(Convenience translation into English from the original previously issued in Portuguese)

CANTAGALO GENERAL GRAINS S.A.

Independent auditor's report

Individual and consolidated financial statements
As at December 31, 2020

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Contents

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the
Shareholders and Management of
Cantagalo General Grains S.A.
São Paulo - SP

Opinion on the individual and consolidated financial statements

We have audited the individual and consolidated financial statements of Cantagalo General Grains S.A. ("Company"), identified as Parent company and Consolidated, respectively, which comprise the individual and consolidated statement of financial position as at December 31, 2020, and the respective individual and consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the corresponding notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of Cantagalo General Grains S.A. ("Company") as at December 31, 2020, its financial performance and its cash flows for the year then ended, in accordance with Brazilian accounting practices.

Basis for opinion on the individual and consolidated financial statements

We conducted our audit in accordance with Brazilian and International Standards on Auditing (ISA).

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 controlled companies in accordance with the relevant ethical principles established in the Code of Ethics for Professional Accountants and in the professional standards issued by the Brazilian Federal Council of Accounting (CFC) and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Significant uncertainty as to going concern

As described in Note 1 to the individual and consolidated financial statements, the Company reported negative individual and consolidated net working capital of R$ 572,988 thousand and US$ 194,489 thousand as at December 31, 2020. The Company is disclosing the actions that are being implemented to reverse this scenario, which include its financial restructuring, mainly regarding the termination of its investments in Argentina (CGG Trading Argentina) and in the Netherlands (CGG Trading BV). Additionally, the Company is evaluating proposals to sell its farms. This situation indicates that there are significant uncertainties that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Emphases

Related-party transactions

As mentioned in Note 12 to the financial statements, the Company has significant transactions with related parties conducted in the context of a group of companies. Consequently, the financial statements have to be analyzed considering this. Our opinion is not modified in respect of this matter.

Restatement of corresponding amounts

As mentioned in Note 6, due to the change in the classification of the investment in the indirectly controlled company Corredor Logística e Infraestrutura S.A. to noncurrent assets held for sale and discontinued operations, the corresponding individual and consolidated amounts related to the statements of operations, comprehensive income (loss), changes in equity and cash flows for the year ended December 31, 2019, presented for comparison purposes, were adjusted and are being restated as provided for in CPC 23 - Accounting Policies, Changes in Estimates and Correction of Errors and CPC 26 (R1) – Presentation of Financial Statements. Our conclusion is not modified in respect of this matter.

Other matters

Audit of previous year's amounts

The audit of the financial statements for the year ended December 31, 2019, whose amounts are being presented in these financial statements for comparison purposes, was conducted by us and our report thereon, dated August 20, 2020, was qualified regarding the limitation of analysis of a collateral agreement between related parties and significant uncertainty regarding the Company's continuity as a going concern.

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 Brazilian accounting practices and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from 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 and its controlled companies or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's 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 from 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 (ISA) 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 that are taken based on these financial statements.

As part of an audit in accordance with Brazilian standards and ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 controls;
- Obtain an understanding of internal controls 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 internal controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by Management;
- Conclude 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 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;
- Evaluate 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;
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, October 19, 2021.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/O-1

Henrique Herbel de Melo Campos
Accountant CRC 1 SP 181015/O-3

CANTAGALO GENERAL GRAINS S.A.

Individual and consolidated statements of financial position
As at December 31, 2020 and 2019
(In thousands of Brazilian Reais)

Assets		Parent company		Consolidated	
	Note	2020	2019	2020	2019
Current assets					
Cash and cash equivalents	7	-	1,376	73	14,493
Accounts receivable	8	2,002	2,447	31,453	3,263
Inventories	10	293	271	371	911
Goods receivable	9	2,661	-	5,204	-
Advances to suppliers		5,271	3,725	7,170	3,845
Related-party transactions	12	2,333	14,762	6,511	1,396
Recoverable taxes	11	643	6,467	45,815	58,478
Other receivables	13	12,501	239	12,539	1,855
Noncurrent assets held for sale	14	-	-	-	16,337
		25,704	29,287	109,136	100,578
Noncurrent assets					
Long-term assets					
Related-party transactions	12	-	-	-	14,955
Goods receivable	9	4,917	10,981	58,040	78,088
Recoverable taxes	11	251	705	251	705
Deferred taxes		-	-	-	2,422
Financial investments		-	-	-	4,458
		5,168	11,686	58,291	100,628
Investment properties	15	-	-	235,332	237,005
Investments	16	969,023	751,129	4	85
Fixed assets	17	2,731	3,189	18,287	20,230
Biological assets		7	48	7	48
Intangible assets	18	-	-	-	237,226
		971,761	754,366	253,630	494,594
Total noncurrent assets		976,929	766,052	311,921	595,222
Total assets		1,002,633	795,339	421,057	695,800

Liabilities and equity		Parent company		Consolidated	
	Note	2020	2019	2020	2019
Current liabilities					
Derivative financial instruments	25.d	3,485	4,376	3,485	4,376
Trade accounts payable	19	22,313	19,284	28,042	47,588
Loans and financing	20	72,537	39,032	72,585	856,718
Labor liabilities	21	2	410	437	2,774
Tax liabilities	21	1,593	1,707	77,512	2,173
Related-party transactions	12	480,956	457,883	69,685	39,474
Advances from customers	22	4,031	4,172	4,791	4,500
Other accounts payable	21	13,775	18,204	47,087	94,995
		598,692	545,068	303,624	1,052,598
Noncurrent liabilities					
Related-party transactions	12	342,618	264,703	-	-
Loans and financing	20	-	14,745	-	101,565
Other accounts payable	21	-	2,950	-	2,997
Derivative financial instruments	25.d	12,852	16,846	12,852	16,846
Deferred taxes		-	-	55,191	-
Provision for tax risks	23	-	-	919	5,940
Provision for loss on investments	16	-	247,483	-	-
		355,470	546,727	68,962	127,348
Equity	24				
Capital stock		366,418	366,418	366,418	366,418
Asset and liability valuation adjustment		73,038	289,320	73,038	289,320
Treasury shares		(780)	(780)	(780)	(780)
Accumulated losses		(390,205)	(951,414)	(390,205)	(951,414)
		48,471	(296,456)	48,471	(296,456)
Noncontrolling interest		-	-	-	(187,690)
Total equity		48,471	(296,456)	48,471	(484,146)
Total liabilities and equity		1,002,633	795,339	421,057	695,800

The accompanying notes are an integral part of these individual and consolidated financial statements.

CANTAGALO GENERAL GRAINS S.A.

Individual and consolidated statements of operations
For the years ended December 31, 2020 and 2019
(In thousands of Brazilian Reais)

		Parent company		Consolidated	
	Note	2020	2019 (Restated)	2020	2019 (Restated)
Net operating revenues	26	293	6,274	5,640	19,846
Cost of goods sold	27	(2,351)	(8,474)	(17,344)	(38,423)
Gross income (loss)		(2,058)	(2,200)	(11,704)	(18,577)
General and administrative expenses	27	(3,716)	(12,457)	(38,832)	(24,738)
Equity in earnings (losses) of controlled companies	16.2	683,926	(23,805)	(1)	1
Other operating revenues (expenses)	28	(4,043)	32,301	861,180	43,018
Income (loss) before financial income (loss), net		674,109	(6,161)	810,643	(296)
Financial revenues	29	5,214	6,159	5,214	6,614
Financial expenses	29	(29,811)	(55,404)	(86,337)	(102,238)
Exchange rate gains (losses), net	29	(85,214)	(2,005)	(50,232)	182
Income (loss) from goods receivable/to deliver	29	(822)	14,819	(9,793)	29,090
Income (loss) before Income and Social Contribution taxes		563,476	(42,592)	669,495	(66,648)
Current Income and Social Contribution taxes	21.1.1	-	-	(50,829)	-
Deferred Income and Social Contribution taxes	21.1.4	-	-	(55,190)	-
Income/(loss) for the year from continuing operations, net		563,476	(42,592)	563,476	(66,648)
(Loss)/income for the year from discontinued operations, net	16.2	(2,268)	13,929	(2,268)	13,929
Income/(loss) for the year, net		561,208	(28,663)	561,208	(52,719)
Controlling shareholders		-	-	-	(28,663)
Noncontrolling shareholders		-	-	-	(24,056)

The accompanying notes are an integral part of these individual and consolidated financial statements.

CANTAGALO GENERAL GRAINS S.A.

Individual and consolidated statements of comprehensive income (loss)
For the years ended December 31, 2020 and 2019
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
Income (loss) for the year	561,208	(28,663)	561,208	(52,719)
Cumulative translation adjustment	(216,281)	(18,063)	(28,591)	(24,959)
Tax effects of comprehensive income (loss)	-	-	-	-
Total comprehensive income (loss)	344,927	(46,726)	532,617	(77,678)
Comprehensive income (loss) attributable to:				
Controlling shareholders	344,927	(46,726)	532,617	(46,726)
Noncontrolling shareholders	-	-	-	(30,952)
Total comprehensive income (loss)	344,927	(46,726)	532,617	(77,678)

The accompanying notes are an integral part of these individual and consolidated financial statements.

CANTAGALO GENERAL GRAINS S.A.

Individual and consolidated statements of changes in equity
(In thousands of Brazilian Reais)

	Income (loss) attributable to controlling shareholders						
	Capital stock	Treasury shares	Asset and liability valuation adjustment	Accumulated losses	Total	Noncontrolling shareholders	Total Equity
Balances as at December 31, 2019	366,418		307,382	(922,750)	(248,950)	(156,738)	(405,688)
Cumulative translation adjustments	-	-	(18,063)	-	(18,063)	(6,896)	(24,958)
Loss for the year	-	-	-	(28,664)	(28,664)	(24,056)	(53,500)
Treasury shares	-	(780)			(780)		
Balances as at December 31, 2019	366,418	(780)	289,319	(951,414)	(296,457)	(187,690)	(484,146)
Cumulative translation adjustments	-	-	(216,281)	-	(216,281)	187,690	(28,591)
Income for the year	-	-	-	561,208	561,208	-	561,208
Balances as at December 31, 2020	366,418	(780)	73,038	(390,206)	48,470	-	48,471

The accompanying notes are an integral part of these individual and consolidated financial statements.

CANTAGALO GENERAL GRAINS S.A.

Individual and consolidated statements of cash flows
For the years ended December 31, 2020 and 2019
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	2020	2019	2020	2019
Net income/(loss) for the year	561,208	(28,663)	561,208	(52,719)
Noncash items				
Income (loss) from acquisition of minority interest	-	-	187,690	-
Depreciation and amortization	426	1,623	884	17,328
Residual value of fixed assets written off	-	10,968	-	32,947
Write-off of assets after inventory	-	-	-	154
Deferred Income Tax	-	-	54,717	876
Equity in earnings (losses) of controlled companies	(681,658)	9,875	2,269	11
Expenses on interest on loans	25,763	21,664	93,973	68,624
Exchange rate gains/losses	85,214	7,317	45,491	11,123
Unrealized income (loss) from marking of derivatives	3,430	21,222	3,430	21,222
Provision for tax credits	-	-	-	(238)
Allowance for doubtful accounts	-	650	-	650
Write-off of allowance for doubtful accounts	(113)	-	(113)	-
Fair value adjustment of goods receivable/to deliver	822	(4,509)	9,793	(4,509)
Treasury-share based transactions	-	(780)	-	(780)
Reversal of provisions (no impact on cash)	-	-	(48,546)	-
Interest on related-party transactions	4,870	-	2,158	-
Adjustment of functional currency – Fixed assets	-	-	1,177	(10,051)
Fair value of investment properties	-	-	-	(8,635)
Deferred Income Tax	-	-	2,896	-
Write-off of investment due to disposal	-	-	35,269	-
Transfer of debt due to disposal of investment	-	-	(1,076,318)	-
	(38)	39,367	(124,022)	76,003
Increase/(decrease) in asset and liability accounts				
Accounts receivable	558	7,363	(28,077)	7,767
Inventories	(22)	532	540	267
Advances to suppliers	(1,546)	(1,651)	(3,325)	7,852
Recoverable taxes	6,278	833	13,117	8,147
Other receivables	(12,262)	113	(10,684)	10,867
Assets available for sale	-	-	16,337	-
Derivative financial instruments	(8,315)	(16,981)	(8,315)	(16,981)
Trade accounts payable	3,029	(634)	(19,546)	19,158
Labor liabilities	(408)	(235)	(2,337)	181
Tax liabilities	(114)	(284)	75,339	(363)
Advances from customers	(141)	-	291	-
Other accounts payable	(7,379)	8,969	(7,379)	879
Cash from operating activities	(20,360)	37,392	(98,061)	113,778
Income and Social Contribution taxes paid	-	-	-	(1,596)
Net cash from operating activities	(20,360)	37,392	(98,061)	112,182
Cash flows from investing activities				
Decrease in investment and ownership interest	-	-	(2,189)	-
Write-off of cash from investment disposed	-	-	(14,964)	-
Long-term financial investments	-	1,368	4,458	1,549
Acquisition of fixed assets	-	-	-	(464)
Cash received for disposal of fixed assets	73	-	2,236	-
Related-party transactions	-	(81,847)	-	(71,513)
Acquisition of biological assets	-	7	-	7
Acquisition of intangible assets	-	-	-	(56,459)
Net cash flows from investing activities	73	(80,472)	(10,459)	(126,879)
Cash flows from financing activities				
Interest paid	(3,491)	-	(3,491)	-
Goods to be delivered	-	(212,599)	-	(212,599)
Goods receivable	2,581	53,282	5,051	291,692
Intercompany loans	23,333	318,258	(7,598)	13,011
Loans and financing paid	(3,512)	(143,871)	-	(159,118)
Loans and financing raised	-	29,011	100,138	79,391
Net cash from financing activities	18,911	44,080	94,100	12,376
Effects of exchange rate gains (losses) on cash and cash equivalents	-	-	-	(738)
(Decrease)/increase in cash and cash equivalents, net	(1,376)	1,001	(14,420)	(3,059)
Cash and cash equivalents at beginning of year	1,376	375	14,493	17,552
Cash and cash equivalents at end of year	-	1,376	73	14,493
(Decrease)/increase in cash and cash equivalents, net	(1,376)	1,001	(14,420)	(3,059)

The accompanying notes are an integral part of these individual and consolidated financial statements.

1. Operations

Cantagalo General Grains S.A. (“Company”) is a corporation located at Avenida Magalhães de Castro, 4.800, 11° andar, sala 2, in the city of São Paulo, state of São Paulo, set up on October 25, 2010.

The Company has as main purpose to explore, directly or by means of interest in other companies, the cultivation of soybean, corn, cotton and other cereals; production of certified seeds, production of seeds, seedlings and other certified means of vegetative propagation; land preparation, cultivation and harvesting services; manufacturing of fertilizers; the activities of trade in the domestic and foreign markets (import and export) of agricultural products, especially grains and by-products, and pesticides; rendering of auxiliary services of waterway transportation; road transportation of general cargo; transportation of general cargo (transportation logistics or transporter agent); maritime brokerage and port operator; warehouse and standardization services; warehouse logistics; consulting on general transportation; incorporating or holding any type of interest in other companies, consortiums or entities, directly or indirectly auxiliary or instrumental to the Company’s purpose; manufacturing and processing, by its own or through third parties, of agricultural products and its by-products, fertilizers and by-products, raw materials in general and pesticides, and the management of own assets or held by controlled or affiliated companies.

In 2020, the group made two significant changes in line with its restructuring plan in one of its investees. Firstly, on July 30, 2020, when the Company acquired the shares of Sojitz Grãos do Brasil Participações SA, totaling 100% of the control of CGG Trading SA; and secondly, still at CGG Trading S.A, on December 23, 2020, the Company sold 100% of the shares of Corredor Logística e Infraestrutura S.A for the funds controlled by IG4. Given the relevance of this company for the consolidated income, we present on Note 6 the restatement of the income for 2020, considering the disposal. With such changes, Cantagalo has decreased the bank debt of the group (consolidated) from R$ 958,283 thousand in 2019 to R$ 72,585 thousand in 2020.

The Company has reported negative individual and consolidated working capital as at December 31, 2020 in the amounts of R$ 572,988 thousand and R$ 194,489 thousand, respectively; individual and consolidated equity of R$ 48,471 thousand; recorded individual and consolidated net income of R$ 561,208 thousand for 2020 in comparison with the individual and consolidated loss of R$ 28,663 and R$ 52,719 million in 2019.

The Company continues to advance in its financial reorganization and plans to reduce the activities of its investee CGG Trading even further, by closing its direct branches in Brazil’s countryside, as well as by selling or ceasing its investments in Argentina (CGG Trading Argentina) and in the Netherlands (CGG Trading BV) over 2021. At Cantagalo, the Company continues to evaluate proposals for the selling or partnership in its farms, with the intent to liquidate 100% of its bank debts.

2. Presentation of the financial statements and significant accounting practices

2.1. Presentation of the financial statements

These financial statements were approved by the Company’s Management on October 19, 2021.

The financial statements were prepared according to the Brazilian accounting practices, based on the provisions contained in the Brazilian Corporate Law, technical pronouncements, guidelines, and interpretations issued by the Committee of Accounting Pronouncements (CPC) and on the standards issued by the Brazilian Federal Council of Accounting (CFC).

The preparation of financial statements requires Management to make estimates that affect the reported amounts of certain assets and liabilities and other transactions. Therefore, the financial statements include estimates about the useful lives of fixed assets, necessary provisions for contingent liabilities, setting up of Income Tax provisions, and the like. Actual results may differ from these estimates.

3. New standards, revisions and interpretations not yet adopted.

The Company did not make changes in accounting policies during the year ended December 31, 2020.

3.1. New pronouncements, amendments and interpretations.

The Company did not adopt in advance any pronouncement, interpretation or amendment issued that is not yet in force. Interpretations and amendments of standards that took effect in the year ended December 31, 2020, had no significant impacts on the Company’s financial statements:

- Amendment to references to the conceptual framework for financial reporting - CPC 00 (R2);
- Definition of a business (amendments to CPC 15 / IFRS3);
- Definition of material (amendments to CPC 26/IAS 1-CPC 23/IAS 8);
- Amendments to CPC 38, CPC 40 (R1) and CPC 48 - Interest Rate Benchmark Reform.

3.2. New standards, revisions and interpretations issued and not yet in effect as at December 31, 2020:

The Company did not adopt in advance any pronouncement, interpretation or amendment issued that is not yet in force.

- IFRS 17 – Insurance contracts;
- Amendments to IAS 1: Classification of liabilities as current or noncurrent.
- Amendment to IAS 16 – Property, plant and equipment;
- Amendment to IAS 37 – Onerous contract;
- Amendment to IFRS 3 – Reference to the conceptual framework;
- Amendment to IFRS 4 - Extension of the temporary exemption from applying IFRS 9.

4. Significant accounting practices adopted

The main accounting practices used in preparing these financial statements are as follows:

4.1. Cash and cash equivalents

Cash and cash equivalents include money in cash, bank deposits, highly liquid short-term investments, with immaterial risk of change in value, and overdrafts. The balance of overdraft protection is included in loans under current liabilities and comprises the balance of cash and cash equivalents for the purpose of statement of cash flows.

4.2. Financial instruments

The Company classifies financial assets and liabilities in the following categories: Fair Value Through Profit or Loss (FVTPL), Fair Value Through Other Comprehensive Income (FVOCI) or Amortized Cost.

a) Nonderivative financial assets and liabilities – recognition and derecognition

The Company recognizes financial assets and liabilities when, and only when, they become part of the instrument’s contractual provisions. The Company derecognizes a financial asset when the contractual rights on the cash flows of the asset expire, or when the Company transfers the rights for receiving contractual cash flows on a financial asset in a transaction, in which substantially all risks and benefits of ownership of the financial asset are transferred. Any interest created or held by the Company on the transferred financial assets is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligation is withdrawn, cancelled or expired.

Financial assets or liabilities are offset, and the net amount is reported in the statement of financial position when, and only when, the Company has a current legally enforceable right to offset the amounts and there is intention to settle them on a net basis or simultaneously realize the asset and settle the liability.

b) Nonderivative financial assets – measurement

A financial asset is measured at amortized cost if it meets both of the following conditions:

- The asset is held in a business model in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at fair value through other comprehensive income (loss) only if it meets both of the following conditions:

- The asset is held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;

The contractual terms of the financial asset give rise, on specific dates, to cash flows that are only payments of principal and interest on the principal amount outstanding.

All other financial assets are classified as measured at fair value through profit or loss.

Furthermore, upon initial recognition, the Company can irrevocably designate a financial asset or liability as measured at fair value through profit or loss in order to eliminate or significantly reduce a possible accounting mismatch arising from the result produced by the respective asset or liability.

c) Non-derivative financial liabilities – measurement

Financial instruments recorded as liabilities are measured at amortized cost under the effective interest rate method, after its initial recognition at fair value. Interest, monetary adjustment, and exchange rate gains (losses) are recognized in income (loss) as financial revenue or expenses when incurred.

d) Derivatives measured at value through profit or loss

Initially, derivatives are recognized at fair value on the date on which a derivative contract is entered into and, subsequently, they are remeasured at their fair value and these changes are recorded on an offsetting entry in the statement of operations, except when the derivative is classified as a hedging instrument to cash flow.

Although the Company uses derivatives for hedging purposes, it does not use the so-called hedge accounting.

The fair value of derivatives is disclosed on Note 23.7 (d).

e) Impairment of financial instruments

Financial assets not classified as financial assets at fair value through profit or loss are evaluated at each reporting date to determine if there is objective evidence of impairment. Objective evidence that financial assets were impaired includes:

- Default or debtor late payments;
- Restructuring of an amount owed to the Company in circumstances that would not be accepted under normal conditions;
- Indication that debtors or issuers will go bankrupt/request court-ordered reorganization;
- Negative changes in the situation of payments from debtors or issuers;
- The disappearance of an active market for the instrument due to financial difficulties; or
- Observable data indicating reduction in the measurement of projected cash flows of a group of financial assets.

The Company considers evidence of impairment of assets measured at amortized cost both individually and collectively. All individually significant assets are valued for impairment. The ones that were not individually impaired are collectively tested for any impairment that may have occurred, but has not yet been identified, including expected credit losses. Assets that are not individually significant are collectively tested for impairment, based on the grouping of assets with similar risk characteristics.

When collectively assessing impairment loss, the Company uses historic trends of timing of recovery and values of incurred losses, adjusted to reflect the Management's judgment about whether the current economic and credit conditions are such that the actual losses will probably be higher or lower than the ones suggested by historic trends.

An impairment loss is calculated as the difference between the book value and the present value of estimated future cash flows discounted at the original effective interest rate of the asset. Losses are recognized in the statement of operations and in a valuation account. When the Company considers that there is no reasonable expectation of recovery, the amounts are written off.

When a subsequent event indicates reduction in impairment loss, it is reverted through income (loss).

An impairment loss related to an investee evaluated using the equity method is measured by comparing the recoverable value of the investment and its book value. It is recognized in income (loss) and is reversed if there is a favorable change in the estimates used to determine the recoverable value.

4.3. Trade accounts receivable

Trade accounts receivable are initially recorded at present value and deducted from the allowance for doubtful accounts. The allowance for doubtful accounts is recognized when conclusive evidence shows that the Company will not be able to charge all amounts due according to the original terms of accounts receivable. The allowance value is the difference between their book and recoverable values.

4.4. Inventories

Inventories are presented at the lower between cost and net realizable value. Cost is established using the Moving Weighted Average method. The cost of finished goods and work-in-process includes raw materials, direct workforce, other direct costs and related overall production expenses (according to normal operating capacity), except the costs of loans taken. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and the costs necessary to make the sale. Inventory costs include gains and losses from derivative financial instruments for hedged transactions. Imports in progress are stated at the accrued cost of each import.

4.5. Deferred Income and Social Contribution Taxes

Current and deferred Income and Social Contribution Taxes are calculated at the following rates: 15% plus a 10% surtax on taxable income in excess of R$ 240 for Income Tax, and 9% on taxable Income for Social Contribution Tax, considering income and social contribution tax losses carry forwards, up to 30% of annual taxable income.

Income and Social Contribution tax expenses include the current and deferred income taxes. Current and deferred taxes are recognized in the statement of operations, unless they refer to business combinations, or to items directly recognized in equity or in other comprehensive income (loss).

Current tax is the expected tax amount payable or receivable calculated on taxable income or loss for the year, at the established or substantially established rates at reporting date, as well as any adjustment to payable taxes from prior years.

Current income and social contribution tax expenses

Current tax expenses are the estimated tax payable or receivable calculated on taxable income or loss for the year, as well as any adjustment to payable taxes from prior years. The amount of current taxes payable or receivable is recognized in the statement of financial position as a tax asset or liability at the estimate of the expected amount of taxes to be paid or received that best reflects uncertainties related to its calculation, if any. It is measured based on tax rates in effect as at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Income and Social Contribution Tax expenses

Deferred tax assets and liabilities are recognized for temporary differences between the book values of assets and liabilities for financial statement purposes and the amounts used for income tax purposes. Changes in deferred tax assets and liabilities in the year are recognized as deferred Income and Social Contribution Tax expenses. Deferred taxes are not recognized for:

- Temporary differences on the initial recognition of assets and liabilities in a transaction which is not a business combination and that does not affect taxable income or loss nor accounting result;
- A deferred tax asset is recognized according to non-utilized deductible tax losses and temporary differences, when it is probable that future taxable income will be available and against which they will be used. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that they will be realized;
- Deferred tax assets and liabilities are measured at the rates which are expected to be applied to temporary differences when they reverse, at the established rates at reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4.6. Investment in controlled companies and affiliates

a) Book value

Investments in controlled and affiliates are recorded and evaluated under the equity method. They are recognized in income (loss) as operating revenue (or expense). Regarding the exchange variation of investments in affiliates and controlled companies abroad, changes in the amount of the investment solely due to currency exchange fluctuations are recorded in “Asset and liability valuation adjustments”, in the Company’s equity and recognized in the statement of operations only when the investment is sold or written off as loss. For equity purposes, unrealized gains or transactions between the Company, its affiliates and the like are eliminated according to the Company’s interest; unrealized losses are also eliminated, unless the transaction shows evidence of impairment of the transferred asset.

When necessary, the accounting practices of the controlled and affiliates are changed to guarantee consistency with the accounting practices adopted by the Company.

4.7. Investment Properties

Properties maintained for generating revenues or capital appreciation or both are classified as investment properties and for this reason are recorded under the subgroup Investments in Noncurrent Assets.

According to CPC 28 Investment Properties, all properties classified as investment property shall be accounted for using fair value method. Gains or losses arising from changes in fair value of investment property shall be recognized in income (loss) for the period in which they occur.

When an investment property previously recognized as fixed assets is sold, any amount recognized as asset and liability valuation adjustment is transferred to retained earnings.

4.8. Functional currency

These individual financial statements are presented in Brazilian Reais, which is the Company’s functional currency.
All balances were rounded to the closest thousand, unless otherwise stated.

(In thousands of Brazilian Reais, unless otherwise stated)

4.9. Foreign currency

a) Foreign currency transactions

Transactions in other currencies (different from the functional currency) are translated into the Company's functional currency according to the exchange rate on the transaction dates. Monetary assets and liabilities denominated and calculated in other currencies are translated into the functional currency at the exchange rate calculated on that date.

Exchange rate gains and losses resulting from the translation at the year-end exchange rates, referring to monetary assets and liabilities in other currencies (different from the functional currency), are recognized in the statement of operations as net exchange and monetary variations.

For non-monetary assets, exchange rate gains and losses resulting from the conversion at year-end exchange rates are recorded in equity under asset and liability valuation adjustments.

The conversion of operations in US dollars (USD) to the Company's functional currency, the Brazilian Real (R$), used the following exchange rates, both for consolidated and parent company:

	Average rate for the year		Spot rate	
	2020	2019	2019	2019
R$/USD	5,1520	3,9447	5,1964	4,0304

4.10. Noncurrent assets held for sale

Assets available for sale are classified as held for sale if it is highly probable that they will be primarily recovered by means of sale, not continuous use.

In accordance with CPC 31 Noncurrent Asset Held for Sale and Discontinued Operations, the assets or group of assets held for sale are measured at the lower value between their book and fair value less selling expenses. Impairment identified upon initial classification as held for sale or for distribution, in addition to the gains and losses resulting from subsequent measurements, are recognized in income (loss).

Once classified as held for sale, intangible and fixed assets are no longer amortized or depreciated, and any investment measured at the equity method will be no longer subject to this method.

i. Fixed assets

These mainly comprise plots of land, buildings and farms that are stated at historical acquisition cost.

These items are depreciated using the straight-line method at the rates disclosed in Note 17. Plots of land and farms' land are not depreciated.

The costs of charges on loans taken out to finance construction of fixed assets are capitalized during the period necessary to build and prepare the asset for the intended use.

Repairs and maintenance are recognized in income (loss) during the period in which they are incurred. The cost of the main renovations is included in the book value of the asset when it is probable that the resulting future economic benefits that exceed the performance initially valued for the asset will flow to the Company. The main renovations are depreciated through the remaining useful life of the related asset.

ii. Intangible assets

Software

Expenses with the acquisition of software pieces that were measured at acquisition cost and amortized using the straight-line method during their estimated useful life, such amortization extinguished the values and thus, ended in 2020.

b) Rights of use - Concession

The Company, by means of its indirect controlled company, Corredor Logística e Infraestrutura S/A., recognizes the lease concession of one of the four lots of Terminal de Grãos do Maranhão - TEGRAM (Maranhão Grain Terminal) as intangible assets. This is measured at acquisition cost plus the amounts employed in the terminal consortium.

Amortization is calculated considering the useful life of each item, limited to the concession term.

iii. Impairment loss

Fixed and intangible assets are periodically tested to check for signs of impairment or else whenever events or changes in circumstances indicate that the book value may not be recoverable. When this is the case, recoverable value is calculated to check for loss.

When impairment is reported, it is recognized in the amount by which the asset's book value exceeds its recoverable amount, which is defined as the net sales price or the value in use for an asset, whichever is higher. For valuation purposes, assets are grouped at the lowest asset group for which there are separately identifiable cash flows.

4.11. Provisions

Provisions are recognized when the Company has an actual obligation, legal or informal, as a result of past events, funds are likely to be necessary to settle the obligation, and a reliable estimate of the amount can be made.

The Company recognizes a provision for onerous contracts when the benefits expected to be earned from a contract are lower than the costs required to meet the obligations established by that contract.

The provisions for restructuring comprise fines for termination of lease agreements and employment termination dues, which are recognized in the period in which the Company is legally or implicitly committed to the payment. Costs related to the Company's ongoing operations are not provided for in advance.

4.12. Loans

Loans are initially recognized at fair value upon the receipt of the funds, net of transaction costs. The loans taken are then stated at amortized cost, i.e., plus charges and interest accrued in the period on a pro rata basis.

4.13. Current and noncurrent liabilities

These are stated at known or estimated amounts, plus related charges, monetary variations and/or exchange rate gains (losses) incurred until the reporting date, when applicable.

Where applicable, current and noncurrent liabilities are stated at present value, transaction by transaction, according to interest rates which reflect each transaction's term, currency and risk. The offset of discount to present value is accounted for against the income (loss) accounts that originated the referred liability. The difference between the present value of a transaction and the face value of a liability is recorded in income (loss) during the term of the contract using the amortized cost method and considering the effective interest rate.

(In thousands of Brazilian Reais, unless otherwise stated)

4.14. Revenue recognition

Revenue is measured at the value of the consideration received or receivable, less any estimated returns, discounts and/or bonuses granted to the buyer and other similar deductions.

Operating revenue is recognized when the performance obligation is satisfied, considering the following indications of transfer of control: (i) the Company has a present right to be paid for the service; (ii) the client has legal ownership of the asset; (iii) the client has the significant risks and benefits of ownership of the asset; and (iv) the client accepted the product or the service.

The Company's and its controlled Company's revenue is the fair value of the consideration received or receivable for the rendering of services/trade of storage and elevation of agricultural products in bulk (soybeans, corn and wheat) and other port services over the normal course of the Company's activities.

5. Consolidated financial statements

The consolidated financial statements include the financial statements of the Company Cantagalo General Grains S.A. and of its controlled companies listed below:

		Ownership interest (%)			
		Direct		Indirect	
	Countries	2020	2019	2020	2019
CGG Trading S.A.	Brazil	100,0	56,87	-	-
Tropical Empreendimentos e Participações Ltda.	Brazil	100,0	100,0	-	-
Siqueira Empreendimentos e Participações Ltda.	Brazil	100,0	100,0	-	-
Corredor Logística e Infraestrutura S.A.	Brazil	-	-	-	56,87
CGG Trading B.V	The Netherlands	-	-	100,0	56,87
CGG Trading Argentina S.A.	Argentina	-	-	100,0	56,87

Controlled-company operations

a) Tropical Empreendimentos e Participações Ltda. e Siqueira Empreendimentos e Participações Ltda.

The companies were established on September 20, 2012, located in the city of São Paulo – SP, being engaged in the cultivation of soybean, corn, cotton and other cereals; production of certified seeds, production of seeds, seedlings and other certified means of vegetative propagation; land preparation, cultivation and harvesting services; manufacturing of fertilizers; the activities of trade in the domestic and foreign markets (import and export) of agricultural products, especially grains and by-products, fertilizers and its raw materials and by-products, besides pesticides; rendering of auxiliary services of waterway transportation; road transportation of general cargo; transportation of general cargo (transportation logistics or transporter agent); maritime brokerage and port operator; warehouse and standardization services; warehouse logistics; consulting on general transportation; incorporating, holding or investing in any type of interest in other companies, ventures or entities, whose activities are direct or indirectly related to agricultural and industrial sectors; manufacturing and processing, by its own or through third parties, of agricultural products and its by-products, fertilizers and by-products, raw materials in general and pesticides; signing of lease agreements or rural partnerships, and the management of own assets.

Since 2016, due to the financial limitations of the group, the companies opted to focus on the activities of lease in its farms.

Below is a list of the main assets held by the companies:

- Siqueira: Acreúna Farm (Acreúna - GO);
- Tropical: Maria da Cruz Farm (Pedras de Maria da Cruz - MG).

b) CGG Trading S.A.

The Company was established on February 17, 2011, located in São Paulo – SP, and has as main purpose to explore the activities of trade in the domestic and foreign markets (import and export) of agricultural products, especially grains and by-products, fertilizers, its raw materials and by-products, and pesticides; rendering of auxiliary services of waterway transportation; road transportation of general cargo; transportation of general cargo (transportation logistics or transporter agent); maritime brokerage and port operator; warehouse services; warehouse logistics; consulting on general transportation; incorporating or holding any type of interest in other companies, consortiums or entities, auxiliary or instrumental to the Company’s purpose.

Industrialization and processing, on its own account or by third parties, of agricultural products and their byproducts, of fertilizers and their byproducts, of raw materials in general and of agricultural pesticides and management of own assets. Additionally, the controlled company has investments in the companies (i) CGG Trading BV, (ii) CGG Trading Argentina S.A. and (iii) Corredor Logística e Infraestrutura S.A., and the latter was disposed of on December 23, 2020.

c) CGG Trading BV

Company located in Amsterdam, the Netherlands, founded on July 28, 2011, and engaged in the activities of trade in foreign markets (import and export) of agricultural products, especially all grains and by-products, raw materials for the textile sector and by-products, and of livestock; besides incorporating or holding any type of interest in other financial institutions.

d) CGG Trading Argentina S.A.

Company located in Buenos Aires, Argentina, set up on May 28, 2012, engaged in agricultural activities in all its phases, from producing seeds and/or planting, harvesting, packaging and/or fractionation of products, import, export and storage, by its own or through third parties, of goods, merchandise, fruits and products. The Company may engage in activities of manufacturing and processing of agricultural products, fertilizers and by-products, of raw materials in general and agricultural pesticides, as well as in the trade, by means of purchase, sale, export, import, representation and consignment of agricultural products, mainly cereals and oilseeds, vegetable grains and by-products, seeds and grains, fertilizers, raw materials, agricultural products and pesticides. It may also render services as agent, representative or broker of agricultural products.

e) Corredor Logística e Infraestrutura S.A.

The Company, located in the city of São Paulo – SP, was established on October 21, 2011, and is engaged in the rendering of auxiliary services, related to waterway transportation; road transportation of general cargo; transportation of general cargo (transportation logistics or transporter agent); maritime brokerage and port operator; warehouse services; warehouse logistics; consulting on general transportation; railroad and road transshipping hub; storage of grains and the like, pre-cleaning drying, weighing, analysis and classification of grains; incorporating or holding any type of interest in other companies, consortiums or entities, with direct or indirectly related purposes, auxiliary or instrumental to the Company's activities and management of its own assets.

Additionally, the controlled company has investments in the Consortium Tegram Itaqui. On December 23, 2020, CGG Trading SA sold 100% of its investment in Corredor, and no longer holds any interest in this company.

Description of the main consolidation procedures

- Elimination of the balances of intercompany assets and liabilities;
- Elimination of ownership interest, reserves and accumulated losses of controlled companies;
- Elimination of balances of revenues and expenses as well as unrealized income arising from intercompany transactions. Unrealized losses are eliminated in the same manner, but only when there is no evidence of impairment of related assets;
- Elimination of tax charges on the portion of unrealized income presented as deferred taxes in the consolidated statement of financial position;
- Highlight of the minority interest in the consolidated financial statements;
- The fair value of acquired companies' assets and liabilities was allocated to specific accounts of the consolidated statement of financial position.

(In thousands of Brazilian Reais, unless otherwise stated)

6. Adjustments and reclassifications from restatement

The values for the year ended December 31, 2019, are being restated due to the change in classification of the investment in the indirect controlled company Corredor Logística e Infraestrutura SA to discontinued operations, since this company was sold in 2020 as described in Note 28.

	Parent company			Consolidated		
	December 31, 2019			December 31, 2019		
	Original	Adjustment	Restated	Original	Adjustment	Restated
Net operating revenue	6,274	-	6,274	97,536	(77,690)	19,846
Cost of goods sold	(8,474)	-	(8,474)	(70,900)	32,477	(38,423)
Gross Income	(2,200)	-	(2,200)	26,636	(45,213)	(18,577)
General and administrative expenses	(12,457)	-	(12,457)	(38,534)	13,796	(24,738)
Equity in earnings (losses) of controlled companies	(9,876)	(13,929)	(23,805)	(11)	12	1
Other operating revenues	32,301	-	32,301	43,014	4	43,018
Income (loss) before financial income (loss), net	7,786	-	(6,161)	31,105	(31,401)	(296)
Net financial income (loss)	(36,431)	-	(36,431)	(81,384)	15,032	(66,352)
Income (loss) before Income and Social Contribution Taxes	(28,663)	-	(42,592)	(50,279)	(16,369)	(66,648)
Current Income and Social Contribution Taxes	-	-	-	(1,564)	1,564	-
Deferred Income and Social Contribution Taxes	-	-	-	(876)	876	-
Income (loss) for the period of continuing operations	(28,663)	-	(42,592)	(52,719)	(13,929)	(66,648)
Income (loss) for the period of discontinued operations	-	13,929	13,929	-	13,929	13,929
Income (loss) for the period	(28,663)	-	(28,663)	(52,719)	-	(52,719)
Income (loss) attributable to:						
Controlling shareholders	-	-	-	(28,663)	-	(28,663)
Noncontrolling shareholders	-	-	-	(24,056)	-	(24,056)
Income (loss) for the period	(28,663)	-	(28,663)	(52,719)	-	(52,719)

(*) There were no changes in the total balances of operating, investment and financial groups in the presentation of the statements of cash flows, and therefore the Company understands there is no need to include in this note the restatement effects that were limited to lines within the same groups.

(In thousands of Brazilian Reais, unless otherwise stated)

7. Cash and cash equivalents

	Parent company		Consolidated	
	2020	2019	2020	2019
Cash	-	-	-	8
Bank balance	-	1,376	73	11,806
Foreign exchange for internalization	-	-	-	2,353
Financial investments	-	-	-	326
Total	-	1,376	73	14,493

The Company and its controlled companies consider as cash equivalents balances of cash, banks, financial investments considered of immediate liquidity and financial investments with maturities of 90 days (or less) as from hire date.

Demand deposits correspond to bank balances in current account.

The balances of financial investments are represented by fixed-income securities bearing interest at 99% of CDI-CETIP (Interbank Deposit Certificate) variation, with daily liquidity and possibility of immediate redemption, with no fine or loss of return.

8. Accounts receivable

	Parent company		Consolidated	
	2020	2019	2020	2019
Short-term accounts receivable	2,891	3,449	50,734	19,678
Allowance for doubtful accounts	(889)	(1,002)	(19,281)	(16,415)
	2,002	2,447	31,453	3,263

The Company recognizes an Allowance for doubtful accounts for its receivables overdue for more than 90 days and not being negotiated.

Changes in the consolidated allowance for doubtful accounts is as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Balance at beginning of year	(1,002)	(352)	(16,415)	(3,030)
Additions	-	(650)	-	(10,613)
Write-offs	113	-	113	-
Exchange rate gains (losses)	-	-	(2,979)	(2,772)
Total	(889)	(1,002)	(19,281)	(16,415)

(In thousands of Brazilian Reais, unless otherwise stated)

9. Goods receivable

	Parent company		Consolidated	
	2020	2019	2020	2019
Current assets	2,661	-	5,204	-
Noncurrent assets	4,917	10,981	58,040	78,088
Total	7,578	10,981	63,244	78,088

On July 20, 2016, the parent company Cantagalo General Grains S.A. and its controlled company Siqueira Empreendimentos e Participações Ltda. negotiated the sale of 17,934 ha, from a total of 67,485 ha of Fazenda Fronteira, located in the municipality of Brasnorte-MT, being 11,149 ha available for agricultural exploration and 6,785 ha of legal environmental reserve, in the following conditions, down payment of R$ 17,000 thousand upon signature of the agreement plus 1,250,500 bags of soy of 60 kilos each, and considering only for tax purposes the price of R$ 65 per soybean bag on the date of negotiation, which corresponded to the amount of R$ 81,282 thousand, therefore totaling acquisition price, for tax purposes, of R$ 98,282 thousand.

On December 18, 2017, the Parent company Cantagalo General Grains S.A. and its controlled company Siqueira Empreendimentos e Participações Ltda. negotiated the sale of 6,196 ha, from a total of 67,485 ha of Fazenda Fronteira, located in the municipality of Brasnorte-MT, being 3,681 ha available for agricultural exploration and 2,166 ha of legal environmental reserve, in the following conditions: total amount to be received: 816,444 soybean bags with 60 kilos each, with the first installment comprising 163,288 bags to be paid in the beginning of 2018 and the remaining in annual installments of 93,307 bags on April 30 of each year from 2019 to 2025. Only for tax purposes, R$ 42,000 thousand was considered the total amount of the contract, i.e., with the price of R$ 51.44 per bag.

On December 18, 2018, the Parent company Cantagalo General Grains S.A. and its controlled company Siqueira Empreendimentos e Participações Ltda. negotiated the sale of 43,355 ha, from a total of 67,485 ha of Fazenda Fronteira, located in the municipality of Brasnorte-MT, being 24,900 ha available for agricultural exploration and 18,455 ha of legal environmental reserve, in the following conditions: 4,500,000 soybean bags with 60 kilos each, with the first installment comprising 360,000 bags to be paid in the beginning of 2019 and the remaining in annual installments, with the first five installments totaling 1,675,000 bags to be paid in equal quantities, that is, 335,000 annual bags, on March 31 of each year from 2019 to 2023, with one installment comprising 150,000 bags on March 31, 2024, one comprising 250,000 bags on March 31, 2025, and seven totaling 2,065,000 bags, that is, 295,000 annual bags, on March 31 from 2026 to 2032.

(In thousands of Brazilian Reais, unless otherwise stated)

Only for tax purposes, R$ 292,162,500.00 was considered the total amount of the contract, , i.e., with the price of R$ 64.93 per bag. Between 2019 and 2024, 1,675,000 bags of soybeans were assigned, referring to 335,000 bags annually, with the specific purpose of paying mortgage/fiduciary creditors.

On February 26, 2019, the Parent Company Cantagalo General Grains SA and its controlled company Siqueira Empreendimentos e Participações Ltda, pursuant to the transaction with GFN Agrícola e Participações SA, assigned 653,149 bags of soybeans from the 2017 Sale and Purchase Agreement, being 93,307 bags of soybeans per year between 2019 and 2025 and 1,598,851 bags of soybeans from the 2018 Sale and Purchase Agreement, being 293,434 bags with receipt in 2019, 150,000 bags with receipt in 2026, 147,500 bags per year between 2027 and 2029, 221,250 bags in 2030, 196,667 bags in 2031 and 295,000 bags in 2032 for GFN. Additionally, the company acquired credit rights, by which it was obliged to assign 150,000 bags to GFN, with 21,500 bags between 2026 and 2030 and 42,500 bags in 2031.

10. Inventories

	Parent company		Consolidated	
	2020	2019	2020	2019
Agricultural inputs	21	21	21	21
Consumables	272	250	280	812
Other	-	-	70	78
Total	293	271	371	911

11. Recoverable taxes

	Parent company		Consolidated	
	2020	2020	2020	2019
Recoverable COFINS (Tax on Sales)	498	4,468	41,668	43,903
VAT technical credit balance	-	-	-	587
Recoverable ICMS (State VAT)	-	808	756	2,879
Recoverable PIS (Tax on sales)	145	1,106	3,347	8,755
Reimbursement of VAT on exports	-	-	-	626
Other recoverable taxes	-	85	44	1,728
Provision for Tax losses	-	-	-	-
Current	643	6,467	45,815	58,478
Recoverable COFINS	190	556	190	556
Recoverable ICMS	-	9	-	9
Recoverable PIS	61	140	61	140
Provision for losses on PIS and COFINS	-	-	-	-
Noncurrent	251	705	251	705

(In thousands of Brazilian Reais, unless otherwise stated)

In 2020, there was a decrease in PIS and COFINS recoverable arising from their use to offset taxes payable in consolidated. There were also ICMS credit write-offs in the controlled company, due to the expectation of not using them, given the perspective of closing branches.

12. Related-party transactions

12.1. Transactions and balances

	Parent company		Consolidated	
Related-party transactions – Current assets	2020	2019	2020	2019
CGG Trading S.A.	490	-	-	-
Corredor Logística e Infraestrutura (b)	-	12,749	4,682	-
Coteminas (d)	1,829	2,002	1,829	1,396
CGG Trading B.V.	14	11	-	-
Total current assets	2,333	14,762	6,511	1,396
Noncurrent				
Consórcio Tegram	-	-	-	14,941
Coteminas (d)	-	-	-	14
Total noncurrent	-	-	-	14,955
Total Assets	2,333	14,762	6,511	16,351

Related-party transactions – Current liabilities	2020	2019	2020	2019
Fronteira Com Cereais e Rep Prod Agrop Ltda (a)	684	684	684	684
CGG Trading S.A (e)	10,069	8,396	-	-
Corredor Logística e Infraestrutura (b)	-	1,385	-	-
Sojitz S/A	-	-	32,588	23,852
Tropical Empreendimentos e Participações Ltda	166,989	167,091	-	-
Siqueira Empreendimentos e Participações Ltda	268,161	265,395	-	-
Coteminas (d)	35,053	14,932	36,413	14,938
Total current liabilities	480,956	457,883	69,685	39,474
Noncurrent				
CGG Trading BV (c)	326,063	236,921	-	-
Siqueira Empreendimentos e Participações Ltda	16,555	16,555	-	-
Corredor Logística e infraestrutura	-	11,227	-	-
Total noncurrent	342,618	264,703	-	-
Total liabilities	823,574	722,586	69,685	39,474

a) Contract of Operations by Silent Partnership

On February 11, 2011, the Company entered into a silent partnership agreement with Fronteira – Comércio de Cereais e Representação de Produtos Agropecuários Ltda., for the purpose of acquiring agricultural products for later exportation.

As silent partner, the Company transferred funds to the active partner for the acquisition of agricultural products. Such funds have been reimbursed considering the realization of sales to foreign market.

b) Dividends receivable

Dividends receivable from previous years in short-term assets.

c) Contract for supply of agricultural products

As part of its business policy, the Company entered into supply and prefinancing agreements with the controlled company CGG Trading S.A. and CGG Trading B.V., for future delivery of estimated production. The amounts contracted were determined by establishing the sales price of the agricultural product considering volume until delivery.

The price, when previously established, is determined according to a contractual formula based on the price of the commodity at the Chicago Board of Trade (“CBOT”) or New York Board of Trade (“ICE”), depending on the product negotiated. The price denominated in US dollars is settled at the end of the obligation term in Brazilian Reais and considering currency exchange rates previously established in the contract.

The contract terms make the Company subject to the payment of fine in case the agreed volumes are not delivered.

The balances of the prefinancing agreed with CGG Trading S.A. and CGG Trading BV are controlled in US dollars plus annual interest of 8%. As at December 31, 2015, the parties agreed to reduce future interest to 3.5% p.a. and to extend the debt maturity to 2022.

d) Coteminas

On October 28, 2016, Tropical Empreendimentos e Participações Ltda negotiated 26,940 ha, from a total 50,000 ha of Fazenda Tropical, located in the municipality of Baixa Grande do Ribeiro-PI, with Companhia de Tecidos Norte de Minas-Coteminas, at the total amount of forty-four million eight hundred fifty thousand US dollars (US$ 44,850 thousand), which translated as per PTAX USD = 3.2091 BRL, totaled the amount of one hundred forty-three million nine hundred twenty-eight thousand Brazilian Reais (R$ 143,928 thousand). From 2016 to 2018, the amount of R$ 103,550 thousand was received, leaving a residual balance of R$ 40,378 thousand to be received, with part recognized in current assets (R$ 14,899 thousand) and part in noncurrent assets (R$ 42,377 thousand). The amounts received from the sale were transferred to Cantagalo, which centralizes the management of cash from the controlled companies to optimize the group’s financial synergy.

On December 30, 2019, Cantagalo’s debt with BNB was transferred to Coteminas as provided for in the agreement between the parties.

e) CGG Trading S.A.

Due to the operation of disposal of Corredor Logística e Infraestrutura by CGG Trading, debts with related parties that the company possessed with its investee were taken over by CGG Trading S.A. through a subscription bonus issued by CGG. Therefore, the liability that the company had with Corredor, amounting to R$ 16,030 thousand, is now with CGG Trading, in addition to the accumulated balances of overhead values payable.

(In thousands of Brazilian Reais, unless otherwise stated)

13. Other receivables

Other receivables	2020	2019	2020	2019
Corredor (a)	12,169	-	12,169	-
Other	332	239	370	1,855
Total	12,501	239	12,539	1,855

a) Corredor

It refers to accounts receivable that were marked as related-party transactions in 2019 and reclassified as other receivables due to the disposal of Corredor Logística e Infraestrutura SA.

14. Fixed assets available for sale

Management committed to a plan to sell assets to allow liquidity for its financial restructuring. The efforts for the sale of those assets have already been started and shall be concluded within one year.

	Consolidated 2020	Consolidated 2019
Farms	-	-
Plots of land (a)	-	852
Buildings (a)	-	14,503
Machinery and equipment (a)	-	7,231
Impairment loss (b)	-	(5,986)
Exchange rate gains (losses)	-	(263)
Total	-	16,337

a) Armazém Mundo Novo

Transfer of fixed asset item at its net value. In 2020, investee CGG Trading S.A. sold Armazém Mundo Novo, with a flow of receivables along five years amounting to 117,000 bags of soybeans, 47,500 of those to be received in 2021.

b) Impairment losses

The provision of R$ 5,986 thousand for impairment of Armazém Mundo Novo, determined based on a valuation report issued by an independent company, was reversed due to the disposal of the property.

15. Investment properties

	Consolidated		
	Plots of land (a)	Farms (b)	Total
As at December 31, 2019	1,672	235,333	237,005
Write-off by disposal	(1,672)	-	(1,673)
As at December 31, 2020	-	235,332	235,332

(In thousands of Brazilian Reais, unless otherwise stated)

a. Plots of land

The amount of the investment property refers to a plot of land in Rondonópolis transferred at fair value from fixed assets and held for income and appreciation purposes. In 2020, with the disposal of the investment at Corredor, this asset was written off.

b. Farms

These refer to farms Maria da Cruz and Acreúna, owned by the controlled companies Tropical Empr. e Participações Ltda. and Siqueira Empr. e Participações Ltda., transferred from fixed assets and adjusted at fair value according to valuation report issued by an independent appraiser and held for income and appreciation purposes. The amount is adjusted at the fair value determined by an expert appraiser.

16. Investments in controlled companies

16.1. Information on investments

	Parent company		Consolidated	
	2020	2019	2020	2019
Equity in controlled companies	969,019	751,125	-	-
Provision for loss on investments	-	(247,483)	-	-
Other investments	4	4	4	85
Total	969,023	503,646	4	85

(In thousands of Brazilian Reais, unless otherwise stated)

16.2. Ownership interest in other companies

	CGG Trading S.A.	Tropical Empr. e Part. Ltda	Siqueira Empr. e Part. Ltda	Total
Balance of investments / (provision for loss on investments) as at December 31, 2018	(206,671)	242,780	486,500	522,609
Percentage of ownership interest	56.87%	100%	100%	
Ownership interest variation in controlled companies	8,971	-	-	8,971
Translation adjustments	(18,063)	-	-	(18,063)
Equity in earnings (losses) of controlled companies	(45,649)	3,361	18,483	(23,805)
Equity in earnings (losses) (discontinued)	13,929	-	-	13,929
Balance of investments /(provision for loss on investments) as at December 31, 2019	(247,483)	246,141	504,983	503,641
Percentage of ownership interest	100%	100%	100%	
Translation adjustments	(216,276)	-	-	(216,276)
Equity in earnings (losses) of controlled companies	692,669	(70)	(8,673)	683,926
Equity in earnings (losses) (discontinued)	(2,268)	-	-	(2,268)
Balance of investments / (provision for loss on investments) as at December 31, 2020	226,642	246,071	496,310	969,023

	Ownership interest (%)	= Total assets	Capital stock	Total equity	Revenues	Income/ Loss
2020						
CGG Trading S.A.	100	432,630	410,844	226,640	5,346	690,400
Tropical Empr. e Part. Ltda	100	246,389	125,178	246,073	-	(70)
Siqueira Empr. e Part. Ltda	100	496,322	233,672	496,310	-	(8,673)
		1,175,341	769,694	969,023	5,346	681,657

(In thousands of Brazilian Reais, unless otherwise stated)

17. Fixed assets

Parent Company:

	Plots of land	Buildings and improvements	Machinery and equipment	Furniture and fixtures	Total
Balance as at December 31, 2018	1,112	59	14,474	134	15,779
Acquisitions	-	-	-	-	-
Write-offs	-	-	(10,011)	-	(10,011)
Depreciation in the year	-	(2)	(2,232)	(27)	(2,261)
Functional currency adjustment	-	-	(318)	-	(318)
Balance as at December 31, 2019	1,112	57	1,913	107	3,189
Acquisitions	-	-	-	-	-
Reclassification among groups	-	-	-	-	-
Write-offs	-	-	(40)	-	-
Depreciation in the year	-	(2)	(394)	(22)	(418)
Functional currency adjustment	-	-	-	-	-
Balance as at December 31, 2020	1,112	55	1,479	85	2,731

(In thousands of Brazilian Reais, unless otherwise stated)

Consolidated:

	Plots of land	Buildings and improvements	Machinery and equipment	Vehicles	Facilities	Furniture and fixtures	Pasture	Assets under construction	Total
Balance as at December 31, 2018	21,820	7,880	15,047	1,389	1,002	824	225	7,858	56,045
Acquisitions	-	-	313	151		-	-	-	464
Write-offs	(21,820)	-	(10,011)	(1,112)		(4)	-	-	(32,947)
Depreciation in the year	-	(461)	(2,522)	(151)	(213)	(74)	-	-	(3,421)
Functional currency adjustment	-	92	(11)	3	(4)	9	-	-	89
Balance as at December 31, 2019	-	7,511	2,816	280	785	755	225	7,858	20,230
Acquisitions	-	-	-	-	-	-	-	-	-
Reclassification among groups	6,617	-	1,158	-	308	-	(225)	(7,858)	-
Write-offs	-	-	(1,839)	(39)	(68)	(320)	-	-	(2,236)
Depreciation in the year	-	(251)	(431)	(22)	(129)	(51)	-	-	(884)
Functional currency adjustment	-	1,019	125	9	25	29	-	-	1,177
Balance as at December 31, 2020	6,617	8,279	1,829	228	921	413	-	-	18,287

(In thousands of Brazilian Reais, unless otherwise stated)

Depreciation occurs as from the date the asset is installed and becomes available for use, or in the case of internally constructed assets, as from the date construction is completed and the asset becomes available for use.

The estimated useful lives of acquisition of new items for the current year are the following:

	Useful life
Computers and peripherals	3-5 years
Vehicles	5 years
Aircrafts	14 years
Furniture and fixtures	10-15 years
Machinery and equipment	10-15 years
Facilities	10-30 years
Buildings	25-30 years

In case of acquisition of used assets, the remaining useful life of the asset is used to estimate its depreciation.

18. Intangible assets

	Consolidated		
	TEGRAM Port of Itaqui(i)	Software and licenses	Total
Balances as at December 31, 2018 (i)	184,866	542	185,408
Additions	66,447	62	66,509
Write-offs	-	-	-
Transfers	-	-	-
Amortization in the year	(13,817)	(90)	(13,907)
Functional currency adjustment	(784)	-	(784)
Balance as at December 31, 2019	236,712	514	237,226
Write-offs (ii)	(236,712)	-	(236,712)
Amortization in the year	-	(30)	(30)
Functional currency adjustment	-	(484)	(484)
Balance as at December 31, 2020	-	-	-

(i) The Company participated, through its investee Corredor Logística e Infraestrutura SA, in the bidding process for the lease for 25 years, renewable for another 25, of four lots of TEGRAM, being the winning bidder of one of the lots, and whose agreement was entered into on February 2, 2012. TEGRAM will allow the Company to obtain competitive advantages in the logistics of grains in the North, Northeast, and north of Center-West regions. The signed contract has the following main clauses:

(In thousands of Brazilian Reais, unless otherwise stated)

a. The lease of LOT III of TEGRAM, in Port of Itaqui, state of Maranhão, involves the investment required to the construction, management, operation and maintenance of port facilities, aiming the storage of grains in bulk for exportation.
b. LOT III has an individual area of 22,550 m2 and participation on equal terms in an area of common use of 29,814 m2 and in the systems of reception and shipment measuring 41,894 m2.

(ii) On December 23, 2020, subsidiary CGG Trading SA sold 100% of the shares it held of the investment on Corredor Logística e Infraestrutura SA.

19. Trade accounts payable

The existing amount refers to the purchase of agricultural products, inputs, freight and other services, as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Agricultural inputs and products (i)	12,243	12,394	15,642	21,097
Other	10,070	6,890	12,400	26,491
Total	22,313	19,284	28,042	47,588

(i) The balance represents the recognition of obligations with suppliers, mainly regarding the volume received of purchases made from agricultural producers.

20. Loans and financing

Parent Company:

	Interest rate (%)	2020	2019
Foreign currency			
Advances on exchange contracts	7.09%	21,611	7,756
Advances on exchange contracts	8.60%	10,846	15,695
Bank credit note	7.95%	40,080	30,326
		72,537	53,777
Current		72,537	39,032
Noncurrent		-	14,745

The following assets were offered as a guarantee for the financing activities, valuated in Brazilian Reais, with registration held by affiliated company Siqueira Empreendimentos e Participações Ltda., comprising the following farms:

Fazenda dos Gaúchos (PI) with 4,392.66 ha, Fazenda Chapadão (MT) with 11,409.39 ha, Fazendas Reunidas Lisot (MT) with 16,557.65 ha, Fazenda Siqueira (MT) with 13,366.59 ha.

(In thousands of Brazilian Reais, unless otherwise stated)

Consolidated:

	Interest rate (%)	2020	2019
In Domestic Currency			
Trade Credit Note (a)	3.53	-	39,949
Foreign currency			
Pre-payment of Export and ACCs (a)	6.23	-	864,557
Advances on exchange contracts	7.09	21,611	7,756
Advances on exchange contracts	8.60	10,846	15,695
Bank credit note	7.95	40,128	30,326
		72,585	958,283
Current		72,585	856,718
Noncurrent		-	101,565

(a) Debts from controlled company CGG Trading SA were transferred to third parties in 2020, with the sale of Corredor Logística e Infraestrutura SA.

21. Labor and tax liabilities and other accounts payable

At reporting dates, the Company and its affiliates reported the following balances payable:

	Parent company		Consolidated	
	2020	2019	2020	2019
Other accounts payable				
Take or pay contracts (a)	-	-	30,888	78,685
Unrealized collateral (b)	-	3,548	-	-
Evora	3,604	6,311	3,604	6,311
Commercial contingencies	-	-	-	1,516
Sundry	3,805	3,630	6,230	3,768
Valor Grains	6,366	4,715	6,366	4,715
Total	13,775	18,204	47,088	94,995
Labor liabilities				
Salaries	-	330	82	1,876
Provisions	2	68	284	587
Charges	-	12	71	311
Total	2	410	437	2,774
Tax liabilities				
Federal (d)	1,593	1,707	77,512	1,921
Other taxes	-	-	-	252
Total	1,593	1,707	77,512	2,173
Other accounts payable - noncurrent				
Evora (c)	-	2,950	-	2,950
Sundry	-	-	-	47
Total	-	2,950	-	2,997

(In thousands of Brazilian Reais, unless otherwise stated)

(a) Take or pay contracts: These are contracts ruling the rendering of services of movement of grains with minimum volume established. The volumes not realized by the controlled company CGG Trading S.A. generate to the service provider the right to charge for those volumes.
(b) Collateral charge/supply of unrealized guarantee: These refer to financial costs of the guarantee given to Corredor Logística e Infraestrutura SA for its loan taken with Bank BNB, amounting to average R$ 67.8 million. As the company left the group in 2020, Cantagalo guarantee was removed from BNB;
(c) Évora: Acquisition of credit between Cantagalo General Grains, Évora S.A. and Siqueira Empreendimentos e Participações Ltda.;
(d) Federal tax liabilities: Balances in consolidated from the operation of disposal of shares of CGG Trading S.A.'s investment in Corredor Infraestrutura e Logística S.A.

21.1. Tax liabilities

	Parent company		Consolidated	
	2020	2019	2020	2019
Income tax (IR) and CSLL for the period (20.1.1)	-	-	50,829	-
Income tax on PPE conversion (20.1.2)	-	-	24,364	
Other tax liabilities (20.1.3)	1,593	1,707	2,319	2,173
Total Tax Liabilities	1,593	1,707	77,512	2,173
Deferred IR and CSLL (20.1.4)	-	-	55,191	-
Total Taxes Payable	1,593	1,707	132,703	2,173

21.1.1. Reconciliation of Income and Social Contribution Tax expenses

The reconciliation of Income and Social Contribution tax expenses at nominal and effective rates is as follows:

	Parent company		Consolidated	
	2020	2019	2020	2019
Reconciliation of effective rate				
Book income (loss) before income and social contribution taxes	561,208	(28,663)	561,208	(52,719)
Exclusion of effects arising from:				
Equity in earnings (losses) of controlled companies	(683,926)	(23,805)	(1)	1
Adjusted book income (loss)	(155,984)	(40,282)	561,207	(52,718)
Combined tax rates	34%	34%	34%	34%
Income and social contribution taxes at the combined rate	(53,034)	(13,696)	190,810	(17,924)
Provision for non-use of IR and CSLL on losses	53,034	13,696	-	17,924
Decrease from accumulated losses from previous years	-	-	(82,970)	-
Translation and temporary add-backs (deductions)	-	-	45,073	-
Permanent add-backs (deductions)	-	-	(102,084)	-
Total	-	-	50,829	-
Total effective tax rate	-%	-%	9%	-%

(In thousands of Brazilian Reais, unless otherwise stated)

21.1.2. Income Tax on the conversion of non-effective interest on PPE

Controlled company CGG Trading SA, in addition to current tax income, recognized in its balance the amount of R$ 24,364, which was duly paid in January 2020, through an operation that recognized the non-effectiveness of interest on PPE operations in accordance to article 9 of Law No. 9.779/99.

21.1.3. Other Tax Liabilities

As part of its current operation flow, the Company had in its liabilities for 2020 an amount of R$ 2,319 mainly referring to December's PIS and COFINS payments.

Breakdown of deferred IR and CSLL

Also in controlled company CGG Trading SA, considering the amount of exchange rate gains (losses), it is estimated that in case the company realizes its exchange rate gains (losses), considering the closing rate for 2020, would incur in IR and CSLL amounting to R$ 55,190.

The Company kept provisions for 100% of its deferred income tax asset balance, as in previous years, due to its low expectation of use.

22. Advances from customers

	Parent company		Consolidated	
	2020	2019	2019	2019
Advances from customers resulting from sales of assets (a)	4,031	4,172	4,031	4,172
Other advances from customers	-	-	760	328
Total	4,031	4,172	4,791	4,500

(a) Advances from customers resulting from sales of assets:

Advance received referring to the sale of Fazenda Fronteira as per Note 8.

(In thousands of Brazilian Reais, unless otherwise stated)

23. Provisions for tax and civil risks

The Company had the following liabilities related to contingencies:

	Parent company		Consolidated	
	2020	2019	2020	2019
Tax - ICMS	-	-	-	2,177
Civil			919	3,763
Total	-	-	919	5,940

23.1. Nature of provision for tax risks

The Company is a party to tax proceedings that are being discussed at the administrative and judicial levels, and are supported by court deposits, when applicable. Provisions for possible losses arising from those proceedings are estimated and adjusted by the Company's Management, according to the opinion of its external legal counselors.

The nature of liabilities may be summarized as follows:

- Civil: in consolidated, it mainly refers to a process of execution of a company with which the Company entered into a commodity purchase and sale agreement that was, however, washed out.

There was a decrease in civil contingencies mainly due to the change in the proceeding with Avant Logística, which the external legal counselors have classified as remote risk in 2020.

As per tax contingencies, the main change happened due to the liquidation of debt in a process that the Company carried in the state of Goiás.

23.2. Changes in the provisions for tax risks

	Parent company	Consolidated
Balances as at December 31, 2019	-	5,940
Adjustments	-	(5,021)
Balances as at December 31, 2020	-	919

(In thousands of Brazilian Reais, unless otherwise stated)

23.3. Possible losses, not provided for in the statement of financial position

The Company is party to civil and labor lawsuits involving risk of losses classified by Management as possible, based on the evaluation of its legal counselors, and for which there is no recognized provision, according to the following composition and estimate:

	2020	2019
Labor	1,480	629
Civil*	400,464	269,665
	401,944	270,294

Civil contingencies refer mainly to a lawsuit, entered into as defendant, regarding land tenure claims in company properties.

24. Equity

As at December 31, 2020, the Company's subscribed and paid-in capital stock amounts to R$ 366,418, divided into 114,943,677 common and registered shares with no par value, as follows:

	Shares
Shareholders	
Cia de Tecidos Norte de Minas	31,609,708
Fazenda do Cantagalo Ltda.	23,859,811
Ações em Tesouraria	18,850,217
GFN agrícola e participações S.A	1,298,826
Agrícola Estreito S.A.	19,527,163
Serez capital	12,115,258
Coteminas International Ltd	1,935,510
Sojitz Agrícola Participações Ltda	5,747,184
Total	114,943,677

24.1. Cumulative translation adjustment

These include all differences in foreign currencies arising from the translation of the controlled companies' financial statements.

24.2. Statutory reserve and appropriated retained earnings

The statutory reserve is set up at the rate of 5% of net income for the year or remaining balance, up to the limit of 20% of capital stock, with use restricted to the absorption of accumulated losses or for the purpose of capital increase.

(In thousands of Brazilian Reais, unless otherwise stated)

25. Financial instruments

Breakdown of the balances of financial instruments per type of fair value:

	2020		2019	
Parent company	Book value	Fair Value	Book value	Fair Value
Assets				
Assets at amortized cost				
Cash and cash equivalents	-	-	1,376	1,376
Accounts receivable	2,002	2,002	2,447	2,447
Goods receivable	7,578	7,578	10,981	10,981
Advances to suppliers	5,271	5,271	3,725	3,725
Related-party transactions	2,333	2,333	14,762	14,762
Recoverable taxes	894	894	7,172	7,172
Noncurrent assets held for sale	-	-	-	-
Other receivables	12,501	12,501	239	239
Total assets at amortized cost	30,579	30,579	40,702	40,702
Liabilities				
Liabilities at amortized cost				
Derivative financial instruments	16,337	16,337	21,222	21,222
Loans and financing	72,537	72,537	53,777	53,777
Trade accounts payable	22,313	22,313	19,284	19,284
Advances from customers	4,031	4,031	4,172	4,172
Labor liabilities	2	2	410	410
Tax liabilities	1,593	1,593	1,707	1,707
Related-party transactions	823,574	823,574	722,586	722,586
Other accounts payable	13,775	13,775	21,154	21,154
Total liabilities at amortized cost	954,162	954,162	844,312	844,312

	2020		2019	
Consolidated	Book value	Fair Value	Book value	Fair Value
Assets				
Assets at amortized cost				
Cash and cash equivalents	73	73	14,493	14,793
Financial investments	-	-	4,458	4,458
Accounts receivable	31,453	31,453	3,263	3,263
Goods receivable	63,244	63,244	78,088	78,088
Advances to suppliers	7,170	7,170	3,845	3,845
Related-party transactions	6,511	6,511	16,351	16,351
Recoverable taxes	46,066	46,066	59,183	59,183
Noncurrent assets held for sale	-	-	16,337	16,337
Other receivables	12,539	12,539	1,855	1,855
Total assets at amortized cost	167,056	167,056	197,873	198,173
Liabilities				
Liabilities at amortized cost				
Derivative financial instruments	16,337	16,337	21,222	21,222
Loans and financing	72,585	72,585	958,283	958,283
Trade accounts payable	28,042	28,042	47,588	47,588
Advances from customers	4,791	4,791	4,500	4,500
Labor liabilities	437	437	2,774	2,774
Tax liabilities	77,512	77,512	2,173	2,173
Related-party transactions	69,685	69,685	39,474	39,474
Other accounts payable	47,088	47,088	97,992	97,992
Total liabilities at amortized cost	316,477	316,477	1,174,006	1,174,006

25.1. Identification and valuation of financial instruments

The Company operates with several financial instruments, mostly cash and cash equivalents, including financial investments, trade accounts receivable, trade accounts payable and loans and financing. Additionally, the Company also operates with derivative financial instruments. The derivative instruments are valued according to their market value.

25.2. Cash and cash equivalents, financial investments, accounts receivable, other current assets and accounts payable

The book values of these instruments approximate their realizable values.

25.3. Investments

These mainly consist in investments in closely-held affiliates, recorded under the equity method, in which the Company has strategical interest. Share market value considerations are not applicable.

(*) For the amounts in USD, the market rate considered was Libor + 2%; for the amounts in BRL, the market rate considered was CDI.

25.4. Policy on financial risk management

The Company has and follows a risk management policy which offers guidance on transactions and requires the diversification of transactions and considerations.

Under this policy, the nature and general position of financial risks is regularly monitored and managed to evaluate the results and financial impact on cash flows. Additionally, credit limits and the quality of the hedge of counterparties are periodically reviewed.

The Company’s risk management policy was established by Management and determines the existence of a risk management committee. Under this policy, market risks are hedged when it is necessary to support corporate strategies or to keep financial flexibility.

The committee of risk management assists the Financial Management to examine and review information related to risk management, including significant policies, procedures and practices applied to risk management.

The Company manages some of the risks by using derivatives. Speculation and short selling are usually prohibited.

(In thousands of Brazilian Reais, unless otherwise stated)

25.5. Credit risk

The Company's sales policy considers the level of credit risk it is willing to take in the course of its business. In order to mitigate the chances of default on accounts receivable, the Company diversifies its receivables portfolio, selects customers and follows up on sales terms by line of business and considering individual position limits.

25.6. Liquidity risk

It results from the possibility that the Company will find difficulties to comply with the obligations associated to its financial liabilities settled through payments in cash or through other financial assets. The Company's approach in the management of this risk is to guarantee enough liquidity to meet its obligations within the deadlines, under regular or unusual conditions, with no losses or risking the Company's reputation.

The Company and its controlled companies work to align availability and generation of funds in order to meet its obligations within the agreed terms. To manage cash liquidity in domestic and foreign currency, assumptions about future disbursements and receipts are made and monitored by the Treasury Department daily.

The contractual maturities of financial liabilities, including the payment of incurred interest and excluding the impact of agreements for the negotiation of currencies at net position are presented next.

	Consolidated				
	Book value	1 year or less	1-2 years	2-5 years	Over 5 years
Assets					
Cash and financial investments	73	73	-	-	-
Accounts receivable	31,453	31,453	-	-	-
Inventories	371	371	-	-	-
Advances to suppliers	7,170	7,170	-	-	-
Related-party transactions	6,511	6,511	-	-	-
Goods receivable	63,244	5,204	-	-	58,040
Recoverable taxes	46,066	45,815	251	-	-
Other receivables	12,539	12,539	-	-	-
Liabilities					
Loans and financing	(72,585)	(72,585)	-	-	-
Derivative instruments	(16,337)	(3,485)	(12,852)	-	-
Advances from customers	(4,791)	(4,791)	-	-	-
Trade accounts payable	(28,042)	(28,042)	-	-	-
Related-party transactions	(69,685)	(69,685)	-	-	-
Labor liabilities	(437)	(437)	-	-	-
Tax liabilities	(77,512)	(77,512)	-	-	-
Provision for tax risks	(919)	-	(919)	-	-
Other accounts payable	(47,088)	(47,088)	-	-	-
Total	(149,969)	(194,489)	(13,520)		58,040

25.7. Market risk

a) Risk of commodities price

The Company operates with commodity derivatives to minimize the variance of its results caused by the recognition of assets and liabilities, rights and obligations at fair value, valued according to the price of commodities at international stock exchanges (ICE and CBOT) and indexes disclosed by the Center for Advanced Studies on Applied Economics and the Luiz de Queiroz College of Agriculture (CEPEA/ESALQ). Exposure to this type of risk is constantly updated during the regular course of the Company's operations. Therefore, the management of this exposure is dynamic and occurs by means of derivative agreements entered into for hedging adjustments made according to new needs. The use of these derivative contracts is monitored and based on the limit of risk previously established by the Board of Directors by means of its corporate risk policy.

The products soybean, corn, wheat and cotton are traded in the domestic and foreign markets and their sales price is formed by the price of these commodities at the stock exchanges of Chicago and New York and local premium. These represent the main risk factors of the portfolio. The net exposure between purchases and sales is monitored by means of derivatives of cotton, soybean, and wheat (future or over-the-counter) referenced at the same stock exchange and monitored considering the risk limits established by the Board of Directors according to the corporate risk policy. Gains or losses originated from those hedging instruments are recorded in income (loss) for the year.

b) Interest rate risk

The risk is due to the possibility of the Company incurring losses on account of interest rate fluctuations that may increase the financial expenses on loans and financing raised in the market. The Company has entered into derivative contracts to hedge against this risk in a few operations and, furthermore, it continuously monitors the market interest rates in order to evaluate the possible need to enter into new operations to hedge against fluctuation of these rates.

c) Exchange rate risk

Exchange rate risk is due to the possibility of the Company incurring losses on exchange rate fluctuations, which may increase amounts raised in the market or decrease nominal amounts billed.

As informed in Note 20, the Company has loan obligations in foreign currency, which shall be fulfilled, in most part, by means of export contracts. In addition to this natural hedge, the Company hires derivatives to reduce exposure to the risk of change in foreign exchange rates.

(In thousands of Brazilian Reais, unless otherwise stated)

d) Risk of derivatives

As at December 31, 2020, the Company has derivative agreements of cotton with financial settlement with the following characteristics:

Type	Reference value (notional)	Fair Value	Amounts receivable /payable	Realized gains/losses	Unrealized gains/losses
Forward contracts					
Cotton long position	96,892	80,555	(16,337)		(16,337)
Current	32,297	28,812	(3,485)		(3,485)
Noncurrent	64,595	51,743	(12,852)		(12,852)

The derivative agreement was entered into directly with the counterparties and uses as reference cotton price at New York stock exchanges (ICE).

Losses and gains from operations with derivatives are monthly recognized in income (loss), considering the (market) fair value of those instruments.

26. Net revenues

	Parent company		Consolidated	
	2020	2019	2020	2019
Gross revenues	350	7,027	10,071	20,789
Taxes on sales	(30)	(753)	(4,404)	(906)
Returns and discounts	(27)	-	(27)	(37)
Total	293	6,274	5,640	19,846

(In thousands of Brazilian Reais, unless otherwise stated)

27. Costs and expenses by type

	Parent company					
	2020			2019		
	Cost of goods sold	General and administrative expenses	Total	Cost of goods sold	General and administrative expenses	Total
Raw materials and products	-	-	-	(3,397)	-	(3,397)
Personnel expenses	(412)	(2,851)	(3,263)	(1,059)	(6,653)	(7,712)
Other expenses	(213)	(328)	(534)	(126)	(375)	(501)
Expenses on services rendered	(104)	(532)	(636)	(1,919)	(5,183)	(7,102)
Taxes and fees	(1,198)	(4)	(12)	(358)	(246)	(604)
Result of market positions	-	-	-	18	-	18
Subtotal	(1,927)	(3,715)	(4,445)	(6,841)	(12,457)	(19,298)
Depreciação	(424)	(1)	(426)	(1,633)	-	(1,633)
Subtotal	(424)	(1)	(426)	(1,633)	-	(1,633)
Total	(2,351)	(3,716)	(4,871)	(8,474)	(12,457)	(20,931)

	Consolidated					
	2020			2019		
	Cost of goods sold	General and administrative expenses	Total	Cost of goods sold	General and administrative expenses	Total
Raw materials and products	(10,456)	-	(10,456)	(12,686)	-	(12,686)
Personnel expenses	(413)	(3,048)	(3,461)	(490)	(7,534)	(8,024)
Port costs	-	-	-	(1,639)	-	(1,639)
Expenses from services rendered	(104)	(14,155)	(14,259)	(14,649)	(12,613)	(27,262)
Other expenses	(4,742)	3,922	(820)	(5,483)	(2,277)	(7,760)
Taxes and fees	(1,205)	(24,441)	(25,646)	(830)	(1,400)	(2,230)
Result of market positions	-	-	-	(699)	-	(699)
Total	(16,920)	(37,722)	(54,642)	(36,476)	(23,824)	(60,300)
Depreciation	-	(1,068)	(1,068)	(1,633)	(855)	(2,488)
Amortization	(424)	(42)	(466)	(314)	(59)	(373)
Subtotal	(424)	(1,110)	(1,534)	(1,947)	(914)	(2,861)
Total	(17,344)	(38,832)	(56,176)	(38,423)	(24,738)	(63,161)

(In thousands of Brazilian Reais, unless otherwise stated)

28. Other operating revenues/(expenses)

	Parent company		Consolidated	
	2020	2019	2020	2019
Income (loss) from disposal of assets and investments (28.1)	-	-	839,846	-
Reversal/recognition of allowance for doubtful accounts (*)	113	(650)	113	(849)
Reversal/recognition of provision for tax credits	(5,150)	-	2,416	(2,658)
Income (loss) from sale of fixed assets (**)	967	8,571	18,716	13,216
Realization of impairment			-	8,768
Reversal/recognition of provision for taxes on plots of land	-	12,790	-	12,790
Revenues from the transfer of debt - BNB vs. Coteminas	-	10,801	-	10,800
Treasury-share based transactions	-	780	-	780
Other non-operating expenses	27	9	89	171
Total	(4,043)	32,301	861,180	43,018

(*) In the consolidated statements, this refers to the reversal of the allowance for doubtful accounts related to the portion of credits sold.

28.1. Sale of assets and investments in controlled companies

In 2020, the controlled company CGG Trading S.A. disposed of assets and investments. These transactions, in addition to the sale of said assets, also included the transfer of liabilities, which may be summarized in the following table:

Parent company	2020
Transfer of bank debts	1,076,318
Transfer of operating liabilities	35,671
Amounts receivable (consideration)	16,920
Sale of fixed assets	10,966
Investment cost	(277,666)
Cost of fixed assets	(25,295)
Others	2,932
Total	839,846

29. Financial income (loss)

	Parent company		Consolidated	
	2020	2019	2020	2019
Financial revenues				
Interest on financial investments	1	76	1	531
Collateral (*)	5,213	6,083	5,213	6,083
Total	5,214	6,159	5,214	6,614
Financial expenses				
Interest on loans obtained	(19,065)	(4,967)	(78,303)	(57,400)
Interest from related-party transactions	(4,870)	(15,528)	(2,158)	(5,310)
Interest on related-party transactions	-	(186)	-	(131)
Derivative financial income (loss)	(3,430)	(21,222)	(3,430)	(21,222)
Other financial expenses	(2,446)	(13,501)	(2,446)	(18,175)
Total	(29,811)	(55,404)	(86,337)	(102,238)
Net financial income (loss)	(24,597)	(49,245)	(81,123)	(95,624)
Exchange rate gains (losses), net	(85,214)	(2,005)	(50,232)	182
Income (loss) from goods receivable/to deliver	(822)	14,819	(9,793)	29,090
Net financial income (loss)	(110,633)	(36,431)	(141,148)	(66,352)

(*) It refers to revenues from guarantee offered for transactions with affiliates, as per Note 19 (b).

30. Insurance

The Company seeks the support of insurance consultants to establish coverage that is compatible with its size and transactions. As at December 31, 2020, coverage amounted as follows, in accordance with insurance policies:

Types	Amounts insured (in thousands of Brazilian Reais)
Civil liability – Directors & Officers (a)	60,000
General civil liability (a)	5,000
Civil Liability CGG BV (b)	31,880

(a) Civil liability insurance: Insurance taken at the holding Cantagalo General Grains S/A., covering the risks of all group companies located in Brazil.
(b) Civil liability insurance: Insurance hired for the directors and officers of the controlled company CGG BV.