SLC Agrícola

MANAGEMENT REPORT 2021

Management Report 2021

Porto Alegre, March 15, 2022

SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA), one of world's largest producers of grains and fibers, announces today its results for fiscal year 2021. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

NOTE: 2020 and 2021 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.

NOTE: As from July 1, 2021, the Company assumed control of the management and guidelines of Terra Santa Agro S.A., which became a wholly-owned subsidiary of SLC Agrícola S.A. As from 3Q21, the consolidated interim financial statements of the Company incorporated the results of Terra Santa Agro S.A. To maintain comparability between periods, all data for 2020 reflect the combination of the data reported by SLC Agrícola and Terra Santa Agro in both periods.

Terms:

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

"Combined 2020": strictly means the sum of the data reported by SLC Agrícola S.A. (for 2020 – January to December 2020) and of the data reported by Terra Santa Agro S.A. (Parent Company, for the period from July to December 2020), currently a wholly-owned subsidiary of SLC Agrícola S.A.

"2020": means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries for the whole of 2020 (January to December).

"2021": means the data, based on the consolidated interim financial statements, that consider the operations of the Company and of its subsidiaries for the whole of 2021 (January to December). As from the third quarter of 2021, Terra Santa Agro S.A. became a wholly-owned subsidiary.

Talk to IR

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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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Contents

REFERENCE INDEX

Figure

Table

Message from Management

Noteworthy and challenging, the year 2021 was marked by growth and record-high results! Our Big Dream, "To positively impact future generations and be the world leader in agricultural efficiency and respect for the planet," guided us on a clear and well-defined strategy with a long-term vision, showing us who we are and where we aspire to go.

We navigated another year marked by the pandemic, but were better prepared and stronger, thanks to the lessons learned from the epidemic that forced the world to adapt to new ways of interrelating and communicating.

More than ever, interconnected value creation through human, natural, manufactured, financial, intellectual, social and relational capital are indispensable for the sustainability and longevity of businesses.

Our strategy is based on strong pillars to support the Company's growth.

The first pillar is **Asset Light Growth**. In 2021, we carried out two important transactions: the business combination with Terra Santa Agro S.A. and the lease agreement with Agrícola Xingu S.A.

The business combination with Terra Santa Agro S.A. expanded the Company's portfolio of leased planted areas by 145,000 hectares of mature areas in Mato Grosso, a key state in terms of Brazil's agricultural production. The transaction was concluded in July with payment of net consideration of R$193.0 million and goodwill of R$47.4 million, and the lease agreement is long term (20 years). On November 1, 2021, the Extraordinary Shareholders Meeting approved the change in the corporate name of Terra Santa Agro S.A. to SLC Agrícola Centro-Oeste S.A. The transition of people and processes, which is critical in transactions of this size, was successful. We kept turnover within the projected rate and were able to maintain operational efficiency.

We entered into a lease agreement with Agrícola Xingú that expanded our total area by 39,034 hectares, divided between the municipalities of Correntina/BA (34,284 hectares) and Unaí/MG (4,749 hectares), with potential planted area of 45,000 hectares. Already developed and permitted, the areas will be planted with grains and cotton. The term of the agreement is fifteen (15) years for the areas in Bahia and ten (10) years for the areas in Minas Gerais.

More recently, in February 2022, we also announced a partnership with Kothe Logistica S.A. for the construction of a seed processing unit ("UBS") and refrigerated storage in Mato Grosso. The Company sold 29 hectares of the Paiaguás Farm to Kothe on which the UBS will be built. Investments in construction are the responsibility of Kothe, whose relationship with the Company will consist of providing seed processing and storage services. The UBS will reach installed production capacity of 1 million bags of soybean within five years. This partnership will leverage our seed business, which has been delivering significant growth and creating value for our shareholders.

Our second pillar of **efficiency and expanding our lead in relation to the industry average** also was responsible for very positive deliveries. In 2021, we ended the 2020/21 crop cycle with a record soybean yield of 3,985 kg/ha, setting a new record for the fourth straight year and coming in 6.2% above our initial projection and 13.0% above the national average (CONAB, Feb/22). First and second crop cotton ended the crop year with an average yield of 1,848 kg/ha, or 0.3% below the initial estimate, but 5.3% higher than in the 2019/20 crop year and 7.4% above the national average. Meanwhile, second crop corn achieved a yield of 5,880 kg/ha, 22.5% below our initial estimate, but 45.2% above the national average (CONAB, Feb/22). Given the decline in the national average yield for corn, market prices increased and the Company's corn crop achieved the expected financial result. The lower yield for corn is mainly due to the irregular distribution of precipitation in March and April, especially at the farms in Mato Grosso do Sul.

We started the 2021/22 crop year in September 2021 with growth of 45.8% in planted area. In addition, the second crop planted area expanded by 33.6%, which further confirms our strategy of using own and leased assets under our control, on mature and strategically located properties, to support high production potential and reduce exposure to weather risks.

Financial solidity and creating value for shareholders is the third pillar of our strategy, and we ended 2021 with new records in all our key financial indicators. Adjusted

We made progress in the four pillars of our strategy. Important contracts for the growth of operations, advances in crop productivity, record financial results and achievements that strengthen our ESG positioning internally and for the market stand out

EBITDA came to R$1.685 billion, advancing 57.0% on 2020, with adjusted EBITDA margin expanding 8.0 p.p. to 38.6%. Net Income also set a new record and surpassed the mark of R$1.1 billion, to R$1.131 billion, increasing 153.3% on 2020, with net margin expanding 13.2 p.p. to 25.9%. Free cash generation in the year was not positive, due to the investments in the acquisition of Terra Santa Agro S.A. and Agrícola Xingu S.A. However, the Company remains adequately deleveraged, ending the period with a Net Debt/Adjusted EBITDA ratio of 1.42x. The Company's comfortable debt level leaves it well positioned to continue executing its growth strategy focused on new projects and investment opportunities.

Another important investment made by the Company was allocating capital to buyback shares. In September, the Board of Directors approved a new Share Buyback Program for the repurchase of two million shares. The program is already functioning, and the shares purchased will be held in treasury for subsequent sale or cancellation.

We distributed R$232.0 million in dividends and interest on equity, which corresponds to 50% of adjusted net income attributable to the parent company, of which R$32.3 million was paid in November 2020 as interest on equity and R$199.7 million was paid in 2021. The dividend yield was 3.3%. Over the last five years, the dividend yield has averaged 5.7%.

Seeking to increase the trading liquidity of SLCE3 shares without any cash disbursements and to create value for our shareholders, our Extraordinary Shareholders Meeting held on December 30, 2021 approved a share capital increase of R$500 million, through the incorporation of part of the balance of the Statutory Reserves account, with a share bonus in the proportion of 10%, corresponding to the issue of 19,311,145 new common shares, with unit cost attributed to the bonus shares of R$25.89.

In 2021, we released the new valuation of SLC Agrícola's land portfolio, which indicated a total value of R$6.941 billion, an increase of 75.2% compared to 2020. The average value of arable hectare is currently at R$35,693, which increases the Company's Net Asset Value (NAV) to R$8.8 billion (position 4Q21), corresponding to NAV per share of R$41.31.

The last pillar of our strategy is **Leadership in ESG**, and in 2021, various actions were carried out to support this key pillar.

We concluded our new materiality matrix based on a broad survey of our stakeholders, which identified 10 material topics that compose our new Materiality Matrix. These topics were grouped into the three pillars of the ESG agenda and guided the prioritization of GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-Related Financial Disclosures) content for preparing the report that is being published today.

In the 2020/21 harvest (Aug/21), we ended our expansion cycle based on the transformation of raw land, thus enabling the dissemination of our commitment not to open new areas with native vegetation for agricultural production. In line with this commitment, 2,872 hectares will not be opened, even with the granting of an environmental permit. The Company will allocate this area to the remaining native vegetation land bank. With this addition, the Company currently has 118 thousand hectares of land dedicated to the Legal Reserves, Permanent Preservation and Remaining Vegetation.

We invested in training and Compliance Policies, which included 8 training sessions for 2,804 people* involving various important issues, such as our new code of ethics and conduct, the reporting channel and other Compliance policies. We maintained our accident frequency rate (lost-time accidents for every 1 million hours worked) and our turnover rate under control at 1.9 and 15%, respectively, even with the acquisitions. In addition, we achieved an employee satisfaction rate of 84% in our internal organizational climate survey.

On the social front, the Company made donations through the SLC Institute in the amount of R$2.2 million, which included R$1 million to the campaign against hunger, generating 180 tons of food that will contribute to improve the reality of thousands of Brazilians. One of the benefited institutions was the Food Bank of Rio Grande do Sul. In all, associations, organizations and families in over 30 municipalities in seven Brazilian states received basic food baskets. In addition, R$1.2 million was allocated to various projects, such as: *Projeto Educando pela Vida, Projeto de Capacitação em Educação Infantil em Contexto Híbrido, Programa Creche para Todas as Crianças, Inclusão Digital na Escola, Programa Na Mão Certa.*

The Company draws on all resources required to ensure that its activities are sustainable and responsible and adopts best global practices to cause positive environmental and social impacts in its neighboring communities, supported by its low-carbon production model, which helps to minimize climate change, in line with its Big Dream.

Aurélio Pavinato
CEO from SLC Agrícola

* Refers to the amount of training sessions administered (number of participations) and not the number of persons trained.

Outlook 2021/22 Crop Year

Looking to the 2021/22 crop year, the 2022 calendar year, we already have some key assumptions well defined, such as the expansion of 45.8% in planted area, our current hedge position (see table 26) and the acquisition of inputs, which already has been finalized.

On the operational side, we completed our soybean planting within the ideal window, which supported excellent crop development. However, the above-average precipitation in Mato Grosso has been slightly affecting yields, but our final yield was above the initial projection for the region.

In the other regions, the yield potential is exceeding initial projections. As of Mar/03, we already had harvested 72.3% with an average yield of 66.57 bags, exceeding by 6.1% the initial projection and 29.2% above the national average (CONAB, Feb/22). The cotton and corn crops are 100% planted and presenting good development.

Regarding the hedge position, we achieved excellent levels of international prices for all our crops (cotton, soybean and corn), along with excellent strikes fixed for the exchange rate (see table 26 for more details), which allows us to estimate that 2022 margins will be equal to or greater than 2021.

Outlook 2022/23 Crop Year

Regarding purchases of inputs for the 2022/23 crop year, so far we have acquired 83% of our needs for potassium chloride, 49% for phosphates and 59% for pesticides. Nitrogen (N) has not been purchased and can be traded until the end of the second half of 2022.

The exchange ratio between the price of commodities and fertilizers is being monitored and the rest of the inputs will be negotiated at the best time. The hedge policy is well structured and aims to ensure good margins for the Company. Given the hedging of a portion of inputs, we increased our hedging for 2022/23 (see table 26) and obtained good prices for both commodities and exchange rates. As a result, our expectation is that the increase in costs will be offset by the increase in revenue through higher prices, maintaining margins at levels similar to recent years.

Innovation

In 2021, we consolidated and expanded the programs "Ideias&Resultados" (intrapreneurship) and AGroX (connecting with startups). During the year, we formed 39 squads, with a total of 48 people involved, performed 39 proofs of concept and completed 10 rollouts. This volume of initiatives led us to structure an Innovation Portfolio, which has allowed the Company to visualize progress in a consolidated manner and to prioritize efforts to scale these initiatives.

People and Recognition

On February 14, we inaugurated our new headquarters located in the Iguatemi Business building, in Porto Alegre, Rio Grande do Sul. The new workplace is modern, well located and completely designed with the well-being of our employees in mind, and we are very pleased with the return to working onsite in our new home and under a new flexible work model.

During 2021, we received various awards and accolades in recognition of our work and our employees, which included (see all on page 10):

- 5th Best Agribusiness Company to Work For, in the Large Company category, from GPTW Agro;
- The Pamplona Farm was National Champion in the Maximum Yield Challenge sponsored by the Soybean Strategic Committee Brazil (CESB), in the category Dry Farming, Midwest region, with yield of 100.33 bags/ha in the 2020/21 crop year;
- For the sixth straight time, we won the main categories in the Latin America Executive Team Awards, which are sponsored by Institutional Investor magazine to measure the performance of organizations on various fronts, such as the performance of CEOs, CFOs and Investor Relations teams, as well as Environmental, Sustainability and Governance (ESG) practices.

In closing, the Company thanks all its stakeholders for our successful partnership to date, as well as our shareholders and employees for their trust and dedication. We are confident in the promising future of agribusiness in Brazil.

The Management

Profile

The SLC Agrícola is one of Brazil's largest soybean, corn and cotton producers. With headquarters in Porto Alegre, Rio Grande do Sul, it has 23 farms on which, in addition to producing these commodities, it raises cattle using a sustainable crop-livestock integration model and produces high quality soybean and cotton seeds for Brazilian producers, sold by SLC Sementes.

The products are sold in Brazil and abroad, serving clients in important consumer markets, such as China and European countries. Through trading companies, the soybean, corn and cotton produced reach the base of various production chains essential for society's development, especially the animal protein and textile industries.

Our Big Dream

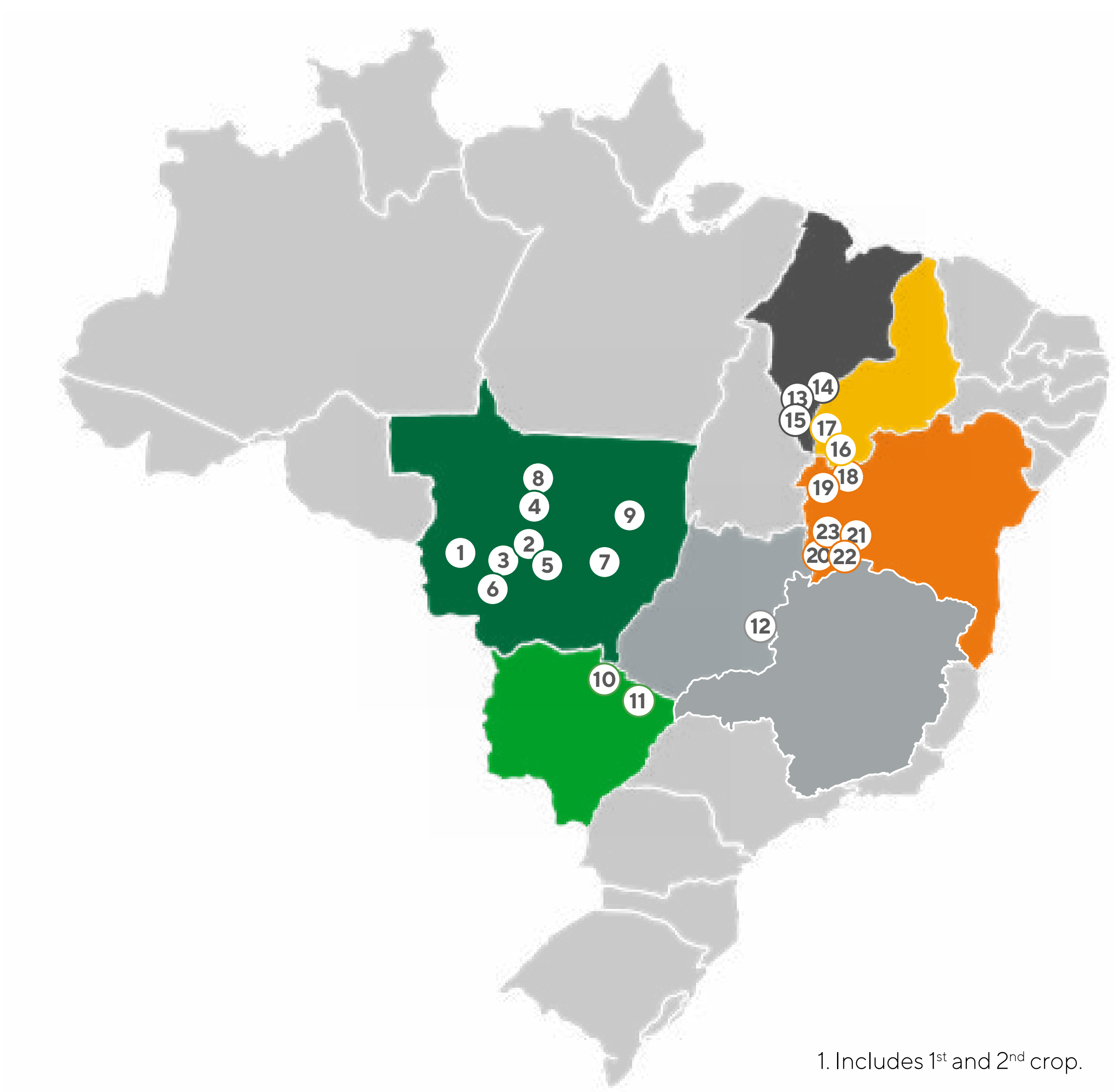
To positively impact future generations and be the world leader in agricultural efficiency and respect for the planet.

Our values

We believe that those who are **passionate about what they do** are committed and do it with the highest possible quality, while upholding their **integrity** through conduct that is ethical, coherent and beyond reproach.

These attitudes support **lasting relationships** in which all stakeholders are respected as well as **sustainable results** that are economically viable, socially just and environmentally responsible.

FIGURE 1 | MAP OF OPERATIONS



1. Includes 1st and 2nd crop.

Mato Grosso

1 PIONEIRA FARM
Local: Querência (MT)
Planted area: 34,255 ha[1]

2 PERDIZES FARM
Local: Porto dos Gaúchos (MT)
Planted area: 26,427 ha[1]

3 PAIAGUÁS FARM
Local: Diamantino (MT)
Planted area: 66,424 ha[1]

4 PLANORTE FARM
Local: Sapezal (MT)
Planted area: 31,716 ha[1]

5 PRÓSPERA FARM
Local: Tabaporã, Nova Canaã do Norte and Itaúba (MT)
Planted area: 30,793 ha[1]

6 PEJUCARA FARM
Local: São José do Rio Claro and Diamantino (MT)
Planted area: 28,093 ha[1]

7 PIRACEMA FARM
Local: Diamantino (MT)
Planted area: 23,914 ha[1]

8 PAMPEIRA FARM
Local: Campo Novo do Parecis (MT)
Planted area: 41,885 ha[1]

9 PIRAPORA FARM
Local: Santa Rita do Trivelato (MT)
Planted area: 20,724 ha[1]

Mato Grosso do Sul

10 PANTANAL FARM
Local: Chapadão do Sul (MS)
Planted area: 44,032 ha[1]

11 PLANALTO FARM
Local: Costa Rica (MS)
Planted area: 22,594 ha[1]

Maranhão

12 PARNAÍBA FARM
Local: Tasso Fragoso (MA)
Planted area: 44,853 ha[1]

13 PALMEIRA FARM
Local: Tasso Fragoso (MA)
Planted area: 23,631 ha[1]

14 PLANESTE FARM
Local: Balsas (MA)
Planted area: 63,707 ha[1]

Piauí

15 PARNAGUÁ FARM
Local: Santa Filomena (PI)
Planted area: 9,862 ha[1]

16 PAINEIRA FARM
Local: Monte Alegre do Piauí
Leased

Bahia

17 PARCEIRO FARM
Local: Formosa do Rio Preto (BA)
Planted area: 11,083 ha[1]

18 PALMARES FARM
Local: Barreiras (BA)
Planted area: 26,203 ha[1]

19 PALADINO FARM
Local: São Desidério (BA)
Planted area: 21,547 ha[1]

20 PIRATINI FARM
Local: Jaborandi (BA)
Planted area: 15,464 ha[1]

21 PANORAMA FARM
Local: Correntina (BA)
Planted area: 21,810 ha[1]

22 PAYSANDU FARM
Local: São Desidério and Correntina (BA)
Planted area: 38,864 ha[1]

Goiás

23 PAMPLONA FARM
Local: Cristalina (GO)
Planted area: 27,469 ha[1]

Awards and recognition

100 Open Startups 2021
Top 5 in Agribusiness ranking

Great Places to Work (FIA and UOL)
52nd in General Ranking and 16th in Large Companies Ranking

A Granja
Awarded in Corn Producer Category

Época 360°
25th in General Ranking, 3rd in South Region and 1st in Agribusiness

The Best of Dinheiro (Istoé)
1st in Agribusiness and Recognition of SLC's Management in Sustainability (3rd), in Corporate Governance (2nd) and in Financial Performance, Human Resources, Innovation, Quality and Social Responsibility (1st)

CESB National Maximum Productivity Challenge
Pamplona Farm named Champion in category Dry Farming, Midwest region

Latin America Executive Team (*Institutional Investor*)
The Company won the main categories for the sixth straight year, winning 1st or 2nd place in the General and Small Caps rankings of the Agribusiness sector in the categories Best CEO, Best CFO, Best IR Program, Best IR Professional, Best IR Team, Best Investor/Analyst Events, Best ESG and Best Crisis Management during Covid-19

Great Place To Work (GPTW)
Third straight year in the ranking "Best Companies to Work in Rio Grande Sul" and second straight year in the GPTW Agro ranking

Gupy Destaca
Recognized on list of 100 Most Inspiring HR Programs, with distinction in categories Development and Innovation in Attracting Talent

Top Ser Humano ABRH RS
Award-winning case: "Inclusive Education: Continuing Learning to Challenge and Transform"

Great Places to Work FIA UOL Award
for second straight year

ESARH Awards
South America Human Resources Meeting, with award-winning case "Inclusive Education at SLC Agrícola" in the category Projects – People Management

Recognized on list of 100 Most Inspiring HR Programs
with distinction in categories Development and Innovation in Attracting Talent

Best in People Management
Valor Carreira and Mercer, for the fourth straight year

Best in Agribusiness, *Globo Rural* magazine
1st place in categories Agricultural Production and Sustainability

Strategy

The strategy to increase agricultural productivity, based on maximizing production efficiency on mature and developed areas with the use of innovative technologies, aims to meet the world's growing demand for food and cotton fibers. According to United Nations estimates, agricultural production will have to increase by 70% to serve the needs of a global population projected to reach 9.7 billion by 2050.

This growth is accompanied by a solid vision of responsibility to people and the environment. The commitment to sustainability is translated into concrete actions for managing energy and water use, waste generation and destination, proper soil management and protecting biodiversity conservation areas, to name a few.

That is the vision encapsulated by Our Big Dream, the purpose that guides the actions of all employees and managers to create value with sustainability and responsibility.

For this reason, we invest continually in incorporating new technologies and innovations that accelerate the productivity and efficiency of our farms. The use of digital solutions, combined with connectivity of farms, leverages our capacity to increase grain and cotton production and create value for shareholders and society.

Growth of operations

Business Combination with Terra Santa

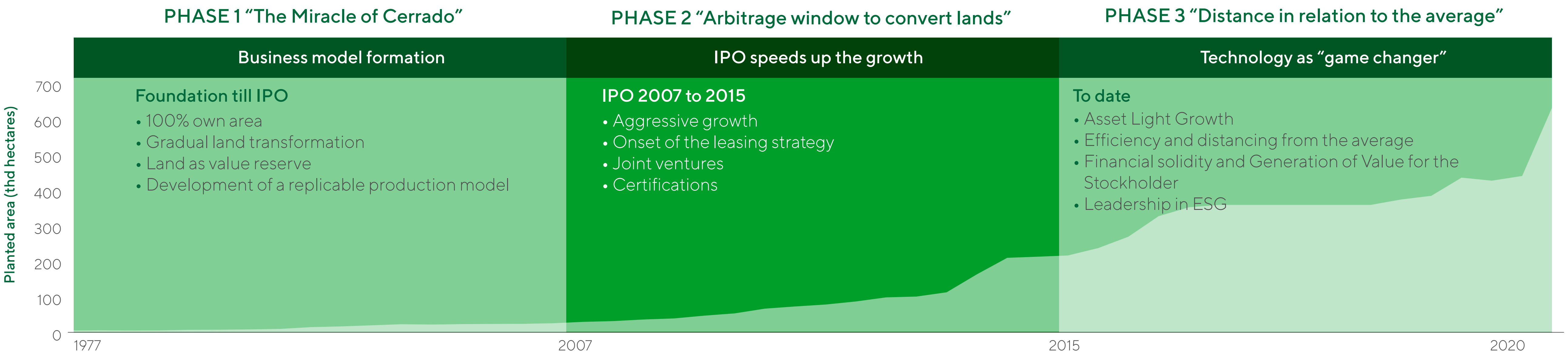
In August 2021, SLC Agrícola concluded the business combination with Terra Santa, which is an important step for maintaining our asset light growth and for expanding our production capacity in the coming crop years. The transaction was concluded in July with payment of net consideration of R$193.0 million and goodwill of R$47.4 million.

Lease with Xingu S.A.

In April 2021, the Company signed a lease agreement with Agrícola Xingu S.A. for production on around 39 thousand hectares, divided between the municipalities of Correntina (Bahia) and Unaí (Minas Gerais), on already developed areas. The agreement also enables SLC to use the operating facilities already on the properties.

In the 2020/21 crop year, we ended the cycle of transforming raw land and areas with native vegetation for agricultural production and approved our Zero Deforestation Policy

FIGURE 2 | STRATEGIC PHASES OF SLC AGRÍCOLA



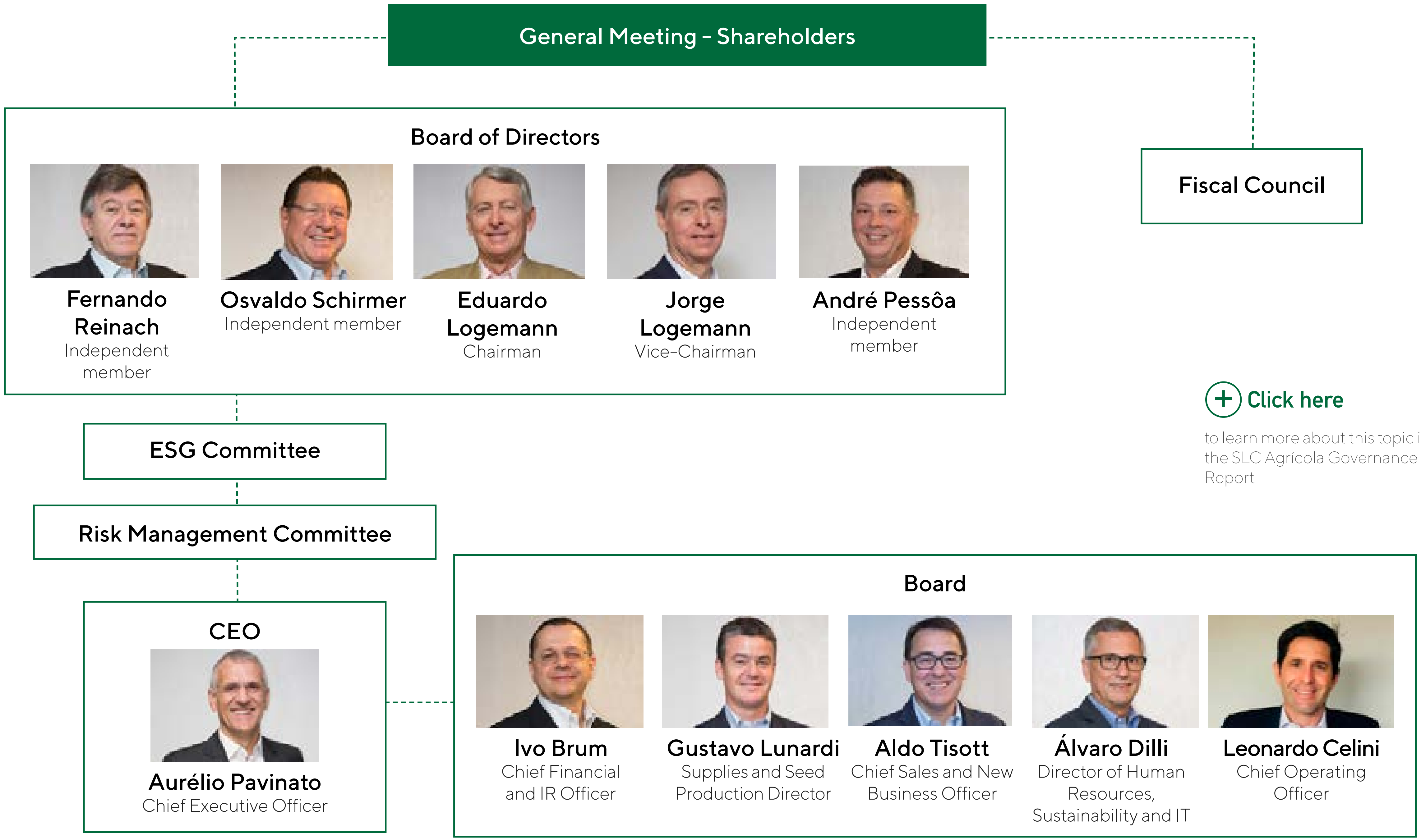
Corporate governance

SLC Agrícola is a publicly traded company that has been listed and traded on the São Paulo stock exchange, B3, since 2007. We were a pioneer in the grain and fiber production industry by becoming the first company to go public, and since then we have been evolving and advancing in our policies, procedures and governance structure to ensure efficient management, robust growth of our businesses and effective risk management.

Our corporate governance structure includes a Board of Directors, the body responsible for establishing the strategic guidelines and policies for conducting our business. In line with best market practices, three members of the Board of Directors are independent and have academic and professional backgrounds that ensure a broad vision of the Company's risks and opportunities in Brazil's agricultural sector.

The activities and decisions of the Board of Directors are supported by advisory committees, whose members have long expertise in the topics they are responsible for analyzing. In 2021, the ESG Committee, which was created to support the evaluation of sustainability-related topics, completed its first year of activities.

FIGURE 3 | CORPORATE GOVERNANCE STRUCTURE



Click here
to learn more about this topic in the SLC Agrícola Governance Report

Innovation

Precision agriculture is a core pillar of the investments made in innovation to increase the productivity and efficiency of our farms. By using digital technologies to monitor routines in the field and improving connectivity on farms for inputting information into databases faster and easier, SLC Agrícola has made important advances in monitoring different types of indicators and identifying opportunities for efficiency gains, leading to reductions in fuel consumption, fertilizer and pesticide use and waste generation.

Various new technologies started to be adopted on farms following the connectivity of fields. At the end of 2021, 515 thousand hectares of crops were covered by 4G internet. The solutions adopted dinclude the use of tablets and smartphones for digital and georeferenced agricultural analyses, real-time management of agricultural fleets and equipment, digital monitoring of precipitation, soil humidity and other climate conditions and selective application for reducing consumption of inputs and pesticides.

As early-adopters in integrating innovative solutions and developing new businesses, we obtained competitive advantages and benefits that become scalable given our production volume and number of areas planted.

SLC Ventures

Created to accelerate new innovative businesses and investments with growth potential to solve the challenges in agricultural production, SLC Ventures operates on two fronts: Corporate Venture Capital and Venture Builder.

In 2021, SLC Ventures made its first contribution to a startup, participating in the third round of funding in Aegro. The company, created in 2014, has developed an agricultural management system that is already used on over 4,000 farms in 20 States. The platform has scalability potential, which was a key factor in our investment decision.

AgroX

A program for connecting startups with SLC Agrícola, AgroX opened registration for its third edition in 2021. The initiative consists of proposing agribusiness challenges to be solved by startups through an open innovation approach. AgroX received 34 projects from startups in 14 different countries, six of which were selected for the presentation round (pitch day).

Ideas&Results Program

Our employees also participate in innovating and developing new solutions and businesses through the Ideas&Results Program, which receives ideas, suggestions and projects focused on solving challenges and implementing improvements. Of the total ideas presented until 2021, ten projects were selected for rollout, after achieving positive results in the testing and evaluation phases.

Risk management

Through governance mechanisms, we manage risks that could affect our business continuity on an integrated basis and aligned with the expectations of the various different stakeholders with whom we maintain long-term relations. We also identify opportunities to expand and solidify businesses guided by strategies based on the long-term perspective and socio-environmental responsibility of our shareholders.

This way of doing business is aligned with the guidelines and procedures established in the Market Risk Management Policy and is monitored by the Risk Management Committee and approved by the Board of Directors.

In 2022, our risk management will be further strengthened by the formation of the Audit Committee to advise the Board of Directors. With the evolution, the Internal Audit will start to report directly to the new body, which will strengthen evaluation of the Company's mechanisms and controls.

Click here

to learn more about this topic in sections 4 and 5 of the Reference Form

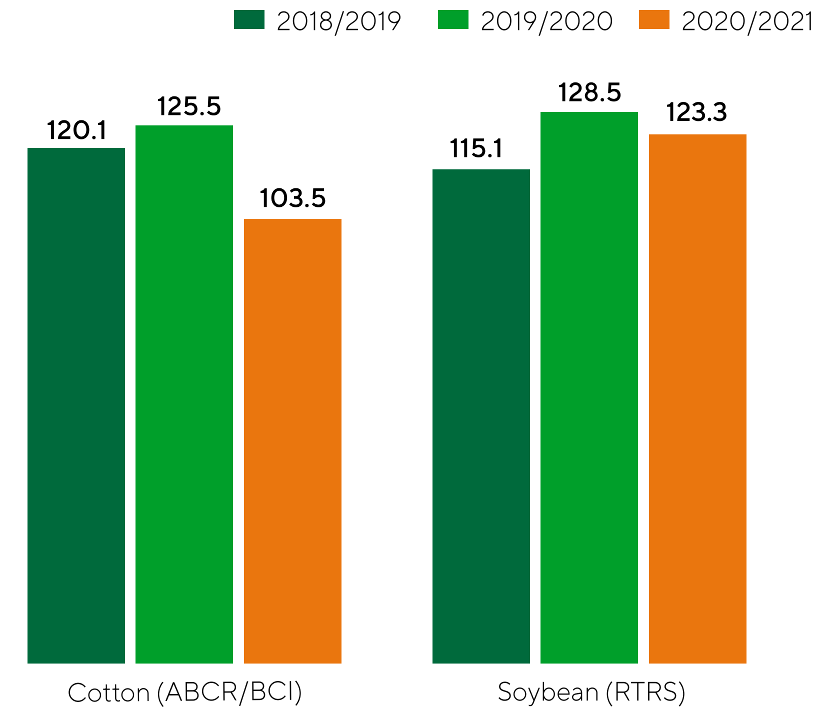
Certifications and quality

The Management and Quality System of SLC Agrícola is certified in accordance with ISO 9001 on six farms and at the headquarters, which ensures the standardization and traceability of grain and cotton storage and processing at units. Moreover, the Integrated Management System (SGI) has 11 units (ten farms and the headquarters) certified by the standards ISO 14001 (environmental management), ISO 45001 (occupational health and safety) and NBR 16001 (social responsibility) (learn more on page 36).

In addition to certifications of management processes, we invest in ensuring that the commodities we produce meet the highest standards of quality and socio-environmental responsibility. These certifications add value to relations with clients by demonstrating our commitment to traceability and sustainable production.

In 2021, we celebrated ten years of certification by the Round Table on Responsible Soy (RTRS) for responsible and sustainable soybean production. RTRS is one of the world's main soybean certifications and, since 2007, our Company has been a pioneer in contributing to its dissemination in Brazil.

FIGURE 4 | EVOLUTION OF CERTIFIED AREA (THD HECTARES)



The certifications of the Integrated Management System and products contribute to the quality and continuous improvement of our operations

Round Table on Responsible Soy (RTRS)

Establishes an international standard for soy production that is environmentally sound, socially equitable and economically feasible.

Responsible Brazilian Cotton (ABR)

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

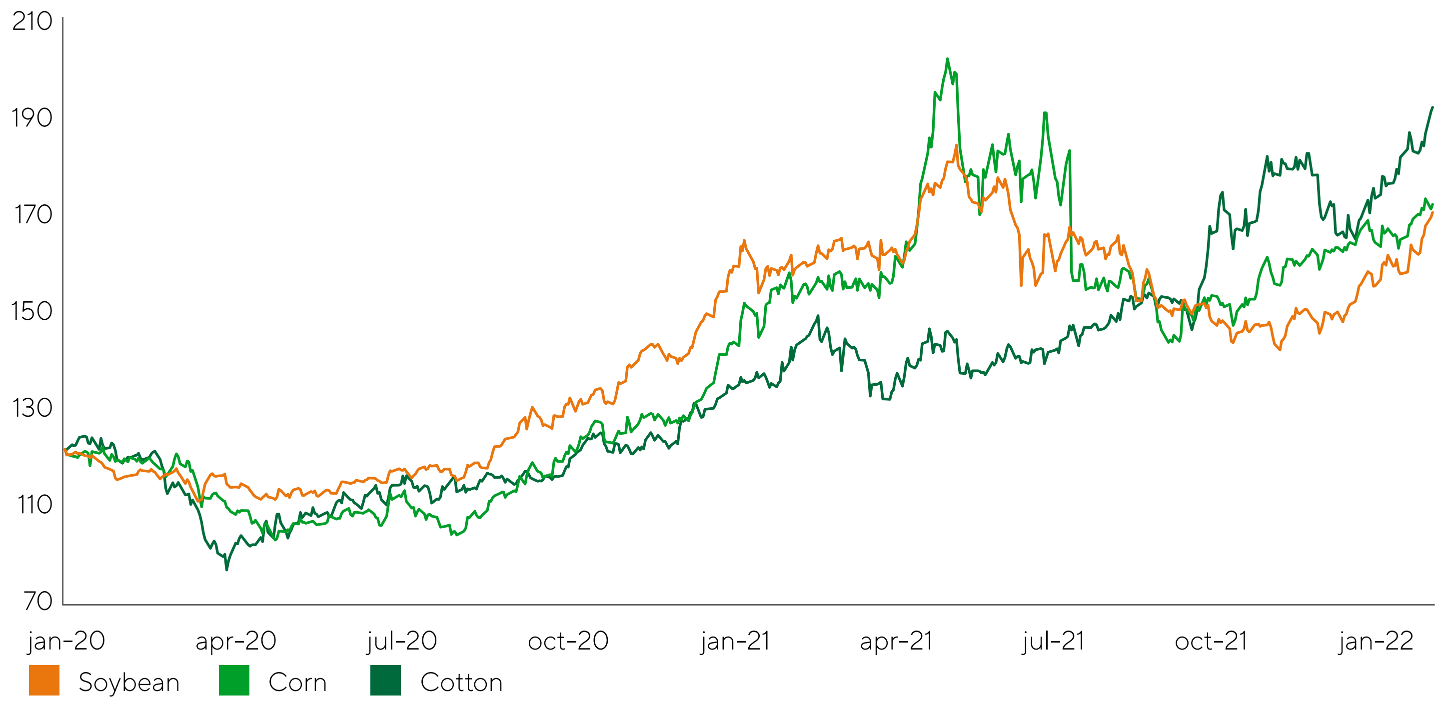
Better Cotton Initiative (BCI)

Fosters awareness throughout the production chain on the importance of fair employment relationships and social and environmental responsibility in the field.

Market overview

Commodities

FIGURE 5 | PRICE VARIATIONS (SELECT COMMODITIES), JAN/2020 TO JAN/2021



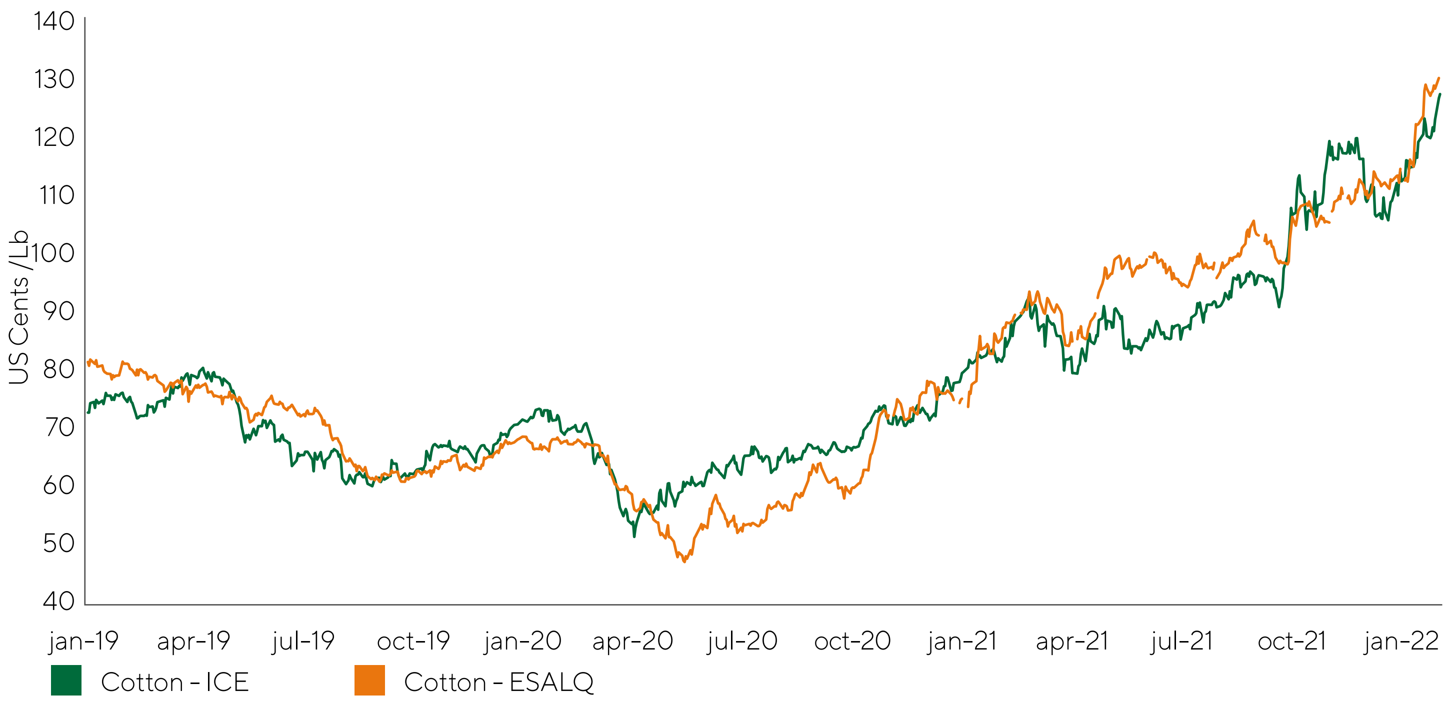
Source: Bloomberg. Base 100

Cotton

The year 2021 was marked by the continuation and consistency of the upward trend in cotton prices in international and Brazilian markets.

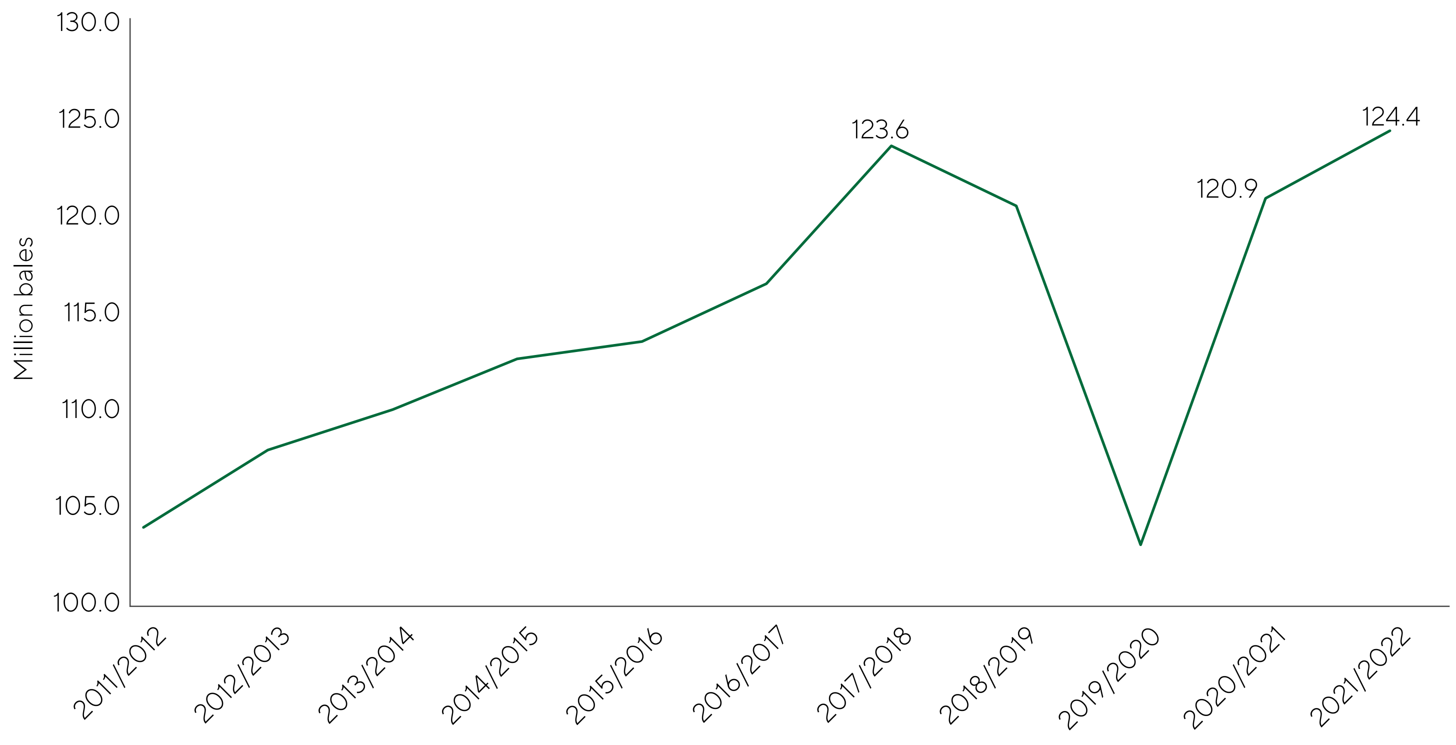
The expectation of an increase in world cotton consumption for the 2021/22 cycle to levels above 124 million bales, based on USDA estimates – after the recovery to pre-pandemic levels observed during 2020/21 – has been an important factor supporting cotton prices.

FIGURE 6 | COTTON PRICES IN INTERNATIONAL MARKETS VS. BRAZIL



Source: Bloomberg

FIGURE 7 | WORLD COTTON CONSUMPTION

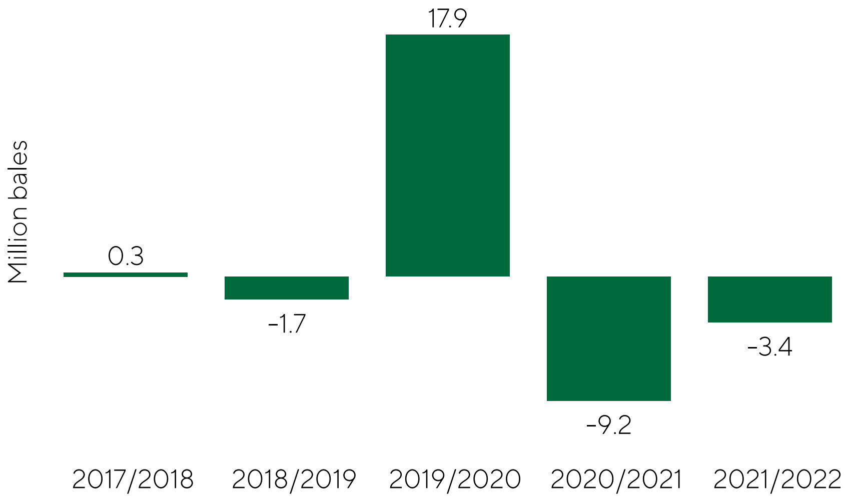


Source: USDA

The year 2021 was marked by a scenario of global logistics delays, solid cotton demand and smaller harvests in key producing countries, such as Brazil. The world's second largest cotton exporter, Brazil ended 2020/21 with production volume down 21% on the prior year, according to CONAB estimates.

The already mentioned recovery in world cotton production observed in 2020/21 and the expectation of record high consumption in 2021/22, of 124.4 million bales, above the level observed in 2017/18, have been translating into consistent global deficits, with demand growth outstripping supply growth.

FIGURE 8 | WORLD COTTON SUPPLY-DEMAND BALANCE

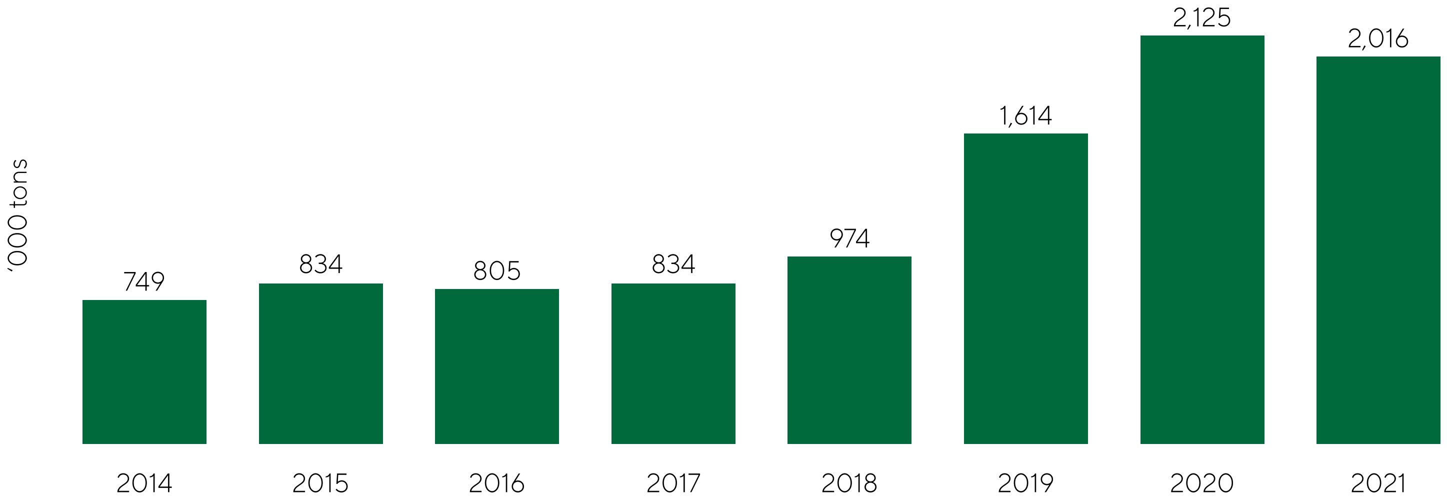


Source: USDA

In the export market, demand for Brazilian cotton maintained its growth trend over the year, however, due to the complex logistics scenario and lower production volume, the country registered lower exports in 4Q21 than in the previous cycle.

Therefore, according to Brazilian export data, the country ended the year with exports of 2.01 million tons, 5% lower than in 2020.

FIGURE 9 | ANNUAL COTTON EXPORTS, BRAZIL



Source: MDIC

Soybean

Soybean spot prices quoted on the Chicago Board of Trade (CBOT) and the prices paid for the oilseed based on the Paranaguá/CEPEA reference maintained a solid recovery path during the last quarter of 2021, showing considerable resilience.

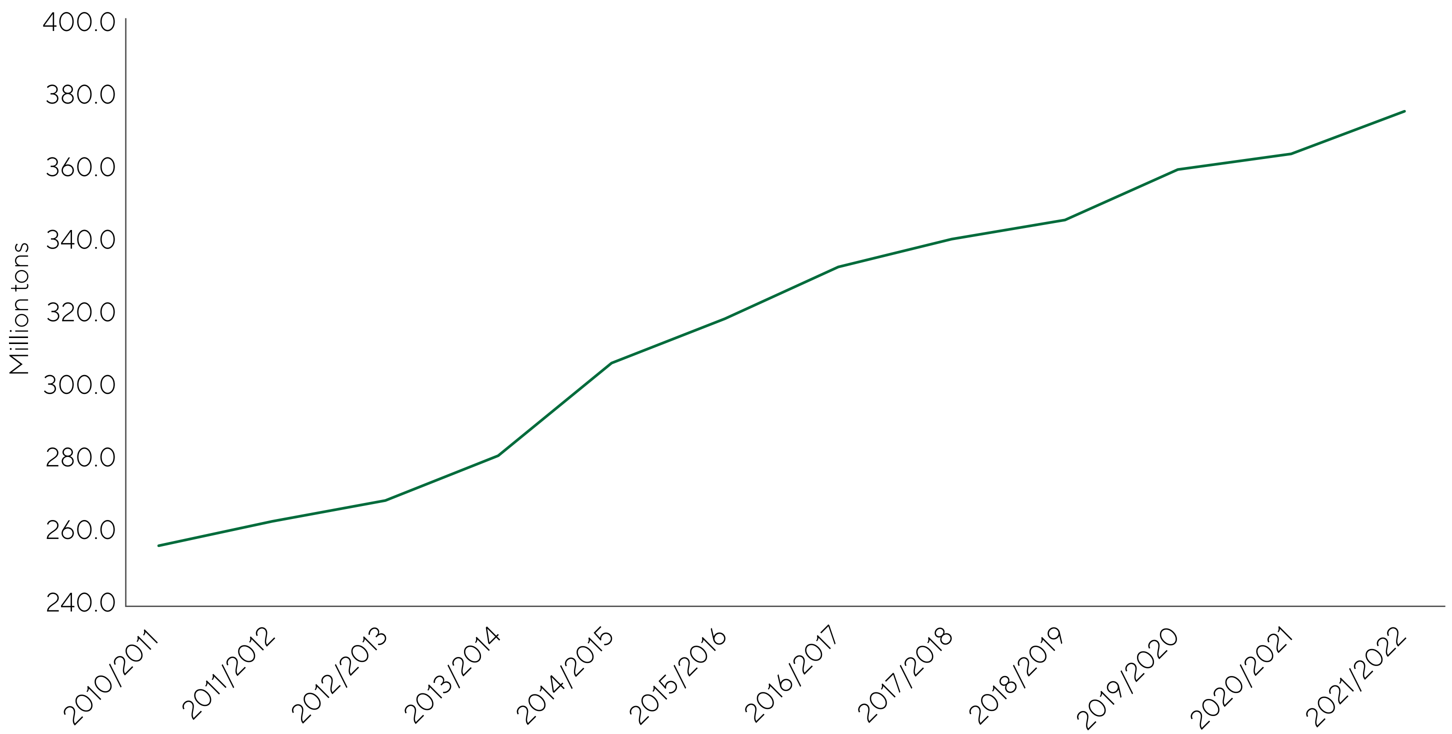
The increases observed in Chicago, combined with the premiums paid and weaker Brazilian real, resulted in fluctuations in soybean prices and, more recently, in quotes over 183.00 R$/bag, according to a CEPEA survey of Paranaguá database.

After a successful crop year in 2020/21 in terms of Brazilian soybean production, uncertainties concerning soybean production in South America, especially in Brazil's South, Argentina and Paraguay related to below-average precipitation during crop development in these regions, were an important factor in the sharp price increases on the CBOT related to development of the 2021/22 crop.

FIGURE 10 | SOYBEAN PRICES IN INTERNATIONAL MARKET VS. BRAZIL

Source: Bloomberg

FIGURE 11 | WORLD SOYBEAN CONSUMPTION



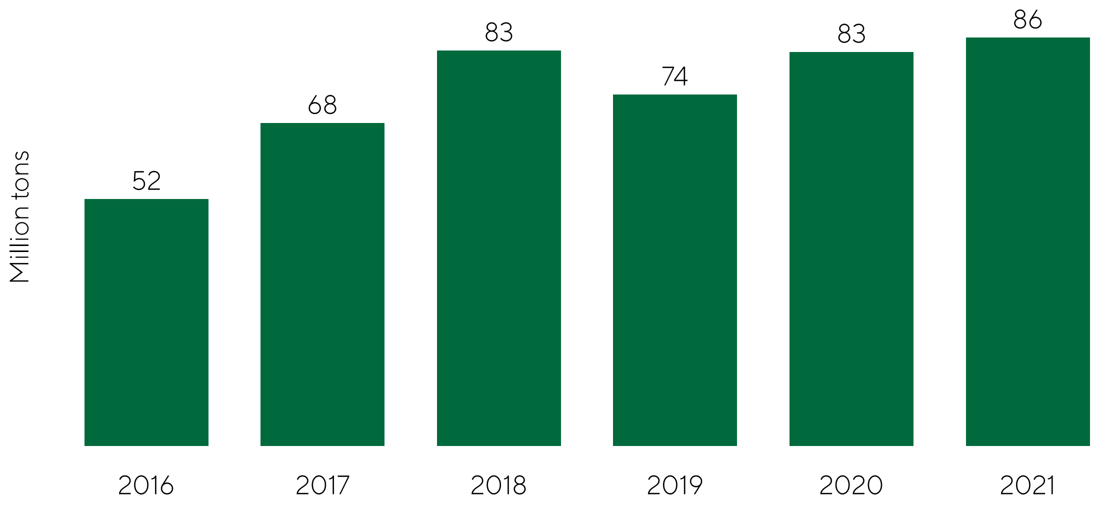
Source: USDA

The expectation of growth in world soybean consumption to around 375 million tons, which represents an annual increase of 12 million tons in the 2021/22 cycle, following an increase in annual consumption of 4.5 million tons in 2020/21, shows that demand for the oilseed remains on an upward trend and resilient.

Production problems in regions of Brazil's South could directly affect the export program of the country, which currently is the global leader.

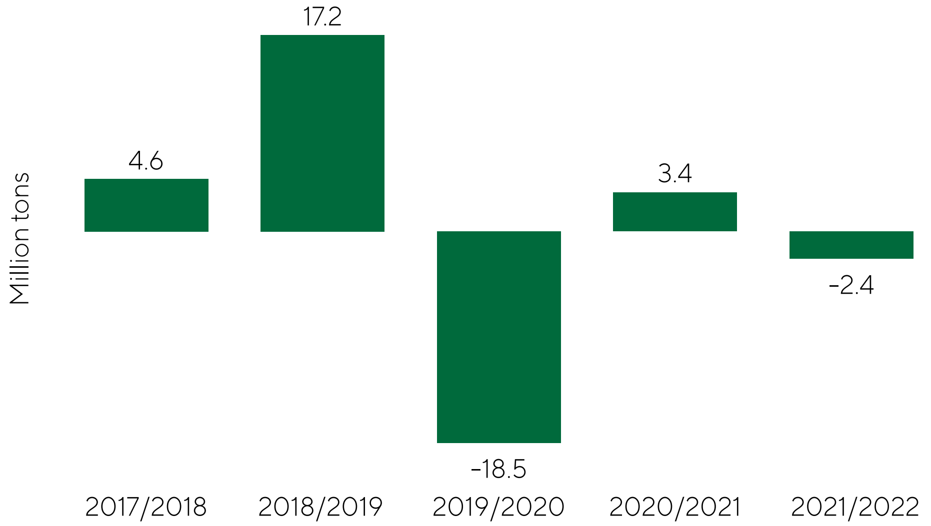
Therefore, monitoring the conditions of Brazilian crops will be crucial for gauging the impact on and risks in the country's successful export program, whose export shipments set a new record of over 86 million tons in 2021.

FIGURE 12 | ANNUAL SOYBEAN EXPORTS, BRAZIL



Source: MDIC

FIGURE 13 | SOYBEAN – WORLD SUPPLY-DEMAND BALANCE



Source: USDA

At the global level, the supply-demand balance should register a deficit for the second time in five years, with consumption expected to outstrip production by approximately 2.4 million tons, following the deficit of 18.5 million tons in 2019/20.

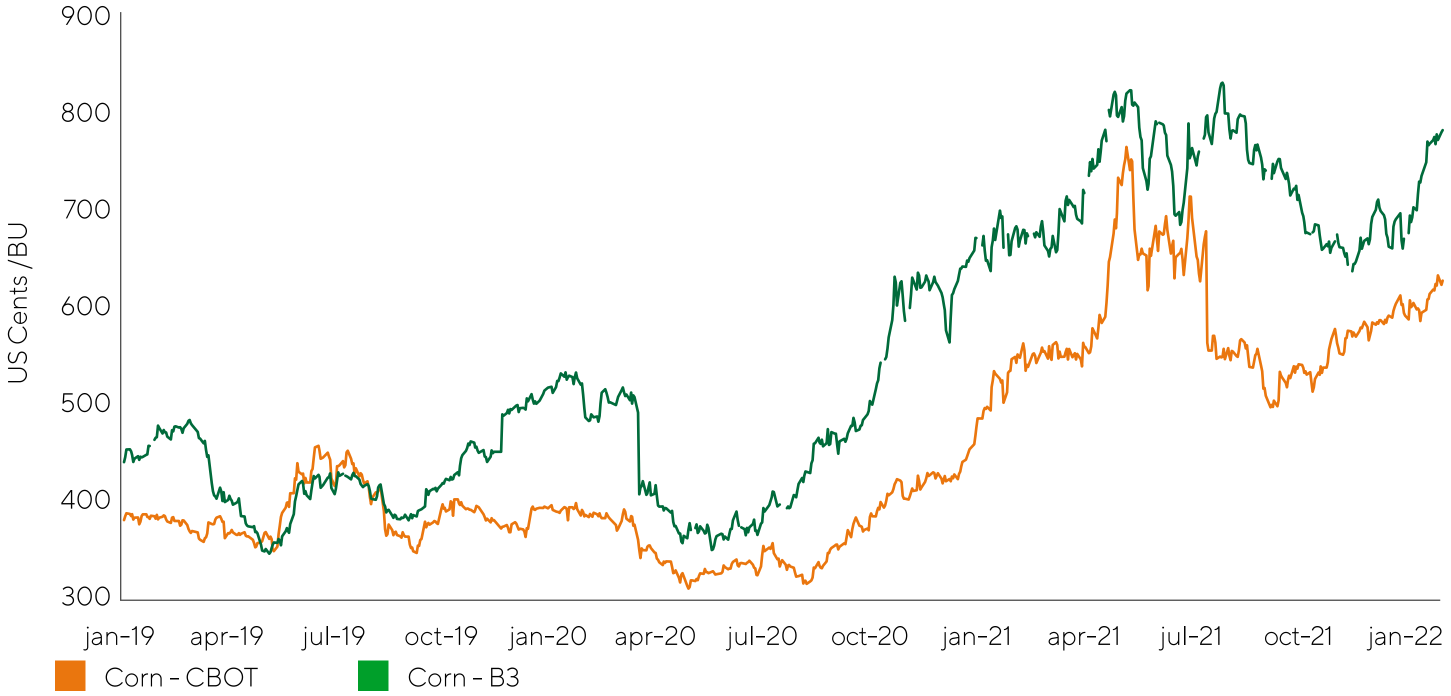
Corn

Corn spot prices quoted on the CBOT registered significant volatility over 2021, with prices, after a downcycle in September, following a solid path of recovery and appreciation in both the international (Chicago) and domestic (B3) markets. Ao longo dos meses de outubro, novembro e dezembro, os preços na bolsa americana esboçaram sinais de recuperação no contrato spot após negociarem em níveis superiores a 6,0 U$/bushel.

In Brazil, corn producing regions faced adverse weather conditions for crop development during the 2020/21 cycle, with CONAB estimating the country's total production at 87 million tons, 15% lower than in the previous cycle and 17% below the initial estimate of 105 million tons.

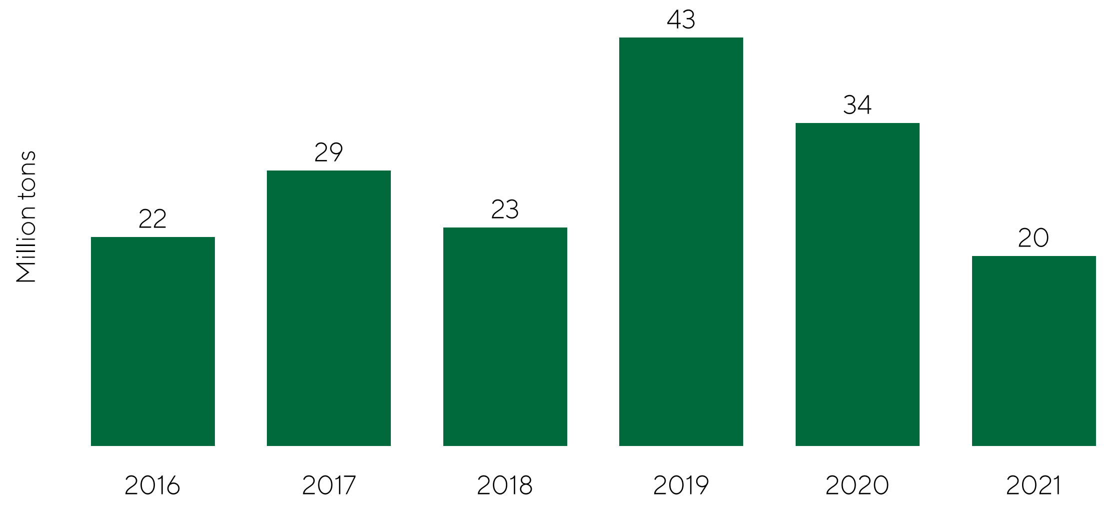
This shortfall in the country was the main factor providing support for prices in the domestic market over 2021, especially in the closing months of the year.

FIGURE 14 | CORN PRICES IN INTERNATIONAL MARKET VS. BRAZIL



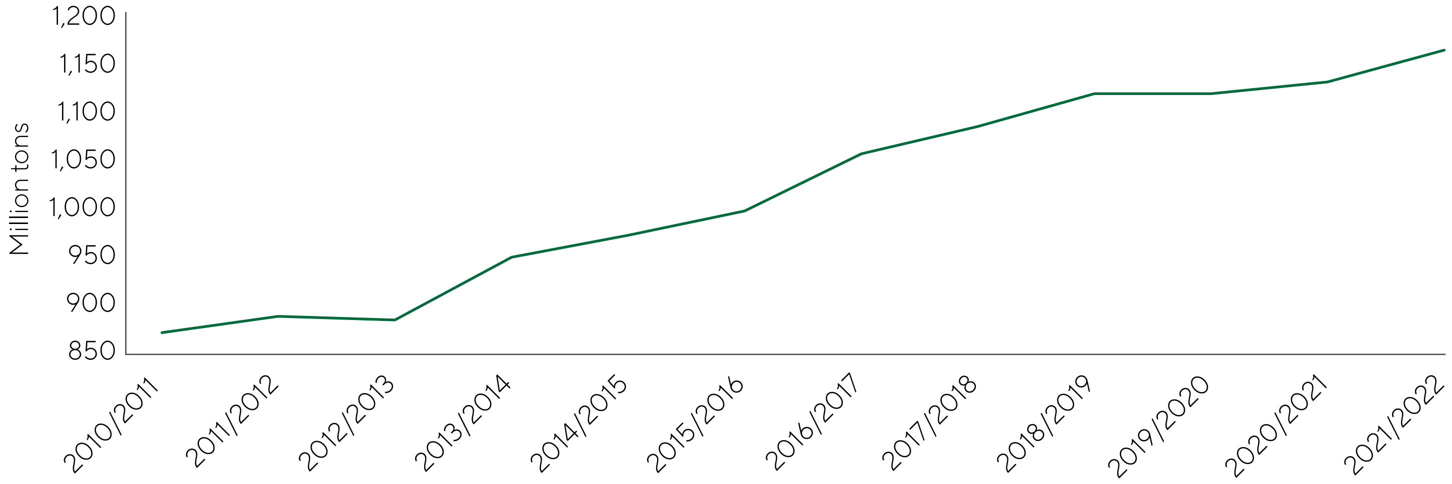
Source: Bloomberg

FIGURE 15 | ANNUAL CORN EXPORTS, BRAZIL



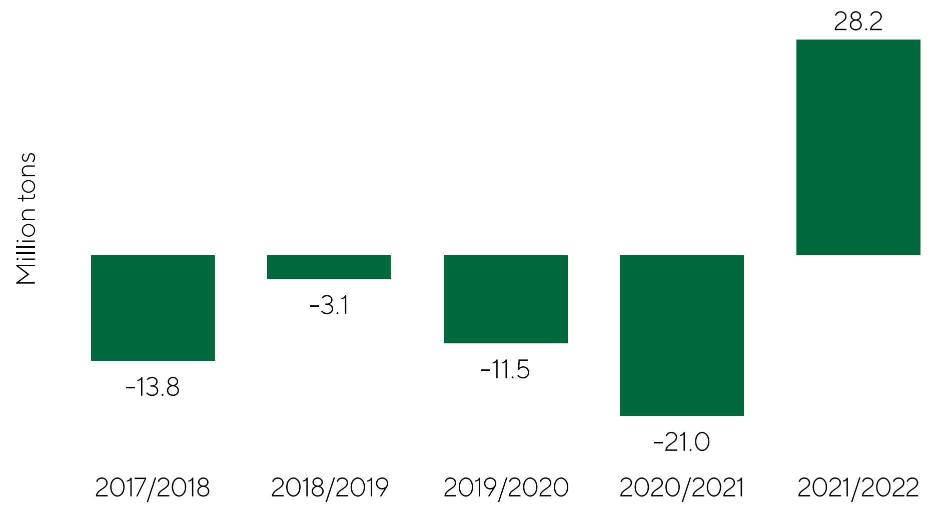
Source: MDIC

FIGURE 16 | WORLD CORN CONSUMPTION



Source: USDA

FIGURE 17 | CORN – WORLD SUPPLY-DEMAND BALANCE



Source: USDA

In exports, given the country's lower production volume, corn exports in the year came to 20.5 million tons, down 40% from the previous cycle.

Meanwhile, global corn demand remains on an upward trend, especially in the 2021/22 cycle, which should register annual consumption of 35 million tons.

In the global scenario, the difference in supply and demand should result in a surplus of 28.2 million tons, marking the first surplus of the last five years.

In terms of price formation in domestic and international markets, the development of the corn crop in South America and the pace of Brazilian exports will be important indicators to monitor for projecting the world supply-demand balance.

Operational performance

Planted area

Our current estimate for planted area is 675.4 thousand hectares, representing expansion of 45.8% in relation to the previous crop year. The following table presents initial planting intentions for the 2021/22 crop year and a comparison with the previous season. For more details, see the Additional Information section of this document.

TABLE 1 | PLANTED AREA BY CROP, 2020/21 VS. 2021/22

Crop Mix	Planted area 2020/21	Planted area 2021/22(1) ha	Share 2021/22 %	Δ%
Cotton	**109,605**	**177,093**	**26.2%**	**61.6%**
Cotton 1st crop	78,011	86,326	12.8%	10.7%
Cotton 2nd crop	31,594	90,767	13.4%	187.3%
Soybean (Commercial + Seed)	**229,449**	**334,966**	**49.6%**	**42.3%**
Cotton 2nd crop	**106,470**	**123,112**	**18.2%**	**15.6%**
Other crops (2)	17,643	40,179	5.9%	244.9%
Total Area	**463,167**	**675,350**	**100.0%**	**45.8%**

(1) Weather factors may affect the planted area forecast.
(2) Other Crops (First-crop corn 11,738 ha, Corn seed 607 ha, Popcorn 2,014 ha, Wheat 1,716 ha, Cattle 4,713, Brachiaria seed 7,786 ha, Mungo bean 10,214, Sesame 691 ha and Stylosanthes 700) amounted to 40,179 ha.

Yields

TABLE 2 | BUDGETED YIELDS, 2021/22 CROP YEAR

Yields (kg/ha)	2020/21 Crop Year Achieved (a)	2021/22 Crop Year Budget (b)	2021/22 Crop Year Forecast (c)	Δ% (c) x (a)	Δ% (b) x (a)	Δ% (c) x (b)
Cotton lint 1st crop	1,913	1,871	1,871	-2.2%	-2.2%	0%
Cotton lint 2nd crop	1,689	1,804	1,804	6.8%	6.8%	0%
Cotton seed	2,312	2,299	2,299	-0.6%	-0.6%	0%
Soybean (Commercial + Seed)	3,985	3,765	3,994	-5.5%	-5.5%	6.1%
Corn 2nd crop	5,880	7,619	7,586	29.0%	29.6%	-0.4%

Commercial soybean

As of March 3, 2022, 72.3% of the 335 thousand hectares planted had been harvested, with a yield of 3,994 kg/ha to date. So far, the areas are presenting good potential and the expectation is to surpass the budgeted yield (by 6.1%), the previous harvest (by 0.2%) and the national average CONAB Feb/22 (by 29.2%).

Cotton seed

We estimate production and sale of 90 thousand bags of cotton seed, with an official minimum germination rate of 90% (SLC Sementes Guarantee). We currently hold licenses for three cotton seed brands to offer our clients a diversified product portfolio.

Soybean seed

We estimate production and sale of 800 thousand bags of soybean seeds, with an official minimum germination rate of 90% (SLC Sementes Guarantee). Today, we produce soybean seed in four states and remain completely focused on maintaining quality and meeting our clients' needs. To offer more options in terms of varieties, we hold licenses for four brands for direct sale as well as two vertically integrated brands.

First-crop cotton

With planting completed, the areas already are transitioning from the plant development phase to the flowering phase and presenting good potential to achieve the budgeted yield.

Second-crop cotton

Planting was within the ideal window. The areas are currently in the plant development phase and presenting good development.

Second-crop corn

The planting of second-crop corn began in the last week of January 2022 and is already 100% completed.

Production cost

TABLE 3 | BUDGETED PRODUCTION COST BY CROP, 2021/22 CROP YEAR

%	Cotton	Soybean	Corn	Average 2021/22	Average 2020/21
Variable Costs	**82.0**	**76.2**	**81.9**	**79.9**	**79.9**
Seeds	9.2	16.1	16.6	12.0	10.5
Fertilizers	24.2	19.4	39.4	24.3	21.4
Chemicals	25.3	21.5	12.4	22.0	24.4
Air Spraying	1.2	0.7	0.9	1.0	1.8
Fuels and lubrificants	3.6	4.2	3.3	3.7	3.9
Labor	0.8	1.0	0.8	0.8	0.8
Ginning	8.1	1.8	2.0	5.3	6.5
Maintenance	3.4	4.2	2.9	3.5	4.1
Others	6.2	7.3	3.8	7.3	6.5
Fixed Costs	**18.0**	**23.8**	**18.1**	**20.1**	**20.1**
Labor	6.9	8.5	6.0	7.3	7.7
Depreciation and amortization	3.7	5.6	3.8	4.3	4.8
Right of Use Amortization - Leasing	5.5	7.1	6.4	6.4	5.1
Others	1.9	2.6	1.9	2.1	2.5

TABLE 4 | BUDGETED PRODUCTION COST IN R$/HECTARE, 2021/22 CROP YEAR

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

* Figures may suffer changes by the end of cotton processing and the sale of grains.
** Weighted by areas in the 2021/22 crop year to avoid impacts from changes in the product mix.

The costs per hectare budgeted for the 2021/22 crop year registered an average increase in Brazilian real of 16.1% compared to actual costs in the 2020/21 crop year.

The main factors contributing to this increase were:

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

Financial performance

Income statement analysis

In the third quarter of 2021, we began reporting the accounting information considering the merger of Terra Santa Agro S.A. (wholly owned subsidiary of SLC Agrícola), which is now named SLC Agrícola Centro-Oeste S.A. For comparison purposes, we are reporting the period 2020 on a combined basis, i.e., the sum of the numbers for 3Q20 and 4Q20 of SLC Agrícola and of Terra Santa Agro S.A. (parent company).

Adjusted EBITDA

We ended another year with record Adjusted EBITDA, of R$1.685 billion (one billion and six hundred eighty-five million reais), with margin expanding 8.0 p.p. to 38.6%. Adjusted EBITDA increased 57.0% compared to 2020, with this strong growth driven substantially by the increase of 50.8% in Gross Income (ex-Biological Assets), which in turn reflects the higher prices invoiced for all our products. In the period from July to December 2021, the operation of SLC Agrícola Centro-Oeste contributed R$79.4 million to the Company's total Adjusted EBITDA. In the year, we had non-recurring expenses of R$19.5 million related to the business combination with Terra Santa Agro S.A., which were not deducted from the Adjusted EBITDA calculation. For more information, see the Administrative Expenses section.

TABLE 5 | ADJUSTED EBITDA RECONCILIATION

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Net Revenue	**3,503,402**	**3,097,547**	**4,363,210**	**24.5%**
Variation in Fair Value of Biological Assets	**867,068**	**775,534**	**1,961,159**	**126.2%**
(-) Cost of Goods Sold	**(3,246,330)**	**(2,802,782)**	**(4,076,725)**	**25.6%**
Cost of Goods	(2,368,255)	(2,051,786)	(2,651,291)	12.0%
Realization of Fair Value Biological Assets	(878,075)	(750,996)	(1,425,434)	62.3%
Gross Income	**1,124,140**	**1,070,299**	**2,247,644**	**99.9%**
(-) Sales expenses	**(198,671)**	**(173,964)**	**(212,559)**	**7.0%**
(-) Gen. & admin. expenses	**(151,521)**	**(115,452)**	**(222,496)**	**46.8%**
General and administrative	(106,127)	(70,058)	(124,286)	17.1%
Profit share program	(45,394)	(45,394)	(98,210)	116.4%
(-) Administrative Fees	**(14,716)**	**(14,716)**	**(18,953)**	**28.8%**
Other operating revenues	**58,965**	**14,763**	**119,731**	**103.1%**
Other operating revenues	58,965	14,763	119,731	103.1%
(=) Income from Activity	**818,197**	**780,930**	**1,913,367**	**133.9%**
(+) Deprec. & amortization	142,092	119,686	145,870	2.7%
EBITDA	**960,289**	**900,616**	**2,059,237**	**114.4%**
(-) Variation in Fair Value of Biological Assets (3)	(867,068)	(775,534)	(1,961,159)	126.2%
(+) Realization of Fair Value of Biological Assets (4)	878,075	750,996	1,425,434	62.3%
(+) Low Fixed Assets (2)	10,975	8,067	12,781	16.5%
(+) Other Trans. Prop., Plant and Equip. (2)	2,455	2,455	835	-66.0%
(+) Amortization adjust. IFRS 16 (5)	88,469	73,663	133,287	50.7%
(+) Amortization of investments	-	-	14,832	100.0%
Adjusted EBITDA (1, 2, 5)	**1,073,195**	**960,263**	**1,685,247**	**57.0%**
Adjusted EBITDA Margin (1)	**30.6%**	**31.0%**	**38.6%**	**8.0 p.p.**

1. Excludes the effects from Biological Assets, since they are noncash.
2. Excludes Write-offs of Property, Plant and Equipment and Other Property, Plant and Equipment Transactions, which are noncash.
3. Change in fair value of Biological Assets (Note 32 of the financial statements).
4. Realization of the fair value of Biological Assets (Note 31 of the financial statements).
5. Amortization of right-of-use assets - leases.

Net Revenue

TABLE 6 | NET REVENUE

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Net Revenue	**3,503,402**	**3,097,547**	**4,363,210**	**24.5%**
Cotton lint	2,020,748	1,697,671	2,087,461	3.3%
Cotton seed	187,943	156,269	348,928	85.7%
Soybean	1,303,038	1,291,803	1,673,697	28.4%
Corn	432,316	383,504	518,078	19.8%
Cattle Herd	29,528	29,528	59,377	101.1%
Others	99,622	70,379	261,620	162.6%
FX Hedge income	(569,793)	(531,607)	(585,951)	2.8%

TABLE 7 | VOLUME INVOICED (TONS)

(Tons)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	**2,393,504**	**2,094,961**	**2,247,665**	**-6.1%**
Cotton lint	256,153	215,965	219,846	-14.2%
Cotton seed	362,779	281,613	310,709	-14.4%
Soybean	900,839	899,278	862,097	-4.3%
Corn	803,249	662,840	765,385	-4.7%
Others	70,484	35,265	89,628	27.2%

TABLE 8 | VOLUME INVOICED (HEAD)

(Heads)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	**13,000**	**13,000**	**13,285**	**2.2%**
Cattle Herd	13,000	13,000	13,285	2.2%

Net Revenue increased 11.7% in 4Q21 compared to 4Q20, mainly due to the higher prices invoiced for all crops, despite the lower volumes invoiced for cotton, cottonseed and corn.

Another important factor was the contribution of R$269.0 million from SLC Agrícola Centro-Oeste.

The lower volumes invoiced are explained as follows:

- Cotton | lower availability of ships and containers, which affected the estimated volume to be shipped;
- Soybean, corn and cottonseed | carry over to 2022, sales strategy.

TABLE 9 | VARIATION IN FAIR VALUE OF BIOLOGICAL ASSETS

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AHc x a
VVJ Biological Assets	**867,068**	**775,534**	**1,961,159**	**126.2%**
Cotton lint	369,042	298,465	623,001	68.8%
Cotton seed	28,208	28,208	143,838	409.9%
Soybean	316,900	315,535	1,096,470	246.0%
Corn	78,538	62,353	79,678	1.5%
Cattle Herd	5,648	5,648	18,177	221.8%
Others	68,732	65,325	(5)	n.m.

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

In the year, VFVBA increased 126.2%, mainly due to the better margins estimated for 2020/21 and 2021/22 (for soybean) compared to the previous crop year. Cattle VFVBA increased 221.8%, due to the increase in branded head and better prices estimated for the period.

Cost of Goods Sold

TABLE 10 | COST OF GOODS SOLD

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Cost of goods sold	**(2.368.255)**	**(2.051.786)**	**(2.651.291)**	**12.0%**
Cotton lint	(1.167.223)	(945.782)	(1.082.365)	-7.3%
Cotton seed	(113.482)	(98.128)	(133.245)	17.4%
Soybean	(711.702)	(697.641)	(793.574)	11.5%
Corn	(291.232)	(230.112)	(420.625)	44.4%
Cattle Herd	(25.027)	(25.027)	(53.800)	115.0%
Others	(59.589)	(55.096)	(167.682)	181.4%

In the year, COGS increased 12.0% compared to 2020, explained by the increase in unit costs in line with increase in cost per hectare.

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

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

TABLE 11 | REALIZATION OF FAIR VALUE OF BIOLOGICAL ASSETS

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AHc x a
Realization of the Fair Value of Biological Assets (1)	**(878,075)**	**(750,996)**	**(1,425,434)**	**62.3%**
Cotton lint	(395,357)	(281,368)	(471,178)	19.2%
Cotton seed	(21,114)	(21,114)	(81,781)	287.3%
Soybean	(316,773)	(317,382)	(790,542)	149.6%
Corn	(77,290)	(63,591)	(72,426)	-6.3%
Cattle Herd	(7)	(7)	(9,387)	n.m.
Others	(67,534)	(67,534)	(120)	-99.8%

(1) Fair Value of Biological Assets

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

In 2021, RFVBA increased 62.3% compared to 2020, reflecting the expectation of higher margins in relation to the prior crop year at the time of apportionment.

Gross Income by Crop

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

Cotton Lint and Cotton Seed

TABLE 12 | GROSS INCOME – COTTON LINT

Cotton Lint		2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	Ton	**256,153**	**215,965**	**219,846**	**-14.2%**
Net Revenue	R$/thd	2,020,748	1,697,671	2,087,461	3.3%
Result of curreency hedge	R$/thd	(436,560)	(398,374)	(557,882)	27.8%
Net Revenue adj. for result of currency hedging	R$/thd	1,584,188	1,299,297	1,529,579	-3.4%
Unit Price	R$/ton	6,185	6,016	6,958	12.5%
Total Cost	R$/thd	(1,167,223)	(945,782)	(1,082,365)	-7.3%
Unit Cost	R$/ton	(4,557)	(4,379)	(4,923)	8.8%
Unitary Gross Income	**R$/ton**	**1,628**	**1,637**	**2,035**	**25.0%**

In the year, Unit Gross Income grew 25.0% compared to 2020, mainly due to the increase in unit price invoiced, which was partially offset by the higher unit cost.

TABLE 13 | GROSS INCOME – COTTON SEED

Cotton Seed		2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	Ton	**362,779**	**281,613**	**310,709**	**-14.4%**
Net Revenue	R$/thd	187,943	156,269	348,928	85.7%
Unit Price	R$/ton	518	555	1,123	116.8%
Total Cost	R$/thd	(113,482)	(98,128)	(133,245)	17.4%
Unit Cost	R$/ton	(313)	(348)	(429)	37.1%
Unitary Gross Income	**R$/ton**	**205**	**207**	**694**	**238.5%**

In the year, Unit Gross Income grew 238.5%, explained by the 116.8% increase in unit prices, which was partially offset by higher unit costs.

Soybean

TABLE 14 | GROSS INCOME – SOYBEAN

Soybean		2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	Ton	**900,839**	**899,278**	**862,097**	**-4.3%**
Net Revenue	R$/thd	1,303,038	1,291,803	1,673,697	28.4%
Result of curreency hedge	R$/thd	(106,204)	(106,204)	(29,291)	-72.4%
Net Revenue adj. for result of currency hedging	R$/thd	1,196,834	1,185,599	1,644,406	37.4%
Unit Price	R$/thd	1,329	1,318	1,907	43.5%
Total Cost	R$/thd	(711,702)	(697,641)	(793,574)	11.5%
Unit Cost	R$/ton	(790)	(776)	(921)	16.6%
Unitary Gross Income	**R$/ton**	**539**	**542**	**986**	**82.9%**

In 2021, Unit Gross Income from soybean increased 82.9% in relation to 2020, due to the improvement in average price invoiced.

Corn

TABLE 15 | GROSS INCOME – CORN

Corn		2020 Combined (a)	2020 (b)	2021 (c)	AHc x a
Volume invoiced	Ton	**803,249**	**662,840**	**765,385**	**-4.7%**
Net Revenue	R$/thd	432,316	383,504	518,078	19.8%
Result of curreency hedge	R$/thd	(23,165)	(23,165)	(318)	-98.6%
Net Revenue adj. for result of currency hedging	R$/thd	409,151	360,339	517,760	26.5%
Unit Price	R$/ton	509	544	676	32.8%
Total Cost	R$/thd	(291,232)	(230,112)	(420,625)	44.4%
Unit Cost	R$/ton	(363)	(347)	(550)	51.5%
Unitary Gross Income	**R$/ton**	**146**	**197**	**126**	**-13.7%**

In 2021, 99% of the corn invoiced was produced in the 2020/21 crop year. The 13.7% decline in Unit Gross Income is explained by the higher unit cost, given the lower yield in 2020/21 compared to 2019/20.

Cattle

TABLE 16 | GROSS INCOME – CATTLE

Cattle Herd		2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Volume invoiced	HEADS	**13,000**	**13,000**	**13,285**	**2.2%**
Net Revenue	R$/thd	29,528	29,528	59,377	101.1%
Result of curreency hedge	R$/thd	(3,864)	(3,864)	1,540	n.m.
Net Revenue adj. for result of currency hedging	R$/thd	25,664	25,664	60,917	137.4%
Unit Price	HEADS	1,974	1,974	4,585	132.3%
Total Cost	R$/thd	(25,027)	(25,027)	(53,800)	115.0%
Unit Cost	HEADS	(1,925)	(1,925)	(4,050)	110.4%
Unitary Gross Income	**HEADS**	**49**	**49**	**535**	**991.8%**

In 2021, Unit Gross Income from cattle grew 991.8% compared to 2020, mainly due to the increase in unit price invoiced, which was partially offset by the higher unit cost.

Gross Income

TABLE 17 | GROSS INCOME

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Gross Income	**1,124,140**	**1,070,299**	**2,247,644**	**99.9%**
Cotton lint	416,965	353,515	447,214	7.3%
Cotton seed	74,461	58,141	215,683	189.7%
Soybean	485,132	487,958	850,832	75.4%
Corn	117,919	130,227	97,135	-17.6%
Cattle Herd	637	637	7,117	n.m.
Others	40,033	15,283	93,938	134.7%
Biological Assets	(11,007)	24,538	535,725	n.m.

Excluding the effects from Biological Assets (Variation and Realization of Fair Value) indicates the actual margins of the products invoiced. In the year, Gross Income increased 50.8%, with improvement in all crops, explained by the higher prices invoiced, except for corn, whose yield was lower in 2020/21, affecting its unit cost.

Selling Expenses

In 2021, selling expenses increased 7.0% in relation to 2020, with freight, storage and commissions the main items contributing to the increase. Freight expenses increased 23.5%, despite the lower volume of cotton invoiced, due to the higher unit cost of transportation. Storage expenses were affected by the higher production volume in the 2020/21 crop year (record soybean yield and expansion in corn planted area), and by the increases in electricity costs and maintenance expenses. Expenses with commissions also increased, since they are indexed to foreign currencies and consequently were affected by the weaker Brazilian real. Selling expenses represented 4.9% of Net Revenue, down 0.8 p.p.

TABLE 18 | SELLING EXPENSES

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Freight	77.392	63.602	78.566	1,5%
Storage	41.512	36.424	50.302	21,2%
Commissions	15.957	13.979	21.514	34,8%
Classification of Goods	2.130	2.130	1.729	-18,8%
Export Expenses	44.077	40.228	41.351	-6,2%
Others	19.580	17.603	19.097	8,5%
Total	**198.671**	**173.964**	**212.559**	**7.0%**
% Net Revenue	5,7%	5,6%	4,9%	-0,8 p.p.

Administrative Expenses

Administrative Expenses (excluding amounts related to the Profit Sharing Program as well as the non-recurring expenses of R$19.5 million related to the business combination with Terra Santa Agro S.A.) decreased by 1.3% compared to the previous year.

The three main variations are explained below:

i. **Personnel Expenses** | Increased due to adjustments/changes in personnel and the higher expenses with payroll charges and other benefits, as well as the expenses with stock options/restricted shares;

ii. **Third-party Fees** | Significant increase compared to the previous year, mainly due to non-recurring expenses related to the business combination with Terra Santa Agro, totaling R$19.5 million. The fee account, excluding non-recurring items, increased by 53.8%, mainly explained by the expenses with legal advice related to the success of tax proceedings and the provision of software maintenance services;

iii. **Software maintenance** | Increase in costs with maintenance/contracting of several subsystems related to the implementation of the SAP system.

iv. **Tax, labor and environmental contingencies** | Decreased R$17.8 million, related to labor claims incurred in 4Q20 at Terra Santa Agro

TABLE 19 | ADMINISTRATIVE EXPENSES

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Expenses with personnel	**48.521**	**38.989**	**56.783**	**17,7%**
Fees	9.065	5.877	33.441	268,9%
Depreciations and amortizations	4.021	2.094	4.135	2,8%
Expenses with travels	1.542	1.176	1.119	-27,4%
Software maintenance	5.844	5.090	8.291	41,9%
Marketing/Advertisement	2.766	2.692	2.381	-13,9%
Communications expenses	3.835	3.798	4.725	23,2%
Rentals	1.360	1.293	2.672	96,5%
Labor, tax, environm. contigencies	18.151	186	396	-97,8%
Electricity	328	175	1.501	357,6%
Taxes and other fees	1.373	1.332	2.086	51,9%
Contributions and donations	4.283	4.283	5.032	17,5%
Other	5.308	3.073	1.724	-67,5%
Subtotal	**106.127**	**70.058**	**124.286**	**17,1%**
% Net Revenue	**3,0%**	**2,3%**	**2,8%**	**-0,2p.p.**
Provision for profit share program	**45.394**	**45.394**	**98.210**	**116,4%**
Total	**151.521**	**115.452**	**222.496**	**46,8%**

Net Financial Result

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

TABLE 20 | ADJUSTED NET FINANCIAL INCOME (EXPENSE)

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Interest	(53,636)	(53,637)	(98,269)	83.20%
FX Variation	28,775	28,775	(55,731)	n.m.
Monetary variation	-	-	(121)	100.0%
APV-Liability Lease (1)	(61,106)	(61,106)	(175,149)	186.6%
Other finan. reven. (expenses)	(5,783)	(5,783)	(20,610)	256.4%
Total	(91,750)	(91,751)	(349,880)	281.3%
% Net Revenue	2.6%	3.2%	8.0%	5.4 p.p.

(1) AVP: Fair Value Adjustment – Lease liabilities (IFRS16)

In the year, the Adjusted Net Financial Result increased in relation to 2020, with one of the main variations involving the line Adjustment to Present Value of Leases, explained by the extension of certain agreements (plus the start of the Terra Santa lease) and by the increase in the soybean bag price in Brazilian real (adjustment index adopted in agreements). The exchange variation loss reflects the local currency depreciation in the year, which impacted amounts payable to suppliers in U.S. dollar. Interest expenses increased compared to the previous year due to the growth in net debt, which was influenced by the acquisition of Terra Santa and the higher average CDI rate in the period.

Net Income

TABLE 21 | NET INCOME

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Income before taxes on profit	579,995	689,179	1,560,810	169.1%
Income Tax & Social Contrib. on Profit	(133,641)	(178,231)	(430,051)	221.8%
Consolidated Net Income for the Period	446,354	510,948	1,130,759	153.3%
Assigned to parent company	424,080	488,674	1,062,116	150.5%
Assined to non-controlling comp. members	22,274	22,274	68,643	208.2%
Net Margin	12.7%	16.5%	25.9%	13.2 p.p.

In the year, we delivered record Net Income, which for the first time surpassed the mark of R$1 billion, reaching R$1.131 billion (one billion and one hundred thirty-one million reais), representing growth of 153.3% on 2020. Net margin also set a new record, of 25.9%, expanding 13.2 p.p. compared to 2020. Key factors contributing to this robust growth in Net Income included:

i. strong growth in Gross Income, due to the higher prices invoiced and record soybean yield;
ii. apportionment of Biological Assets (Revenue – Cost), which benefitted from the expectation of higher margins than in the prior crop year.

Statement of cash flow analysis

In the year, free cash flow was negative R$272 million, mainly due to the business combination with Terra Santa Agro S.A.

TABLE 22 | SUMMARIZED CASH FLOW

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AH c x a
Cash generated in operations	**1,218,417**	**1,155,649**	**1,743,771**	**43.1%**
Changes in assets and liabilities	**(539,964)**	**(370,788)**	**(1,308,681)**	**142.4%**
Net cash used in investment activities	**(168,457)**	**(169,846)**	**(476,195)**	**182.7%**
In fixed assets	(190,129)	(190,129)	(400,397)	110.6%
In intangible assets	(21,924)	(21,654)	(36,007)	64.2%
Receipt of land sales	42,643	42,643	17,852	-58.1%
Capital payment	1,659	-	-	-100.0%
Acquisition of investment of subsidiaries	-	-	(55,297)	100.0%
Other investments	-	-	(1,640)	100.0%
Land return payment	(706)	(706)	(706)	0.00%
Presented free cash	**509,996**	**615,015**	**(41,105)**	**n.m.**
Var. of financial investments (1)	(55,329)	(55,329)	21	n.m.
Paid leases (2)	(132,732)	(129,634)	(230,940)	74.0%
Share buyback	(268)	(268)	237	n.m.
Payment of CRA	(14,700)	(14,700)	(228)	-98.4%
Adjusted Free Cash	**306,967**	**415,084**	**(272,015)**	**n.m.**

(1) The variations of said account are non-cash.
(2) Due to the adoption of IFRS 16, the payment of leases is now accounted in the Statement of Cash Flows under Financing Activities. However, it should be considered as operating cash disbursement.

Property, Plant & Equipment / CAPEX

TABLE 23 | CAPITAL EXPENDITURES

(R$ thd)	2020 Combined (a)	2020 (b)	2021 (c)	AHc x a
Machin., implements and equip.	93,300	91,999	171,854	84.2%
Land acquisition	102	102	322	215.7%
Soil correction	64,553	56,156	110,644	71.4%
Buildings and facilities	23,717	22,154	58,296	145.8%
Cotton ginning plant	4,432	3,687	2,874	-35.2%
Grains storage	2,870	2,380	1,269	-55.8%
Coil cleaning	20,009	20,009	42,701	113.4%
Vehicles	2,693	2,506	3,541	31.5%
Aircraft	3,255	21	1,494	-54.1%
Software	21,381	21,111	37,030	73.2%
Improv. in own properties	39	39	-	-100.0%
Improv. in third party real estate	1,324	1,324	940	-29.0%
Buildings	106	106	-	-100.0%
Others	12,765	12,652	19,869	55.7%
Total	**250,546**	**234,246**	**450,834**	**79.9%**

In 2021, capital expenditures amounted to R$450.8 million, increasing 79.9% from 2020. Investments were concentrated in machinery, tools and equipment (38%), soil correction and development (34%) and buildings and facilities (25%).

Investments in machinery, tools and equipment amounted to R$171.9 million, notably for the acquisition of tractors, grain and cotton harvesters, planters and sprayers, etc. Of the total invested, 32% was allocated to the Paysandu Farm, 12% to the Paiaguás Farm, 16% to the Pamplona and Planeste farms and the remainder distributed among the other farms.

Investments in soil correction and development amounted to R$153.3 million, with the highest amounts going to the Palmeira, Piratini and Paysandu farms. Investments in buildings and facilities came to R$58.9 million, with 25% allocated to the Piratini Farm (preparation for irrigation structure) and 12% to the Company's new headquarters, which was inaugurated in February 2022. Other significant investments in buildings and facilities were allocated to the Pamplona (irrigation, telemetry and house renovations) and Planeste farms (expansion of cotton pressing, sampling equipment room and improvements to the cotton grading room, cotton beating machine and cotton gins).

Debt

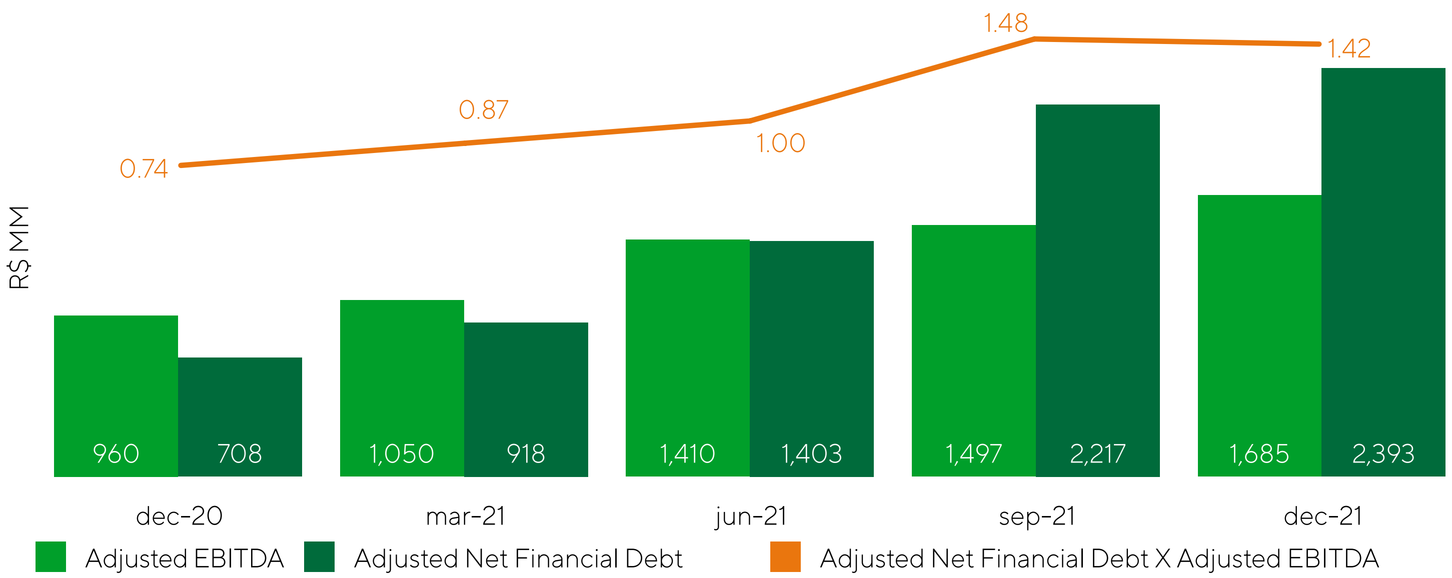
Adjusted Net Debt ended 2021 at R$2.4 billion, representing an increase of R$1.7 billion from the end of 2020. Net Debt was influenced mainly by higher Working Capital Needs, which in turn were influenced by the higher payments for agricultural inputs for the 2021/22 crop year and by the settlement of all debt of Terra Santa Agro (SLC Agrícola Centro-Oeste).
Adjusted Net Debt ended 2021 at R$2.4 billion, representing an increase of R$1.7 billion from the end of 2020. Net Debt was influenced mainly by higher Working Capital Needs, which in turn were influenced by the higher payments for agricultural inputs for the 2021/22 crop year and by the settlement of all debt of Terra Santa Agro (SLC Agrícola Centro-Oeste).

TABLE 24 | FINANCIAL NET DEBT

Credit Line		Average rate (%)		Consolidated	
(R$ thd)	Indexer	2020	2021	2020	2021
Applied in Fixed Assets				**57,053**	**42,529**
Finame - BNDES	Pre and Currency Baskets	5.4%	5.6%	57,053	42,529
Applied in Working Capital				**2,377,937**	**2,556,693**
Rural Credit	Prefixed	4.3%	5.5%	12,186	18,299
Rural Credit	CDI(1)	-	10.3%	-	153,314
CRA	CDI(1)	3.7%	11.0%	841,616	534,015
Working Capital	CDI(1)	3.1%	10.3%	577,936	699,354
Export Loans	CDI(1)	3.2%	10.4%	946,198	1,151,711
Total Indebtedness (3)		**3.4%**	**10.4%**	**2,434,989**	**2,599,222**
(+/-) Gains and losses with deriv. connected with applications and debts (2)			121,794	65,678	
(=) Adjusted Gross Debt				**2,313,195**	**2,533,544**
(-) Cash				1,604,716	140,464
(=) Adjusted Net Debt				**708,479**	**2,393,081**
Adjusted EBITDA (last 12 months)				960,263	1,685,247
Adjusted Net Debt/EBITDA				**0.74**	**1.42**

(1) Final Interest Rate with swap.
(2) Transactions with gains and losses from Derivatives (note 25, item e of the Financial Statements).
(3) Total debt is different from the accounting position due to the cost of CRA transactions (see note 18 of the Financial Statements).

FIGURE 18 | CHANGE IN NET DEBT/ADJUSTED EBITDA RATIO



Dividends

The distribution of dividends in the last five fiscal years corresponded to an average payout of 50% of Adjusted Net Income.

On March 15, 2022, the Board of Directors approved the Management Proposal, which will be submitted to the Shareholders Meeting to be held on April 29, 2022. The proposal provides for the distribution of R$504,434 thousand. The dividend, which will be paid equally to all shares issued by the Company, corresponds to R$2.427538 per common share (excluding treasury shares). Of this amount, R$252,217 thousand corresponds to the mandatory dividend and R$252,217 thousand to additional dividends.

The dividend per share will be updated on the payment base date, due to adjustment of the balance of treasury shares.

Net Income attributable to the Parent Company grew

136.7%

compared to 2020.

The amount of dividends proposed increased by

117.4%

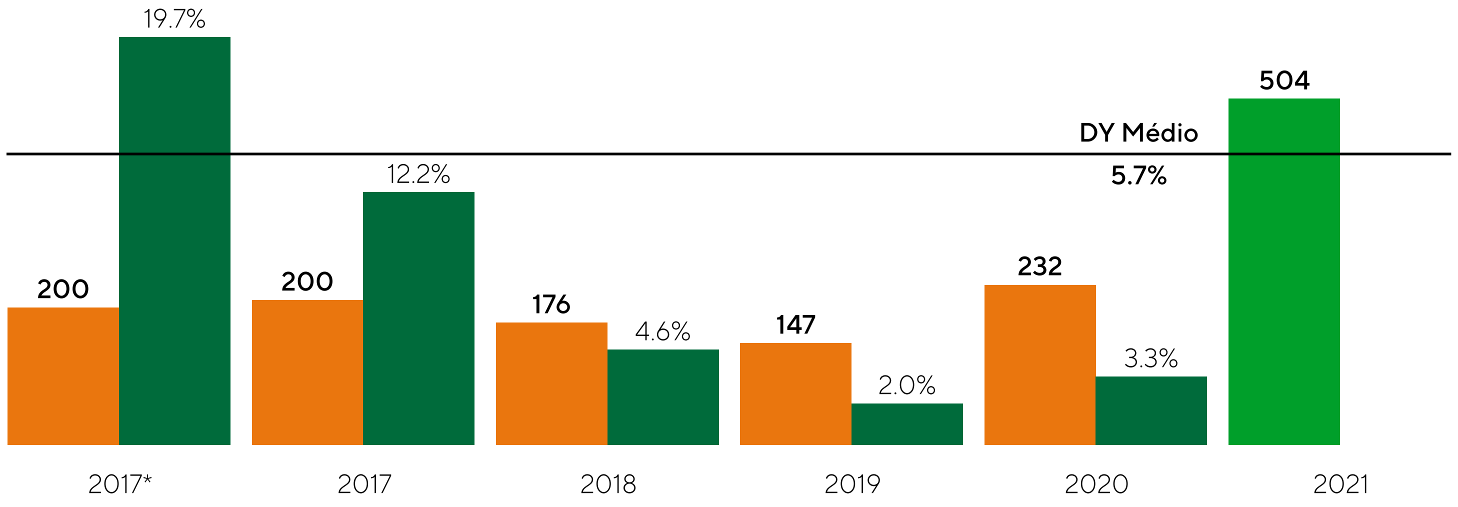
compared to the previous year.

TABLE 25 | PROPOSED DISTRIBUTION OF NET INCOME

(R$ thd)	2020	2021
Net income of the parent company	488,674	1,062,116
Appropriation of subvention reserve	171	149
Appropriation of legal reserve	24,425	53,098
Calculation base for dividends proposed	464,078	1,008,868
Minimum mandatory dividend of 25% (a)	83,673	252,217
Interest On Equity – IOE (Gross)1	37,118	0
Taxes on IOE	- 4,771	0
Net IOE (b)	32,347	0
Additional Proposed dividend 25% (c)	116,019	252,217
Proposed Dividends (a+b+c)	232,039	504,434
% on Net Profit for the Year	50%	50%

1. Amount paid on 12/16/2020.

FIGURE 19 | DIVIDEND YIELD



*Extraordinary Didivends.

Capital markets

The Company's capital stock is divided into 212,422,599 common shares without par value, with a free-float of 45.3% on the base date of December 31, 2021. Shares in SLC Agrícola (SLCE3) are traded on the B3, in the Novo Mercado, the listing segment with the highest standards of corporate governance. The Company's Level 1 ADRs also are traded on the U.S. over-the-counter market, under the ticker "SLCJY." SLCE3 is a component of the following indexes: Small Caps (SMLL B3), IBRA B3, ICON B3, IDIV B3, IGCT B3, IGCX B3, IGNM B3 and ITAG B3.

In 2021, we were included in the IBRX100, ICO2 and IGPTW indexes. The IBrX 100 tracks the average performance of the 100 stocks with the highest tradability and weighting in the Brazilian stock market. The inclusion of companies in the ICO2 attests to their commitment to transparency in reporting emissions and anticipates how they are preparing for a low-carbon economy. Meanwhile, selection for inclusion in the IGPTW index is based on certification by GPTW and on the national ranking of the best companies to work for compiled by the consulting firm. The index's first portfolio includes the companies recognized in 2021.

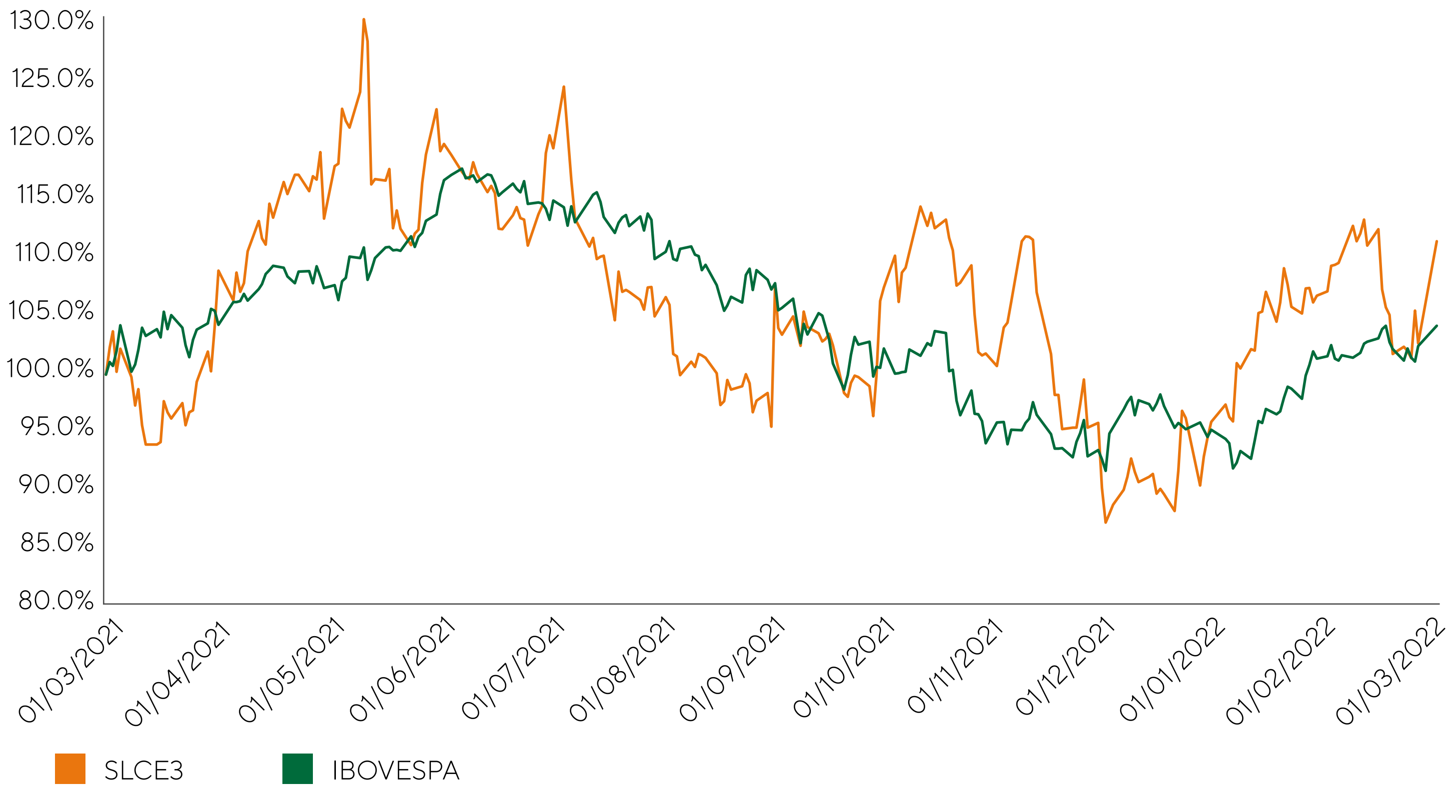
Share Buyback Program on September 13, we disclosed through a Material Fact notice that our Board of Directors approved a new Share Buyback Program for the repurchase of two million shares. The buyback program is already functioning, and the shares purchased will be held in treasury for subsequent sale or cancellation. The Company will inform its shareholders when the program is finalized.

Bonus Shares The Extraordinary Shareholders Meeting held on December 30, 2021 approved a capital increase of R$500 million, through the incorporation of part of the balance of the Statutory Reserves account, bonus shares were issued in the proportion of ten percent (10%), corresponding to the issue of 19,311,145 new common shares, with unit cost attributed to the bonus shares of twenty-five reais and eighty-nine centavos (R$25.89).

In the last 360 days (Mar/21 to Mar/22), SLCE3 shares registered a gain of 12.0%, which compares to the gain of 4.4% in the Ibovespa in the same period, as shown in the following chart.

Average daily trading volume in the spot market in the last 360 days (Mar/21 to Mar/22) was R$59.7 million (double the volume in the previous year), or 1.36 million shares.

FIGURE 20 | SLCE3 SHARE PERFORMANCE



Hedge position

Currency and agricultural commodity hedge

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

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

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

The hedge 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 6.

TABLE 26 | HEDGE POSITION

FX Hedge - Soybean

Crop-Year	2020/21	2021/22	2022/23
%	99.9	56.8	10.0
R$/USD	5.2583	5.6022	6.1286
Commitments %(1)	-	11.5	50.5

Commercial Hedge - Soybean

Crop-Year	2020/21	2021/22	2022/23
%	99.9	68.0	22.7
USD/bu(2)	12.46	13.13	13.34
Commitments %(1)	-	4.1	18.5

FX Hedge - Cotton

Crop-Year	2020/21	2021/22	2022/23
%	97.4	55.0	15.3
R$/USD	5.4442	5.9328	6.2887
Commitments %(1)	-	10.0	45.3

Commercial Hedge - Cotton

Crop-Year	2020/21	2021/22	2022/23
%	95.8	69.5	30.8
US¢/lb(2)	75.08	78.63	83.96
Commitments %(1)	-	-	-

FX Hedge - Corn

Crop-Year	2020/21	2021/22	2022/23
%	100.5	60.8	26.9
R$/USD	5.2309	5.7446	6.3233
Commitments %(1)	-	2.0	38.9

Commercial Hedge - Corn

Crop-Year	2020/21	2021/22	2022/23
%	99.7	63.0	39.7
R$/bag(3)	43.84	54.15	60.99
Commitments %(1)	-	-	-

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

Return Indicators

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

TABLE 27 | RETURN ON EQUITY

(R$ million)	2014	2015	2016	2017	2018	2019	2020	2021
Net Revenue (1)	70	121	16	289	405	293	511	1,131
Net Land Appreciation (2)	428	140	199	19	110	142	216	2,626
Subtotal	**498**	**261**	**215**	**308**	**515**	**435**	**727**	**3,757**
Shareholders Equity (3)	3,771	3,911	4,346	4,438	4,641	4,973	5,361	7,521
Return	**13.2%**	**6.7%**	**4.9%**	**6.9%**	**11.1%**	**8.7%**	**13.6%**	**50.0%**

1. Even in periods that encompass net income from the land sales, in this analysis only the profit of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.
2. Based on the independent report (Deloitte), net of taxes, updated in October 2020.
3. Adjusted by the appreciation in the value of land properties.

TABLE 28 | RETURN ON INVESTED CAPITAL

(R$ million)	2014	2015	2016	2017	2018	2019	2020	2021
Operating result (1)	190	285	110	513	657	536	780	1,913
IRPJ tax	21.3%	27.3%	0.0%	26.3%	30.5%	24.0%	26.0%	27.6%
Adjusted IR	(40)	(78)	20	(135)	(200)	(129)	(203)	(528)
Adjusted operating income	150	207	130	378	457	407	577	1,385
Net land appreciation (2)	428	140	199	19	110	142	216	2,626
Operating Income with Lands	**578**	**347**	**329**	**397**	**567**	**549**	**793**	**4,011**
Invested capital	**4,731**	**5,005**	**5,255**	**5,104**	**5,584**	**5,947**	**6,154**	**9,987**
Gross debt (ST and LT)	1,332	1,795	1,974	1,578	1,586	1,859	2,313	2,573
Cash	372	701	1,065	749	643	885	1,520	108
Net Debt	960	1,094	909	829	943	974	793	2,465
Net Worth (3)	3,771	3,911	4,346	4,275	4,641	4,973	5,361	7,521
Return on invested capital	**12.2%**	**6.9%**	**6.3%**	**7.8%**	**10.2%**	**9.2%**	**12.9%**	**40.2%**

1. Even in periods that encompass operational results from the land sales, in this analysis only the results of the "agricultural operation" is considered, since the gains from appreciation of land are being considered in a specific item.
2. Based on the independent report (Deloitte), net of taxes, updated in October 2020.
3. Adjusted by the appreciation in the value of land properties.

ESG

SLC Agrícola proactively contributes to sustainable development by adopting measures to advance this commitment, which include its voluntary participation in the Global Compact Network Brazil, a UN initiative that promotes integration into corporate strategies of ten universal principles on labor rights, environmental preservation and combating corruption.

A signatory to the Global Compact since 2015, the Company participates on the Action for Sustainable Agro platform, which develops projects to disseminate and strengthen the Food and Agriculture Business Principles and the related SDGs. The Company also participates, since 2020, on the Sustainability Committee of the American Chamber of Commerce (Amcham) of Porto Alegre, Rio Grande do Sul.

In 2021, we conducted a new study to map and prioritize the topics most relevant to the sustainability agenda for managing our business and reporting information to our stakeholders. The study involved 23 qualitative interviews and 389 complete responses to the online questionnaire, which supported the development of the new Materiality Matrix.

Our Materiality Matrix

Environmental

Climate change
Environmental management system

Social

Socio-economic impacts
People development
Diversity and inclusion
Health and safety

Governance

Certifications and product stewardship
Ethics and compliance
Innovation and productivity
Risk mangement

The Integrated Management System (SGI) is responsible for standardizing the Company's policies and procedures for managing ESG aspects. The platform is certified by the standards ISO 14001 (environmental management), ISO 45001 (occupational health and safety) and NBR 16001 (social responsibility) already at 11 units (headquarters and ten farms). The goal is to have all 22 farms and the headquarters with SGI certification by 2026.

Since 2020, the management of aspects, risks and opportunities related to ESG performance is supported by a digital tool that increases the agility and reliability of processes. This solution consolidates the management of environmental documents, permits and requirements, monitoring of the project portfolio, registration and investigation of accidents and incidents, audits, non-compliance and opportunities for improvements, among other aspects.

Environment

The environmental management of impacts related to our activities prioritizes reducing the greenhouse gas emissions associated with our agricultural operations, the efficient consumption of water and energy and the proper destination of waste. We also work to ensure the preservation and reforestation of the protected areas located within our units, investing in actions to prevent and combat fires and other types of incidents that could adversely affect local biodiversity..

Climate change

Every year we conduct and report our Greenhouse Gas (GHG) Inventory, in accordance with the guidelines of the Brazilian GHG Protocol Program and considering scopes 1 and 2. In the inventory for 2021, we will expand this quantification to include third-party activities in our value chain (scope 3), such as logistics operations, and will submit the data for third-party assurance, in line with best market practices. In 2021, SLC Agrícola also began submitting the Climate Change questionnaire of the CDP, which further strengthens its transparency on its governance and management of risks and opportunities associated with the topic. The corporate goal established in 2020 is to reduce GHG emissions by at least 25% by 2030, compared to the base year of 2019, which would reduce our carbon footprint from 0.29 to 0.22 tCO_2e/ton of products (sum of all crops produced by SLC Agrícola in the crop year).

TABLE 29 | GHG INVENTORY

GHG Inventory (tCO_2e)[1]	2019	2020
Scope 1 (gross)	573,497.6	746,446.5
Scope 2 (location based)	3,758.4	3,427.5
Total	**577,256.0**	**749,874.0**

1. Historical data restated.

The agricultural techniques adopted at farms improve their sustainability in terms of GHG emissions, while the use of methods such as natural ground cover and no-till seeding help to fix carbon in the soil. Over recent years, we have invested in better mechanisms for quantifying and improving estimates of carbon emissions and capture that consider the environmental variability of each stand. The project's purpose is to develop a digital platform for quantifying greenhouse gases.

Water

Our operations are not water-intensive, since 98% of crops are cultivated using dry farming techniques, with natural precipitation sufficient to ensure good yields. At Pamplona (GO), Paysandu (BA) and Palmares (BA) farms, we have digital systems that monitor irrigation needs and control the amount of water to be used every 24 or 48 hours.

The farms have Sewage Treatment Plants to treat domestic wastewater before it is discharged into rivers. Part of the treated effluent is reused for wetting unpaved access roads to control dust.

TABLE 30 | WATER WITHDRAWAL BY SOURCE

Water withdrawal by source ('000 m^3)[1]	2019	2020	2021
Surface	24,743.4	17,104.9	13,417.6
Underground	1,307.4	1,507.3	1,558.3
Total	**26,050.8**	**18,612.2**	**14,975.9**

1. In addition to these sources, the headquarters in Porto Alegre (RS) receives water from the local supply company, whose volume was 62 m^3 and 146 m^3, respectively, in 2021 and 2020. All water is captured with a concentration of total dissolved solids less than or equal at 1000 mg/l. The Company does not have consumption measurement.

Solid waste

The Environmental Management System establishes the procedures for classifying, storing and disposing of all solid waste generated at units. In 2021, we launched the Circularity and Zero Solid Waste project at the Pamplona Farm (GO) to increase the recycling rate and eliminate the disposal of waste in landfills.

TABLE 31 | SOLID WASTE DISPOSAL BY DESTINATION

Waste disposal by method (t)[1]	2019	2020	2021
Non-hazardous			
Recycling	1,333.3	1,733.3	1,672.3
Landfill	528.3	786.3	219.0
Subtotal of non-hazardous	**1,861.6**	**2,519.6**	**1,891.3**
Hazardous			
Recycling	194.0	195.1	148.2
Incineration	110.5	147.5	189.6
Subtotal of hazardous	**304.5**	**342.6**	**337.8**
Total waste	**2,166.1**	**2,862.2**	**2,229.3**

1. In addition to the volumes in the table, in 2020, 2.2 thousand batteries and 1.4 thousand light bulbs were destined, whose weight could not be calculated, since the control is done per unit.

Biodiversity

SLC Agrícola's commitment to biodiversity conversation was reinforced in 2021 with the publication of its Zero Deforestation Policy, which formalizes the end of the cycle of transforming land with native vegetation for agricultural use. In practice, this means the natural maintenance even of areas that could be converted for agricultural use, including those eligible for environmental permits.

At the end of the year, preservation areas represented 118 thousand hectares of the farms. We also operate sapling nurseries at eight units that prioritize the production of tree species native to the Cerrado biome.

To expand the generation of positive impacts, we maintained during 2021 our partnerships with universities and civil society organizations to develop projects focusing on protecting the fauna and flora of the Cerrado biome. The highlight on this front was the Company becoming a signatory to the Pantanal Headwaters Pact and the Cerrado Biodiversity Conservation Program.

Social

Suppliers

In 2021, expenses with purchases and services from suppliers amounted to R$2.4 billion. The supplier selection process considers the operations and management of these partners in accordance with ESG aspects. SLC Agrícola uses a third-party risk management tool that permits access to different databases to obtain information on around 40 topics for evaluation. One of the topics evaluated is risk of the practice of child labor or labor analogous to slavery. All suppliers engaged in 2021 were evaluated using the tool and no risks related to degrading labor practices were identified. In 2022, the Company will start conducting this analysis already in the registration approval phase for new suppliers, before any agreements are formalized.

Communities

A nonprofit entity, SLC Institute was created in 2020 to organize the private social investments made by SLC Agrícola and SLC Máquinas, companies of the SLC Group. Its activities focus on promoting education as a way to create new opportunities and transform people's lives.

Due to the Covid-19 pandemic, the actions of the SLC Institute focused on combating the disease and providing emergency assistance to socially vulnerable households. Since 2020, R$1.0 million was donated to help local hospitals and medical centers to acquire equipment and medicines to serve the public.

The Institute also donated basic food baskets to charitable associations and families in more than 30 municipalities, with 180 tons of food distributed. The action received R$1 million in investment and drew on the volunteer work of employees from the Socioenvironmental Support Groups (GAS) at each unit..

Employees

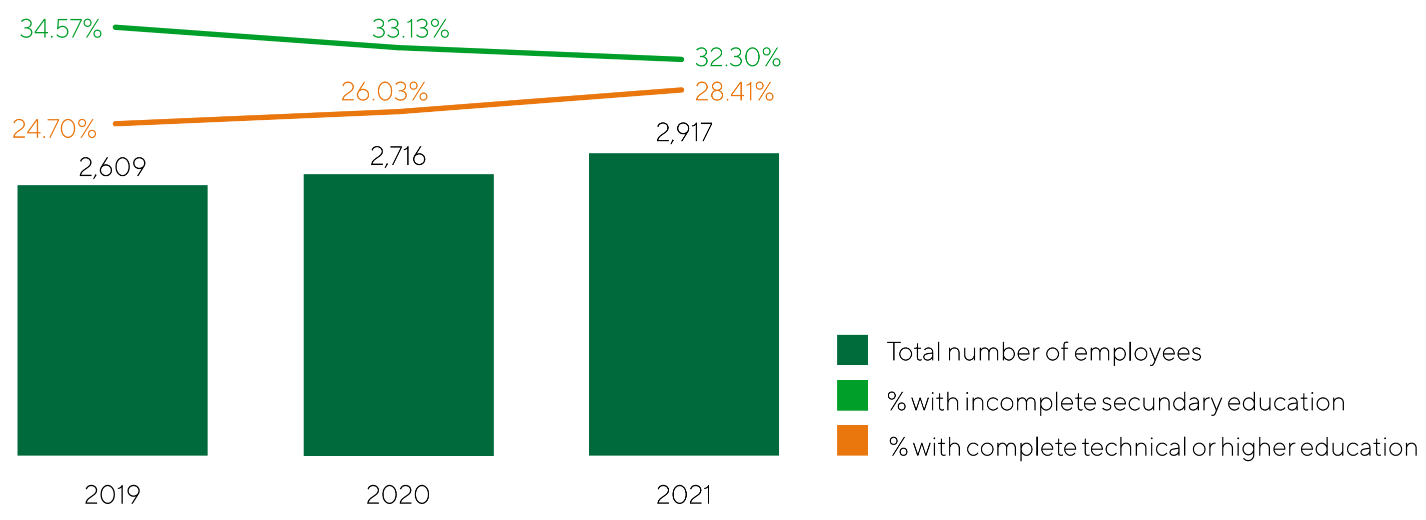
The Company ended 2021 with 2,917 full-time employees, a 7.4% increase from a year earlier, as well as 93 apprentices and 62 interns. In the year, the average number of seasonal workers hired was 1,244, up 21.4% from the previous year.

The Company invests in building an inclusive workplace that offers opportunities for employees to grow and develop. To accelerate this development, the Company created the Inclusive Education Program that conducts various projects for promoting employee integration, such as the Leadership Academy, the Digital Inclusion Space and the Young Adult Education Program (EJA).

We offer full-time and seasonal employees a benefits package to increase the attractiveness of their total compensation. Certain benefits are exclusively offered to full-time employees and are not available to seasonal employees: temporary housing allowance, educational assistance, agreements with universities and educational institutions and the SLC Foundation package (healthcare and dental assistance, funeral allowance, life insurance and reimbursement of medical expenses, medicines and eyeglasses).

In 2021, 21 accidents were registered involving employees, compared to 25 in the previous year. With this, Company's accident frequency rate with and without lost time decreased by 17.4% to its best level ever: 1.90. In the year, five farms achieved their zero accident target. Accidents in the period included two with lost time of over 90 days, which increased the severity rate by 35.44% in relation to the previous year. No fatalities were registered in the operations.

FIGURE 21 | EVOLUTION IN EDUCATIONAL LEVEL



Governance

The values and principles guiding the Company's activities are established in the Code of Ethics and Conduct, which was updated and approved by the Board of Directors in 2021. In the year, the Policy on Preventing and Combatting Corruption was approved, which was distributed to 100% of employees and made available to external stakeholders, and the Company formalized its participation in the Corporate Pact for Integrity and Against Corruption, a multi-sectorial initiative to promote integrity in the strategy of organizations.

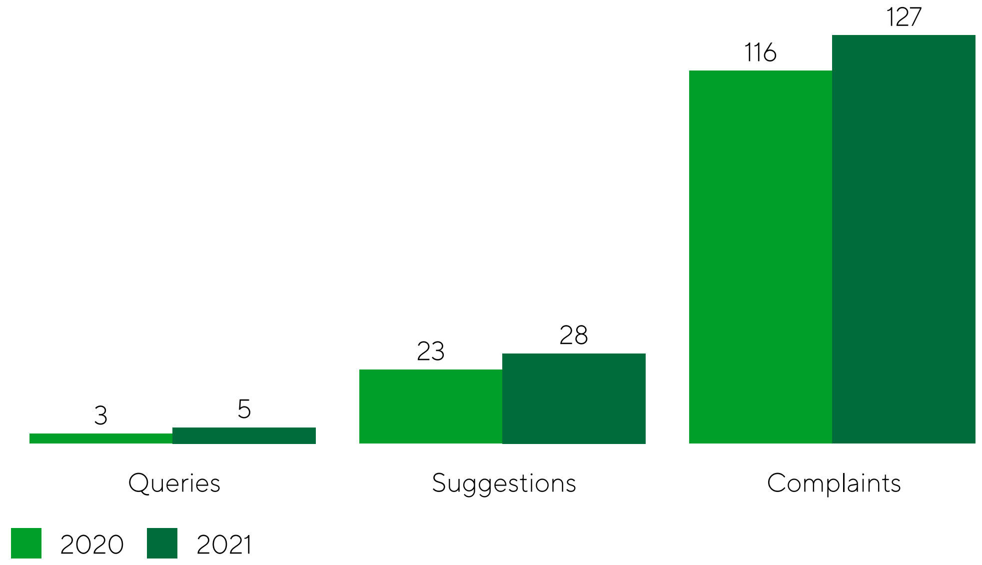
To ensure that all employees, officers and directors comply with these guidelines and principles, SLC Agrícola developed the Compliance System, which was structured in accordance with the Anticorruption Law (12,846/2013). The functioning and rules of the Compliance System, as well as the values of the Code of Ethics and Conduct, are disseminated through training, communication campaigns and awareness actions.

The Compliance System also has a whistleblowing channel (Secure Contact) to receive reports of unethical behavior or incidents of corruption or fraud. The platform, managed by an external and independent company, is available to employees, suppliers and clients, as well as all other stakeholders. In 2021, 160 reports were received by the whistleblowing channel, none of which involved a confirmed case of corruption.

On training and communication, in 2021, the Company conducted a campaign to reinforce the Integrity Program, which included pieces on internal channels, a video hosted by the officers and visual communication in workplaces. In addition, the farms welcomed professionals who gave onsite presentations on the Program. In the period, 1,679 employees (43.9% of the workforce) received training on the topic.

External stakeholders also were targeted by efforts to disseminate the conduct and anti-corruption policies, with the Code and policies made available on the corporate website and specific anticorruption clauses included in agreements with suppliers.

FIGURE 22 | REPORTS RECEIVED BY THE WHISTLEBLOWING CHANNEL



Additional information

Planted Area

TABLE 32 | PLANTED AREA, 2021/22 CROP YEAR

Area mix	Planted area 2020/21	Planted area 2021/22(1)	Share 2021/22	%
	ha		%	
1st crop area	322,035	448,599	66.4%	39.3%
Own area	110,273	111,891	16.6%	1.5%
Leased area	135,006	253,121	37.5%	87.5%
Joint venture area (2)	41,594	41,351	6.1%	-0.6%
SLC LandCo area	35,162	42,236	6.3%	20.1%
2nd crop area	141,132	226,751	33.6%	60.7%
Own area	51,155	54,527	8.1%	6.6%
Leased area	60,757	140,213	20.8%	130.8%
Joint venture area (2)	14,227	14,452	2.1%	1.6%
SLC LandCo area (3)	14,993	17,559	2.6%	17.1%
Total Area	463,167	675,350	100.0%	45.8%

1. Weather factors could affect the planted area forecast.
2. Areas owned by Grupo Roncador and Mitsui.
3. SLC Agrícola holds an 81.23% interest in SLC LandCo.

Property Valuation

In 2021, we released the new valuation of SLC Agrícola's land portfolio, which presented a total value of R$6.941 billion, an increase of 75.2% compared to 2020. The average value of arable hectare is currently R$35,693, which brings the value of the Company's NAV (Net Asset Value) to R$8.8 billion (position 4Q21), which corresponds to NAV per share of forty-one reais and thirty-one centavos (R$41.31).

Landbank

As of 2Q21, 2,872 hectares were in the permitting process, i.e., awaiting their environmental permit before starting operations. In accordance with our commitment announced to the market, the Company ended the cycle of opening new areas in the 2020/21 crop year (August 2021). Therefore, this area will be allocated to the landbank of remaining native vegetation. The Company currently has 118 thousand hectares of areas dedicated to environmental preservation, composed of the Legal Reserve, Permanent Preservation Areas and areas with remaining native vegetation. These areas are fully dedicated to biodiversity conservation. In addition, our landbank decreased by 15,662 hectares, since these areas are being planted for the first time in the 2021/22 crop year.

The current position of our landbank is presented below:

TABLE 33 | LANDBANK

Hectares	Under transformation[1]	Under licensing
SLC Agrícola		
Parnaíba	1,464	-
Parnaguá	-	-
Parceiro	2,527	-
Subtotal	3,991	-
SLC LandCo		
Palmeira (1)	-	-
Piratini	2,183	-
Parceiro (1)	-	-
Subtotal	2,183	-
Total	6,174	-

1. Areas acquired by SLC LandCo to be developed jointly with these farms. Under development for commercial planting. Areas already opened and available for planting.

Property Portfolio

The portfolio of properties under our management on March 15, 2022 is presented below:

TABLE 34 | PROPERTY PORTFOLIO

Crop 2021/22 (ha)		Owned(1)	SLC LandCo(2)	Leased	Joint Ventures	Under Control	Total Planted(3)
Farm	State						
Pamplona	GO	17,994		8,596		26,590	27,469
Pantanal	MS			26,289		26,289	44,032
Planalto	MS	15,006		1,635		16,641	22,594
Pampeira	MT			23,978		23,978	41,885
Piracema	MT			12,605		12,605	23,914
Pejuçara	MT			14,466		14,466	28,093
Pirapora	MT			11,423		11,423	20,724
Próspera	MT			16,999		16,999	30,793
Planorte	MT	23,454				23,454	31,716
Paiaguás	MT	28,129		17,321		45,450	66,424
Perdizes(5)	MT	28,893	13,288			42,181	26,427
Pioneira(4)	MT				19,804	19,804	34,255
Panorama	BA		10,373	14,269		24,642	21,810
Paladino(5)	BA				21,547	21,547	21,547
Piratini	BA		25,356			25,356	15,464
Paysandu	BA			33,446		33,446	38,864
Palmares	BA	16,195	831	16,949		33,975	26,203
Parceiro	BA	27,564	3,680	6,933		38,177	11,083
Parnaíba	MA	26,193		11,309		37,502	44,853
Palmeira	MA		10,200	16,647		26,847	23,631
Planeste	MA		22,783	20,256		43,039	63,707
Parnaguá	PI	19,416				19,416	9,862
Paineira(6)	PI	12,892				12,892	
Total	-	**215,736**	**86,511**	**253,121**	**41,351**	**596,719**	**675,350**

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

Machinery Base and Storage Capacity

TABLE 35 | MACHINERY BASE AND STORAGE CAPACITY

	2018	2019	2020	2021
Machinery (quantity)	**867**	**873**	**871**	**1,173**
Tractors	216	212	211	350
Grains combiners	209	206	196	217
Cotton pickers	76	85	92	103
Planters	212	209	210	297
Self propelled sprayers	154	161	162	206
Storage capacity (tons)				
Grains	764,000	764,000	764,000	1,054,920
% Production (1)	52%	52%	44%	61%
Cotton	125,148	125,148	125,148	190,447
% Production (1)	60%	60%	63%	72%

1. Estimate based on the planted area and yield for 2021/22 crop year for 3Q21.

Net Asset Value

TABLE 36 | NET ASSET VALUE (NAV)

(R$ million)	**4Q21**
SLC Agrícola Farms (1)	**4,800**
SLC LandCo Farms (1)	**1,360**
Infrastructure (excl. land)	**1,570**
Accounts Receivable (excl. derivatives)	**88**
Inventories	**2,802**
Biological Assets	**1,472**
Cash	**108**
Subtotal	**12,200**
Suppliers	**963**
Gross debt adjusted by results of operations with derivatives	**2,461**
Outstanding debt related to land acquisition	**-**
Subtotal	**3,424**
Net asset value	**8,776**
Net asset value per share (212,422,599 shares)	**41.31**

1. Based on the independent appraisal report (Deloitte, 2021), net of taxes.
NOTE: All accounts are adjusted by SLC Agrícola's interests in subsidiaries/joint ventures.

Debt

FIGURE 23 | CHANGE IN ADJUSTED GROSS DEBT (R$ ‘000)

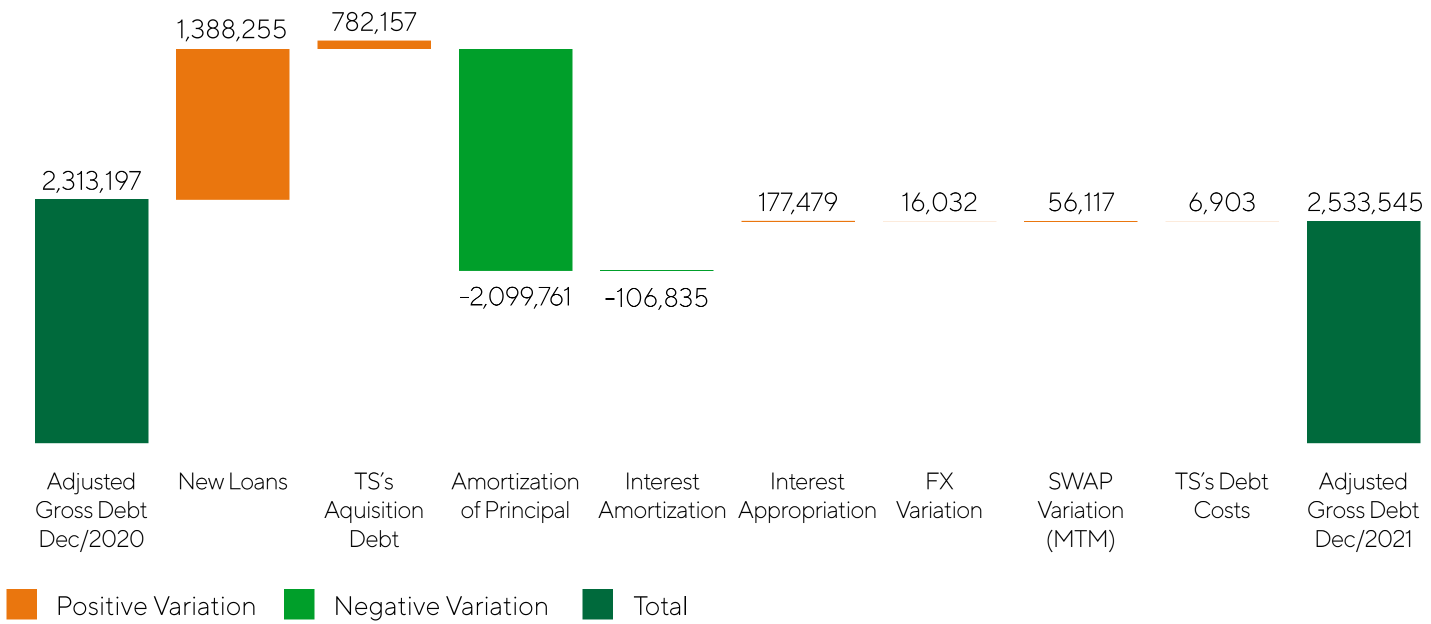


FIGURE 24 | ADJUSTED GROSS DEBT AMORTIZATION SCHEDULE (R$ ‘000)

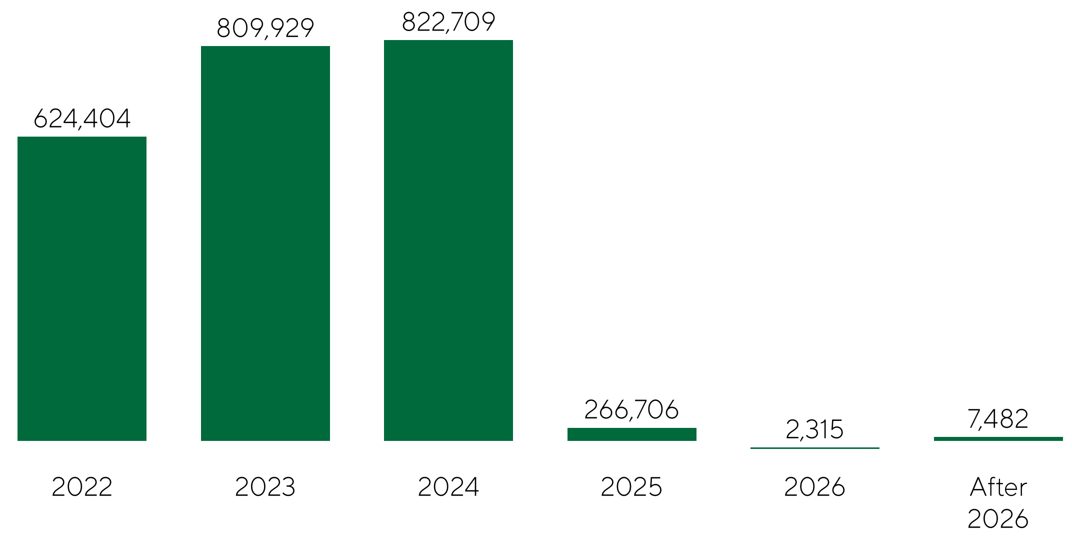


FIGURE 25 | ADJUSTED GROSS DEBT PROFILE

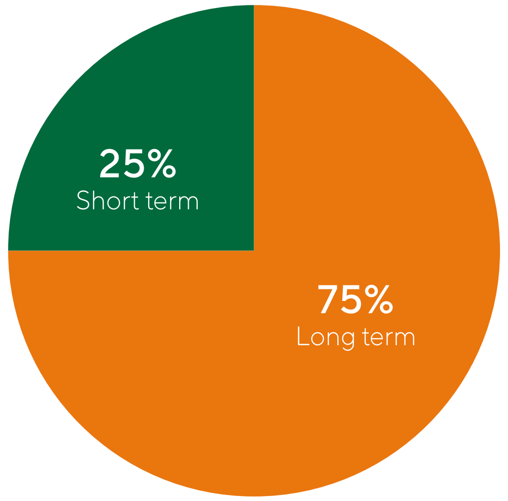
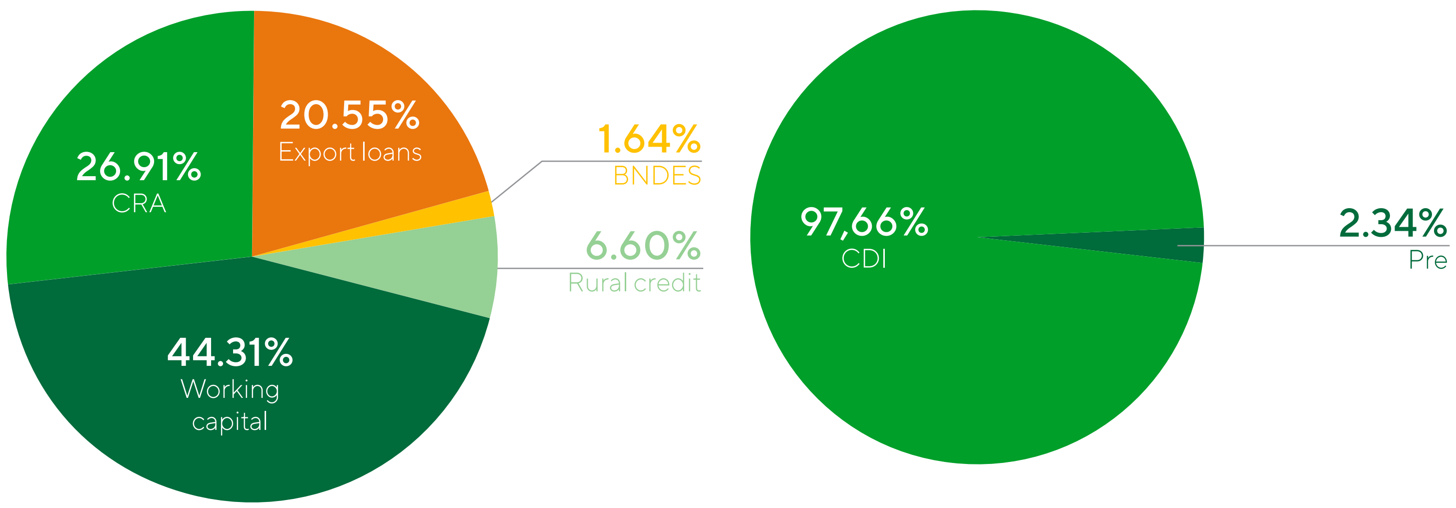


FIGURE 26 | GROSS DEBT ADJUSTED BY INDEX AND INSTRUMENT



Independent Auditors

Over fiscal year 2021, in compliance with CVM Instruction 381/03, SLC Agrícola informs that ERNST & YOUNG provided the following services:

a. audit of the separate and consolidated financial statements for the fiscal year ended December 31, 2021, in the total amount of R$1,140,094.

b. issue of report attesting reasonable assurance of the pro forma consolidated financial information of SLC Agrícola (considering ownership of 100% of shares in Terra Santa Agro S.A.), in connection with the offer of SLC for the business combination with the company TS Agro S.A. (current Terra Santa Propriedades Agrícolas S. A.), following specific criteria established in CTG notice 06 – Presentation of Pro Forma Financial Information and for the purposes of CVM Instruction 565, of June 15, 2015, in the total amount of R$386,300, representing 33.9% of the audit services.

In addition, ERNST & YOUNG provided the following services:

a. due diligence, corresponding to the diligence procedure in connection with the acquisition of Terra Santa Agro S.A., which included: (i) financial and accounting diligence; (ii) tax, social security and labor diligence; (iii) transfer prices; (iv) environmental and operational safety diligence; and (v) information technology diligence, in the total amount of R$920,000, representing 80.7% of the audit services.

b. tax advisory services, in the total amount of R$159,642, representing 14.0% 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.

Financial statements

December 31. 2021
with indepent auditor's report

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, 2021.

Based on the examinations carried out, also considering the report of Ernst & Young Auditores Independentes SS, dated March 15, 2022, 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 15, 2022.

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, 2021.

Porto Alegre/RS, March 15, 2022.

Aurélio Pavinato
Chief Executive Officer

Ivo Marcon Brum
Chief Financial and Investor Relations Officer

Gustavo Macedo Lunardi
Supplies and Seed Production Director

Aldo Roberto Tisott
Chief Sales Officer

Álvaro Luis Dilli
Chief HR and Sustainability Officer

Leonardo Celini
Chief Operating 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 15, 2022, regarding the Financial Statements (Parent Company and Consolidated) for the fiscal year ended on December 31, 2021.

Porto Alegre/RS, March 15, 2022.

Aurélio Pavinato
Chief Executive Officer

Ivo Marcon Brum
Chief Financial and Investor Relations Officer

Gustavo Macedo Lunardi
Supplies and Seed Production Director

Aldo Roberto Tisott
Chief Sales Officer

Álvaro Luis Dilli
Chief HR and Sustainability Officer

Leonardo Celini
Chief Operating Officer

Independent Auditor's Report on Individual and Consolidated Financial Statements

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, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and of 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, 2021, 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 the cultivation of agricultural products, mainly soybean, maize and cotton, based on their fair value from the pre-harvest phase. This measurement is a significant estimate based on various assumptions and methodologies adopted by the Company's executive board, for which internal and external information was used, mainly related to asset market price, productivity and planted areas. As at December 31, 2021, the Company record the balance of R$1,177,298 thousand in the Individual and R$1,690,969 thousand in the Consolidated financial statements under Biological assets account, in current assets.

This issue was considered a key audit matter due to the materiality of the amounts of biological assets in relation to total assets and income for the year, as well as due to the uncertainties inherent in this type of estimate, and the degree of judgment required that must be applied by the executive board in determining the assumptions for calculating its fair value.

How our audit addressed this matter

Our audit procedures included, among others, the review of the calculation methodology used by the Company and the involvement of experts in the physical inspection, on a sampling basis, of planted areas, to assess the existence of biological assets and their physical conditions. In addition, we evaluated the assumptions related to active market prices, expected productivity and planted areas, among others. We have also checked, on a sample basis, the documents of the costs that were added over the year. At last, we evaluated the adequacy of the disclosures made by the Company on this matter, included in the notes to the individual and consolidated financial statements.

Based on the results of the audit procedures performed on the measurement of biological assets, which is consistent with the executive board's assessment, we consider that the criteria and assumptions of the measurement of biological assets adopted by the executive board as well as the related disclosures in Note 8 are acceptable 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 take out derivative financial instruments to hedge against the risks of foreign exchange variation and variation in the price of agricultural products, in relation to future revenues considered to have a high probability of occurrence, recorded according to a hedge accounting structure. As at December 31, 2021, the Company recorded the amount of R$345,794 thousand, net of deferred taxes, in equity (individual and consolidated), under "Other comprehensive income".

The designation of financial instruments as hedge accounting and the measurement of their effectiveness require the fulfillment of certain formal obligations and include the need to use significant estimates about the forecasts of probable future revenues. Due to the large number of operations taken out, the complexity in measuring the fair value of operations and calculating the effectiveness, in addition to the potential impact that changes in future revenue forecasts may have on the Company's P&L and cash flows, we consider this issue 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 applied by the Company; recalculation of the measurement of the fair value of operations, with the involvement of experts in derivative financial instruments to assist us in preparing an independent valuation calculation; crosschecking of the amount recorded by the Company with the information provided by financial institutions through confirmation letters sent to the related counterparties in the operations; examination of operations' designation documents and prospective effectiveness tests prepared by the executive board; analysis of forecasts of probable future revenues, based on the analysis of firm outright sale agreements and sales estimates; and analysis of the disclosures made in the notes to the individual and consolidated financial statements.

Based on the result of the audit procedures performed, which is consistent with the executive board's assessment, we consider that the Company's hedge accounting policies, regarding the requirements under NBC TG 48 (IFRS 9) to assist the judgments, estimates and disclosures in notes, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Business combination

On July 1, 2021, the Company acquired control over Terra Santa Agro S.A., as described in Note 2.f. The application of the acquisition method in a business combination requires, among other procedures, that the Company determines the effective acquisition date of the control, the fair value of the consideration transferred, the fair value of the assets acquired and liabilities assumed as well as determination of goodwill for expected future profitability or gain on bargain purchase in the transaction. These procedures involve a high degree of subjectivity and the need to develop fair value estimates based on calculations and assumptions related to the future performance of the business acquired, which may be subject to a high degree of uncertainty. This issue was considered a key audit matter due to the subjectivity and judgment in identifying and measuring the fair value of the assets acquired and liabilities assumed and the amount of goodwill earned in this acquisition.

How our audit addressed this matter

Our auditing procedures included, among others, reading the documents that formally established the operation, such as contracts and meeting minutes, and obtaining evidence that substantiated defining the date of acquisition of the control over the acquiree and the determination of the fair value of the consideration transferred; involvement of our valuation team to assist us in the analysis of the assumptions and methodologies used to determine and measure the fair value of the assets identified and liabilities assumed; evaluation of the reasonableness of the assumptions used and the calculations done, crosschecking, when available, to market information; and analysis of the disclosures included by the executive board in Note 2.f to the individual and consolidated financial statements.

Based on the result of audit procedures performed, which is consistent with the executive board's assessment, we consider that the criteria and assumptions used by the executive board in accounting for business combinations, as well as the respective disclosures made, are acceptable in the context of the 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, 2021, 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.
- 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 15, 2022.

ERNST & YOUNG
Auditores Independentes S,S,
CRC-2SP015199/F-7

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

Statements of financial position

December 31, 2021 and 2020 – (In thousands of Reais)

	Note	Parent Company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalentes	5	46,046	1,319,290	139,780	1,604,053
Accounts receivable	6	117,841	178,085	147,414	207,283
Advances to suppliers		15,963	3,221	29,502	3,580
Inventories	7	1,931,023	1,179,014	2,806,365	1,301,082
Biological assets	8	1,177,298	739,267	1,690,969	891,804
Recoverable taxes	9	49,616	28,521	126,936	39,447
Securities and credits receivable	10	-	-	21,919	31,207
Operations with derivatives	25	49,225	89,721	107,676	98,587
Intercompany transactions	16	52,351	2,475	20	8
Other accouns receivable		21,957	5,280	23,977	6,217
Prepaid expenses		8,860	15,471	14,275	17,141
Assets held for sale		525	810	573	971
Total current assets		3,470,705	3,561,155	5,109,406	4,201,380
Non-current assets					
Lomg-term interest earning bank deposits	5	684	663	684	663
Recoverable taxes	9	97,517	64,236	152,690	111,203
Deferred inceome and social contribution taxes	20	-	-	405,662	20,480
Operations with derivatives	25	183,326	118,126	183,607	146,785
Securities and credits receivable	10	-	-	26,962	2,700
Intercompany transactions	16	6,649	25,246	-	-
Advances to suppliers		2,785	2,758	74,202	59,814
Other credits		2,431	2,071	19,770	13,705
Prepaid expenses		19	378	19	437
		293,411	213,478	863,596	355,787
Investiments	11	3,658,256	2,212,789	1,640	-
Investment property	12	-	-	333,269	224,194
Right of use in lease	13	4,400,728	2,463,254	3,042,185	828,496
Property, plant and equipment	14	1,066,733	855,159	3,398,063	2,944,544
Intangible	15	69,954	35,240	118,184	35,290
		9,195,671	5,566,442	6,893,341	4,032,524
Total non-current assets		9,489,082	5,779,920	7,756,937	4,388,311
Total assets		12,959,787	9,341,075	12,866,343	8,589,691

See accompanying notes.

Statements of financial position

December 31, 2021 and 2020 – (In thousands of Reais)

	Note	Parent Company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities					
Current liabilities					
Suppliers	17	671,234	732,358	1,009,194	870,902
Loans and financing	18	503,252	297,692	669,735	377,547
	18	31,004	200,788	39,004	230,867
Taxes, rates and sundry contributions		20,215	49,452	57,832	57,186
Social charges and labor legislation obligations		103,609	65,235	148,613	79,989
Advances from clients		408,985	57,233	568,043	68,264
Debts with related parties	16	117,621	1,310	79	118
Intercompany lease liability	13	287,194	204,525	-	-
Operations with derivatives	25	341,879	318,242	394,582	358,969
Securities payable	21	-	-	93,775	12,273
Provisions for tax, environmental and labor risks	19	2,975	3,524	32,002	5,429
Dividends payable	22,h	252,226	83,680	269,803	86,332
Leases to pay	24,2	-	-	15,048	5,283
Third party lease liability	13	331,920	150,888	511,932	162,258
Others accounts payables		11,787	12,112	22,338	21,680
Total current liabilities		3,083,901	2,177,039	3,831,980	2,337,097

	Note	Parent Company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Non-current liabilities					
Loans and financing	18	1,866,270	1,753,056	1,918,024	2,039,736
Deferred taxes	20	271,443	153,553	360,906	230,802
Intercompany lease liability	13	2,310,609	1,517,643	-	-
Operations with derivatives	25	126,155	56,965	139,966	58,152
Securities payable	21	-	-	14,862	706
Third party lease liability	13	1,776,588	742,326	2,824,456	772,026
Other debits		73	114	73	114
Total non-current liabilities		6,351,138	4,223,657	5,258,287	3,101,536
Shareholders' equity					
Capital	22,a	1,512,522	947,522	1,512,522	947,522
Capital reserves	22,b	164,953	97,504	164,953	97,504
(-) Treasury shares	22,c	(116,846)	(52,921)	(116,846)	(52,921)
Profit reserves	22,d,e,f,g	1,174,813	978,074	1,174,813	978,074
Other comprehensive income	22,j	789,306	970,200	789,306	970,200
Total attributable to shareholders		3,524,748	2,940,379	3,524,748	2,940,379
Non-controlling shareholders in subsidiaries		-	-	251,328	210,679
Total shareholders' equity		3,524,748	2,940,379	3,776,076	3,151,058
		-	-	-	-
Total liabilities and shareholders' equity		12,959,787	9,341,075	12,866,343	8,589,691

See accompanying notes.

Statement of profit or loss

Years ended December 31, 2021 and 2020 – (In thousands Reais, except profit per share)

	Note	Parent Company 12/31/2021	Parent Company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Income from sales of goods and/or services	30	**3,355,575**	2,633,284	**4,363,210**	3,097,547
Biological assets	8	**1,505,696**	676,476	**1,961,159**	775,534
Cost of goods sold	31	**(3,173,798)**	(2,408,692)	**(4,076,725)**	(2,802,782)
Cost of goods and/or services sold		**(2,044,294)**	(1,749,343)	**(2,651,291)**	(2,051,786)
Biological assets cost		**(1,129,504)**	(659,349)	**(1,425,434)**	(750,996)
Gross income		**1,687,473**	901,068	**2,247,644**	1,070,299
Operating income (expenses)					
Sales expenses	31	**(166,407)**	(149,471)	**(212,559)**	(173,964)
General and administrative expenses	31	**(181,750)**	(103,811)	**(222,496)**	(115,452)
Management compensation	14,d	**(18,036)**	(14,040)	**(18,953)**	(14,716)
Equity income	11	**480,121**	177,399	**-**	-
Added value investment		**(9,789)**	-	**(14,832)**	-
Other operating (expenses) income		**14,373**	(22,550)	**134,563**	14,763
		118,512	(112,473)	**(334,277)**	(289,369)
Operating result		**1,805,985**	788,595	**1,913,367**	780,930
Financial income	23	**319,899**	344,732	**494,709**	429,678
Financial expenses	23	**(769,357)**	(527,592)	**(847,266)**	(521,429)
		(449,458)	(182,860)	**(352,557)**	(91,751)
Result before income and social contribution taxes		**1,356,527**	605,735	**1,560,810**	689,179
Income and social contribution taxes	20				
Current		**(104,137)**	(79,305)	**(174,507)**	(111,392)
Deferred assets		**(190,274)**	(37,756)	**(255,544)**	(66,839)
Net Income		**1,062,116**	488,674	**1,130,759**	510,948
Attributable to:					
Controlling shareholders		**1,062,116**	488,674	**1,062,116**	488,674
Not controlling interest in subsidiaries		**-**	-	**68,643**	22,274
		1,062,116	488,674	**1,130,759**	510,948
Earnings per share attributable to shareholders from continuing operations at end of the year (expressed in reais per share):					
Basic earnings per share - R$	22,i	**5.10395**	2.36630	**5.10395**	2.36630
Diluted net income per share - R$	22,i	5.07616	2.35726	**5.07616**	2.35726

See accompanying notes.

Statement of comprehensive income

Years ended December 31, 2021 and 2020 – (in thousands of Reais)

	Parent Company 12/31/2021	Parent Company 12/31/2020	Consolidated 12/31/2021	Consolidated 12/31/2020
Income for the year	**1,062,116**	488,674	**1,130,759**	510,948
Other comprehensive income to be reclassified to the result for the year in subsequent periods:				
Derivatives - cash flow hedge	**(212,894)**	(211,929)	**(280,993)**	(239,796)
Derivatives - cash flow hedge - subsidiaries	**(37,524)**	(9,704)	**-**	81,531
Income and social contribution taxes	**72,384**	72,056	**95,537**	-
Other comprehensive income, net of taxes	**(178,034)**	(149,577)	**(185,456)**	(158,265)
Total other comprehensive income for the year, net of taxes	**884,082**	339,097	**945,303**	352,683
Attributable to:				
Controlling shareholders	**884,082**	339,097	**884,082**	339,097
Not controlling interest in subsidiaries	**-**	-	**61,221**	13,586
	884,082	339,097	**945,303**	352,683

See accompanying notes.

Statement of changes in equity

December 31, 2021 and 2020 – (In thousands of Reais)

		Capital reserves				Profit reserves									
	Capital	Goodwill in the issue of shares	Recognized options granted	Reserve investment acquisition	Treasury shares	Investment incentivized reserve	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at 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 on sale of shares	-	(3,350)	-	-	-	-	-	-	-	-	-	-	(3,350)	-	(3,350)
Share-based compensation exercized in the year	-	-	6,463	-	-	-	-	-	-	-	-	-	6,463	-	6,463
Share-based compensation recognized in the year	-	-	-	-	8,031	-	-	-	-	-	-	-	8,031	-	8,031
Share-based compensation recognized in the year	-	(1,338)	(2,031)	-	3,369	-	-	-	-	-	-	-	-	-	-
Unrealized losses with hedge instruments, net	-	-	-	-	-	-	-	-	-	-	(149,577)	-	(149,577)	(8,688)	(158,265)
Realization of depreciation of the deemed cost	-	-	-	-	-	-	-	-	-	-	(3,220)	3,220	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	488,674	488,674	22,274	510,948
Destinations for the period															
Constitution of reserves	-	-	-	-	-	171	24,425	230,489	-	-	-	(255,085)	-	-	-
Additional dividends approved for the year 2019	-	-	-	-	-	-	-	-	-	(73,749)	-	-	(73,749)	-	(73,749)
Minimum mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(83,673)	(83,673)	(2,651)	(86,324)
Interest on equity	-	-	-	-	-	-	-	-	-	-	-	(37,117)	(37,117)	-	(37,117)
Proposed additional dividends	-	-	-	-	-	-	-	-	-	116,019	-	(116,019)	-	-	-

See accompanying notes.

Statement of changes in equity

December 31, 2021 and 2020 – (In thousands of Reais)

		Capital reserves				Profit reserves									
	Capital	Goodwill in the issue of shares	Recognized options granted	Reserve investment acquisition	Treasury shares	Investment incentivized reserve	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at 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
Capital increase	565,000	-	-	65,856	-	-	-	(500,000)	-	-	-	-	130,856	-	130,856
Goodwill on Sale of Shares	-	(4,874)	(2,434)	-	5,304	-	-	-	-	-	-	-	(2,004)	-	(2,004)
Share-based compensation exercized in the year	-	-	8,901	-	-	-	-	-	-	-	-	-	8,901	-	8,901
Share-based compensation recognized in the year	-	-	-	-	7,675	-	-	-	-	-	-	-	7,675	-	7,675
Share-based compensation recognized in the year	-	-	-	-	(76,904)	-	-	-	-	-	-	-	(76,904)	-	(76,904)
Unrealized losses with hedge instruments, net	-	-	-	-	-	-	-	-	-	-	(178,034)	-	(178,034)	(7,422)	(185,456)
Realization of depreciation of the deemed cost	-	-	-	-	-	-	-	-	-	-	(2,860)	2,860	-	-	-
Net income for the year	-	-	-	-	-	-	-	-	-	-	-	1,062,116	1,062,116	68,643	1,130,759
Destinations for the year															
Constitution of reserves	-	-	-	-	-	149	53,099	507,293	-	-	-	(560,541)	-	-	-
Additional dividends approved for the year 2020	-	-	-	-	-	-	-	-	-	(116,019)			(116,019)	-	(116,019)
Minimum mandatory dividends	-	-	-	-	-	-	-	-	-	-	-	(252,218)	(252,218)	(20,572)	(272,790)
Proposed additional dividends	-	-	-	-	-	-	-	-	-	252,217	-	(252,217)	-	-	-
Balances at December 31, 2021	1,512,522	34,049	65,048	65,856	(116,846)	15,191	140,235	761,542	5,628	252,217	789,306	-	3,524,748	251,328	3,776,076

See accompanying notes.

Statement of cash flows

Years ended December 31, 2021 and 2020 – (In thousands of Reais)

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net cash from operational activities				
Net income before IRPJ/CSLL	1,356,527	605,735	1,560,810	689,179
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	94,305	83,781	145,870	119,686
Income from write-off of property, plant and equipment	11,890	7,466	13,246	8,067
Equity in net income of subsidiaries	(480,121)	(177,399)	-	-
Interest, exchange and monetary variation	162,475	142,422	214,580	148,785
Share-based compensation	8,901	6,463	8,901	6,463
Variation in biological assets	(376,192)	(17,127)	(535,725)	(24,538)
Provision of profit sharing and labor contingencies	77,382	40,772	98,621	45,590
AVP - Lease Liabilities	315,157	154,759	175,149	61,106
Amortization of Right of Use	175,064	119,580	133,287	73,663
Fair value for investment property	-	-	(105,675)	(7,184)
Other adjustments	33,553	9,416	38,487	9,928
Provision for losses taxes recover	(3,135)	23,799	(3,780)	24,904
	1,375,806	999,667	1,743,771	1,155,649
Changes in assets and liabilities:				
Trade accounts receivable	60,244	(40,971)	77,916	(28,878)
Inventories and biological assets	(640,800)	(228,845)	(958,924)	(273,792)
Recoverable taxes	(52,061)	(8,480)	(71,403)	(10,468)
Short-term interest earnings bank deposits	(21)	53,639	(21)	55,329
Other accounts receivable	(9,782)	3,140	23,611	(4,367)
Advance to suppliers	(9,290)	1,237	(22,556)	5,952
Suppliers	(78,696)	144,650	(221,475)	161,769
Taxes and social payables	(103,370)	(57,522)	(109,154)	(63,699)
Liabilities with related parties	85,032	2,915	(51)	(4)
Operations with derivatives	(144,771)	(54,460)	(242,856)	(83,583)
Notes payable	0	0	9,514	0
Advances from clients	351,752	28,326	482,916	34,975

See accompanying notes.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Rentals payable	-	(225)	9,765	5,058
Other accounts payable	30,766	15,837	(8,533)	23,860
Income tax and social contribution tax on profit paid	(113,755)	(68,160)	(171,484)	(99,255)
Dividends	247,782	150,945	-	-
Interest paid	(79,103)	(76,567)	(105,946)	(93,685)
	(456,073)	(134,541)	(1,308,681)	(370,788)
Net cash provided by operating activities	919,733	865,126	435,090	784,861
Net cash used in investment activities				
In property, plant and equipment	(329,681)	(147,796)	(400,397)	(190,129)
Receipt for sale of land (Note 10)	-	-	17,852	42,643
Payment land return			(706)	(706)
In intangible assets	(35,789)	(21,560)	(36,007)	(21,654)
Capital payment	-	(47)	-	-
Acquisition of investment	(1,132,000)	-	(55,297)	-
Other investments	-		(1,640)	
Net cash used for investing activities	(1,497,470)	(169,403)	(476,195)	(169,846)
Net cash generated/(consumed) in financing activities				
Sale and repurchase of shares	(71,233)	4,681	(71,233)	4,681
Dividends Paid	(199,690)	(179,843)	(205,339)	(179,843)
Loans and financing obtained	1,320,031	1,280,800	1,427,030	1,485,800
Loans and financing paid	(1,109,339)	(873,392)	(2,154,523)	(1,045,083)
Rentals paid	(486,723)	(277,468)	(230,940)	(129,634)
Derivatives Received	21,231	19,241	3,700	23,690
Credit Assignment	(169,784)	-	(191,863)	-
Net cash provided by (consumed in) financing activities	(695,507)	(25,981)	(1,423,168)	159,611
Increase (decrease) in cash and cash equivalents	(1,273,244)	669,742	(1,464,273)	774,626
Opening balance of cash and cash equivalents	1,319,290	649,548	1,604,053	829,427
Closing balance of cash and cash equivalents	46,046	1,319,290	139,780	1,604,053
Increase (decrease) in cash and cash equivalents	(1,273,244)	669,742	(1,464,273)	774,626

See accompanying notes.

Statement of value added

December 31, 2021 and 2020 – (In thousands of Reais)

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues				
Sale of merchandise, products and services	3,945,418	3,156,501	5,078,601	3,724,727
Other income	22,957	36,475	139,905	79,866
Income from construction of own assets	204,025	93,189	208,257	110,383
Variation of the fair value of biological assets	1,505,696	676,476	1,961,159	775,534
	5,678,096	3,962,641	7,387,922	4,690,510
Inputs acquired from third parties				
Raw materials used	(1,057,712)	(1,002,721)	(1,430,866)	(1,207,995)
Cost of goods, merchandise and services sold	(34,498)	(60,853)	(48,883)	(72,101)
Materials, Energy, Third-party services and other	(762,568)	(640,819)	(940,621)	(743,858)
Adjustment to fair value of biological assets	(1,129,504)	(659,349)	(1,425,434)	(750,996)
	(2,984,282)	(2,363,742)	(3,845,804)	(2,774,950)
Gross added value	2,693,814	1,598,899	3,542,118	1,915,560
Retentions				
Depreciation, amortization and depletion	(94,305)	(83,781)	(145,870)	(119,686)
Amortization of Right of Use	(175,064)	(119,580)	(133,287)	(73,663)
Net added value produced	2,424,445	1,395,538	3,262,961	1,722,211
Added value received as transfer				
Equity Income	480,121	177,399	-	-
Financial income	319,899	344,732	494,709	429,678
Other	7,344	5,765	9,326	6,200
	807,364	527,896	504,035	435,878
Total added value payable	3,231,809	1,923,434	3,766,996	2,158,089

See accompanying notes.

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Distribution of added value	3,231,809	1,923,434	3,766,996	2,158,089
Taxes, duties and contributions	491,189	145,857	697,431	230,457
Federal	383,109	145,367	565,835	221,541
State	107,571	-	130,926	8,426
Municipal	509	490	670	490
Personnel	387,131	292,227	489,704	344,903
Direct remuneration	209,371	164,448	267,758	198,077
Benefits	159,862	111,414	199,575	128,292
FGTS	17,898	16,365	22,371	18,534
Third-party capital remuneration	1,291,373	996,676	1,449,102	1,071,781
Interest	1,274,906	975,267	1,426,879	1,049,958
Rents	16,467	21,409	22,223	21,823
Remuneration of own capital	1,062,116	488,674	1,130,759	510,948
Dividends	252,217	120,790	288,353	120,790
Retained Earnings/Loss for the period	809,899	367,884	773,763	367,884
Part. Interest of non-controlling shareholders in retained earnings	-	-	68,643	22,274

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, 2021, the Company and subsidiaries began its cultivation of the 2021/2022 crop with operations at twenty-two production units and a total planted area of 675.35 thousand hectares, including company-owned areas and areas leased from third parties and realted parties, which are located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

Effects of COVID-19 on the Financial Statements

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

a) Actions taken by the Company as a result of COVID-19 and possible impacts on its internal controls;
b) Increased risk of losses on financial assets (IFRS 9/CPC 48 - Financial Instruments);
c) Realizable value of inventories (IAS 2/CPC 16 - Inventories);
d) Impairment of fixed and intangible assets (IAS 36/CPC 01 - Impairment of Assets);
e) Measurement of the fair value of Biological assets and investment properties;
f) Impacts on revenue for the period and margins;
g) Analysis of the Company's operational continuity;
h) Cash flow, impacts on access to credit for loans and financing and covenants.

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

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

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, it did not identify important issues related to these commitments, with the sale and delivery of the products occurring without any hitches.

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. Basis of preparation and presentation of financial statements

a) Conformity declaration

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which include the provisions of corporate law, provided for in Law No. 6,404/76 with amendments to Law No. 11,638/07 and Law No. 11,941/09, and the accounting pronouncements, interpretations and guidelines issued by the Accounting Pronouncements Committee ("CPC"), approved by the Brazilian Securities and Exchange Commission ("CVM") and also in accordance with 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 understands that all relevant information specific to the financial statements is being disclosed and corresponds to that used by it in its management, as provided for in OCPC 7 – Disclosure in the Disclosure of General Purpose Accounting and Financial Statements. We also emphasize that 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 executive board on March 15, 2022.

b) Measurement base

The individual and consolidated financial statements were prepared based on the historical cost, with the exception of the following material items recognized in the balance sheets:

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

c) Functional currency and transactions and balances in foreign currency

The individual and consolidated financial statements are presented in Reais (R$), which is the functional currency of the Company and its subsidiaries.

Transactions in foreign currency are initially recorded at the functional currency exchange rate in effect on the date of the transaction. Monetary assets and liabilities denominated in foreign currency are reconverted at the exchange rate of the functional currency in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates relating to monetary assets and liabilities denominated in foreign currencies are recognized in the income statement,

except when deferred in equity as qualifying cash flow hedge transactions.

d) Operations eliminated on consolidation

Intragroup balances and transactions, and any unrealized income or expenses arising from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with investees recorded under the 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) Judgments, estimates and significant accounting assumptions The preparation of individual and consolidated financial statements requires the use of certain critical accounting estimates and also the exercise of judgment by the of Management in the process of applying accounting policies, for the accounting for certain assets, liabilities, income and expenses.

Estimates and the exercise of judgment are continually reviewed and the results of this process are recognized in a timely manner and in any future periods affected. Actual results may differ from these estimates.

when it actually takes place.

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

Notes	Nature
3.c and 8	Measurement of the fair value of biological assets
3.e, 14 and 15	Selection of useful lives of fixed and intangible assets
3.q and 13	Discount rate applied in the measurement of the lease liability
3.j and 19	Provision for tax, environmental, labor and civil risks and contingent assets
3.h and 20	Deferred income tax and social contribution
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
15	Impairment of assets with indefinite useful lives - goodwill for expected future profitability

f) Business combination and goodwill

Acquisition of Terra Santa Agro S.A.

On November 26, 2020, the Company signed a non-binding Memorandum of Understanding with Terra Santo Agro S.A. ("Terra Santa") that requires assumptions, terms and conditions indicative of a transaction for SLC Agrícola to acquire as operations of Terra Santa, through the merger of Terra Santa shares by the Company. In preparation for the business combination with Terra Santa, as parties to submit the transaction for approval by the Administrative Council for Economic Defense - CADE, the transaction having been approved on January 7, 2021, without restrictions. Subsequently, on March 25, 2021, SLC Agrícola and Terra Santa signed the Association Agreement and Other Covenants, where the terms and conditions for a transaction were detailed and finally agreed. At the same time, the Terra Santa diligence was carried out, which ended in March 2021 and, on June 21, 2021, were prepared as approvals for the incorporation of shares in extraordinary general meetings of the Company and of Terra Santa.

On June 30, 2021, part of the conditions precedent for the implementation of the combination of the Company's businesses with those of the agricultural operation of Terra Santa, excluding land and improvements, were completed, except (i) obtaining registration with the Brazilian Securities Commission. publicly-held company of TS Agro S.A. ("TS Agro"), in the category A of issuers and listing in the Novo Mercado segment of B3 SA - Brasil, Bolsa, Balcão; and (ii) the implementation of the effective consummation of the capital reduction of Terra Santa (items (i) and (ii) together, "Remaining Condition"). On this date, the Company, TS Agro and their shareholders signed the 1st Amendment to the Association Agreement and Other Covenants and the Pre-Closing Agreement, through which the parties agree to carry out a pre-closing of the transaction.

Through these instruments, an operational transition was established, in which SLC started, as of July 1, 2021 (acquisition date for the application of IFRS 3 and CPC 15 (R1), to have management control and guidelines of the affairs of the Terra Sant, to the greatest extent possible, for all legal purposes.

After the consummation of the merger of shares, new common shares issued by SLC Agrícola were issued to the shareholders of Terra Santa, traded on the Novo Mercado segment of B3, replacing the shares issued by Terra Santa previously held by them, according to the share exchange ratio, described below.

In order to facilitate the business combination between the Company and Terra Santa, Terra Santa shares were incorporated by SLC, in accordance with articles 252, 224 and 225 of the Brazilian Corporation Law, with the exchange of all shares and subscription bonus da Terra Santa and consequent acquisition of control of Terra Santa, the Company issued a total of 2,516,454 common shares, which represent, on a fully diluted basis, 1.3% of the Company's total and voting capital. The shares were attributed to the shareholders of Terra Santa and the remaining Bonus holders, on the Closing Date, in accordance with the Exchange Ratio foreseen for each modality, given that such common shares have the same rights as the other outstanding common shares issued for the company.

The recognized amounts related to assets acquired and liabilities assumed identifiable on the acquisition date are shown in the table below.

	Fair value
Assets	
Current	
Cash and cash equivalents	6,703
Accounts receivable from customers	18,047
Inventories	231,556
Biological assets	440,873
Recoverable taxes	25,014
Securities receivable	4,435
Derivative transactions	19,214
Other accounts receivable	12,108
Prepaid expenses	4,032
Accounts receivable - TESA transaction (c)	28,250
Total current assets	**790,232**
Non-current	
Securities receivable	586
Recoverable taxes	29,599
Deferred income tax and social contribution	415,085
Other accounts receivable	23,970
Advance to supplier	14,276
Judicial deposits	4,768
	488,284
Investment property	3,400
Use right asset (a)	1,092,732
Fixed assets (b)	219,057
Intangible	936
	1,316,125
Total non-current assets	**1,804,409**
Total assets	**2,594,641**

	Fair value
Liabilities	
Current	
Suppliers	325,760
Loans and financing	287,521
Taxes, fees and miscellaneous contributions	10,608
Social and labor obligations	11,953
Advances from customers	16,863
Taxes in installments	6,293
Derivative transactions	52,596
Securities payable	4,772
Third party lease liability (a)	76,058
Other obligations	37,947
Accounts Payable - TESA Transaction (c)	29,449
Provision for contingencies	23,478
Total current liabilities	**883,298**
Loans and financing	494,636
Taxes in installments	6,625
Third party lease liability (a)	1,011,950
Accounts Payable - TESA Transaction (c)	52,629
Total non-current liabilities	**1,565,840**
Acquired net assets	**145,503**

(a) Five lease agreements entered into between Terra Santa and TS Brasil SA in the context of a business combination with an average term of 20 years and an incremental rate of 7.58%, comprising the "weighted curve of the CDI/Pre", added to the risk the Company's credit rating and a risk spread on the underlying asset. These contracts were classified as leases under the scope of CPC 06 (R2) (IFRS 16) and were considered as a fixed minimum value lease component for the purpose of measuring the lease liability. The measurement of the lease liability corresponds to the total of future lease and rent payments, net of tax effects, adjusted to present value, considering the nominal discount rate.

On the date of the initial adoption of these contracts, the right of use asset amount is equal to the lease liability, restated to present value.

It should be noted that land lease contracts are indexed by the soybean sack quotation in the region of each production unit, with the values of the right of use assets and lease liabilities being converted into reais using the soybean quotation in each region. Payment amounts may vary significantly up to the time of payment, due to the change in the market value of soybeans in each region.

Additionally, on July 1, 2021, the existing lease liability in Terra Santa was remeasured and the right-of-use asset had the same amount adjusted to reflect favorable or unfavorable lease terms when compared to market terms. In all, 14 contracts were remeasured using market terms as shown below:

i) Right of asset asset

Right of use - new contracts	798,316
Right of use - existing contracts	275,374
Adjustment to fair value - contract terms (*)	18,682
Balance on 07/01/2021	**1,092,372**

(*) R$12,330 net of deferred taxes.

ii) *Lease liability*

Lease Liability - New Contracts	798,316
Lease Liability - Existing Contracts	286,598
Adjustment to fair value - contract terms (*)	3,094
Balance on 07/01/2021	1,088,008
Current	76,058
Non-current	1,011,950

(*) R$ 2,042 net of deferred taxes.

b) The property, plant and equipment of the acquired company on the acquisition date consisted mainly of aircraft, tractors, harvesters, machinery and equipment. For the valuation of property, plant and equipment, the direct comparative method of market data, the cost quantification method and historical cost were applied. The first is to analyze market conditions and transactions comparable to the asset being valued and thereby determine fair value where reliable and available sales data can be found. The second method is to assess the value and associated values for replacement, replacement or reproduction of assets. In the historical cost valuation method, the value of the asset is determined based on the monetary restatement of its acquisition cost, determined in accounting records and applying specific economic indices, generally used by competent and official bodies. The fair value adjustment allocated to property, plant and equipment was R$ 105,745 (R$ 69,791 net of deferred taxes). The surplus value will be depreciated over its useful life.

(c) Terra Santa has balances recorded under contingencies, bills payable, bills receivable, taxes recoverable, other assets and investment properties, which on July 1, 2021 total net assets of R$ 53,828. As provided for in the Association Agreement and Other Covenants, upon receipt or effective use, they will be paid by Terra Santa to the former shareholders, and upon effective payment, they will be considered as a credit receivable from the former shareholders, without burden or benefits for the Holly Land. As a result, in Terra Santa, under the headings "accounts receivable - TESA transaction" and "accounts payable - TESA transaction", balances receivable and payable to former shareholders of the same amount were recorded, resulting in a net liability of R$ 53,828.

The measurement of the fair values of the identifiable assets acquired and liabilities assumed was carried out in a preliminary manner, and its completion must take place within a period of up to twelve months after the acquisition date, as provided for in CPC 15 (R1) - Business Combination (IFRS 3). Management has no expectations of material adjustments in the final measurement of the allocation.

The consideration to be transferred by SLC Agrícola to Terra Santa Propriedades Agrícolas is presented:

	01/07/2021
Number of common shares issued by SLC Agrícola on the transaction date	2,516,454
Multiplied by the share price of SLC Agrícola on the transaction date (a) (in R$)	52.00
Fair value of shares issued in the transaction (In thousands of reais) (a)	130,856
Cash consideration arising from the right to use the lease between Terra Santa and TS Brasil S.A. (b)	70,002
Change in assets and liabilities (c)	(203,488)
Present value of tax credits (d)	195,488
Fair value of transferred consideration	192,858

According to a material fact disclosed on October 29, 2021, the parties agreed on a price adjustment of R$ 20,000, R$ 8,000 of which referring to the variation of assets and liabilities and present value of tax credits, as shown in the table above, in addition to the debt assumption for Terra Santa Properties Agrícolas in the amount of R$ 12,000.

a) The fair value of the common shares transferred by the Company was determined based on the quotation of the Company's shares, traded on B3 on the acquisition date (July 1, 2021).

b) Refers to the consideration to be transferred in cash in the amount of R$70,002, arising from the additional remuneration, complementary to the payment of the lease (which already reflects the fair value of a lease under similar conditions) referring to lease agreements that were entered into between Terra Santa and TS Brasil SA in connection with the transaction. This remuneration is being treated as part of the transaction price given: (i) the nature of the contracts; (ii) that the lease agreements were negotiated in conjunction with the transaction; and (iii) that it was a condition for signing the Transaction Agreement, that is, a condition for obtaining control of Terra Santa.

c) Variation from June 30, 2020 to June 30, 2021 in property, plant and equipment, net debt, tax credits and working capital, as provided for in the terms defined in the Transaction Agreement. The adjustment was concluded by mutual agreement between the parties on October 29, 2021. Working capital was defined in the agreement as (i) the sum of the items of current assets; and (ii) the sum of current liability items. Among the items of current assets that go into the definition of working capital are: (a) accounts receivable; (b) stocks; (c) biological assets; (d) miscellaneous advances to third parties and employees; (e) prepaid expenses. Among the items of current liabilities that are included in the definition of working capital are: (a) salaries and social contributions; (b) suppliers; (c) taxes to be collected; (d) advances from customers; (e) taxes in installments - current and non-current. The biological assets account was updated on the base date of September 15, 2021, with updated information on yields, costs and prices, as defined in the Agreement.

d) As described in the Agreement, the price paid in cash also includes an amount equivalent to 50% of the final value of the tax benefit arising from tax losses and negative social contribution base, calculated by Terra Santa and validated by SLC Agrícola through credit report, which was brought to present value at a discount rate of future CDI plus 1.5%, considering 4 annual installments from the closing date, 30% each in the first three years and 10% in the fourth year.

Thus, the value of the goodwill on the transaction is as follows:

	01/07/2021
Fair value of transferred consideration	192,858
Value of acquired assets and liabilities	145,503
Value of goodwill due to expected future profitability	47,355

The goodwill calculated, in the amount of R$ 47,355, represents the expected future economic benefit of the synergies arising from the acquisition, such as the sum of expertise of both companies in agricultural planning and operation, since practically all of the Terra Santa operational team, more efficient use of machines and cotton processing units, sharing of administrative structures, commercial areas (sales, logistics and supplies), information technology, among other gains in operational efficiency.

Terra Santa contributed net revenue of R$ 381,796 and net profit of R$ 57,329 from the acquisition date through December 31, 2021 to the income for the year.

If the combination had taken place at the beginning of that year, consolidated net revenue for 2021 would total R$ 4,945,815.

3. Accounting policies

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

a) Revenue recognition

CPC 47 (IFRS 15) Revenue from Customer Contracts establishes a model that aims to show whether or not the accounting criteria were met.

(i) The identification of the contract with the client;
(ii) The identification of performance obligations;
(iii) Transaction price determination;
(iv) The allocation of the transaction price; and
(v) The recognition of revenue by meeting the performance obligation.

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 tobe 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	16.69%	6 years
Buildings and improvements	3.20%	33 years
Furniture and fixtures	9.87%	10 years
Office equipment and facilities	17.88%	6 years
Agricultural equipment and industrial facilities	9.57%	10 years
Vehicles	7.52%	13 years
Other	20%	5 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, 2021, 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	0.25% and 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 liabilities measured at amortized cost. Such financial liabilities are initially recognized 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, 2021 and 2020, 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, 2021 and 2020, 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 28.

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 rations, in addition to other less relevant contracts that involve the rental of 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) Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, which is evaluated based on the fair value at the acquisition date, and the value of any non-controlling interest in the acquiree. For each business combination, the acquirer must measure the non-controlling interest in the acquiree at fair value or based on its interest in the net assets identified in the acquiree. Costs directly attributable to the acquisition are recognized when incurred.

The Company determines that it has acquired a business when the acquired set of activities and assets includes, at a minimum, an input - input of resources and a substantive process that together significantly contribute to the ability to generate output - output of resources. The acquired process is considered substantive if it is essential to the ability to develop or convert the inputs - inputs of acquired resources into outputs - outputs of resources and the inputs - inputs of acquired resources include both the organized workforce and the skills, knowledge or experience necessary to carry out this process; either it is critical to the ability to continue to produce results and is considered unique or scarce or cannot be replaced without cost, effort or significant delay in the ability to continue to produce results - resource outflow.

When acquiring a business, the Company evaluates the financial assets and liabilities assumed with the objective of classifying and allocating them according to the contractual terms, economic circumstances and relevant conditions on the acquisition date, which includes the segregation, by the of the acquiree, of embedded derivatives existing in host contracts in the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value on the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or liability must be recognized in accordance with CPC 48 (IFRS 9) in the income statement.

Initially, goodwill is measured as the excess of consideration transferred over net assets acquired (identifiable assets acquired, net and liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference must be recognized as a gain in the income statement.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, independently of other assets. or liabilities of the acquiree are attributed to those units.

s) New or revised standards

Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, referring to CPC 26, in order to specify the requirements for classifying the liability as current or non-current. The amendments clarify

- What does the right to defer settlement mean;
- That the right of deferral must exist at the reporting date;
- That this classification is not affected by the likelihood that an entity will exercise its right of deferral;
- That only if a derivative embedded in a convertible liability is itself an equity instrument, will the terms of a liability not affect its classification

Changes are effective for periods beginning on or after January 1, 2023 and must be applied retrospectively. The Company is currently evaluating the impact the changes will have on current practice and whether existing loan agreements may require renegotiation.

Amendments to IAS 8: Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8 (standard related to CPC 23), in which it introduces the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement and input techniques to develop accounting estimates.

The amendments will be effective for periods beginning on or after January 1, 2023 and will apply to changes in accounting policies and estimates that occur after that period. Early adoption is permitted if disclosed.

The changes are not expected to have a significant impact on the Company's individual and consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 (standard related to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guides and examples to help entities apply materiality judgment to the disclosure of accounting policies. The amendments are to assist entities in disclosing accounting policies that are most useful, replacing the requirement to disclose significant accounting policies for relevant accounting policies and adding guidance on how entities should apply the concept of materiality in making decisions about disclosure. of policies. accounting.

The amendments to IAS 1 are applicable for periods beginning on or after January 1, 2023 with early adoption permitted. Since the amendments to Practice Statement 2 provide non-binding guidance in applying the material definition to accounting policy information, an adoption date is not required for this amendment.

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 interim financial statements include the operations of the Company and the following subsidiaries, whose percentage interest on the balance sheet date is summarized as follows:

Main activity	Companies	Subsidiaries		Location (State)
		Directs %	Indirects %	
Culture of soybean, cotton,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,cotton and herd.	Fazenda Perdizes Empreedimentos Agrícolas Ltda.	-	50.1	Mato Grosso – MT
Culture of cotton and soybean .	Terra Santa Agro S.A.(*)	100.0	-	Mato Grosso – MT
Investments in other companies or commercial ventures and leasing.	SLC Investimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul – RS
Purchasing and sale, lease, construction and managing of real estate	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
	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

(*) On December 31, 2021, SLC Agrícola Centro-Oeste S.A (former Terra Santa Agro S.A.). held interest in companies Ecotrans Transporte Ltda. (99.99%), Buriti Agrícola Ltda. (100%), Crateús Algodoeira S.A. (99.48%) and Mocuri Agrícola Ltda. (99.99%). The companies are non-operating and are not part of the assets acquired in the business combination and are in the process of being transferred to the former shareholder. There are no asset and liability balances in the financial statements in relation to the aforementioned companies.

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

At the Extraordinary General Meeting held on November 1, 2021, the change in the company name of the subsidiary Terra Santa Agro S.A. was approved to SLC Agrícola Centro-Oeste S.A.

5. Cash and cash equivalents and interest earning bank deposits

Description	Yields	Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash and cash equivalents in R$	-	108	80,080	144	80,104
Forex exchange cash (**)	-	16,859	15,073	19,449	15,073
CDB-DI	99,54% of CDI (*)	29,079	1,224,137	120,187	1,508,558
LAM	100.00% of CDI (*)	-	-	-	318
Other investments	70,70% of CDI (*)	684	663	684	663
		46,730	1,319,953	140,464	1,604,716
Cash and cash equivalents		46,046	1,319,290	139,780	1,604,053
Non-current Interest earnings bank deposits		684	663	684	663

(*) Average yield on December 31, 2021.
(**) Amounts in reais, converted by the dollar P-tax purchase on December 30, 2021.

The financial operations contracted by the Company are represented by investments in bank certificates of deposit, at market prices and rates, updated by the income earned up to December 31, 2021, not exceeding the trading value.

Long-term financial investments are reciprocated (collateralized operations), which represent in the non-current assets the amount of R$ 684 of the portfolio in the parent company and in the consolidated (R$ 663 on December 31, 2020).

The reduction in the balance of cash and cash equivalents in the year is mainly due to the prepayment of agricultural inputs and financing, in order to reduce the Company's liabilities

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

6. Trade accounts receivable

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Domestic market	32,209	11,510	41,219	13,870
Foreign market	85,632	166,575	106,195	193,413
Total	117,841	178,085	147,414	207,283

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

7. Inventories

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Agricultural products	917,809	518,292	1,315,302	541,467
Agricultural products - formation costs	563,210	402,266	872,997	421,670
Agricultural products – Adjustment at fair value for biological assets	354,599	116,026	442,305	119,797
Seeds, composts, fertilizers and pesticides	878,083	561,228	1,329,269	646,305
Packages and containerization material	22,508	10,822	30,380	12,240
Spare parts	25,468	10,960	31,097	12,928
Other inventories	77,391	34,500	71,396	38,407
Advances to suppliers	11,156	43,212	31,193	49,735
(-) Provision for adjustment to market value (1)	(1,392)	-	(2,272)	-
	1,931,023	1,179,014	2,806,365	1,301,082

(1) Net realizable value is the estimated selling price in the normal course of business, less estimated costs of completion and expenses to sell. On December 31, 2021, the Company recorded a provision for inventory losses in the amount of R$ 1,392 in the parent company and R$ 2,272 in the consolidated statement.

8. Biological assets

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

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Biological assets - culture in formation	**1,115,933**	723,600	**1,620,053**	871,048
Biological assets - herd of cattle	**61,365**	15,667	**70,916**	20,756
Total	**1,177,298**	739,267	**1,690,969**	891,804

a) Biological assets culture

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

	Parent Company				
	Soybean(1)	Cotton	Corn	Other crops (3)	Total
Balances at december 31, 2020	359,038	230,145	54,256	80,161	723,600
Expenditures with planting	861,410	1,075,541	322,213	42,367	2,301,531
Reclassifications (2)	73,219	-	-	(73,219)	-
Variation of the fair value (4)	781,178	660,816	50,539	-	1,492,533
Harvesting and production adjustment - agricultural products	(1,361,649)	(1,674,432)	(341,155)	(24,495)	(3,401,731)
Balances at december 31, 2021	713,196	292,070	85,853	24,814	1,115,933
Agricultural products – formation costs	514,780	292,070	84,410	24,814	916,074
Biological assets – adjustment at fair value	198,416	-	1,443	-	199,859

(1) Other crops include seed corn, wheat, popcorn, beans and permanent livestock.
(2) Reclassification cost incurred planned areas such as soybean seed.
(3) Effect of biological assets on the income statement for the year.

	Consolidated				
	Soybean	Cotton	Corn	Other crops (3)	Total
Balances at december 31, 2020	447,027	271,298	58,337	94,386	871,048
Acquisitions by business combination (1)	-	362,550	61,501	16,822	440,873
Expenditures with planting	1,276,009	1,303,492	391,628	83,592	3,054,721
Reclassifications (2)	89,743	-	-	(89,743)	-
Variation of the fair value (4)	1,096,470	766,839	79,678	(5)	1,942,982
Harvesting and production adjustment - agricultural products	(1,704,237)	(2,405,774)	(501,387)	(78,173)	(4,689,571)
Balances at december 31, 2021	1,205,012	298,405	89,757	26,879	1,620,053
Agricultural products – formation costs	833,416	298,405	88,314	22,425	1,242,560
Biological assets – adjustment at fair value	371,596	-	1,443	4,454	377,493

(1) Amounts referring to the balances of the business combination with SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.), as per Note 2.f.
(2) Reclassification of cost incurred in planned areas such as soybean seed.
(3) The other crops are formed by brachiaria, mung beans, popcorn, seed corn, seed soybeans, wheat and eucalyptus.
(4) Effect of biological assets on the income statement for the period.

The Company owns, through its subsidiary SLC Agrícola Centro-Oeste SA (former Terra Santa Agro SA), eucalyptus areas for sale and consumption in the Piracema, Pirapora, Pampeira and Próspera farms, with a cut started in October 2021. The current remaining area is 239 ha, and the average age of standing forests is 8 years. The fair value adjustment of this crop is made using the discounted cash flow.

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

	Parenty Company		Consolidated	
	12/31/2021 (*)	12/31/2020 (**)	12/31/2021 (*)	12/31/2020 (**)
Soybean				
Harvested area (ha)	**184,879**	164,833	**229,449**	235,444
Productivity achieved (bag/ha)	**66**	63	**64**	64
Average price (R$/bag) (***)	**R$ 113.70**	R$ 73.79	**R$ 119.62**	R$ 75.13
Corn				
Harvested area (ha)	**90,981**	71,874	**112,861**	86,271
Productivity achieved (bag/ha)	**95**	125	**94**	120
Average price (R$/bag) (***)	**R$ 42.16**	R$ 31.66	**R$ 40.27**	R$ 30.91
Cotton seed				
Harvested area (ha)	**95,652**	108,132	**109,599**	125,441
Productivity achieved (bag/ha)	**301**	287	**295**	285
Average price (R$/bag) (***)	**R$ 55.15**	R$ 39.40	**R$ 54.55**	R$ 39.15

(*) Data referring to the 2020/21 harvest on the date of calculation;
(**) Data referring to the 2019/20 harvest on the calculation date
(***) Average price at market value on the calculation date.

Below we present the main assumptions used in determining the fair value of biological assets for the 2021/22 harvest:

	Crop 2021/22	
	Parenty company	Consolidated
	12/31/2021	12/31/2021
Soybean		
Area at harvest point (ha)	46,224	103,181
Estimated productivity (bag/ha)	62	63
Average price (R$/bag)	142.76	136.82

Below we present the cycles of the main cultures of the Company:

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	November 01 to July 15
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	November 01 to July 15
Parceiro Farm	Formosa do Rio Preto – BA	November 01 to April 30	December 01 to August 30	November 01 to July 15
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
Paysandu Farm	São Desidério – BA	November 01 to April 30	December 01 to August 30	September 01 to July 15
Piracema Farm	Nova Mutum – MT	September 20 to March 20	December 20 to August 30	December 10 to July 10
Pirapora Farm	Santa Rita do Trivelato – MT	September 20 to March 20	December 20 to August 30	February 01 to July 10
Pejuçara Farm	Diamantino – MT	September 20 to March 20	December 20 to August 30	October 10 to July 10
Pampeira Farm	Parecis – MT	September 20 to March 20	December 20 to August 30	December 10 to July 10
Próspera Farm	Tabaporã – MT	September 20 to March 20	December 20 to August 30	February 01 to July 10

The Piracema, Pirapora, Pejuçara, Pampeira and Próspera farms, arising from the business combination with SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.), were included and will form part of the areas cultivated by the Company as of the 2021/22 harvest.

The following is an updated table of the planned area for crop year 2020/21 and a comparison with the previous crop year:

Crops	Área	Planted area 2020/21	Planted area 2019/20
Cotton	ha	109,604	125,462
Soybean (commercial + soy seed)	ha	229,449	235,444
Corn	ha	112,864	82,392
Other Crops (*)	ha	11,250	5,270
		463,167	448,568

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

For crop year 2021/22, the planted area forecast is planned as follows:

Crops	Área	Planned area 2021/22
Cotton	ha	177,093
Soybean (commercial + soy seed)	ha	334,966
Corn	ha	123,112
Other Crops (*)	ha	40,179
		675,350

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

The increase in the planted area planned for the 2021/22 harvest is due to the business combination with Terra Santa Agro S.A. and the new area of leased land with Agrícola Xingu S.A., related to Payssandu Farm.

b) Biological assets – cattle raising

The Company has a herd of cattle in the fattening mode, working with the Integrated Livestock Crop Project – ILP This system aims to optimize the use of the soil, in places where it is only possible to carry out a harvest (soybean), using the herd. as a second crop.

The fair value of cattle is calculated at market value, given the existence of an active market. The gain or loss on the change in the fair value of biological assets is recognized in profit or loss for the year 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. Thus, the measurement is based on the at sign, race and age group.

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

	Parenty company	Consolidated
Balances at December 31, 2020	15,667	20,756
Purchase cost	80,062	85,246
Variation in fair value adjustment (*)	13,163	18,177
Low por sale	(47,527)	(53,263)
Balances at december 31, 2021	**61,365**	**70,916**
Biological assets - cattle	51,011	56,478
Biological assets – adjustment at fair value	10,354	14,438

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

9. Recoverable taxes

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Income tax	3,791	49	4,861	708
Social contribution	63	-	152	12
ICMS	111,066	77,895	153,064	112,967
COFINS	12,021	10,381	55,704	26,993
PIS	2,650	2,295	13,361	5,635
IRRF recoverable	1,871	1,787	5,241	3,667
IRPJ/CSLL	15,329	-	15,750	-
Other	342	350	31,493	668
	147,133	92,757	279,626	150,650
Portion classified in current assets	49,616	28,521	126,936	39,447
Portion classified in non-current assets	97,517	64,236	152,690	111,203

The tax recoverable account was increased by R$ 54,613 due to the business combination. This amount, as mentioned in Note 2.f, as effectively performed, will be transferred by Terra Santa to the seller on the dates provided for in the Association Agreement. As a result, balances payable to former shareholders in the same amount were recorded in the consolidated, under the heading "securities payable", resulting in a liability of R$ 54,613 on the acquisition date.

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, 2021, a provision was recorded in the amount of R$ 21,123 (R$ 24,904 as of December 31, 2020), referring to ICMS tax credits whose loss is estimated due to non-realization. The estimated recovery of ICMS credits was based on the projection of ICMS debts and transfers of ICMS credits to third parties. The amount was recorded in "other operating expenses" in the income statement for the period.

	Parent Company			Consolidated		
Deadline	ICMS	COFINS	PIS	ICMS	COFINS	PIS
up to 1 year	37,419	9,261	2,047	40,359	38,349	9,786
1 to 2 years	37,199	45	10	55,441	6,155	1,352
2 to 3 years	16,695	-	-	27,263	-	-
over 3 years	19,753	2,715	593	30,001	11,200	2,223
	111,066	12,021	2,650	153,064	55,704	13,361

Social security contribution

In March 2021, a credit was recorded for the process that recognized the right, to the subsidiary SLC MIT Empreendimentos Agrícolas S / A, to exclude the revenues resulting from indirect exports from the calculation base of the social security contribution referred to in art. 25 of Law nº 8,870 / 94. The accumulated credit amount on December 31, 2021 recorded in the subsidiary is R$ 3,031, of which R$ 3,822 is the principal amount, R$ 1,119 of the Selic restatement, shown in the income statement for the period, having already offset amounts with federal taxes no amount of R$ 1,910.

Non-levy of IRPJ and CSLL on amounts related to SELIC in tax undue payments

On September 24, 2021, the Superior Federal Court - STF ("STF") unanimously ruled the non-levy of the IRPJ and CSLL on the amounts related to the SELIC rate, Received by the taxpayer due to the repetition of tax overdue. The Company has a Writ of Mandamus seeking recognition of the right to non-levy of IRPJ and CSLL on amounts arising from monetary restatement and interest on arrears, including SELIC, calculated on tax credits due to repeated tax overdue payments. The estimated and unrecorded benefit amount is approximately $ 4,000. The Company is awaiting the final and unappealable decision of its process for tax offsetting of the amounts.

The amount of the benefit calculated and recognized on December 31, 2021 is R$ 4,194, of which R$ 3,773 in the Parent Company (R$ 3,333 of principal and R$ 440 of Selic) and R$ 421 in the subsidiaries Fazenda Pioneira Empreendimentos Agrícolas S/ A and SLC-MIT Empreendimentos Agrícolas S/A, with R$ 369 as principal and R$ 52 as Selic. The Company awaits the final and unappealable decision of its process for effective tax offsetting of the amounts.

PIS/COFINS credit on fixed assets

In August 2021, the Writ of Mandamus of the Parent Company and subsidiary Fazenda Planorte S/A became final, in which the full use of PIS and COFINS credits, levied on the acquisition of machinery, equipment, buildings, real estate and other. goods incorporated into property, plant and equipment, acquired for use in the production of goods intended for sale, and related to buildings and improvements in own or third-party properties, used in the activities of the companies. The period claimed was from April 2004 to December 2008. On December 31, 2021, the Company recognized the total amount of R$ 4,858, of which R$ 2,990 in the Parent Company (R$1,369 of principal and R$ 1,621 of Selic) and R$ 1,868 in the subsidiary Fazenda Planorte Empreendimentos Agrícolas Ltda. (R$876 in principal and R$992 in Selic.)

Bonus credit referring to the reduction of the ICMS calculation base

On December 31, 2021, the Company recognized the amount of R$ 11,556 of IRPJ and CSLL, referring to the subsidy to reduce the ICMS tax base, of which R$ 9,936 is principal and R$ 1,621 is Selic. The period for raising this credit was from January 2012 to June 2021. This process became final on 07/29/2019, and the Company filed a lawsuit to repeat the undue payment for settlement by means of a precatory.

10. Securities and credits receivable

As of December 31, 2021 and 2020, the balance of receivables is composed as follows:

	Consolidated
Balance at december 31, 2020	33,907
Business combination	33,271
Monetary variation	1,149
Withholding income tax	(512)
Receipts	(17,852)
Others (*)	(1,082)
Balance at december 31, 2021	**48,881**
Portion classified in current assets	21,919
Portion classified in non-current assets	26,962

(*) The amount of R$2,717 was received with no cash effect, having been offset by amounts payable.

Sale of land in the subsidiaries Fazenda Paiaguás and Fazenda Parceiro

Subsidiary Fazenda Paiaguás Empreendimentos Agrícolas Ltda. and Farm Parceiro Empreendimentos Agrícolas Ltda., 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, with only the balance remaining pending contractually agreed condition precedent not yet superseded. The updated balance as of December 31, 2021 is R$12,185

In December 2019 there was a new amendment to the contract, with the replacement of an area of the Fazenda Parceiro with another area in the same unit, as provided for in the initial pact as a possibility. With the completion of the dismemberment of the replaced area, the parties identified a difference in agricultural area, causing a difference to be paid to the seller in the amount of R$ 212, according to the amendment signed in December 2021. As a result of this amendment signed, it was released from the escrow account the amount of R$ 18,364.

Receivables related to the business combination

The parties involved in the business combination agreed to a price adjustment as part of the consideration for the business combination, which resulted in a balance payable of R$ 8,000 from Terra Santa Properties Agrícolas to the Company, corresponding to the variation in assets and liabilities and the present value of tax credits described in note 2.f. As per the material fact of October 29, 2021, the parties gave full discharge of the amounts in continuity with the closing of the transaction.

Additionally, the accounts receivable account was increased by R$ 5,022 as a result of the business combination. This amount, as mentioned in note 2.f, as it is effectively realized, will be transferred to the selling party by Terra Santa on the dates provided for in the Association Agreement. As a result, balances payable to former shareholders of the same amount were recorded in the consolidated statement under "securities payable", resulting in a liability of R$ 5,022 on the acquisition date.

In addition, as described in the same note, a balance receivable from sellers in the amount of R$ 28,250 was recorded in Terra Santa, referring to contingencies and bills payable which, once paid by Terra Santa, will be reimbursed by the former sellers, without burden to the Terra Santa.

Complements the item "securities receivable" balances of other amounts receivable in the amount of R$ 1,211 on december 31, 2021 (R$ 4,401 on December 31, 2020).

11. Investments (Parent company)

Total investments at December 31, 2021 and 2020 are comprised of the following:

	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Investments parent company	3,540,305	2,212,789	-	-
Capital Gains in Fixed Assets, net of tax effects (note 2.f)	62,470	-	-	-
Capital gains on leases, net of tax effects (note 2.f)	7,821	-	-	-
Goodwill investment SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.) (note 2.f)	47,355	-	-	-
Other equity interests	305	-	1,640	-
	3,658,256	2,212,789	1,640	-

The relevant investments in subsidiaries, valued by the equity method, with a balance on December 31, 2021, are shown in the table below:

Investiment	Capital stock	Shareholders' equity	Unrealized profit in equity in transactions with related parties	Adjustments to IFRS 16 / CPC 06 (R2) in shareholders' equity	Added value in business combination	Goodwill Investment	Percentage of interest	Equity participation
Fazenda Parnaíba Emp, Agr, Ltda,	21,053	198,126	-	(33,431)	-	-	100.00%	164,695
Fazenda Planorte Emp, Agr, Ltda,	57,099	245,398	-	(23,038)	-	-	100.00%	222,360
Fazenda Pioneira Emp, Agr, S,A,	91,672	138,356	-	-	-	-	50.00%	69,178
SLC-MIT Emp, Agr, S,A,	109,981	174,813	(21,134)	(3,920)	-	-	52.20%	75,399
SLC Invest, Agrícolas Ltda,	279,405	830,308	-	985	-	-	100.00%	831,293
Fazenda Pamplona Emp, Agr, Ltda,	31,766	175,122	-	(12,413)	-	-	100.00%	162,709
Fazenda Planalto Emp, Agr, Ltda,	9,137	246,221	-	(12,261)	-	-	100.00%	233,960
Fazenda Palmares Emp, Agr, Ltda,	109,800	217,734	-	(1,855)	-	-	100.00%	215,879
Fazenda Parnaguá Emp, Agr, Ltda,	34,291	50,003	-	5,332	-	-	100.00%	55,335
Fazenda Paineira Emp, Agr, Ltda,	73,985	223,178	-	-	-	-	6.082%	13,569
Fazenda Paiaguás Emp, Agr, Ltda,	20,347	238,483	-	(25,420)	-	-	100.00%	213,063
SLC Perdizes Emp, Agr, Ltda,	77,163	124,080	-	(4,501)	-	-	100.00%	119,579
SLC Agrícola Centro-Oeste S,A,	3,240,783	1,163,287	-	-	70,291	47,355	100.00%	1,280,932
								3,657,951

Investiment	Net income for the period	Unrealized profit in income for the period in operations with related parties	Adjustments to IFRS 16 / CPC 06 (R2) for the period	Equity in income of s ubsidiaries and associated companies
Fazenda Parnaíba Emp, Agr, Ltda,	34,735	-	(4,584)	30,151
Fazenda Planorte Emp, Agr, Ltda,	49,370	-	(5,355)	44,015
Fazenda Pioneira Emp, Agr, S,A,	58,251	-	-	29,125
SLC-MIT Emp, Agr, S,A	93,898	(21,134)	(2,083)	36,893
SLC Invest, Agrícolas Ltda,	99,859	-	(279)	99,580
Fazenda Pamplona Emp, Agr, Ltda,	24,457	-	(4,650)	19,807
Fazenda Planalto Emp, Agr, Ltda,	35,239	-	(1,770)	33,469
Fazenda Palmares Emp, Agr, Ltda,	51,067	17	3,063	54,147
Fazenda Parnaguá Emp, Agr, Ltda,	5,054	-	3,484	8,538
Fazenda Paineira Emp, Agr, Ltda,	74,944	-	-	4,558
Fazenda Paiaguás Emp, Agr, Ltda,	54,241	-	(5,353)	48,888
SLC Perdizes Emp, Agr, Ltda,	13,118	-	503	13,621
SLC Agrícola Centro-Oeste S,A,	57,329	-	-	57,329
				480,121

The main movements in investments in direct permanent equity interests, as at December 31, 2021, are as follows:

Investiment	Balance on 12/31/2020	Investee's equity	Increase in participation	Capital gains (3)	Goodwill investment	Distributed dividends	Equity accounting	Unrealized gain/ (loss) with hedge instruments	Balance on 12/31/2021
Fazenda Parnaíba Emp, Agr, Ltda,	165,875	-	-	-	-	(31,331)	30,151	-	164,695
Fazenda Planorte Emp, Agr, Ltda,	229,920	-	-	-	-	(51,575)	44,015	-	222,360
Fazenda Pioneira Emp, Agr, S,A, 1	47,386	-	-	-	-	(6,918)	29,125	(415)	69,178
SLC-MIT Emp, Agr, S,A,1	57,794	-	-	-	-	(11,640)	36,893	(7,648)	75,399
SLC Invest, Agrícolas Ltda,	747,508	-	-	-	-	(15,795)	99,580	-	831,293
Fazenda Pamplona Emp, Agr, Ltda,	166,371	-	-	-	-	(23,469)	19,807	-	162,709
Fazenda Planalto Emp, Agr, Ltda,	236,514	-	-	-	-	(36,023)	33,469	-	233,960
Fazenda Palmares Emp, Agr, Ltda,	179,732	-	-	-	-	(18,000)	54,147	-	215,879
Fazenda Parnaguá Emp, Agr, Ltda, 2	54,357	-	-	-	-	(7,560)	8,538	-	55,335
Fazenda Paineira Emp, Agr, Ltda,	9,192	-	-	-	-	(181)	4,558	-	13,569
Fazenda Paiaguás Emp, Agr, Ltda,	212,182	-	-	-	-	(48,007)	48,888	-	213,063
SLC Perdizes Emp, Agr, Ltda,	105,958	-	-	-	-	-	13,621	-	119,579
SLC Agrícola Centro-Oeste S,A,	-	65,418	1,070,000	70,291	47,355	-	57,329	(29,461)	1,280,932
	2,212,789	65,418	1,070,000	70,291	47,355	(250,499)	480,121	(37,524)	3,657,951

(1) The Company has control over Fazenda Pioneira Empreendimentos Agrícolas S.A. and SLC-MIT Empreendimentos Agrícolas S.A. as it is responsible for managing the relevant activities of these companies, being exposed to variable investment returns due to its power over it.
(2) Dividend received from Fazenda Parnagua Emp. Ag. Ltda, in the amount of R$7,560, of which R$2,717 is non-cash.
(3) Capital gains net of the effect of deferred taxes, in addition to the realization due to depreciation, in the amount of R$ 9,789 (net of taxes) occurred in the third quarter of 2021.

The following is the main information on investments in permanent equity investments as of December 31, 2021:

Investments	Directly and indirectly controlled						
	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
Fazenda Parnaíba Emp, Agr, Ltda,	234	210,664	2,503	10,269	198,126	42,318	7,584
Fazenda Planorte Emp, Agr, Ltda,	2,418	252,014	1,428	7,606	245,398	59,177	9,807
Fazenda Pioneira Emp, Agr, S,A,	134,194	116,097	73,076	38,859	138,356	318,872	260,621
SLC-MIT Emp, Agr, S,A,	439,974	274,902	396,734	143,330	174,813	704,761	610,862
SLC Investimentos Agricolas Ltda	677	855,379	11,570	14,178	830,308	102,257	2,398
Fazenda Pamplona Emp, Agr, Ltda	193	181,512	477	6,106	175,122	30,112	5,655
Fazenda Planalto Emp, Agr, Ltda,	207	255,660	601	9,045	246,221	42,973	7,734
Fazenda Palmares Emp, Agr, Ltda	5,844	217,408	1,627	3,891	217,734	55,879	4,812
Fazenda Parnaguá Emp, Agr, Ltda,	1,961	48,834	135	657	50,003	6,420	1,367
Fazenda Paineira Emp, Agr, Ltda,	6,722	221,582	323	4,803	223,178	78,544	3,600
Fazenda Paiaguás Emp, Agr, Ltda,	12,470	236,726	1,421	9,292	238,483	64,603	10,363
SLC Perdizes Emp, Agrícolas Ltda,	170	129,479	4,717	852	124,080	19,611	6,493
SLC Agrícola Centro-Oeste S,A,	1,230,343	1,730,264	725,769	1,071,551	1,163,287	706,222	648,894
SLC LandCo Emp, Agrícolas S,A,	8,670	566,854	1,145	-	574,379	32,643	2,100
Fazenda Planeste Emp, Agr, Ltda,	6,468	137,154	332	3,991	139,299	13,231	2,758
Fazenda Piratini Emp, Agr, Ltda	745	139,116	236	9,535	130,090	9,096	1,764
Fazenda Panorama Emp, Agr, Ltda,	8,691	114,682	231	2,241	120,901	9,203	2,147
Fazenda Palmeira Emp, Agr, Ltda,	909	22,010	164	12,987	9,768	2,368	317
Fazenda Parceiro Emp, Agr, Ltda,	944	120,833	1,489	133	120,155	4,541	987

12. Investment property

	Balance at 12/31/2020	Reclassification	Adjustment on fair value attributed to investment property	Business combination (note 2.f)	Others	Balance at 12/31/2021
Crop lands	92,647	-	-	-	-	92,647
Buildings and improvements	1,572	(20)	2,245	3,400	(349)	6,848
Soil correction and development	10,954	-	-	-	-	10,954
Gain on fair value	119,021	-	103,799	-	-	222,820
Total	224,194	(20)	106,044	3,400	(349)	333,269
Fair value adjustments-Income			106,044			106,044

Investment property includes cropland and the infrastructure on it that is leased to third parties.

Investment properties are recorded at fair value, which was determined based on valuations carried out by independent appraisers, in August 2021. The Company performs an annual evaluation of the fair value of the assets registered as investment properties.

The fair value of properties was determined using the direct comparative method of market data, which consists of determining the market value of an asset by comparing it to similar ones, through their sale prices, in view of their similar characteristics. In this method, adjustments are made through the use of factors that aim to correct any differences between the goods available on the market and the goods being evaluated. To determine the fair value of investment properties, the Company adopts "Level 3". The change in the fair value of investment properties was recorded in the statement of income for the year, under "Other operating income (expenses)".

Investment property rental income

Income from rental of investment property is recognized in profit or loss on the straight-line method over the lease term. Lease incentives granted are recognized as an integral part of total rental income, for the period of the lease. Revenue from the rental of other properties is recognized as operating income. As of December 31, 2021, rental revenue totaled R$ 14,681 (R$ 7,587 as of December, 2020).

The investment properties account was increased by R$ 3,400 due to the business combination. This amount, as mentioned in explanatory note 2., as it is effectively realized, will be transferred by SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.) to the selling party on the dates provided for in the Association Agreement. As a result, in Terra Santa, balances payable to former shareholders of the same amount were recorded under "accounts payable – TESA transaction", resulting in a liability of R$ 3,400 on the acquisition date.

13. Leasing operations

The movement of the right-of-use assets in the year ended December 31, 2021 is shown below:

	Parent company	Consolidated
Balance at 12/31/2020	2,463,254	828,496
Business Combination	-	1,092,732
Added value achievement	-	(5,545)
Remeasurement	1,558,398	644,100
Additions of new contracts	706,814	730,311
(-) Amortization of the right to use asset	(327,738)	(247,909)
Balance at 12/31/2021	4,400,728	3,042,185
Cotton rental	16,397	20,811
Culture lands	4,330,349	2,957,737
Leasing of buildings	11,682	13,651
Machinery	32,524	39,352
Rental cars	9,776	10,634
	4,400,728	3,042,185

Amortization of right of use in the period:		
Cotton rental	(1,584)	(2,432)
Culture lands	(314,308)	(232,302)
Leasing of buildings	(1,061)	(1,404)
Machinery	(5,624)	(6,105)
Rental cars	(5,161)	(5,666)
Total period	(327,738)	(247,909)

The change in lease liabilities in the year ended December 31, 2021 is shown below:

	Parent company	Consolidated
Balance at 12/31/2020	2,615,382	934,284
Business Combination (note 2.f)	-	1,088,008
Added value	-	(1,807)
Additions of new contracts and remeasurement lease liability	2,265,212	1,374,411
Realization of the APV on lease liabilities	315,157	175,149
(-) Payments (*)	(489,440)	(233,657)
Balance at 12/31/2021	4,706,311	3,336,388
Liabilities current	619,114	511,932
Intercompany (note 15.a)	287,194	-
Third-party	331,920	511,932
Liabilities non-current	4,087,197	2,824,456
Intercompany (note 15.a)	2,310,609	-
Third-party	1,776,588	2,824,456

(*) The amount of R$2,717 was without cash effect, having been offset against amounts receivable.

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. The applied rates are informed in notes 16.c and 24.2.

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.

On April 8, 2021, the Company signed two lease agreements with Agrícola Xingu S.A, totaling a leased area of 39 thousand hectares. At Paysandu Farm, in the state of Bahia, a lease agreement was signed with an area of 34.3 thousand hectares, with a term until 2036. At Pamplona Farm, in the state of Goiás, the contract is equivalent to an area of 4.7 thousand hectares, with a deadline until 2031.

Impacts on the result

With the implementation of CPC 06 (R2) (IFRS 16) in 2019, all leases are now accounted for under a single model, similar to the accounting for finance 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$ 315,157 in the parent company and R$ 175,149 in the consolidated (R$ 154,759 in the parent company and R$ 61,106 in the consolidated, for the same period in 2020).

The expense for the year referring to variable lease payments, not included in the measurement of the lease liability, was R$ 3,038 in the parent company and R$24,562 unconsolidated (R$6,553 in the parent company and R$ 11,936 unconsolidated, for the same period in 2020).

The Company has land lease agreements with its subsidiaries, as described in note 15. 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$ 5,029 (R$ 4,814 in parent company revenue for the same period in 2020)

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, 2021, the gross contractual flow of lease agreements entitled to PIS / COFINS credit is R$ 8,211,574 at the parent company and R$ 5,403,799 at the consolidated (R$ 4,448,983 at the parent company and R$ 1,300,043 in the consolidated, as of December 31, 2020). The potential PIS and COFINS credit on the gross contractual flow, brought to present value, is R$ 461,984 in the parent company and R$ 272,695 in the consolidated (R$ 283,066 in the parent company and R$ 86,245 in the consolidated, as of December 31, 2020).

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	4,400,728	7,420,105
Liabilities leasing - current	619,114	651,456
Liabilities leasing - non current	4,087,197	7,074,231

	Consolidated	
	Considerations without inflation (1)	Considerations with inflation (2)
Right of use asset	3,042,185	4,609,163
Liabilities leasing - current	511,932	538,602
Liabilities leasing - non current	2,824,456	4,364,764

(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	646,806	682,182	548,889	579,150
1 to 2 years	632,503	700,451	506,569	560,988
2 to 3 years	589,915	687,802	448,504	522,926
3 to 4 years	575,545	707,070	413,274	507,717
4 to 5 years	570,151	738,239	403,274	521,903
over 5 years	5,263,852	9,619,407	3,545,316	7,072,115
	8,278,772	13,135,151	5,865,826	9,764,799

(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 December 31, 2021 (a rental concession would meet this condition if it results in reduced rental payments on or before December 31, 2021 and increased rental payments that extend beyond December 31, 2021); and
- There are no substantial changes to other lease terms and conditions.

During the year ended December 31, 2021, 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

	Parent Company					
Cost of the gross fixed assets	Balance on 12/31/2020	Additions	Write-offs	Transfers	Reclassification	Balance on 12/31/2021
Soil correction and development	466,245	108,219	-	(62)	-	574,402
Buildings and improvements	296,623	805	(128)	6,554	6	303,860
Agricultural equipment and industrial facilities	843,611	139,257	(40,098)	648	-	943,418
Vehicles	52,671	3,381	(1,972)	10	(7)	54,083
Furniture and fixtures	16,231	2,753	(269)	(119)	-	18,596
Equipment and facilities of the office	28,420	15,214	(840)	(479)	6	42,321
Other	3,787	441	(118)	1	-	4,111
Works in progress	9,049	67,148	-	(6,553)	-	69,644
Plants carrier	4,239	-	(4,239)	-	-	-
Total	1,720,876	337,218	(47,664)	-	5	2,010,435

Depreciation	Balance on 12/31/2020	Depreciation	Write-offs	Reclassification	Balance on 12/31/2021
Soil correction and development	(315,626)	(29,871)	-	-	(345,564)
Buildings and improvements	(54,227)	(10,557)	13	-	(64,797)
Agricultural equipment and industrial facilities	(448,721)	(61,979)	29,379	1	(481,026)
Vehicles	(21,425)	(4,570)	1,179	4	(24,936)
Furniture and fixtures	(7,915)	(1,364)	212	-	(9,051)
Equipment and facilities of the office	(13,504)	(5,421)	753	-	(18,273)
Others	(60)	(5)	2	-	(55)
Plants carrier	(4,239)	-	4,239	-	-
Total	(865,717)	(113,767)	35,777	5	(943,702)

Net residual value	12/31/2020	12/31/2021
Soil correction and development	150,619	228,838
Buildings and improvements	242,396	239,063
Agricultural equipment and industrial facilities	394,890	462,392
Vehicles	31,246	29,147
Furniture and fixtures	8,316	9,545
Equipment and facilities of the office	14,916	24,048
Other	3,727	4,056
Works in progress	9,049	69,644
Total	855,159	1,066,733

	Consolidated							
Cost of the gross fixed assets	Balance on 12/31/2020	Business Combination (explanatory note 2.f)	Added Vaue (explanatory note 2.f)	Additions	Write-offs	Transfers	Reclassification (*)	Balance on 12/31/2021
Crop lands	1,720,026	-	-	321	(10)	(20)	-	1,720,317
Soil correction and development	720,472	26,473	-	153,372	-	785	-	901,102
Buildings and improvements	513,291	1,536	2,090	1,060	(481)	8,381	6	525,883
Agricultural equipment and industrial facilities	988,945	69,735	81,921	171,752	(45,049)	2,796	28	1,270,128
Vehicles	59,431	10,446	20,868	3,471	(2,231)	10	(7)	91,988
Furniture and fixtures	18,944	1,848	793	3,016	(363)	(105)	-	24,133
Equipment and facilities of the office	35,837	722	73	16,259	(1,089)	(439)	6	51,369
Other	8,092	-	-	594	(118)	1	-	8,569
Works in progress	10,833	2,552	-	75,039	-	(11,409)	(4)	77,011
Plants carrier	4,239	-	-	-	(4,239)	-	-	-
Total	4,080,110	113,312	105,745	424,884	(53,580)	-	29	4,670,500

(*) Reclassification to intangible assets, available for sale and investment property in the amount of R$ 21.

Depreciation	Balance on 12/31/2020	Added value depreciation (**)	Depreciation	Write-offs	Transfers	Reclassification (*)	Balance on 12/31/2021
Soil correction and development	(454,551)	-	(48,698)	-	(67)	-	(503,316)
Buildings and improvements	(122,079)	(445)	(20,836)	250	(26)	20	(143,116)
Agricultural equipment and industrial facilities	(504,554)	(7,607)	(82,858)	32,974	294	(20)	(561,771)
Vehicles	(24,973)	(2,908)	(5,501)	1,376	(124)	4	(32,126)
Furniture and fixtures	(8,919)	(122)	(1,765)	282	16	-	(10,508)
Equipment and facilities of the office	(15,870)	(13)	(6,143)	983	(101)	-	(21,144)
Other	(381)	-	(85)	2	8	-	(456)
Plants carrier	(4,239)	-	-	4,239	-	-	-
Total	(1,135,566)	(11,095)	(165,886)	40,106	-	4	(1,272,437)

Net residual value	12/31/2020	12/31/2021
Crop lands	1,720,026	1,720,317
Soil correction and development	265,921	397,786
Buildings and improvements	391,212	382,767
Agricultural equipment and industrial facilities	484,391	708,357
Vehicles	34,458	59,862
Furniture and fixtures	10,025	13,625
Equipment and facilities of the office	19,967	30,225
Other	7,711	8,113
Works in progress	10,833	77,011
Total	2,944,544	3,398,063

(*) Reclassification to intangible assets, available for sale and investment property in the amount of R$ 21.
(**) Depreciation of the surplus value in the period of items arising from the business combination with Terra Santa Agro S.A, depreciated over their useful life, allocated to income for the period.

b) Construction in progress

As of December 31, 2021, the balance of works in progress, in the amount of R$ 69,644 in the parent company and R$ 77,011 in the consolidated, is substantially represented by works in cotton farming, new headquarters, drilling of wells, construction of warehouses, sheds, integration of livestock and other improvements

The amount of interest capitalized on construction in progress in the period ended December 31,2021 was R$ 1,830 (R$ 728 as of December 31, 2020). The capitalization rate used in determining the amount of borrowing costs eligible for capitalization was approximately 4.34% y.y.

c) Guarantees

At December 31, 2021 and December 31, 2020, property, plant and equipment were pledged as collateral for mortgages, bank loans and lawsuits, as shown below:

Assets under secure	Parent Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Hypothec	-	-	-	134,753
Pledge of financing	12,285	10,514	19,900	17,661
Assets in legal proceedings	9,800	14,232	9,800	14,232
	22,085	24,746	29,700	166,646

15. Intangible

Gross intangible cost	Parent Company					
	Balance on 12/31/2020	Additions	Write-offs	Transfers	Reclassification	Balance on 12/31/2021
Software	21,915	1,524	(145)	61,439	-	84,733
Import of new system	30,661	35,505	-	(61,439)	(12)	4,715
Total	52,576	37,029	(145)	-	(12)	89,448

Amortization	Balance on 12/31/2020	Additions	Write-offs	Reclassification	Balance on 12/31/2021
Software	(17,336)	(2,302)	145	(1)	(19,494)
Total	(17,336)	(2,302)	145	(1)	(19,494)

Net residual value	Balance on 12/31/2020	Balance on 12/31/2021
Software	4,579	65,239
Import of new system	30,661	4,715
Total	35,240	69,954

Gross intangible cost	Consolidated						
	Balance on 12/31/2020	Business Combination (explanatory note 2.f)	Additions	Write-offs	Transfer	Reclassification	Balance on 12/31/2021
Software	22,342	290	1,529	(145)	61,911	(29)	85,898
Import of new system	30,661	472	35,505	-	(61,911)	(12)	4,715
Goodwill	-	-	47,355	-	-	-	47,355
Brands and patents	-	174	-	-	-	4	178
Total	53,003	936	84,389	(145)	-	(37)	138,146

Amortization	Balance on 12/31/2020	Additions	Write-offs	Reclassification	Balance on 12/31/2021
Software	(17,713)	(2,415)	145	21	(19,962)
Total	(17,713)	(2,415)	145	21	(19,962)

Net residual value	Balance on 12/31/2020	Balance on 12/31/2021
Software	4,629	65,936
Import of new system	30,661	4,715
Goodwill	-	47,355
Brands and patents	-	178
Total	35,290	118,184

(*) Reclassification to property, plant and equipment in the amount of R$ 16.
(*) Transfer of BRL 61,911 referring to activation of the SAP system.

Goodwill paid for expected future profitability

Goodwill calculated in the amount of R$ 47,355, arising from the business combination with Terra Santa Agro S.A., represents the expected future economic benefit of the synergy arising from the acquisition, as described in note 2.f.

To determine the recoverable amount of goodwill, the Company used cash flow projections, before income tax and social contribution, based on financial budgets approved by Management for a period of 20 years, considering the following assumptions:

a) Revenues: projected from 2022 to 2042, considering yields increasing up to the SLC standard, in the first 5 years, and then stabilizing in the other periods and futures prices available until the foreseeable period;
b) Costs and expenses: designed taking into account the benchmarking of SLC farms, in the same region and with the same operating conditions;
c) Discount rate: the discount rate used was 9.27% y.y.

On December 31, 2021, the Company carried out tests to review the recoverable amount and concluded that there are no factors that indicate impairment losses, given that the recoverable amount exceeded the carrying amount.

16. Balances and transactions with related parties

At December 31, 2021 and December 31, 2020, the Parent Company's balances and transactions with related parties are as follows:

a) Related-party balances

Balances receivable from related parties:

	Parent company		Consolidated	
	Other accounts receivable		Other accounts receivable	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Direct subsidiaries				
Fazenda Parnaíba Empr. Agr. Ltda	-	1,046	-	-
Fazenda Perdizes Empr. Agr. Ltda	6,974	2,545	-	-
Fazenda Pioneira Empr. Agr. S.A.	3,491	255	-	-
SLC Perdizes Empr. Agr. Ltda	4,371	23,028	-	-
SLC Agrícola Centro Oeste S.A.	34,380	-	-	-
Indirect subsidiaries				
SLC - MIT Empr. Agr. S.A.	9,764	455	-	-
Fazenda Parceiro Empr. Agr. Ltda	-	384	-	-
Parent company				
SLC Participações S.A.	20	-	20	-
Other related parties	-	8	-	8
	59,000	27,721	20	8
Portion classified as current	52,351	2,475	20	8
Portion classified as non-current	6,649	25,246	-	-

Balances payable to related parties:

	Parent company						Consolidated	
	Leases payable		Other accounts payable		Total payable		Other accounts payable	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Direct subsidiaries								
Fazenda Parnaíba Empr. Agr. Ltda	306,516	228,545	7,706	-	314,222	228,545	-	-
Fazenda Planorte Empr. Agr. Ltda	508,619	338,495	5,905	-	514,524	338,495	-	-
Fazenda Pamplona Empr. Agr. Ltda	259,873	157,921	8,006	-	267,879	157,921	-	-
Fazenda Planalto Empr. Agr. Ltda	376,362	230,491	10,158	-	386,520	230,491	-	-
Fazenda Pioneira Empr. Agr. S.A	-	-	84	-	84	-	-	-
Fazenda Palmares Empr. Agr. Ltda	89,440	113,870	3,203	-	92,643	113,870	-	-
Fazenda Parnagua Empr. Agr. Ltda	80,691	55,406	2,652	-	83,343	55,406	-	-
Fazenda Parceiro Empr. Agr. Ltda	54,412	34,335	29,324	-	83,736	34,335	-	-
Fazenda Paiaguás Emp. Agr. Ltda.	573,885	361,399	21,767	-	595,652	361,399	-	-
SLC Agrícola Centro-Oeste S.A.	-	-	11,864	-	11,864	-	-	-
Indirect subsidiaries								
Fazenda Planeste Empr. Agr. Ltda	116,887	75,891	-	-	116,887	75,891	-	-
Fazenda Panorama Empr. Agr. Ltda	78,906	53,359	-	-	78,906	53,359	-	-
Fazenda Piratini Empr. Agr. Ltda	108,179	42,547	-	-	108,179	42,547	-	-
Fazenda Perdizes Empr. Agr. Ltda	-	-	9	573	9	573	-	-
SLC - MIT Empr. Agr. S.A.	-	-	7,936	721	7,936	721	-	-
Fazenda Palmeira Emp. Agr. Ltda.	20,947	8,319	-	-	20,947	8,319	-	-
SLC Landco Empr. Agr. Ltda	23,086	21,590	-	-	23,086	21,590	-	-
Fazenda Paineira Empr. Agr. Ltda	-	-	9,007	-	9,007	-	-	-
Subsidiaries								
SLC Participações S.A.	-	-	-	16	-	16	-	16
Other related parties	-	-	-	-	-	-	79	102
	2,597,803	1,722,168	117,621	1,310	2,715,424	1,723,478	79	118
Liabilities current	287,194	204,525	117,621	1,310	404,815	205,835	79	118
Liabilities non-current	2,310,609	1,517,643	-	-	2,310,609	1,517,643	-	-

The amounts recorded in the group of "other accounts payable" are substantially represented by loan agreements between the Company and its subsidiaries.

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

b) Transactions with related parties

	Amortization of the right to use (IFRS 16)		APV-Liabilities Rental (IFRS16)	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Direct subsidiaries				
Fazenda Parnaíba Empr. Agr. Ltda	13,090	6,415	24,261	11,444
Fazenda Planorte Empr. Agr. Ltda	14,147	8,081	37,340	15,790
Fazenda Pamplona Empr. Agr. Ltda	6,655	4,929	18,432	8,608
Fazenda Planalto Empr. Agr. Ltda	13,883	9,082	26,818	14,725
Fazenda Palmares Empr. Agr. Ltda	6,370	4,430	10,512	9,044
Fazenda Parnagua Empr. Agr. Ltda	3,521	2,067	6,079	4,003
Fazenda Parceiro Empr. Agr. Ltda	1,149	743	3,620	2,069
Fazenda Paiaguás Emp. Agr. Ltda.	16,774	7,948	41,123	14,711
Indirect subsidiaries				
Fazenda Planeste Empr. Agr. Ltda	6,126	5,031	7,827	6,924
Fazenda Panorama Empr. Agr. Ltda	3,826	3,245	5,410	4,840
Fazenda Piratini Empr. Agr. Ltda	-	81	5,357	3,012
Fazenda Perdizes Empr. Agr.Ltda	430	-	-	-
Fazenda Palmeira Emp. Agr. Ltda.	397	82	1,062	276
SLC Landco Empr. Agr. S.A.	2,823	2,770	1,240	1,291
Subsidiaries				
SLC Participações S.A.	176	135	22	12
	89,367	55,039	189,103	96,749

	Sales of goods/products/ property, plant and equipment		Purchases of goods/ products/ Corporate TI		Financial expenses - Warranty Fee	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Direct subsidiaries						
Fazenda Pioneira Empr. Agr. Ltda	5,187	4,893	2,238	-	-	-
SLC Agrícola Centro-Oeste S.A.	31,862	-	-	-	-	0
Indirect subsidiaries						
Fazenda Perdizes Empr. Agr.Ltda	12,172	4,733	-	566	-	-
SLC MIT Empr. Agr. S.A.	12,416	6,866	47,824	7,903	-	-
Subsidiaries						
SLC Participações S.A.	-	-	193	135	5	11
Other related parties						
Fundação SLC	-	-	2,355	-	-	-
Instituto SLC	-	-	2,070	-	-	-
	61,637	16,492	54,680	8,603	5	11

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, 2021, the lease liability with its subsidiaries can be demonstrated as follows:

Farm	Localization	Accounting value	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Parnaiba	Tasso Fragoso - MA	**306,516**	37,606	11,080	12,163	13,303	14,685	217,680
Planorte	Sapezal - MT	**508,619**	53,100	11,390	12,425	13,467	14,817	403,421
Pamplona	Cristalina - GO	**259,873**	26,796	5,604	6,108	6,612	7,271	207,481
Planalto	Costa Rica - MS	**376,362**	38,808	8,117	8,845	9,576	10,531	300,486
Palmares	Barreiras - BA	**96,416**	12,220	3,947	4,332	4,739	5,226	65,951
Parnaguá	Santa Filomena - PI	**80,691**	6,266	1,075	70	1,311	2,715	69,254
Parceiro	Formosa do Rio Preto - BA	**54,412**	4,905	833	1,418	2,050	2,768	42,438
Paiaguás	Diamantino - MT	**573,885**	59,174	12,377	13,489	14,602	16,057	458,185
Planeste	Balsas - MA	**116,887**	16,177	6,419	7,037	7,699	8,469	71,087
Panorama	Correntina - BA	**78,906**	10,921	4,333	4,750	5,197	5,717	47,988
Piratini	Jaborandi - BA	**108,179**	14,972	5,941	6,513	7,125	7,838	65,790
Palmeira	Alto Parnaiba - MA	**20,947**	2,567	758	832	910	1,004	14,875
Matriz	Porto Alegre - RS	**16,110**	**3,682**	**2,824**	**3,009**	**3,208**	**3,386**	-
		2,597,803	287,194	74,698	80,991	89,799	100,485	1,964,636
Liabilities current		**287,194**						
Liabilities non current		**2,310,609**						

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 Agricola 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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Management fee	(7,487)	(5,963)	(7,816)	(6,391)
Bonuses	(4,246)	(2,973)	(4,745)	(3,083)
Charges	(3,881)	(2,899)	(3,970)	(3,038)
Stock option plan	(2,400)	(1,810)	(2,400)	(1,810)
Other benefits	(22)	(395)	(22)	(394)
Total	(18,036)	(14,040)	(18,953)	(14,716)

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 April 29, 2021, the global annual remuneration of the Parent Company's administrators was approved, in the amount of up to R$ 17,870, 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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Suppliers	671,234	732,358	1,009,194	870,902
Total	671,234	732,358	1,009,194	870,902

As of December 31, 2021, the balances in foreign currency in the Parent company total the amount of US$ 13,688 and in the Consolidated US$ 54,407 (US$ 28,080 in the Parent Company and US$ 33,869 in the Consolidated, as of December 31, 2020), as per note 25.c.

18. Loans and financing

	Index	Average annual interest rates (%)		Parent company		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Used in the property, plant and equipment							
Finame - BNDES	Pré	5.55%	5.43%	25,866	34,866	42,529	57,053
				25,866	34,866	42,529	57,053
Invested in working capital							
Rural credit	Pré	5.50%	4.30%	4,070	3,046	18,299	12,186
Rural credit	CDI	10.27%	-	153,315	-	153,315	-
Working capital (CRA)	CDI	-	1.88%	-	360,346	-	360,346
Working capital (CRA)	IPCA + Pré	11.00%	8.19%	534,015	481,270	534,015	481,270
Working capital	CDI	10.81%	3.51%	283,151	298,384	308,784	361,959
Working capital	Swap CDI	9.99%	6.28%	390,570	215,977	390,570	215,977
Export financing	CDI	10.73%	3.24%	346,092	328,928	406,359	481,671
Export financing	Swap EUR/US$	10.22%	1.33%	643,906	345,637	745,351	464,527
				2,355,119	2,033,588	2,556,693	2,377,936
				2,380,985	2,068,454	2,599,222	2,434,989
(-)Transaction cost working capital (CRA)				(11,463)	(17,706)	(11,463)	(17,706)
				2,369,522	2,050,748	2,587,759	2,417,283
Portion classified in current assets				503,252	297,692	669,735	377,547
Installment classified in non-current				1,866,270	1,753,056	1,918,024	2,039,736

Finame - BNDES – Investment Lines of the National Development Bank (BNDES). They are guaranteed by fiduciary alienation or pledge of the financed assets and by guarantee of the Company and SLC Participações S.A. (Parent Company). Amortizations are carried out on a monthly, semi-annual and annual basis, after the grace period, and will take place between the periods from 01/17/2022 to 05/15/2032.

Rural Credit – Resources intended for the costing and marketing of crops, whose rules, purposes and conditions are established in the Rural Credit Manual (MCR) prepared by the Central Bank of Brazil. They are guaranteed by the Company, and, in some operations, by the pledge of the crop. The periodicity of their depreciation is annual, with maturities between 05/19/2022 and 10/25/2024.

Working Capital – Line for the purpose of meeting cash requirements, due on 01/14/2022 and 11/26/2024 backed in stock or production.

Export Financing – Export financing with short and long term lines raised in reais, euro or dollar indexed at a pre-fixed rate: CCE (Export Credit Note), NCE (Export Credit Note) and FINEX (Financing for Export) Export). The amortization periodicity is annual, semiannual or according to the negotiated term, with maturities between the periods from 01/14/2022 to 11/14/2024. They are guaranteed by the guarantee of the Company with a land mortgage or with a "clean" guarantee.

CRA – Certificate of Agribusiness Receivables – Fixed income securities, issued by the securitizer on behalf of SLC Agrícola, backed by receivables originating from business between rural producers, or their cooperatives, and third parties, covering financing or loans related to the production, commercialization, processing or industrialization of products, agricultural inputs or machines and implements used in agricultural production. The costs of these transactions, recorded under loans and financing, total R$ 11,463 (parent and consolidated) as of December 31, 2021. Below are information on the issues:

i) *Issuance on December 23, 2020 - Agribusiness Receivables Certificate ("CRA")*

On December 23, 2020, the Company issued a CPR-Financeira (Rural Financial Product Certificate) with a green seal, in the total amount of R$ 480,000 (four hundred and eighty million reais), in a single series, for public distribution with efforts restricted, of SLC Agrícola SA, entered into between the Issuer and ISEC Securitizadora SA The CPR-F was issued at the cost of IPCA + 3.6726% per year, with principal maturity in two installments, on December 16, 2024 and December 15, December 2025, with semiannual interest. The issue is guaranteed "clean" and with the preparation of risk rating reports of the Issue carried out by Standard & Poor's, with the risk rating reviewed quarterly until the maturity date. The final rating of the initial operation was "[brAA-]" and on March 9, 2022 the Company had the operation's rating improved to "[brAA--]".

This operation provides for the fulfillment of financial commitments (Covenants) on the base dates of the closing of each fiscal year applicable to the Company, as follows:

i. Current liquidity ratio (CA/CP): current assets divided by the consolidated current liabilities, equal to or greater than 0.9x (zero dot nine);

ii. Total consolidated liabilities/tangible shareholders' equity: total liabilities divided by shareholders' equity less consolidated intangible assets, equal to or less than 2.5x (two dot 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, 2021, 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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
2021	-	297,692	-	377,547
2022	503,252	919,646	669,735	1,161,958
2023	777,405	345,625	821,733	382,750
2024	816,806	238,683	820,096	242,028
2025	265,192	242,085	266,398	243,054
2026	1,582	1,582	2,315	2,315
After 2026	5,285	5,435	7,482	7,631
	2,369,522	2,050,748	2,587,759	2,417,283

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

Credit assignment

Line for the purpose of prepayment by suppliers, remembering that there was no change in the payment terms and prices negotiated with suppliers as a result of this transaction, due on 05/25/2022.

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) Provisões

A Companhia registra provisões para ações cíveis. trabalhistas. fiscais e ambientais classificadas como perda provável. as quais apresentaram a seguinte movimentação:

	Parenty Company				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2020	1,739	330	1,052	403	3,524
Addition of provision	426	216	-	34	676
Reverse of provision	(313)	(509)	-	(403)	(1,225)
Balance in 12/31/2021	1,852	37	1,052	34	2,975

	Consolidated				
	Labor	Environmental	Tributary	Civil	Total
Balance in 12/31/2020	1,983	330	1,123	1,993	5,429
Business combination (explanatory note 2.f)	21,532	-	1,003	943	23,478
Addition of provision	3,358	1,038	40	322	4,758
Reverse of provision	(616)	(509)	(43)	(495)	(1,663)
Balance in 12/31/2021	26,257	859	2,123	2,763	32,002

The provision for contingencies account was increased by R$ 23,478 due to the business combination. This amount, as mentioned in explanatory note 2., as it is effectively realized, will be reimbursed by the selling party to SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.) on the dates provided for in the Association Agreement. As a result, balances receivable from former shareholders of the same amount were recorded in the Consolidated, under the heading of "securities receivable", resulting in an asset of R$ 23,395 on the acquisition date.

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 (IAS 37) of the Accounting Pronouncements Committee.

Nature	Parenty Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Labor (i)	514	546	1,306	546
Environmental (ii)	5,666	3,754	8,709	3,754
Tributary (iii)	27,139	14,352	130,590	46,052
Civil (iv)	6,025	9,005	97,213	36,471
	39,344	27,657	237,818	86,823

As stipulated in the clauses and conditions in the Association Agreement and Other Covenants, entered into between the companies SLC Agrícola S.A., SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.), TS Agro S.A. and TS Brasil S.A., the former shareholders are responsible for the entirety of the contingent liabilities, in the amount of R$ 143,871, arising from taxable events prior to July 1, 2021 of the subsidiary SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.).

Below is a description of the Company's contingent liabilities as of December 31, 2021:

(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 wich 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

The Company's judicial deposits on December 31, 2021 and 2020, recorded under "other accounts receivable" in non-current assets, are as follows:

Nature	Parenty Company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Labor (i)	629	8	2,874	530
Environmental (ii)	-	-	20	20
Tributary (iii)	1,659	1,176	4,319	11,338
Civil (iv)	-	-	1,046	1,046
	2,288	1,184	8,259	12,934

The judicial deposits account was increased by R$ 4,768 due to the business combination. This amount, as mentioned in note 2.f, as it is effectively realized, will be transferred to the selling party by SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.) on the dates provided for in the Association Agreement. As a result, the balance payable to former shareholders of the same amount was recorded in the Consolidated, under "securities payable", resulting in a net liability of R$ 4,692 on December 31, 2021.

20. Deferred income and social contribution taxes

Deferred income tax and social contribution were constituted, having the following nature:

Description	Parent Company					
	12/31/2021			12/31/2020		
	Income tax	Social contribution	Total	Income tax	Social contribuition	Total
Assets:						
Temporary differences:						
Provision for profit-sharing	17,256	6,212	23,468	10,339	3,722	14,061
Provision for tax losses	2,368	852	3,220	169	61	230
Operations with derivatives	80,724	29,060	109,784	64,927	23,374	88,301
Provision for Senar	1,245	448	1,693	1,286	463	1,749
APV - Lease liability	20,268	7,296	27,564	10,784	3,882	14,666
Provision for ICMS credit losses	5,359	1,929	7,288	5,950	2,142	8,092
Others	8,223	2,961	11,184	6,222	2,240	8,462
Tax losses and negative basis	5,700	2,044	7,744	-	-	-
	141,143	50,802	191,945	99,677	35,884	135,561
Liabilities:						
Incentivized depreciation from rural activity	(191,679)	(69,004)	(260,683)	(156,523)	(56,348)	(212,871)
Bargain gain on acquisition of equity interest	(3,747)	(1,349)	(5,096)	(3,855)	(1,388)	(5,243)
Deemed cost from property, plant and equipment	(4,098)	(1,475)	(5,573)	(5,051)	(1,818)	(6,869)
Fair value of biological assets	(141,203)	(50,833)	(192,036)	(47,155)	(16,976)	(64,131)
	(340,727)	(122,661)	(463,388)	(212,584)	(76,530)	(289,114)
Total net	(199,584)	(71,859)	(271,443)	(112,907)	(40,646)	(153,553)
Classified in the non-current liabilities	(199,584)	(71,859)	(271,443)	(112,907)	(40,646)	(153,553)

Description	Consolidated					
	12/31/2021			12/31/2020		
	Income tax	Social contribution	Total	Incom tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for profit-sharing	19,393	6,981	26,374	11,676	4,203	15,879
Provision to tax losses	2,368	852	3,220	169	61	230
Operations with derivatives	85,226	29,856	115,082	68,492	23,878	92,370
Provision for Senar	1,316	474	1,790	1,384	498	1,882
APV - Lease liability	30,083	10,830	40,913	10,458	3,765	14,223
Adjusts to present value stocks	1,483	534	2,017	-	-	-
Provision for ICMS credit losses	5,474	1,971	7,445	6,226	2,241	8,467
Others	18,682	6,723	25,405	8,941	3,218	12,159
Tax losses and negative basis	386,958	140,287	527,245	30,284	11,411	41,695
	550,983	198,508	749,491	137,630	49,275	186,905
Liabilities:						
Incentivized depreciation from rural activity	(232,893)	(83,718)	(316,611)	(185,782)	(66,758)	(252,540)
Bargain gain on acquisition of equity interest	(3,747)	(1,349)	(5,096)	(3,747)	(1,349)	(5,096)
Deemed cost from property, plant and equipment	(26,972)	(13,608)	(40,580)	(26,828)	(13,558)	(40,386)
Fair value for investment property	(4,113)	(2,221)	(6,334)	(1,992)	(1,076)	(3,068)
Fair value of biological assets	(207,989)	(74,876)	(282,865)	(51,967)	(18,708)	(70,675)
Added Value	(26,625)	(9,585)	(36,210)			-
Others	(12,501)	(4,538)	(17,039)	(18,653)	(6,809)	(25,462)
	(514,840)	(189,895)	(704,735)	(288,969)	(108,258)	(397,227)
Net total	36,143	8,613	44,756	(151,339)	(58,983)	(210,322)
Classified in non-current assets	298,281	107,381	405,662	15,059	5,421	20,480
Classified in the non-current liabilities	(262,138)	(98,768)	(360,906)	(166,398)	(64,404)	(230,802)

Upon the business combination (note 2.f), the deferred tax account was increased by R$ 415,085 on the acquisition date, as with the reorganization of the capital structure of this subsidiary which occurred after its acquisition, there is an expectation of taxable future profits that allow the activation of all the tax credit that had not been so far recognized

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 basis for social contribution and temporary differences, which do not have a statute of limitations. The book value of deferred assets 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 the 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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
2022	118,108	110,660	321,618	140,780
2023	69,169	4,441	217,674	6,246
2024	4,668	3,358	98,698	11,358
2025	-	833	90,558	8,755
2026	-	16,269	20,943	19,766
	191,945	135,561	749,491	186,905

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			
	12/31/2021		12/31/2020	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	1,356,527	1,356,527	605,735	605,735
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	(339,132)	(122,087)	(151,434)	(54,516)
Adjustments for calculation of effective rate				
Equity income	120,030	43,211	44,350	15,966
Permanent additions	(3,654)	(924)	(597)	138
Interest on own capital	-	-	9,279	3,341
Other	6,666	1,479	12,771	3,641
Value recorded in the income	(216,090)	(78,321)	(85,631)	(31,430)
Total income and social contribution taxes		(294,411)		(117,061)
Deferred taxes		(190,274)		(37,756)
Current taxes		(104,137)		(79,305)
Effective rate		21.70%		19.33%

	Consolidated			
	12/31/2021		12/31/2020	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	1,560,810	1,560,810	689,179	689,179
Income and social contribution taxes at the nominal rate of 25% and 9%, respectively	(390,203)	(140,473)	(172,295)	(62,026)
Adjustments for calculation of effective rate				
Permanent addtions and exclusions	(4,055)	(1,068)	(752)	92
Interest on own capital	-	-	9,279	3,341
Tax incentives of subsidiaries	3,072	95	3,355	15
Income and social contribution taxes in companies taxed by the deemed profit system	73,082	25,924	34,179	12,123
Elimination Unrealized profit	5	2	1,637	589
IFRS 16 effects	(4,256)	(1,532)	(15,825)	(5,697)
Other	7,019	2,337	9,967	3,787
Value recorded in the income	(315,336)	(114,715)	(130,455)	(47,776)
Total income and social contribution taxes		(430,051)		(178,231)
Deferred taxes		(255,544)		(66,839)
Current taxes		(174,507)		(111,392)
Effective rate		27.55%		25.86%

Reconciliation of deferred income and social contribution taxes variation

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

Description	Parent Company			
	Balance on 12/31/2020	Recognized in income	Recognized in comprehensive income	Balance on 12/31/2021
Provision for profit-sharing	14,061	9,407	-	23,468
Provision to tax losses	230	2,990	-	3,220
Operations with derivatives	88,301	(50,901)	72,384	109,784
Provision for Senar	1,749	(56)	-	1,693
Others	8,462	2,722	-	11,184
Tax losses and negative basis	-	7,744	-	7,744
Provision for ICMS credit losses	8,092	(804)		7,288
Incentivized depreciation from rural activity	(212,871)	(47,812)	-	(260,683)
Bargain gain on acquisition of equity interest	(5,243)	147	-	(5,096)
Deemed cost from property, plant and equipment	(6,869)	1,296	-	(5,573)
Fair value of biological assets	(64,131)	(127,905)	-	(192,036)
APV - Lease liability	14,666	12,898	-	27,564
Total	(153,553)	(190,274)	72,384	(271,443)
Non-current liabilities	(153,553)			(271,443)

Description	Consolidated				
	Balance on 12/31/2020	Business combination	Recognized in income	Recognized in comprehensive income	Balance on 12/31/2021
Provision for profit-sharing	15,879	-	10,495	-	26,374
Provision to tax losses	230	-	2,990	-	3,220
Operations with derivatives	92,370	12,905	(85,730)	95,537	115,082
Provision for Senar	1,882	-	(92)	-	1,790
Others	12,159	2,632	10,614	-	25,405
Adjustment to present value of stocks	-	3,122	(1,105)	-	2,017
Washout provision	-	10,589	(10,589)	-	-
Tax losses and negative basis	41,695	482,146	3,404	-	527,245
APV - Lease liability	14,223	(8,511)	35,201	-	40,913
Provision for ICMS credit losses	8,467		(1,022)	-	7,445
Incentivized depreciation from rural activity	(252,540)	(14,594)	(49,477)	-	(316,611)
Bargain gain on acquisition of equity interest	(5,096)	-	-	-	(5,096)
Deemed cost from property, plant and equipment	(40,386)	(1,906)	1,712	-	(40,580)
Fair value for investment property	(3,068)	-	(3,266)	-	(6,334)
Fair value of biological assets	(70,675)	(30,045)	(182,145)	-	(282,865)
Added Value	-	(41,253)	5,043	-	(36,210)
Others	(25,462)	-	8,423	-	(17,039)
Total	(210,322)	415,085	(255,544)	95,537	44,756
Non-current assets	20,480				405,662
Non-current liabilities	(230,802)				(360,906)

Income tax and social contribution payable

The balance of income tax and social contribution on profit payable on December 31, 2021 is R$ 14,879 in the Consolidated (R$ 40,374 and R$ 47,449 on December 31, 2020, in the Parent Company and Consolidated, respectively).

21. Securities payable (Consolidated)

The balance as of December 31, 2021 is shown as follows:

	Fixed amount payable
Balance at December 31, 2020	12,979
Business combination (explanatory note 2.f)	86,850
Others	9,514
Payments	(706)
Balance at December 31, 2021	**108,637**
Current liabilities	**93,775**
Non-current liabilities	**14,862**

The Company, through its subsidiaries, has contracts relating to the purchase of land, for its use and exploration, and sale of property, plant and equipment.

The accounts payable account was increased by R$ 4,772 due to the business combination. This amount, as mentioned in explanatory note 2.f, as it is effectively realized, will be reimbursed by the selling party to SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.) on the dates provided for in the Association Agreement. As a result, balances receivable from former shareholders of the same amount were recorded in the Consolidated, under "securities receivable", resulting in an asset of R$ 4,772.

In addition, as described in the same note, a balance payable to sellers in the amount of R$ 82,078 was recorded in the Consolidated, referring to receivables, recoverable taxes, other assets and investment properties that, as soon as received by SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.), will be transferred to former sellers, without benefits to the SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.).

22. Equity

a) Capital stock

On December 31, 2021, the subscribed capital in the amount of R$ 1,512,522 is represented by 212,422,599 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	
	12/31/2021	**12/31/2020**
SLC Participações S.A.	100,032,616	100,977,822
Management	11,623,499	347,967
Treasury shares	4,625,621	3,010,430
Other	96,140,863	86,258,781
Total shares of paid-in capital	212,422,599	190,595,000
(-) Treasury shares	(4,625,621)	(3,010,430)
Total shares - ex-treasury	207,796,978	187,584,570

Due to the terms and conditions already disclosed to the market of the business combination (note 2.f) carried out with SLC Agrícola Centro-Oeste S.A. (former Terra Santa Agro S.A.)., the Company's capital increase was confirmed through the issue of 2,516,454 (two million, five hundred and sixteen thousand, four hundred and fifty-four) common shares, corresponding to R$ 52.00 (fifty-two reais) per share, the amount of R$ 65,000 being allocated to the capital stock and R$ 65,856 to the capital reserve.

The Extraordinary Shareholders' Meeting held on December 30, 2021 approved the increase in the Company's capital stock by R$500,000 through the capitalization of the expansion reserve account, totaling 19,311,145 shares.

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 on December 31, 2021 is R$ 116,846 and consists of 4,205,110 shares (R$ 52,921 on December 31, 2020, consisting of 3,010,430 shares). The change in the number of treasury shares in the period was as follows:

	Treasury shares	
	In nº shares	In R$
Balance at December 31, 2020	3,010,430	(52,921)
Acquisitions of shares treasury	1,730,425	(76,906)
Shares exercised under the stock option plans	(535,745)	12,981
Bonus	420,511	-
Balance at December 31, 2021	4,625,621	(116,846)

The market value of treasury shares, calculated based on the last stock exchange quote, prior to the period's closing date was R$ 172,115 (R$ 40.93 per share) on December 31, 2021 and R$ 82,636 (R$ 27.45 per share) as of December 31, 2020.

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, 2021, the Company constituted a legal reserve of R$53,099

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. At the Extraordinary Shareholders' Meeting held on December 30, 2021, the Company approved the increase in its capital stock in the amount of R$ 500,000 by transferring the expansion reserve account.

For the year ended December 31, 2021, the Company constituted an expansion reserve of R$507,293,

f) Profit retention reserve

The balance on December 31, 2021 and December 31, 2020 refers to the remaining balance of retained earnings for the period 2007, which was retained as a profit retention reserve for the realization of new investments, provided for in the approved capital budget. 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, 2021, the Company constituted a tax incentive reserve of R$149.

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 for the year ended December 31, 2021 and dividends and interest on equity distributed on December 31, 2020 was as follows:

Net income for the year	1,062,116	488,674
Appropriation of investment reserve incentivized	(149)	(171)
Appropriation of legal reserve	(53,099)	(24,425)
Calculation base for the dividends proposed	1,008,868	464,078
Minimum compulsory dividend - 25%	252,218	116,020
Additional dividend proposed - 25% (a)	252,217	116,019
Proposed dividends	504,435	232,039
Dividend per share	2.427538	1.236982
% on the basis	50%	50%

(a) Management proposal to be resolved at the Annual Shareholders' Meeting, scheduled for April 2022.

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.

	12/31/2021	12/31/2020
Numerator		
Net income for the year (a)	1,062,116	488,674
Denominator		
Weighted average of common shares (b)	208,096,820	206,514,345
Weighted average of common shares considering dilutive effects (c)	209,236,229	207,305,588
Basic income per common share (a/b)	5.10395	2.36630
Diluted income per common share (a/c)	5.07616	2.35726

j) Other comprehensive income

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

	12/31/2021	12/31/2020
Hedge accounting	(345,794)	(207,640)
Cost assigned fixed asstes and fair value adjustment related to property for investments	1,109,191	1,151,931
Gain in the variation of interest	25,909	25,909
Other comprehensive income	789,306	970,200

23. Financial income

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Financial expenses:				
Interest paid	(165,893)	(71,962)	(162,096)	(84,696)
Foreign exchange	(202,464)	(263,779)	(297,696)	(328,196)
Monetary variation	-	-	(126)	-
APV - Liabilities Lease	(315,157)	(154,759)	(175,149)	(61,106)
Losses with derivative operations	(75,533)	(31,571)	(174,905)	(40,435)
Others	(10,310)	(5,521)	(37,294)	(6,996)
	(769,357)	(527,592)	(847,266)	(521,429)
Financial income:				
Income from interest-earning bank deposits	27,048	18,077	43,103	29,909
Foreign exchange	164,080	194,147	198,323	223,539
Monetary variation	5	-	5	-
Gains with derivative operations	123,394	131,504	236,594	175,017
Others	5,372	1,004	16,684	1,213
	319,899	344,732	494,709	429,678
Financial income (loss)	(449,458)	(182,860)	(352,557)	(91,751)

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:

Parent Company					
Product	Delivery Date	Quantity	Agreements	Unit	Price
2020/21 crop					
Cotton lint	Dec/21- Jul/22	86,012	40	ton	US$ 2,215.72
Soybean	Dec/21- Jul/22	280,818	10	sc	R$ 161.25
Corn	Dec/21- Jul/22	293,665	7	sc	R$ 67.21
2021/22 crop					
Cotton lint	Aug/22-Jul/23	153,850	40	ton	US$ 1,787.15
Soybean	Jan/22-Mar/22	7,015,947	68	sc	US$ 24.70
Soybean	Jan/22-May/22	1,393,787	57	sc	R$ 147.07
Corn	Jun/22-Aug/22	4,385,000	33	sc	US$ 10.17
Corn	Jun/22-Dec/22	3,355,000	26	sc	R$ 58.20
2022/23 crop					
Cotton lint	Aug/23-Dec/23	22,100	5	ton	US$ 1,782.42
Soybean	Jan/23-Feb/23	2,850,000	20	sc	US$ 24.89
Soybean	Apr/23	18,569	1	sc	R$ 156.00
Corn	Jul/23-Aug/23	4,930,000	33	sc	R$ 9.51

Consolidated					
Product	Delivery Date	Quantity	Agreements	Unit	Price
2020/21 crop					
Cotton lint	Dec/21- Jul/22	112,794	76	ton	US$ 2,204.38
Cotton lint	Dec/21	2,846	5	ton	R$ 337.60
Soybean	Dec/21- Janl/22	280,818	10	sc	R$ 161.25
Corn	Dec/21- Jan/22	332,315	9	sc	R$ 67.91
2021/22 crop					
Cotton lint	Aug/22-Jul/23	210,150	62	ton	US$ 1,769.24
Cotton lint	Sep/22-Dec/22	1,000	1	ton	R$ 398.17
Soybean	Jan/22-May/22	10,097,800	104	sc	US$ 24.40
Soybean	Jan/22-May/22	2,816,533	87	sc	R$ 147.07
Corn	Jul/22-Sep/22	1,380,000	15	sc	US$ 9.57
Corn	May/22-Dec/22	5,543,333	48	sc	R$ 30.13
2022/22 crop					
Cotton lint	Aug/23-Dec/23	24,900	6	ton	US$ 1,779.30
Soybean	Jan/23-Aph/23	4,460,000	39	sc	US$ 24.80
Soybean	Aph/23	18,569	1	sc	US$ 156.00
Corn	Jul/23	1,050,000	13	sc	US$ 9.04
Corn	Jun/23-Aug/23	5,795,000	40	sc	R$ 9.43

24.2. Third party lease agreements

As of December 31, 2021, the Company and its subsidiaries have third-party lease agreements and building leases, thus distributed:

			Lease liability (CPC 06(R2) (IFRS 16))		Leases payable	
Unit	Location	Currency	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Palmares	Barreiras - BA	R$	103,602	99,477	-	-
Panorama	Correntina - BA	R$	96,599	93,219	-	-
Paladino	São Desidério - BA	R$	38,008	40,005	15,048	5,283
Parceiro	Formosa do Rio Preto - BA	R$	53,194	19,031	-	-
Paysandu	São Desidério - BA	R$	653,690	-		-
Piratini	Jaborandi - BA	R$	108	155	-	-
Pantanal	Chapadão do Céu - GO e Chapadão do Sul - MS	R$	605,065	329,762		
Pamplona	Cristalina - GO	R$	75,379	15,636	-	-
Planeste	Balsas - MA	R$	165,067	101,527	-	-
Parnaiba	Tasso Fragoso - MA	R$	72,884	51,748	-	-
Palmeira	Alto Parnaiba - MA	R$	36,755	30,991	-	-
Paiaguás	Diamantino - MT	R$	213,073	141,115	-	-
Planorte	Sapezal - MT	R$	6,141	3,326	-	-
Perdizes	Porto dos Gaúchos - MT	R$	3,704	567	-	-
Pioneira	Querência - MT	R$	352	499	-	-
Planalto	Costa Rica - MS	R$	5,291	6,240	-	-
Pejuçara	São José do Rio Claro e Diamantino - MT	R$	36,798	-	-	-
Pampeira	Novo Parecis _MT	R$	437,851	-	-	-
Piracema	Diamantino - MT	R$	229,177	-	-	-
Pirapora	Santa Rita do Trivelato - MT	R$	150,875	-	-	-

			Passivo de arrendamento (escopo CPC 06(R2) (IFRS 16))		Arrendamento a Pagar	
Unidade	Localização	Moeda	12/31/2021	12/31/2020	12/32/2021	12/31/2020
Próspera	Taboporã. Nova Canaã do Norte e Itaúba - MT	R$	334,348	-	-	-
Escritório	Cuiabá - MT	R$	1,154	-	-	-
Parnaguá	Santa Filomena - PI	R$	2,410	213	-	-
Escritório	São Paulo - SP	R$	1,595	-		-
Matriz	Porto Alegre - RS	R$	13,268	773	-	-
			3,336,388	934,284	15,048	5,283
Liabilities current			511,932	162,258	15,048	86,332
Liabilities non-current			2,824,456	772,026	-	-

Liabilities for land and cotton leasing have a discount rate with a range of 5.44% to 11.93%. For other lease liabilities (machinery, buildings and vehicles), we have a discount rate ranging from 3.11% to 13.70%.

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. Management of risks 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, 2021 was R$ 1,874,109 and R$ 1,916,665, 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$ 1,866,270 and R$ 1,918,024.

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	
			Level 2	Level 2
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets				
Fair value through profit or loss				
Cash and cash equivalents	46,046	1,319,290	46,046	1,319,290
Short term financial Investments	684	663	684	663
Subtotal	46,730	1,319,953	46,730	1,319,953
Amortized cost				
Trade accounts receivable	117,841	178,085	117,841	178,085
Receivables from related parties	59,000	27,721	59,000	27,721
Subtotal	176,841	205,806	176,841	205,806
Fair value of hedge instruments				
Operations with Derivatives	232,551	207,847	232,551	207,847
Subtotal	232,551	207,847	232,551	207,847
Total assets	456,122	1,733,606	456,122	1,733,606
Liabilities				
Liabilities at the amortized cost				
Loans and financing	2,369,522	2,050,748	2,404,424	2,061,685
Suppliers	671,234	732,358	671,234	732,358
Credit assignment	31,004	200,788	31,004	200,788
Payables to related parties	117,621	1,310	117,621	1,310
Liabilities - lease with related parties	2,597,803	1,722,168	2,597,803	1,722,168
Third-party lease liability	2,108,508	893,214	2,108,508	893,214
Other accounts payable	673,071	153,139	673,071	153,139
Subtotal	8,568,763	5,753,725	8,603,665	5,764,662
Fair value of hedge instruments				
Derivatives payable	468,034	375,207	468,034	375,207
Subtotal	468,034	375,207	468,034	375,207
Total liabilities	9,036,797	6,128,932	9,071,699	6,139,869

	Consolidated			
	Book Value		Fair Value	
			Level 2	Level 2
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets				
Fair value through profit or loss				
Cash and cash equivalents	139,780	1,604,053	139,780	1,604,053
Short term financial Investments	684	663	684	663
Subtotal	140,464	1,604,716	140,464	1,604,716
Amortized cost				
Trade accounts receivable	147,414	207,283	147,414	207,283
Receivables from related parties	20	8	20	8
Other accounts receivable	48,881	33,907	48,881	33,907
Subtotal	196,315	241,198	196,315	241,198
Fair value of hedge instruments				
Operations with Derivatives	291,283	245,372	291,283	245,372
Subtotal	291,283	245,372	291,283	245,372
Total assets	628,062	2,091,286	628,062	2,091,286
Liabilities				
Liabilities at the amortized cost				
Loans and financing	2,587,759	2,417,283	2,619,959	2,422,429
Suppliers	1,009,194	870,902	1,009,194	870,902
Credit assignment	39,004	230,867	39,004	230,867
Payables to related parties	79	118	79	118
Other accounts payable	860,257	176,390	860,257	176,390
Third-party lease liability	3,336,388	934,284	3,336,388	934,284
Leases to pay	269,803	5,283	269,803	5,283
Securities payable	108,637	12,979	108,637	12,979
Subtotal	8,172,117	4,648,106	8,204,317	4,653,252
Fair value of hedge instruments				
Derivatives payable	534,548	417,121	534,548	417,121
Subtotal	534,548	417,121	534,548	417,121
Total liabilities	8,706,665	5,065,227	8,738,865	5,070,373

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 24.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:

Reference value (notional)	Fair value (MTM)			Valor justo (MTM)		
	Currency	12/31/2021	12/31/2020	Currency	12/31/2021	12/31/2020
Forward contracts (NDF):						
Foreign currency - Short position						
Maturity in 2021	USD	-	384,710		-	(80,586)
Maturity in 2022	USD	721,266	47,100	R$	(73,420)	3,496
Maturity in 2023	USD	220,720	-	R$	(39,237)	-
TOTAL	USD	941,986	431,810	R$	(112,657)	(77,090)

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 03/31/2022	R$	(22,318)
Up to 06/30/2022	R$	(17,551)
Up to 09/30/2022	R$	(8,218)
Up to 12/31/2022	R$	(25,333)
Up to 03/31/2023	R$	(12,124)
Up to 06/30/2023	R$	(1,593)
Up to 09/30/2023	R$	(10,610)
Up to 12/31/2023	R$	(14,910)
TOTAL	R$	(112,657)

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

Description	Reference value (notional)			Fair value		
	Currency	12/31/2021	12/31/2020	Currency	12/31/2021	12/31/2020
Banco Itaú BBA S/A	USD	218,810	63,350	R$	(42,102)	(18,953)
Banco BTG Pactual S.A.	USD	29,800	53,000	R$	(455)	17,675
Banco Bradesco S/A	USD	54,240	23,050	R$	(8,309)	2,140
Banco BNP Paribas Brasil S.A.	USD	100,150	79,910	R$	(7,515)	3,475
Morgan Stanley S/A	USD	-	24,570	R$	-	(14,188)
XP Investimentos S.A.	USD	153,491	15,470	R$	(25,724)	3,356
Banco J.P. Morgan S/A	USD	37,650	58,260	R$	(3,328)	(26,378)
Banco Votorantim S/A	USD	52,165	20,490	R$	(4,053)	(7,781)
Banco Safra S.A.	USD	96,160	26,450	R$	(18,605)	(1,212)
Banco Santander Brasil S/A	USD	75,240	38,530	R$	(5,697)	(16,864)
Banco ABC Brasil S.A.	USD	11,260	17,730	R$	(2,622)	(13,169)
Rabobank International Brasil S.A.	USD	15,600	11,000	R$	(2,846)	(5,191)
Banco do Brasil S.A.	USD	97,420	-	R$	8,599	-
Total	USD	941,986	431,810	R$	(112,657)	(77,090)

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 2022 and 2023, as follows:

- Probable Scenario: Based on the FOCUS report (BACEN) released on December 31, 2021, we have defined the probable scenario with the dollar quotation of R$ 5.6000 varying to the Ptax rate of R$ 5.5805 on December 31, 2021.

- Exchange rate Decrease of 25%: in this scenario the operations would be settled at the rate of R$ 4.2000, 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$ 2.8000, 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$ 7.0000, 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$ 8.4000, equivalent to 50% higher than the rate in the Probable Scenario.

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

	Parent company				
	Remote scenario Quotation R$	*Possible scenario Quotation R$*	*Scenario by the closing price of the f iscal period R$*	*Possible scenario Quotation R$*	*Remote scenario Quotation R$*
Description	**2.8000**	**4.2000**	**5.5805**	**7.0000**	**8.4000**
Year 2022					
Highly probable estimated revenue in USD (1)	(1,978,995)	(989,498)	(13,782)	989,498	1,978,995
Estimated commitments in USD (2)	605,220	302,610	4,215	(302,610)	(605,220)
Forward Contracts (NDF) (3)	870,940	435,470	6,065	(435,470)	(870,940)
Net exposure in USD (1)-(2)-(3)	**(502,835)**	**(251,418)**	**(3,502)**	**251,418**	**502,835**
Year 2023					
Highly probable estimated revenue in USD (1)	(2,297,187)	(1,148,594)	(15,998)	1,148,594	2,297,187
Estimated commitments in USD (2)	40,600	20,300	283	(20,300)	(40,600)
Forward Contracts (NDF) (3)	384,160	192,080	2,675	(192,080)	(384,160)
Net exposure in USD (1)-(2)-(3)	**(1,872,427)**	**(936,214)**	**(13,040)**	**936,214**	**1,872,427**
Total	(2,375,262)	(1,187,632)	(16,542)	1,187,632	2,375,262

	Consolidated				
	Remote scenario Quotation R$	*Possible scenario Quotation R$*	*Scenario by the closing price of the f iscal period R$*	Possible scenario Quotation R$	*Remote scenario Quotation R$*
Description	2.8000	4.2000	5.5805	7.0000	8.4000
Year 2022					
Highly probable estimated revenue in USD (1)	(2,963,181)	(1,481,591)	(20,636)	1,481,591	2,963,181
Estimated commitments in USD (2)	811,902	405,951	5,654	(405,951)	(811,902)
Forward contracts (NDF) (3)	1,194,956	597,478	8,322	(597,478)	(1,194,956)
Net exposure in USD (1)-(2)-(3)	**(956,323)**	**(478,162)**	**(6,660)**	**478,162**	**956,323**
Year 2023					
Highly probable estimated revenue in USD (1)	(3,395,868)	(1,697,934)	(23,650)	1,697,934	3,395,868
Estimated commitments in USD (2)	50,176	25,088	349	(25,088)	(50,176)
Forward contracts (NDF) (3)	567,840	283,920	3,955	(283,920)	(567,840)
Net exposure in USD (1)-(2)-(3)	**(2,777,852)**	**(1,388,926)**	**(19,346)**	**1,388,926**	**2,777,852**
Total	(3,734,175)	(1,867,088)	(26,006)	1,867,088	3,734,175

The following shows the net exposure to currency risk:

	Parent Company			
	12/31/2021		12/31/2020	
	Amount in Reais (R$)	Amount in Dólares (USD)	Amount in Reais (R$)	Amount in Dólares (USD)
Trade accounts receivable (note 5)	85,632	15,345	166,575	32,054
Suppliers	(76,386)	(13,688)	(145,921)	(28,080)
Net exposure of the shareholders' equity	9,246	1,657	20,654	3,974

	Consolidated			
	12/31/2021		12/31/2020	
	Amount in Reais (R$)	Amount in Dólares (USD)	Amount in Reais (R$)	Amount in Dólares (USD)
Trade accounts receivable (note 5)	106,195	19,030	193,413	37,218
Suppliers	(303,618)	(54,407)	(176,010)	(33,869)
Net exposure of the shareholders' equity	(197,423)	(35,377)	17,403	3,349

d) Price risk

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

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

Description	Reference value (notional)			Fair value		
	Currency	12/31/2021	12/31/2020	Currency	12/31/2021	12/31/2020
Year of Maturity at 2021						
Financial operations						
Commodities - Cotton	USD	-	180,673	R$	-	(209,486)
Commodities - Fat ox	USD	-	799	R$	-	25
Subtotal	USD	-	181,472	R$	-	(209,461)
Year of Maturity at 2022						
Financial operations						
Commodities - Cotton	USD	178,271	9,644	R$	(189,801)	(6,992)
Commodities - Fat ox	USD	870	-	R$	(666)	-
		179,141	9,644	R$	(190,467)	(6,992)
Year of Maturity at 2023						
Financial operations						
Commodities - Cotton	USD	6,713	-	R$	(5,818)	-
	USD	6,713	-	R$	(5,818)	-
Total	USD	185,854	191,116	R$	(196,285)	(216,453)

Commodity price risk

The Company has projected the potential impact of changes in soybean and cotton prices in 5 scenarios for the years 2022 and 2023, as follows:

- Probable Scenario: Based on the closing price on 12/31/2021 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$ 5.5805 by the PTAX sale at the end of December 31, 2021:

	Income variation highly to price scenarios				
Description	**Remote scenario -50%**	**Possible scenario -25%**	**Probable scenario**	**Possible scenario + 25%**	**Remote scenario +50%**
Cotton - Year 2021					
Highly probable income	2,186,617	2,186,617	2,186,617	2,186,617	2,186,617
Highly probble income protected	2,186,617	2,186,617	2,186,617	2,186,617	2,186,617
Net exposure	-	-	-	-	-
Change in net exposure	-	-	-	-	-
Soybean - Year 2021					
Highly probable income	1,916,276	1,916,774	1,917,271	1,917,768	1,918,266
Highly probble income protected	1,915,281	1,915,281	1,915,281	1,915,281	1,915,281
Net exposure	995	1,493	1,990	2,487	2,985
Change in net exposure	(995)	(497)	-	497	995
Cotton - Year 2022					
Highly probable income	3,023,336	3,013,793	3,004,250	2,994,707	2,985,164
Highly probble income protected	3,042,422	3,042,422	3,042,422	3,042,422	3,042,422
Net exposure	(19,086)	(28,629)	(38,172)	(47,715)	(57,258)
Change in net exposure	19,086	9,543	-	(9,543)	(19,086)
Soybean - Year 2022					
Highly probable income	2,221,006	2,458,361	2,695,716	2,933,071	3,170,426
Highly probble income protected	1,746,295	1,746,295	1,746,295	1,746,295	1,746,295
Net exposure	474,711	712,066	949,421	1,186,776	1,424,131
Change in net exposure	(474,710)	(237,355)	-	237,355	474,710

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 variation and pre-fixed interest rates or IPCA and pre-fixed interest rates (active position) for interest rates in CDI plus pre-fixed rate (passive position). The principal (notional) value and maturities of the swap operation is identical to the debt flow, which is the object of the hedge. In this way, the risk of exchange rate fluctuation is eliminated.

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

Counterparty	*Hedge instrument*	Hedged object	MTM	Financial income	Shareholders' equity
Itaú	Swap de R$ 150MM (Assets VC / Liability CDI+Pré)	Debit of R$ 150MM interest of 12.85% y.y.	3,726	855	2,871
Itaú	Swap de R$ 112.5MM (Assets VC / Liability CDI+Pré)	Debit of USD 23.8MM interest of 0.95% y.y.	35,662	35,451	211
Rabobank	Swap de R$ 200MM (Assets VC / Liability CDI+Pré)	Debit of USD 37.8MM interest of 1.87% y.y.	(541)	2,760	(3,301)
Bradesco	Swap of R$ 200MM (Assets Pré / Liability CDI+Pré)	Debit of R$ 200MM interest of 6.28% y.y.	758	9,963	(9,205)
Bradesco	Swap of R$ 240MM (Assets Pré / Liability CDI+Pré)	Debit of R$ 240MM interest IPCA of 3.6726% y.y.	1,245	25,793	(24,548)
Santander	Swap of R$ 240MM (Assets Pré / Liability CDI+Pré)	Debit of R$ 240MM interest IPCA of 3.6726% y.y.	1,246	25,794	(24,548)
Rabobank	Swap de R$ 107,3MM (Assets VC / Liability CDI+Pré)	Debit of USD 20MM interest of 1.95% y.y.	(784)	4,786	(5,570)
Itaú	Swap de R$ 150MM (Assets VC / Liability CDI+Pré)	Debit of USD 28.6MM interest of 2.153% y.y.	2,932	6,557	(3,625)
Votorantim	Swap de R$ 165MM (Assets VC / Liability CDI+Pré)	Debit of USD 30MM interest of 2.3% y.y.	(1,894)	1,094	(2,988)

Contraparte	Instrumento de *hedge*	Objeto hedgeado	MTM	Resultado financeiro	Patrimônio líquido
Rabobank	Swap de R$ 30MM (Assets VC / Liability CDI+Pré)	Debit of EUR 6,9MM interest of 1.11% y.y.	10,741	10,681	60
Rabobank	Swap de R$ 5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 1.15MM interest of 1.11% y.y.	1,790	1,780	10
Rabobank	Swap de R$ 17,5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% y.y.	5,398	5,358	40
Rabobank	Swap de R$ 17,5MM (Assets VC / Liability CDI+Pré)	Debit of EUR 3.8MM interest of 0.81% y.y.	5,398	5,358	40
			65,677	136,230	(70,553)

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, 2021, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of December 31, 2021 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, 2021, projecting the indexers for one year and checking their sensitivity in each scenario.

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

	Interest rate (*)	Balance on 12/31/2021	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in reais - prefixed rate							
Rural credit	5.50%	18,299	N/A	N/A	N/A	N/A	N/A
BNDES	5.55%	42,529	N/A	N/A	N/A	N/A	N/A
Debt in reais – post-fixed rate							
Working Capital	118.12%	308,784	(18,816)	(25,880)	(32,943)	(40,007)	(47,070)
Export financing	117.22%	406,359	(24,457)	(33,753)	(43,048)	(52,344)	(61,639)
Debits in dólares							
CRA	IPCA + 3.67% y.y.	534,015	(46,387)	(60,725)	(75,063)	(89,402)	(103,740)
Debits in dólares							
PPE	2.30%	167,875	N/A	N/A	N/A	N/A	N/A
NCE	1.87%	212,955	N/A	N/A	N/A	N/A	N/A
4131	2.15%	160,826	N/A	N/A	N/A	N/A	N/A
NCE	1.95%	112,076	N/A	N/A	N/A	N/A	N/A
Debits in euro							
CCE	0.95%	151,000	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	24,507	N/A	N/A	N/A	N/A	N/A
NCE	0.81%	24,507	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	7,490	N/A	N/A	N/A	N/A	N/A
NCE	1.11%	44,940	N/A	N/A	N/A	N/A	N/A
Debits in dólares							
CPR-F	6.28%	229,745	N/A	N/A	N/A	N/A	N/A
Rural credit	12.85%	153,315	N/A	N/A	N/A	N/A	N/A

	Interest rate (*)	Balance on 12/31/2021	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Swap							
Swap VC x CDI + PRÉ**	Assets: 0.81% y.y Liability: CDI + 0.85% y.y.	5,398	(293)	(416)	(540)	(663)	(787)
Swap VC x CDI + PRÉ**	Assets: 0.81% y.y.Liability: CDI + 0.85% y.y.	5,398	(293)	(416)	(540)	(663)	(787)
Swap VC x CDI + PRÉ**	Assets: 1.11% y.y.Liability: CDI + 0.75% y.y.	1,790	(95)	(136)	(177)	(218)	(259)
Swap VC x CDI + PRÉ**	Assets: 1.11% y.y.Liability: CDI + 0.75% y.y.	10,741	(572)	(818)	(1,063)	(1,309)	(1,555)
Swap VC x CDI + PRÉ**	Assets: 1.95% y.y.Liability: CDI + 1.20% y.y.	(541)	31	44	56	68	81
Swap VC x CDI + PRÉ**	Assets: 12.85% y.y.Liability: CDI + 1.12% y.y.	3,726	(212)	(297)	(383)	(468)	(553)
Swap VC x CDI + PRÉ**	Assets: 2.153% y.y.Liability: CDI + 1.25% y.y.	2,931	(171)	(238)	(305)	(372)	(439)
Swap VC x CDI + PRÉ**	Assets: 0.95% y.y.Liability: CDI + 1.07% y.y.	35,663	(2,013)	(2,829)	(3,645)	(4,459)	(5,275)
Swap VC x CDI + PRÉ**	Assets: 6.28% y.y.Liability: CDI + 0.55% y.y.	758	(39)	(56)	(74)	(91)	(108)
Swap VC x CDI + PRÉ**	Assets: 2.30% y.y.Liability: CDI + 1.02% y.y.	(1,895)	106	149	193	236	279
Swap VC x CDI + PRÉ**	Assets: 1.87% y.y.Liability: CDI + 1.15% y.y.	(784)	51	68	86	104	122
Swap VC x IPCA + PRÉ**	Assets: 3.6726% y.y.Liability: CDI + 1.85% y.y.	1,246	(80)	(109)	(137)	(166)	(194)
Swap VC x IPCA + PRÉ**	Assets: 3.6726% y.y.Liability: CDI + 1.85% y.y.	1,245	(80)	(109)	(137)	(166)	(194)
Interest earnings bank deposits							
CDB and Debentures	99.38%	120,871	5,496	8,244	10,991	13,739	16,487

(*) Average annual rates.
(**) Amounts refer to the calculation of the adjustment of the transaction on December 31, 2021.
(') MTM classified in credit reducing account (nota 18).

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, 2021, the balance is R$ 117,841 in the Parent Company and R$ 147,414 in the consolidated (R$ 178,085 in the Parent Company and R$ 207,283 in the consolidated at December 31, 2020).

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.

	Parent Company							
December 31, 2021	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 Years	3 to 4 years	4 to 5 years	Over 5 years
Financial liabilities								
Non Derivatives								
Loans and financing	2,369,522	2,914,324	559,225	1,169,518	901,833	273,331	2,145	8,272
Suppliers	671,234	671,234	671,234	-	-	-	-	-
Credit assignment	31,004	31,004	31,004	-	-	-	-	-
Lease liabilities	4,706,311	8,278,772	646,806	632,503	589,915	575,545	570,151	5,263,852
	7,778,071	11,895,334	1,908,269	1,802,021	1,491,748	848,876	572,296	5,272,124
Derivatives								
Operations with Derivatives	235,483	235,483	292,655	67,961	(78,372)	(46,761)	-	-
	235,483	235,483	292,655	67,961	(78,372)	(46,761)	-	-
	8,013,554	12,130,817	2,200,924	1,869,982	1,413,376	802,115	572,296	5,272,124

	Consolidado							
December 31, 2021	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 Years	3 to 4 years	4 to 5 years	Over 5 years
Financial liabilities								
Non Derivatives								
Loans and financing	2,587,759	3,147,939	741,633	1,217,853	899,917	274,609	3,000	10,927
Suppliers	1,009,194	1,009,194	1,009,194	-	-	-	-	-
Credit assignment	39,004	39,004	39,004	-	-	-	-	-
Securities payable	108,637	108,637	93,774	14,863	-	-	-	-
Lease liabilities	3,336,388	5,865,826	548,889	506,569	448,504	413,274	403,274	3,545,316
	7,080,982	10,170,600	2,432,494	1,739,285	1,348,421	687,883	406,274	3,556,243
Derivatives								
Operations with Derivatives	243,265	243,265	286,907	81,491	(78,372)	(46,761)		-
	243,265	243,265	286,907	81,491	(78,372)	(46,761)	-	-
	7,324,247	10,413,865	2,719,401	1,820,776	1,270,049	641,122	406,274	3,556,243

The cash flows included in the maturity analysis are not expected to occur significantly earlier or at different amounts.

On February 23, 2021, S&P Global Ratings released a new corporate rating for 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 value (notional)				Fair value recorded in assets		Fair value recorded in liabilities	
	Currency	12/31/2021	12/31/2020	Currency	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Hedge operations for exchange rates								
Non Deliverable Forwards - 25.c	USD	941,986	431,810	R$	28,862	62,292	141,519	139,382
Subtotal	USD	941,986	431,810	R$	28,862	62,292	141,519	139,382
Hedge operations for products								
Cotton - Financial operations 25.d	USD	184,984	190,317	R$	37,051	6,977	232,670	223,455
Corn - Financial operations 25.d	USD	870	799	R$	-	25	666	-
Subtotal	USD	185,854	191,116	R$	37,051	7,002	233,336	223,455
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré -25.e	USD	116,342	6,667	R$	70,156	10,055	70,445	-
Subtotal	USD	116,342	6,667	R$	70,156	10,055	70,445	-
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré - 25.e	EUR	39,481	66,782	R$	58,990	93,391	-	1,252
Subtotal	EUR	39,481	66,782	R$	58,990	93,391	-	1,252
Interest protection operations								
Swap Pré x CDI+Pré	BRL	350,000	200,000	R$	4,484	13,610	-	-
Swap IPCA+Pré x CDI+Pré	BRL	480,000	480,000	R$	91,740	59,022	89,248	53,032
Subtotal	BRL	830,000	680,000	R$	96,224	72,632	89,248	53,032
Total				R$	291,283	245,372	534,548	417,121
Portion classified in current assets				R$	107,676	98,587	394,582	358,969
Portion in noncurrent liabilities				R$	183,607	146,785	139,966	58,152

i) Gains/losses on derivative transactions

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

Description	Currency	Gains and Losses recorded in the income				Gains and Losses recorded in shareholders' equity		
		Allocated in the gross income at		Allocated in the financial income at				
		12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	Movement	12/31/2020
Foreign exchange hedge operations								
Non deliverable forwards	R$	(178,987)	(530,881)	16,773	8,189	(140,584)	(77,553)	(63,030)
Sub-total	R$	(178,987)	(530,881)	16,773	8,189	(140,584)	(77,553)	(63,030)
Hedge operations for commodities								
Agricultural commodities swap								
Cotton	R$	(406,964)	(726)	49	1	(341,261)	(120,185)	(221,076)
Sub-total	R$	(406,964)	(726)	49	1	(341,261)	(120,185)	(221,076)
Interest Hedge Transactions								
Swap VC+Pré x CDI+Pré	R$	-	-	(462)	119,268	(15,122)	(15,759)	637
Sub-total	R$	-	-	(462)	119,268	(15,122)	(15,759)	637
Interest Hedge Transactions								
Swap Pré x CDI+Pré	R$	-	-	4,201	6,204	(6,334)	(13,327)	6,993
Swap IPCA+Pré x CDI+Pré	R$	-	-	41,128	920	(49,097)	(54,167)	5,070
Sub-total	R$	-	-	45,329	7,124	(55,431)	(67,494)	12,063
Total	R$	(585,951)	(531,607)	61,689	134,582	(552,398)	(280,993)	(271,406)

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, 2021

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Short and long-term loans and financing	2,369,522	2,050,748	2,587,759	2,417,283
(-) Cash and cash equivalents and short-term interest earnings bank deposits	(46,730)	(1,319,953)	(140,464)	(1,604,716)
CRA transaction costs	11,463	17,706	11,463	17,706
Gains and losses on derivatives linked to investments and debt	(42,349)	(92,761)	(65,677)	(121,794)
Net debt	2,291,906	655,740	2,393,081	708,479
Shareholders' equity	3,524,748	2,940,379	3,776,076	3,151,058
Financial leverage index	65.02%	22.30%	63.37%	22.48%

26. Government subsidies

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 2021, R$ 149 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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Profit sharing	72,681	41,354	94,682	46,701

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 (*)	Number of shres granted
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
11/10/2021	2021	773,100

(*) The 2016 to 2018 plans have their number of shares granted before the capital split.

The movements of the shares granted in the 2016, 2017, 2018, 2019, 2020 and 2021 Annual Program and the respective Strike prices, in BRL, are presented as follows:

Grant year	Strike price - R$ (*)	Quantity of shares			
		Balance in 12/31/2020	Granted	Exercised	Balance in 12/31/2021
2016	R$ 11.64	14,600	-	(14,600)	-
2017	R$ 18.02	220,400	-	(208,000)	12,400
2018	R$ 46.25	295,906	-	(107,280)	188,626
2019	R$ 14.23	531,525	-	(76,838)	454,687
2020	R$ 20.03	637,450	-	(6,970)	630,480
2021	R$ 41.23	-	773,100	-	773,100
		1,699,881	773,100	(413,688)	2,059,293

(*) The 2016 to 2018 plans have the value of their shares before the capital split.

The Strike price of the 2016, 2017, 2018, 2019, 2020 and 2021 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- 11/13/2019	1%	25,766
As from- 11/08/2020	2%	38,166
As from- 11/12/2020	7%	146,236
As from- 11/06/2021	16%	330,501
As from- 11/12/2021	30%	618,358
As from- 11/06/2022	39%	809,593
As from- 11/10/2022	51%	1,041,523
As from- 11/12/2022	61%	1,263,143
As from- 11/06/2023	74%	1,518,123
As from- 11/10/2023	85%	1,750,053
As from- 11/10/2024	100%	2,059,293

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 2017, 2018, 2019, 2020 and 2021 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:

	2016	2017	2018	2019	2020	2021
Weighted average fair value	R$ 17.20	R$ 18.02	R$ 46.25	R$ 14.23	R$ 20.03	R$ 41.23
Awards	R$ 5.56	R$ 6.93	R$ 18.16	R$ 6.05	R$ 8.31	R$ 14.44
Dividends	1.00%	1.00%	1.00%	3.50%	5.80%	5.50%
Volatility of share price	32.39%	32.39%	36.80%	41.45%	41.03%	41.20%
Risk-free rate of return						
1st maturity	12.27%	7.12%	6.95%	4.57%	3.11%	11.82%
2nd maturity	11.49%	8.30%	8.01%	5.14%	4.72%	11.91%
3rd maturity	11.27%	9.18%	8.86%	5.68%	5.81%	11.66%
Period expected up to the maturity						
1st maturity	366	365	365	365	365	365
2nd maturity	731	730	730	730	730	730
3rd maturity	1,096	1,095	1,095	1,095	1,095	1,095

Reconciliation of outstanding stock options

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

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	12/31/2021	12/31/2021	12/31/2021	12/31/2021
Outstanding at january 1	R$30.91	1,699,881	R$30.73	1,737,186
Granted during the period	R$41.23	773,100	R$20.03	613,750
Exercised during the period	R$24.11	(413,688)	R$20.11	(449,725)
Canceled during the period	-	-	R$20.33	(225,030)
Outstanding	R$36.15	2,059,293	R$30.91	1,699,881
Exercisable	R$25.80	618,358	R$25.11	535,962

Options outstanding as of December 31, 2021 have a Strike price in the range of R$ 25.80 to R$ 41.23 (R$ 20.11 to R$ 30.91 as of December 31, 2020).

The weighted average stock price on the exercise date for stock options exercised in the period ended December 31, 2021 was R$ 25.80 (R$ 25.11 at December 31, 2020).

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 13, 2018, November 13, 2019, November 06,2020 and November 10,2021, the Restricted Shares Award Programs for 2018, 2019, 2020 and 2021 were approved with the granting of 48,973 (before the capital split), 153,438, 159,363 and 193,275 shares, respectively.

		Quantity of shares				
Grant year	Fair value at grant - R$ (*)	Balance on 12/31/2020	Granted	Canceled	Exercised	Balance on 12/31/2021
2018	R$ 54.60	34,663		(1,000)	(33,663)	-
2019	R$ 18.46	96,972		(1,766)	(39,329)	55,877
2020	R$ 27.20	159,363	-	(1,125)	(45,174)	113,064
2021	R$ 48.07	-	193,275	-	-	193,275
		290,998	193,275	(3,891)	(118,166)	362,216

(*) The 2018 plan has the value of its 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			
	12/31/2021		12/31/2020	
Expense	R$	4,002	R$	2,808
INSS Expense	R$	1,099	R$	395
FGTS Expense	R$	1,289	R$	358

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$ 8,901 (expense) at December 31, 2021 (R$ 6,463 at December 31, 2020).

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$ 60,000
Civil liability of administrators	R$ 60,000
Buildings and improvements	R$ 105,000
Warranty insurance	R$ 153,772
Aircraft – Hull (*)	R$ 18,862
Aircraft – Hull SLC Centro Oeste (**)	R$ 21,038
Aircraft – Straight	R$ 1,755
Aircraft – Straight SLC Centro Oeste	R$ 3,458
Business	R$ 3
Drones	R$ 10,168
Seed Insurance	R$ 77,480
Vehicles	R$ 2,300
	Against third parties

(*) Coverage value of USD 3,380, converted by the ptax sale of the last day of the month (Ptax of 5.5805 on 12/31/2021)..
(**) Coverage amount of USD 3,770 (SLC Midwest), converted by the last day of the month sales Ptax (Ptax of 5.5805 on 12/31/2021).

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 12/18/2022

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 10/09/2022.

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 06/30/2022.

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 12/18/2022.

Guarantee Insurance - Protection coverage for possible risks generated to the company's assets, due to the faithful fulfillment of obligations arising from labor claims. Policies maturing in the periods of 06/19/2024 and 04/23/2024 (SLC Agricola) and 06/16/2023, 07/06/2023, 07/15/2024, 05/05/2025, 07/15/ 2025 (SLC CO).

Aircraft Insurance - Straight - Coverage for personal and/or property damage caused to passengers and crew by the SLC Agrícola aircraft, including damage to baggage. Policy due on 07/17/2022 and 08/08/2022 (SLC CO).

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 01/17/2023 AND 03/26/2022 (SLC CO).

Business Insurance - Business Property Coverage for material damages in the physical structure of the building and furniture of the head office of the SLC Agrícola S/A, caused by fire, explosion and smoke. Policy due on 01/12/2022.

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 12/18/2022.

Seed Insurance - Beneficiation coverage and grain deposit for seeds located on the Pamplona and Fazenda Panorama farms. Policy maturing on 06/27/2022.

Vehicle Insurance - Coverage of the vehicle fleet of the subsidiary and parent company for damages caused to third parties. Policies maturing on 10/9/2022.

National Transport Insurance - Coverage of goods and/or merchandise inherent to the branch of activity, duly packed in appropriate packaging for its nature and trip. Policies due on 05/01/2022.

30. Net sales revenue

We present below the gross operating revenue:

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Gross operating income	3,442,787	2,711,983	4,501,090	3,200,054
Sale of goods	3,952,361	3,161,943	5,087,041	3,731,661
Income (loss) from hedge operations	(509,574)	(449,960)	(585,951)	(531,607)
Deductions, taxes and contributions	(87,212)	(78,699)	(137,880)	(102,507)
Net operating income	3,355,575	2,633,284	4,363,210	3,097,547

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	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Expenses according to the role				
Cost of goods sold	(3,173,798)	(2,408,692)	(4,076,725)	(2,802,782)
Sales expenses	(166,407)	(149,471)	(212,559)	(173,964)
General and administrative expenses	(181,750)	(103,811)	(222,496)	(115,452)
Amortization of investments	(9,789)	-	(14,832)	-
Other operating expenses	(12,100)	(7,566)	(13,617)	(10,132)
	(3,543,844)	(2,669,540)	(4,540,229)	(3,102,330)

	Parent company		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Expenses per type				
Depreciation and amortization	(94,305)	(83,781)	(145,870)	(119,686)
Personnel expenses	(377,129)	(266,013)	(481,985)	(319,572)
Raw material and material	(1,676,857)	(1,455,134)	(2,239,247)	(1,736,678)
Rents and leases	(16,467)	(21,409)	(22,223)	(21,823)
Amortization of right of use	(175,064)	(119,580)	(133,287)	(73,663)
COGS biological asset variation	(1,129,504)	(659,349)	(1,425,434)	(750,996)
Freight	(62,418)	(56,708)	(78,566)	(63,602)
Other expenses	(12,100)	(7,566)	(13,617)	(16,310)
	(3,543,844)	(2,669,540)	(4,540,229)	(3,102,330)

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.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue	4,413,541	3,110,558	318,002	225,144	(368,333)	(238,155)	4,363,210	3,097,547
Biologic assets	1,961,159	775,534	-	-	-	-	1,961,159	775,534
Products Costs	(4,178,920)	(2,862,619)	(10,199)	(9,983)	112,394	69,820	(4,076,725)	(2,802,782)
Gross income	2,195,780	1,023,473	307,803	215,161	(255,939)	(168,335)	2,247,644	1,070,299
Operating expenses/ income	35,672	(154,485)	105,502	34,604	(475,451)	(169,488)	(334,277)	(289,369)
Sales expenses	(212,535)	(173,964)	(26)	-	-	-	(212,561)	(173,964)
General and administrative expenses	(228,174)	(120,157)	(4,485)	(3,887)	10,164	8,592	(222,495)	(115,452)
Management compensation	(18,601)	(14,100)	(352)	(616)	-	-	(18,953)	(14,716)
Other operating income (expenses)	504,771	153,736	110,365	39,107	(480,573)	(178,080)	134,563	14,763
Added value on investment	(9,789)	-	-	-	(5,042)	-	(14,831)	-
Income before financial income and taxes	2,231,452	868,988	413,305	249,765	(731,390)	(337,823)	1,913,367	780,930
Net financial income	(557,422)	(204,823)	7,668	9,401	197,197	103,671	(352,557)	(91,751)
Income before income tax	1,674,030	664,165	420,973	259,166	(534,193)	(234,152)	1,560,810	689,179
Income and social contribution taxes	(402,435)	(136,836)	(43,545)	(40,682)	15,929	(713)	(430,051)	(178,231)
Consolidated Income for the period	1,271,595	527,329	377,428	218,484	(518,264)	(234,865)	1,130,759	510,948

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Current assets	5,275,217	4,093,468	53,946	166,105	(219,757)	(58,193)	5,109,406	4,201,380
Non-current assets	11,610,347	6,242,100	2,497,077	2,255,731	(6,350,487)	(4,109,520)	7,756,937	4,388,311
Total assets	16,885,564	10,335,568	2,551,023	2,421,836	(6,570,244)	(4,167,713)	12,866,343	8,589,691
Current liabilities	4,279,480	2,547,435	28,398	46,707	(475,898)	(257,045)	3,831,980	2,337,097
Non-currente liabilities	7,604,879	4,635,116	75,786	70,779	(2,422,378)	(1,604,359)	5,258,287	3,101,536
Shareholders' equity	5,001,204	3,153,017	2,446,840	2,304,350	(3,671,968)	(2,306,309)	3,776,076	3,151,058
Total liabilities and shareholders' equity	16,885,563	10,335,568	2,551,024	2,421,836	(6,570,244)	(4,167,713)	12,866,343	8,589,691

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:

Domestic market	1,220,105	868,314
Sale of goods	1,220,105	868,314
Foreign market	3,280,985	2,331,740
Sale of goods - indirect export	1,721,798	1,166,459
Income from hedge operations indirect	(28,069)	(133,233)
Sale of goods - direct export	2,145,138	1,696,888
Income from hedge operations direct	(557,882)	(398,374)
Gross operating income	4,501,090	3,200,054
Deductions, taxes and contributions	(137,880)	(102,507)
Net operating income	4,363,210	3,097,547

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

	12/31/2021		12/31/2020	
Country	Value	% Participation	Value	% Participation
China	587,932	27.41	477,330	28.13
Indonesia	367,011	17.11	416,600	24.55
Turkey	324,747	15.14	103,258	6.09
Vietnam	219,685	10.24	231,467	13.64
Bangladesh	217,713	10.15	149,068	8.78
Pakistan	93,661	4.37	158,442	9.34
Malaysia	75,453	3.52	114,331	6.74
Switzerland	38,986	1.82	-	-
Australia	33,959	1.58	-	-
USA	33,454	1.56	-	-
Japan	30,339	1.41	-	-
Germany	13,631	0.64	-	-
Thailand	21,286	0.99	-	-
Korea	27,319	1.27	23,697	1.40
France	24,409	1.14	-	-
Uruguay	6,206	0.29	-	-
Others	29,347	1.37	22,695	1.34
	2,145,138	100.00	1,696,888	100.00

The amount of revenue from major customers is thus represented:

	Agricultural Product					
Customer	Fheatered cotton	Bulk corn	Bulk soybeans	Total	Total	% on product sales (without effect of hedge operations)
Cargill Agrícola S.A.	-	123,471	575,560	-	699,031	14.95%
Loius Dreyfus Company Suisse S.A.	513,518	42,916	136,646	-	693,080	14.82%
Adm do Brasil LTDA		25,763	461,429		487,192	10.42%
	513,518	192,150	1,173,635	-	1,879,303	40.20%

33. Subsequent event

According to the material fact disclosed on February 17, 2022, the Company entered into a contract for the provision of specialized services for processing and storing soybean seeds, with Kothe Logística Ltda (business partner). This contract was signed for a period of 15 years, starting in 2023, and aims to expand the processing and storage capacity of soybean seeds, aiming to support the growth of seed production, with an increase in the area of operation. more competitive. The commercial partner will make all the investments for the construction of the Processing and Storage Unit.

To enable the construction of the Storage and Processing Unit, the Company sold to its commercial partner a total of 29.81 hectares (arable area), for the amount of R$ 48,000 (forty-eight thousand reais) per useful hectare, totaling R$ 48,000 (forty-eight thousand reais) $1,430,880.00 (one million, four hundred and thirty thousand, eight hundred and eighty reais). The area sold is part of the Paiaguás Farm, located in the municipality of Diamantino, Mato Grosso.

Corporate information

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