange loss - NCE (*)	-	(12,312)	(14,285)	(47,015)
Exchange loss – foreign customers/demand foreign exchange (*)	(103,209)	(111,500)	(89,041)	(105,722)
Exchange loss - other	(1,425)	(15,226)	(8,299)	(39,704)
Forward/swap/currency hedge (*)	(22,814)	(139,143)	(116,022)	(494,438)
Interest payable	(58,859)	(92,110)	(38,491)	(70,743)
Discounts granted	(432)	(767)	(898)	(1,467)
Inflation loss	(236)	(346)	(61)	(86)
Banking expenses	(1,519)	(6,514)	(4,009)	(6,711)
Other expenses	(794)	660	(1,168)	(2,179)
Total	<u>(234,237)</u>	<u>(564,698)</u>	<u>(384,168)</u>	<u>(1,210,900)</u>
Finance income (costs)	<u>180,862</u>	<u>(22,356)</u>	<u>(158,481)</u>	<u>(814,599)</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
<u>Finance income</u>				
Exchange gain – advance on foreign exchange contract/prepayment (*)	246,033	254,257	20,935	20,935
Exchange gain - futures contracts (*)	659	31,830	2,688	21,012
Exchange gain - NCE (*)	26,120	26,120	8,494	8,494
Exchange gain – foreign customers/demand foreign exchange (*)	55,601	90,631	111,321	246,146
Exchange gain – other	32,619	34,001	16,361	102,837
Forward/swap/currency hedge (*)	71,503	117,684	78,941	73,956
Inflation gain	33	33	4	33
Interest receivable	2,197	7,268	1,061	8,397
Discounts obtained	773	1,100	461	659
Total	<u>435,538</u>	<u>562,924</u>	<u>240,341</u>	<u>482,552</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01to 06/30	04/01 to 06/30	01/01 to 06/30
<u>Finance costs</u>				
Exchange loss – advance on foreign exchange contract/prepayment (*)	(9)	(142,500)	(111,193)	(442,134)
Exchange loss – futures contracts (*)	(44,940)	(44,940)	(701)	(701)
Exchange loss - NCE (*)	-	(12,312)	(14,285)	(47,015)
Exchange loss – foreign customers/demand foreign exchange (*)	(103,474)	(113,049)	(89,296)	(106,342)
Exchange loss - other	(666)	(28,133)	(49,367)	(116,515)
Forward/swap/currency hedge (*)	(22,814)	(139,143)	(116,022)	(494,438)
Interest payable	(58,129)	(89,117)	(36,009)	(66,209)
Discounts granted	(432)	(767)	(902)	(1,471)
Inflation loss	(236)	(346)	(61)	(86)
Banking expenses	(1,540)	(6,549)	(4,032)	(6,780)
Other expenses	(794)	(660)	(1,167)	(2,178)
Total	<u>(233,034)</u>	<u>(576,196)</u>	<u>(423,035)</u>	<u>(1,283,869)</u>
Finance income (costs)	<u>202,504</u>	<u>(13,272)</u>	<u>(182,694)</u>	<u>(801,317)</u>

- (\*) Finance income (costs), net recorded in line items “Finance income” and “Finance costs”, related to the hedge of the costs of acquisition of raw material, the exposure to and fluctuations of contractual foreign exchange rates, had the effects below:

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Positive effects	399,668	520,180	222,197	370,066
Negative effects	(170,972)	(450,395)	(331,242)	(1,090,010)
Total	<u>228,696</u>	<u>69,785</u>	<u>(109,045)</u>	<u>(719,944)</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Positive effects	399,916	520,522	222,379	370,543
Negative effects	(171,237)	(451,944)	(331,497)	(1,090,630)
Total	<u>228,679</u>	<u>68,578</u>	<u>(109,118)</u>	<u>(720,087)</u>

As at June 30, 2021 and 2020, hedge transactions, which were not effectively received or disbursed on the reporting date, had the effects below:

	Parent			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Positive effects	285,106	299,823	64,937	154,647
Negative effects	(36,528)	(200,095)	31,398	(599,369)
Total	<u>248,578</u>	<u>99,728</u>	<u>96,335</u>	<u>(444,722)</u>
Realized net gains (losses) related to the hedge	<u>(19,882)</u>	<u>(29,943)</u>	<u>(205,280)</u>	<u>(275,222)</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
Positive effects	285,106	299,823	64,937	154,647
Negative effects	(36,528)	(200,095)	31,398	(599,369)
Total	<u>248,578</u>	<u>99,728</u>	<u>96,335</u>	<u>(444,722)</u>
Realized net gains (losses) related to the hedge	<u>(19,899)</u>	<u>(31,150)</u>	<u>(206,153)</u>	<u>(275,365)</u>

## 20. RELATED-PARTY TRANSACTIONS

Caramuru Alimentos S.A. is a publicly-held company established in Brazil. Its capital is exclusively national and it is controlled by the Borges de Souza family which owns Brazilian family-owned holding companies, Nagatsuzuki Participações Ltda., Calixbento Participações Ltda., Holding Star Participações Ltda. and JBPS Participações Ltda., and shareholders are individuals.

In the periods ended June 30, 2021 and 2020, balances and transactions with the Parent and related parties are broken down as follows:

a) Group companies

	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<u>Assets</u>				
Current:				
Joint venture:				
Terminal XXXIX de Santos S.A. (a)	4,026	3,990	4,026	3,990
Subsidiary:				
Intergrain Company Ltd. (a)	444,354	381,874	-	-
Intergrain Company Ltd. - Allowance for doubtful debts (a)	(27,249)	(28,309)	-	-
Total	<u>421,131</u>	<u>357,555</u>	<u>4,026</u>	<u>3,990</u>
<u>Assets</u>				
Noncurrent:				
Subsidiary:				
Intergrain Company Ltd. (c)	50,075	-	-	-
	<u>50,075</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Liabilities</u>				
Noncurrent				
Subsidiary:				
Intergrain Company Ltd. (b)	-	221,822	-	-
Total noncurrent	<u>-</u>	<u>221,822</u>	<u>-</u>	<u>-</u>
<u>Parent</u>				
	2021		2020	
	04/01 to	01/01	04/01 to	01/01
	06/30	to 06/30	06/30	to 06/30
<u>Revenues</u>				
Subsidiary:				
Intergrain Company Ltd. (a)	816,513	1,044,796	954,731	1,324,209
Joint venture:				
Terminal XXXIX de Santos S.A. (a)	1,082	2,384	527	1,222
Total	<u>817,595</u>	<u>1,047,180</u>	<u>955,258</u>	<u>1,325,431</u>
<u>Costs</u>				
Subsidiary:				
Intergrain Company Ltd.	790	3,052	2,480	4,533
Total	<u>790</u>	<u>3,052</u>	<u>2,480</u>	<u>4,533</u>
<u>Costs/expenses</u>				
Joint venture:				
Terminal XXXIX de Santos S.A. (a)	8,202	11,518	6,590	10,278
Total	<u>8,202</u>	<u>11,518</u>	<u>6,590</u>	<u>10,278</u>

	Consolidated			
	2021		2020	
	04/01 to 06/30	01/01 to 06/30	04/01 to 06/30	01/01 to 06/30
<u>Revenues</u>				
Joint venture:				
Terminal XXXIX de Santos S.A. (a)	1,082	2,384	527	1,222
Total	<u>1,082</u>	<u>2,384</u>	<u>527</u>	<u>1,222</u>
<u>Costs/expenses</u>				
Joint venture:				
Terminal XXXIX de Santos S.A. (a)	8,202	11,518	6,590	10,278
Total	<u>8,202</u>	<u>11,518</u>	<u>6,590</u>	<u>10,278</u>

- (a) Transactions classified as receivables, in current assets, refer to the sale of goods directly related to the Company's operating activities at prices and under conditions agreed upon among the parties. Expenses refer to soybean and derivatives loading and unloading services. Maturities follow the provisions in the agreements, with average term of 30 days. Transactions with Intergrain are mainly carried in US dollar and no charge is levied on these transactions. The balance of payables is represented by loan agreements, subject to finance charges, corresponding to interest of 1% per year, adjusted on the outstanding balance, up to the final settlement date expected to occur in May and December 2023, and exchange rate changes. These finance charges will be paid upon maturity of the agreements.
- (b) The balance of payables is represented by loan agreements, subject to finance charges, corresponding to interest of 3.5% per year plus LIBOR, adjusted on the outstanding balance, up to the final settlement date expected to occur in May 2023, and exchange rate changes. These finance charges will be paid upon maturity of the agreements.
- (c) The balance is represented by prepayment agreement, which refers to funds advanced by the subsidiary to the Company so that it can defray good export costs, subject to finance charges of 3.5% per year plus LIBOR, up to the final settlement date expected to occur in December 2023.

b) Compensation of key management personnel

Key management personnel compensation, comprised of officers and employees with authority over and responsibility for the planning, supervision and control of the Company's activities, consists mainly of short-term benefits, which amount allocated and recognized as expense in the period ended June 30, 2021 was R\$6,400 (R\$10,843 as at June 30, 2020) in the Parent and consolidated. As at June 30, 2021, the amount payable to the key management personnel is R\$491 and is recorded in line item "Payroll and related taxes" in current liabilities (R\$4,950 as at December 31, 2020). The Company offers long-term benefits, as mentioned in note 24.

## 21. DERIVATIVE INSTRUMENTS, HEDGE AND RISK MANAGEMENT

## a) General considerations

The Company conducts transactions involving financial instruments, the risks of which are managed by using financial position strategies and risk exposure limit systems. In addition, the Company operates with banks that meet financial soundness and reliability criteria, as established by Management. The control policy consists of permanently monitoring the contracted rates compared to market rates. All transactions are fully accounted for and restricted to the following instruments:

- Cash and cash equivalents and foreign currency-denominated deposits: recognized at cost plus income earned through the end of each reporting period, which approximates their fair values.
- Trade receivables: discussed and disclosed in note 5, which approximate their fair values.
- Borrowings and financing and trade payables: discussed and disclosed in notes 11 and 12, respectively, which approximate their fair values at the end of each reporting period.
- The Company accounts for, based on the fair values, gains and losses arising on futures commodities purchase and sale contracts, commodities options contracts, currency forward contracts and foreign currency swap contracts in profit or loss. The changes in the fair value (gains or losses) on any of these derivative instruments are directly recognized in profit or loss, as finance income or finance costs.

For futures commodities purchase and sale contracts, commodities options contracts, the gains or losses on the financial instruments are accounted for as a contra entry to cost of sales, and for currency forward contracts (NDF) and foreign currency swap contracts as a contra entry to finance income (costs).

Financial instruments by category

Main financial assets and financial liabilities are as follows:

Financial instruments	Parent		Consolidated	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020
Amortized cost:				
Cash and cash equivalents	179,243	561,351	430,909	561,351
Short-term investments	10,020	3,050	10,020	3,050
Trade receivables - current and noncurrent	385,322	284,480	510,833	373,993
Due from related parties - current and noncurrent	471,206	357,555	4,026	3,990
Advances to suppliers	39,891	79,253	39,891	79,253
Other receivables - current and noncurrent	44,255	49,274	44,318	49,307
Financial assets at fair value through profit or loss:				
Escrow deposit and futures contracts adjustment	1,030,375	971,004	1,065,246	971,004
Forward and swap contracts receivable	19,713	74,714	19,713	74,714
Financial liabilities at amortized cost:				
Borrowings and financing	3,132,407	2,142,694	3,132,407	2,142,694
Advances from customers	30,941	11,623	33,746	13,233
Due to related parties - current and noncurrent	-	221,822	-	-
Other payables - current and noncurrent	30,117	16,373	30,133	16,376
Financial liabilities at fair value through profit or loss:				
Futures contract adjustment	995,253	579,722	995,253	935,898
Forward and swap contracts payable	4,016	46,503	4,016	46,503

## b) Fair value of financial instruments

The fair value of financial assets and financial liabilities is the amount for which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The Company adopts the market approach to determine the fair value of derivative instruments. The following methods and assumptions were adopted in estimating fair values:

- The Company enters into derivative instruments with several counterparties, mainly financial institutions with investment grade. Derivatives assessed based on valuation techniques using observable market inputs refer mainly to interest rate swaps, currency forward contracts, purchase and sale futures contracts and commodities forward contracts. The valuation techniques more frequently adopted include determination of future price and forward and swap contracts templates, using present value calculation.

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments by valuation technique:

- Level 1: based on prices quoted (unadjusted) in active markets for identical assets or liabilities.
- Level 2: obtained based on other variables besides quoted prices included in Level 1, which are directly observable for an asset or a liability (i.e., as prices) or indirectly observable (i.e., based on prices).
- Level 3: obtained based on valuation techniques that include variables for an asset or a liability, but which are not based on observable market inputs (unobservable inputs).

As at June 30, 2021 and December 31, 2020, the Company maintained financial instruments measured at fair value, determined according to Level 2 as it considers other variables in the measurement and not only the price of goods.

Fair value

The following table shows the fair values of financial assets and financial liabilities. There is no information on the fair value of financial assets and financial liabilities not measured at fair value.

Financial instruments	Parent 06/30/2021	
	Carrying amount	Fair value
Escrow deposit and futures contracts adjustment receivable	1,030,375	1,030,375
Futures contract adjustment payable	(995,253)	(995,253)
Forward and swap contracts receivable	19,713	19,713
Forward and swap contracts payable	(4,016)	(4,016)
	<u>50,819</u>	<u>50,819</u>
Financial instruments	Parent 12/31/2020	
	Carrying amount	Fair value
Escrow deposit and futures contracts adjustment receivable	971,004	971,004
Futures contract adjustment payable	(579,722)	(579,722)
Forward and swap contracts receivable	74,714	74,714
Forward and swap contracts payable	(46,503)	(46,503)
	<u>419,493</u>	<u>419,493</u>

Financial instruments	Consolidated 06/30/2021	
	Carrying amount	Fair value
Escrow deposit and futures contracts adjustment receivable	1,065,246	1,065,246
Futures contract adjustment payable	(995,253)	(995,253)
Forward and swap contracts receivable	19,713	19,713
Forward and swap contracts payable	(4,016)	(4,016)
	<u>85,690</u>	<u>85,690</u>
	Consolidated 12/31/2020	
Financial instruments	Carrying amount	Fair value
Escrow deposit and futures contracts adjustment receivable	971,004	971,004
Futures contract adjustment payable	(935,898)	(935,898)
Forward and swap contracts receivable	74,714	74,714
Forward and swap contracts payable	(46,503)	(46,503)
	<u>63,317</u>	<u>63,317</u>

c) Risk factors that may affect the Company's business:

Commodities price risk: this risk is related to the possibility of fluctuation in the price of the products sold by the Company or in the price of raw materials and other inputs used in its production process. Sales revenues and mainly the cost of sales affected by changes in the international prices of its goods or materials be subject to changes. To mitigate this risk, the Company carries out the following transactions:

c.1) Futures contracts - Chicago Board of Trade

The Company and its subsidiaries use the futures purchase and sale contracts of the derivatives market of the Chicago Board of Trade (CBOT) as a hedging instrument against possible soybean price fluctuations. In the period ended June 30, 2021 and December 31, 2020, the Company carried out hedge transactions at the CBOT, without speculative purposes, to hedge its assets against such commodity price fluctuations in the foreign market.

Futures contracts are measured at fair value, based on the CBOT quotations at the balance sheet dates. The amounts arising on futures market transactions that are disclosed in balance sheet accounts are:

- (i) Escrow and initial margin deposit: margin call is used at stock exchange trades. Such margin refers to financial resources guaranteed by the futures brokers upon the opening of positions in the futures market. These amounts will be credited in a checking account at the end and/or settlement of these positions.
- (ii) Excess or deficit margin: refer to financial resources held in the brokers' checking accounts to support the remittance of daily adjustments to transactions in the futures market, arising on the price fluctuations of these contracts in the futures and option markets.



- (iii) Falling due option premium (“put” - soybean): instruments used by the Company to hedge against a possible default under long-term pricing contracts (future crop purchase contracts). Premiums paid and received on options purchased and sold are classified in current assets (gains) and current liabilities (losses) and are monthly stated at their fair values and recognized in profit or loss, when incurred. This assumption is an integral part of the Operational Plan of the Commodities Area.

As at June 30, 2021 and December 31, 2020, the balances of derivative transactions are as follows:

	<u>Parent and Consolidated</u>	
	<u>06/30/2021</u>	<u>12/31/2020</u>
<u>Futures contract - CBOT</u>		
Escrow and excess margin deposit	91,991	298,319
Derivatives-falling due options	1,237	3,002
Unrealized futures market variations	<u>(36,078)</u>	<u>(328,561)</u>
	<u>57,150</u>	<u>(27,240)</u>
<u>Futures contract – Over-the-counter</u>		
Soybean futures market variations	<u>(42,617)</u>	<u>418,522</u>
	<u>(42,617)</u>	<u>418,522</u>
Total futures contracts	<u><u>14,533</u></u>	<u><u>391,282</u></u>

c.2) Forward contracts – Paranaguá premium

The Brazilian soybean export premium at the Port of Paranaguá represents a mechanism to reference the CBOT quotations to the domestic market and is an amount added to this quotation to obtain the price to be received by the exporter. The quotation of this price is made by brokers at the physical market and can be positive (goodwill) or negative (discount) on the product quotations at the CBOT. These premiums are negotiated at the Port of Paranaguá base, due to the liquidity of such instrument at that port, and fluctuate as a result of the CBOT quotation, the offer and supply and other factors such as the quality of the commodity, port situation, origin of the commodity and efficiency of the shipping port.

The Company uses purchase and sale premium contracts at the Port of Paranaguá as a hedge mechanism to hedge against possible fluctuations of this variable in the pricing of the soybean and its derivatives. When the Company acquires the raw material from rural producers for processing or export in subsequent period, it is necessary to use such hedge instrument.

The net gain or loss on these transactions consists of the positive or negative difference between the flat price (CBOT quotation + Paranaguá premium) of purchase and sale, when the Company settles these positions. The net gain or loss on the settlement of the sales contracts at the Port of Paranaguá is offset by physical sales at the foreign market with shipment through the Port of Santos or sales at the domestic market.

The Company records the derivative instruments at fair value, based on the quotations, fixed Paranaguá base, as at June 30, 2021 and December 31, 2020, and as at the maturity dates, the gains or losses being recorded as a contra entry to line item "Costs of sales and services" in the statement of income. The effect recorded as at June 30, 2021 was positive by approximately R\$34,873 (R\$356,176 negative as at December 31, 2020 and R\$84,077 as at June 30, 2020).

The Company's Management believes that these transactions, mainly represented by futures soybean and derivatives contracts and sale and purchase contracts of the Paranaguá premium, are sufficient to ensure the total amount of its assets related to these commodities.

Outstanding derivatives as at June 30, 2021 and December 31, 2020 are as follows:

Instruments	Derivative instruments - CBOT					
	Parent and Consolidated					
	06/30/2021			12/31/2020		
Notional value	Fair value	Cumulative effect	Notional value	Fair value	Cumulative effect (payable/receivable)	
<b>Futures contracts:</b>						
Long position	1,981,206	1,983,955	2,749	1,079,016	1,194,476	115,460
Short position	(2,267,841)	(2,307,875)	(40,034)	(1,808,362)	(2,252,421)	(444,059)
Total in R\$	<u>(286,635)</u>	<u>(323,920)</u>	<u>(37,285)</u>	<u>(729,346)</u>	<u>(1,057,945)</u>	<u>(328,599)</u>
Total in US\$	<u>(57,302)</u>	<u>(64,756)</u>	<u>(7,454)</u>	<u>(140,348)</u>	<u>(203,580)</u>	<u>(63,232)</u>
<b>Option contracts:</b>						
Position of put option:						
Put contract - soybean	18,989	20,195	1,206	71,307	71,346	39
Total in R\$	<u>18,989</u>	<u>20,195</u>	<u>1,206</u>	<u>71,307</u>	<u>71,346</u>	<u>39</u>
Total in US\$	<u>3,796</u>	<u>4,037</u>	<u>241</u>	<u>13,722</u>	<u>13,729</u>	<u>8</u>
Futures plus options - R\$	(267,646)	(303,725)	(36,079)	(658,039)	(986,599)	(328,560)
<b>Forward contracts</b>						
Paranaguá premium:						
Long position – recorded in other payables	4,756,491	2,401,540	(2,354,951)	6,375,444	3,121,175	(3,254,269)
Short position - recorded in other receivables	(4,753,275)	(2,363,451)	2,389,824	(5,769,251)	(2,871,158)	2,898,093
Total in R\$	<u>3,216</u>	<u>38,089</u>	<u>34,873</u>	<u>606,193</u>	<u>250,017</u>	<u>(356,176)</u>
Total in US\$	<u>643</u>	<u>7,614</u>	<u>6,972</u>	<u>116,350</u>	<u>48,111</u>	<u>(68,539)</u>

### c.3) Purchase Commitments (Price Guarantee)

The Company records derivative instruments related to future crop soybeans purchase commitments (2021/2022 - 2020/2021) with rural producers in the States of Goiás and Mato Grosso. The mark-to-market of these transactions, which was based on the closing quotations as at June 30, 2021 and December 31, 2020 for the respective future maturity dates, takes into account all futures contracts with fixed prices for receipt of goods from producers, and the gains or losses recorded, upon the comparison of fixed prices of the contracts with the market values in inventories, are recorded as a contra entry to line item "Costs of sales and services".

The maturity dates of these derivative instruments entered into are determined based on the estimated future delivery of soybeans, as agreed with rural producers. The effect recorded as at June 30, 2021 was negative by approximately R\$42,617 (R\$4,863 negative as at June 30, 2020). The aforementioned effect recorded as at June 30, 2021 in the amount of R\$42,617 is net of the provision for non-realization of fair value in the amount of R\$8,587 due to the uncertainties on the realization of the commodities future delivery commitments by the rural producers taking into account the significant fluctuations in the price at the closing of the period ended June 30, 2021.

d) Foreign exchange risk

The macroeconomic variable which has a significant weight in the Company's operating sector, typical exporter, is the exchange rate. The results of operations are strongly affected by currency fluctuations, as almost all revenues are pegged to the price of the agricultural commodities denominated in US dollars. The foreign exchange risk arises from the risk of fluctuations in the exchange rates of foreign currencies that may cause the Company to incur losses, resulting in a significant decrease of the asset amounts or increase of the liability amounts.

The main exposure to which the Company is subject, with respect to currency fluctuations, refers to fluctuations in the US dollar in relation to the Brazilian real. The Company hedges against excessive exposure to exchange rate risks by matching its assets not denominated in Brazilian reais with its liabilities also not denominated in Brazilian reais and using hedging instruments.

Except for the commodities inventory, the other inventories are recorded at the historical cost and not adjusted at fair value less estimated selling expenses. Even if recorded in Brazilian reais, its sales prices are denominated in US dollars. Accordingly, inventories represent a natural hedge against possible exchange rate fluctuations. An appreciation of the Brazilian real against the US dollar generates a negative impact on profit or loss, as the logistics costs and administrative expenses are denominated in Brazilian reais. Part of such loss is offset by a gain in inventories, denominated in Brazilian reais, plus US dollars as the abovementioned natural hedge effect.

To hedge its foreign currency-denominated cash, foreign revenues and foreign currency-denominated debts, the Company also uses the derivatives market through sundry transactions. The Company has derivatives, including currency swap (US dollar for CDI), currency hedge and forward transactions, to limit the exposure to exchange rate fluctuations, which are related to its assets and liabilities in foreign currency.

Swap: this transaction generated losses for the Company as at June 30, 2021, in the amount of R\$3,580, in the Parent and consolidated (losses of R\$1,689 as at June 30, 2020).

Forward and future purchase: these transactions generated gains for the Company in the total amount of R\$19,277 (losses of R\$84,727 as at June 30, 2020), in the Parent and consolidated, which contra entry was recorded in "Forward receivable and payable", in current liabilities and current assets, as at June 30, 2021 and December 31, 2020.

Outstanding derivatives, in Parent and Consolidated, as at June 30, 2021 and December 31, 2020 are as follows:

Instrument	Final maturity	Position	Notional value	Fair value as at 06/30/2021	Cumulative effect – 06/30/2021
NDF (over-the-counter - CETIP)	July-21	Long	35,052	34,944	(108)
NDF (over-the-counter - CETIP)	July-21	Long	34,732	34,992	260
NDF (over-the-counter - CETIP)	July-21	Short	27,304	27,113	(191)
NDF (over-the-counter - CETIP)	February-22	Short	4,128	4,083	(45)
NDF (over-the-counter - CETIP)	March-22	Short	3,764	3,706	(58)
NDF (over-the-counter - CETIP)	April-22	Short	2,724	2,691	(33)
NDF (over-the-counter - CETIP)	July-21	Short	46,257	49,932	3,675
NDF (over-the-counter - CETIP)	August-21	Short	8,208	8,695	487
NDF (over-the-counter - CETIP)	February-22	Short	20,703	21,617	914
NDF (over-the-counter - CETIP)	March-22	Short	196,330	205,949	9,619
NDF (over-the-counter - CETIP)	April-22	Short	78,715	83,298	4,583
NDF (over-the-counter - CETIP)	May-22	Short	7,205	7,379	174
					<u>19,277</u>
SWAP (over-the-counter - CETIP)	June-21	Short	170,968	168,999	(1,969)
SWAP (over-the-counter - CETIP)	January-22	Short	44,072	42,461	(1,611)
					<u>(3,580)</u>
Current assets					19,713
Current liabilities					<u>(4,016)</u>
					<u>15,697</u>

Instrument	Final maturity	Position	Notional value	Fair value as at 12/31/2020	Cumulative effect - 12/31/2020
NDF (over-the-counter - CETIP)	April-21	Long	51,309	51,302	(7)
NDF (over-the-counter - CETIP)	January-21	Long	165,058	166,271	1,213
NDF (over-the-counter - CETIP)	March-21	Long	503,583	511,750	8,167
NDF (over-the-counter - CETIP)	April-21	Long	120,580	121,348	768
NDF (over-the-counter - CETIP)	January-21	Short	25,981	25,980	(1)
NDF (over-the-counter - CETIP)	February-21	Short	36,736	32,620	(4,116)
NDF (over-the-counter - CETIP)	March-21	Short	212,038	187,125	(24,913)
NDF (over-the-counter - CETIP)	April-21	Short	118,766	105,491	(13,275)
NDF (over-the-counter - CETIP)	May-21	Short	2,756	2,555	(201)
NDF (over-the-counter - CETIP)	July-21	Short	1,838	1,830	(8)
NDF (over-the-counter - CETIP)	August-21	Short	2,817	2,746	(71)
NDF (over-the-counter - CETIP)	March-22	Short	232	229	(3)
NDF (over-the-counter - CETIP)	April-22	Short	255	251	(4)
NDF (over-the-counter - CETIP)	January-21	Short	52,149	52,338	189
NDF (over-the-counter - CETIP)	February-21	Short	32,224	33,779	1,555
NDF (over-the-counter - CETIP)	March-21	Short	583,729	617,543	33,814
NDF (over-the-counter - CETIP)	April-21	Short	444,576	470,277	25,701
NDF (over-the-counter - CETIP)	May-21	Short	14,339	15,270	931
NDF (over-the-counter - CETIP)	June-21	Short	1,257	1,318	61
NDF (over-the-counter - CETIP)	July-21	Short	29,908	31,020	1,112
NDF (over-the-counter - CETIP)	August-21	Short	3,799	3,932	133
NDF (over-the-counter - CETIP)	February-22	Short	8,721	8,959	238
NDF (over-the-counter - CETIP)	March-22	Short	17,997	18,688	691
NDF (over-the-counter - CETIP)	April-22	Short	3,741	3,884	143
					<u>32,117</u>

Instrument	Final maturity	Position	Notional value	Fair value as at 12/31/2020	Cumulative effect - 12/31/2020
SWAP (over-the-counter - CETIP)	July-21	Short	10,202	10,114	(88)
SWAP (over-the-counter - CETIP)	January-22	Short	11,138	10,834	(304)
SWAP (over-the-counter - CETIP)	January-22	Short	34,609	31,095	(3,514)
					<u>(3,906)</u>
Current assets					74,714
Current liabilities					<u>(46,503)</u>
					<u>28,211</u>

## e) Sensitivity analysis

Interest rate risk

The analysis is performed considering the changes in respective interest rates and which would be the impact of fluctuations in interest rates on profit or loss in different scenarios. The following table summarizes all positions of the Company's financial condition impacted by changes in interest rate, deriving from:

- CDI: Securities Custody and Financial Settlement Chamber ("Central de Custódia e Liquidação Financeira de Títulos (CETIP)").
- TJLP – National Bank for Economic and Social Development ("Banco Nacional de Desenvolvimento Econômico e Social (BNDES)").
- Libor - ICE Benchmark Administration (IBA).

The scenarios consider the position as at June 30, 2021:

- Scenario 1 an increase/decrease in the CDI rate of 25% (rate of 5.19%/rate of 3.11%) and scenario 2 an increase/decrease of 50% (rate of 6.23%/rate of 2.08%) on the balances of short-term investments of R\$104,119 and borrowings and financing of R\$999,160.
- Scenario 1 an increase/decrease in the LIBOR rate of 25% (rate of 0.2991%/rate of 0.1794%) and scenario 2 an increase/decrease of 50% (rate of 0.3589%/rate of 0.1196%) on the balances of borrowings and financing of R\$489,617.
- Scenario 1 an increase/decrease in the TJLP rate of 25% (rate of 5.76%/rate of 3.46%) and scenario 2 an increase/decrease of 50% (rate of 6.92%/rate of 2.31%) on the balances of borrowings and financing of R\$36,473.

Indexes	Parent and Consolidated				
	Current Scenario	Scenario I (+ 25%)	Scenario I (- 25%)	Scenario II (+50%)	Scenario II (-50%)
CDI rate	4.15%	5.19%	3.11%	6.23%	2.08%
Financing at floating interest rates without hedge	999,160	(10,366)	10,366	(20,733)	20,733
Short-term investments at floating interest rates without hedge	104,119	1,080	(1,080)	2,160	(2,160)
LIBOR rate	0.2392%	0.2991%	0.1794%	0.3589%	0.1196%
Financing at floating interest rates without hedge	489,617	(293)	293	(586)	586
TJLP rate	4.61%	5.76%	3.46%	6.92%	2.31%
Financing at floating interest rates without hedge	36,473	(420)	420	(841)	841

The analysis was based on the following main assumptions:

- Loans at floating interest rates without hedge.
- Borrowings at floating interest rates without hedge.
- Short-term investments at floating interest rates without hedge.

e.1) Foreign exchange risk

- a) The analysis is performed considering the changes in respective exchange rates and which would be the impact of changes in the exchange rate on profit or loss or equity under different scenarios.

Scenario 1 considers an appreciation/depreciation of the Brazilian real of 25% against the US dollar considering the exchange rate as at June 30, 2021 of R\$5.0022/US\$ (R\$6.2528/R\$3.7517) and scenario 2 an appreciation/depreciation of 50% (R\$7.5033/R\$2.5011).

Indexes	Parent and Consolidated - 06/30/2021				
	Current Scenario	Scenario I (+ 25%)	Scenario I (- 25%)	Scenario II (+50%)	Scenario II (-50%)
<u>U.S. dollar quotation</u>	5.0022	6.2528	3.7517	7.5033	2.5011
Deposit in foreign currency (US\$50,311)	251,666	62,916	(62,916)	125,833	(125,833)
Financial assets in foreign currency (US\$558,302)	2,792,739	698,185	(698,185)	1,396,369	(1,396,369)
Financial liabilities in foreign currency (US\$572,396)	2,863,238	(715,809)	715,809	(1,431,619)	1,431,619
Derivatives in foreign currency - NDF purchase (US\$14,000)	69,784	17,633	(17,240)	35,025	(34,723)
Derivatives in foreign currency - NDF sale (US\$73,124)	395,337	(71,548)	110,384	(160,278)	203,699
Impact on profit or loss		<u>(8,623)</u>	<u>47,852</u>	<u>(34,670)</u>	<u>78,393</u>

All balance sheet balances were included in the previous analysis. The impact on the fair value of derivative commodities instruments denominated in US dollars, typically soybean and its derivatives, was presented both in assets and liabilities in the financial statements.

The table above shows the sensitivity of the Company's results of operations and equity to possible changes in currency parities. The analysis was based on the following main assumptions:

- Net value of financial assets and liabilities in foreign currency.
- Trade receivables and payables in foreign currency.
- Fair value of commodities derivatives denominated in foreign currency.
- Fair value of exchange rate derivatives.

e.2) Commodity price fluctuation risk

The scenarios consider the position as at June 30, 2021:

- Scenario 1 an increase/decrease in the soybean price of 25% (quotation of R\$8,798.71/R\$5,279.23 per bushel) and scenario 2 an increase/decrease of 50% (quotation of R\$10,558.45/R\$3,519.48 per bushel) on futures and options contracts of R\$697,409.
- Scenario 1 an increase/decrease in the soybean meal price of 25% (quotation of R\$2,364.60/R\$1,418.76 per ton) and scenario 2 an increase/decrease of 50% (quotation of R\$2,837.52/R\$945.84 per ton) on futures and options contracts of R\$283,416.

- Scenario 1 an increase/decrease in the soybean oil price of 25% (quotation of R\$394.84/R\$236.90 per ton) and scenario 2 an increase/decrease of 50% (quotation of R\$473.81/R\$157.94 per ton) on futures and options contracts of R\$127,358.

Indexes	Current Scenario	Scenario I (+ 25%)	Scenario I (- 25%)	Scenario II (+50%)	Scenario II (-50%)
Soybean quotation	7,038.97	8,798.71	5,279.23	10,558.45	3,519.48
Long position	310,271	77,568	(77,568)	155,136	(155,136)
Short position	(1,007,680)	(251,920)	251,920	(503,840)	503,840
Soybean meal quotation	1,891.68	2,364.60	1,418.76	2,837.52	945.84
Long position	851,580	212,895	(212,895)	425,790	(425,790)
Short position	(568,164)	(142,041)	142,041	(284,082)	284,082
Soybean oil quotation	315.87	394.84	236.90	473.81	157.94
Long position	819,356	204,839	(204,839)	409,678	(409,678)
Short position	(691,998)	(172,999)	172,999	(345,999)	345,999

The sensitivity analyses of the commodities risk derivatives are presented for purposes of restatement. This sensitivity analysis is not included in the impacts of the results of operations.

#### e.3) Credit concentration risk

This risk arises from the possible Company's failure to collect amounts due as a result of sales transactions or credits held with financial institutions, generated by financial investment transactions. With regard to the short-term investments, the Company maintains bank accounts and short-term investments approved by Management according to objective criteria for diversification of credit risks. The Company has amounts receivable from Petrobras, as described in note 5, which collaterals are determined in the agreements entered into with Petrobras.

#### e.4) Liquidity risk

Refers to the risk of the Company and its subsidiary not having sufficient funds to honor their financial commitments as a result of mismatching of terms or volumes between expected amounts receivable and payable.

To manage cash liquidity both in domestic and foreign currency, future disbursements and cash inflow assumptions are established and monitored by the financial area.

The table below details the collection period and remaining contractual maturity of the Company's non-derivative financial liabilities and the contractual repayment periods. The table was prepared according to the undiscounted cash flows of financial liabilities based on the earliest date on which the Company must settle the related obligations. Contractual maturity is based on the most recent date on which the Company should settle the related obligations:

Category	Total amount	Parent							
		Estimated interest	Current		Noncurrent				
			Less than 90 days	More than 90 days	Current	1 to 3 years	3 to 5 years	Over 5 years	Noncurrent
06/30/2021									
<u>Liabilities</u>									
Borrowings and financing	3,319,878	187,471	337,989	2,446,832	2,784,821	442,518	75,430	17,109	535,057
Related parties	-	-	-	-	-	-	-	-	-
Trade payables	445,973	-	311,509	133,504	445,013	960	-	-	960
Lease liabilities	40,105	-	4,106	4,105	8,211	23,976	7,918	-	31,894
Futures contract adjustments	995,253	-	248,813	746,440	995,253	-	-	-	-
Forward and swap contracts payable	4,016	-	1,005	3,011	4,016	-	-	-	-
Other payables	30,117	-	6,169	17,009	23,178	6,939	-	-	6,939
<b>Total</b>	<b>4,835,342</b>	<b>187,471</b>	<b>909,591</b>	<b>3,350,901</b>	<b>4,260,492</b>	<b>474,393</b>	<b>83,348</b>	<b>17,109</b>	<b>574,850</b>
Parent									
12/31/2020									
Category	Total amount	Estimated interest	Current		Noncurrent				
			Less than 90 days	More than 90 days	Current	1 to 3 years	3 to 5 years	Over 5 years	Noncurrent
<u>Liabilities</u>									
Borrowings and financing	2,292,069	149,375	239,359	936,028	1,175,387	1,063,937	33,688	19,057	1,116,682
Related parties	221,822	-	-	-	-	221,822	-	-	221,822
Trade payables	301,932	-	90,347	210,809	301,156	776	-	-	776
Lease liabilities	43,110	-	2,119	6,356	8,475	23,976	10,659	-	34,635
Futures contract adjustments	579,722	-	144,931	434,791	579,722	-	-	-	-
Forward and swap contracts payable	46,503	-	11,626	33,877	46,503	-	-	-	-
Other payables	16,373	-	4,027	1,225	5,252	11,121	-	-	11,121
<b>Total</b>	<b>3,501,531</b>	<b>149,375</b>	<b>492,409</b>	<b>1,623,086</b>	<b>2,116,495</b>	<b>1,321,632</b>	<b>44,347</b>	<b>19,057</b>	<b>1,385,036</b>



Category	Consolidated								
	06/30/2021								
	Total amount	Estimated interest	Current		Current	Noncurrent			Noncurrent
Less than 90 days			More than 90 days	1 to 3 years		3 to 5 years	Over 5 years		
<u>Liabilities</u>									
Borrowings and financing	3,319,878	187,471	337,989	2,446,832	2,784,821	442,518	75,430	17,109	535,057
Related parties	-	-	-	-	-	-	-	-	-
Trade payables	508,170	-	373,706	133,504	507,210	960	-	-	960
Lease liabilities	40,105	-	4,106	4,105	8,211	23,976	7,918	-	31,894
Futures contract adjustments	995,253	-	248,813	746,440	995,253	-	-	-	-
Forward and swap contracts payable	4,016	-	1,005	3,011	4,016	-	-	-	-
Other payables	30,133	-	6,179	17,009	23,188	6,945	-	-	6,945
<b>Total</b>	<b>4,897,555</b>	<b>187,471</b>	<b>971,798</b>	<b>3,350,901</b>	<b>4,322,699</b>	<b>474,399</b>	<b>83,348</b>	<b>17,109</b>	<b>574,856</b>

Category	Consolidated								
	12/31/2020								
	Total amount	Estimated interest	Current		Current	Noncurrent			Noncurrent
Less than 90 days			More than 90 days	1 to 3 years		3 to 5 years	Over 5 years		
<u>Liabilities</u>									
Borrowings and financing	2,292,069	149,375	239,359	936,028	1,175,387	1,063,937	33,688	19,057	1,116,682
Related parties	-	-	-	-	-	-	-	-	-
Trade payables	363,648	-	152,063	210,809	362,872	776	-	-	776
Lease liabilities	43,110	-	2,119	6,356	8,475	23,976	10,659	-	34,635
Futures contract adjustments	935,898	-	233,975	701,923	935,898	-	-	-	-
Forward and swap contracts payable	46,503	-	11,626	34,877	46,503	-	-	-	-
Other payables	16,376	-	4,030	1,225	5,255	11,121	-	-	11,121
<b>Total</b>	<b>3,697,604</b>	<b>149,375</b>	<b>643,172</b>	<b>1,891,218</b>	<b>2,534,390</b>	<b>1,099,810</b>	<b>44,347</b>	<b>19,057</b>	<b>1,163,214</b>

Trade receivables, trade payables and other receivables and payables do not include interest to be adjusted at the respective maturity dates; in turn, borrowings and financing are stated including the respective future inflation totaling R\$187,471 as at June 30, 2021 (R\$149,375 as at December 31, 2020), in the Parent and consolidated, of estimated interest pursuant to the agreements.

Also, the amounts recorded related to financial assets or financial liabilities measured at amortized cost reasonably approximate their fair values.

e.5) Credit risk management – credit policy for rural producers

When guaranteeing the delivery of raw materials and continuance of partnerships, the Company offers funds in cash, seeds and inputs to rural producers.

The criterion used is to select rural producers through items that classify them with respect to the delivery of raw materials on due date, time of business relationship, indebtedness using equity and percentage rates of credit not exceeding 30% of its projected harvest. The crop is monitored from plantation up to harvest by Company's agricultural engineers and farming technicians.

Credit risk is mitigated due to the diversification of the producer portfolio and the control procedures that monitor this risk.

## 22. BASIC AND DILUTED EARNINGS PER SHARE

The tables below reconcile profit to the weighted average of the value per share used to calculate basic and diluted earnings per share:

Basic and diluted	06/30/2021	06/30/2020
Profit for the year before interest on capital	196,392	70,755
Number of shares during the years (thousands)	24,444	24,444
Earnings per share - basic and diluted - R\$	8.03	2.89

The weighted average number of common shares used to calculate diluted earnings per share is identical to the weighted average number of common shares used to calculate basic earnings per share, as there were no potential diluted shares in the period. Also, the Company has no other instrument convertible into shares that could have the dilutive impact of the outstanding shares.

## 23. COMMITMENTS

a) Purchase of grains

As at June 30, 2021, the Company had soybean purchase commitments, corresponding to 210,191 tons with fixed price (price guarantee contracts) equivalent to R\$483,989 for the 2021/2022 and 2020/2021 crops. These commitments were measured based on the average quotation for the respective crop.

As at June 30, 2020, the Company had soybean purchase commitments, corresponding to 700,252 tons with fixed price (price guarantee contracts) equivalent to R\$1,006,796 for the 2019/2020 and 2020/2021 crops. These commitments were measured based on the average quotation for the respective crop.

## b) Sales

Petróleo Brasileiro S.A. - Petrobras

As at June 30, 2021, the Company had entered into agreements for the supply of approximately 86,100 m<sup>3</sup> of biodiesel in July and August 2021, sold through an electronic auction (L80) of the National Oil Agency (ANP), with FOB price for removal at the unit in São Simão - GO, Ipameri - GO and Sorriso-MT. The contractual amount related to such supply of biodiesel totaled approximately R\$478,000.

As at June 30, 2020, the Company had entered into agreements for the supply of approximately 86,100 m<sup>3</sup> of biodiesel in July and August 2020, sold through an electronic auction (L73) of the National Oil Agency (ANP), with FOB price for removal at the unit in São Simão - GO, Ipameri - GO and Sorriso-MT. The contractual amount related to such supply of biodiesel totaled approximately R\$303,200.

Other commitments

As at June 30, 2021, the Company had entered into the following sales commitments to the foreign market:

<u>Commodity</u>	<u>Volume/t</u>	<u>Shipment</u>
Corn kernel	126,000	July to November 2021
Hipro bran	270,500	July to December 2021
SPC bran (Soy Protein Concentrate)	99,148	July 2021 to March 2022
Non-GMO lecithin	2,479	July 2021 to March 2022
Glycerin	2,012	July to August 2021

Of these commitments, the final sales prices for the corn kernel in the amount of US\$12,618 thousand, relating to 74,100 tons, Hipro meal in the amount of US\$62,881 thousand, relating to 122,500 tons, SPC bran (Soy Protein Concentrate) in the amount of US\$94,580 thousand, relating to 86,148 tons, non-GMO lecithin, in the amount of US\$3,824 thousand, and glycerin in the amount of US\$2,178 thousand, which will total US\$176,081 thousand, were set. The final sales prices of the balance of 51,900 tons of corn kernel, 148,000 tons of Hipro bran and 13,000 tons of SPC, relating to CBOT will be set, which will total approximately US\$98,100 thousand. The fair value of these financial instruments as at June 30, 2021 corresponds to a loss of R\$38,519.

The Company has all technical qualifications necessary to fulfill all contractual clauses and also in line with the production schedule and delivery at the respective agreed periods.

As at June 30, 2020, the Company had entered into the following sales commitments to the foreign market:

<u>Commodity</u>	<u>Volume/t</u>	<u>Shipment</u>
Soybeans	29,577	July 2020
Corn kernel	126,000	October and November 2020
Hipro bran	546,524	July 2020 to May 2021
SPC bran (Soy Protein Concentrate)	91,119	July 2020 to March 2021
Non-GMO lecithin	2,641	July 2020 to December 2021
Glycerin	1,777	July 2020

Of these commitments, the final sales prices for the soybeans in the amount of US\$10,294 thousand, corn kernel in the amount of US\$18,015 thousand, Hipro meal in the amount of US\$82,556 thousand, relating to 218,102 tons, SPC bran (Soy Protein Concentrate) in the amount of US\$67,466 thousand, relating to 88,119 tons, non-GMO lecithin, in the amount of US\$4,460 thousand, and glycerin in the amount of US\$1,574 thousand, which will total US\$184,365 thousand, were set. The final sales prices of the balance of 328,422 tons of Hipro bran and 3,000 tons of SPC bran, relating to CBOT will be set, which will total approximately US\$121,000 thousand.

The Company has all technical qualifications necessary to fulfill all contractual clauses and also in line with the production schedule and delivery at the respective agreed periods.

c) Construction contracts

As at June 30, 2021, the Company had future commitments related to constructions in the total amount of R\$8,143, relating to: (i) contracts with companies for the construction of an alcohol and lecithin production plant at the Sorriso unit, in the State of Mato Grosso, in the amount of R\$4,178. The schedule provides for the completion of the works in November 2021, (ii) contracts with companies for the expansion of the biodiesel production plant at the São Simão unit, in the State of Goiás, in the amount of R\$672. The schedule provides for the completion of the works in August 2021, and (iii) contracts with companies for the construction of interconnection of the São Simão unit with the São Simão Terminal, in the State of Goiás, in the amount of R\$3,293. The schedule provides for the completion of works in November 2021.

As at June 30, 2020, the Company had future commitments related to constructions in the total amount of R\$20,742, relating to: (i) contracts with companies for the construction of a glycerin distillation plant at the Ipameri unit, in the State of Goiás, in the amount of R\$2,332. The work was completed in April 2021, (ii) contracts with companies for the construction of an alcohol and lecithin production plant at the Sorriso unit, in the State of Mato Grosso, in the amount of R\$4,001, (iii) contracts with companies for the expansion of the biodiesel production plant at the São Simão unit, in the State of Goiás, in the amount of R\$3,025. The work was completed in May 2021, and (iv) contracts with companies for the investment in the Railway Terminal at the São Simão unit, in the State of Goiás, in the amount of R\$11,384. The schedule provides for the completion of the works in November 2021.

Financing contract with Financiadora de Estudos e Projetos-FINEP

On March 6, 2017, Caramuru signed contract No. 09.17.0007.00 with Financiadora de Estudos e Projetos-FINEP, a federal state-owned company, linked to the Ministry of Science, Technology, Innovations and Communications, to implement the Strategic Innovation Plan No. 005/16, relating to the "Disruptive Innovation of the Soy Protein Concentrate (SPC) Obtainment Process, for Simultaneous Production of SPC, Lecithin and Soy Ethanol".

The total amount expected for the implementation of the Strategic Innovation Plan (PEI) is R\$115,257, and FINEP granted R\$69,154, as "Reimbursable financing", corresponding to 60% of expected expenditures. The Company's portion shall correspond to 40% corresponding to R\$46,103 of the total expenditures necessary to prepare and implement the plan.

On July 18, 2017, FINEP deposited the amount of R\$40,594, corresponding to the release of the 1<sup>st</sup> installment for the implementation of the Strategic Innovation Plan (PEI). The remaining balance in the amount of R\$28,560 will be released in subsequent installments, after confirmation of the expenditures on the plan. The Company is required to inform the expenditure items used pursuant to the contract during the year.

The contract entered into with FINEP in April 2017 provided for a 24-month period for the implementation of the Strategic Innovation Plan (PEI). However, there were technical delays, which were promptly justified and accepted by FINEP, which extended the project implementation. Three Technical Monitoring Reports (RTAs) were submitted to FINEP so far.

Additionally, the COVID-19 pandemic resulted in several delays in the works precisely in March and April 2020, period during which contracting and most of the plant assembling activities would be intensified.

The project is expected to be completed in July 2021 upon the start-up of lecithin production in late July and soy ethanol production (pending the issuance of an operating license by ANP) is expected to begin in August 2021, and then the fourth and last Technical Monitoring Report (RTA) will be submitted to FINEP, which will contemplate the expenditures for the two or three months of pioneer production. After approval of the 4<sup>th</sup> RTA, FINEP will release the remaining financing balance in the amount of R\$28,560.

#### 24. EMPLOYEES' PROFIT SHARING

As at June 30, 2021 and 2020, the Company did not recognize accruals for employees' profit sharing as the minimum profit set forth in the profit sharing program, approved by the trade union, was not reached. As at December 31, 2020, the Company recognized liabilities related to employees' profit sharing in the amount of R\$27,733, which was paid in March 2021.

#### 25. INSURANCE COVERAGE

As at June 30, 2021, all assets and liabilities in material amounts and subject to high risk were covered by insurance. Insurance coverage by nature in relation to the maximum indemnifiable amounts denominated in Brazilian reais is as follows:

Classification	Insured risk	Indemnity ceiling	Final maturity
Assets	Vehicle fleet	R\$6,978	April/2022
Assets (named perils)	Buildings, machinery and equipment, furniture and fixtures, goods and raw materials	R\$2,035,781	February/2022
Loss of profits	Fixed expenses and profit	R\$327,959	February/2022
General civil liability	Sundry operational risks	R\$25,000	November/2021
Group life and personal accident insurance	Per Company's employee	R\$4,233	July/2022
Group life and personal accident insurance	Senior management	R\$730	April/2022
Domestic transportation	Machinery and equipment transportation	R\$2,000	February/2022
International transportation - export	Sundry product transportation	US\$22,500	February/2022
International transportation - import	Sundry product transportation	US\$1,000	February/2022
Cargo highway transportation - RCTR-C	Sundry product transportation	R\$120	October/2021
Credit insurance	Credit analysis	R\$2,851	July/2022
Performance bond	Energy supply guarantee	R\$722	Dec/2021 and March/2022
Performance bond	Contract and other guarantee	R\$392	March and December/2022
Civil liability	Bodily injuries and/or property damages caused to passengers	R\$2,300	March/2022
P&I insurance	Civil liability for vessels	US\$500,000	March/2022
D&O insurance	D&O civil liability	R\$70,000	March/2022
Legal performance bond	Legal performance bond	R\$19,233	Feb. and March/2024
Legal performance bond	Legal performance bond (writ of security)	R\$67,075	September/2021
Performance bond	Labor guarantee	R\$690	January/2022 and November/2023
Port operator insurance	Civil liability - Santana-AP unit	R\$20,000	September/2021
Performance bond	Legal performance bond – Piracanjuba unit	R\$450	August/2025

## 26. PENSION PLAN AND POST-EMPLOYMENT BENEFIT

Up to September 2010, the Company and its subsidiaries contributed as sponsors and its employees, when eligible, also contributed to a defined contribution retirement plan, managed by BrasilPrev Seguros e Previdência S.A., called Plan Caramuru-Prev., which reserves were financially adjusted and not based on actuarial calculations.

Beginning November 1, 2010, the Company, in order to enable the full participation of its employees, has entered a new private pension plan, the current participants of the former Retirement Plan Caramuru-Prev. being authorized to opt for the portability of their reserves to the new plan called Renda Total Empresarial PGBL Caramuru.

The current plan has the following basic characteristics:

- a) Benefits: retirement due to survival, spouse pension, death and disability.
- b) The main survival retirement benefit under the defined benefit plan will be the income arising from the reserve accumulated during the plan contribution period.

During the period ended June 30, 2021, the Company's contribution totaled approximately R\$960 (R\$1,851 as at December 31, 2020). The Company's contribution is contingent on the percentage rate borne by the employee, that is, the Company contributes precisely the same percentage rate contributed by the employee.

As set forth in the agreement entered into among the Company and BrasilPrev Seguros e Previdência S.A., the sole benefit structured as defined benefit, which burden is borne by the plan sponsor (Company), is the minimum benefit offered to the participants of Group 2, as defined in paragraph 2, clause 4 of said agreement, which sets forth that payment will be made one single time and corresponds to five times the participant's wage on the last recalculation date. Moreover, in order to be eligible, the participant must concurrently fulfill the following conditions:

- a) Have no less than 55 years old.
- b) Have no more than 80 years old.
- c) 10 years of relationship with the Company.
- d) No longer have a relationship with the Company.

The provision related to this benefit is recognized on a monthly basis for those employees who have vested right, and its balance as at June 30, 2021 is R\$5,479 (R\$5,303 as at December 31, 2020).

The variations in the present value of the provision for defined benefits are as follows:

	Present value of actuarial obligations	Actuarial gains (losses)	Total net liability
Amount at the end of the year - 2019	4,867	304	5,171
Company's cost of current service, including interest	-	197	197
Cost of interest	-	147	147
Amount at the end of the period ended June 30, 2020	4,867	648	5,515

	Present value of actuarial obligations	Actuarial gains (losses)	Total net liability
Amount at the end of the year - 2020	5,418	(115)	5,303
Company's cost of current service, including interest	-	190	190
Cost of interest	-	163	163
Amount at the end of the period ended June 30, 2021	<u>5,418</u>	<u>238</u>	<u>5,656</u>

- (1) Accumulated actuarial gain or loss recognized by the Company in "Valuation adjustments to equity", as required by technical pronouncement CPC 33 (R1). The actuarial gain or loss is determined at the end of the year.

Main economic assumptions adopted for actuarial calculations for the years ended December 31, 2020 and 2019, which were considered for the periods as at June 30, 2021 and 2020, respectively:

Financial hypothesis	2020 %
Actual actuarial discount rate	3.78
Nominal salary growth rate	6.30
Projected inflation	3.20
Factor for determination of the actual amount over time of benefits assessed	3.20
Financial hypothesis	2019 %
Actual actuarial discount rate	3.11
Nominal salary growth rate	6.36
Projected inflation	3.26
Factor for determination of the actual amount over time of benefits assessed	3.26
Biometric hypothesis	2020
Mortality table segregated by gender	AT2000
Disability table	Mercer Disability
Turnover	0 to 10 SM = 0.45/(TS+1) 10 to 20 SM = 0.30/(CT+1); and Over 20 SM = 0.15/(TS+1)
Biometric hypothesis	2019
Mortality table segregated by gender	AT2000
Disability table	Mercer Disability
Turnover	0 to 10 SM = 0.45/(TS+1) 10 to 20 SM = 0.30/(CT+1); and Over 20 SM = 0.15/(TS+1)

## 27. NON-CASH TRANSACTIONS

During the periods ended June 30, 2021 and 2020, the Company carried out the following operating, investing and financing activities not involving cash; therefore, these were not disclosed in the statements of cash flows:

## a. Breakdown of non-cash transactions:

	Parent		Consolidated	
	06/30/2021	06/30/2020	06/30/2021	06/30/2020
Capitalized interest	2,500	2,177	2,500	2,177
Purchase of property, plant and equipment in installments	6,008	7,350	6,008	7,350
Tax offset (current income tax and social contribution)	30,858	2,072	30,858	2,072
Total	<u>39,366</u>	<u>11,539</u>	<u>39,366</u>	<u>11,539</u>

## 28. EVENTS AFTER THE REPORTING PERIOD

- i) Up to the date of authorization for completion of preparation of this interim financial information by Management, the Company executed the following borrowing agreements for working capital financing in Brazilian reais, in the amount of R\$131,755, of which:
  - Export Prepayment (PPE) transaction: borrowings obtained from Banco ICBC in July 2021, in the amount of R\$131,755.
- ii) In light of the resolutions made at the Extraordinary General Meeting held on August 2, 2021, registered with the Goiás State Commercial Registry (“JUCEG”) on August 2, 2021, under No. 20216256100, the Company held the fourth issue of simple, non-convertible, unsecured debentures, in a single series, with secured guarantee and additional personal guarantee, in the amount of up to three hundred and sixty million reais (R\$360,000) (“Debentures”), which might back the issuance of certificates of agribusiness receivables, pursuant to the applicable regulations determined by the Brazilian Securities and Exchange Commission (“Issue” and “CRA”, respectively).
- iii) On August 3, 2021, a proposal for sale of the Company’s warehousing unit located in the city of Mineiros/GO was approved, in the amount of R\$10,000. Payments will be made in three (3) installments in 2022, 2023 and 2024 and adjusted for inflation according to the Extended Consumer Price Index (IPCA), whereas the warehouse itself will be pledged as collateral.
- iv) On August 13, 2021, the Company participated in auction No. 01/2021 conducted by the National Waterway Transportation Agency (ANTAQ), according to the Auction Notice published on June 24, 2021, at the Ministry of Infrastructure’s website ([www.infraestrutura.gov.br](http://www.infraestrutura.gov.br)) and ANTAQ’s website ([www.antaq.gov.br](http://www.antaq.gov.br)), for the lease of the public area and infrastructure intended for the handling and storage of solid vegetable bulks, especially soybean meal, located at the port facilities of Santana, in the State of Amapá, namely MCP02, with total area of 3,187m<sup>2</sup>. The Company was the winning bidder for the 25-year lease term, with a grant amount of R\$5,850, payable as follows: down payment of 25% and 75% payable in five installments. Payments are expected to begin from 60 to 90 days from the auction date.



29. APPROVAL OF THE INTERIM FINANCIAL INFORMATION

The interim financial information was approved by the Board of Directors on August 3, 2021 and authorized for issue on August 27, 2021.

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