

Management Report

2020



Management Report 2020

Porto Alegre, March 17, 2021

SLC AGRÍCOLA S.A. (B3: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA) announces today its results for fiscal year 2020. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

NOTE: 2019 and 2020 refer to the cumulative 12-month periods, from January to December. HA refers to the horizontal percentage variation between two periods and VA refers to the percentage representativeness of the account over a given total.

[Click here](#) to also read the Integrated Report, which has more information on the company's strategy and performance in Environmental, Social and Governance (ESG) aspects

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Message from Management

The year 2020 will remain unforgettable, one in which the world was stunned by a pandemic (covid-19 that brought major impacts on our lives. With such a huge challenge, an unprecedented opportunity has been placed in front of us to reinvent ourselves and innovate. Our business and our employees were resilient, overcoming challenges and allowing important results for the company in the period. We entered 2021 more strengthened and prepared for the challenges, new or continuous, that this new time will bring.

Asset light growth

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

Efficiency and distancing from industry average

In line with our strategy to maximize operating efficiency, we registered, for the third straight year, a record yield for the soybean crop, of 3,900 kg /ha, 8.1% higher than the initial projection and 15.4% higher than the Brazilian average (Feb/21 estimate from CONAB). Meanwhile, our average yield for cotton (first and second crops) was 1,749kg/ha, 2.9% lower than the Brazilian average. However, our cost per hectare was more competitive in the period, compared to the February 2021 estimate by CONAB (3.7% lower). Regarding second-crop corn, the yield was 7,333 kg/ha, 34.4% higher than the national average (Feb/2021 estimate from CONAB).

Financial Solidity and Creating Value for Shareholders

In 2020, Net Revenue surpassed for the first time the mark of R\$3 billion, growing 22.1% on 2019. The increase was mainly due to the higher prices of the soybean and corn invoiced, as well as the higher volume of cotton invoiced, compared to the levels in 2019. Adjusted EBITDA set a new record, of R\$960.3 million, with adjusted EBITDA margin expanding 2.8 p.p. to 31%. Net Income also set a new record, of R\$510.9 million, with margin of 16.5%. The operation delivered, for



another straight year, positive cash generation, of R\$415.1 million, with a low leverage ratio of 0.74x (Net Debt/Adjusted EBITDA).

We ended 2020 with excellent levels of profitability and robust free cash generation. Cash generation in the year enabled the distribution of R\$147.5 million in dividends and R\$32.3 million in interest on equity, as well as the maintenance of very low financial leverage, which assures us the capacity to grow with financial solidity. A highlight was the significant increase in another important indicator, Return on Invested Capital, which ended the year at 13.6%, compared to 9.7% in 2019.

Innovation Strategy

In the revision of the 2020 Strategic Planning with the Directors, Officers and Managers, we approved a plan for investments in new businesses with a digital focus that adopt the latest technological trends in our agro-industry. The initiative confers a new mandate to our Innovation Strategy with the aim of renewing the business with a long-term vision, and complements the various efforts already being adopted to reinforce the existing business (early-adopter of new technologies). The vehicle for these investments will be SLC Ventures.

Leadership in ESG

In 2020, we made our first issue of green bonds, in the form Agribusiness Receivables Certificates (CRA), with a second-party opinion and report, in the amount of R\$480 million. The notes are due in 2025 and all proceeds will be used in eligible projects approved and included in the Digital Agriculture, Low Carbon and Soil Conservation, and Green Fertilizer programs.

Covid-19

In the face of the new coronavirus pandemic, we take assertive actions in order to minimize the impacts on our employees and our business. One of these important actions was the rapid creation of a Crisis Committee, which was responsible for preparing and monitoring continuously the “Covid-19 Contingency Plan” and the “Guide to Combating Covid-19”. We also created a work protocol for identifying suspected cases of Covid-19. We did have cases of Covid-19 among employees, but our operations were not affected and continued normally. During the first half of 2020, a total of R\$1.6 million was donated to support measures to combat the pandemic, through the newly created SLC Institute.

Outlook 2020/21 Crop Year

The 2020/21 crop year started with some delay due to below-average rainfall, especially in western Mato Grosso state. However, we set a new record of planted area for the current cycle, 468,200 hectares, which represents expansion of 4.4% on 2019/20. The delay in the start of rains in the Midwest led to a revision of the agricultural plan, in order to optimize the window for planting second-crop cotton and corn. Despite this, our expectation is positive, especially for the delivery of the expected productivity in soybeans and cotton.

In recent months, international cotton, soybean and corn prices have improved significantly, which, combined with the BRL/USD exchange rate remaining above R\$5.00, supported an advance in the hedge



position of all crops. We also made progress in procuring inputs for the 2021/22 crop year. Considering the current scenario for dollar-denominated costs and prices, our expectation is for the good levels of profitability to be maintained for 2021/22.

Closing Message

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

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

The Management



Aurélio Pavinato, CEO from SLC Agrícola



Profile

For 43 years, SLC Agrícola has operated in Brazil in agribusiness, which is one of the most important sectors for sustainable development and that is essential to meeting the world's growing demand for food. The

main commodities we produce (cotton, soybean and corn) on our 16 farms in six Brazilian states form the base of practically all food and textile production chains in the world.

BIG DREAM

To positively impact future generations, through global leadership in agribusiness and respect to the planet



PASSION
FOR WHAT WE DO



INTEGRITY



LASTING
RELATIONSHIPS



SUSTAINABLE
RESULTS

OUR VALUES

We believe that if we have **passion for what we do** we are committed, and do it with the highest quality, preserving our **integrity** through ethical, coherent and unquestionable conduct. These attitudes generate **lasting relationships** among all stakeholders, producing **sustainable results** that are economically viable, socially fair and environmentally responsible.



Awards & Recognition

2020 Ranking of **Institutional Investor magazine**

- Best Company in Agribusiness Sector
- 1st place in Sustainability (ESG Metrics), Best CEO, Best CFO, Best IR Team, Best IR Program and Best Analyst Day
- 1st and 3rd places in Best IR Professional

2020 Transparency Trophy

24th ANEFAC-FIPECAFI Awards

- **Incredible Places to Work** – Fundação Instituto de Administração (FIA) Employee Experience (FEEEx)

Best in Agribusiness 2020 – Revista Globo Rural / Editora Globo (winner in Agricultural Production category)

- **Estadão Empresas Mais Award** (2nd place in Agriculture & Cattle Raising sector)

Largest 500 Companies in the South,

2020 edition (29th place in annual ranking and 9th place among the largest 100 companies in Rio Grande do Sul state)

- 48th edition of **Export RS Awards** – Brazilian Association of Marketing and Sales Leaders (named Highlight in Agribusiness Sector)

Época Negócios 360° Ranking (Best Agribusiness Company)

- **Best Companies to Work For** (GPTW)

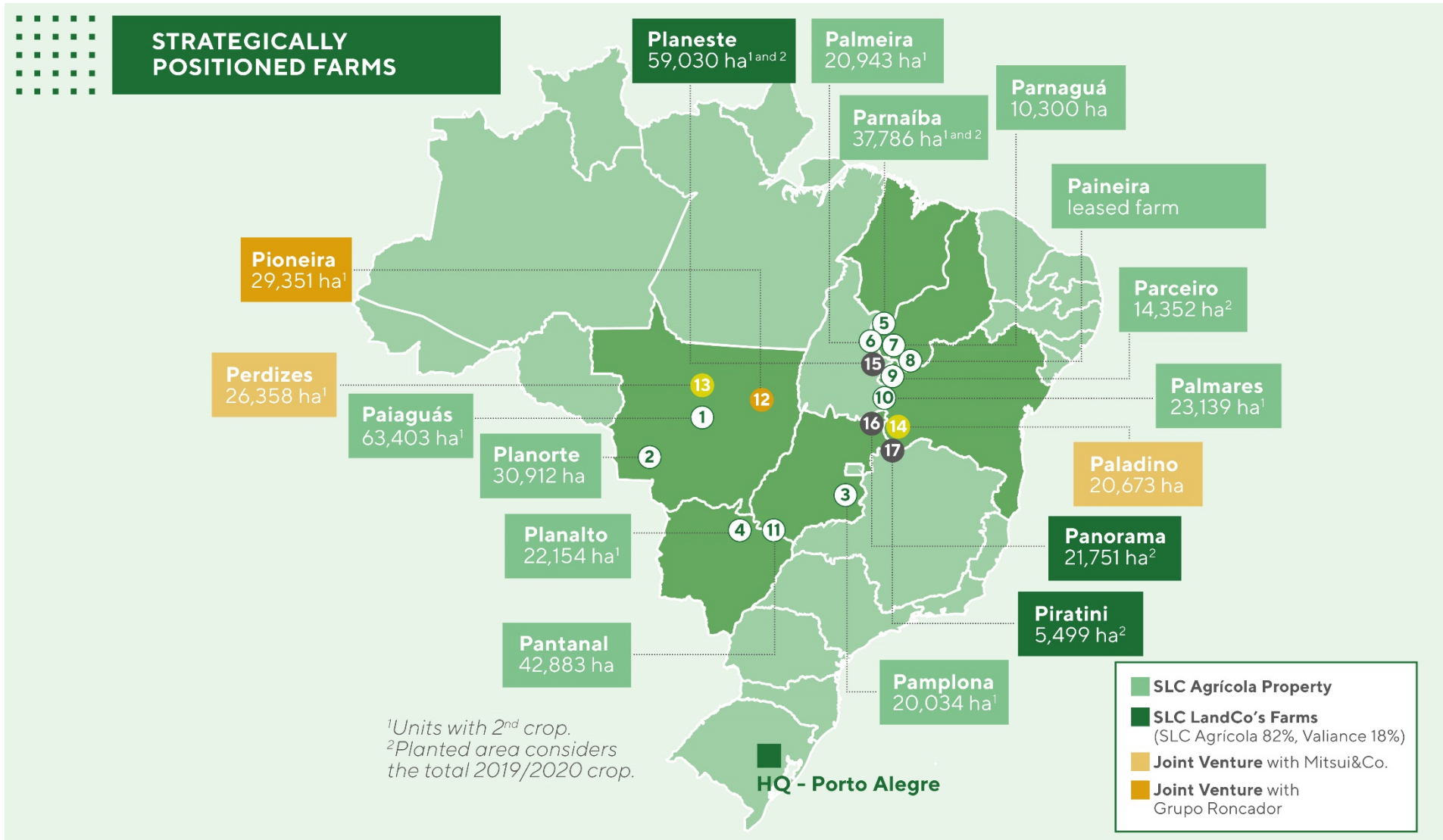
Lugares Incríveis para Trabalhar –

Fundação Instituto de Administração (FIA) Employee Experience (FEEEx)

- **Valor Career** – Valor Econômico newspaper and consulting firm Mercer

Best Companies in Safety & Health

Awards 2020 – Brazilian Association of Occupational Safety and Protection Material Industries – ANIMASEG (Best Company in Agribusiness category)





Corporate governance

In 2007, our company became the world's first producer of grains and fibers to go public. Our stocks (SLCE3) are listed on the B3's Novo Mercado segment, which includes only companies with the highest levels and special practices in corporate governance. SLC Group is the controlling shareholder of SLC Agrícola S.A., with a 53% interest in its capital. Another 45% is freely traded (free-float) on the exchange and 2% make up the current balance of treasury shares.

Since our IPO, we have aligned our practices with the highest standards of corporate governance and upheld ethics and transparency in our relations with all stakeholders connected to our business model. Our corporate governance structure, in combination with the policies and charters of our management bodies, ensure that our business strategy is executed with responsibility, sustainability and a commitment to creating value for shareholders.

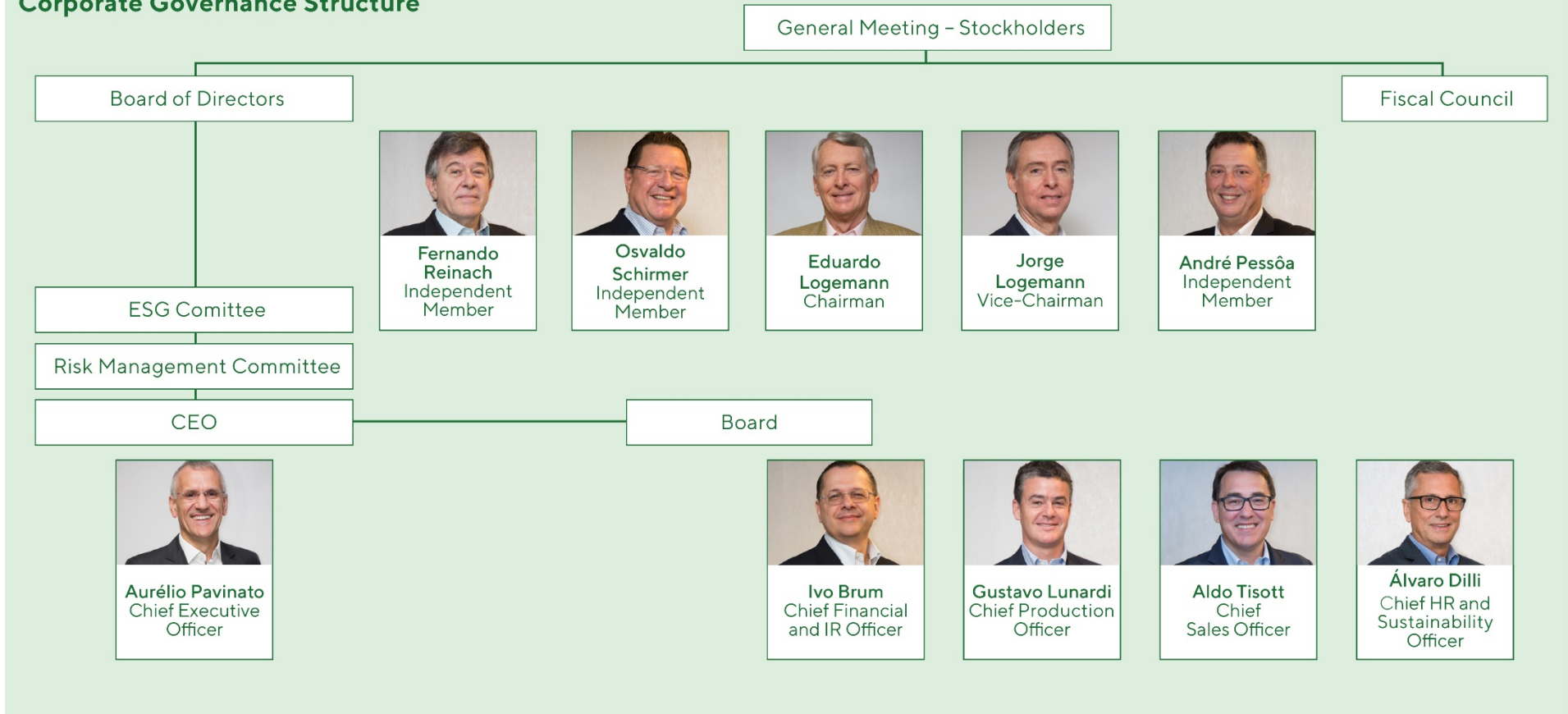


In 2020, our Board of Directors approved the creation of the new **ESG Committee**. Composed of five members, they advise the directors in all environmental, social and governance aspects.

Corporate Governance structure

Figure 1

Corporate Governance Structure



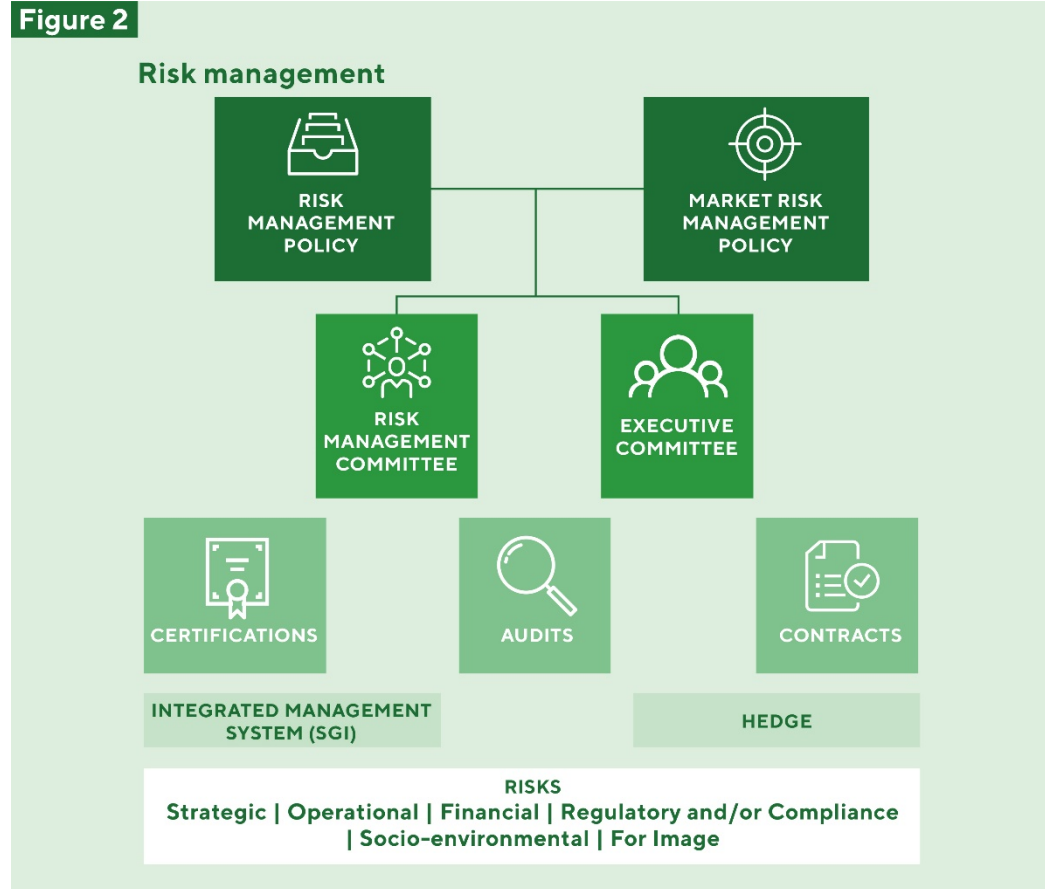
[Click here](#) to learn more about this topic in the SLC Agrícola Governance Report

Risk management

Our Risk Management Policy, in force since 2019, establishes the guidelines for structuring a comprehensive framework that is applicable to all our operations. The document also consolidates the processes conducted continuously by managers to identify scenarios and formulate actions for addressing each risk prioritized.

The key risks we manage include commodity price variations and foreign exchange fluctuations. To respond to this scenario, we practice our hedge strategy, which is guided by our Market Risk Management Policy. The Operating & Risk Management Committee evaluates the company's level of exposure at the start of every quarter and determines the instruments (derivatives) to be contracted for the hedge operation in the period.

[Click here](#) to learn more about this topic in sections 4 and 5 of the company's Reference Form



Ethical conduct

Our principles for building relationships based on ethics and integrity with all stakeholders are formalized in the Code of Ethics & Conduct. The application of the Code is supervised by the Compliance area, which also is responsible for implementing and disseminating the Compliance System, which was created in compliance with the Clean Company Law (12,846/2013). The dissemination of this culture of integrity is important for ensuring not only compliance with legal requirements, but also that all activities adhere to the corporate guidelines, policies and procedures.

A key element of this culture is the training courses on the Compliance System, which are conducted on-site and through e-learning. In 2020, in view of the need for physical distancing, we adopted a hybrid format with on-site training via videoconference. With this approach, we expanded the percentage of employees trained from 57% in 2019 to 78% last year.

Another prevention front in compliance aspects is the management of risks associated with fraud, corruption, bribery, undue benefits or any other deviation of conduct. We evaluate all operations from this standpoint and identify priority actions to strengthen internal

controls, improve normative instruments and raise awareness among employees as well as train them on these topics.

We also have the **Ethics Channel** operated by the company Contato Seguro, which is open to everyone for submitting information and reports on attitudes that are in breach of the law or our values. All contacts are registered via an automated platform, which is managed by the specialized external company. The platform guarantees the confidentiality of the information provided by whistleblowers and our policy of non-retaliation, as well as the possibility of anonymous reports.

The analyses of all reports submitted to the Ethics Channel are conducted internally, by the Loss Prevention Committee. If necessary, interaction with the whistleblower is conducted through the platform, without compromising privacy and confidentiality.



How to access Contato Seguro

0800 648 6306

contatoseguro.com.br



Innovation

Researching, developing and incorporating new technologies and solutions for agribusiness is one of the growth drivers in which we invest to increase efficiency and productivity on our farms. We are a pioneering company (early-adopter) in integrating these technologies, because we believe in the competitive advantages of this operational model.



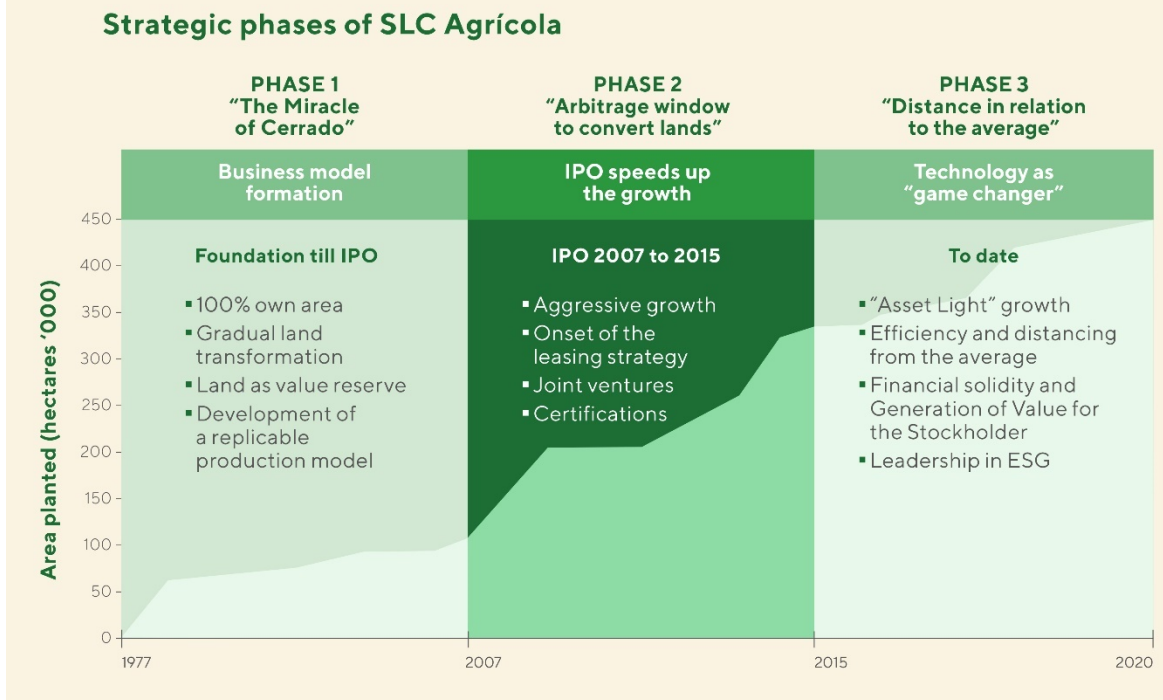
The **AgroExponential Program**, in partnership with the innovation consulting firm Innoscience, is one of our fronts for connecting with startups. The second edition, which occurred in 2020, selected six companies to carry out the prototyping of solutions on our farms, for which three rollouts were approved.

The **Ideas&Results Program** focuses on fostering innovation among our employees. With the support of training and education in innovation methodologies, the platform opens opportunities for professionals to suggest improvements and new businesses connected to our challenges. By the end of 2020, nearly 200 ideas had already been presented, six of which already have rollout plans approved, given their success in testing phases and the evaluation of results.

Last year, we also developed a new business model to expand innovation in our business model, with the creation of **SLC Ventures** to operate in two strategic vectors. The first is for direct investments by the company in startups with innovative solutions and a minimum viable product (MVP). The second vector is for selecting projects with prospects for causing high impacts on development in a controlled environment (venture building).

Strategy

Figure 3



Since our founding, we have understood the importance of agribusiness to society and worked to build a business model capable of seizing the opportunities that have emerged in Brazil over recent decades. The capacity to produce grains and fibers with

higher yields and efficiency, ensuring economic growth aligned with social and environmental responsibility, is today the industry's main competitive advantage.

In this scenario, technology and digitalization emerge as determinant factors for driving the company's growth. Investment in innovative solutions, supported by connectivity of equipment and crops, accelerates the improvement in yields and the sustainable use of natural resources.

Our current business model focuses on developed areas that do not require the suppression of vegetation. Approximately 99% of our planted areas are currently well developed and with maturity of over three years.

In the 2020/21 crop year, we are concluding our cycle of expansion through the transformation of areas so that we can disseminate our commitment to not opening new areas for agricultural production. In the coming years, even without this converting, we will be able to reach our production and profitability goals.

Actions to combat covid-19 pandemic

All our 16 farms remained operational during even the most critical months of the covid-19 pandemic in Brazil. The production of grains was essential for keeping food production chains functioning in order to avoid the risk of shortages and of expanding the public health and economic crisis on all continents.

Our operational continuity was ensured by effective and rapid actions taken to ensure the health of employees and of all other people accessing our facilities. We drafted a guide to combat the disease that was distributed to managers at all units and established rigid protocols to be followed for avoiding outbreaks. The various initiatives included testing employees for covid-19, measuring body temperature and evaluating the health conditions of truck drivers and other visitors, intensifying cleaning and hygiene routines in the workplace and making available masks, gloves and hand sanitizer.

We adapted our systems so that corporate teams could work from home and provided training to all employees at our headquarters in Porto Alegre on the correct use of work tools during the physical distancing period. In April, we will launch the Mental Health Campaign, which is an internal initiative with lectures by external consultants on topics that cover the emotional phases of crisis management and combatting adverse effects, such as stress, anguish, fear and anxiety.

In October 2020, we started procedures for resuming on-site activities in our offices, with the return of employees who volunteer and are not part of a risk group. In this first moment, only 25% of all professionals was authorized to return to our offices, which were adapted to avoid crowding and transmission risk.

To support civil society in combatting the spread of the novel coronavirus, we donated, through the SLC Institute, R\$1.6 million to 18 cities in six different states. Created in 2020, the SLC Institute consolidates the allocation of funds for private social investment (learn more on page 59).



Market overview

Commodities

Figure 4

Variation in prices (selected commodities) – Jan/20 to Jan/21



Source: Bloomberg.
Base 100.



Cotton

Figure 5

Cotton prices in the international market and in Brazil



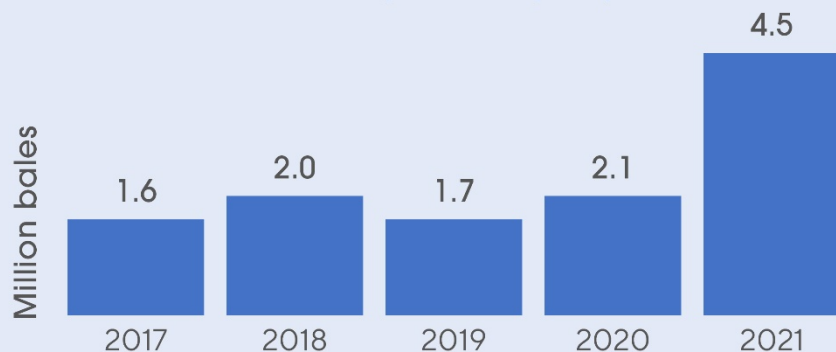
The year 2020 was marked by high volatility in cotton prices in the international and Brazilian markets. In a year marked by the pandemic, assets were affected at the global level due to the uncertainty inherent to the markets and to the risk-averse posture adopted by agents in the chain, which helped to push prices to near their recent historical lows.

The events that had a significant impact on agricultural markets also collaborated to the scenario of recovery and higher commodity prices worldwide. The signing of Phase One of the trade deal between the United States and China, in which the Asian country committed to buying agricultural products from the United States on a large scale, as well as the monetary policies adopted and consequent reduction in interest rates, were key measures supporting the scenario of recovery and higher prices.



Figure 6

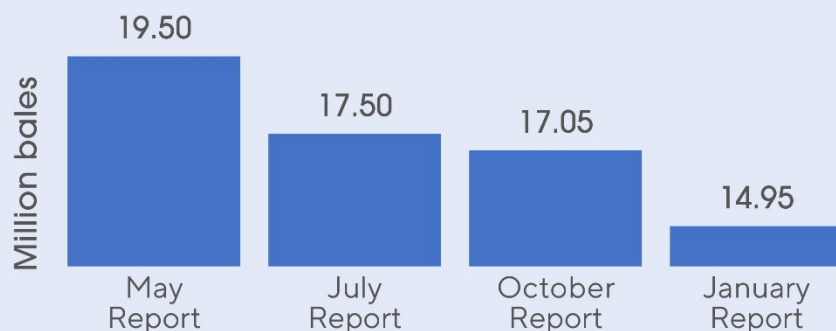
**U.S. cotton shipments to China
(annual volume committed in last week
of January of each year)**



Source: USDA

Figure 7

**Estimate of cotton production in
United States for 2020/21 crop year**



Source: USDA

Combined with the high volumes of U.S. cotton purchased by China, the scenario of downward revisions to production forecasts in the United States, in which unfavorable weather reduced the crop’s output by approximately 20% in relation to initial estimates, also was a key catalyst for the structural changes in the cotton price in New York during the year.

The reduction in U.S. production, combined with the expectation of stability in global consumption of the fiber, has been an important factor sustaining cotton prices. The global supply-demand balance should close the current cycle with a shortfall of approximately 2.9 million bales, according to USDA estimates.

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

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

20% reduction in the U.S yield compared to initial estimates catalyzed structural changes in cotton prices in New York



Figure 8

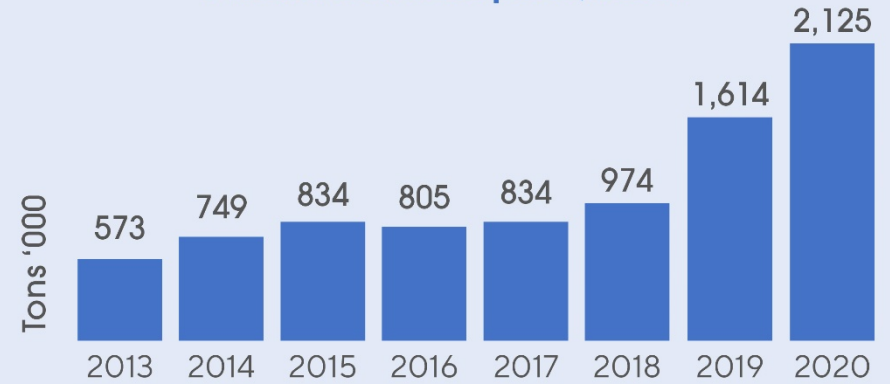
World cotton supply and demand balance



Source: USDA

Figure 9

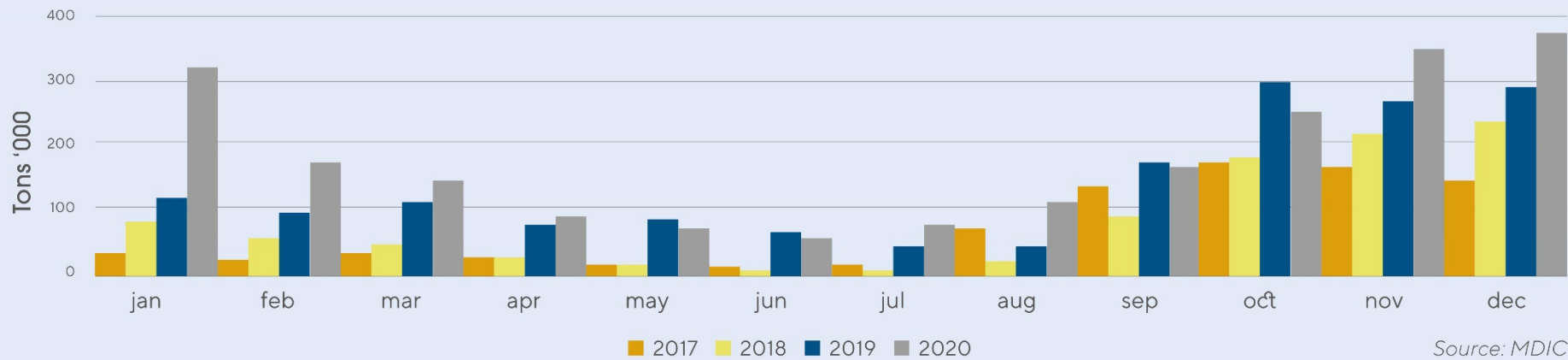
Annual cotton exports, Brazil



Source: MDIC

Figure 10

Monthly cotton exports, Brazil



Source: MDIC



Soybean

Figure 11

Soybean prices in international market and Brazil



Source: Bloomberg

■ Soybean - CBOT ■ Soybean - ESALQ

Soybean prices in Chicago and Paranaguá registered similar trends during 2020, in accordance with the different periods observed, as shown in Figure 11. Since they hit a low of around 8.50 USD/bushel in April, soybean prices in Chicago have registered a solid and consistent recovery to levels around 14.50 USD/bushel.

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



In a year marked by lower prices and a subsequent recovery in soy complex prices in Chicago, the prices of soybeans and meal ended the period from January 2020 to January 2021 up over 45%, while oil prices gained around 30%.

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

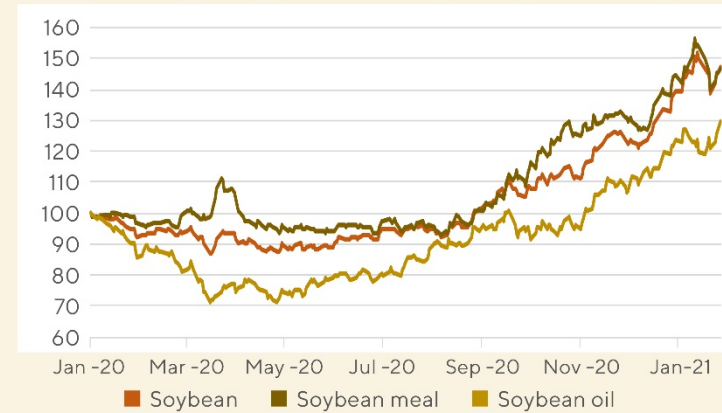
The resumption of U.S. soybean purchases by China at volumes above those observed in recent years, based on historical data, also was an important factor in the global commodity market sustaining prices in Chicago.

In Brazil, soybean exports in 2020 maintained their upward trend observed in recent periods, with shipments of 82.9 million tons in the period, consolidating the country’s position as an important soybean supplier in the international market.

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

Figure 12

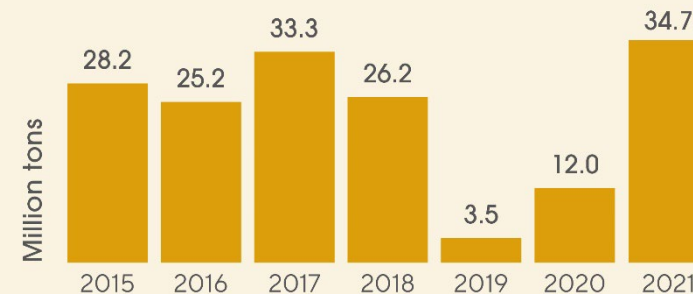
Prices of soy complex in Chicago, Jan/20 to Jan/21



Source: Bloomberg. Base 100.

Figure 13

U.S. soybean shipments to China (annual volume committed in last week of January of each year)

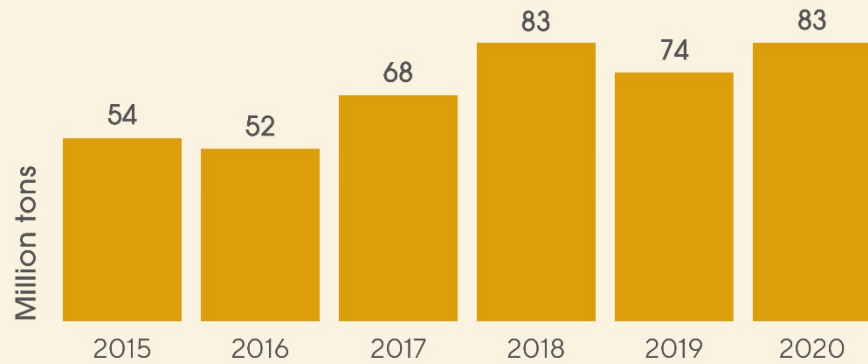


Source: USDA



Figure 14

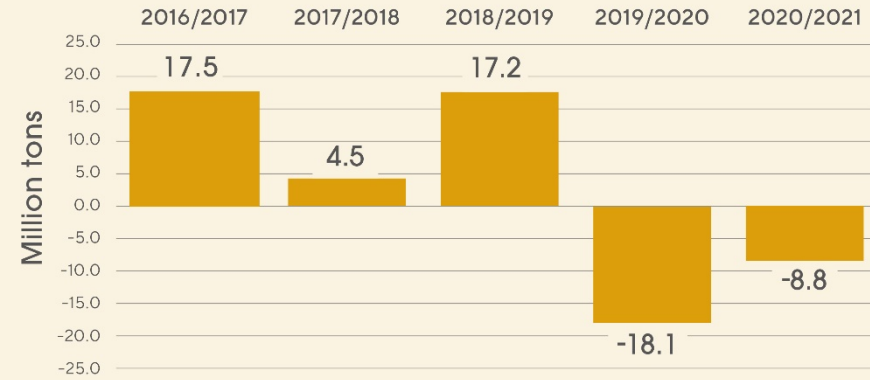
Annual cotton exports, Brazil



Source: MDIC

Figure 15

World soybean supply and demand balance



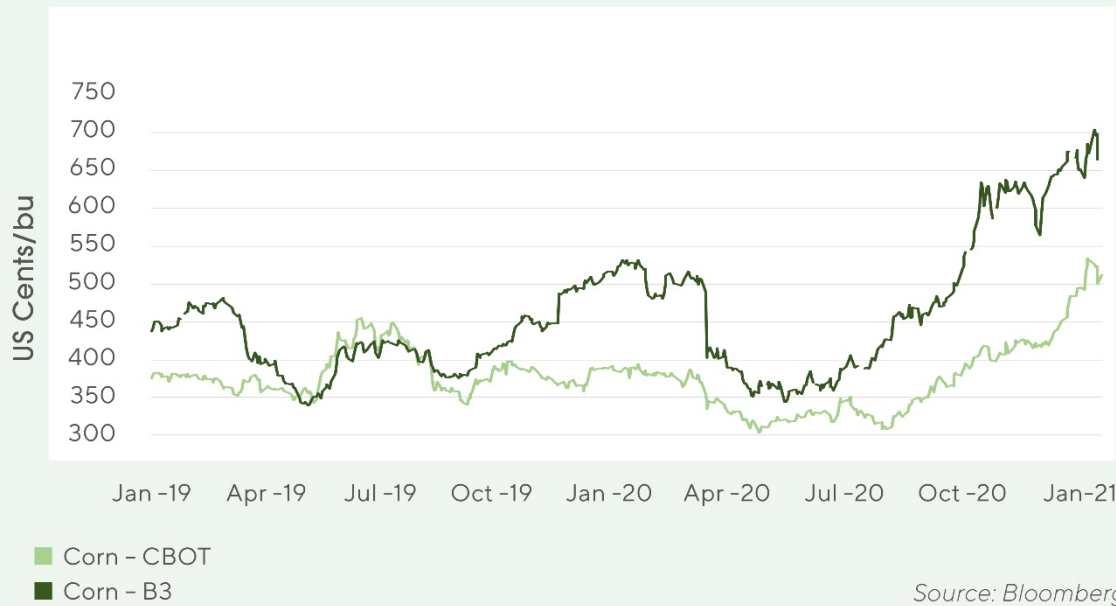
Source: USDA



Corn

Figure 16

Corn prices in international market and Brazil



Corn spot prices quoted on the CBOT registered significant volatility over 2020, during which, after a downward cycle during April, prices followed a solid path of recovery

and appreciation in both in the international (Chicago) and domestic (B3) markets. The period of the sharpest increases in corn prices was the last quarter of the year.

In July, August and September, prices on the U.S. exchange showed signs of recovery after the corn planted area in the country was affected by adverse weather conditions. Later, in the last quarter of the year, the scenario of firm demand, mainly due to record corn shipments by the U.S. to China, continued to provide support for corn prices in Chicago. In Brazil, the market also remained strong over the entire year due to demand from the animal protein industry and from export markets. Corn production regions in the Brazilian South and Argentina faced adverse weather conditions for the development of first-crop corn, with production data still to confirm the volumes produced. Accordingly, local supply and demand dynamics, combined with the conditions marked by uncertainty in the United States, set the tone for prices in the domestic market.



Figure 17

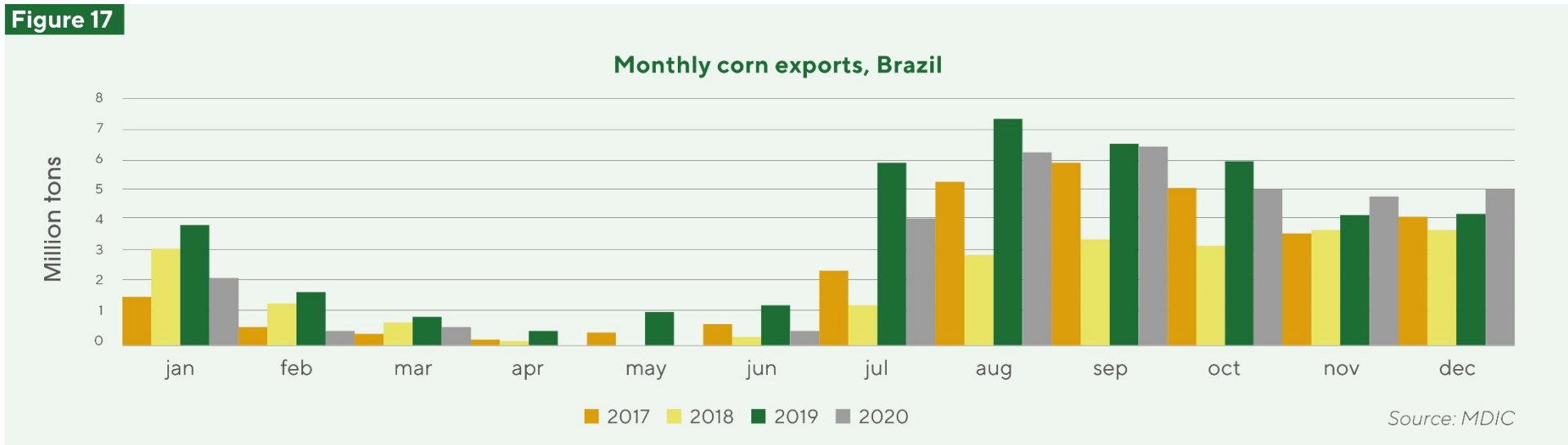
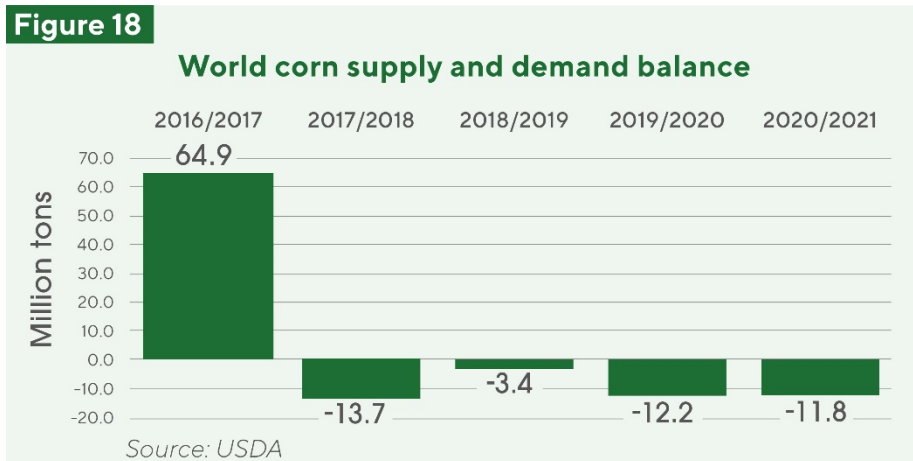


Figure 18



Meanwhile, export shipments from Brazil between January and December surpassed 34 million tons, which is above the average volume of the last 5 years, but approximately 20% lower than in the previous cycle, which registered record exports.

In the global scenario, the difference in supply and demand should result in a shortfall of 11.8 million tons. The persistence of global deficits should work to accelerate the growth in consumption and the drawdown in global stocks, which could become a significant factor sustaining future corn prices in the international market.

Operating performance

2019/2020 Crop Year

■ Planted area and productivity

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

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

Soybean seed | Production of 373,000 bags of soybean seeds, of which 120,000 were used for internal consumption (as seeds for the 2020/21 crop year) and 128,000 in the verticalized model. In addition, 125,000 bags were sold under the brand SLC Sementes. The germination quality indicator stood at 94.8%.

TABLE 1. PLANTED AREA BY CROP, 2018/2019 vs. 2019/2020

Mix of crops	Planted Area (hectares)		VA 19/20	HA
	2018/2019	2019/2020 ¹		
Cotton	123,727	125,462	28.0	1.4
First-crop cotton	72,852	74,054	16.5	1.6
Second-crop cotton	50,875	51,408	11.5	1.0
Soybean (com + seeds)	243,148	235,444	52.5	-3.2
Corn second-crop	89,312	82,392	18.4	-7.7
Other crops²	1,912	5,270	1.1	175.6
Total area	458,099	448,568	100.0	-2.1

1. Climatic factors may affect the projection of the planted area.

2. Wheat, corn first-crop, corn seed and brachiaria.

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



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

Second-crop corn | Second-crop corn ended the period with a yield 3.0% higher than in 2018/19 crop year and 0.7% lower than the projected rate, of 7,333 kg/ha. Compared to the national average, the yield was up 34.4% (Feb/2021 estimate from CONAB).

Actual cost of production

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

TABLE 2. ACTUAL YIELDS, 2018/19 vs. 2019/20

Yields (kg/ha)	A. 2018/2019 Crop Year (actual)	B. 2019/2020 Crop Year (estimated)	C. 2019/2020 Crope Year (actual)	HA (C/A)	HA (B/A)	HA (C/B)
Cotton lint 1 st crop	1,688	1,842	1,779	5.4%	9.1%	-3.4%
Cotton lint 2 nd crop	1,613	1,749	1,705	5.7%	8.4%	-2.5%
Cotton seed	2,090	2,261	2,175	4.1%	8.2%	-3.8%
Soybean (com. + seed)	3,739	3,607	3,900	4.3%	-3.5%	8.1%
Corn 2 nd crop	7,121	7,385	7,333	3.0%	3.7%	-0.7%

TABLE 3. ESTIMATED AND ACTUAL COST OF PRODUCTION 2019/2020

Total (R\$/ha)	Estimated 2019/2020	Actual 2019/2020 ¹	HA
Cotton 1 st crop	8,397	9,362	11.5%
Cotton 2 nd crop	7,727	8,264	6.9%
Soybean	2,901	3,015	3.9%
Corn 2 nd crop	2,410	2,545	5.6%
Total average cost²	4,368	4,597	5.2%

1. Values may change until the end of the cotton processing and the commercialization of the grains.

2. Weighted by areas of the 2019/2020 Crop Year to avoid changes arising from variations in the product mix.



2020/2021 Crop Year

■ Planted area and productivity

Compared to the initial estimate announced in November 2020, the planted area suffered a slight reduction to 468.2 thousand hectares due to some one-time adjustments to the planning still related to the delay in the start of rains in the Midwest. More details on the planted area are included in the “Additional Information” section of this document.

Commercial soybean | In the Midwest, the rainy season started later than usual, which led to a revision of the agricultural plan. After planting, there was a good distribution of rainfall that supported good crop development. Note that, in the Northeast, weather conditions were highly favorable as from the start of the cycle. 61.8% of the total area already had been harvested (position at 03/04/2021). To date, the areas are presenting good potential and the expectation is to achieve the estimated yield.

Soybean seed | The planting of areas allocated to seed production was concluded on December. We currently have 10.4% of the crop harvested (position at 03/04/2021). The areas are presenting good potential and the expectation is for gross production to exceed the budget. We estimate total production of 470,000 bags of soybean seeds, of which 120,000 will be used for internal consumption and 150,000 for export under the brand SLC Sementes. For vertically oriented production, 200,000 bags of soybean seeds will be produced.

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

TABLE 4. PLANTED AREA BY CROP, 2019/20 vs. 2020/21

Mix of crops	Planted Area (hectares)		VA 20/21	HA
	2019/2020	2020/2021 ¹		
Cotton	125.462	109.660	23,4	-12,6
First-crop cotton	74.054	78.015	16,7	5,3
Second-crop cotton	51.408	31.645	6,8	-38,4
Soybean (com + seeds)	235.444	229.497	49,0	-2,5
Corn second-crop	82.392	110.670	23,6	34,3
Other crops²	5.270	18.369	3,9	248,6
Total area	448.568	468.196	100,0	4,4

1. Climatic factors may affect the projection of the planted area.

2. Corn 1st crop (6.391,89 ha), corn seed (460,79 ha), popcorn (911,87 ha), wheat (675,77 ha), cattle (3.526,71 ha), brachiaria seed (6.069,43 ha) and bean (332,14 ha): total of 18.368,60 ha.



TABLE 5. ESTIMATED YIELDS, 2019/20 vs. 2020/21

Yield (kg/ha)	2019/2020 Crop Year (estimated)	2020/2021 Crop Year (estimated)	HA
Cotton lint 1 st crop	1,842	1,863	1.1%
Cotton lint 2 nd crop	1,749	1,638	-6.3%
Cotton seed	2,261	2,221	-1.8%
Soybean (com. + seed)	3,607	3,755	4.1%
Corn 2 nd crop	7,385	7,567	2.5%



Second-crop cotton | The delay in planting soybean due to the delay of rains and consequently of the harvest affected the ideal window for planting second-crop cotton. To optimize the crop’s planting potential, we reduced the planted area for second-crop cotton, replacing it with second-crop corn, which has a longer planting window. This reduced the production potential, leading to a yield estimate of 1,638 kg/ha, 6.3% lower than estimate for the previous crop year.

Corn | Regarding the first estimate of productivity, announced in November, there was a small reduction in the estimate for the second-crop corn, from 7,622kg/ha to 7,567kg/ha, due to the lengthening of the planting period.

Despite the delay due rain, our expectation is to **deliver the disclosed yield** for all crops

Actual cost of production

The costs per hectare estimated for the 2020/21 crop year registered an average increase in Brazilian real of 9.1% compared to the actual costs in the 2019/20 crop year, basically due to the depreciation of the Brazilian real against the U.S. dollar in the period, since approximately 60% of costs are denominated in the currency.

9,1% average increase in costs per hectare, driven by the increase in the exchange rate between the 2019/2020 and 2020/2021 crops

TABLE 6. ESTIMATED PRODUCTION COST PER CROP, 2020/21 CROP YEAR

%	Cotton	Soybean	Corn	20/21 Average	19/20 Average
Variable costs	83.1	77.5	81.8	80.8	79.5
Seeds	9.8	14.7	18.2	12.4	12.1
Fertilizers	21.3	21.3	36.4	22.5	22.1
Chemicals	28.6	24.3	14.5	25.3	23.8
Aerial spraying	1.6	1.0	1.5	1.4	1.7
Fuels and lubricants	2.9	3.3	3.0	3.0	3.6
Labor	0.9	0.7	0.4	0.6	0.6
Processing	8.3	2.6	2.4	5.8	6.2
Maintenance of machines and implements	3.5	4.3	3.2	3.7	4.1
Other	6.2	5.3	2.2	6.1	5.3
Fixed costs	16.9	22.5	18.2	19.2	20.5
Labor	7.3	9.3	7.4	8.0	8.1
Depreciation and amortization	4.5	6.2	4.5	5.1	4.8
Amortization of the right of use – Leases	3.1	4.5	4.3	3.8	5.1
Other	2.0	2.5	2.0	2.3	2.5

TABLE 7. ACTUAL (2019/20) AND ESTIMATED (2020/21) PRODUCTION COST

Total (R\$/ha)	2019/2020 ¹ Actual	2020/2021 Estimated	HA
Cotton 1 st crop	9,362	9,899	5.7%
Cotton 2 nd crop	8,264	9,306	12.6%
Soybean	3,015	3,300	9.5%
Corn 2 nd crop	2,545	2,858	12.3%
Custo médio total²	4,735	5,168	9.1%

1. Values may change until the end of the cotton processing and the commercialization of the grains.

2. Weighted by areas of the 2019/2020 Crop Year to avoid changes arising from variations in the product mix.



Financial performance

Income statement analysis

Adjusted EBITDA

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

Note that, with the adoption of IFRS 16, lease costs were excluded from adjusted EBITDA. A total of R\$129.6 million was paid for leases in 2020, compared to R\$78.9 million paid in 2019.

TABLE 8. ADJUSTED EBITDA RECONCILIATION

(R\$'000)	2019	2020	HA
Net revenue	2,535,905	3,097,547	22.1%
(+) Changes in fair value – biological assets	504,751	775,534	53.6%
(-) Cost of products sold	(2,257,472)	(2,802,782)	24.2%
Cost of products	(1,733,206)	(2,051,786)	18.4%
Realization of fair value – biological assets	(524,266)	(750,996)	43.2%
(=) Gross income	783,184	1,070,299	36.7%
(-) Sales expenses	(152,972)	(173,964)	13.7%
(-) General and administrative expenses	(89,324)	(115,452)	29.3%
General and administrative	(63,236)	(70,058)	10.8%
Profit sharing	(26,088)	(45,394)	74.0%
(-) Management compensation	(13,827)	(14,716)	6.4%
(-) Other operating revenue (expenses)	31,651	14,763	-53.4%
Land sale	24,712	–	-100.0%
Other operating revenue (expenses)	6,939	14,763	112.8%
(=) Income from activity	558,712	780,930	39.8%
(+) Depreciation and amortization	105,810	119,686	13.1%
EBITDA	664,522	900,616	35.5%
(-) Changes in fair value – biological assets³	(504,751)	(775,534)	53.6%
(+) Realization of fair value – biological assets⁴	524,266	750,996	43.2%
(+) Settled fixed assets²	12,228	8,067	-34.0%
(+) Other transactions – fixed asset²	425	2,455	477.6%
(+) Land sale cost	36,029	–	-100.0%
(+) IFRS 16 adjustment – retained profit⁵	19,466	–	-100.0%
(+) IFRS 16 adjustment – amortization⁵	43,336	73,663	70.0%
Adjusted EBITDA (agriculture operation + land sale)^{1 e 2}	795,521	960,263	20.7%
Adjusted EBITDA Margin (agriculture operation + land sale)^{1 e 2}	31.4%	31.0%	-0.4p.p
Adjusted EBITDA (agriculture operation)^{1 e 2}	715,314	960,263	34.2%
Adjusted EBITDA Margin (agriculture operation)^{1 e 2}	28.2%	31.0%	2.8p.p

1. Excluding the effects of Biological Assets, as they do not represent a cash effect. | 2. Excluding the settled fixed assets and adjustments to IFRS 16. | 3. Change in the fair value of Biological Assets (explanatory note DF 32). | 4. Realization of fair value Biological Assets (explanatory note DF 31). | 5. Amortization of the right-of-use related - leases.



■ Net revenue

In 2020, net revenue surpassed the mark of R\$3 billion for the first time ever, representing growth of 22.1% on 2019. The increase was supported mainly by the higher prices invoiced for soybean and corn as well as the higher volume of cotton invoiced compared 2019.

The calculation of Variation in Fair Value of Biological Assets (“VFVBA”) reflects the estimated gross margin (sale price at farm less unit costs incurred) of crops presenting significant biological transformation in the calculation period. In the year, VFVBA was 53.6%, higher than in 2019, explained by the expectation of higher margins in the 2019/20 crop year compared to the 2018/19 crop year.

TABLE 9. NET REVENUE

(R\$'000)	2019	2020	HA
Net revenue	2,535,905	3,097,547	22.1%
Cotton lint	1,212,573	1,697,671	40.0%
Cotton seed	77,154	156,269	102.5%
Soybean	1,036,218	1,291,803	24.7%
Corn	253,376	383,504	51.4%
Other	72,874	99,907	37.1%
FX hedge results	(116,290)	(531,607)	357.1%

TABLE 10. VOLUME INVOICED

(Tons)	2019	2020	HA
Volume invoiced	2,004,703	2,107,961	5.2%
Cotton lint	185,374	215,965	16.5%
Cotton seed	234,986	281,613	19.8%
Soybean	898,368	899,278	0.1%
Corn	634,644	662,840	4.4%
Other	51,331	48,265	-6.0%

TABLE 11. VARIATION IN FAIR VALUE OF BIOLOGICAL ASSETS

(R\$'000)	2019	2020	HA
Var. Fair Value – biological assets	504,751	775,534	53.6%
Cotton lint	224,433	298,465	33.0%
Cotton seed	15,411	28,208	83.0%
Soybean	229,668	315,535	37.4%
Corn	17,933	62,353	247.7%
Other	17,306	70,973	310.1%

■ Cost of goods sold

TABLE 12. COST OF GOODS SOLD

(R\$'000)	2019	2020	HA
Cost of goods sold	(1,733,206)	(2,051,786)	18.4%
Cotton lint	(762,874)	(945,782)	24.0%
Cotton seed	(61,257)	(98,128)	60.2%
Soybean	(644,331)	(697,641)	8.3%
Corn	(198,182)	(230,112)	16.1%
Other	(66,562)	(80,123)	20.4%

TABLE 13. REALIZATION OF FAIR VALUE OF BIOLOGICAL ASSETS

(R\$'000)	2019	2020	HA
Realization of fair value of biological assets	(524,266)	(750,996)	43.2%
Cotton lint	(254,413)	(281,368)	10.6%
Cotton seed	(15,898)	(21,114)	32.8%
Soybean	(217,389)	(317,382)	46.0%
Corn	(19,593)	(63,591)	224.6%
Other	(16,973)	(67,541)	297.9%

In 2020, cost of goods sold increased 18.4% in relation to 2019, reflecting the higher volumes invoiced and the higher unit costs, mainly due to the Brazilian real depreciation. This increase was partially offset by the higher yields in the 2019/20 crop year compared to the 2018/19 crop year.

The Realization of Fair Value of Biological Assets (RFVBA) is the corresponding entry to Variation in Fair Value (calculated upon harvest) and is recognized as products are invoiced. In 2020, RFVBA was 43.2% higher than in 2019, due to the higher margin estimated upon the recording of fair value of biological assets.



■ Gross income by crop

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

Cotton lint and cotton seed | In 2020, unit gross income from cotton fell 21.8% from 2019, due to the 3.1% reduction in unit price combined with the 6.4% increase in unit cost. The latter factor reflects the increase in average cost and decrease in average yield per hectare of cotton invoiced during the year (37% in 2018/19, 63% in 2019/20) compared to 2019 (41% in 2017/18, 59% in 2018/19).

Cotton seed unit gross income increased significantly in comparison with 2019. Despite the higher unit cost, this performance is mainly due to the increase in unit price, of 69.2%, reflecting the domestic demand for animal food supplements and biodiesel production.

TABLE 14. GROSS INCOME – COTTON LINT

Cotton lint		2019	2020	HA
Volume invoiced	Ton	185.374	215.965	16,5%
Net revenue	R\$'000	1.212.573	1.697.671	40,0%
Result of FX hedge	R\$'000	(61.699)	(398.374)	545,7%
Net income adj. for the result of FX hedge	R\$'000	1.150.874	1.299.297	12,9%
Unit price	R\$/ton	6.208	6.016	-3,1%
Total cost	R\$'000	(762.874)	(945.782)	24,0%
Unit cost	R\$/ton	(4.115)	(4.379)	6,4%
Unit gross income	R\$/ton	2.093	1.637	-21,8%

TABLE 15. GROSS INCOME – COTTON SEED

Cotton seed		2019	2020	HA
Volume invoiced	Ton	234,986	281,613	19.8%
Net revenue	R\$'000	77,154	156,269	102.5%
Unit price	R\$/ton	328	555	69.2%
Total cost	R\$'000	(61,257)	(98,128)	60.2%
Unit cost	R\$/ton	(261)	(348)	33.3%
Unit gross income	R\$/ton	67	207	209.0%



Soybean | In 2020, soybean unit gross income increased 41.1% from 2019, due to the better average invoiced prices.

Corn | In 2020, 93% of the corn invoiced was produced in the 2019/20 crop year. The 162.7% increase in unit gross income reflects the better invoiced prices, with this factor partially offset by the increase in unit cost.

Consolidated | To support the analysis of consolidated Gross Income, we excluded the effects from Biological Assets (Variation and Realization of Fair Value) to show the actual margins of products invoiced in the period. Gross income grew 30,3% in 2020 compared to 2019, due to the higher unit gross income from soybean and corn, which was partially offset by the lower income from cotton.

TABLE 18. CONSOLIDATED GROSS INCOME

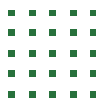
(R\$'000)	2019	2020	HA
Gross income	783,184	1,070,299	36.7%
Cotton lint	388,000	353,515	-8.9%
Cotton seed	15,897	58,141	265.7%
Soybean	345,129	487,958	41.4%
Corn	47,361	130,227	175.0%
Other	6,312	15,920	152.2%
Biological assets	(19,515)	24,538	n.m

TABLE 16. GROSS INCOME – SOYBEAN

Soybean		2019	2020	HA
Volume invoiced	Ton	898,368	899,278	0.1%
Net revenue	R\$'000	1,036,218	1,291,803	24.7%
Result of FX hedge	R\$'000	(46,758)	(106,204)	127.1%
Net income adj. for the result of FX hedge	R\$'000	989,460	1,185,599	19.8%
Unit price	R\$/ton	1,101	1,318	19.7%
Total cost	R\$'000	(644,331)	(697,641)	8.3%
Unit cost	R\$/ton	(717)	(776)	8.2%
Unit gross income	R\$/ton	384	542	41.1%

TABLE 17. GROSS INCOME – CORN

Corn		2019	2020	HA
Volume invoiced	Ton	634,644	662,840	4.4%
Net revenue	R\$'000	253,376	383,504	51.4%
Result of FX hedge	R\$'000	(7,833)	(23,165)	195.7%
Net income adj. for the result of FX hedge	R\$'000	245,543	360,339	46.8%
Unit price	R\$/ton	387	544	40.6%
Total cost	R\$'000	(198,182)	(230,112)	16.1%
Unit cost	R\$/ton	(312)	(347)	11.2%
Unit gross income	R\$/ton	75	197	162.7%



Selling expenses

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

TABLE 19. SELLING EXPENSES

(R\$'000)	2019	2020	HA
Freight	58,191	63,602	9.3%
Storage	32,458	36,424	12.2%
Commissions	13,359	13,979	4.6%
Classification of goods	2,070	2,130	2.9%
Export expenses	28,535	40,228	41.0%
Other	18,359	17,601	-4.1%
Total	152,972	173,964	13.7%
% Net revenue	6.0%	5.6%	-0.4p.p.





■ Administrative expenses

Administrative Expenses (excluding amounts related to the Profit Sharing Program) increased 10.8% in 2020 compared to 2019. The main variations are explained below:

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

TABLE 20. ADMINISTRATIVE EXPENSES

(R\$'000)	2019	2020	HA
Expenses with personnel	31,952	38,989	22.0%
Fees	5,058	5,877	16.2%
Depreciations and amortizations	1,897	2,094	10.4%
Traveling expenses	2,694	1,176	-56.3%
Software maintenance	6,161	5,090	-17.4%
Marketing /Advertisement	2,674	2,692	0.7%
Communication expenses	2,707	3,798	40.3%
Rentals	904	1,293	43.0%
Tax, labor and environmental conting.	1,734	186	-89.3%
Electricity	193	175	-9.3%
Taxes and others fees	1,275	1,332	4.5%
Contributions and donations	2,322	4,283	84.5%
Other	3,665	3,073	-16.2%
Subtotal	63,236	70,058	10.8%
% Net revenue	2,5%	2,3%	-0.2 p.p.
Profit sharing	26,088	45,394	74.0%
Total	89,324	115,452	29.3%

■ Net financial income

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

In 2020, Adjusted Net Financial Income (Loss) decreased compared to 2019. The main impact refers to the interest line, mainly due to the reduction in adjusted net debt during the year (vs. 2019) and the decline in the CDI rate in the period.

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

In 2020, there also was an increase in the line Other financial income (expenses) related to the recognition of expenses with PIS/COFINS tax on financial income.

TABLE 21. ADJUSTED NET FINANCIAL INCOME (EXPENSE)

(R\$'000)	2019	2020	HA
Interest	(101,197)	(53,637)	-47.0%
FX variation	5,940	28,775	384.4%
Monetary variation	139	-	-100.0%
Adjust. to present value of leases (IFRS 16)	(47,607)	(61,106)	28.4%
Other financial income (expenses)	(1,325)	(5,783)	336.5%
Total	(144,050)	(91,751)	-36.3%
% Net revenue	5.7%	3.0%	-2.7p.p.



■ Net income (loss)

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

Net margin ended the year at 16.5%, expanding 5.0 percentage points from 2019.

TABLE 22. NET INCOME (LOSS)

(R\$'000)	2019	2020	HA
Income before taxes on profit	414.662	689.179	66,2%
Income Tax and Social Contribution on profit	(99.621)	(178.231)	78,9%
Consolidated Net Income for the Period	315.041	510.948	62,2%
Assigned to members of the parent company	311.514	488.674	56,9%
Attributed to non-controlling shareholders of the company	3.527	22.274	531,5%
% Net Margin	12,4%	16,5%	4,1p.p
Net income of agricultural operation	292.893	510.948	74,4%
Net income of agricultural operation	11,5%	16,5%	5,0p.p
Net income of land sale	22.148	-	-100,0%

Statement of **cash flow** analysis

In 2020, free cash generation was R\$415 million, more than double the amount in 2019, mainly due to the strong growth in operating cash generation supported by the higher gross income from soy-bean and corn.

TABLE 23. SUMMARIZED CASH FLOW

(R\$'000)	2019	2020	HA
Cash generated in operations	778,746	1,155,649	48.4%
Change in assets and liabilities	(245,880)	(370,788)	50.8%
Net cash in investment activities	(161,005)	(169,846)	5.5%
In fixed assets	(235,175)	(190,129)	-19.2%
In intangible assets	(5,746)	(21,654)	276.9%
Receipt for land sold	80,621	42,643	-47.1%
Land return payment	(705)	(706)	0.1%
Free cash submitted	371,861	615,015	65.4%
Change in fin. invest. account ¹	(74,436)	(55,329)	-25.7%
Leases paid ²	(78,929)	(129,634)	64.2%
Share buyback	-	(268)	100.0%
CRA expenditure payment	(5,423)	(14,700)	171.1%
Adjusted free cash flow	213,073	415,084	94.8%

1. The variations in said account have no cash effect.

2. Due to the adoption of IFRS 16, lease payments are now accounted for in the Financing Activities section. However, it must be considered as an operating cash disbursement.



■ CAPEX

In 2020, we invested R\$234.2million, 15.3% less than 2019. The three main lines of investment were:

- **Machines, implements and equipment** | R\$92 million, representing 39.3% of total. In line with our efficiency increase strategy, we maintained the investments in new technologies that contribute to optimize the use of resources and help improve the agricultural potential of cultures. For instance, we acquired more sensor units that are coupled to the sprayers for local herbicide application, generating savings in defensives. In addition, the technology allows applications directed to the culture line, both insecticides and fungicides, in the initial phases of cultivation.
- **Soil correction** | R\$56.1 million, 31.3% higher than 2019, aiming at maintaining the soil's productive capacity.
- **Works and installations** | R\$22.1 million, representing 9.5% of the year's investments. Some adequations were made in our units, such as expanding grain expedition in processing and storage units at Paiaguás Farm and the expansion of the cotton processing unit at Pantanal Farm. We also made several works at seats, like machinery shelters, fertilizer deposits, operational accommodation, implementation of fire protection systems and bio-factories, among others. In 2020, we also initiated infrastructure works to support the crop-livestock integration project.

TABLE 24. CAPEX

(R\$'000)	2019	2020	HA
Machines, implements and equipment	109,101	91,999	-15.7%
Land acquisition	3,072	102	-96.7%
Soil correction	42,772	56,156	31.3%
Buildings and facilities	49,575	22,154	-55.3%
Cotton processing plant	33,710	3,687	-89.1%
Grain warehouse	1,763	2,380	35.0%
Soil cleaning	3,630	20,009	451.2%
Vehicles	4,029	2,506	-37.8%
Aircrafts	7,542	21	-99.7%
Software	9,798	21,111	115.5%
Improvements in own properties	2	39	n.m
Improvements in third parties' properties	1,917	1,324	-30.9%
Buildings	-	106	100.0%
Other	9,620	12,652	31.5%
Total	276,531	234,246	-15.3%

Debt

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

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

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

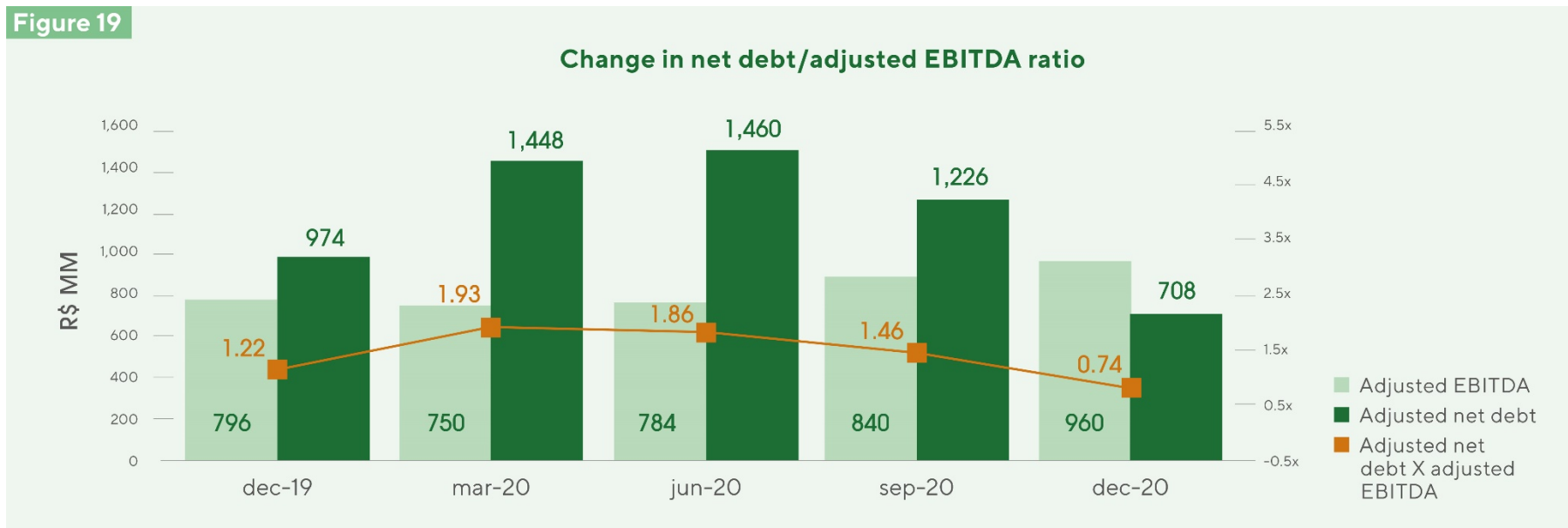


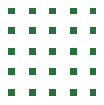
TABLE 25. FINANCIAL NET DEBT

Credit line (R\$'000)	Indexer	Average annual interest rates		Consolidated	
		2019	2020	2019	2020
Invested in fixed assets				73.235	57.053
Finame – BNDES	Pre, Currency Baskets	5,4%	5,4%	73.235	57.053
Invested in the working capital				1.792.631	2.377.936
Rural Credit	Pre	6,0%	4,3%	108.483	12.186
CRA	CDI ¹	4,4%	2,9%	561.447	841.616
Working Capital	CDI ¹	5,1%	3,1%	413.490	577.936
Financing for Exports	Pre	6,5%	–	111.422	–
Financing for Export	CDI ¹	5,1%	3,2%	597.789	946.197
Total indebtedness³		5,0%	3,1%	1.865.866	2.434.989
(+/-) Earnings and losses on derivatives linked to Investments and debts ²				6.691	121.794
(=) Gross debit (adjusted)				1.859.175	2.313.195
(-) Cash				885.418	1.604.716
(=) Net debit (adjusted)				973.757	708.479
EBITDA in the past 12 months				795.521	960.262
Adjusted Net debt/Adjusted EBITDA				1,22	0,74

1. Final interest rate with swap.

2. Operations with derivative gains and losses (note 25, letter “e”, of FS).

3. The total debt is different from the accounting position due to the costs of transactions with CRA, see note 18 of FS.



Hedge position

■ Currency and agricultural commodity hedge

The company's sales revenue is generated mainly from the sale of agricultural commodities, such as cotton, soybean and corn, which are quoted in U.S. dollar on the foreign exchanges Chicago Board of Trade (CBOT) and Intercontinental Exchange Futures US (ICE). Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities.

To protect from currency variation we use derivative instruments, with the portfolio of these instruments basically comprising non-deliverable forwards (NDFs). In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established Adjusted EBITDA margin with a combination of factors such as Price, Foreign Exchange and Cost,

most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). We also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions. The mark-to-market adjustments of future, swap and option transactions are recorded under financial income (expense).

The hedge position for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. Dollar) is shown below, broken down by commercial hedge and financial hedge and updated as of March 15.



TABLE 26. HEDGE POSITION

FX hedge Soybean				Commodity hedge Soybean			
Crop Year	2019/2020	2020/2021	2021/2022	Ano agrícola	2019/2020	2020/2021	2021/2022
%	100.0	67.5	9.8	%	100.0	56.7	20.6
R\$/USD	4.4814	5.0885	5.6104	USD/bu ²	10.29	10.92	11.03
Commitments ¹	-	-	-	Commitments ¹	-	15.9	14.4

FX hedge Cotton				Commodity hedge Cotton			
Crop Year	2019/2020	2020/2021	2021/2022	Ano agrícola	2019/2020	2020/2021	2021/2022
%	96.4	69.8	15.4	%	98.7	71.6	41.3
R\$/USD	4.4476	5.3236	5.8486	US\$/lb ²	70.89	66.27	74.32
Commitments ¹	-	-	-	Commitments ¹	-	-	-

FX hedge Corn				Commodity hedge Corn			
Crop Year	2019/2020	2020/2021	2021/2022	Ano agrícola	2019/2020	2020/2021	2021/2022
%	100.0	59.7	24.8	%	100.0	61.9	40.0
R\$/USD	4.4681	5.2383	5.6672	R\$/bag ³	35.38	37.29	49.82
Commitments ¹	-	-	-	Commitments ¹	-	-	-

1. Commitments for payment of securities fixed in US dollars, natural hedge with payments of land and leases in soybean bags.
2. FOB Porto base prices at our production units are also influenced by transportation expenses and possible quality discounts.
3. Farm price.

Return indicators

The company understands that the calculation of return on equity, return on net assets and return on invested capital must consider, in addition to the net result for the period or operating result for the period, the net annual appreciation (based on the annual Deloitte Touche Tohmatsu Consultores Ltda's independent report) of the land value.

13.6% return on equity (+ 4.9 p.p.)

9.9% return on net assets (+ 3.3 p.p.)

12.9% return on invested capital (+ 3.7 p.p.)

TABLE 27. RETURN ON EQUITY

(R\$'000)	2014	2015	2016	2017	2018	2019	2020
Net revenue ¹	70	121	16	289	405	293	511
Net land appreciation ²	428	140	199	19	110	142	216
Subtotal	498	261	215	308	515	435	727
Shareholders equity ³	3,771	3,911	4,346	4,438	4,641	4,973	5,361
Return	13.2%	6.7%	4.9%	6.9%	11.1%	8.7%	13.6%

1. Even in periods that contemplate net results from land sales, this analysis considers only the profit from the "agricultural operation", since the gains from land appreciation are being considered in a specific line.

2. Based on an independent report (Deloitte), updated in October 2020; net of tax.

3. Adjusted by land appreciation



TABLE 28. RETURN ON NET ASSETS

(R\$'000)	2014	2015	2016	2017	2018	2019	2020
Net revenue ¹	70	121	16	289	405	293	511
Net land appreciation ²	428	140	199	19	110	142	216
Subtotal	498	261	215	308	515	435	727
Net assets	4.859	5.005	5.026	5.097	5.443	6.551	5.964
Working capital	733	739	561	613	603	912	1.150
Fixed assets ³	4,126	4,266	4,465	4,484	4,840	5,639	6,202
Return	10.2%	5.2%	4.3%	6.0%	9.5%	6.6%	9.9%

1. Even in periods that contemplate net results from land sales, this analysis considers only the profit from the “agricultural operation”, since the gains from land appreciation are being considered in a specific line.

2. Based on an independent report (Deloitte), updated in October 2020; net of tax.

3. Adjusted by land appreciation

TABLE 29. RETURN ON INVESTED CAPITAL

(R\$'000)	2014	2015	2016	2017	2018	2019	2020
Operating result ¹	190	285	110	513	657	536	780
IRPJ tax	21.3%	27.3%	0.0%	26.3%	30.5%	24.0%	26.0%
Adjusted IR	(40)	(78)	20	(135)	(200)	(129)	(203)
Adjusted operating income	150	207	130	378	457	407	577
Net and land appreciation ²	428	140	199	19	110	142	216
Operating income with Lands	578	347	329	397	567	549	793
Invested capital	4,731	5,005	5,255	5,104	5,584	5,947	6,154
Gross debt (ST and LT)	1,332	1,795	1,974	1,578	1,586	1,859	2,313
Cash	372	701	1.065	749	643	885	1.520
Net debt	960	1.094	909	829	943	974	793
Net worth ³	3,771	3,911	4,346	4,275	4,641	4,973	5,361
Return on invested capital	12.2%	6.9%	6.3%	7.8%	10.2%	9.2%	12.9%

1. Even in periods that contemplate net results from land sales, this analysis considers only the profit from the “agricultural operation”, since the gains from land appreciation are being considered in a specific line.

2. Based on an independent report (Deloitte), updated in October 2020; net of tax.

3. Adjusted by land appreciation

Sustainability

Evaluating sustainability trends and understanding the social and environmental impacts of our business led us to organize our ESG model based on three priority vectors. We identified the Sustainable Development Goals (SDGs) and the Food and Agriculture Business Principles (FAB Principles) to which we can contribute most effectively through investments and internal programs, as well as through stronger relationships with local communities and other actors in civil society.

The mechanisms for mitigating and protecting socio-environmental factors are based on the Integrated Management System (SGI) that we implemented more than 10 years ago. The SGI and its certificates are implemented under a standardized model at all our farms. We ended 2020 with 11 units (headquarters and 10 farms) certified under ISO 14,001, ISO 45,001 and NBR 16,001. Another 7 units (headquarters and 6 farms) are certified under ISO 9,001. Our purpose is to conclude the integration of all units by 2024.

In addition to management system certifications, we also worked to ensure that our commodities are certified in quality, traceability and responsible production model in accordance with best practices and guidelines. These internationally recognized certificates permit our Company to access the world's most important markets, which leverages our growth strategy and adds value to our products.

Figure 20

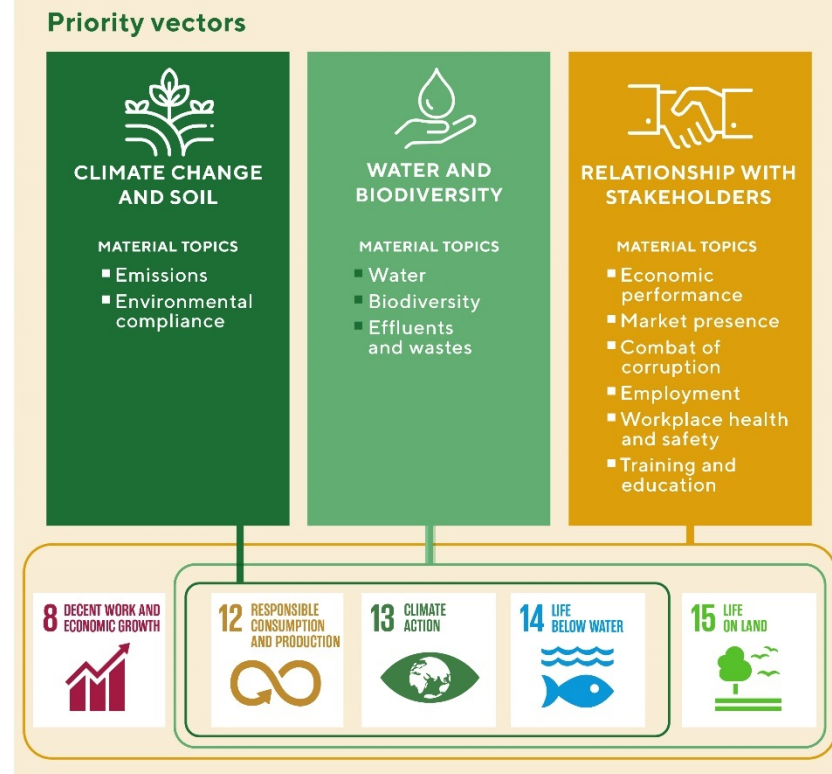




Figure 21

Integrated Management System and Certificates

Integrated Management System (IMS)

ISO 14001

Defines the requirements for implementation and improving of operations environmental management system.

ISO 45001

Guides the structuring of norms and procedures for a system of management of health and safety conditions in work environment.

NBR 16001

Establishes requirements for social responsibility management system, directing the operations towards promoting citizenship and social development.

Soybean

RTRS (Round Table on Responsible Soy)

Establishes an international standard for environmentally correct, socially fair and economically feasible soy production.

ProTerra

Standard that ensures compliance with environmental and social requirements in the production of grains without genetic modifications (OGM).

Quality Management System

ISO 9001

Guides the adoption of policies and requirements to ensure standardization, monitoring and documentation of the production process.

Cotton

ABR (Responsible Brazilian Cotton)

Promotes sustainable cotton production encouraging the adoptions of good practices of environmental management, social responsibility and sustainability vision.

BCI (Better Cotton Initiative)

Encourages awareness in the whole production chain of the importance of fair labor relations and socio-environmental responsibility in the field.



Climate change & soil

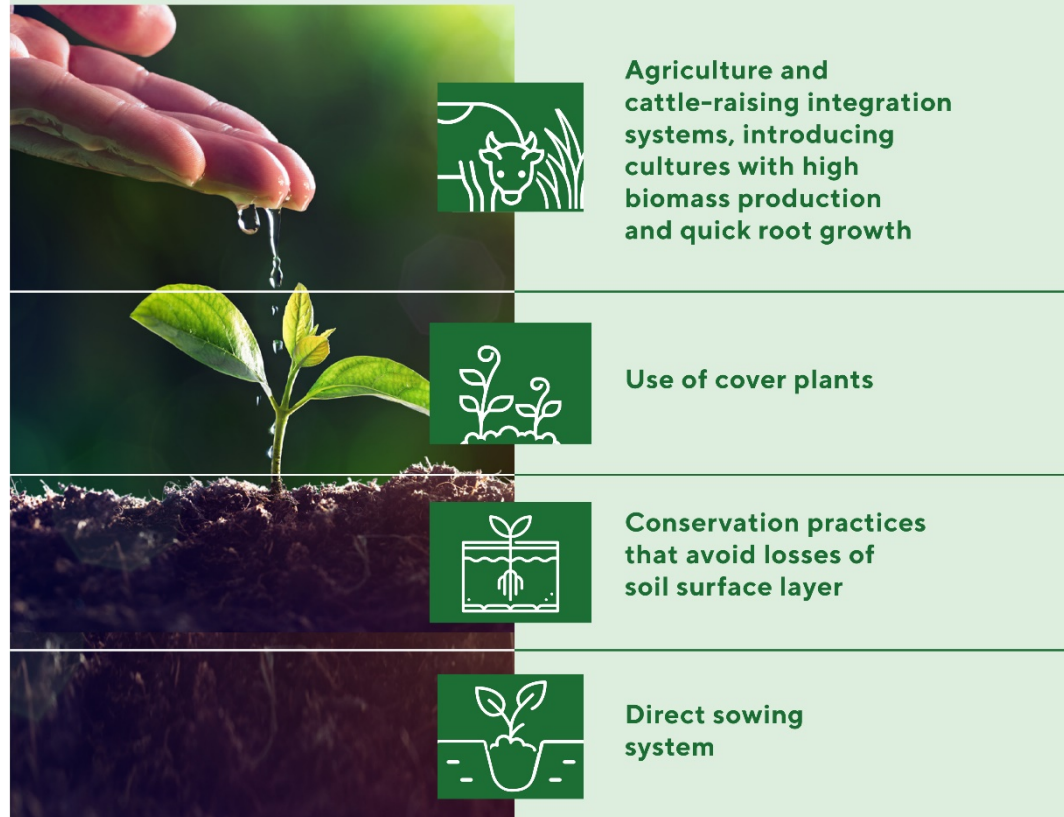
Climate change caused by the increase in the Earth's average temperature has critical impacts on all production sectors and communities. Changes in rainfall regimes, the intensification of catastrophic weather events and the expansion of desertification processes could severely affect agricultural potential.

To help reverse these risks, our goal is to reduce the carbon footprint of our production model. We also work to improve mechanisms for sequestering and fixing carbon in the soil using agricultural techniques.

Soil cultivated using direct seeding has the potential to absorb **an additional 300kg of CO2 per hectare** compared to traditional models. We use this technique on approximately 90% of the area we cultivate each crop year, which represents the **potential to absorb 360,000 tons of CO2 equivalent**, which corresponds to planting 51,000 trees.

Figure 22

Initiatives that expand soil carbon sequestration





Every year we prepare our greenhouse gas emissions inventory in accordance with the Brazilian Greenhouse Gas Protocol Program. The study measures the quality of greenhouse gases that we issue over the year in our direct activities (Scope 1) and in acquisition of electricity (Scope 2).

In three years of this work we have found opportunities to improve the methods of calculation and come as close as possible to complete estimates of emissions and carbon capture in the reality of our work in the field.

Our goal is to reduce by 25% our greenhouse gas (GHG) emissions by 2030 by investing in new technologies in the field and industry. The financial resources to be invested in projects to achieve this goal were obtained through our first issue of green bonds. In 2020, we raised R\$480 million through an issue of Agribusiness Receivables Certificates (CRA) that were classified as Green CRAs in accordance with the opinion and report issued by a third party (second opinion).

TABLE 30. GHG EMISSIONS INVENTORY

Greenhouse gas emissions inventory (kt CO ₂ e)	2019	2018	2017
Scope 1 (agricultural operations)	573	569	482
Scope 2 (energy use)	4	4	4

Selective application of weedkillers

We use cutting-edge technology to achieve economic and environmental gains on our farms. The weedkiller spraying machines have sensors that detect the presence of invasive plants in the soil and command the opening of bi-injectors only in those places.

This reduces the use of weedkillers in the plantations by up to 90%. This innovation is still at the pilot phase in one of our farms, and has shown very positive results in terms of expanding it to our other units.



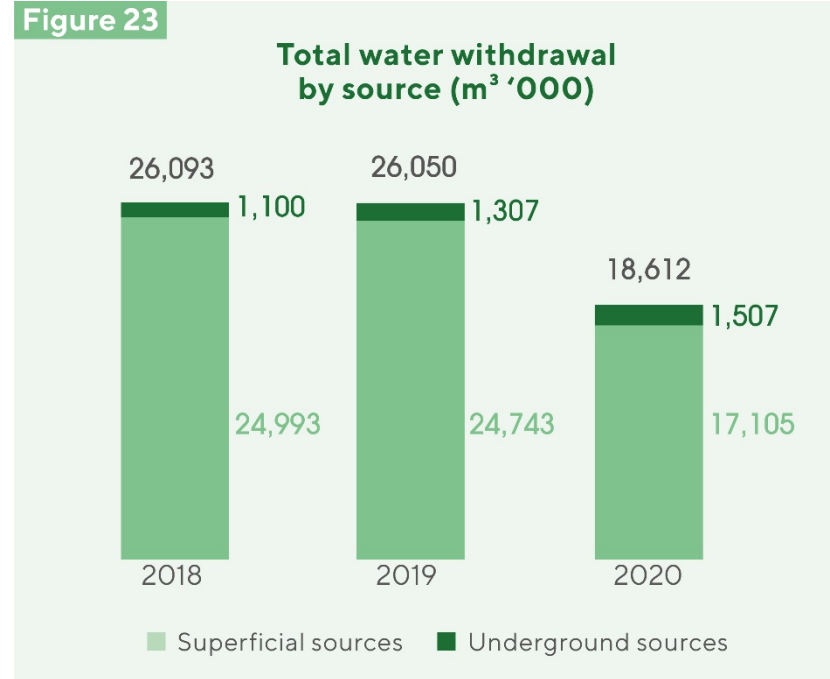


Water & biodiversity

The conservation of water resources and biodiversity is one of the priorities of the Company’s integrated management. Our purpose is to promote agriculture that is responsible and connected to the environment, with a balance between natural and cultivation areas. Our initiatives focus on capturing eco-efficiency gains in production, protecting headwaters and bodies of water and developing reforested and recovered areas.

At present, 99% of the areas that we cultivate do not use irrigation systems – this is known as dry, rain-fed or non-irrigation farming. On the Pamplona and Palmares farms, where a small portion of the cultivation is irrigated, we adopt the Irriga System, which continually monitors the soil’s specific demand for water for the next 24 to 48 hours.

In 2020 the total volume captured was 18.3 million m³, reduction of 28.6% in relation to the previous year due to good rainfall levels at Fazenda Pamplona, which minimized the demand for the Irriga System.



Bio-factories

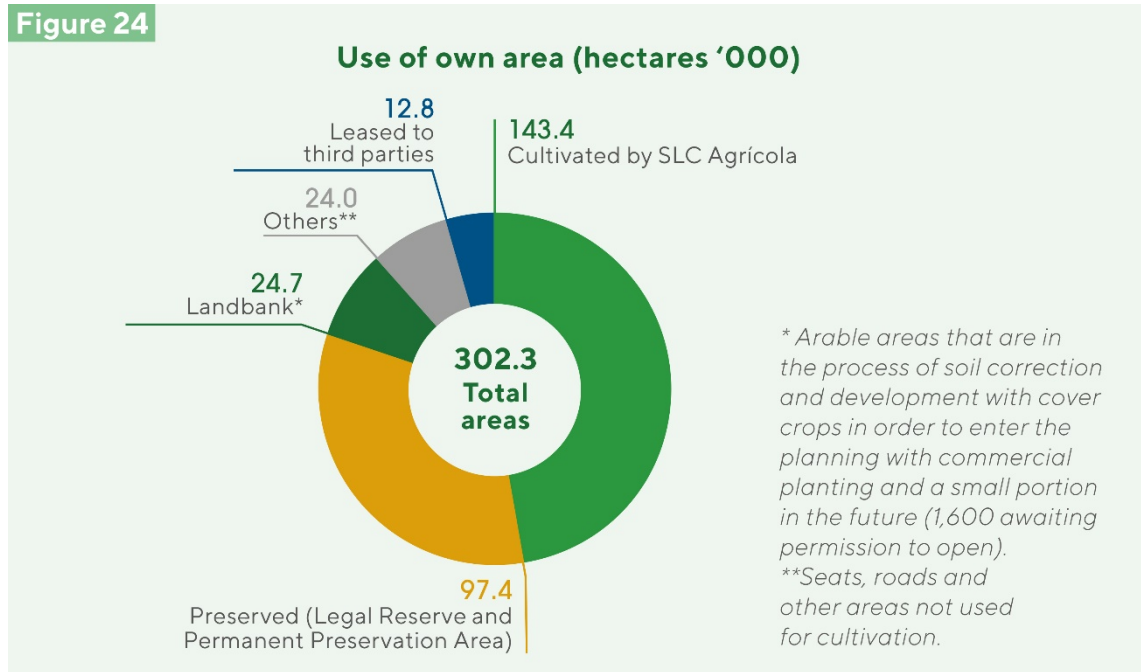
We have 11 units producing bio-pesticides used on our farms, each one with capacity for 15,000 liters per week. In the structures we produce and test six different types of microorganisms, whose application in substitution to synthetic products is interesting for the natural balance of ecosystems and, combined with localized application technologies, reduces the demand for volume of materials and water in operations.



A total of 97,400 hectares of our farms are set aside for conserving natural forests and biodiversity. We also operate nurseries on eight farms that supply seedlings, which are predominately of tree species native to the Cerrado biome, to local communities (such as local governments, NGOs and educational institutions).

To expand the generation of positive impacts, we work in partnership with universities and civil society organizations to develop projects focusing on protecting the fauna and flora of the Cerrado biome. Examples include our involvement, since 2018, in the Pantanal Headwaters Pact and in the Cerrado Biodiversity Conservation Program, the latter developed at the Planalto Farm in partnership with the Federal University of Rio Grande do Sul (UFRGS).

Figure 24



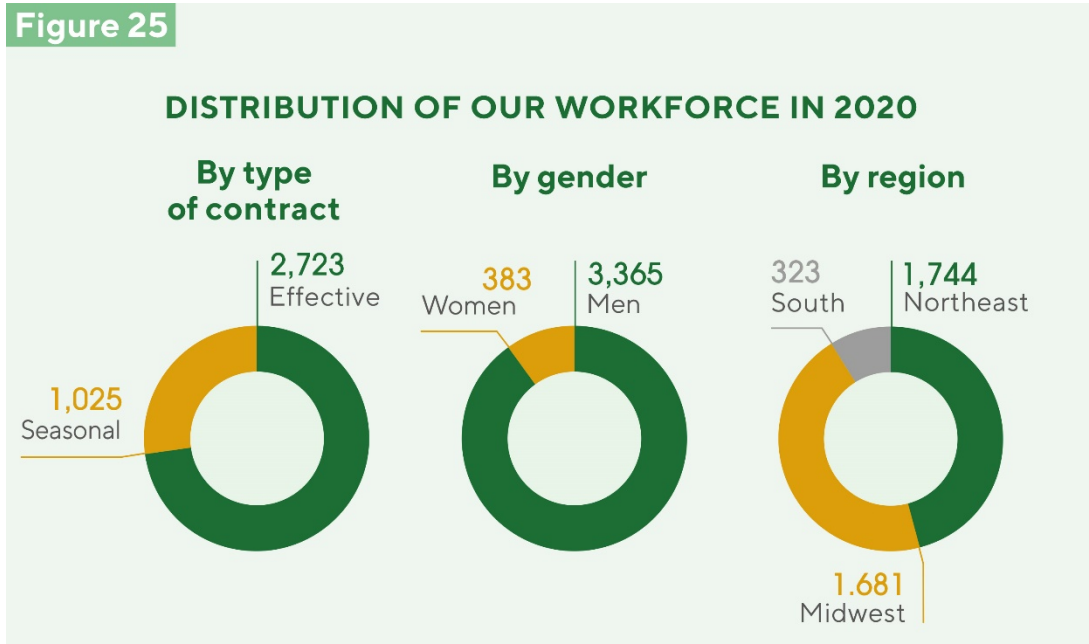


Stakeholder relations

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

■ Employees

All permanent and seasonal workers are covered by collective bargaining agreements and have the right to a benefits package. The package of benefits of the SLC Foundation, which covers 100% of professionals, includes a health plan, dental plan, life insurance and funeral assistance, as well as reimbursement of medical and medicine expenses. Furthermore, permanent employees are entitled to extended maternity and paternity leave (6 months for women and 20 days for men), meal vouchers or cafeteria meals, temporary renter's assistance and accommodation at the farms, daycare assistance, transportation voucher, educational assistance and agreements with universities and a food voucher card.

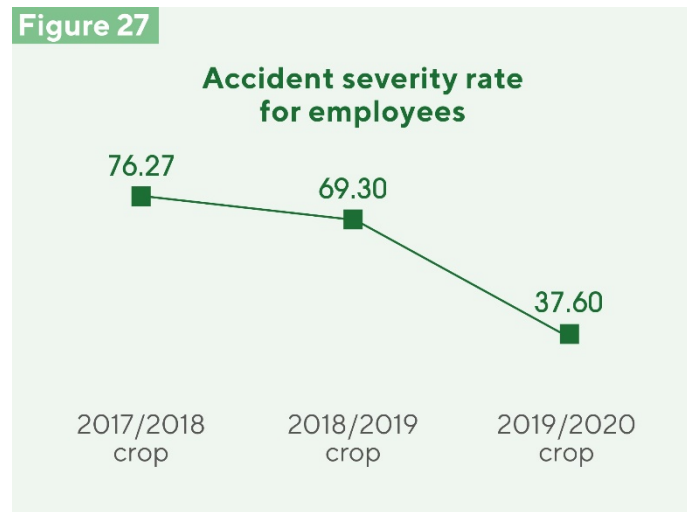
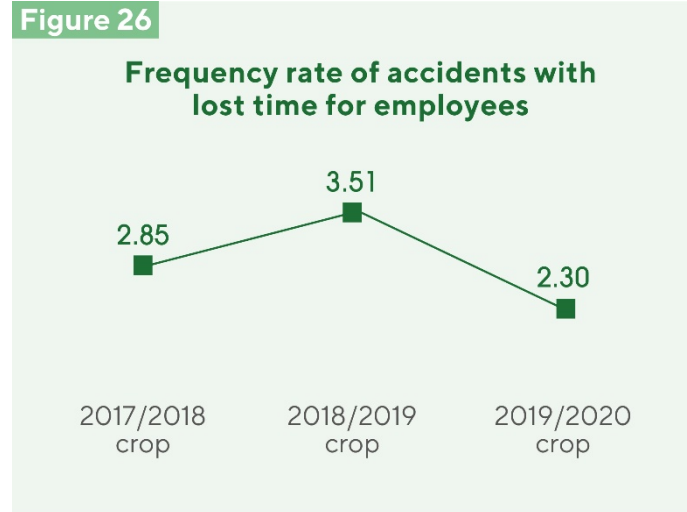




The Leadership Academy is our program for encouraging professionals in leadership positions, trainees and potential leaders to improve their leadership skills. The different development programs carried out annually are based on training courses and programs that focus primarily on alignment with the corporate strategy and improving organizational skills for leaders. In addition to training, the Competencies Assessment model provides leaders with structured knowledge for recognizing their strengths and opportunities for development.

We also created Digital Inclusion Spaces at our agricultural units. These rooms, which are equipped with computers connected to the Internet, encourage employees to participate in distance-learning courses and gain basic knowledge on computers and digital agriculture.

The culture of safety among teams is continuously strengthened over the entire crop year through specific and planned initiatives. In 2019/20 crop year, we achieved the best performance in the company's history and registered a significant reduction in accidents with lost-time injuries involving both employees (from 38 to 25 compared to the prior crop year) and third parties (from 10 to 3).





■ Communities

Our actions to foster local development were expanded in 2020 with the creation of the SLC Institute, which was conceived by the SLC Group (our shareholder) and is responsible for managing the funds we allocate to Private Social Investment (PSI). Created as a non-profit organization, the SLC Institute focuses on developing people and communities by supporting education as an important vector of social transformation and opportunity creation.

In 2020, its initiatives focused on cooperation in combating the coronavirus pandemic, with donations amounting to R\$1.6 million. Of this amount, R\$1 million came from the own funds of SLC Agrícola. Combined with the funds involving tax incentives allocated to social projects in 2020, the Company's total social investment last year came to R\$2.9 million. One of these was the Entrepreneur Project, which works to reduce dropout rates through educational initiatives that foster knowledge, self-esteem and better communication between students and teachers.

■ Suppliers

Our suppliers are a strategic link in our goal of reaching maximum efficiency and production in our operations. The relations we build with suppliers help us to find innovative solutions that drive the entire production chain towards more sustainable operation in terms of economic, social and environmental impacts.

Guided by the Procurement Policy, we require these partners to adopt conduct that is aligned with our values, comply with legislation and fully incorporate respect for human rights. Our Ethics

Channel also is open to receiving reports on the improper behaviors and attitudes of our commercial partners.

All suppliers undergo an approval process that involves verifying the documents attesting to their legal compliance and, depending on the case, specific evaluations in the areas of Health, Safety and Environment. We also monitor the payment of all labor contributions and taxes and other obligations related to employment contracts involving outsourced companies, whose compliance is necessary for approving the payments to these partners.



Additional information

TABLE 31. PLANTED AREA – 2020/21 CROP YEAR

Mix of areas	Planted area (hectares)		VA 20/21	HA
	2019/2020	2020/2021 ¹		
1st crop area	313,458	322,085	68.7%	2.8%
Own area	111,101	109,999	23.5%	-1.0%
Leased area	129,946	135,330	28.9%	4.1%
Joint ventures ²	40,148	41,594	8.9%	3.6%
SLC LandCo area ³	32,263	35,162	7.5%	9.0%
2nd crop area	135,110	146,111	31.2%	8.1%
Own area	54,156	52,145	11.1%	-3.7%
Leased area	53,604	63,589	13.6%	18.6%
Joint ventures ²	9,876	14,229	3.0%	44.1%
SLC LandCo area ³	17,474	16,148	3.4%	-7.6%
Total area	448,568	468,196	100.0%	4.4%

1. Climatic factors may affect the projection of the planted area.

2. Areas belonging to the Roncador Group and Mitsui.

3. SLC Agrícola holds an 81.23% interest in SLC LandCo.



TABLE 32. PLANTED AREA – 2019/20 CROP YEAR

Mix of areas	Planted area (hectares)		VA 19/20	Δ%
	2018/2019	2019/2020		
1st crop area	316,159	313,458	69.9	-0.9
Own area	111,279	111,101	24.8	-0.2
Leased area	130,669	129,946	29.0	-0.6
Joint ventures ¹	39,551	40,148	9.0	1.5
SLC LandCo area ²	34,660	32,263	7.1	-6.9
2nd crop area	141,940	135,110	30.1	-4.8
Own area	62,000	54,156	12.1	-12.7
Leased area	56,611	53,604	11.9	-5.3
Joint ventures ¹	8,516	9,876	2.2	16.0
SLC LandCo area ²	14,813	17,474	3.9	18.0
Total area	458,099	448,568	100.0	-2.1

1. Areas belonging to the Roncador Group and Mitsui.

2. SLC Agrícola holds an 81.23% interest in SLC LandCo.



TABLE 33. LAND PORTFOLIO

Áreas safra 2020/2021 (ha)		Owned ¹	SLC LandCo ²	Leased	Joint Ventures	Under control	Total planted ³
Farm	State						
Pamplona	GO	17.994		3.854		21.848	22.547
Pantanal	MS			25.996		25.996	43.547
Planalto	MS	15.006		1.635		16.641	22.522
Planorte	MT	23.454				23.454	29.663
Paiaguás	MT	28.129		17.318		45.447	62.930
Perdizes ⁵	MT	28.893	13.288			42.181	26.667
Pioneira ⁴	MT				19.705	19.705	33.934
Panorama	BA		10.373	14.253		24.626	21.806
Paladino ⁵	BA				21.889	21.889	21.889
Piratini	BA		25.356			25.356	8.446
Palmares	BA	16.195	831	16.470		33.496	24.383
Parceiro	BA	27.564	3.680	9.441		40.685	14.365
Parnaíba	MA	26.193		11.570		37.763	43.252
Palmeira	MA		10.200	14.459		24.659	21.154
Planeste	MA		22.784	20.334		43.118	61.872
Paineira ⁶	PI	12.892				12.892	-
Parnaguá	PI	19.416				19.416	9.219
Total	-	215.736	86.512	135.330	41.594	479.172	468.196

1. Own area includes legal reserve.

2. SLC Agrícola currently owns 81.23% of LandCo, and the Valiance fund equals 18.77%.

3. Including second crop. Climatic factors may affect the projection of the planted area.

4. The Pioneira Farm is part of the joint operation with the Roncador Group.

5. The Perdizes and Paladino Farms are part of the joint operation with Mitsui at SLC-Mit.

6. Farm leased to third parties.



TABLE 34. LANDBANK

Hectares	Areas in transformation ²	Areas in licensing process
SLC Agrícola		
Parnaíba	1.464	-
Parnaguá	-	2.872
Parceiro	5.627	-
Subtotal	7.091	2.872
SLC LandCo		
Palmeira ¹	4.749	-
Piratini	9.993	-
Parceiro ¹	-	-
Subtotal	14.742	-
Total	21.833	2.872

1. Areas acquired by SLC LandCo that will be explored together with these farms.

2. In development for commercial planting.

Property appraisal

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



TABLE 35. MACHINERY BASE AND STORAGE CAPACITY

	2018	2019	2020
Machinery (quantity)	867	873	868
Tractors	216	212	211
Grain combiners	209	206	196
Cottonpickers	76	85	92
Planters	212	209	210
Self-propelled sprayers	154	161	159
Storage capacity (tons)			
Grains	764.000	764.000	764.000
% Production ¹	52%	52%	44%
Cotton	125.148	125.148	125.148
% Production ¹	60%	60%	63%

1. Estimate based on the planted area and yields for crop year of 2020/2021.

TABLE 36. NET ASSET VALUE – NAV

(R\$'000)	4T20
SLC Agrícola Farms ¹	2,767
SLC LandCo Farms ¹	755
Infrastructure (excl. land)	1,114
Accounts receivable (excl. derivatives)	149
Inventories	1,225
Biological assets	808
Cash	1,520
Subtotal	8,338
Suppliers	1,021
Gross debt adjusted for the result of operations with derivatives	2,130
Debts related to land purchase	–
Subtotal	3,151
Net Asset Value	5,187
Net Asset Value per share (190.595.000 shares)	27.2

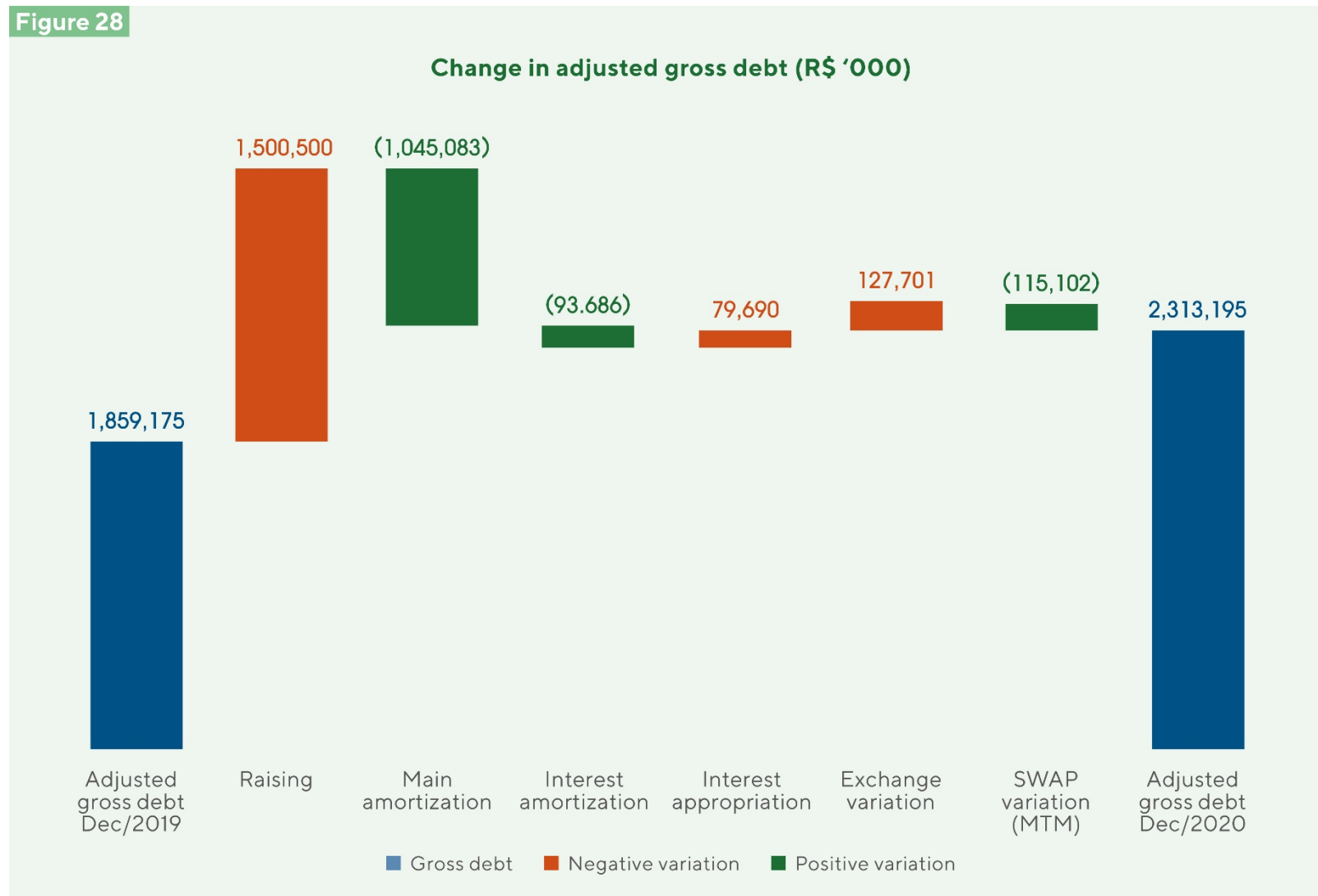
1. Based on an independent assessment report (Deloitte, 2020), net of taxes.

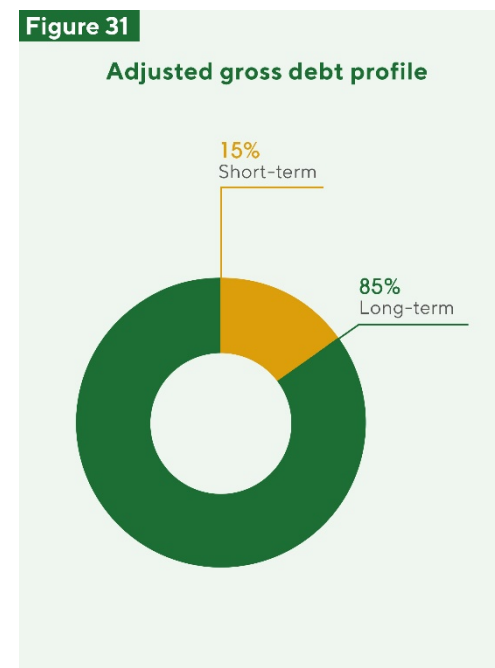
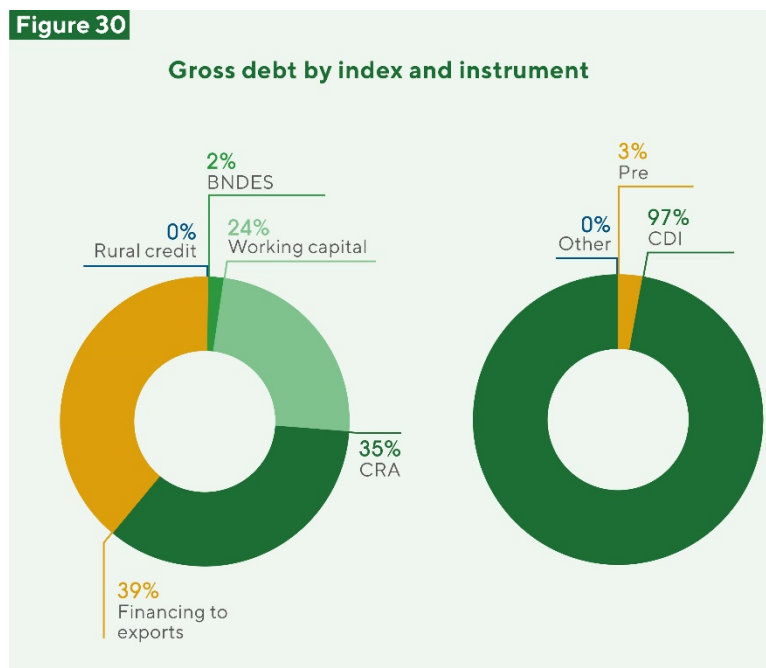
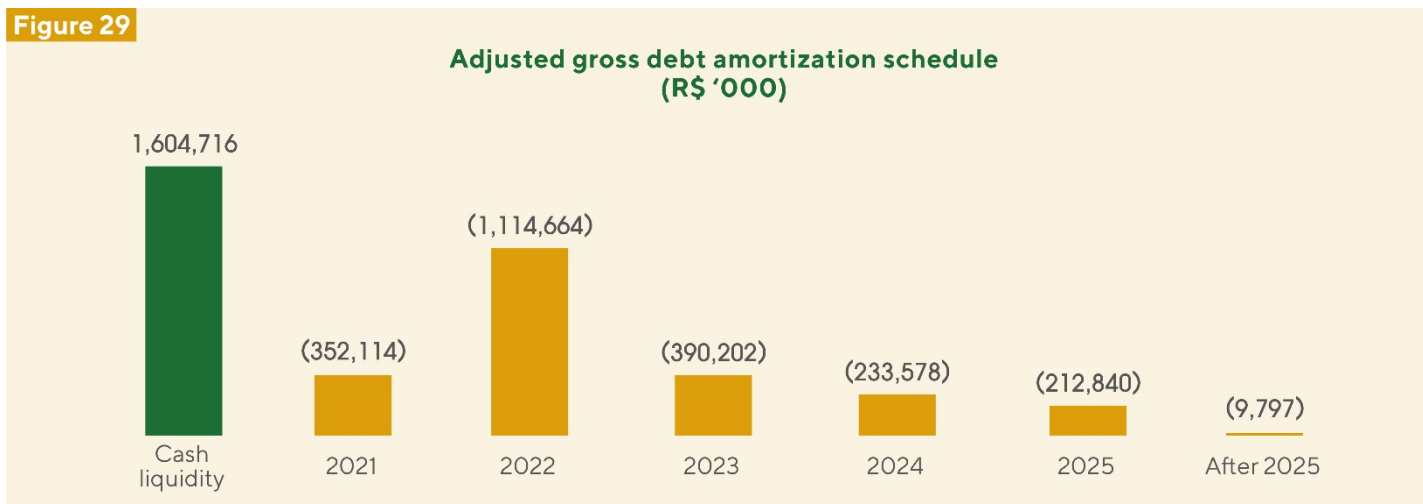
NOTE: All accounts are adjusted by the interest of SLC Agrícolas in subsidiaries/joint venture.



■ Debt

Figure 28







■ Dividends

The distribution of dividends, in the last five fiscal years, presented an average payout of 50% of adjusted net income.

On March 17, 2021, the Board of Directors approved the Management Proposal, which will be submitted to the Shareholders' Meeting to be held on April 4, 2021. The Proposal indicates the distribution of R\$199,691,908.51. The dividend will be paid equally to all shares issued by the company, corresponding to R\$1.064543 per common share (excluding treasury shares). Of this amount, R\$83,672,518.69 will correspond to mandatory dividend and R\$116,019,389.83 to additional dividends.

On December 16, 2020, the net amount of R\$32,346,871.14 was paid, resolved at a meeting of the Board of Directors held on November 6, 2020, imputed in the calculation of the mandatory dividend for fiscal year 2020. The gross amount was distributed as interest on equity corresponds to R\$37,117,543.63.

The sum of the amount to be proposed to the Shareholders' Meeting and the net amount already distributed as interest on shareholders' equity totals R\$232,038,779.65, representing 50% of the parent company's adjusted profit ended on December 31, 2020. The dividend will be paid equally to all the shares issued by the company (excluding treasury shares), corresponding, then, to R\$1.236982 for each common share held by the shareholders.

TABLE 37. PROPOSAL OF DIVIDEND DISTRIBUTION

(R\$'000)	2019	2020
Net income of the parent company	311,514	488,674
Appropriation of subvention reserve	939	171
Appropriation of legal reserve	15,575	24,425
Calculation base for dividends proposed	295,000	464,078
a. Minimum mandatory dividend of 25%	73,753	83,673
Interest On Equity – IOE (Gross) ¹	–	37,117
Taxes on IOE	–	-4,770
b. Net IOE	–	32,347
c. Additional Proposed dividend (25%)	73,749	116,019
Proposed Dividendes (a+b+c)	147,502	232,039
% on Net Profit for the Year	50%	50%

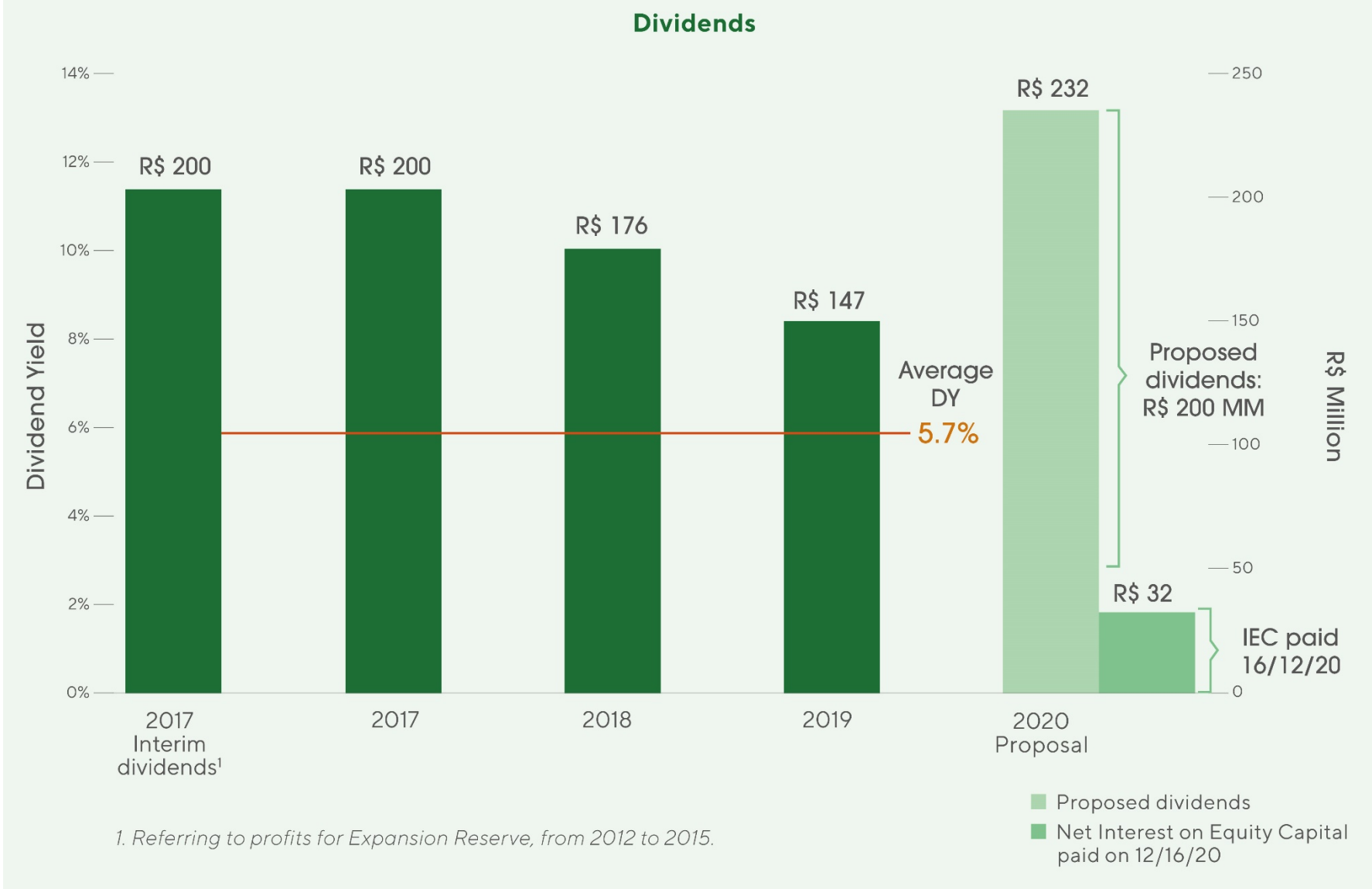
1. Amount paid on 12/16/2020.

Increase of **56,9%** in the parent company's net profit, in relation to 2019

Increase of **57,3%** in the amount of proposed dividends, in comparison to last year's same period



Figure 32





Capital markets

Figure 33

Shares performance – SLC3 versus Ibovespa B3, Feb/20 to Feb/21



111,35% appreciation of SLC Agrícola' share (SLC3) in the last 360 days, against a 5.36% appreciation of Ibovespa (Feb-20 to Feb-21)

The company's share capital is divided into 190,595,000 common shares with no par value, with a free float of 45.46% on the base date of December 31, 2020. The shares of SLC Agrícola (SLCE3) are traded on B3, at the highest corporate governance segment, the Novo Mercado. In addition, they are available on the North American over-the-counter market via ADR Level1, with the ticker "SLCJY". SLCE3 is part of the following indices: Small Caps (SMLL B3), IBRA3, ICON B3, IDIV B3, IGCT B3, IGCX B3, IGM B3 and ITAG B3.

In the last 360 days (Feb-20 to Feb-21), SLCE3 registered an appreciation of 111.35%, against a 5.36% appreciation of Ibovespa in the same period, as shown in the chart.

The average volume traded on the spot market, in the last 360 days (Feb-20 to Feb-21), reached the mark of R\$33.2 million, with an average of 1.27 million shares traded.

At the end of February, the company reached a record market value of R\$7.8 billion, R\$40.98 per share on 2/26/2021.



Independent auditors

Throughout fiscal year 2020, in compliance with CVM Instruction No. 381/03, SLC Agrícola informs that ERNST & YOUNG Auditores Independentes SS provided audit services for the individual and consolidated financial statements for the fiscal year ended on December 31, 2020, also as tax advisory services. The amount referring to the audited services of the financial statements contracted amounted to R\$840,889.93, and the tax advisory services represented 13.20% of the audit services.

Submission to Arbitration Chamber

The Company is subject to arbitration by the Novo Mercado Arbitration Chamber, as per the submission to arbitration clause in its Bylaws.

Disclaimer

We make statements concerning future events that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company.

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



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Fiscal Council Opinion

The Fiscal Council of SLC Agrícola S.A., in compliance with the legal and statutory provisions, examined the Management Report and the individual and consolidated Financial Statements of SLC Agrícola S.A., all related to the fiscal year ended on December 31, 2020.

Based on the examinations carried out, also considering the report of Ernst & Young Auditores Independentes SS, dated March 17, 2021, as well as the information and clarifications received during the year, he believes that the referred documents are in conditions to be analyzed and approved by the Annual General Meeting of Shareholders.

Porto Alegre/RS, March 17, 2021.

João Carlos Sfreddo

Chairman of the Fiscal Council

Paulo Roberto Kruse

Member

Mauricio Rocha Alves de Carvalho

Member

Board of Executive Officers' Opinion on FSs

In compliance with the provisions contained in article 25 of Instruction No. 480/09, of December 7, 2009, the Board of Directors declares that it has reviewed, discussed and agreed with the Financial Statements (Parent Company and Consolidated) related to the fiscal year ended on December 31, 2020.

Porto Alegre/RS, March 17, 2020.

Aurélio Pavinato

Chief Executive Officer

Ivo Marcon Brum

Chief Financial and Investor Relations Officer

Gustavo Macedo Lunardi

Chief Operating Officer

Aldo Roberto Tisott

Chief Sales Officer

Álvaro Luis Dilli

Chief HR and Sustainability Officer

Board of Executive Officers' Opinion on the Auditing Report

In compliance with the provisions contained in article 25 of Instruction No. 480/09, of December 7, 2009, the Board of Directors declares that it has revised, discussed and agreed with the opinion expressed in the opinion of the Independent Auditors, dated March 17, 2021, regarding the Financial Statements (Parent Company and Consolidated) for the fiscal year ended on December 31, 2020.

Porto Alegre/RS, March 17, 2021.

Aurélio Pavinato

Chief Executive Officer

Ivo Marcon Brum

Chief Financial and Investor Relations Officer

Gustavo Macedo Lunardi

Chief Operating Officer

Aldo Roberto Tisott

Chief Sales Officer

Álvaro Luis Dilli

Chief HR and Sustainability Officer

Report of the independent auditor on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers

SLC Agrícola S.A.

Porto Alegre - RS

Opinion

We have audited the individual and consolidated financial statements of SLC Agrícola S.A. (the “Company”), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2020, and the statements of profit or loss, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2020, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

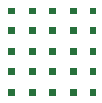
We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in

the Auditor’s responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil’s National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements.



The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Measurement of biological assets

As mentioned in Note 8, the Company and its subsidiaries measure their biological assets, which correspond to agricultural products, mainly soybean, corn and cotton, based on their fair value from the pre-harvest stage. This measurement is a significant estimate based on several assumptions and methodologies adopted by the Company's management, for which internal and external information was used, mainly related to active market prices, productivity and planted areas. At December 31, 2020, the Company recorded biological assets in the amount of R\$739,267 thousand and R\$891,804 thousand in current assets in the Individual and Consolidated financial statements, respectively.

This was considered a key audit matter due to the materiality of the amounts of the biological assets in relation to total assets and to the net income for the year, as well as due to the uncertainties inherent in this type of estimation, and the required level of judgment to be made by management in determining the assumptions for calculating fair value.

How our audit addressed this matter

Our audit procedures included, among others, reviewing the calculation method used by the Company, and using specialists in the physical inspection of a sample of planted areas to determine the existence of the biological assets and their physical conditions. Additionally, we assessed the assumptions related to active market prices, expected productivity and planted areas, among others. We also tested a sample of documents with costs that were added throughout the year. Finally, we assessed the adequacy of the disclosures made by the Company in this regard in the footnotes.

Based on the results of the audit procedures performed for the measurement of biological assets, which are consistent with management's assessment, we consider that the criteria and assumptions relating to the measurement of biological

assets adopted by management, as well as the related disclosures in Note 8, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

Hedge accounting

As described in Note 25, the Company and its subsidiaries enter into derivative financial instruments to hedge currency risks and commodity price risks for agricultural products, in relation to future revenue highly probable of occurring, recorded in accordance with the hedge accounting model. At December 31, 2020, the Company recorded R\$207,640 thousand, net of deferred taxes, in equity (Individual and Consolidated), in "Other comprehensive income."

Designation of financial instruments as hedged items (hedge accounting) and measuring their effectiveness require compliance with some formal obligations and the use of significant estimates of probable forecast revenues. Due to the large number of transactions entered into, the complex measurement of the fair value of transactions and assessment of hedge effectiveness, in addition to the potential impact that changes in future forecast revenue may have on the Company's results and cash flows, we consider this a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: understanding the design of the risk management process and the hedge accounting structure, including the analysis of the policy adopted by the Company; reperforming the measurement of the fair value of transactions, with the involvement of specialists in derivative financial instruments to assist us in the preparation of an independent valuation calculation; crosschecking the amount recorded by the Company with the information provided by the financial institutions through confirmation procedures – sending out confirmation letters to the respective counterparties to the transactions; reviewing the documents with the designation of financial instruments and the corresponding transactions and prospective effectiveness tests prepared by management; reviewing the forecast of probable future revenues based on the analysis of outright sale agreements and sales estimates; and reviewing the



disclosures made in the notes to the individual and consolidated financial statements. As a result of these procedures, we identified an audit adjustment related to the measurement of the fair value of certain transactions. This adjustment was not recorded by management in view of its immateriality in relation to the financial statements taken as a whole.

Based on the results of the audit procedures performed, which are consistent with management's assessment, we consider that the Company's hedge accounting policies are acceptable in relation to the requirements of NBC TG 48 (IFRS 9) to support the judgments, estimates and information included in the footnotes to the individual and consolidated financial statements taken as a whole.

Measurement of lease liabilities and right-of-use assets in accordance with NBC TG 06 (R3) (IFRS 16)

As described in Note 13, the Company recorded right-of-use assets and lease liabilities for the contracts covered by NBC TG 06 (R3) (IFRS 16). As at December 31, 2020, right-of-use assets were recorded for R\$2,463,254 thousand in the Individual financial statements and for R\$828,496 thousand in the Consolidated financial statements; and lease liabilities were recorded for R\$2,615,382 thousand in the Individual financial statements and for R\$934,284 thousand in the Consolidated financial statements.

This was considered a key audit matter due to the materiality of the amounts involved in relation to the asset and liability balances and to the profit and loss balances, as well as due to the uncertainties inherent in this type of estimation, and the required level of judgment to be made by management in determining the relevant assumptions, which also include the discount rate used.

How our audit addressed this matter

Our audit procedures included, among others, assessing the main assumptions adopted in connection with the lease term, the discount rate and consideration amounts, in addition to the calculation methodology used by the

Company to measure the accounting impacts; reviewing the inventory of the Company's lease contracts, in addition to determining whether the contracts comply with the scope of the standard. We also tested a sample of contracts selected at random for the reasonableness of the criteria adopted by the Company, considering the information contained in the contracts and their amendments, in addition to testing the accuracy of the amounts calculated by the Company for these transactions. Finally, we examined the adequacy of the disclosures made by the Company in this regard in the footnotes, including the requirements of NBC TG 06 (R3) (IFRS 16) and the guidelines of the Brazilian Securities and Exchange Commission (CVM).

Based on the results of the audit procedures performed, which are consistent with management's assessment, we consider that the criteria and assumptions adopted by management to measure and record lease contracts in accordance with the requirements of NBC TG 06 (R3) (IFRS 16), as well as the related disclosures in Note 13, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for year ended December 31, 2020, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.



Other information accompanying the individual and consolidated financial statements and the auditor's report

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.



Management Report 2020

- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Porto Alegre, March 17, 2021.

ERNST & YOUNG

Auditores Independentes S.S.
CRC 2SP015199/O-6

Guilherme Ghidini Neto

Accountant CRC-RS 067795/O-5



Statements of financial position | December 31, 2020 and 2019

(In thousands of Reais)

	Note	Parent Company		Consolidated		Note	Parent Company		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Assets										
Current assets										
Cash and cash equivalents	5	1,319,290	649,548	1,604,053	829,427					
Short-term interest earning bank deposits	5	-	53,652	-	55,342					
Accounts receivable	6	178,085	137,114	207,283	178,405					
Advances to suppliers		3,221	1,924	3,580	2,443					
Inventories	7	1,179,014	941,957	1,031,082	1,071,354					
Biological assets	8	739,267	667,954	891,804	780,589					
Recoverable taxes	9	28,521	33,970	39,447	41,943					
Securities and credits receivable	10	-	-	31,207	71,657					
Operations with derivatives	25	89,721	30,975	98,587	34,008					
Intercompany transactions	16	2,475	1,040	8	11					
Other accounts receivable		5,280	7,642	6,217	11,412					
Prepaid expenses		15,471	12,887	17,141	14,030					
Assets held for sale		810	189	971	189					
Total current assets		3,561,155	2,538,852	4,201,380	3,090,810					
Non-current assets										
Long-term interest earning bank deposits	5	663	650	663	650					
Recoverable taxes	9	64,236	73,432	111,203	122,469					
Deferred income and social contrib. taxes	20	-	-	20,480	22,517					
Operations with derivatives	25	118,126	10,492	146,785	11,328					
Intercompany transactions	16	25,246	31,050	-	-					
Advances to suppliers		2,758	5,292	59,814	30,241					
Prepaid expenses		378	528	437	528					
Other credits		2,071	3,059	13,705	7,945					
Securities and credits receivable	10	-	-	2,700	5,248					
		213,478	124,503	355,787	200,926					
Investments	11	2,212,789	2,200,537	-	-					
Investment Property	12	-	-	224,194	217,010					
Right of Use in Lease	13	2,463,254	1,388,969	828,496	555,031					
Property, plant and equipment	14	855,159	796,366	2,944,544	2,878,989					
Intangible	15	35,240	15,291	35,290	15,363					
		5,566,442	4,401,163	4,032,524	3,666,393					
Total non-current assets		5,779,920	4,525,666	4,388,311	3,867,319					
TOTAL ASSETS		9,341,075	7,064,518	8,589,691	6,958,129					
LIABILITIES										
Current liabilities										
Suppliers	17	933,146	773,124	1,101,769	922,000					
Loans and financing	18	297,692	623,874	377,547	699,515					
Taxes, rates and sundry contributions		49,452	47,905	57,186	57,510					
Social charges and labor legislation obligations		65,235	44,151	79,989	54,572					
Advances from clients		57,233	28,907	68,264	33,289					
Debts with related parties	16	1,310	2,763	118	125					
Intercompany lease liability	13	204,525	104,591	-	-					
Operations with derivatives	25	318,242	47,839	358,969	55,230					
Securities payable	21	-	-	12,273	12,273					
Provisions for tax, environ. and labor risks	19	3,524	3,808	5,429	4,121					
Dividends payable	22.h	83,680	73,759	86,332	73,759					
Leases to pay	24.2	-	225	5,283	225					
Third party lease liability	13	150,888	105,998	162,258	114,567					
Others accounts payables		12,112	10,644	21,680	16,375					
Total current liabilities		2,177,039	1,867,588	2,337,097	2,043,561					
Non-current liabilities										
Loans and financing	18	1,753,056	933,853	2,039,736	1,160,251					
Deferred taxes	20	153,553	187,853	230,802	247,531					
Intercompany lease liability	13	1,517,643	795,214	-	-					
Operations with derivatives	25	56,965	3,519	58,152	5,643					
Securities payable	21	-	-	706	1,412					
Third party lease liability	13	742,326	491,653	772,026	515,149					
Other debits		114	161	114	161					
Total non-current liabilities		4,223,657	2,412,253	3,101,536	1,930,147					
Shareholders' equity										
Capital	22.a	947,522	947,522	947,522	947,522					
Capital reserves	22.b	97,504	97,760	97,504	97,760					
(-) Treasury shares	22.c	(52,921)	(64,321)	(52,921)	(64,321)					
Profit reserves	22.d.e.f.g	978,074	680,719	978,074	680,719					
Retained Losses	22.j	970,200	1,122,997	970,200	1,122,997					
Total attributable to shareholders		2,940,379	2,784,677	2,940,379	2,784,677					
Non-controlling shareholders in subsidiaries		-	-	210,679	199,744					
Total shareholders' equity		2,940,379	2,784,677	3,151,058	2,984,421					
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,341,075	7,064,518	8,589,691	6,958,129					

See accompanying notes.



Statement of profit or loss | December 31, 2020 and 2019 (In thousands Reais, except profit per share)

	Note	Parent Company		Consolidated	
		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Income from sales of goods and/or services	30	2,633,284	2,163,990	3,097,547	2,535,905
Biological assets	8	676,476	470,442	775,534	504,751
Cost of goods sold	31	(2,408,692)	(1,985,922)	(2,802,782)	(2,257,472)
Cost of goods and/or services sold		(1,749,343)	(1,514,748)	(2,051,786)	(1,733,206)
Biological assets cost		(659,349)	(471,174)	(750,996)	(524,266)
Gross income		901,068	648,510	1,070,299	783,184
Operating income (expenses)					
Sales expenses	31	(149,471)	(134,043)	(173,964)	(152,972)
General and administrative expenses	31	(103,811)	(80,864)	(115,452)	(89,324)
Management compensation	16.d	(14,040)	(12,959)	(14,716)	(13,827)
Equity income	11	177,399	175,243	-	-
Other operating (expenses) income		(22,550)	397	14,763	31,651
		(112,473)	(52,226)	(289,369)	(224,472)
Operating result		788,595	596,284	780,930	558,712
Financial income	23	344,732	170,915	429,678	203,659
Financial expenses	23	(527,592)	(380,262)	(521,429)	(347,709)
		(182,860)	(209,347)	(91,751)	(144,050)
Result before income and social contribution taxes		605,735	386,937	689,179	414,662
Income and social contribution taxes	20				
Current		(79,305)	(59,314)	(111,392)	(90,856)
Deferred assets		(37,756)	(16,109)	(66,839)	(8,765)
Net Income		488,674	311,514	510,948	315,041
Attributable to:					
Controlling shareholders		488,674	311,514	488,674	311,514
Not controlling interest in subsidiaries				22,274	3,527
				510,948	315,041
Earnings per share attributable to shareholders from continuing operations at end of period (expressed in reais per share):					
Basic earnings per share - R\$	22.i	2.60966	1.66838	2.60966	1.66838
Diluted net income per share - R\$	22.i	2.59868	1.65486	2.59868	1.65486

See accompanying notes.

Statement of comprehensive income | December 31, 2020 and 2019 (In thousands Reais)

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Income for the year	488,674	311,514	510,948	315,041
Other comprehensive income to be reclassified to the result for the year in subsequent periods				
Derivatives - cash flow hedge	(211,929)	106,498	(239,796)	109,501
Derivatives - cash flow hedge - subsidiaries	(9,704)	994	-	-
Income and social contribution taxes	72,056	(36,210)	81,531	(37,232)
	(149,577)	71,282	(158,265)	72,269
Other comprehensive income not reclassified to the result for the year in subsequent periods				
Set deemed cost fixed assets in subsidiary	-	(1,991)	-	(1,991)
Taxes on fixed asset adjustments	-	62	-	62
		(1,929)		(1,929)
Other comprehensive income, net of taxes	(149,577)	(69,353)	(158,265)	70,340
Total other comprehensive income for the year, net of taxes	339,097	380,867	352,683	385,381
Attributable to:				
Controlling shareholders	339,097	380,867	339,097	380,867
Not controlling interest in subsidiaries			13,586	4,514
			352,683	385,381

See accompanying notes.



Statements of changes in shareholders' equity | December 31, 2020 and 2019 (In thousands Reais)

	Share capital	Capital reserves			Profit reserves					Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
		Goodwill (discount) In the issuance of share	Recognized options granted	Treasury shares	Investment incentivized reserv	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed					
Balances as of December 31, 2018	947,522	53,941	48,763	(36,816)	13,932	47,136	341,945	5,628	88,156	1,087,961	-	2,598,168	196,585	2,794,753
Goodwill (discount) on the sale of shares	-	(10,330)	-	-	-	-	-	-	-	-	-	(10,330)	-	(10,330)
Compensation based on shares recognized in the fiscal year	-	-	5,386	-	-	-	-	-	-	-	-	5,386	-	5,386
Stock-based compensation exercised/rebought in the year	-	-	-	(27,505)	-	-	-	-	-	-	-	(27,505)	-	(27,505)
Unrealized gain on hedge instruments, net of tax	-	-	-	-	-	-	-	-	-	71,283	-	71,283	989	72,272
Realization of depreciation of the cost assigned to the fixed assets	-	-	-	-	-	-	-	-	-	(32,959)	32,959	-	-	-
Assigned cost adjustment fixed assets in subsidiary	-	-	-	-	-	-	-	-	-	(1,992)	-	(1,992)	-	(1,992)
Others	-	-	-	-	-	-	-	-	-	(1,358)	1,358	-	-	-
Taxes on adjustment of cost attributed to fixed assets in subsidiary	-	-	-	-	-	-	-	-	-	62	-	62	-	62
Net income for the year	-	-	-	-	-	-	-	-	-	-	311,514	311,514	3,527	315,041
Proposed additional dividend	-	-	-	-	-	-	-	-	(88,156)	-	-	(88,156)	(1,357)	(89,513)
Proposed destination:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Constitution of reserves	-	-	-	-	939	15,575	181,815	-	-	-	(198,329)	-	-	-
Minimum mandatory dividend	-	-	-	-	-	-	-	-	-	-	(73,753)	(73,753)	-	(73,753)
Additional dividend approved for 2018	-	-	-	-	-	-	-	-	73,749	-	(73,749)	-	-	-
Balances as of December 31, 2019	947,522	43,611	54,149	(64,321)	14,871	62,711	523,760	5,628	73,749	1,122,997	-	2,784,677	199,744	2,984,421
Goodwill (discount) on the sale of shares	-	(3,350)	-	-	-	-	-	-	-	-	-	(3,350)	-	(3,350)
Compensation based on shares recognized in the fiscal year	-	-	6,463	-	-	-	-	-	-	-	-	6,463	-	6,463
Stock-based compensation exercised in the year	-	-	-	8,031	-	-	-	-	-	-	-	8,031	-	8,031
Restricted share compensation exercised/rebought in the year	-	(1,338)	(2,031)	3,369	-	-	-	-	-	-	-	-	-	-
Unrealized gain on hedge instruments, net of tax	-	-	-	-	-	-	-	-	-	(149,577)	-	(149,577)	(8,688)	(158,265)
Realization of depreciation of the cost assigned to the fixed assets	-	-	-	-	-	-	-	-	-	(3,220)	3,220	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	488,674	488,674	22,274	510,948
Proposed additional dividend	-	-	-	-	-	-	-	-	(73,749)	-	-	(73,749)	-	(73,749)
Proposed destination:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Constitution of reserves	-	-	-	-	171	24,425	230,489	-	-	-	(255,085)	-	-	-
Minimum mandatory dividend	-	-	-	-	-	-	-	-	-	-	(83,673)	(83,673)	(2,651)	(86,324)
Distribution of interest on own capital	-	-	-	-	-	-	-	-	-	-	(37,117)	(37,117)	-	(37,117)
Proposed additional dividend	-	-	-	-	-	-	-	-	116,019	-	(116,019)	-	-	-
Balances as of December 31, 2020	947,522	38,923	58,581	(52,921)	15,042	87,136	754,249	5,628	116,019	970,200	-	2,940,379	210,679	3,151,058

As notas explicativas são parte integrante das demonstrações financeiras.

Statement of cash flows | December 31, 2020 and 2019

(In thousands Reais)

	Parent Company		Consolidated			Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019		12/31/2020	12/31/2019	12/31/2020	12/31/2019
Net cash from operational activities					Net cash used in investment activities				
Net income before IRPJ/CSLL	605,735	386,937	689,179	414,662	In property, plant and equipment	(147,796)	(195,431)	(190,129)	(235,175)
Adjustments to reconcile net income to cash provided by operating activities:					Receipt for sale of land (Note 10)	-	-	42,643	80,621
Depreciation and amortization	83,781	76,595	119,686	105,810	Payment land return	-	-	(706)	(705)
Income from write-off of property, plant and equipment	7,466	11,576	8,067	(17,811)	In intangible assets	(21,560)	(5,440)	(21,654)	(5,746)
Equity in net income of subsidiaries	(177,399)	(175,243)	-	-	Capital payment	(47)	-	-	-
Interest, exchange and monetary variation	142,422	132,346	148,785	143,595	Net cash used for investing activities	(169,403)	(200,871)	(169,846)	(161,005)
Share-based compensation	6,463	5,386	6,463	5,386	Net cash generated/(consumed) in financing activities				
Variation in biological assets	(17,127)	733	(24,538)	19,515	Sale and repurchase of shares	4,681	(37,835)	4,681	(37,835)
Provision of profit sharing and labor contingencies	40,772	22,830	45,590	26,088	Dividends Paid	(179,843)	(176,314)	(179,843)	(181,243)
AVP - Lease Liabilities (Note 13)	154,759	121,740	61,106	47,607	Loans and financing obtained	1,280,800	1,349,430	1,485,800	1,512,923
Amortization of Right of Use	119,580	65,787	73,663	43,336	Loans and financing paid	(854,151)	(1,217,138)	(1,021,393)	(1,269,658)
Fair value for investment property	-	-	(7,184)	(7,928)	Rentals paid	(277,468)	(147,019)	(129,634)	(78,929)
Other adjustments	9,416	(1,416)	9,928	(1,514)	Net cash provided by financing activities	(25,981)	(228,876)	159,611	(54,742)
Provision for losses taxes recover	23,799	-	24,904	-	Increase in cash and cash equivalents	669,742	264,920	774,626	317,119
	999,667	647,271	1,155,649	778,746					
Changes in assets and liabilities:					Opening balance of cash and cash equivalents	649,548	384,628	829,427	512,308
Trade accounts receivable	(40,971)	(21,275)	(28,878)	(46,859)	Closing balance of cash and cash equivalents	1,319,290	649,548	1,604,053	829,427
Inventories and biological assets	(228,845)	(156,743)	(273,792)	(242,580)	Increase in cash and cash equivalents	669,742	264,920	774,626	317,119
Recoverable taxes	(8,480)	9,052	(10,468)	5,426					
Short-term interest earnings bank deposits	53,639	75,841	55,329	74,436					
Other accounts receivable	3,140	1,466	(4,367)	(4,003)					
Advance to suppliers	1,237	21,527	5,952	22,012					
Suppliers	144,650	192,968	161,769	187,493					
Taxes and social payables	(57,522)	(41,393)	(63,699)	(53,658)					
Liabilities with related parties	2,915	(47,550)	(4)	(33)					
Operations with derivatives	(54,460)	22,924	(83,583)	(1,087)					
Advances from clientes	28,326	(9,096)	34,975	(8,874)					
Rentals payable	(225)	(50,021)	5,058	(58,517)					
Other accounts payable	15,837	(5,699)	23,860	(945)					
Income tax and social contribution tax on profit paid	(68,160)	(10,150)	(99,255)	(31,839)					
Dividends	150,945	144,563	-	-					
Interest paid	(76,567)	(79,018)	(93,685)	(86,852)					
	(134,541)	47,396	(370,788)	(245,880)					
Net cash provided by (applied to) operating activities	865,126	694,667	784,861	532,866					

See accompanying notes



Statement of cash flows | December 31, 2020 and 2019 (In thousands Reais)

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Revenues				
Sale of merchandise, products and services	3,156,501	2,341,916	3,724,727	2,765,663
Other income	36,475	9,799	79,866	19,848
Income from construction of own assets	93,189	71,594	110,383	94,145
Variation of the fair value of biological assets	676,476	470,442	775,534	504,751
	3,962,641	2,893,751	4,690,510	3,384,407
Inputs acquired from third parties				
Raw materials used	(1,002,721)	(806,791)	(1,207,995)	(949,685)
Cost of goods, merchandise and services sold	(60,853)	(15,100)	(72,101)	(57,414)
Materials, Energy, Third-party services and other	(640,819)	(556,888)	(743,858)	(655,952)
Loss/recovery of asset values	-	(92)	-	(92)
Adjustment to fair value of biological assets	(659,349)	(471,174)	(750,996)	(524,266)
	(2,363,742)	(1,850,045)	(2,774,950)	(2,187,409)
Gross added value	1,598,899	1,043,706	1,915,560	1,196,998
Retentions				
Depreciation, amortization and depletion	(83,781)	(76,595)	(119,686)	(105,810)
Amortization of right of use	(119,580)	(65,787)	(73,663)	(43,336)
Net added value produced	1,395,538	901,324	1,722,211	1,047,852
Added value received as transfer				
Equity Income	177,399	175,243	-	-
Financial income	344,732	170,915	429,678	203,659
Other	5,765	2,129	6,200	23,513
	527,896	348,287	435,878	227,172
Total added value payable	1,923,434	1,249,611	2,158,089	1,275,024

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Distribution of added value	1,923,434	1,249,611	2,158,089	1,275,024
Taxes, duties and contributions	145,857	76,158	230,457	124,435
Federal	145,367	75,582	221,541	118,101
State	-	-	8,426	5,746
Municipal	490	576	490	588
Personnel	292,227	268,653	344,903	312,718
Direct remuneration	164,448	163,444	198,077	191,733
Benefits	111,414	89,520	128,292	103,272
FGTS	16,365	15,689	18,534	17,713
Third-party capital remuneration	996,676	593,286	1,071,781	493,080
Interest	975,267	496,068	1,049,958	467,083
Rents	21,409	97,218	21,823	55,747
Remuneration of own capital	488,674	311,514	510,948	315,041
Dividends	120,790	73,754	120,790	73,754
Retained Earnings/Loss for the period	367,884	237,760	367,884	237,760
Part. Interest of non-controlling shareholders in retained earnings	-	-	22,274	3,527

See accompanying notes.

Notes to the financial statements

1. Operations

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

On September 1, 2020, the Company and subsidiaries began its cultivation of the 2020/2021 crop with operations at sixteen production units and a total planted area of 468.2 thousand hectares, including company-owned areas and areas leased from third parties and related parties, which are located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

Effects of COVID-19 on the Financial Statements

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

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

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

In relation to its business, it is worth mentioning that the Company is part of a sector considered essential, in relation to the maintenance of its productive activity, since, among its three main products, two are used by the food and beverage industry as material -cousin. Another factor that deserves mention and that directly involves the Company is the strong demand for exports,



avored by the appreciation of the dollar. Regarding the logistics chain, it is worth noting that there were no significant disruptions in the operations and export logistics, as well as in the operations for receiving inputs, which are already largely acquired.

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

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

2. Summary of significant accounting practices

a) Declaration of accounting

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the provisions of corporate legislation, as provided for in Law No. 6404/76 with amendments to Law No. 11638/07 and Law No. 11.941/09, and the accounting pronouncements, interpretations and guidance issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and also in accordance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's management believes that all the relevant information in the financial statements is being evidenced and corresponds to that used by it in its management, as provided for in OCPC 7 - Evidence in the Disclosure of General Purpose Financial-Accounting Reports. We highlight, even though the accounting policies considered immaterial were not included in the financial statements.

The issuance of the individual and consolidated financial statements was authorized by the Board on March 17, 2021.

b) Basis of measurement

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

- Derivative financial instruments measured at fair value;
- Biological assets, not classified as carrying plants, measured at fair value, using the market approach, less sales expenses and costs to be incurred from pre-harvest;
- Investment property, measured at fair value;
- Share-based payment transactions, measured at fair value at the grant date.

c) Functional currency and foreign currency transactions and balances

The individual and consolidated financial statements are presented in Brazilian Real (BRL), which is the functional currency of the Company and its subsidiaries.

Foreign currency transactions are initially recorded at the exchange rate of the functional currency prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currency are converted at the functional currency exchange rate prevailing at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates on monetary assets and liabilities in foreign currencies are recognized in the income statement, except when deferred in equity as qualified cash flow hedge transactions.



d) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealized revenues or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with investees recorded by equity method are eliminated against the Group's investment in the investee.

Unrealized losses are eliminated in the same way as unrealized gains are eliminated, but only to the extent that there is no evidence of impairment loss.

e) Significant accounting judgments, estimates and assumptions

The preparation of the individual and consolidated financial statements requires the use certain critical accounting estimates and also the exercise of judgment by the Management in the process of applying accounting policies, for the accounting for certain assets, liabilities, income and expenses.

Estimates and exercise of judgment are continually revisited and the results of this process are recognized on a timely basis and in any affected future periods. Actual results may differ from these estimates when it is actually carried out.

Information on judgments, estimates and accounting assumptions that may result in significant effects on the amounts recognized in the financial statements financial statements are presented below:

Grades	Nature
3.c and 8	Measurement of the fair value of biological assets
3.e, 14 and 15	Selection of useful lives of property, plant and equipment and intangible assets
3.q and 13	Discount rate applied in measuring lease liabilities
3.j and 19	Provision for tax, environmental, labor and civil risks and contingent assets
3.h and 10	Deferred income and social contribution taxes
3.i and 25	Measurement of the fair value of financial instruments
3.k and 28	Measurement of the fair value of share-based payment transactions on the grant date
12	Measurement of the fair value of investment properties

3. Accounting policies

The accounting policies described in detail below have been applied consistently for all years presented in these individual and consolidated financial statements.

a) Revenue recognition

Revenue is recognized when control of the product or service is transferred to the customer for an amount that reflects the consideration that the Company expects to be entitled to. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and taxes or sales charges. The following specific criteria must also be met before revenue recognition:

Sale of goods | Operating revenue from the Sale of goods in the normal course of business is recognized in income, when control of the products is transferred to the customer and the Company and its subsidiary no longer have control or responsibility over the products sold.

Land sales | Some subsidiaries are engaged in land sales. Sales take place in line with the current real estate gains realization strategy, being recognized as provided for in the Revenue recognition section above.

In the consolidated financial statements, these revenues are classified in the group “other operating income”, as they do not represent the main object of the Group's business.

b) Inventories

Agricultural produce from biological assets is measured at fair value less selling expenses at the point of harvest when it is transferred from the biological asset group to the inventory group and measured at the weighted average of fair harvest values.

Inventories of seeds, fertilizers, pesticides, fuels, lubricants, packaging and wrapping material, spare parts and other Inventories were valued at average purchase cost.

Provisions for slow-moving or obsolete Inventories are set up when deemed necessary by management.



The provision for adjustment of inventory to market value of agricultural products is set up when the fair value recorded in the inventory is higher than the realizable value. The realizable value is the estimated selling price in the normal course of business less the estimated costs necessary to sell them.

c) Biological assets

The biological assets correspond substantially to the soybeans, corn, cotton and other minor crops, whose agricultural products are sold to third parties. They are measured by the expenses incurred with the formation of the crops up to the point of biological transformation, when they are valued at fair value, deducting sales expenses and costs to be incurred. At this time the transformation of the biological asset is significant and the impact on the value is material.

The fair value measurement of biological assets is classified as level 3 - Assets and liabilities whose prices do not exist or those prices or valuation techniques are supported by a small or non-existent market, unobservable or illiquid.

This measurement is an accurate estimate based on various assumptions and methodologies adopted by the Company's management, for which internal and external information was used, mainly related to: productivity volume, profitability, costs necessary to put in sale condition, prices and discount rate.

The fair value of biological assets is determined using discounted cash flow methodology, considering basically:

- (a) cash inflows obtained by multiplying (i) estimated production (hectares planted multiplied by estimated productivity), and (ii) market price/prices sold.
- (b) Cash outflows represented by the total cost of production for the crop such as: (i) seeds, fertilizers, agricultural pesticides, depreciation and labor applied to crops.

Based on the estimated revenues and costs, the Company determines the discounted cash flows to be generated and brings the corresponding amounts at present value, considering a discount rate, compatible for investment remuneration. Changes in fair value are recorded under the biological assets

heading and are offset against "Changes in fair value of biological assets" in the statement of income.

The valuation of biological assets at fair value considers certain estimates, which are subject to uncertainties and may have effects on future results as a result of their variations.

d) Investments (Parent Company)

Investments in subsidiary are determined by the equity method of accounting, as CPC18 (R2) (IAS 28), for the purpose of the parent company's financial statements.

After the application of the equity method for the purposes of the parent company's financial statements, the Company determines whether it is necessary to recognize an additional impairment loss on the Company's investment in each of its subsidiaries. The Company determines, at each balance sheet closing date, whether there is objective evidence that investments in subsidiaries have suffered impairment losses. If so, the Company calculates the amount of the impairment loss as the difference between the subsidiary's recoverable amount and book value and recognizes the amount in the parent company's income statement.

e) Fixed assets

Recognition and measurement | Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

The cost includes expenses that are directly attributable to the acquisition of an asset. The cost of assets built by the Company itself includes:

- The cost of materials and direct labor;
- The costs of dismantling and restoring the site where these assets are located;
- Costs of loans on qualifying assets;
- Any other costs to place the assets on the premises and conditions necessary for them to be able to operate in the manner intended by Management.

When parts of an asset item have different useful lives, they are recorded as individual asset items (main components). Gains or losses on the disposal of an item of property, plant and equipment (calculated as the difference between the proceeds from disposal and the book value of the asset), are recognized in other operating income (expenses) in profit or loss.

Subsequent costs | Subsequent expenses are capitalized to the extent that it is probable that future benefits associated with the expenses will be received by the Group. Recurring maintenance and repair expenses are recorded in the result.

Depreciation | Property, plant and equipment items are depreciated using the straight-line method in income for the year based on the estimated economic useful life of each component. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the term of the lease unless it is certain that the Group will obtain ownership of the asset at the end of the lease. Land and land plots are not depreciated.

Fixed asset items are depreciated from the date they are installed and are available for use, or in the case of assets built in-house, from the day construction is completed and the asset is available for use.

The estimated useful lives for the current year are as follows:

Description	Rate	Average lifetime
Soil correction and development	10%	10 years
Buildings and improvements	3.33%	30 years
Furniture and fixtures	10%	10 years
Office equipment and facilities	16.67%	6 years
Agricultural equipment and industrial facilities	9.09%	11 years
Vehicles	8.33%	12 years
Other	10%	10 years

An item of property, plant and equipment is written off when sold or when no future economic benefit is expected from its use or sale. Any gain or loss resulting from the write-off of the asset (calculated as the difference between the net sale value and the book value of the asset) is included in the income statement in the year the asset is written off.

In the year ended December 31, 2020, the Company found that its fixed assets were not above recoverable value, and consequently no provision for impairment of fixed assets was required.

The Company calculates for certain asset classes the residual value considering the revenue it would obtain from the sale less estimated selling expenses if the asset had the expected age and condition at the end of its useful life.

Assets' residual values and useful lives and depreciation methods are reviewed at year end, and are adjusted on a prospective basis, if applicable.

f) Reduction to recoverable value

Financial assets (including receivables) | A financial asset not measured at fair value through profit or loss is evaluated at each reporting date to determine whether there is objective evidence that an impairment loss has occurred. An asset has a loss in its recoverable amount if objective evidence indicates that a loss event occurred after the initial recognition of the asset, and that loss event had a negative effect on projected future cash flows that can be reliably estimated.

The objective evidence that financial assets have lost value may include non-payment or delayed payment by the debtor, restructuring of the amount due to the Group under conditions that the Group would not consider in other transactions, indications that the debtor or issuer will go bankrupt, or the disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortized cost | The Group considers evidence of loss of value of assets measured at amortized cost, both at the individualized and collective levels. Individually significant assets are assessed for loss of specific value. All individually significant receivables and investment securities held to maturity that are identified as not having suffered a loss in value are then collectively valued for any loss in value that has occurred but has not yet been identified. Individually important assets are collectively valued for the loss in value by grouping these securities together with similar risk characteristics.



CPC 48 (IFRS 9), requires the Company to perform a risk assessment of expected credit losses, evaluating the credit with the counterparty and recording the effects when there are indications of losses. The Company has evaluated its financial assets and established the values found to be immaterial.

Non-financial assets | The book values of the Group's non-financial assets, other than biological assets, investment property, inventories and deferred income and social contribution taxes, are reviewed at each reporting date to determine whether there are indications of impairment losses. If such indication occurs, the asset's recoverable amount is estimated.

g) Government subsidies

Government grants are recognized when it is reasonably certain that the benefit will be received and that all the corresponding conditions will be met. When the benefit refers to an item of expense, it is recognized as revenue over the period of the benefit, systematically in relation to the costs whose benefit is intended to offset.

In line with Article 30 of Law 12.973 / 14, this subsidy was excluded from the calculation basis for income tax and social contribution, as it is an investment subsidy.

The investment subsidy amount cannot be distributed to shareholders as dividends, which is why the annual benefit amount was transferred from the retained earnings item to the tax incentive reserve, in Shareholders' Equity. This reserve can only be used to be added to the share capital or to absorb losses.

h) Taxes

Income and social contribution taxes | The Income and social contribution taxes for the current and deferred fiscal year are calculated based on the rates of 15%, plus an additional 10% on taxable income exceeding R\$ 240 per year for income tax and 9% on taxable income for social contribution on net income, and take into account the offsetting of tax losses and negative basis of social contribution, which for the rural activity is up to 100% of the annual actual profit and in the other activities is limited to 30% of the annual taxable income.

For companies taxed by the presumed profit, the Income Tax and Social Contribution for the current year, are calculated on a cash basis, based on the rates of 15%, plus an additional 10% on the basis of a surplus of R\$ 240 annually for income tax and 9% on the basis of presumption for social contribution on net income.

Income and social contribution taxes expenses include current and deferred taxes. Current and deferred tax are recognized in profit or loss unless they are related to the business combination, or items directly recognized in equity or other comprehensive income.

Current tax is the tax payable or receivable expected on the taxable profit or loss for the year at the tax rates enacted or substantively enacted at the date of presentation of the financial statements and any adjustment to the taxes payable in respect of prior years.

Deferred tax is recognized with respect to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is measured at the rates applicable to temporary differences when reversed, based on laws that have been enacted or substantively enacted by the reporting date of the financial statements.

In determining current and deferred income taxes, the Company takes into consideration the impact of uncertainties related to tax positions taken and whether additional income and interest tax payments must be made. The Company believes the provision for income tax in liabilities is adequate for all outstanding tax periods based on its assessment of several factors, including interpretations of tax laws and past experience. This assessment is based on estimates and assumptions that may involve a series of judgments about future events. New information can be available which would cause the Company to change its judgment as to the adequacy of the existing provision; such changes will impact the income tax expense for the year in which they are made, if applicable.

A deferred income tax and social contribution asset and liability are compensated when there is a legally enforceable right of the Company to compensate the current asset and liability, and if they correlated to the income tax estimated by the same tax agency over the same taxable entity. A deferred income tax asset is recognized for tax losses, tax credits and unused deductible temporary differences when it is probable that future taxable profit will be available against which it will be used.

Deferred income and social contribution tax assets are reviewed at each reporting date and will be reduced to the extent that their realization is no longer probable.

Sales taxes | Income and assets are recognized, net of sales taxes, except for:

- When sales taxes incurred on the purchase of goods or services are not recoverable from the tax authorities, in which case the sales tax is recognized as part of the cost of acquisition of the asset or expense item, as appropriate;
- When the amounts receivable and payable are presented together with the amount of sales taxes;
- The amount net of sales tax, recoverable or payable, is included as a component of the amounts receivable or payable on the balance sheet.

Sales revenues are subject to the following taxes and contributions at the following basic rates:

	Rates
ICMS - Value-Added Tax on Sales and Services	0% to 18.00%
COFINS - Contribution for social security funding	7.60%
PIS - Social Integration Program	1.65%
Rural Worker Assistance - Funrural	2.05%

In the income statement, revenues are shown net of these taxes. The consideration is in taxes payable on liabilities. The amounts of taxes payable are offset against any tax credits arising from the purchase of inputs and property, plant and equipment, on farms that allow for credit.

i) Financial instruments

Non-derivative financial assets | The Group recognizes loans and receivables initially at the date they originated. All other assets are initially recognized on the date of negotiation when the Group becomes a party to the contractual provisions of the instrument.

The Group writes-off a financial asset when the contractual rights to the cash flows from the asset expire, or when the Group transfers the rights to receive the contractual cash flows from a financial asset in a transaction in which essentially all risks and rewards of ownership of the financial asset are transferred. Any interest that is created or retained by the Group in financial assets is recognized as an individual asset or liability.

Financial assets or liabilities are offset and the net amount shown on the balance sheet when, and only when, the Group has the legal right to offset the amounts and intends to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The Group classifies non-derivative financial assets as amortized cost.

Amortized cost – Financial assets with fixed or calculable payments that are not quoted on the market. Such assets are initially recognized at fair value plus any attributable transaction costs. They are measured at amortized cost using the effective interest method, less any impairment loss. They cover accounts receivable from customers and other receivables.

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and financial investments with original maturities of three months or less from the date of contracting. Items classified as cash and cash equivalents are subject to an insignificant risk of change in value, and are used in the management of short-term obligations.



Non-derivative financial liabilities | The Group recognizes debt securities issued and subordinated liabilities initially at the date they arise. All other financial liabilities are initially recognized on the trade date on which the Group becomes a party to the contractual provisions of the instrument. The Group discharges a financial liability when its contractual obligations have been discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are recognized initially at fair value plus any attributable transaction costs. After initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Group has the following non-derivative financial liabilities: financing and loans, suppliers, loan agreements and related party leases, third-party leases, securities payable and other accounts payable.

Derivative financial instruments, including hedge accounting | The Company uses derivative financial instruments such as currency forward contracts, commodities forward contracts and interest rate swaps to hedge against the risk of changes in foreign exchange rates, the risk of changes in commodities prices and the risk of changes in interest rates. Embedded derivatives are separated from their master contracts and recorded individually if the economic characteristics and risks of the master contract and the embedded derivative are not intrinsically related; or an individual instrument with the same conditions as the embedded derivative meets the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

At the time of the initial hedge assignment, the Group formally documents the relationship between the hedge instruments and the hedged items, including the risk management objectives and strategy in conducting the hedging transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group assesses whether the forecasted or contracted hedging items remain in the same amount and term of the hedging instrument. In addition, continuous monitoring is performed to check whether the hedge

instruments are expected to be "highly effective" in offsetting changes in the fair value or cash flows of the respective hedged items during the year for which the hedge is designated.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. After initial recognition, derivatives are measured at fair value, and changes in fair value are recorded as described below.

Hedges of cash flows | When a derivative is designated as a hedging instrument in a hedge of variability in cash flows attributable to a specific risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of the changes in the derivative's fair value is recognized in other comprehensive income and presented in the equity valuation reserve. Any ineffective portion of the changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged item is a non-financial asset, the amount recognized in other comprehensive income is transferred to the asset's book value when the asset is realized. The value recognized in other comprehensive income is reclassified to net income in the same year as the hedged cash flows affect net income on the same line in the income statement as the hedged item. If there are no longer expectations that the forecast transaction will occur, then the balance in other comprehensive income is recognized immediately in the income statement. In other cases the value recognized in other comprehensive income is transferred to net income in the same fiscal year as the hedged item affects the result.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, i.e. sold, closed, exercised, or has its designation revoked, then hedge accounting is discontinued prospectively. The retained earnings, previously recognized in other comprehensive income and presented in the equity valuation reserve, remain there until the forecast transaction affects profit or loss.

For the years ended December 31, 2019 and 2018, the Group had operations classified as cash flow hedge.

j) Provisions

A provision is recognized, based on a past event, if the Group has a legal or constructive obligation that can be reliably estimated, and it is probable that an economic resource will be required to settle the obligation.

Provisions for tax, civil, environmental and labor risks | Provisions are made for all disputes relating to legal proceedings for which an outflow of resources is likely to be made to settle the litigation/obligation and a reasonable estimate can be made. The evaluation of the probability of loss includes the evaluation of available evidence, the hierarchy of laws, available jurisprudence, the most recent court decisions and their relevance in the legal system, as well as the evaluation of external lawyers. The provisions are reviewed and adjusted to consider changes in circumstances, such as applicable statute of limitations, tax inspection findings or additional exposures identified based on new matters or court decisions.

k) Share-based payment

The Company has a Stock Option Plan and a Restricted Stock Plan for directors and managers, under the administration of a management committee, created by the Board of Directors. In the years ended December 31, 2020 and 2019, the Company measured and recognized these benefits as an expense in accordance with CPC 10 (R1) (IFRS 2). Details of the Company's programs can be found in note 27.

The fair value of share-based payment benefits at the grant date is recognized as personnel expenses, with a corresponding increase in equity, for the period in which the employees unconditionally acquire the right to the benefits. The amount recognized as an expense is adjusted to reflect the number of shares for which there is an expectation that the conditions of service and non-market vesting conditions will be met, so that the amount finally recognized as an expense is based on the actual number of awards meeting these conditions at vesting date. For share-based payment awards with a non-market vesting condition, the fair value at grant date is measured to reflect such conditions and there is no change for differences between expected and actual benefits.

l) Financial income and financial expenses

Financial income includes interest income, foreign exchange variation in receivables and payables balances, changes in fair value of financial assets measured at fair value through profit or loss, gains on hedge instruments that are recognized in profit or loss and reclassifications of gains previously recognized in other comprehensive income. Interest income is recognized in income using the effective interest method.

Financial expenses include interest expense on loans, foreign exchange variation in accounts receivable and payable balances, changes in fair value of financial assets measured at fair value through profit or loss, impairment losses recognized on financial assets (except receivables), AVP- present value adjustment of lease contracts and losses on hedge instruments that are recognized in profit or loss. Loan costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are measured in income using the effective interest method.

m) Earnings per share

The basic calculation of earnings per share is made by dividing net income for the year, attributed to the holders of the parent company's common shares, by the weighted average number of common shares outstanding during the year in accordance with technical pronouncement CPC 41 (IAS 33). The calculation of diluted earnings per share is the division of net income for the year adjusted for any dividends or other items related to dilutive potential common shares that have been deducted to determine profit or loss attributable to the holders of the Company's common equity, any interest recognized in the period related to the dilutive potential common shares, and any other changes in revenues or expenses that would result from the conversion of the dilutive potential common shares into the weighted average number of common shares that would be issued on the conversion of all dilutive potential common shares into common shares (Note 22.i).

n) Employee benefits

Benefits granted to the Company's employees and managers include, in addition to fixed compensation (salaries and social security contributions INSS, vacation, 13th salary), variable compensation such as profit sharing and a stock option plan and restricted stock for directors and managers. These benefits are recorded in income for the year when the Company has an accrued obligation as incurred.

o) Segment Information

The Company concentrates its activities on the production and sale of agricultural products (soybeans, corn, cotton and other minor crops) and on the acquisition and development of land for agriculture, thus it is organized in two business segments: agricultural production and land investments. The operating results are regularly reviewed by the Company's chief operating manager for decisions on resources to be allocated to the segment and for the evaluation of its performance.

The Company's products are not controlled and managed by Management as independent segments, and the Company's results are monitored, monitored and evaluated in an integrated manner. There are no other segments or any aggregation of operating segments.

p) Statements of value added and cash flows

The Group has prepared individual and consolidated Value Added Statements (VAS) in accordance with CPC 09 - Value Added Statement (NBC TG 09), which are presented as an integral part of the financial statements in accordance with BRGAAP applicable to public companies, while for IFRS they represent supplementary financial information.

The Group has prepared individual and consolidated cash flow statements in accordance with technical pronouncement CPC 03 (R2) - Cash Flow Statement (IAS 7), using the indirect method.

q) Leasing operations

The Company recognizes the lease liability and the right to use asset on the date the lease agreement is signed. The Company's main contracts refer to cotton and vehicles.

The Company's management considers as a lease component only the minimum fixed amount for purposes of measuring the lease liability. The measurement of the lease liability corresponds to the total of future lease and rental payments, net of tax effects, adjusted to present value, considering the nominal discount rate.

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

It is worth noting that the land lease contracts are indexed by the price of the sack of soybeans in the region of each production unit, with the values of the right to use assets and liabilities being converted into Reais using the price of soybeans in each region. Payment amounts may vary significantly up to the time of payment, depending on the change in the soybean market value in each region.

The calculation methodology used is the modified retrospective method considering the value of the right to use the asset measured at the amount equivalent to the lease liability, calculated at present value using the lessee's incremental interest rate on the transition date.

For the cases below, the right-of-use asset and the lease liability were not measured, as they present uncertainty in the measurement of the value (totally variable price), do not present a minimum amount to be paid or are of short duration:

- (a) Partnership contracts: contracts that determine that the Company pays the lessor, per year / harvest period, percentage of the production earned, the price being totally variable;



- (b) Additional costs linked to productivity: in addition to the lease price, some contracts provide for an increase in value, through additional productivity, resulting from the arithmetic average of the productivity obtained with the agricultural exploration by the lessee. Contracts with this type of characteristic are measured at the minimum fixed amount, with the additional linked to productivity being considered as totally variable; and
- (c) Other leases of machinery and equipment: contracts have variable value, based on the use of the underlying assets, in addition to having a term of less than one year.

Impact on income for the year | The leases are accounted for as financial leases, with a financial component, which reduces the cost of production, due to the effect of recording the adjustment to present value in the financial result.

r) New or revised standards

Changes in CPC 15 (R1): Definition of business | The amendments to CPC 15 (R1) clarify that, to be considered a business, an integrated set of activities and assets must include, at a minimum, an input - input of resources and a substantive process that, together, contribute significantly to the capacity to generate output - output of resources. In addition, he clarified that a business can exist without including all the inputs - inputs of resources and processes necessary to create outputs - outputs of resources. These changes had no impact on the Group's individual and consolidated financial statements, but may impact future periods if the Group enters into any business combinations.

Changes to CPC 38, CPC 40 (R1) and CPC 48: Reference Interest Rate Reform | The amendments to Pronouncements CPC 38 and CPC 48 provide exemptions that apply to all protective relationships directly affected by the reference interest rate reform. A protection relationship is directly affected if the reform raises uncertainties about the period or the value of cash flows based on the reference interest rate of the hedged item or hedging instrument. These changes have no impact on the Group's individual and consolidated financial statements, as it does not have interest rate hedging relationships.

Changes to CPC 26 (R1) and CPC 23: Material definition | The amendments provide a new definition of material that states, "the information is material if its omission, distortion or obscurity can reasonably influence decisions that primary users of general purpose financial statements make based on those financial statements, which provide financial information on entity-specific report ". The amendments clarify that the materiality will depend on the nature or magnitude of the information, individually or in combination with other information, in the context of the financial statements. Distorted information is material if it could reasonably be expected to influence decisions made by primary users. These changes had no impact on the individual and consolidated financial statements.

Review in CPC 00 (R2): Conceptual Framework for Financial Reporting | The statement reviews some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These changes had no impact on the Group's individual and consolidated financial statements. Changes in CPC 06 (R2): Benefits Related to Covid-19 Granted to Leaseholders in Lease Contracts.

The amendments provide for concession to tenants in the application of the guidelines of CPC 06 (R2) on the modification of the lease, when accounting for the related benefits as a direct consequence of the Covid-19 pandemic. As a practical expedient, a tenant may choose not to evaluate if a benefit related to Covid-19 granted by the lessor is a modification of the lease. The lessee who makes this option must account for any change in the lease payment resulting from the benefit granted in the lease contract related to Covid-19 in the same way that it would account for the change by applying CPC 06 (R2) if the change was not a modification of the contract lease. These changes had no impact on the individual and consolidated financial statements.

There are no standards and interpretations issued and not yet adopted that, in the opinion of the Management, may have a significant impact on the result or on the shareholders' equity disclosed by the Company.

4. Consolidated financial statements

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

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

O período das demonstrações financeiras das controladas incluídas na consolidação é coincidente com o da Controladora e as políticas contábeis foram aplicadas de forma uniforme nas empresas consolidadas e são consistentes com aquelas utilizadas no período anterior.

Em Assembleia Geral Extraordinária, realizada no dia 10 de março de 2020, da controlada SLC-MIT Empreendimentos Agrícolas S.A, foi o aprovado aumento de capital no valor de R\$ 47, sendo totalmente integralizado pela Companhia, passando essa a ter o montante de 52,2% do capital total da controlada. Essa subscrição exclusiva por parte da SLC Agrícola S.A. teve anuência da outra acionista, Mitsui & Co. Ltd.

5. Cash and cash equivalents and short-term interest earning bank deposits

Description	Yields	Parent Company		Consolidated	
		12/31/2020	12/31/2019	31/12/2020	31/12/2019
Cash and cash equivalents in R\$	–	80,080	84	80,104	105
Forex exchange cash ²	–	15,073	5,228	15,073	6,656
CDB-DI	100.75% of CDI ¹	1,224,137	645,154	1,508,558	820,891
Repurchase and resale commitments	–	–	28,889	–	32,360
LAM	100.00% of CDI ¹	–	23,843	318	24,755
Other investments	70.58 % of CDI ¹	663	652	663	652
		1,319,953	703,850	1,604,716	885,419
Cash and cash equivalents		1,319,290	649,548	1,604,053	829,427
CP Interest earnings bank deposits		–	53,652	–	55,342
LP Interest earnings bank deposits		663	650	663	650

1. Average yield on December 31, 2020.

2. Amounts in reais, converted by the dollar P-tax purchase on December 31, 2020.

The financial operations contracted by the Company are represented by investments in bank certificates of deposit and lease bills, at market prices and rates, updated by the income earned up to December 31, 2020, not exceeding the trading value.

Long-term financial investments are reciprocated (collateralized operations), which represent in the non-current assets the amount of R\$ 663 of the portfolio in the parent company and in the consolidated.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 25.

The increase in the balance of cash and cash equivalents is mainly due to the positive operating cash flow in the period, the release of the values from escrow account regarding with the land sale (Parnaíba Farm) made in November 2019, as well as the funding of CRA (Agribusiness Receivables Certificate), carried out in December 2020 by the Company.

6. Trade accounts receivable

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Domestic market	11,510	11,135	13,870	11,463
Foreign market	166,575	125,979	193,413	166,942
Total	178,085	137,114	207,283	178,405

The Group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 25.

7. Inventories

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Agricultural products	518,292	431,819	541,467	476,433
Agricultural products - formation costs	402,266	333,616	421,670	379,394
Agricultural products – Adjustment at fair value for biological assets	116,026	98,203	119,797	97,039
Seeds, composts, fertilizers and pesticides	561,228	470,911	646,305	549,264
Packages and containerization material	10,822	9,848	12,240	11,492
Spare parts	10,960	8,364	12,928	10,145
Other inventories	34,500	19,296	38,407	22,264
Advances to suppliers	43,312	1,719	49,735	1,756
Total	1,179,014	941,957	1,301,082	1,071,354

The Company has no provision for losses on inventories recorded on December 31, 2020 (R\$ 14 on December 31, 2019 in the parent company and in the consolidated).

8. Biological assets

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

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Biological assets - culture in formation	723,600	666,930	871,048	779,543
Biological assets - herd of cattle	15,667	1,024	20,756	1,046
Total	739,267	667,954	891,804	780,589

a) Biological assets culture

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

	Parent Company				Total
	Soybean	Cotton	Corn	Other crops ²	
Balances at december 31, 2019	370,603	217,205	42,837	36,285	666,930
Expenditures with planting	493,614	982,903	204,771	131,695	1,812,983
Variation of the fair value ¹	251,799	306,910	61,248	52,170	672,127
Harvesting and production adjustment - agricultural products	(756,978)	(1,276,873)	(254,600)	(139,989)	(2,428,440)
Balances at December 31, 2020	359,038	230,145	54,256	80,161	723,600
Agricultural products – formation costs	290,795	230,145	54,256	80,161	655,357
Biological assets – adjustment at fair value	68,243	-	-	-	68,243

	Consolidated				Total
	Soybean	Cotton	Corn	Other crops ²	
Balances at december 31, 2019	461,928	237,584	43,959	36,072	779,543
Expenditures with planting	619,067	1,164,052	240,221	161,122	2,184,462
Variation of the fair value ¹	315,535	326,673	62,353	65,325	769,886
Harvesting and production adjustment - agricultural products	(949,503)	(1,457,011)	(288,196)	(168,133)	(2,862,843)
Balances at December 31, 2020	447,027	271,298	58,337	94,386	871,048
Agricultural products – formation costs	364,608	271,298	58,337	94,386	788,629
Biological assets – adjustment at fair value	82,419	-	-	-	82,419

1. Effect of biological assets in the statement of income for the period.

2. Other crops include soybean seed, brachiaria, mung beans, popcorn, seed corn, wheat and permanent livestock.

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

	Parent Company		Consolidated	
	2020 ¹	2019 ²	2020 ¹	2019 ²
Soybean				
Harvested area (ha)	164,833	186,239	205,508	229,960
Productivity achieved (sc/ha)	63	62	64	61
Average price (R\$/sc) ³	R\$ 73.79	R\$ 64.85	R\$ 73.33	R\$ 64.43
Corn				
Harvested area (ha)	71,874	75,606	86,271	88,929
Productivity achieved (sc/ha)	125	122	120	118
Average price (R\$/sc) ³	R\$ 31.66	R\$ 24.08	R\$ 30.91	R\$ 23.62
Cotton seed				
Harvested area (ha)	108,132	105,432	125,441	123,702
Productivity achieved (@/ha)	287	282	285	273
Average price (R\$/@) ³	R\$ 39.40	R\$ 35.01	R\$ 39.15	R\$ 34.80

1. Crop date 2019/20 on the calculation date.

2. Crop date 2018/19 on the calculation date.

3. Average prices at market value on the date of calculation.

Below we present the main assumptions used in determining the fair value of biological assets referring to the 2020/21 harvest:

	Crop 2020/21	
	Parent Company 12/31/2020	Consolidated 12/31/2020
Soybean		
Harvested area (ha)	29,279	33,834
Productivity achieved (sc/ha)	60	61
Average price (R\$/sc)	R\$ 107,07	R\$ 106,67

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

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

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

Crops	Area	Planted area 2019/20	Planted area 2018/19
Cotton	ha	125,462	123,727
Soybean (commercial + seed)	ha	235,444	243,148
Corn	ha	82,392	89,470
Other Crops ¹	ha	5,270	1,754
		448,568	458,099

1. Other crops include corn seed, wheat and sorghum.

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

Crops	Area	Planned area 2020/21 ²
Cotton	ha	109,660
Soybean (commercial + seed)	ha	229,497
Corn	ha	117,061
Other Crops ¹	ha	11,978
		468,196

1. Other crops include corn seed, popcorn, brachiaria, wheat, beans and cattle raising permanent.

2. Planned area, subject to changes in crops that are under planting.

b) Biological assets - cattle raising

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

As of the 2020/21 harvest, in addition to the ILP, the Company will also maintain a permanent herd of cattle in specific areas for livestock.

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

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

The change in the fair value of the cattle herd during the year is as follows:

	Parent Company	Consolidated
Balances at December 31, 2019	1,024	1,046
Purchase cost	21,961	39,054
Variation in fair value adjustment ¹	4,349	5,648
Low por sale	(11,667)	(24,992)
Balances at december 31, 2020	15,667	20,756
Biological assets - cattle	11,318	15,108
Biological assets - adjustment at fair value	4,349	5,648

1. Effect of biological assets in the statement of income for the period.

9. Recoverable taxes

	Controladora		Consolidado	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Income tax	49	2,570	708	3,027
Social contribution	-	85	12	128
ICMS	77,895	87,005	112,967	119,633
COFINS	10,381	9,861	26,993	28,795
PIS	2,295	2,120	5,635	6,080
IRRF recoverable	1,787	4,815	3,667	5,580
Other	350	946	668	1,169
	92,757	107,402	150,650	164,412
Portion classified in current assets	28,521	33,970	39,447	41,943
Portion classified in non-current assets	64,236	73,432	111,203	122,469

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

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

ICMS, PIS and COFINS to be offset/recovered | These refer to credits generated in normal operations of the Company and its subsidiaries and may be offset with taxes of the same nature.

The estimated realization of ICMS, PIS and COFINS sales taxes is evaluated by management based on estimated projections of sales of agricultural products, commercialization of ICMS tax credits and on compensation or offsetting of PIS and COFINS with other taxes generated by the Group's operation. The estimated terms of realization of these assets are described below. As of December 31, 2020, a provision was made in the amount of R\$ 24,904, related to ICMS tax credits whose loss is estimated due to non-realization. The amount was recorded in Other operating expenses in the income statement for the year.

Deadline	Parent Company			Consolidated		
	ICMS	COFINS	PIS	ICMS	COFINS	PIS
Up to 1 year	17,021	7,621	1,693	21,243	10,875	2,262
1 to 2 years	35,802	45	9	46,966	5,017	1,150
2 to 3 years	17,048	-	-	23,882	-	-
Over 3 years	8,024	2,715	593	20,876	11,101	2,223
	77,895	10,381	2,295	112,967	26,993	5,635

10. Securities and credits receivable

At December 31, 2020, the consolidated balance of securities receivable is comprised of an amount of R\$ 33,907 (R\$ 76,905 at December 31, 2019) as follows:

	Consolidated
Balance at December 31, 2019	76,905
Monetary variation	2,018
Withholding income tax	(672)
Receipts	(42,643)
Others ¹	(1,701)
Balance at December 31, 2020	33,907
Portion classified in current assets	31,207
Portion classified in non-current assets	2,700

1. Amount settled without cash effect.

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



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

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

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

As of December 31, 2020, the balance of receivables related to this transaction is R\$ 29,506 (R\$ 29,193 as of December 31, 2019).

Sale of land in the subsidiary Fazenda Parnaíba | On November 12, 2019, the subsidiary Fazenda Parnaíba Empreendimentos Agrícolas Ltda. sold 5,205 hectares of land to third parties, in the total amount of R\$ 83,245. The payment for the acquisition of the land was divided into two installments, the first of which, in the amount of R\$ 41,623, corresponding to 50% of the total amount and received on November 28, 2019. The remaining balance, in the amount of R\$ 41,622, deposited in a guaranteed account ("Escrow Account"), remained invested in securities backed by the Interbank Deposit Certificate (CDI) and were released in December 2020 after the completion of the document formalizations. The amount redeemed was R\$ 42,643.

Complements the item "securities receivable" balances of other amounts receivable in the amount of R\$ 4,401 on December 31, 2020 (R\$ 5,961 on December 31, 2019).

11. Investments (Parent company)

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

	12/31/2020	12/31/2019
Investments parent company	2,212,789	2,200,537
	2,212,789	2,200,537

The relevant investments in subsidiaries, valued by the equity method, with a balance on December 31, 2020, are shown in the table below:



Investment	Capital stock	Shareholders' equity	Unrealized gain in equity	Adjustments to IFRS 16 / CPC 06 (R2) in shareholders' equity	Net income for the period	Unrealized profit for the period income	Adjustments to IFRS 16 / CPC 06 (R2) for the period	Percentage of interest	Equity in income of subsidiaries and associated companies	Equity participation
Fazenda Parnaíba Emp. Agr. Ltda.	21,053	194,721	-	(28,846)	19,171	7,871	(8,033)	100.00%	19,009	165,875
Fazenda Planorte Emp. Agr. Ltda.	57,099	247,604	(1)	(17,683)	32,922	1,325	(15,838)	100.00%	18,409	229,920
Fazenda Pioneira Emp. Agr. S.A.	91,672	94,768	-	-	20,076	-	-	50.00%	10,038	47,386
SLC-MIT Emp. Agr. S.A.	109,981	117,870	-	(1,793)	18,579	-	(1,201)	52.20%	8,927	57,794
SLC Invest. Agrícolas Ltda.	279,405	746,242	-	1,266	50,817	(5,210)	984	100.00%	46,591	747,508
Fazenda Pamplona Emp. Agr. Ltda.	31,766	174,135	-	(7,764)	16,630	236	(6,529)	100.00%	10,337	166,371
Fazenda Planalto Emp. Agr. Ltda.	9,137	247,005	-	(10,491)	27,062	(135)	(9,196)	100.00%	17,731	236,514
Fazenda Palmares Emp. Agr. Ltda.	109,800	184,667	(16)	(4,919)	19,596	77	(4,489)	100.00%	15,184	179,732
Fazenda Parnaguá Emp. Agr. Ltda.	34,291	52,509	-	1,848	3,793	2	1,622	100.00%	5,417	54,357
Fazenda Paineira Emp. Agr. Ltda.	73,985	151,234	-	-	8,562	-	-	6.082%	522	9,192
Fazenda Paiaguás Emp. Agr. Ltda.	20,347	232,250	-	(20,068)	34,178	1,039	(17,746)	100.00%	17,471	212,182
SLC Perdizes Emp. Agr. Ltda.	77,163	110,963	-	(5,005)	10,010	626	(2,873)	100.00%	7,763	105,958
									177,399	2,212,789

The main movements in investments in direct permanent equity interests, as at December 31, 2020, are as follows:

Investimento	Balance on 12/31/2019	Capital integration	Distributed dividends ²	Equity accounting	Unrealized gain/(loss) with hedge instruments	Balance on 12/31/2020
Fazenda Parnaíba Emp. Agr. Ltda.	228,766	-	(81,900)	19,009	-	165,875
Fazenda Planorte Emp. Agr. Ltda.	231,211	-	(19,700)	18,409	-	229,920
Fazenda Pioneira Emp. Agr. S.A. 1	38,124	-	(542)	10,038	(234)	47,386
SLC-MIT Emp. Agr. S.A. ¹	60,593	47	(2,303)	8,927	(9,470)	57,794
SLC Invest. Agrícolas Ltda.	706,562	-	(5,645)	46,591	-	747,508
Fazenda Pamplona Emp. Agr. Ltda.	163,734	-	(7,700)	10,337	-	166,371
Fazenda Planalto Emp. Agr. Ltda.	231,433	-	(12,650)	17,731	-	236,514
Fazenda Palmares Emp. Agr. Ltda.	174,348	-	(9,800)	15,184	-	179,732
Fazenda Parnaguá Emp. Agr. Ltda. ¹	50,641	-	(1,701)	5,417	-	54,357
Fazenda Paineira Emp. Agr. Ltda.	8,670	-	-	522	-	9,192
Fazenda Paiaguás Emp. Agr. Ltda.	208,260	-	(13,549)	17,471	-	212,182
SLC Perdizes Emp. Agr. Ltda.	98,195	-	-	7,763	-	105,958
	2,200,537	47	(155,490)	177,399	(9,704)	2,212,789

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

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

The following is the main information on investments in permanent equity investments as of December 31, 2020:

Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
Fazenda Parnaíba Emp. Agr. Ltda.	9,158	201,688	5,976	10,149	194,721	27,589	8,418
Fazenda Planorte Emp. Agr. Ltda.	9,982	245,933	716	7,595	247,604	39,966	7,043
Fazenda Pioneira Emp. Agr. S.A.	147,373	114,737	97,670	69,672	94,768	181,586	161,511
SLC-MIT Emp. Agr. S.A.	378,439	347,444	266,226	341,787	117,870	484,569	465,989
SLC Investimentos Agrícolas Ltda	198	770,609	11,568	12,997	746,242	63,385	12,568
Fazenda Pamplona Emp. Agr. Ltda	8,046	172,407	330	5,988	174,135	20,189	3,559
Fazenda Planalto Emp. Agr. Ltda.	11,871	244,548	470	8,944	247,005	33,195	6,133
Fazenda Palmares Emp. Agr. Ltda	8,985	179,963	998	3,283	184,667	22,962	3,367
Fazenda Parnaguá Emp. Agr. Ltda.	5,047	48,102	62	578	52,509	4,621	828
Fazenda Paineira Emp. Agr. Ltda.	10,526	143,106	87	2,311	151,234	9,677	1,115
Fazenda Paiaguás Emp. Agr. Ltda.	28,129	214,582	1,206	9,255	232,250	41,023	6,845
SLC Perdizes Emp. Agrícolas Ltda.	3,182	132,080	23,444	855	110,963	16,161	6,151
SLC LandCo Emp. Agrícolas S.A.	10,304	549,846	342	-	559,808	22,259	2,093
Fazenda Planeste Emp. Agr. Ltda.	15,507	135,353	157	3,763	146,940	10,624	2,166
Fazenda Piratini Emp. Agr. Ltda	2,477	122,602	105	2,216	122,758	4,938	1,122
Fazenda Panorama Emp. Agr. Ltda.	13,554	113,940	104	2,107	125,283	7,555	1,865
Fazenda Palmeira Emp. Agr. Ltda.	611	7,206	62	38	7,717	499	97
Fazenda Parceiro Emp. Agr. Ltda.	30,339	91,042	699	698	119,601	3,159	866

12. Investment property

	Balance on 12/31/2019	Fair value adjustments	Balance on 12/31/2020
Crop lands	92,647	-	92,647
Buildings and improvements	1,572	-	1,572
Soil correction and development	10,954	-	10,954
Gain on fair value	111,837	7,184	119,021
Total	217,010	7,184	224,194
Fair value adjustments – Income	-	7,184	7,184

Investment properties include cropland and the infrastructure on it that is leased to third parties.

Investment property is recorded at fair value, which was determined based on valuations performed by independent appraisers on October 16, 2020. The Company performs annually, the valuation of the fair value of assets recorded as investment property.

The fair value of the properties was determined by the direct comparison of market data, which consists in determining the market value of an asset by comparing it with other similar assets, through their selling prices, in view of their similar characteristics. In this method, adjustments are made using factors that aim to correct any differences between the goods available on the market and the asset

being evaluated. In determining the fair value of investment properties, the Company adopts "Level 3".

Revenue from rental of investment property | Revenue from rental of investment property is recognized in income on a straight-line basis over the lease term. Lease incentives granted are recognized as an integral part of total rental income, for the duration of the lease. Rental income from other properties is recognized as operating income. In 2020, rental revenue totaled R\$7,587 (R\$5,457 in 2019).

13. Leasing operations

The movement of the right-of-use assets in the period ended December 31, 2020 is shown below:

	Parent Company	Consolidated
Balance at 12/31/2019	1,388,969	555,031
Remeasurement	1,175,161	314,739
Additions of new contracts	67,277	60,163
(-) Amortization of the right to use asset	(168,153)	(101,437)
Balance at 12/31/2020	2,463,254	828,496
Cotton rental	16,809	21,766
Culture lands	2,423,168	782,091
Leasing of buildings	986	986
Machinery	15,190	15,190
Rental cars	7,101	8,463
	2,463,254	828,496
Amortization of right of use in the year:		
Cotton rental	(1,530)	(2,491)
Culture lands	(161,348)	(93,522)
Leasing of buildings	(612)	(612)
Machinery	(3,301)	(3,301)
Rental cars	(1,362)	(1,511)
Total period	(168,153)	(101,437)

The change in lease liabilities in the period ended December 31, 2020 is shown below:

	Parent Company	Consolidated
Balance at 12/31/2019	1,497,456	629,716
Additions of new contracts and remeasurement lease liability	1,242,336	374,797
Realization of the APV on lease liabilities	154,759	61,106
(-) Payments (*)	(279,169)	(131,335)
Balance at 12/31/2020	2,615,382	934,284
Liabilities current	355,413	162,258
Intercompany (note 16.a)	204,525	-
Third-party	150,888	162,258
Liabilities non-current	2,259,969	772,026
Intercompany (note 16.a)	1,517,643	-
Third-party	742,326	772,026

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

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

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

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

Impacts on income for the period

With the implementation of IFRS 16 / CPC 06 (R2), all leases were accounted for under a single model, similar to the accounting of financial leases, bringing a new financial component, which reduced the cost of production, due to the effect of recording the adjustment to present value in the financial result. The amount recorded in the financial result for the period represents R\$ 154,759 in the parent company and R\$ 61,106 in the consolidated.

The expense for the period related to variable lease payments not included in the measurement of lease liabilities was R\$ 6,553 in the parent company and R \$ 11,936 in the consolidated.

The Company has land lease agreements with its subsidiaries, as described in note 14. The adoption of said rule caused differences between the results of the parent company and the consolidated, which were adjusted in the calculation of equity of the parent company, so that the results of the parent company's period and the consolidated result attributed to the controlling shareholders were equal, based on ICPC 09 (R2) - Individual Financial Statements, Separate Statements, Consolidated Statements and Application of the Equity Method. The calculation of the equity method is shown in note 11.

Sub-lease of right of use asset

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

The Parent Company's revenue in the period, resulting from the subleasing of rights-of-use assets, was R\$ 4,814.

Additional information

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

inflation in the flows to be discounted, according to the prohibition imposed by IFRS 16 / CPC 06 (R2).

As of December 31, 2020, the gross contractual flow of lease contracts entitled to PIS / COFINS credit is R\$ 4,448,983 in the parent company and R\$ 1,300,043 in the consolidated (R\$ 2,489,415 in the parent company and R\$ 839,494 in the consolidated, in December 31, 2019). The potential PIS and COFINS credit on the gross contractual flow, brought to present value, is R\$ 283,066 in the parent company and R\$ 864,245 in the consolidated (R\$ 156,092 in the parent company and R\$ 55,326 in the consolidated, as of December 31, 2019).

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

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

	Parent Company	
	Considerations without inflation ¹	Considerations with inflation ²
Right of use asset	2,463,254	2,941,746
Liabilities leasing - current	355,413	363,647
Liabilities leasing - non current	2,259,969	2,911,925

1. Discounted cash flow without considering projected future inflation.
2. Discounted cash flow considering projected future inflation.



	Consolidated	
	Considerations without inflation ¹	Considerations with inflation ²
Right of use asset	828,496	1,004,628
Liabilities leasing - current	162,258	165,421
Liabilities leasing - non current	772,026	939,717

1. Discounted cash flow without considering projected future inflation.

2. Discounted cash flow considering projected future inflation.

Below is the gross contractual flow:

	Parent Company		Consolidated	
	Considerations without inflation ¹	Considerations with inflation ²	Considerations without inflation ¹	Considerations with inflation ²
Up to year	373,173	381,912	167,950	171,293
1 to 2 years	368,208	391,147	161,396	170,243
2 to 3 years	363,507	401,337	156,185	171,147
3 to 4 years	339,393	390,235	130,314	148,749
4 to 5 years	330,710	396,864	110,445	131,493
Over 5 years	2,743,187	4,082,762	626,965	876,695
	4,518,178	6,044,255	1,353,255	1,669,621

1. Discounted cash flow without considering projected future inflation.

2. Discounted cash flow considering projected future inflation.

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

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

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

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

During the period ended December 31, 2020, there was no change in the Company's lease contracts related to COVID-19, which would result in remeasurement of the lease liability.



14. Property, plant and equipment

a) Composition of fixed assets

Cost of the gross fixed assets	Parent Company					Balance on 12/31/2020
	Balance on 12/31/2019	Additions	Write-offs	Transfers	Reclassification ¹	
Soil correction and development	419,286	47,026	-	(67)	-	466,245
Buildings and improvements	269,823	856	(83)	26,027	-	296,623
Agricultural equipment and industrial facilities	785,385	81,500	(25,725)	2,451	-	843,611
Vehicles	57,644	2,623	(1,892)	(7)	(5,697)	52,671
Furniture and fixtures	13,765	2,739	(353)	80	-	16,231
Equipment and facilities of the office	21,022	8,005	(618)	12	(1)	28,420
Other	3,336	581	(172)	42	-	3,787
Works in progress	15,677	21,928	(18)	(28,538)	-	9,049
Plants carrier	4,239	-	-	-	-	4,239
Total	1,590,177	165,258	(28,861)	-	(5,698)	1,720,876

1. Reclassification Assets available for sale and Intangible assets (R\$ 2,566).

Depreciation	Balance on 12/31/2019	Depreciation	Write-offs	Reclassification ¹	Balance on 12/31/2020
Soil correction and development	(293,772)	(21,854)	-	-	(315,626)
Buildings and improvements	(44,144)	(10,103)	20	-	(54,227)
Agricultural equipment and industrial facilities	(413,067)	(54,994)	19,335	5	(448,721)
Vehicles	(20,654)	(5,093)	1,195	3,127	(21,425)
Furniture and fixtures	(7,017)	(1,171)	273	-	(7,915)
Equipment and facilities of the office	(10,880)	(3,196)	572	-	(13,504)
Others	(38)	(22)	-	-	(60)
Plants carrier	(4,239)	-	-	-	(4,239)
Total	(793,811)	(96,433)	21,395	3,132	(865,717)

1. Reclassification Assets available for sale and Intangible assets (R\$ 2,566).

Net residual value	12/31/2019	12/31/2020
Soil correction and development	125,514	150,619
Buildings and improvements	225,679	242,396
Agricultural equipment and industrial facilities	372,318	394,890
Vehicles	36,990	31,246
Furniture and fixtures	6,748	8,316
Equipment and facilities of the office	10,142	14,916
Other	3,298	3,727
Works in progress	15,677	9,049
Total	796,366	855,159

Cost of the gross fixed assets	Consolidated					Balance on 12/31/2020
	Balance on 12/31/2019	Additions	Write-offs	Transfers	Reclassification ¹	
Crop lands	1,719,924	102	-	-	-	1,720,026
Soil correction and development	644,369	76,166	-	(63)	-	720,472
Buildings and improvements	478,602	1,373	(98)	33,414	-	513,291
Agricultural equipment and industrial facilities	923,512	89,666	(26,758)	2,525	-	988,945
Vehicles	65,261	2,636	(2,047)	(35)	(6,384)	59,431
Furniture and fixtures	16,235	3,033	(404)	80	-	18,944
Equipment and facilities of the office	27,600	8,863	(637)	12	(1)	35,837
Other	7,177	763	(265)	417	-	8,092
Works in progress	20,031	27,170	(18)	(36,350)	-	10,833
Plants carrier	4,239	-	-	-	-	4,239
Total	3,906,950	209,772	(30,227)	-	(6,385)	4,080,110

1. Reclassification Assets available for sale and Intangible assets (R\$ 2,802).

Depreciation	Balance on 12/31/2019	Depreciation	Write-offs	Reclassification ¹	Balance on 12/31/2020
Soil correction and development	(420,391)	(34,160)	-	-	(454,551)
Buildings and improvements	(101,918)	(20,186)	25	-	(122,079)
Agricultural equipment and industrial facilities	(456,196)	(68,329)	19,950	21	(504,554)
Vehicles	(24,218)	(5,609)	1,292	3,562	(24,973)
Furniture and fixtures	(7,809)	(1,411)	301	-	(8,919)
Equipment and facilities of the office	(12,844)	(3,618)	592	-	(15,870)
Other	(346)	(35)	-	-	(381)
Plants carrier	(4,239)	-	-	-	(4,239)
Total	(1,027,961)	(133,348)	22,160	3,583	(1,135,566)

1. Reclassification Assets available for sale and Intangible assets (R\$ 2,802).

Net residual value	12/31/2019	12/31/2020
Crop lands	1,719,924	1,720,026
Soil correction and development	223,978	265,921
Buildings and improvements	376,684	391,212
Agricultural equipment and industrial facilities	467,316	484,391
Vehicles	41,043	34,458
Furniture and fixtures	8,426	10,025
Equipment and facilities of the office	14,756	19,967
Other	6,831	7,711
Works in progress	20,031	10,833
Total	2,878,989	2,944,544

b) Construction in progress

As of December 31, 2020, the balance of works in progress in the amount of R\$ 9,049 in the parent company and R\$ 10,833 in the consolidated, is substantially represented by works in cotton, construction of warehouses, sheds and warehouses, integration of livestock farming, expansion of the expedition, fire prevention project and other improvements.

The amount of interest that was capitalized for works in progress in the period ended December 31, 2020 was R\$ 728 (R\$ 2,274 as of December 31, 2019). The capitalization rate used to determine the amount of borrowing costs eligible for capitalization was approximately 4.45% y.y.

c) Guarantees

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

Assets under se- cure	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Hypothec	-	-	134,753	349,860
Pledge of finan- cing	10,514	14,071	17,661	24,424
Assets in legal proceedings	14,232	14,232	14,232	14,232
	24,746	28,303	166,646	388,516

15. Intangible

Gross intangible cost	Parent Company		Reclassification	Balance on 12/31/2020
	Balance on 12/31/2019	Additions		
Software	19,110	2,830	(25)	21,915
Import of new system	12,379	18,282	-	30,661
Total	31,489	21,112	(25)	52,576

Amortization	Parent Company		Reclassification	Balance on 12/31/2020
	Balance on 12/31/2019	Additions		
Software	(16,198)	(1,158)	25	(17,336)
Total	(16,198)	(1,158)	25	(17,336)

Net residual value	Parent Company		Balance on 31/12/2020
	Balance on 31/12/2019	Write-offs	
Software		2,912	4,579
Import of new system		12,379	30,661
Total		15,291	35,240



Gross intangible cost	Consolidated				Balance on 12/31/2020
	Balance on 12/31/2019	Additions	Write-offs on	Reclassification	
Software	19,537	2,830	(25)	-	22,342
Import of new system	12,379	18,282	-	-	30,661
Total	31,916	21,112	(25)	-	53,003

Amortization	Consolidated				Balance on 12/31/2020
	Balance on 12/31/2019	Additions	Write-offs	Reclassification	
Software	(16,553)	(1,163)	25	(22)	(17.713)
Total	(16,553)	(1,163)	25	(22)	(17.713)

Net residual value	Consolidated	
	Balance on 12/31/2019	Balance on 12/31/2020
Software	2,984	4,629
Import of new system	12,379	30,661
Total	15,363	35,290

As of December 31, 2020, the balance of implementation of new systems in the amount of R\$ 30,661 is mainly represented by the implementation of the SAP operating system.

16. Balances and transactions with related parties

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

a) Related-party balances

Balances receivable from related parties:

	Parent Company (other accounts receivable)		Consolidated (other accounts receivable)	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Direct subsidiaries				
Fazenda Parnaíba Empr. Agr. Ltda	1,046	-	-	-
Fazenda Perdizes Empr. Agr. Ltda	2,545	1,631	-	-
Fazenda Pioneira Empr. Agr. S.A.	255	242	-	-
SLC Perdizes Empr. Agr. Ltda	23,028	29,954	-	-
Indirect subsidiaries				
SLC-MIT Empr. Agr. S.A.	455	251	-	-
Fazenda Parceiro Empr. Agr. Ltda	384	-	-	-
Parent company				
SLC Participações S.A.	-	3	-	3
Other related parties	8	9	8	8
	27,721	32,090	8	11
Portion classified as current liabilities	2,475	1,040	8	11
Portion classified as non-current liabilities	25,246	31,050	-	-

Balances payable to related parties:

	Parent Company				Consolidated			
	Leases payable		Other accounts payable		Leases payable		Other accounts payable	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Direct subsidiaries								
Fazenda Parnaíba Empr. Agr. Ltda	228,545	103,020	-	-	228,545	103,020	-	-
Fazenda Planorte Empr. Agr. Ltda	338,495	137,389	-	-	338,495	137,389	-	-
Fazenda Pamplona Empr. Agr. Ltda	157,921	78,535	-	-	157,921	78,535	-	-
Fazenda Planalto Empr. Agr. Ltda	230,491	132,846	-	-	230,491	132,846	-	-
Fazenda Palmares Empr. Agr. Ltda	113,870	80,375	-	-	113,870	80,375	-	-
Fazenda Parnagua Empr. Agr. Ltda	55,406	35,244	-	-	55,406	35,244	-	-
Fazenda Parceiro Empr. Agr. Ltda	34,335	16,329	-	-	34,335	16,329	-	-
Fazenda Paiaguás Emp. Agr. Ltda.	361,399	131,278	-	-	361,399	131,278	-	-
Indirect subsidiaries								
Fazenda Planeste Empr. Agr. Ltda	75,891	76,181	-	-	75,891	76,181	-	-
Fazenda Panorama Empr. Agr. Ltda	53,359	52,700	-	-	53,359	52,700	-	-
Fazenda Piratini Empr. Agr. Ltda	42,547	31,076	-	-	42,547	31,076	-	-
Fazenda Perdizes Empr. Agr. Ltda	-	-	573	968	573	968	-	-
SLC-MIT Empr. Agr. S.A.	-	-	721	63	721	63	-	-
Fazenda Palmeira Emp. Agr. Ltda.	8,319	1,716	-	-	8,319	1,716	-	-
SLC Landco Empr. Agr. S.A.	21,590	23,116	-	1,710	21,590	24,826	-	-
Parent company								
SLC Participações S.A.	-	-	16	22	16	22	16	22
Other related parties								
	-	-	-	-	-	-	102	103
	1,722,168	899,805	1,310	2,763	1,723,478	902,568	118	125
Portion classified as current liabilities	204,525	104,591	1,310	2,763	205,835	107,354	118	125
Portion classified as non-current liabilities	1,517,643	795,214	-	-	1,517,643	795,214	-	-

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

b) Transactions with related parties

	Sales of goods/products/ property, plant and equipment		Amortization of the right to use (IFRS 16)		Purchases of goods/prod- ucts/ Corporate TI		Financial expenses – War- ranty Fee		APV-Liabilities Rental (IFRS16)	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Direct subsidiaries										
Fazenda Parnaíba Empr. Agr. Ltda	-	-	6,415	3,963	-	-	-	-	11,444	10,444
Fazenda Planorte Empr. Agr. Ltda	-	-	8,081	3,167	-	-	-	-	15,790	11,988
Fazenda Pamplona Empr. Agr. Ltda	-	-	4,929	2,184	-	-	-	-	8,608	6,634
Fazenda Planalto Empr. Agr. Ltda	-	-	9,082	4,389	-	-	-	-	14,725	11,239
Fazenda Palmares Empr. Agr. Ltda	-	-	4,430	2,988	-	-	-	-	9,044	6,954
Fazenda Parnagua Empr. Agr. Ltda	-	-	2,067	539	-	-	-	-	4,003	1,798
Fazenda Parceiro Empr. Agr. Ltda	-	-	743	290	-	-	-	-	2,069	909
Fazenda Paiguás Emp. Agr. Ltda.	-	-	7,948	2,909	-	-	-	-	14,711	11,260
Fazenda Pioneira Empr. Agr. Ltda	4,893	3,603	-	-	-	2,041	-	-	-	-
Indirect subsidiaries										
Fazenda Planeste Empr. Agr. Ltda	-	-	5,031	3,513	-	-	-	-	6,924	6,960
Fazenda Panorama Empr. Agr. Ltda	-	-	3,245	2,232	-	-	-	-	4,840	4,815
Fazenda Piratini Empr. Agr. Ltda	-	-	81	1,283	-	-	-	-	3,012	2,839
Fazenda Perdizes Empr. Agr. Ltda	4,733	6,744	-	-	566	1,691	-	-	-	-
SLC MIT Empr. Agr. S.A.	6,866	4,438	-	-	7,903	285	-	-	-	-
Fazenda Palmeira Emp. Agr. Ltda.	-	-	82	162	-	-	-	-	276	159
SLC Landco Empr. Agr. S.A.	-	-	2,770	-	-	-	-	-	1,291	659
Parent company										
SLC Participações S.A.	-	-	135	-	135	2,251	11	446	12	-
Other related parties										
Other companies	-	-	-	-	-	-	-	-	-	-
	16,492	14,785	55,039	27,619	8,604	6,268	11	446	96,749	76,658

c) Rental contracts payable

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

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

As of December 31, 2020, the lease liability with its subsidiaries can be demonstrated as follows:

Farm	Location	Accounting value	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Parnaíba	Tasso Fragoso (MA)	228,545	27,147	26,307	26,307	26,307	26,300	96,177
Planorte	Sapezal (MT)	338,495	39,140	37,924	37,926	37,926	37,916	147,663
Pamplona	Cristalina (GO)	157,921	19,337	18,740	18,741	18,741	18,736	63,626
Planalto	Costa Rica (MS)	230,491	28,223	27,354	27,352	27,353	27,347	92,862
Palmares	Barreiras (BA)	117,907	14,422	13,967	13,967	13,967	13,963	47,621
Parnaguá	Santa Filomena (PI)	55,406	3,540	4,345	4,288	5,203	6,059	31,971
Parceiro	Formosa do Rio Preto (BA)	34,335	2,709	2,999	3,361	3,722	4,082	17,462
Paiguás	Diamantino (MT)	361,399	42,928	41,598	41,598	41,598	41,587	152,090
Planeste	Balsas (MA)	75,891	10,003	9,475	9,475	9,475	9,472	27,991
Panorama	Correntina (BA)	53,359	7,033	6,662	6,662	6,662	6,660	19,680
Piratini	Jaborandi (BA)	42,547	5,608	5,312	5,312	5,312	5,310	15,693
Palmeira	Alto Parnaíba (MA)	8,319	987	934	934	934	934	3,596
Matriz	Porto Alegre (RS)	17,553	3,448	2,479	2,642	2,816	2,966	3,202
		1,722,168	204,525	198,096	198,565	200,016	201,332	719,634
Liabilities current		204,525						
Liabilities non current		1,517,643						

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

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

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

d) Management fees

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

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

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Directors fee	(5,963)	(5,210)	(6,391)	(5,630)
Bonuses	(2,973)	(2,945)	(3,083)	(3,187)
Charges	(2,899)	(2,509)	(3,038)	(2,695)
Stock option plan	(1,810)	(1,567)	(1,810)	(1,567)
Other benefits	(395)	(728)	(394)	(748)
Total	(14,040)	(12,959)	(14,716)	(13,827)

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

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

17. Suppliers

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Suppliers	732,358	549,699	870,902	646,442
Suppliers risk drawn	200,788	223,425	230,867	275,558
Total	933,146	773,124	1,101,769	922,000

The balance of suppliers on December 31, 2020 is made up of R\$ 933,146 in the parent company and R\$ 1,101,76 in the consolidated, of which R\$ 200,788 in the parent company and R\$ 230,867 in the consolidated correspond to the risk operations drawn, with an average maturity 35 days and an average rate of 5.37% y.y. The due to the commercial negotiation resulting from the the need for advance payment by suppliers, noting that there were no changes in terms of payments and prices negotiated with suppliers as a result of this transaction.

18. Loans and financing

Index	Average annual interest rates (%)		Parent Company		Consolidated		
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	
Aplicados no imobilizado							
Finame – BNDES	Pré e Cesta de Moedas	5.43%	5.38%	34,866	45,537	57,053	73,235
				34,866	45,537	57,053	73,235
Aplicados no capital de giro							
Crédito rural	Pré	4.30%	6.00%	3,046	87,146	12,186	108,483
CRA	CDI	1.88%	4.41%	360,346	561,447	360,346	561,447
CRA	IPCA + Pré	8.19%	–	481,270	–	481,270	–
Capital de giro	CDI	3.51%	5.21%	298,384	210,488	361,959	210,488
Capital de giro	Swap EUR/CDI	6.28%	6.28%	215,977	203,002	215,977	203,002
Financiamento à exportação	Pré	–	6.50%	–	111,423	–	111,423
Financiamento à exportação	CDI	3.24%	5.16%	328,928	234,573	481,671	416,492
Financiamento à exportação	Swap EUR/US\$/CDI	1.33%	3.03%	345,637	110,212	464,527	181,297
				2,033,588	1,518,291	2,377,936	1,792,632
				(17,706)	(6,101)	(17,706)	(6,101)
				2,050,748	1,557,727	2,417,283	1,859,766
Parcela classificada no passivo circulante				297,692	623,874	377,547	699,515
Parcela classificada no passivo não circulante				1,753,056	933,853	2,039,736	1,160,251



Finame - BNDES – Linhas de investimentos do Banco Nacional do Desenvolvimento (BNDES). São garantidos por alienação fiduciária ou penhor dos bens financiados e por aval da Companhia e da SLC Participações S.A. (Controladora). As amortizações são realizadas em base mensal, semestral e anual, após o período de carência, e se darão entre os períodos de 15/01/2021 a 15/05/2032.

Crédito Rural – Recursos destinados ao custeio e comercialização de safra, cujas regras, finalidades e condições estão estabelecidas no Manual de Crédito Rural (MCR) elaborado pelo Banco Central do Brasil. São garantidos por aval da Companhia. A periodicidade das suas amortizações é anual, com vencimentos entre os períodos de 12/07/2021 e 12/08/2021.

Capital de Giro – Linha com a finalidade de suprir a necessidade de caixa, com vencimento em 29/01/2021 e 30/10/2023 lastreado em estoque ou produção.

Financiamento à Exportação – Financiamento das exportações com linhas de curto e longo prazo captado em reais, euro ou dólar indexado a taxa pré-fixada: CCE (Cédula de Crédito à Exportação), NCE (Nota de Crédito de Exportação) e FINEX (Financiamento à Exportação). A periodicidade das suas amortizações é anual, semestral ou conforme prazo negociado, com vencimentos entre os períodos de 22/03/2021 e 29/05/2023. São garantidos por aval da Companhia com hipoteca de terras ou com garantia “clean”.

CRA – Certificado de Recebíveis do Agronegócio – Títulos de renda fixa, emitidos pela securitizadora em nome da SLC Agrícola, lastreados em recebíveis originados de negócios entre produtores rurais, ou suas cooperativas, e terceiros, abrangendo financiamentos ou empréstimos relacionados à produção, à comercialização, ao beneficiamento ou à industrialização de produtos, insumos agropecuários ou máquinas e implementos utilizados na produção agropecuária. Os custos dessas transações, registrados na rubrica de empréstimos e financiamentos, totalizam R\$17.706 em 31 de dezembro de 2020. Abaixo segue informações das emissões:

Issuance on June 14, 2019 - Agribusiness Receivables Certificate (“CRA”)

On June 14, 2019, the Company issued its CPR-Financeira (Rural financial product note), in the total amount of R \$ 360,000 (three hundred and sixty million reais),

of a single series, for public distribution with restricted efforts, of SLC Agrícola SA, entered into between the Issuer and CIBRASEC Securitizadora SA CPR-F was issued at the cost of 99% of the DI rate, with the principal maturing in two installments, on June 13, 2022 and June 13, 2023 and semiannual remuneration. This issue is with a “clean” guarantee. The risk rating reports for the issue were prepared by Standard & Poor's, the initial risk rating being revised quarterly until the maturity date, the final rating of the initial transaction was “[brAA-]”, and on the day February 24, 2021, the risk of the transaction was raised to “[brAA]”.

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

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

Issuance on December 23, 2020 - Agribusiness Receivables Certificate (“CRA”)

On December 23, 2020, the Company issued its CPR-Financeira (Rural financial product note) with a green seal, in the total amount of R \$ 480,000 (four hundred and eighty million reais), of a single series, for public distribution with restricted efforts, from SLC Agrícola SA, entered into between the Issuer and ISEC Securitizadora SA CPR-F was issued at the cost of IPCA + 3.6726% per year, with the principal maturing in two installments, on December 16 2024 and December 15, 2025 and semiannual remuneration. The issue with a “clean” guarantee with the preparation of the risk rating reports for the Issue carried out by Standard & Poor's, with the risk rating being revised quarterly until the maturity date, the



final rating of the initial operation was “[brAA-]”, And on February 24, 2021, the risk of the operation was raised to “[brAA]”.

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

- (i) Current liquidity ratio (CA/CL): current assets divided by the consolidated current liabilities, equal to or greater than 0.9x (zero point nine time);
- (ii) Total consolidated liabilities/tangible shareholders' equity: total liabilities divided by shareholders' equity minus intangible assets, equal to or less than 2.5x (two comma five times);
- (iii) Consolidated net leverage (total consolidated net financial debt/EBITDA): total loans and financing, minus cash position, banks and "cash equivalents", minus financial investments plus or minus bound swaps, divided by operating income before financial income (expense), equity in subsidiaries, depreciation and amortization for the last 12 (twelve) months excluding the effects of biological assets, equal to or less than 4.0x (four times).

Failure to comply with the contractual clauses of financial commitments may result in early maturity of loans and financing.

As of December 31, 2020, the date of the last annual measurement, the Company was in compliance with the financial commitment clauses.

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

Years of maturity	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
2020	-	623,874	-	699,515
2021	297,692	347,516	377,547	425,294
2022	919,646	447,794	1,161,958	584,556
2023	345,625	125,967	382,750	130,586
2024	238,683	4,086	242,028	7,426
After 2024	249,102	8,490	253,000	12,389
	2,050,748	1,557,727	2,417,283	1,859,766

The Group's exposure to liquidity risk is disclosed in note 25.

19. Provisions for tax, environmental, labor and civil risks

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

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

a) Provisions

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

	Parent Company				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2019	1,475	330	-	2,003	3,808
Addition of provision	519	-	1,052	-	1,571
Reverse of provision	(255)	-	-	(1,600)	(1,855)
Balance in 12/31/2020	1,739	330	1,052	403	3,524
	Consolidated				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2019	1,788	330	-	2,003	4,121
Addition of provision	544	-	7,310	-	7,854
Reverse of provision	(349)	-	(6,187)	(10)	(6,546)
Balance in 12/31/2020	1,983	330	1,123	1,993	5,429

b) Contingents liabilities

Based on the nature of the actions in which it is involved, and supported by the opinion of its legal advisors, the Company discloses its contingent liabilities for which it has an expectation of possible loss. For these actions, no provisions were



set up for eventual losses, as established by CPC 25 of the Accounting Pronouncements Committee.

Nature	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Labor (i)	546	981	546	1,065
Environmental (ii)	3,754	3,754	3,754	3,754
Tributary (iii)	14,352	14,500	46,052	47,350
Civil (iv)	9,005	13,524	36,471	14,175
	27,657	32,759	86,823	66,344

- (i) Labor lawsuits | The labor lawsuits are related to complaints filed mainly by former employees of the Company and the Labor Ministry.
- (ii) Environmental actions | The environmental actions are related to infraction notices issued by IBAMA - Brazilian Institute of Environment and Renewable Natural Resources.
- (iii) Tax | The tax lawsuits are related to the federal and state level.
- (iv) Civil | Civil actions relate to claims for damages from suppliers, damages caused to third parties and litigation in contractual matters.

c) Contingents assets

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

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

d) Judicial deposits

Based on the actions in which the Company is involved, we present below the balance recorded on December 31, 2020 and 2019:

Nature	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Labor (i)	8	-	530	478
Environmental (ii)	-	-	20	20
Tributary (iii)	1,176	1,052	11,338	5,630
Civil (iv)	-	-	1,046	1,046
	1,184	1,052	12,934	7,174

20. Taxes on Profit

Deferred income and social contribution taxes are presented as follows:

Description	Parent Company					
	Income tax	12/31/2020 Social contribution	Total	Income tax	12/31/2019 Social contribution	Total
Assets:						
Temporary differences:						
Provision for stock losses	-	-	-	3	1	4
Provision for profit-sharing	10,339	3,722	14,061	6,126	2,206	8,332
Provision for tax losses	169	61	230	-	-	-
Operations with derivatives	64,927	23,374	88,301	25,560	9,201	34,761
Provision for Senar	1,286	463	1,749	1,876	675	2,551
APV - Lease liability	10,784	3,882	14,666	11,051	3,978	15,029
Provision for ICMS credit losses	5,950	2,142	8,092	-	-	-
Others	6,222	2,240	8,462	2,467	888	3,355
	99,677	35,884	135,561	47,083	16,949	64,032
Liabilities:						
Incentivized depreciation from rural activity	(156,523)	(56,348)	(212,871)	(130,526)	(46,989)	(177,515)
Bargain gain on acquisition of equity interest	(3,855)	(1,388)	(5,243)	(5,647)	(2,033)	(7,680)
Deemed cost from property, plant and equipment	(5,051)	(1,818)	(6,869)	(6,164)	(2,219)	(8,383)
Fair value of biological assets	(47,155)	(16,976)	(64,131)	(42,873)	(15,434)	(58,307)
	(212,584)	(76,530)	(289,114)	(185,210)	(66,675)	(251,885)
Total net	(112,907)	(40,646)	(153,553)	(138,127)	(49,726)	(187,853)
Classified in the non-current liabilities	(112,907)	(40,646)	(153,553)	(138,127)	(49,726)	(187,853)



Description	Consolidated					
	12/31/2020			12/31/2019		
	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for stock losses	-	-	-	3	1	4
Provision for profit-sharing	11,676	4,203	15,879	6,922	2,492	9,414
Provision for tax losses	169	61	230	-	-	-
Operations with derivatives	68,492	23,878	92,370	3,885	1,398	5,283
Provision for Senar	1,384	498	1,882	2,055	740	2,795
APV - Lease liability	10,458	3,765	14,223	11,077	3,987	15,064
Provision for ICMS credit losses	6,226	2,241	8,467	-	-	-
Others	8,941	3,218	12,159	27,627	9,666	37,293
Tax losses and negative basis	30,284	11,411	41,695	33,434	12,176	45,610
	137,630	49,275	186,905	85,003	30,460	115,463
Liabilities:						
Incentivized depreciation from rural activity	(185,782)	(66,758)	(252,540)	(161,635)	(58,065)	(219,700)
Bargain gain on acquisition of equity interest	(3,747)	(1,349)	(5,096)	(5,539)	(1,994)	(7,533)
Deemed cost from property, plant and equipment	(26,828)	(13,558)	(40,386)	(27,843)	(13,926)	(41,769)
Fair value for investment property	(1,992)	(1,076)	(3,068)	(1,844)	(996)	(2,840)
Fair value of biological assets	(51,967)	(18,708)	(70,675)	(45,832)	(16,499)	(62,331)
Others	(18,653)	(6,809)	(25,462)	(4,560)	(1,744)	(6,304)
	(288,969)	(108,258)	(397,227)	(247,253)	(93,224)	(340,477)
Total net	(151,339)	(58,983)	(210,322)	(162,250)	(62,764)	(225,014)
Classified in the non-current assets	15,059	5,421	20,480	16,612	5,905	22,517
Classified in the non-current liabilities	(166,398)	(64,404)	(230,802)	(178,862)	(68,669)	(247,531)

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

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

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
2020	-	52,872	-	63,328
2021	110,660	9,859	140,780	18,193
2022	4,441	901	6,246	9,829
2023	3,358	400	11,358	9,110
2024	833	-	8,755	7,962
2025	16,269	-	19,766	3,690
2026	-	-	-	3,351
	135,561	64,032	186,905	115,463

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

Reconciliation of tax expense with official rates

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

	Parent Company			
	12/31/2020		12/31/2019	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	605,735	605,735	386,937	386,937
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	(151,434)	(54,516)	(96,734)	(34,824)
Adjustments for calculation of effective rate				
Equity income	44,350	15,966	43,810	15,771
Permanent additions	(597)	138	(4,622)	(1,333)
Interest on own capital	9,279	3,341	-	-
Other	12,771	3,641	2,325	184
Value recorded in the income	(85,631)	(31,430)	(55,221)	(20,202)
Total income and social contribution taxes		(117,061)		(75,423)
Deferred taxes		(37,756)		(16,109)
Current taxes		(79,305)		(59,314)
Effective rate		19.33%		19.49%

	Consolidated			
	12/31/2020		12/31/2019	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	689,179	689,179	414,662	414,662
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	(172,295)	(62,026)	(103,666)	(37,320)
Adjustments for calculation of effective rate				
Permanent additions and exclusions	(7,430)	(2,313)	(4,746)	(1,356)
Interest on own capital	9,279	3,341	-	-
Tax incentives of subsidiaries	3,355	15	2,169	85
Income and social contribution taxes in companies taxed by the	40,859	14,527	27,365	9,772
deemed profit system	1,637	589	13,101	4,716
Elimination Unrealized profit	(15,825)	(5,697)	(7,550)	(2,718)
IFRS 16 effects	9,966	3,787	542	(15)
Value recorded in the income	(130,454)	(47,777)	(72,785)	(26,836)
Total income and social contribution taxes		(178,231)		(99,621)
Deferred taxes		(66,839)		(8,765)
Current taxes		(111,392)		(90,856)
Effective rate		25.86%		24.02%

Income and social contribution taxes variation

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

Description	Balance on 12/31/2019	Parent Company		Balance on 12/31/2020
		Recognized in income	Recognized in comprehensive income	
Provision for inventory adjustment	4	(4)	-	-
Provision for profit-sharing	8,332	5,729	-	14,061
Provision to tax losses	-	230	-	230
Operations with derivatives	34,761	(18,516)	72,056	88,301
Provision for Senar	2,551	(802)	-	1,749
Others	3,355	5,107	-	8,462
Provision for ICMS credit losses	-	8,092	-	8,092
Incentivized depreciation from rural activity	(177,515)	(35,356)	-	(212,871)
Bargain gain on acquisition of equity interest	(7,680)	2,437	-	(5,243)
Deemed cost from property, plant and equipment	(8,383)	1,514	-	(6,869)
Fair value of biological assets	(58,307)	(5,824)	-	(64,131)
Capitalization of interest on borrowings	15,029	(363)	-	14,666
Total	(187,853)	(37,756)	72,056	(153,553)
Non-current liabilities	(187,853)			(153,553)

Description	Balance on 12/31/2019	Consolidated		Balance on 12/31/2020
		Recognized in income	Recognized in comprehensive income	
Provision for inventory adjustment	4	(4)	-	-
Provision for profit-sharing	9,414	6,465	-	15,879
Provision to tax losses	-	230	-	230
Operations with derivatives	5,283	5,556	81,531	92,370
Provision for Senar	2,795	(913)	-	1,882
Others	37,293	(25,134)	-	12,159
Tax losses and negative basis	45,610	(3,915)	-	41,695
APV - Lease liability	15,064	(841)	-	14,223
Provision for ICMS credit losses	-	8,467	-	8,467
Incentivized depreciation from rural activity	(219,700)	(32,840)	-	(252,540)
Bargain gain on acquisition of equity interest	(7,533)	2,437	-	(5,096)
Deemed cost from property, plant and equipment	(41,769)	1,383	-	(40,386)
Fair value for investment property	(2,840)	(228)	-	(3,068)
Fair value of biological assets	(62,331)	(8,344)	-	(70,675)
Others	(6,304)	(19,158)	-	(25,462)
Total	(225,014)	(66,839)	81,531	(210,322)
Non-current assets	22,517			20,480
Non-current liabilities	(247,531)			(230,802)

Income tax and social contribution payable

The balance of income tax and social contribution on profit payable on December 31, 2020 is R\$ 40,374 and R\$ 47,449 for the parent company and consolidated, respectively (2019: R\$ 45,107 and R\$ 54,290, respectively).

21. Securities payable (Consolidated)

The Company, through its subsidiaries, has contracts related to the purchase of land, for its use and exploration. The balance as of December 31, 2020 is shown as follows:

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

22. Equity

a) Capital stock

On December 31, 2020, the subscribed capital in the amount of R\$ 947,522 is represented by 190,595,000 common, nominative, book-entry shares with no par value.

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

Shareholder	Quantity of shares	
	12/31/2020	12/31/2019
SLC Participações S.A.	100,977,822	100,969,142
Management	347,967	242,772
Treasury shares	3,010,430	3,590,152
Other	86,258,781	85,792,934
Total shares of paid-in capital	190,595,000	190,595,000
(-) Treasury shares	(3,010,430)	(3,590,152)
Total shares - ex-treasury	187,584,570	187,004,848

b) Capital reserve – goodwill in the issue of shares

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

c) Treasury shares

The balance of treasury shares at December 31, 2020 is R\$ 52,921 and consists of 3,010,430 shares (R\$ 64,321 at December 31, 2019, consisting of 3,590,152 shares). The movement in the number of treasury shares in the year was as follows:

	Treasury shares	
	In nº shares	In R\$
Balance at December 31, 2019	3,590,152	(64,321)
Shares exercised under the stock option plans	(579,722)	11,400
Balance at December 31, 2020	3,010,430	(52,921)

The market value of treasury shares, calculated based on the last stock exchange quotation before the year-end date, was R\$ 82,636 (R\$ 27.45 per share) at December 31, 2020 and R\$ 89,036 (R\$ 24.80 per share at December 31, 2019).

d) Legal reserve

The legal reserve is established on the basis of 5% of the net profit for the year limited to 20% of the share capital. As provided for in the Bylaws in article 35, paragraph a, in the fiscal year in which the balance of the legal reserve plus the amounts of the capital reserves referred to in paragraph 1 of article 182 of Law 6,404/76 exceeds thirty percent (30%) of the capital stock, it shall not be mandatory to allocate part of the net profit of the fiscal year to the legal reserve. For the year ended December 31, 2020, the Company constituted a legal reserve of R\$ 24,425.

e) Reserve for expansion

According to the provisions of Article 194 of Law 6,404/76 and Article 35 of the Company's Bylaws, a Reserve for Expansion shall be formed based on the remaining profit after the legal and statutory deductions, for the purpose of investing in operating assets or capital expenditures, this reserve may not exceed the amount of capital stock. For the year ended December 31, 2020, the Company set up an expansion reserve of R\$ 230,489.

f) Profit retention reserve

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

g) Incentive investment reserve

It corresponds to tax benefits granted by the states of Mato Grosso do Sul, Mato Grosso and Goiás for the reduction in the amount of ICMS to be collected from 70% to 75%, in the form of a presumed credit, for the operations of cotton, cotton seed and corn, classified as investment subsidy. For the year ended December 31, 2020, the Company set up a tax incentive reserve of R\$ 171.

h) Dividends

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

The composition of the proposed dividend calculations and interest on equity for the year ended December 31, 2020 and dividends distributed on December 31, 2019, was as follows:

	12/31/2020	12/31/2019
Net income for the year	488,674	311,514
Appropriation of investment reserve incentivized	(171)	(939)
Appropriation of legal reserve	(24,425)	(15,575)
Calculation base for the dividends proposed	464,078	295,000
Minimum compulsory dividend-25%	116,020	73,753
Additional dividend proposed-25% (a)	116,019	73,749
Proposed dividends	232,039	147,502
Dividend per share (excluding treasury shares)	1.236982	0.7739
% on the basis	50%	50%

(a). Management proposal to be resolved at the Annual Shareholders' Meeting, scheduled to take place in April 2021.

The mandatory minimum dividends are made up as follows:

	12/31/2020
Distribution of interest on own capital (IE)	37,117
(-) IRRF on interest on own capital	(4,770)
Dividend	83,673
Total IE distributed	116,020
Minimum compulsory dividends per share (ex-treasury)	0.618496
% on net income from dividends and interest on own capital	50%

i) Earning per share

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

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

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

	12/31/2020	12/31/2019
Numerator		
Net income for the year (a)	488,674	311,514
Denominator		
Weighted average of common shares (b)	187,047,062	186,716,805
Weighted average of common shares considering dilutive effects (c)	187,441,743	188,242,245
Basic income per common share (a/b)	2.60966	1.66838
Diluted income per common share (a/c)	2.59868	1.65486

j) Other comprehensive income

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

	12/31/2020	12/31/2019
Hedge accounting	(207,640)	(58,064)
Cost assigned fixed assets and fair value adjustment related to property for investments	1,151,931	1,155,152
Gain in the variation of interest	25,909	25,909
Other comprehensive income	970,200	1,122,997

23. Finance income (loss)

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Financial expenses:				
Interest paid	(71,962)	(95,390)	(84,696)	(113,048)
Foreign exchange	(263,779)	(110,497)	(328,196)	(125,847)
APV - Liabilities Lease	(154,759)	(121,740)	(61,106)	(47,607)
Losses with derivative operations	(31,571)	(48,611)	(40,435)	(55,683)
Others	(5,521)	(4,024)	(6,996)	(5,524)
	(527,592)	(380,262)	(521,429)	(347,709)
Financial income:				
Income from interest-earning bank deposits	18,077	20,687	29,909	31,208
Foreign exchange	194,147	105,905	223,539	122,350
Gains with derivative operations	131,504	41,149	175,017	45,902
Others	1,004	3,174	1,213	4,199
	344,732	170,915	429,678	203,659
Financial income (loss)	(182,860)	(209,347)	(91,751)	(144,050)

24. Commitments

24.1. Sales contracts for future delivery

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

Product	Delivery Date	Parent Company				Consolidated				
		Quantity	Agreements	Unit	Price	Delivery Date	Quantity	Agreements	Unit	Price
2019/2020 crop										
Cotton lint	Jan/21-Jul/21	44,115	34	ton	US\$ 1,535.01	Jan/21-Jul/21	48,480	37	ton	US\$ 1,536.48
Corn	Jan/21	45,000	4	sc	R\$ 66.80	Jan/21	46,667	5	sc	R\$ 66.80
2020/2021 crop										
Cotton lint	Aug/21-Jul/22	83,930	14	ton	US\$ 1,549.87	Aug/21-Jul/22	92,350	18	ton	US\$ 1,552.68
Soybean	Jan/21-May/21	1,932,694	37	sc	US\$ 19.71	Jan/21-May/21	2,556,214	42	sc	US\$ 19.44
Soybean	Jan/21-May/21	4,314,781	72	sc	R\$ 86.47	Jan/21-May/21	5,184,858	80	sc	R\$ 86.13
Corn	Jun/21-Aug/21	6,700,000	34	sc	R\$ 23.80	Jun/21-Aug/21	8,055,000	44	sc	R\$ 24.43
2021/2022 crop										
Cotton lint	Aug/22-Dec/22	55,100	10	ton	US\$ 1,657.86	Aug/22-Dec/22	63,700	13	ton	US\$ 1,644.68
Soybean	Jan/22-Apr/22	1,650,000	15	sc	US\$ 18.69	Jan/22-Apr/22	2,040,000	20	sc	US\$ 18.59
Soybean	Jan/22-Apr/22	6,000	1	sc	R\$ 94.00	Jan/22-Apr/22	6,000	1	sc	R\$ 94.00
Corn	Jul/22-Aug/22	3,375,000	22	sc	R\$ 24.67	Jul/22-Aug/22	3,887,000	28	sc	R\$ 24.00

24.2. Third party lease agreements

As of December 31, 2020, the Company and its subsidiaries have third-party lease agreements and building leases, thus distributed:

Unit	Location	Currency	Lease liability (CPC 06(R2)scope) (IFRS16)		Leases payable	
			12/31/2020	12/31/2019	12/31/2020	12/31/2019
Palmares	Barreiras (BA)	R\$	99,477	91,774	-	70
Panorama	Correntina (BA)	R\$	93,219	56,701	-	-
Paladino	São Desidério (BA)	R\$	40,005	32,062	5,283	-
Parceiro	Formosa do Rio Preto (BA)	R\$	19,031	19,965	-	-
Piratini	Jaborandi (BA)	R\$	155	-	-	-
Pantanal	Chapadão do Céu (GO) e Chapadão do Sul (MS)	R\$	329,762	227,453	-	-
Pamplona	Cristalina (GO)	R\$	15,636	17,136	-	-
Planeste	Balsas (MA)	R\$	101,527	54,785	-	-
Parnaíba	Tasso Fragoso (MA)	R\$	51,748	48,765	-	2
Palmeira	Alto Parnaíba (MA)	R\$	30,991	32,872	-	-
Paiaguás	Diamantino (MT)	R\$	141,115	37,669	-	89
Planorte	Sapezal (MT)	R\$	3,326	3,472	-	-
Perdizes	Porto dos Gaúchos (MT)	R\$	567	-	-	-
Pioneira	Querência (MT)	R\$	499	-	-	-
Planalto	Costa Rica (MS)	R\$	6,240	6,436	-	64
Parnaguá	Santa Filomena (PI)	R\$	213	-	-	-
Matriz	Porto Alegre (RS)	R\$	773	626	-	-
			934,284	629,716	5,283	225
			162,258	114,567	5,283	225
			772,026	515,149	-	-

Liabilities for land and cotton leasing have a discount rate with a range of 6,48.0% to 9.45%. For other lease liabilities (machinery, buildings and vehicles), we have a discount rate ranging from 3.00% to 7.70%.

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

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

The statement of the maturity flows of lease and lease liabilities payable is presented in note 25.

25. Risk management and financial instruments

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

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

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

The estimated fair value of the long-term loans of the parent company and consolidated at December 31, 2020 was R\$ 1,743,946 and R\$ 2,024,347, respectively, calculated at prevailing market rates, considering the nature, term and risks similar to those of the contracts recorded, and can be compared with the book value of R\$ 1,753,056 and R\$ 2,039,736.

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

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

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

	Parent Company			
	Book value		Fair value	
	12/31/2020	12/31/2019	Level 2 12/31/2020	Level 2 12/31/2019
ASSETS				
Fair value through profit or loss				
Cash and cash equivalents	1,319,290	649,548	1,319,290	649,548
Short term financial Investments	663	54,302	663	54,302
Subtotal	1,319,953	703,850	1,319,953	703,850
Amortized cost				
Trade accounts receivable	178,085	137,114	178,085	137,114
Receivables from related parties	27,721	32,090	27,721	32,090
Subtotal	205,806	169,204	205,806	169,204
Fair value of hedge instruments				
Operations with Derivatives	207,847	41,467	207,847	41,467
Subtotal	207,847	41,467	207,847	41,467
TOTAL ASSETS	1,733,606	914,521	1,733,606	914,521
LIABILITIES				
Liabilities at the amortized cost				
Loans and financing	2,050,748	1,557,727	2,061,685	1,544,998
Suppliers	933,146	773,124	933,146	773,124
Payables to related parties	1,310	2,763	1,310	2,763
Liabilities - lease with related parties	1,722,168	899,805	1,722,168	899,805
Third-party lease liability	893,214	597,651	893,214	597,651
Leases to pay	-	225	-	225
Other accounts payable	153,139	113,471	153,139	113,471
Subtotal	5,753,725	3,944,766	5,764,662	3,932,037
Fair value of hedge instruments				
Derivatives payable	375,207	51,358	375,207	51,358
Subtotal	375,207	51,358	375,207	51,358
Total LIABILITIES	6,128,932	3,996,124	6,139,869	3,983,395



	Consolidated			
	Book value		Fair value	
	12/31/2020	12/31/2019	Level 2 12/31/2020	Level 2 12/31/2019
ASSETS				
Fair value through profit or loss				
Cash and cash equivalents	1,604,053	829,427	1,604,053	829,427
Short term financial Investments	663	55,992	663	55,992
Subtotal	1,604,716	885,419	1,604,716	885,419
Amortized cost				
Trade accounts receivable	207,283	178,405	207,283	178,405
Receivables from related parties	8	11	8	11
Other accounts receivable	33,907	76,905	33,907	76,905
Subtotal	241,198	255,321	241,198	255,321
Fair value of hedge instruments				
Operations with Derivatives	245,372	45,336	245,372	45,336
Subtotal	245,372	45,336	245,372	45,336
TOTAL ASSETS	2,091,286	1,186,076	2,091,286	1,186,076
LIABILITIES				
Liabilities at the amortized cost				
Loans and financing	2,417,283	1,859,766	2,422,429	1,840,398
Suppliers	1,101,769	922,000	1,101,769	922,000
Payables to related parties	118	125	118	125
Other accounts payable	176,390	123,584	176,390	123,584
Third-party lease liability	934,284	629,716	934,284	629,716
Leases to pay	5,283	225	5,283	225
Securities payable	12,979	13,685	12,979	13,685
Subtotal	4,648,106	3,549,101	4,653,252	3,529,733
Fair value of hedge instruments				
Derivatives payable	417,121	60,873	417,121	60,873
Subtotal	417,121	60,873	417,121	60,873
TOTAL LIABILITIES	5,065,227	3,609,974	5,070,373	3,590,606

a) Policy of use, objectives and strategies

The objective of the use of financial derivative instruments by the Company and its subsidiaries is the protection of operating margins. The Company created an Executive Risk Management Committee in July 2008 and approved the Risk Management Policy at the meeting of the Board of Directors on October 29, 2008. The Risk Management Executive Committee is the liaison body between the Board of Directors and the Company's Executive Board. Its mission

involves the daily support to the decisions of the Executive Board, the monitoring of compliance with the established risk limits and, when appropriate, the preliminary analysis and evaluation of proposals for adjustments or reformulation of policies or risk limits for subsequent submission to the Board of Directors for deliberation.

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

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

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

c) Currency risk

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

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

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

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

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

Description	Reference value (notional)		Fair value (MTM)			
	Currency	12/31/2020	12/31/2019	Currency	12/31/2020	12/31/2019
Forward contracts (NDF):						
Foreign currency - Short position						
Maturity in 2020	USD	-	369,332	R\$	-	(6,452)
Maturity in 2021	USD	384,710	68,450	R\$	(80,586)	7,911
Maturity in 2022	USD	47,100	-	R\$	3,496	-
TOTAL	USD	431,810	437,782	R\$	(77,090)	1,459

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

Maturity	Currency	Forward contracts (NDF)
Up to 03/31/2021	R\$	(70,300)
Up to 06/30/2021	R\$	(18,233)
Up to 09/30/2021	R\$	10,756
Up to 12/31/2021	R\$	(2,809)
Up to 03/31/2022	R\$	4,061
Up to 06/30/2022	R\$	(1,316)
Up to 09/30/2022	R\$	751
	R\$	(77,090)

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

Description	Currency	Reference value (notional)		Currency	Fair value	
		12/31/2020	12/31/2019		12/31/2020	12/31/2019
Banco Itaú BBA S/A	USD	63,350	98,990	R\$	(18,953)	1,175
XP Investimentos S.A.	USD	15,470	15,000	R\$	3,356	(979)
Banco Safra S.A.	USD	26,450	7,475	R\$	(1,212)	(58)
Banco BNP Paribas Brasil S.A.	USD	79,910	5,700	R\$	3,475	1,197
Banco Bradesco S/A	USD	23,050	31,795	R\$	2,140	(939)
Banco Votorantim S/A	USD	20,490	70,460	R\$	(7,781)	(3,524)
Morgan Stanley S/A	USD	24,570	72,100	R\$	(14,188)	4,433
Banco J.P. Morgan S/A	USD	58,260	14,550	R\$	(26,378)	781
Banco Santander Brasil S/A	USD	38,530	66,962	R\$	(16,864)	1,425
Banco ABC Brasil S.A.	USD	17,730	16,760	R\$	(13,169)	2,035
Rabobank Internacional Brasil S.A.	USD	11,000	29,990	R\$	(5,191)	(2,988)
Banco BTG Pactual S.A.	USD	53,000	8,000	R\$	17,675	(1,099)
TOTAL	USD	431,810	437,782	R\$	(77,090)	1,459

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

Risks of exchange rate variation

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

- Probable Scenario: Based on the FOCUS report (BACEN) released on December 28, 2020, we have defined the probable scenario with the dollar quotation of R\$ 5.0000 varying to the Ptax rate of R\$ 5.1967 on December 31, 2020.

- Exchange rate Decrease of 25%: in this scenario the operations would be settled at the rate of R\$ 3.7500, equivalent to 25% lower than the rate in the Probable Scenario.
- Decrease of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 2.5000, equivalent to 50% less than the rate in the Probable Scenario.
- Increase of 25% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 6.2500, equivalent to 25% higher than the rate in the Probable Scenario.
- Increase of 50% in the exchange rate: in this scenario the operations would be settled at the rate of R\$ 7.5000, equivalent to 50% higher than the rate in the Probable Scenario.

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

Description	Parent Company				
	Remote scenario Quotation R\$ 2.5000	Possible scenario Quotation R\$ 3.7500	Scenario by the closing price of the fiscal year Quotation R\$ 5.1967	Possible scenario Quotation R\$ 6.2500	Remote scenario Quotation R\$ 7.5000
Year 2021					
Highly probable estimated revenue in USD (1)	(1,113,710)	(556,855)	87,627	556,855	1,113,710
Estimated commitments in USD (2)	399,725	199,863	(31,450)	(199,863)	(399,725)
Forward Contracts (NDF) (3)	445,525	222,763	(35,054)	(222,763)	(445,525)
Net exposure in USD (1)-(2)-(3)	(268,460)	(134,229)	21,123	134,229	268,460
Year 2022					
Highly probable estimated revenue in USD (1)	(1,476,280)	(738,140)	116,154	738,140	1,476,280
Estimated commitments in USD (2)	100,250	50,125	(7,888)	(50,125)	(100,250)
Net exposure in USD (1)-(2)-(3)	(1,376,030)	(688,015)	108,266	688,015	1,376,030
Total	(1,644,490)	(822,244)	129,389	822,244	1,644,490
Description	Consolidated				
	Remote scenario Quotation R\$ 2.5000	Possible scenario Quotation R\$ 3.7500	Scenario by the closing price of the fiscal year Quotation R\$ 5.1967	Possible scenario Quotation R\$ 6.2500	Remote scenario Quotation R\$ 7.5000
Year 2021					
Highly probable estimated revenue in USD (1)	(1,315,625)	(657,813)	103,513	657,813	1,315,625
Estimated commitments in USD (2)	461,500	230,750	(36,311)	(230,750)	(461,500)
Forward Contracts (NDF) (3)	500,275	250,138	(39,362)	(250,138)	(500,275)
Net exposure in USD (1)-(2)-(3)	(353,850)	(176,925)	27,840	176,925	353,850
Year 2022					
Highly probable estimated revenue in USD (1)	(1,674,458)	(837,229)	131,746	837,229	1,674,458
Estimated commitments in USD (2)	110,750	55,375	(8,714)	(55,375)	(110,750)
Estimated commitments in USD (2)	7,000	3,500	(551)	(3,500)	(7,000)
Net exposure in USD (1)-(2)-(3)	(1,556,708)	(778,354)	122,481	778,354	1,556,708
Total	(1,910,558)	(955,279)	150,321	955,279	1,910,558

The following shows the net exposure to currency risk:

Description	Parent Company				Consolidated			
	12/31/2020		12/31/2019		12/31/2020		12/31/2019	
	Amount in Reais (R\$)	Amount in Dólares (USD)	Amount in Reais (R\$)	Amount in Dólares (USD)	Amount in Reais (R\$)	Amount in Dólares (USD)	Amount in Reais (R\$)	Amount in Dólares (USD)
Trade accounts receivable (note 6)	166,575	32,054	125,979	31,255	193,413	37,218	166,942	41,418
Suppliers	(145,921)	(28,080)	(138,313)	(34,315)	(176,010)	(33,869)	(167,891)	(41,653)
Net exposure of the shareholders' equity	20,654	3,974	(12,334)	(3,060)	17,403	3,349	(949)	(235)

d) Price risk

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

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

Description	Currency	Reference value (notional)		Currency	Fair value	
		12/31/2020	12/31/2019		12/31/2020	12/31/2019
Year of Maturity at 2020						
Financial operations						
Commodities - Cotton	USD	-	135,483	R\$	-	(19,444)
Commodities - Cotton	USD	-	-	R\$	-	-
Subtotal	USD	-	135,483	R\$	-	(19,444)
Year of Maturity at 2021						
Financial operations						
Commodities - Cotton	USD	180,673	17,656	R\$	(209,486)	(4,245)
Commodities - Corn	USD	799	-	R\$	25	-
Subtotal	USD	181,472	17,656	R\$	(209,461)	(4,245)
Year of Maturity at 2022						
Financial operations						
Commodities - Cotton	USD	9,644	-	R\$	(6,992)	-
TOTAL	USD	191,116	153,139	R\$	(216,453)	(23,689)

Commodity price risk

The Company has projected the potential impact of changes in soybean and cotton prices in 5 scenarios for the years 2021 and 2022, as follows:

- Probable Scenario: Based on the closing price on 12/31/2020 of the reference future contract on the stock exchange where production is priced.
- 25% drop in the price of the reference futures contract on the exchange where production is priced.
- 50% drop in the price of the reference futures contract on the exchange where production is priced.
- 25% increase in the price of the reference future contract on the stock exchange where production is priced.
- 50% increase in the price of the reference future contract on the stock exchange where production is priced.

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

The following is a summary of the impacts in each projected scenario converted into R\$ 5.1967 by the PTAX sale at the end of December 31, 2020:

Description	Income variation highly to price scenarios				
	Remote scenario (- 50%)	Possible scenario (- 25%)	Probable scenario	Possible scenario (+ 25%)	Remote scenario (+50%)
Cotton - Year 2021					
Highly probable income	2,051,552	2,051,552	2,051,552	2,051,552	2,051,552
Highly probable income protected	2,051,552	2,051,552	2,051,552	2,051,552	2,051,552
Net exposure	-	-	-	-	-
Change in net exposure	-	-	-	-	-
Soybean - Year 2021					
Highly probable income	995,033	1,140,463	1,285,893	1,431,323	1,576,753
Highly probable income protected	704,173	704,173	704,173	704,173	704,173
Net exposure	290,860	436,290	581,720	727,150	872,580
Change in net exposure	(290,860)	(145,430)	-	145,430	290,860
Cotton - Year 2022					
Highly probable income	1,122,969	1,391,506	1,660,044	1,928,582	2,197,119
Highly probable income protected	585,894	585,894	585,894	585,894	585,894
Net exposure	537,075	805,612	1,074,150	1,342,688	1,611,225
Change in net exposure	(537,075)	(268,538)	-	268,538	537,075
Soybean - Year 2022					
Highly probable income	693,765	941,964	1,190,163	1,438,362	1,686,561
Highly probable income protected	197,367	197,367	197,367	197,367	197,367
Net exposure	496,398	744,597	992,796	1,240,995	1,489,194
Change in net exposure	(496,398)	(248,199)	-	248,199	496,398

e) Interest risk

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

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

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

Counterparty	Hedge instrument	Hedged object	MTM	Financial income	Shareholder's equity
Itaú	Swap of R\$ 25MM (Assets VC/ Liabilities CDI+Pré)	Debit of USD 6.7MM interest of 4.37% yy	10,056	9,705	351
Itaú	Swap of R\$ 150MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 31.7MM interest of 0.95% yy	51,751	51,616	135
Rabobank	Swap of R\$ 60MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 11MM interest of 1.25% yy	8,654	8,763	(109)
Rabobank	Swap of R\$ 24.5MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 4.3MM interest of 1.55% yy	2,299	2,345	(1)
Rabobank	Swap of R\$ 8MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 1,3MM interest of 2.05% yy	401	402	6,993
Bradesco	Swap of R\$ 200MM (Assets VC/ Liabilities CDI+Pré)	Debit of R\$ 200MM interest of 6.28% yy	13,610	6,617	2,535
Bradesco	Swap of R\$ 240MM (Assets VC/ Liabilities CDI+Pré)	Debit of R\$ 240MM interest IPCA of 3.67% yy	2,993	458	2,535
Santander	Swap of R\$ 240MM (Assets VC/ Liabilities CDI+Pré)	Debit of R\$ 240MM interest IPCA of 3.67% yy	2,997	462	2,535
Rabobank	Swap of R\$ 30MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 6.9MM interest of 1.11% yy	12,511	12,277	234
Rabobank	Swap of R\$ 15MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 2.7MM interest of 1.45% yy	1,697	1,725	(28)
Rabobank	Swap of R\$ 5MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 1.15MM interest of 1.11% yy	2,085	2,046	39
Rabobank	Swap of R\$ 17.5MM (Assets VC/ Liabilities CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% yy	6,370	6,339	31
Rabobank	Swap of R\$ 17.5MM (Assets VC/Liabilities CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% yy	6,370	6,339	31
			121,794	109,094	12,700

Risk of variations in interest rates

In order to verify the sensitivity of the indexes on the Company's debt, based on the position as of December 31, 2020, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of December 24, 2020 we have defined the key figures for CDI. Foreign Exchange and IPCA. Based on this information we defined the Probable Scenario for the analysis and from this we calculated the variations of 25% and 50%. For each scenario, the financial expense or gross financial revenue was considered, not considering the incidence of taxes and the flow of maturities of debts and redemptions of financial investments scheduled for 2021. The base date for the portfolio was December 31, 2020, projecting the indexes for one year and checking their sensitivity in each scenario.

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



	Interest rate ¹	Balance on 12/31/2020	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in reais - prefixed rate							
Rural credit	4.30%	12,186	N/A	N/A	N/A	N/A	N/A
BNDES	5.44%	55,744	N/A	N/A	N/A	N/A	N/A
Debt in reais - post-fixed rate							
BNDES	UMBNDES	1,309	(50)	(60)	(69)	(79)	(88)
Working Capital	184.80% CDI	361,959	(9,162)	(10,881)	(12,601)	(14,320)	(16,039)
Export financing	170.30% CDI	481,671	(10,890)	(13,178)	(15,466)	(17,754)	(20,041)
CRA	99.00% CDI	360,346	(3,356)	(5,068)	(6,779)	(8,491)	(10,203)
CRA	IPCA+3.67% y.y.	481,270	(7,331)	(12,770)	(18,208)	(23,646)	(29,085)
Debits in dólares							
NCE	4.17%	34,748	N/A	N/A	N/A	N/A	N/A
Debits in euro							
CCE	0.95%	203,643	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	24,588	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	24,588	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	7,493	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	44,959	N/A	N/A	N/A	N/A	N/A
NCE	1.55%	27,730	N/A	N/A	N/A	N/A	N/A
NCE	2.05%	8,646	N/A	N/A	N/A	N/A	N/A
NCE	1.25%	70,871	N/A	N/A	N/A	N/A	N/A
NCE	1.45%	17,261	N/A	N/A	N/A	N/A	N/A
Debits in dólares							
CPR-F	6.28%	215,977	N/A	N/A	N/A	N/A	N/A

1. Average annual rates.



	Interest rate ¹	Balance on 12/31/2020	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Swap							
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 0.81% a.a. Liabilities: CDI + 0.85% a.a.	6,370	(115)	(145)	(175)	(205)	(236)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 0.81% a.a. Liabilities: CDI + 0.85% a.a.	6,370	(115)	(145)	(175)	(205)	(236)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 1.11% a.a. Liabilities: CDI + 0.75% a.a.	2,085	(35)	(45)	(55)	(65)	(75)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 1.11% a.a. Liabilities: CDI + 0.75% a.a.	12,511	(213)	(272)	(332)	(391)	(450)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 1.55% a.a. Liabilities: CDI + 2.17% a.a.	2,299	(72)	(83)	(94)	(105)	(115)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 2.05% a.a. Liabilities: CDI + 1.99% a.a.	401	(12)	(14)	(16)	(17)	(19)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 4.37 % a.a. Liabilities: CDI + 0.5%	10,056	(146)	(194)	(241)	(289)	(337)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 0.95 % a.a. Liabilities: CDI +1.07%	51,751	(1,045)	(1,291)	(1,537)	(1,783)	(2,029)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 6.28 % a.a. Liabilities: CDI + 0.55%	13,610	(204)	(269)	(333)	(398)	(463)
<i>Swap</i> VC x CDI + PRÉ ²	Assets: 1.25% a.a. Liabilities: CDI + 1.90% a.a.	8,654	(246)	(288)	(329)	(370)	(411)
<i>Swap</i> VC x IPCA + PRÉ ²	<i>Swap</i> of R\$ 240MM (Assets Pré / Liabilities CDI+Pré)	2,993	(84)	(98)	(112)	(126)	(141)
<i>Swap</i> VC x IPCA + PRÉ ²	<i>Swap</i> of R\$ 240MM (Assets Pré / Liabilities CDI+Pré)	2,997	(84)	(98)	(112)	(127)	(141)
<i>Swap</i> PRÉ x CDI + PRÉ ²	Assets: 1.45% a.a. Liabilities: CDI + 2.05% a.a.	1,697	(51)	(59)	(67)	(75)	(83)
Interest earnings bank deposits							
CDB and Debentures	100.88%	1,069,003	10,243	15,364	20,486	25,607	30,729

1. Average annual rates.

2. Amounts refer to the calculation of the adjustment of the transaction on December 31, 2020.

f) Credit risk

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

Depending on the above, the credit risk assumed is not relevant. The Company considers the balance of accounts receivable from customers as exposed to this risk. At December 31, 2020, the balance is R\$ 178,085 in the Parent Company and R\$ 207,283 in the consolidated (R\$ 137,114 in the Parent Company and R\$ 178,405 in the consolidated at December 31, 2019).

g) Liquidity risk

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

December 31, 2020	Book value	Contractual cash flow	Up to 1 year	Parent Company				
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
FINANCIAL LIABILITIES								
Non Derivatives								
Loans and financing	2,050,748	2,241,448	307,448	1,076,946	539,566	150,788	156,091	10,609
Suppliers	933,146	933,146	933,146	-	-	-	-	-
Lease liabilities	2,615,382	4,518,178	373,173	368,208	363,507	339,393	330,710	2,743,187
	5,599,276	7,692,772	1,613,767	1,445,154	903,073	490,181	486,801	2,753,796
Derivatives								
Operations with Derivatives	167,360	(167,360)	(228,521)	20,571	(3,912)	14,288	30,214	-
	167,360	(167,360)	(228,521)	20,571	(3,912)	14,288	30,214	-
	5,766,636	7,525,412	1,385,246	1,465,725	899,161	504,469	517,015	2,753,796
December 31, 2020	Book value	Contractual cash flow	Up to 1 year	Consolidated				
				1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
FINANCIAL LIABILITIES								
Non Derivatives								
Loans and financing	2,417,283	2,622,249	388,630	1,326,729	580,206	155,096	157,440	14,148
Suppliers	1,101,769	1,101,769	1,101,769	-	-	-	-	-
Securities payable	12,979	12,979	12,273	706	-	-	-	-
Lease liabilities	934,284	1,353,255	167,950	161,396	156,185	130,314	110,445	626,965
	4,466,315	5,090,252	1,670,622	1,488,831	736,391	285,410	267,885	641,113
Derivatives								
Operations with Derivatives	171,749	(171,749)	(260,383)	48,043	(3,912)	14,288	30,215	-
	171,749	(171,749)	(260,383)	48,043	(3,912)	14,288	30,215	-
	4,638,064	4,918,503	1,410,239	1,536,874	732,479	299,698	298,100	641,113

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

On February 23, 2021, the company S&P Global Ratings published a new corporate rating of the Company, classifying it as "[br AA]" in the national scale category (Brazil).

h) Summary of outstanding derivative transactions

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

Description	Reference (notional)		Fair value recorded in assets		Fair value recorded in liabilities			
	Currency	12/31/2020	12/31/2019	Currency	12/31/2020	12/31/2019		
Hedge operations for exchange rates								
Non Deliverable Forwards - 25.c	USD	431,810	437,782	R\$	62,292	24,663	139,382	23,204
Subtotal	USD	431,810	437,782	R\$	62,292	24,663	139,382	23,204
Hedge operations for products								
Cotton - Financial operations 25.d	USD	190,317	153,139	R\$	6,977	12,721	223,455	36,410
Corn - Financial operations 25.d	USD	799	-	R\$	25	-	-	-
Subtotal	USD	191,116	153,139	R\$	7,002	12,721	223,455	36,410
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré	USD	6,667	26,666	R\$	10,055	6,915	-	-
Subtotal	USD	6,667	26,666	R\$	10,055	6,915	-	-
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré	EUR	66,782	15,671	R\$	93,391	-	1,252	1,259
Subtotal	EUR	66,782	15,671	R\$	93,391	-	1,252	1,259
Interest protection operations								
Swap Pré x CDI+Pré	BRL	200,000	200,000	R\$	13,610	1,037	-	-
Swap IPCA+Pré x CDI+Pré	BRL	480,000	-	R\$	59,022	-	53,032	-
Subtotal	BRL	680,000	200,000	R\$	72,632	1,037	53,032	-
Total				R\$	245,372	45,336	417,121	60,873
Portion classified in current assets				R\$	98,587	34,008	358,969	55,230
Portion in noncurrent liabilities				R\$	146,785	11,328	58,152	5,643

i) Gains/losses on derivative transactions

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

Description	Cur- rency	Gains and Losses recorded in the income				Gains and Losses recorded in shareholders' equity		
		Allocated in the gross in- come at		Allocated in the financial in- come at		12/31/2020	Movement	12/31/2019
		12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020		
Foreign exchange hedge operations								
Non deliverable forwards	R\$	(530,881)	(142,984)	8,189	(1,599)	(63,030)	(56,217)	(6,814)
Trade Finance Contracts	R\$	-	(24,050)	-	-	-	-	-
Sub-total	R\$	(530,881)	(167,034)	8,189	(1,599)	(63,030)	(56,217)	(6,814)
Hedge operations for commodities								
Agricultural commodities swap								
Cotton	R\$	(726)	50,744	1	27	(221,076)	(195,981)	(25,095)
Sub-total	R\$	(726)	50,744	1	27	(221,076)	(195,981)	(25,095)
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R\$	-	-	119,268	(8,622)	637	963	(326)
Sub-total	R\$	-	-	119,268	(8,622)	637	963	(326)
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R\$	-	-	6,204	413	6,993	6,369	624
Swap VC+Pré x CDI+Pré	R\$	-	-	920	-	5,070	5,070	-
Sub-total	R\$	-	-	7,124	413	12,063	11,439	624
Total	R\$	(531,607)	(116,290)	134,582	(9,781)	(271,406)	(239,796)	(31,611)

j) Management of capital stock

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

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

There was no change in the dividend policy in the Company's capital management objectives, policies or processes in the period ended December 31, 2020.

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Short and long-term loans and financing	2,050,748	1,557,727	2,417,283	1,859,766
(-) Cash and cash equivalents and short-term interest earnings bank deposits	(1,319,953)	(703,850)	(1,604,716)	(885,419)
Gains and losses on derivatives linked to investments and debt	(92,761)	(7,951)	(121,794)	(6,693)
Net debt	638,034	845,926	690,773	967,654
Shareholders' equity	2,940,379	2,784,677	3,151,058	2,984,421
Financial leverage index	21.70%	30.38%	21.92%	32.42%



26. Subvenções governamentais

The Governments of the States of Mato Grosso do Sul, through Decree No. 9716/99, of Mato Grosso, through Law 6883/97 and of Goiás, through State Law No. 13.506/99, granted incentives for presumed ICMS credits in operations with Cotton lint, with a reduction in the value of ICMS to be collected from 70% to 75% through the adhesion of Fazenda Planalto to the PDAGRO program (Mato Grosso do Sul), of Paiaguás and Fazenda Planorte to PROALMAT (Mato Grosso) and of Fazenda Pamplona to the PROALGO program (Goiás). The State of Mato Grosso granted a presumed 75% ICMS credit on sales of cotton lint, cotton seed and fibrilla. By opting for these programs, the company is prevented from appropriating credits for the acquisition of raw materials, inputs and fixed assets. The presumed credits are recorded in the statement of income under the item sales taxes against the item recoverable taxes.

As requirements for participation in these incentive programs, the Company must make the option with the State Secretariats, waive the ICMS credits to which it would be entitled for the acquisition of inputs, raw materials and fixed assets, provide ancillary information regarding this tax waiver and collect PDAGRO to the State of Mato Grosso do Sul

The presumed credits are recorded in the income statement under the item sales taxes, against the item taxes payable. In 2020, R\$ 171 of presumed ICMS credit was recognized in the parent company and in the consolidated. This amount was recognized in a tax incentive reserve in shareholders' equity.

27. Profit Share Program

In conformity with Collective Work Agreements entered into with employee's categories, the Company and its subsidiaries have a profit-sharing plan for all its employees.

The amount to be distributed as profit sharing is calculated based on the Company's consolidated net income; part of the amount is freely distributed to beneficiaries, and the other part is linked to goals established for each production unit.

Interest is calculated by applying 9% to parent company net income. Of this amount, 60% will be distributed to beneficiaries and 40% will depend on compliance with

goals established for each production unit. Goal value is limited to 2 nominal salaries for each employee that is beneficiary of the plan.

The value provision in the income for the year in the administrative expenses' group is as follows:

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Profit sharing	41,354	24,503	46,701	27,684

28. Share-based payments

a) Stock option plan

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

The stock option plan is limited to a maximum number of options that results in the dilution of 3.75% of the Company's capital stock on the creation date of each Annual Program. Dilution corresponds to the percentage represented by the number of shares underlying the options divided by the total number of shares issued by the Company.

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

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

Grant date	Plan ¹	Number of shares granted
11/11/2015	2015	393,000
11/08/2016	2016	363,500
11/08/2017	2017	373,000
11/13/2018	2018	195,893
11/13/2019	2019	613,750
11/06/2020	2020	637,450

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



The movements of the shares granted in the 2015, 2016, 2017, 2018, 2019 and 2020 Annual Program and the respective Strike prices, in BRL, are presented as follows:

Grant year	Strike price (R\$) ¹	Balance in 12/31/2019	Granted	Canceled	Exercised	Balance in 12/31/2020
2015	R\$ 13.79	14,800	-	(14,800)	-	-
2016	R\$ 11.64	139,100	-	(32,200)	(92,300)	14,600
2017	R\$ 18.02	580,600	-	(82,400)	(277,800)	220,400
2018	R\$ 46.25	388,936	-	(35,930)	(57,100)	295,906
2019	R\$ 14.23	613,750	-	(59,700)	(22,525)	531,525
2020	R\$ 20.03	-	637,450	-	-	637,450
		1,737,186	637,450	(225,030)	(449,725)	1,699,881

1. The 2015 to 2018 plans have the value of their shares before the capital split.

The Strike price of the 2015, 2016, 2017, 2018, 2019 and 2020 annual programs were set based on the average of the 90 closing prices of the Company's shares at Bovespa, prior to the approval of the plan, with a 20% discount.

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

Grace periods beginning as of grant date	% of options released to be exercised	Maximum quantity of shares
As from- 11/08/2018	1%	16,500
As from- 11/08/2019	3%	53,100
As from- 11/13/2019	8%	131,356
As from- 11/08/2020	18%	298,656
As from- 11/12/2020	32%	535,962
As from- 11/06/2021	43%	727,197
As from- 11/12/2021	61%	1,032,046
As from- 11/06/2022	72%	1,223,281
As from- 11/12/2022	85%	1,444,901
As from- 11/06/2023	100%	1,699,881

The Company recognizes the cost of the option plan based on the fair value of the options granted, considering the fair value of the options at the date of grant. The model used for pricing the fair value of options is Black-Scholes for the 2015, 2017, 2018, 2019 and 2020 plans. The 2016 plan was priced using the Binomial model.

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

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

	2015	2016	2017	2018	2019	2020
Weighted average fair value	R\$ 21.36	R\$ 17.20	R\$ 18.02	R\$ 46.25	R\$ 14.23	R\$ 20.03
Awards	R\$ 7.57	R\$ 5.56	R\$ 6.93	R\$ 18.16	R\$ 6.05	R\$ 8.31
Dividends	1.00%	1.00%	1.00%	1.00%	3.50%	5.80%
Volatility of share price	33.44%	32.39%	32.39%	36.80%	41.45%	41.03%
Risk-free rate of return						
1st maturity	15.41%	12.27%	7.12%	6.95%	4.57%	3.11%
2nd maturity	15.72%	11.49%	8.30%	8.01%	5.14%	4.72%
3rd maturity	15.78%	11.27%	9.18%	8.86%	5.68%	5.81%
Period expected up to the maturity						
1st maturity	366	366	365	365	365	365
2nd maturity	731	731	730	730	730	730
3rd maturity	1,096	1,096	1,095	1,095	1,095	1,095

1. Fair value calculated based on the share price on the grant date of each plan.

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

	Weighted average of the exercise 12/31/2020	Number of options 12/31/2020	Weighted average of the exercise 12/31/2019	Number of options 12/31/2019
Outstanding at January 1	R\$30.73	1,737,186	R\$39.51	912,673
Granted during the period	R\$20.03	637,450	R\$14.23	613,750
Exercised during the period	R\$20.11	(449,725)	R\$13.87	(699,130)
Canceled during the period	R\$20.33	(225,030)	-	-
Capital stock split	-	-	R\$20.10	909,893
Outstanding	R\$30.91	1,699,881	R\$30.73	1,737,186
Exercisable	R\$25.11	535,962	R\$22,45	550,786

Options outstanding as of December 31, 2020 have a Strike price in the range of R\$ 20.11 to R\$ 30.91 (R\$ 13.68 to R\$ 39.51 as of December 31, 2019).

The weighted average stock price on the exercise date for stock options exercised in the period ended December 31, 2020 was R\$ 25.11 (R\$ 22.45 at December 31, 2019).

b) Restricted Share Plan

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

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

The beneficiaries of the Restricted Shares Plan shall acquire the rights to the Restricted Shares to the extent that they remain continuously bound as administrator or employee of the Company or other company under its control, for the period between the Granting Date and the specified dates. The vesting

period is up to 3 years, with releases of 30% from the first anniversary, 60% from the second anniversary and 100% from the third anniversary.

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

At meetings of the Board of Directors held on November 08, 2017, November 13, 2018, November 13, 2019 and November 06, 2020, the Restricted Shares Award Programs for 2017, 2018, 2019 and 2020 were approved, with the granting of 93,375 (before the capital split), 48,973 (before the capital split), 153,438 and 159,363 shares, respectively.

Grant year	Fair value at grant (R\$) ¹	Quantity of shares				Balance on 12/31/2020
		Balance on 12/31/2019	Granted	Canceled	Exercised	
2017	R\$ 18.02	69,100	-	(7,000)	(62,100)	-
2018	R\$ 54.60	67,564	-	(6,925)	(25,976)	34,663
2019	R\$ 18.46	153,438	-	(14,925)	(41,541)	96,972
2020	R\$ 27.20	-	159,363	-	-	159,363
		290,102	159,363	(28,850)	(129,617)	290,998

1. The 2017 and 2018 plans have the value of their shares before the capital split.

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



	Plan of restricted shares	
	12/31/2020	12/31/2019
Expense	R\$2,808	R\$2,285
INSS Expense	R\$395	R\$302
FGTS Expense	R\$358	R\$255

In compliance with CPC 10 (R1), based on the grace periods presented, the amounts with stock options plan and restricted stock plan were recognized in the statement of income, due to the expiration of the vesting period, with a corresponding entry in shareholders' equity in a specific capital reserve account, the amount of R\$ 6,463 (expense) at December 31, 2020 (R\$ 5,386 at December 31, 2019).

29. Insurance coverage

The details of the insurance contracted, and the coverages are shown as follows:

Nature	Coverage
Grain and Cotton inventories	R\$105,000
Machinery and Equipment	R\$715,031
Civil liability of administrators	R\$60,000
Buildings and improvements	R\$105,000
Warranty insurance	R\$22,373
Aircraft – Helmet ¹	R\$13,624
Aircraft - Straight	R\$1,028
General liabilities	R\$5,000
Business	R\$3,377
Drones	R\$10,320
Seed Insurance	R\$62,529
Vehicles	Against third parties

1. Coverage amount of USD 3,380 converted by the ptax sale on the last day of the month. Ptax R\$ 5.1967.

Insurance of grain and cotton stock - Coverage of harvest, processing and stock of soybeans, corn, cotton. Being of own production or that of third parties under own responsibility. Policy due on 0627/2021

Insurance of Machinery and Equipment - Coverage to damages caused to the fleet of machinery and agricultural equipment, generated by fire, lightning strike, explosion of any nature and implosion. Each machine and equipment has its maximum limit of indemnity corresponds to its insured value. Policy due on 1009/2021.

Directors and officers liability insurance - Coverage for involuntary damages caused to third parties by civil liability of executives (directors and officers), with management power in the subsidiary and Parent Company. Policies due on 01/11/2022.

Insurance of Buildings and improvements - Coverage of material damages, caused to the buildings and improvements of the farms, caused by fire, explosion, gale and smoke. Policy due on 01/11/2022.

Guarantee Insurance - Protection coverage for the possible risks generated to the company's assets, due to the faithful fulfillment of the obligations caused by labor lawsuits of the Panorama and Piratini Farms. Policies due on September 19, 2021 and July 31, 2023, respectively.

Aircraft Insurance - Straight - Coverage for personal and/or property damage caused to passengers and crew by the Company aircraft, including damage to baggage. Policy due on 01/17/2021.

Aircraft Insurance - Hull - Warranty coverage against property damage to the hull of SLC Agrícola aircraft, including civil liability for damage caused to third parties. Policy due on 01/17/2021.

General civil liability insurance - Coverage of a guarantee for the payment of indemnities, by way of reimbursement, for damages that the Company may be civilly liable in a final court decision. Policy due on 01/11/2022.

Business Insurance - Business Property Coverage for material damages in the physical structure of the building and furniture of the head office of the Company, caused by fire, explosion and smoke. Policy due on 01/12/2021.

Drone Insurance - Straight - Coverage of civil liability of the operator or air carrier for personal and material damage caused to third parties, by remotely piloted aircraft, used for business purposes. Policies due on 12/12/2021.

Seed Insurance - Beneficiation coverage and grain deposit for seeds located on the Pamplona and Fazenda Panorama farms. Policy maturing on 6/27/2021.

Vehicle Insurance - Coverage of the vehicle fleet of the subsidiary and parent company for damages caused to third parties. Policies maturing on 10/9/2021.

30. Net sales revenue

We present below the gross operating revenue:

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Gross operating income	2,711,983	2,227,723	3,200,054	2,614,708
Sale of goods	3,161,943	2,343,738	3,731,661	2,730,998
Income (loss) from hedge operations	(449,960)	(116,015)	(531,607)	(116,290)
Deductions, taxes and contributions	(78,699)	(63,733)	(102,507)	(78,803)
Net operating income	2,633,284	2,163,990	3,097,547	2,535,905

32. Reporting by segment

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

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

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

31. Nature of expenses

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

	Parent Company		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Expenses according to the role				
Cost of goods sold	(2,408,692)	(1,985,922)	(2,802,782)	(2,257,472)
Sales expenses	-149,471	-134,043	-173,964	-152,972
General and administrative expenses	-103,811	-80,864	-115,452	-89,324
Other operating expenses	-7,566	-7,702	-10,132	-45,74
	(2,669,540)	(2,208,531)	(3,102,330)	(2,545,508)
Expenses per type				
Depreciation and amortization	-83,781	-76,595	-119,686	-105,81
Personnel expenses	-266,013	-264,179	-319,572	-308,783
Raw material and material	(1,455,134)	(1,174,134)	(1,736,678)	(1,399,363)
Rents and leases	-21,409	-97,218	-21,823	-55,747
Amortization of right of use	-119,58	-65,787	-73,663	-43,336
COGS biological asset variation	-659,349	-471,174	-750,996	-524,266
Freight	-56,708	-51,744	-63,602	-58,191
Cost sale Paiaguás Farm and Parceiro Farm	-	-	-	-36,029
Other expenses	-7,566	-7,7	-16,31	-13,983
	(2,669,540)	(2,208,531)	(3,102,330)	(2,545,508)

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Net revenue	3,110,558	2,534,600	225,144	213,847	(238,155)	(212,542)	3,097,547	2,535,905
Biologic assets	775,534	504,751	-	-	-	-	775,534	504,751
Products Costs	(2,862,619)	(2,332,753)	(9,983)	(45,621)	69,820	120,902	(2,802,782)	(2,257,472)
Gross income	1,023,473	706,598	215,161	168,226	(168,335)	(91,640)	1,070,299	783,184
Operating expenses/ income	(154,485)	(84,673)	34,604	2,838	(169,488)	(142,637)	(289,369)	(224,472)
Sales expenses	(173,964)	(152,972)	-	-	-	-	(173,964)	(152,972)
General and administrative expenses	(120,157)	(95,155)	(3,887)	(2,457)	8,592	8,288	(115,452)	(89,324)
Management compensation	(14,100)	(13,056)	(616)	(771)	-	-	(14,716)	(13,827)
Other operating income (expenses)	153,736	176,510	39,107	6,066	(178,080)	(150,925)	14,763	31,651
Income before financial income and taxes	868,988	621,925	249,765	171,064	(337,823)	(234,277)	780,930	558,712
Net financial income	(204,823)	(232,763)	9,401	7,469	103,671	81,244	(91,751)	(144,050)
Income before income tax	664,165	389,162	259,166	178,533	(234,152)	(153,033)	689,179	414,662
Income and social contribution taxes	(136,836)	(76,205)	(40,682)	(17,727)	(713)	(5,689)	(178,231)	(99,621)
Consolidated Income for the period	527,329	312,957	218,484	160,806	(234,865)	(158,722)	510,948	315,041

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019	12/31/2020	12/31/2019
Current assets	4,093,468	2,933,700	166,105	193,964	(58,193)	(36,854)	4,201,380	3,090,810
Non-current assets	6,242,100	4,933,271	2,255,731	2,151,136	(4,109,520)	(3,217,088)	4,388,311	3,867,319
Total assets	10,335,568	7,866,971	2,421,836	2,345,100	(4,167,713)	(3,253,942)	8,589,691	6,958,129
Current liabilities	2,547,435	2,141,231	46,707	53,909	(257,045)	(151,579)	2,337,097	2,043,561
Non-current liabilities	4,635,116	2,743,240	70,779	52,680	(1,604,359)	(865,773)	3,101,536	1,930,147
Shareholders' equity	3,153,017	2,982,500	2,304,350	2,238,512	(2,306,309)	(2,236,591)	3,151,058	2,984,421
Total liabilities and shareholders' equity	10,335,568	7,866,971	2,421,836	2,345,101	(4,167,713)	(3,253,943)	8,589,691	6,958,129

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

Consolidated domestic and foreign sales are thus represented:

	12/31/2020	12/31/2019
Domestic market	868,314	515,121
Sale of goods	868,314	515,121
Foreign market	2,331,740	2,099,587
Sale of goods - indirect export	1,166,459	1,018,335
Income from hedge operations indirect	(133,233)	(61,699)
Sale of goods - direct export	1,696,888	1,197,542
Income from hedge operations direct	(398,374)	(54,591)
Gross operating income	3,200,054	2,614,708
Deductions, taxes and contributions	(102,507)	(78,803)
Net operating income	3,097,547	2,535,905

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

Country	12/31/2020		12/31/2019	
	Value	% Participation	Value	% Participation
China	477,330	28.13	286,392	23.91
Indonésia	416,600	24.55	346,486	28.93
Vietnã	231,467	13.64	102,836	8.59
Paquistão	158,442	9.34	142,127	11.87
Bangladesh	149,068	8.78	97,851	8.17
Malásia	114,331	6.74	88,412	7.38
Turquia	103,258	6.09	81,883	6.84
Coréia	23,697	1.40	14,984	1.25
Outros	22,695	1.33	36,571	3.06
	1,696,888	100.00	1,197,542	100.00

The amount of revenue from major customers is thus represented:

Clients	Agricultural Product					Total	% on product sales (without effect of hedge operations)
	Fheated cotton	Cottonseed	Bulk corn	Bulk soybeans	Other cultures		
Cargill Agrícola S.A.	43,839	130	159,480	501,659	2,563	707,671	18.96%
Bunge Alimentos S.A.	-	469	43,350	390,080	5	433,904	11.63%
Omnicotton, INC.	400,487	-	-	-	-	400,487	10.73%
	444,326	600	202,830	891,739	2,568	1,542,062	41.32%

33. Subsequent event

Judicial process that became final in a subsidiary

On 01/08/2021, the process that recognized the right, the controlled company SLC MIT Empreendimentos Agrícolas S / A, to exclude revenues from indirect exports from the calculation basis of the social security contribution referred to in art. 25 of Law No. 8,870 / 94. The subsidiary SLC MIT Empreendimentos Agrícolas S / A is surveying the value of the credit to be recovered, for later qualification at the Federal Revenue Service.

Potential Business Combination with Terra Santa Agro S.A. - Approved by CADE

As mentioned in the Material Fact published on November 26, 2020, the Company signed a non-binding Memorandum of Understanding with Terra Santa Agro SA (“Terra Santa”) that establishes indicative assumptions, terms and conditions for a transaction through which the Company would take over the agricultural operations of Terra Santa through the incorporation of Terra Santa shares by SLC Agrícola, in accordance with articles 252, 224 and 225 of Law No. 6,404/76.

As part of the conditions for carrying out the potential business combination with Terra Santa, the transaction was submitted for approval by the Administrative Council for Economic Defense - CADE, having been approved on January 7, 2021, without restrictions.

If there is a sequence in the negotiation, the Company will disclose the transaction in accordance with the requirements of the corporate law and CVM regulations.

Corporate information

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We strive to respond to requests within 24 hours.