CTC - Centro de Tecnologia Canavieira S.A.

Interim financial information

September 30, 2019

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing individual and consolidated interim financial information prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board - IASB)

Contents

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Report on the review of quarterly information - ITR

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), containing individual and consolidated interim financial information prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board - IASB)

To
Board of Directors and Executive Board of
CTC - Centro de Tecnologia Canavieira S.A.
Fazenda Santo Antonio, s/nº - Bloco 01 - Bairro Santo Antônio
Piracicaba – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of CTC - Centro de Tecnologia Canavieira ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended September 30, 2019, which comprises the balance sheet as of September 30, 2019 and the respective statements of income (loss) and comprehensive income for the three and six-month periods then ended and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this individual and consolidated interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in accordance with standards issued by the Brazilian Securities Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, applicable to the preparation of Quarterly Information (ITR), and presented in accordance with the standards issued by the Brazilian Securities Commission.

Other issues - Statements of added value
The interim financial information as referred to above includes individual and consolidated statements of value added (DVA) for the six-month period ended September 30, 2019, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34. The financial information were submitted to the review procedures followed together with the review of the Quarterly Information, in order to form our conclusion whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that Statement of Value Added has not been prepared, in all material respects, in accordance with requirements described at the Technical Pronouncement and consistent with the individual and consolidated interim financial information taken as a whole.

Ribeirão Preto, November 14, 2019

KPMG Auditores Independentes
CRC SP-027666/F

Original report in Portuguese signet by

Rafael Henrique Klug
Accountant CRC 1SP246035/O-7

CTC - Centro de Tecnologia Canavieira S.A.

Balance sheets at September 30, 2019 e March 31, 2019

(In thousands of reais)

		Consolidated		Parent company	
Assets	**Note**	**09/30/2019**	**03/31/2019**	**09/30/2019**	**03/31/2019**
Cash and cash equivalents	4	206,399	151,631	206,016	151,131
Accounts receivable	6	69,953	27,859	69,953	27,859
Financial instruments	5	-	99,400	-	99,400
Inventories		1,919	350	1,886	350
Recoverable taxes		105	140	105	140
Biological assets		859	671	859	671
Current tax assets		1,060	3,963	1,060	3,963
Other accounts receivable	7	1,830	264	1,793	264
Total current assets		**282,126**	**284,278**	**281,672**	**283,778**
Financial instruments	5	40,579	46,133	40,579	46,133
Accounts receivable	6	15,082	19,325	15,082	19,325
Other accounts receivable	7	10,993	10,912	10,993	10,912
Recoverable taxes		3,920	3,735	3,920	3,735
Deferred tax assets	8	42,220	41,648	42,220	41,648
Total non-current assets		**112,794**	**121,753**	**112,794**	**121,753**
Investments	9	-	-	6,523	3,313
Property, plant and equipment	10	116,358	123,316	111,035	118,413
Right to use	11	29,187	-	26,543	-
Intangible assets	12	264,349	249,228	263,684	249,228
Total non-current assets		**522,688**	**494,297**	**520,579**	**492,707**
Total assets		**804,814**	**778,575**	**802,251**	**776,485**

		Consolidated		Parent company	
Liabilities	**Note**	**09/30/2019**	**03/31/2019**	**09/30/2019**	**03/31/2019**
Suppliers	13	9,123	9,127	8,024	9,127
Leases	11	5,010	-	4,481	-
Loans and financing	15	46,122	46,158	46,122	46,158
Taxes and contributions payable		2,660	2,443	2,659	2,443
Salaries, vacation and charges	14	18,126	20,455	18,039	20,455
Dividends payable		3,308	5,431	3,308	5,431
Other accounts payable		3,866	5,622	5,134	3,532
Total current liabilities		**88,215**	**89,236**	**87,767**	**87,146**
Leases	11	23,545	120	21,430	120
Loans and financing	15	89,140	107,617	89,140	107,617
Provision for lawsuits	16	1,981	1,981	1,981	1,981
Total non-current liabilities		**114,666**	**109,718**	**112,551**	**109,718**
Shareholders' equity	17				
Capital		562,202	562,202	562,202	562,202
Legal reserve		1,143	1,143	1,143	1,143
Reserve of shareholders' equity		16,292	16,292	16,292	16,292
Accumulated translation adjustments		377	(16)	377	(16)
Retained earnings		21,919	-	21,919	-
Total shareholders' equity		**601,933**	**579,621**	**601,933**	**579,621**
Total liabilities		**202,881**	**198,954**	**200,318**	**196,864**
Total liabilities and shareholders' equity		**804,814**	**778,575**	**802,251**	**776,485**

CTC - Centro de Tecnologia Canavieira S.A.

Statements of income

Six and three-month periods ended September 30, 2019 and 2018

(In thousands of reais)

	Note	Consolidated				Parent company			
		04/01/2019–09/30/2019 (6 months)	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (6 months)**	**07/01/2018–09/30/2018 (3 months)**	**04/01/2019–09/30/2019 (6 months)**	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (6 months)**	**07/01/2018–09/30/2018 (3 months)**
Operating revenue	19	115,124	65,774	81,556	45,121	115,124	65,774	81,556	45,121
Cost of research and services rendered	20	(53,526)	(28,397)	(41,894)	(20,663)	(51,192)	(26,063)	(41,894)	(20,663)
Gross income		**61,598**	**37,377**	**39,662**	**24,458**	**63,932**	**39,711**	**39,662**	**24,458**
Administrative and sales expenses	20	(31,379)	(15,583)	(26,167)	(12,188)	(31,379)	(16,800)	(25,348)	(12,188)
Equity in net income of subsidiaries	9	-	-	-	-	(2,278)	(1,094)	(819)	-
Other operating revenues (expenses)		(7,647)	(7,732)	2,738	2,420	(7,716)	(7,768)	2,738	2,420
		-							
Income before net financial revenues (expenses) and taxes		22,572	14,062	16,233	14,690	22,559	14,049	16,233	14,690
Financial revenues	21	9,465	4,157	9,641	5,512	9,465	4,157	9,641	5,512
Financial expenses	21	(4,559)	(2,156)	(5,920)	(2,994)	(4,546)	(2,143)	(5,920)	(2,994)
Net financial	21	**4,906**	**2,001**	**3,721**	**2,518**	**4,919**	**2,014**	**3,721**	**2,518**
Income before income tax and social contribution		27,478	16,063	19,954	17,208	27,478	16,063	19,954	17,208
Income tax and social contribution:									
Deferred income tax and social contribution	8	572	(55)	(529)	1,292	572	(55)	(529)	1,292
Current income tax and social contribution	8	(6,131)	(1,616)	(2,607)	(2,607)	(6,131)	(1,616)	(2,607)	(2,607)
Net income for the period		**21,919**	**14,392**	**16,818**	**15,893**	**21,919**	**14,392**	**16,818**	**15,893**
Net income per basic and diluted share for the period	17	**27,33**	**17,95**	**20,97**	**19,82**	**27,33**	**17,95**	**20,97**	**19,82**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of comprehensive income

Six and three-month periods ended September 30, 2019 and 2018

(In thousands of reais)

	Consolidated				Parent company			
	04/01/2019– 09/30/2019 (6 months)	07/01/2019– 09/30/2019 (3 months)	04/01/2018– 09/30/2018 (6 months)	07/01/2018– 09/30/2018 (3 months)	04/01/2019– 09/30/2019 (6 months)	07/01/2019– 09/30/2019 (3 months)	04/01/2018– 09/30/2018 (6 months)	07/01/2018– 09/30/2018 (3 months)
Net income for the period	**21,919**	**14,392**	**16,818**	**15,893**	**21,919**	**14,392**	**16,818**	**15,893**
Comprehensive income:								
Items that are or may be reclassified to income (loss):								
Effect of foreign currency translation	393	22	22	29	393	22	22	29
	393	22	22	29	393	22	22	29
Total comprehensive income for the period	**22,312**	**14,414**	**16,840**	**15,922**	**22,312**	**14,414**	**16,840**	**15,922**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of changes in shareholders' equity

Six-month periods ended September 30, 2019 and 2018

(In thousands of reais)

	Capital	Profit reserve	Valuation adjustment	Retained earnings (losses)	Total
Balances at April 1, 2018	**556,550**	-	-	(731)	555,819
Comprehensive income					
Effect of foreign currency translation	-	-	22	-	22
Net income for the period	-	-	-	16,818	16,818
Balances at September 30, 2018	**556,550**	**-**	**22**	**16,087**	**572,659**
Balances at April 1, 2019	562,202	17,435	(16)	-	579,621
Comprehensive income					
Effect of foreign currency translation	-	-	393	-	393
Net income for the period	-	-	-	21,919	21,919
Balances at September 30, 2019	**562,202**	**17,435**	**377**	**21,919**	**601,933**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of cash flows – Indirect method

Six-month periods ended September 30, 2019 and 2018

(In thousands of reais)

	Note	Consolidated		Parent company	
		04/01/2019–09/30/2019	04/01/2018–09/30/2018	04/01/2019–09/30/2019	04/01/2018–09/30/2018
Cash flow from operating activities					
Net income for the period		21,919	16,818	21,919	16,818
Adjustments for:					
Depreciation and amortization	10 | 12	20,443	15,032	19,953	15,032
Provision for expected credit losses		7,970	1,237	7,949	1,237
Provision for profit sharing		9,640	5,504	9,619	5,504
Equity in net income of subsidiaries	9	-	-	2,278	819
Provision for lawsuits		-	768	-	768
Provisions for interest	15	2,955	3,632	2,955	3,632
Income tax and social contribution		(572)	529	(572)	529
Total adjustments		62,355	43,520	64,102	44,339
Changes in assets and liabilities					
(Increase) in accounts receivable		(45,821)	(54,358)	(45,800)	(54,358)
(Increase) in inventories		(1,569)	(121)	(1,536)	(121)
Decrease in recoverable taxes and current tax asset		7,817	426	7,817	426
(Increase) in other accounts receivable		(1,647)	(3,900)	(1,610)	(3,867)
(Decrease) increase in suppliers		(4)	(1,480)	(1,103)	(1,480)
(Decrease) Lease and right of use		(2,347)	-	(2,317)	-
(Decrease) in taxes and contributions payable and current tax liabilities		217	127	216	127
Increase (decrease) in salaries, vacation and charges payable		(11,969)	(11,214)	(12,035)	(11,214)
(Decrease) increase in other accounts payable		(3,880)	101	(522)	5
Cash invested in operating activities		3,151	(26,899)	7,211	(26,143)
Taxes paid		(5,064)	(1,816)	(5,064)	(1,816)
Interest paid	15	(2,780)	(3,530)	(2,780)	(3,530)
Net cash flow invested in operating activities		(4,693)	(32,245)	(633)	(31,489)
Cash flow from investment activities					
Redemptions (investments) of financial instruments		104,954	(966)	104,954	(966)
Acquisition of property, plant and equipment	10	(9,176)	(4,584)	(8,296)	(4,025)
Funds from disposal of property, plant and equipment		-	1,463	-	1,463
Biological assets		(188)	-	(188)	-
Investments in subsidiary		-	-	(5,095)	(3,968)
Intangible assets	12	(17,834)	(26,835)	(17,169)	(26,835)
Net cash flow from (used in) investment activities		77,756	(30,922)	74,206	(34,331)
Cash flow from financing activities					
Loans paid	15	(18,688)	(18,731)	(18,688)	(18,731)
Net cash flow used in financing activities		(18,688)	(18,731)	(18,688)	(18,731)
Effect of changes in exchange rate on cash and cash equivalents		393	22	-	-
Increase (decrease) in cash and cash equivalents		54,768	(81,876)	54,885	(84,551)
Cash and cash equivalents at the beginning of the period		151,631	157,295	151,131	157,295
Cash and cash equivalents at the end of the period		206,399	75,419	206,016	72,744
Increase (decrease) in cash and cash equivalents		54,768	(81,876)	54,885	(84,551)

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of added value

Six-month periods ended September 30, 2019 and 2018

(In thousands of reais)

	Note	Consolidated		Parent company	
		04/01/2019–09/30/2019	04/01/2018–09/30/2018	04/01/2019–09/30/2019	04/01/2018–09/30/2018
Revenues		**119,054**	**89,181**	**119,054**	**89,181**
Sale of goods, products and services		122,455	87,276	122,455	87,276
Other revenues		4,569	3,142	4,569	3,142
Provision for expected credit losses		(7,970)	(1,237)	(7,970)	(1,237)
Inputs acquired from third parties		**(28,247)**	**(24,829)**	**(26,402)**	**(24,829)**
Cost of products, goods sold and services rendered		(16,088)	(15,030)	(16,088)	(15,030)
Materials, energy, outsourced services and other		(12,159)	(9,799)	(10,314)	(9,799)
Gross added value		**90,807**	**64,352**	**92,652**	**64,352**
Depreciation and amortization	10 | 12	**(20,443)**	**(15,032)**	**(19,953)**	**(15,032)**
Net added value produced by the Company		**70,364**	**49,320**	**72,699**	**49,320**
Added value received as transfer		**10,361**	**15,388**	**8,025**	**15,388**
Financial revenues		9,465	9,641	9,465	9,641
Equity in net income of subsidiaries		-	-	(2,278)	(819)
Other		896	5,747	838	6,566
Total added value payable		**80,725**	**64,708**	**80,724**	**64,708**
Distribution of added value		**(80,725)**	**(64,708)**	**(80,724)**	**(64,708)**
Personnel		**(36,215)**	**(29,972)**	**(36,215)**	**(29,972)**
Direct remuneration		(19,381)	(18,986)	(19,381)	(18,986)
Benefits		(14,805)	(9,232)	(14,805)	(9,232)
Severance Pay Fund (FGTS)		(2,029)	(1,754)	(2,029)	(1,754)
Taxes, rates and contributions		**(18,031)**	**(11,998)**	**(18,031)**	**(11,998)**
Federal - PIS / COFINS		(11,835)	(8,859)	(11,835)	(8,859)
Federal - Income tax and social contribution		(6,131)	(3,136)	(6,131)	(3,136)
Municipal		(65)	(3)	(65)	(3)
Third-party capital remuneration		**(4,559)**	**(5,920)**	**(4,559)**	**(5,920)**
Interest and bank expenses		(4,467)	(5,731)	(4,467)	(5,731)
Other		(92)	(189)	(92)	(189)
Remuneration of own capital		**(21,919)**	**(16,818)**	**(21,919)**	**(16,818)**
Net income for the period		(21,919)	(16,818)	(21,919)	(16,818)

See the accompanying notes to the interim financial information.

Notes to the interim financial information

(In thousands of reais)

1 Operations

CTC - Centro de Tecnologia Canavieira S.A ("Company") is engaged in the research, development and commercialization of technologies for the sugar and alcohol industry, specially the development of new sugarcane varieties through genetic improvement and biotechnology, as well as new disruptive technologies.

Until January 2011, the Company was governed under Brazilian law as a not-for-profit private company under civil law. Its revenue comes mostly from associative contributions.

Through the General Minutes of Transformation, held on January 12, 2011, the Company became a privately-held corporation, with the purpose of generating profit and remunerating its shareholders and attracting more technological and funds to the industry research in order to maintain competitiveness and guarantee that Brazil has the leading position in global sugarcane industry.

On August 24, 2016, the Company joined the Bovespa Mais segment.

Aiming at continuing with the Company's strategy of accelerating sugarcane plant biotechnology research and development plans, on March 28, 2018, the Board of Directors approved the formation of a wholly-owned subsidiary, CTC Genomics LLC, in saint Louis, United States of America.

The Company has two large research focus areas, one of them is the Genetic Improvement; in which the CTC holds a big sugarcane germplasm bank and is renowned in conventional and biotechnological improvement applied to sugarcane, as well in the New Technology areas, exploring disruptive technologies which may provide substantial productivity gains to the industry, such as artificial seeds.

In line with our strategy of developing disruptive technologies that increases agricultural productivity in the sugar-energy industry, we obtained, after thorough analysis of CTNBio, approval for the first genetically-modified variety CTC 20 Bt. This variety is a milestone in the global sugar-energy industry. As this is the first variety developed with 100% Brazilian technology by the Company, CTC 20 Bt is resistant to sugarcane borer (diatraea saccharalis), then main pest of Brazilian tillage. In 2018, the second genetically-modified variety, CTC 9001bt, was approved.

2 Presentation of the interim financial information and significant accounting policies

a. Preparation basis

The interim financial information was prepared in accordance with Technical Pronouncement CPC 21 (R1) - Interim Statement with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR.

With exception to the first-time adoption of IFRS 16 (CPC 06 R2), which came into effect as of January 1, 2019 (April 1 to the Company), as described under Note 3, the practices, policies and significant accounting judgments and sources of uncertainties on estimates adopted in the preparation of the individual and consolidated quarterly information are consistent with those adopted and disclosed under the Notes to the financial information for the year ended March 31, 2019, which were disclosed as of June 19, 2019 and should be read jointly.

The presentation of the Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies, however, IFRS standards do not require presentation of this statement, and it is considered as supplementary information, and not as part of the required set of quarterly information.

Issuance of individual and consolidated interim accounting information was authorized by the Executive Board on November 14, 2019.

b. Basis of consolidation

Consolidated financial information includes the quarterly information of CTC and its direct subsidiary CTC Genomics LLC, with a 100% interest, located in the United States of America.

The investments in parent company are accounted for under the equity method.

Intra-group balances and transactions are eliminated against investment in the proportion of subsidiary interest.

3 Changes in significant accounting policies

Except for the adoption of Technical Pronouncements CPC 06 (R2)/IFRS 16 – Lease and IFRIC23/ICPC 22 - Uncertainty on Corporate Income Tax Treatment, the accounting policies applied to this interim financial information are the same adopted in the financial statements of the Company and its subsidiary for the year ended March 31, 2019.

The Company adopted CPC 06 (R2) / IFRS 16 – Lease Operations and IFRIC 23/ICPC 22 – Uncertainty on Corporate Income Tax Treatment starting April 1, 2019. A series of other new standards are effective as of April 1, 2019, but without material impact on financial statements. Accordingly, balances for the period ended September 30, 2019 are presented with respective accounting reflexes of this adoption.

a. CPC 06 (R2) - Lease

CPC 06 (R2)/IFRS 16 introduced a single model of accounting of leases in the financial statements to lessees. Thus, the Company, as a lessee, recognized the right-of-use assets that represent its rights-of use to use the underlying assets and the lease liabilities that represent its obligation to make lease payments.

The Company previously classified operating or financial leases based on its assessment as to whether the lease would transfer all the risks and rewards of the property. In accordance with CPC 06 (R2)/IFRS 16, the Company recognizes the right-of-use assets and the lease liabilities for most leases – that is, these leases are recorded in the balance sheet.

(i) Transition effects

The Company adopted CPC 06 (R2)/IFRS 16 using the modified retrospective approach, which does not require the restatement of the corresponding amounts, does not impact shareholders' equity, and does not alter the calculation of dividends and enables the adoption of practical expedients. Thus, the comparative information presented for March 2019 has not been restated – that is, it is presented as previously reported according to CPC 06/IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below.

In the transition to the leases classified as operating leases under CPC 06(R1)/IAS 17, the lease liabilities were measured at the present value of the remaining payments, discounted by the Company's incremental loan rate as of April 1, 2019. Right-of-use assets were measured at the amount equivalent to the lease liabilities on the date of first-time adoption.

The Company opted to use a transition practical device and not recognize the right-of-use assets and lease liabilities for certain low-value leases (for example, rent of printers) and on short-term basis. The Company recognizes payments associated to these leases as expense under the straight-line method over the lease term. Additionally, the Company excluded the initial direct costs of measuring the right-of-use asset at the date of first-time adoption.

When measuring the lease liabilities for those leases previously classified as leases, the Company discounted the operating lease payments using its incremental loan rate on April 1, 2019. The weighted average rate applied was 4.95%, depending on the contractual terms.

(ii) Impacts on adoption

	Consolidated		
	Previous balance	**First-time adoption adjustment - IFRS 16**	**Balance after first-time adoption**
	04/01/2019	**Buildings**	**04/01/2019**
Assets			
Current assets	283,778	-	283,778
Total current assets	283,778	-	283,778
Non-current assets	121,753	-	121,753
Deferred income tax and social contribution	41,648	-	41,648
Right of use - Lease	-	26,529	26,529
Other assets	492,707	-	492,707
Total non-current assets	614,460	26,529	640,989
Total assets	898,238	26,529	924,767

Liabilities			
Current liabilities	87,146	3,669	90,815
Total current liabilities	87,146	3,669	90,815
Non-current liabilities	109,718	22,860	132,578
Total non-current liabilities	109,718	22,860	132,578
Shareholders' equity	579,621	-	579,621
Total liabilities and shareholders' equity	776,485	26,529	803,014

	Parent company		
	Previous balance	**First-time adoption adjustment - IFRS 16**	**Balance after first-time adoption**
	04/01/2019	**Buildings**	**04/01/2019**
Assets			
Current assets	284,278	-	284,278
Total current assets	284,278	-	284,278
Non-current assets	121,753	-	121,753
Deferred income tax and social contribution	42,220	-	42,220
Right of use - Lease	-	23,855	23,855
Other assets	494,297	-	494,297
Total non-current assets	616,050	23,855	639,905
Total assets	900,328	23,855	924,183
Liabilities			
Current liabilities	89,236	3,134	92,370
Total current liabilities	89,236	3,134	92,370
Non-current liabilities	109,718	20,721	130,439
Total non-current liabilities	109,718	20,721	130,439
Shareholders' equity	579,621	-	579,621
Total liabilities and shareholders' equity	778,575	23,855	802,430

b. IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments.

The Company adopted the interpretation IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments. The Interpretation addresses the calculation of income tax in the cases where the tax treatments involve uncertainties affecting the adoption of IAS 12 (CPC 32). The entity shall determine whether it considers each tax treatment to be uncertain separately or together with one or more uncertain tax treatments. The approach that best addresses the resolution of said uncertainty must be followed. The Company did not identify impacts in its adoption.

4 Cash and cash equivalents

	Consolidated		Parent company	
	09/30/2019	**03/31/2019**	**09/30/2019**	**03/31/2019**
Cash and banks	11,285	745	11,285	245
Interest earning bank deposits (*)	195,114	150,886	194,731	150,886
	206,399	151,631	206,016	151,131

(*) Interest earning bank deposits are made in funds composed of floating rate securities linked to the Interbank Deposit Certificate (CDI), which invest funds in fixed income securities issued exclusively by the National Treasury, prime banks and corporate and bank issues classified as low risk. The investments yield interest from 97% to 101% of the Interbank Deposit Certificate (CDI).

The analysis of the Company's statements regarding the exposure of these assets to interest rate risk, among other, is disclosed in note 22, Financial Instruments.

5 Financial instruments - Interest earning bank deposits

	Parent company and Consolidated	Parent company and Consolidated
	09/30/2019	**03/31/2019**
Interest earning bank deposits	40,579	145,533
	40,579	145,533
Current assets	-	99,400
Non-current assets	40,579	46,133

Interest earning bank deposits are made in funds composed of floating rate securities linked to the Interbank Deposit Certificate (CDI), which invest funds in fixed income securities issued exclusively by the National Treasury, prime banks and corporate and bank issues classified as low risk. The investments bear interest rates from 97% to 101% of the Interbank Deposit Certificate (CDI) and are not applicable to the cash and cash equivalents criteria.

The analysis of the Company's statements regarding the exposure of these assets to interest rate risk, among other, is disclosed in note 22, Financial Instruments.

6 Accounts receivable

	Parent company and Consolidated 09/30/2019	Parent company and Consolidated 03/31/2019
Trade accounts receivable	38,281	26,764
Clients - related parties (Note 23)	87,057	52,754
Total (Note 22)	125,338	79,518
(-) Provision for expected credit loss - related parties	(25,685)	(14,504)
(-) Provision for expected credit loss	(14,618)	(17,830)
Total (Note 22)	(40,303)	(32,334)
Current	69,953	27,859
Non-current	15,082	19,325

Accounts Receivable represented mainly by balances related to variety licensing.
The analysis of the Company's statements regarding the exposure of these assets to interest rate risk, among other, is disclosed in note 22, Financial Instruments.

7 Other accounts receivable

	Parent company and Consolidated 09/30/2019	Parent company and Consolidated 03/31/2019
Prepaid expenses (i)	10,993	10,912
Advances of 13th salary to employees	1,367	-
Other accounts receivable	463	264
	12,823	11,176
Current assets	1,830	264
Non-current assets	10,993	10,912

(i) Prepaid expenses are characterized by availability of seedlings for multiplication of varieties in clients. These seedlings are monitored so that multiplication rate is effective in accordance with contract signed with the client. Values will be amortized upon billing of royalties.

8 Deferred income tax and social contribution

Deferred income tax and social contribution are calculated on income tax losses, accumulated negative calculation basis of social contribution and the corresponding temporary differences between the calculation basis of tax on assets and liabilities, and book values of financial statements.

Deferred tax assets are recognized inasmuch as it is likely that the calculation of future taxable income, based on projections of future income (loss) prepared and based on internal assumptions and on future economic scenarios that may, therefore, be subject to change.

	Parent company and Consolidated		
	03/31/2019	**Recognized in income (loss)**	**09/30/2019**
Tax loss and negative basis of income tax and social contribution	1,936	(1,936)	-
Allowance for doubtful accounts	10,993	2,710	13,703
Impairment loss	17,138	-	17,138
Provision for profit sharing	4,319	(1,660)	2,659
Timing differences	7,262	1,458	8,720
Net deferred tax	**41,648**	**572**	**42,220**

Deferred tax assets and liabilities are presented at net value in balance sheet by each legal entity since there is the legal right and the intention of offsetting them upon calculation of current taxes, and because it is related to the same tax authority.

CTC recognizes deferred tax credits / assets based on the projection of taxable income for the subsequent years. This projection is reviewed on annual basis and does not exceed ten years.

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to income (loss) is presented below:

	09/30/2019	**09/30/2018**
Income before income tax and social contribution	27,478	19,954
Combined statutory rate	34%	34%
Income tax and social contribution:		
Calculated at combined statutory rate	(9,343)	(6,784)
Permanent additions and exclusions (*)	3,784	3,648
Income tax and social contribution in income (loss) for the period	(5,559)	(3,136)
Effective rate	20%	42%
Deferred income tax and social contribution	572	(529)
Current income tax and social contribution	(6,131)	(2,607)

(*) Substantially refers to permanent additions of wholly-owned subsidiary, CTC Genomics LLC, in the United States and permanent exclusions of Law 11,196/05, “Lei do Bem”, which regulates concession of tax benefits to legal entities that conduct technological innovation research and development. Objects subject to MCTI analysis are Biotechnology and Artificial Seeds.

9 Investments (parent company)

Book value				**Investment**	**Equity in net income of subsidiaries**
	Country	Business	Ownership interest	09/30/2019	09/30/2019
CTC Gemonics	USA	R&D	100%	6,523	(2,278)
				6,523	(2,278)

The changes in the investments in associated companies, is as follows:

Balance at March 31, 2019	**3,313**
Equity in net income of subsidiaries	(2,278)
Additions	5,095
Accumulated translation adjustment	393
Balance at September 30, 2019	**6,523**

The main subsidiary’s captions are as follows:

September 30, 2019	CTC Genomics
Assets	10,978
Liabilities	4,454
Shareholders’ equity	6,523
Retained earnings / (loss)	(2,278)

10 Property, plant and equipment

Consolidated Cost or deemed cost:	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Buildings and improvements**	**Leasehold improvements**	**Third-party assets - FINEP**	**Works in progress**	**Advance to suppliers**	**Sugarcane planting**	**Total**
Balance at March 31, 2019	**123,106**	**3,329**	**5,377**	**12,653**	**1,700**	**29,932**	**2,002**	**9,307**	**13**	**5,414**	**192,833**
Additions	2,523	88	588	399	33	615	-	3,610	16	1,304	9,176
Balance at September 30, 2019	**125,629**	**3,417**	**5,965**	**13,052**	**1,733**	**30,547**	**2,002**	**12,917**	**29**	**6,718**	**202,009**
Depreciation:											
Balance at March 31, 2019	**(44,300)**	**(1,523)**	**(3,797)**	**(8,511)**	**(239)**	**(9,738)**	**-**	**-**	**-**	**(1,409)**	**(69,517)**
Depreciation for the period	(11,537)	(110)	(257)	(2,172)	(324)	(1,733)	-	-	-	-	(16,133)
Balance at September 30, 2019	**(55,837)**	**(1,633)**	**(4,054)**	**(10,683)**	**(563)**	**(11,471)**	**-**	**-**	**-**	**(1,409)**	**(85,650)**
Balance at March 31, 2019	78,806	1,806	1,580	4,142	1,461	20,194	2,002	9,307	13	4,005	123,316
Balance at September 30, 2019	69,792	1,784	1,911	2,369	1,170	19,076	2,002	12,917	29	5,309	116,358

Parent company **Cost or deemed cost:**	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Buildings and improvements**	**Leasehold improvements**	**Third-party assets - FINEP**	**Works in progress**	**Advance to suppliers**	**Sugarcane planting**	**Total**
Balance at March 31, 2019	**120,434**	**3,222**	**4,901**	**12,653**	**1,700**	**28,103**	**2,002**	**9,307**	**13**	**5,414**	**187,749**
Additions	1,644	88	588	399	33	615	-	3,610	16	1,304	8,296
Balance at September 30, 2019	**122,078**	**3,310**	**5,489**	**13,052**	**1,733**	**28,718**	**2,002**	**12,917**	**29**	**6,718**	**196,045**
Depreciation:				**(8,511)**							
Balance at March 31, 2019	**(44,214)**	**(1,520)**	**(3,802)**	(2,172)	**(239)**	**(9,641)**	**-**	**-**	**-**	**(1,409)**	**(69,336)**
Depreciation for the period	(11,307)	(103)	(211)	**(10,653)**	(324)	(1,558)	-	-	-	-	(15,674))
Balance at September 30, 2019	**(55,521)**	**(1,623)**	**(4,013)**		**(563)**	**(11,199)**	**-**	**-**	**-**	**(1,409)**	**(85,010)**
Balance at March 31, 2019	76,220	1,702	1,099	4,142	1,461	18,462	2,002	9,307	13	4,005	116,683
Balance at September 30, 2019	66,557	1,687	1,476	2,369	1,170	17,519	2,002	12,917	29	5,309	111,035

Review of the useful life

As of March 31, 2019, the Company reviewed the remaining useful life of fixed asset items. The survey was performed with basis on a technical report issued by specialized professionals.

The estimated useful life of items recorded in current fixed assets is shown in Note 8.b *(iii)* of financial statements as of March 31, 2019.

Recoverable value of fixed assets

The Company assesses whether there are indications that an asset is impaired on a quarterly basis. In the event such indicators are identified, the Company estimates the asset's recoverable value. For the period ended September 30, 2019, Management did not find the need to form a provision for the recoverable value of the asset.

Third-party assets - FINEP

The Company has contracts with FINEP - Financiadora de Estudos e Projetos (financer of studies and projects) related to the development of projects and research defined in agreements signed by the parties.

According to contract, assets acquired, produced, transformed or built with these funds will be the property of the Company. In case rendering of accounts is not approved, the Company has the obligation of refunding FINEP for transferred funds.

11 Lease and right of use

As described in note 3a (ii) the Company recognized the IFRS 16 (CPC 06 (R2)) on April 1, 2019.

Changes in the right of use and lease payable and agricultural partnership payable during the current interim information were as follows:

Usage rights	**Consolidated**	**Parent company**
04/01/2019 - First-time adoption - CPC 06 (R2)/IFRS 16	**28,259**	**23,855**
Addition	4,254	4,254
Depreciation	(1,596)	(1,566)
September 30, 2019	**29,187**	**26,543**

Changes in the lease liability, during one-month period ended September 30, 2019 were as follows:

Lease	**Consolidated**	**Parent company**
04/01/2019 - First-time adoption - CPC 06 (R2)/IFRS 16	**26,529**	**23,855**
Addition	4,254	4,254
Payment	(2,288)	(2,198)
September 30, 2019	**28,555**	**25,911**
Current	5,010	4,481
Non-current	23,545	21,430

12 Intangible assets

Consolidated

	Software	Research and development costs	Use license	Total
Balance at March 31, 2019	**17,128**	**245,015**	**-**	**262,143**
Additions	277	17,071	486	17,834
Balance at September 30, 2019	**17,405**	**262,086**	**486**	**279,977**
Amortization				
Balance at March 31, 2019	**(10,697)**	**(2,218)**	**-**	**(12,914)**
Amortization for the period	(797)	(1,916)	-	(2,713)
Balance at September 30, 2019	**(11,494)**	**(4,134)**	**-**	**(15,627)**
Balance at March 31, 2019	**6,432**	**242,797**	**-**	**249,228**
Balance at September 30, 2019	**5,912**	**257,952**	**486**	**264,349**

Parent company

	Software	Research and development costs	Total
Balance at March 31, 2019	**17,128**	**245,015**	**262,143**
Additions	98	17,071	17,169
Balance at September 30, 2019	**17,226**	**262,086**	**279,312**
Amortization			
Balance at March 31, 2019	**(10,697)**	**(2,218)**	**(12,914)**
Amortization for the period	(797)	(1,916)	(2,713)
Balance at September 30, 2019	**(11,494)**	**(4,134)**	**(15,627)**
Balance at March 31, 2019	**6,432**	**242,797**	**249,228**
Balance at September 30, 2019	**5,733**	**257,952**	**263,684**

Substantially, additions for the period refer to projects related to the development of new technologies for the sugar-energy industry.

	03/31/2019	Additions	09/30/2019
Conventional Improvement Projects (a)	111,425	7,517	118,942
Transgenic Improvement Projects (b)	133,589	9,555	143,143
Use license (c)	-	486	486
Total	**245,014**	**17,557**	**262,572**

The costs with Conventional and Transgenic Improvement projects are classified as follows:

- Phase 1: Applied research and proof of concept, which encompasses evaluation of attractiveness, technical merit and alignment, potential for application in real world, definition of protocols, and prototype and laboratory.

- Phase 2: Early development, which encompasses refinement of processes and protocols, start-ups for field investigation, and potentially Pilot plants.

- Phase 3: Advanced development, which encompasses field tests, regulatory analysis and potentially demo plants.

- Phase 4: Pre-launch, which encompasses regulatory approvals, Seed bulk-up, detailing of business plan, and plants on semi-commercial or commercial scale.

Stage 3 is recognized under "Intangible assets" caption because, as it refers to advanced development, realization and effectiveness of future revenues are expected. This methodology was approved by the Company's Board of Directors in accordance with IAS 38/CPC 04 – Intangible Assets.

The costs incurred in Phases 1, 2 and 4 are recognized in the Result.

(a) Conventional improvement projects

Genetic Improvement Program, through its regional centers strategically distributed all around the country (PR / MG/ MS/ MT / TO/ SP / GO), allows the Company to develop varieties increasingly productive and that cover all production conditions in different regions where the plant is cultivated in Brazil.

Diversification and modernization of varietal squad decisively contribute to agribusiness sustainability, not only through productivity gains, but also through improvement in quality, and reduction of phytosanitary risks and agricultural losses

CTC holds Intellectual Property rights over these varieties for 15 years counted as of concession date of respective protection certificates, as established by the Plant Variety Protection Law (Law 9,456, of April 25, 1997).

(b) Genetic improvement projects with use of biotechnology (transgenics)

Biotechnology, tool for the expected productivity leap of cane field, is able to accelerate the process of continued improvement of conventional varieties' productivity and also incorporate desirable traits to cane, which offer economic, environmental, and management benefits, such as those already enjoyed by soy bean, corn and cotton producers in Brazil for over two decades.

Genetically-modified plants are subject to approval by the National Biotechnology Technical Commission (CTNBio) in Brazil and products produced with them are subject to deregulation processes in countries to which they are exported.

CTC holds Intellectual Property rights over these varieties and related technologies for at least 15 years counted as of concession date of respective provisional protection certificates, as established by the Plant Variety Protection Law (Law 9,456, of April 25, 1996) and/or for at least 20 years as of the deposit date of patent request, as established by Industrial Property Law (Law 9279, dated May 14, 1996).

Impairment test
The Company assesses every year whether there are indicators of an asset's loss of value. In the event such indicators are identified, the Company estimates the asset's recoverable value. For the period ended September 30, 2019, Management did not find the need to form a provision for the recoverable value of the asset.

(c) Use license
The Company has classified in intangible assets costs with license, acquired for use in more than one year, in connection with application and exploitation of technology for development of biotechnology abroad.

13 Suppliers

Refer mainly to suppliers of machinery and equipment, materials and technical advisory, engineering advisory and consulting service providers.

	Consolidated		Parent company	
	09/30/2019	**03/31/2019**	**09/30/2019**	**03/31/2019**
Domestic suppliers	7,527	9,244	7,527	9,244
Foreign suppliers	1,596	3	497	3
	9,123	9,247	8,024	9,247

14 Salaries, vacation and charges payable

	Consolidated		Parent company	
	09/30/2019	**03/31/2019**	**09/30/2019**	**03/31/2019**
Provision for vacation and social security charges	5,659	4,895	5,659	4,895
Provision for 13th salary and charges	2,787	941	2,787	941
Participation in goal management program	7,907	12,704	7,820	12,704
INSS payable	977	1,080	977	1,080
IRRF on salaries	533	559	533	559
FGTS payable	247	231	247	231
Other	16	45	16	45
	18,126	20,455	18,039	20,455

15 Loans and financing (Parent company and consolidated)

			Maturity			Debit balance	
Description	**Currency**	**Charges**	**from**	**to**	**Guarantees**	**09/30/2019**	**03/31/2019**
Finame	R$	2.5% p.a.	2013	2021	Lien of fixed assets	108	175
FINEP	R$	4% p.a.	2015	2022	Bank guarantee	95,472	110,145
BNDES	R$	4% p.a.	2013	2022	Bank guarantee	30,703	34,477
BNDES	R$	TJLP	2013	2023	Bank guarantee	8,978	8,978
						135,262	153,775
Current						46,122	46,158
Non-current						89,140	107,617

The amounts of liabilities are broken down per year of maturity:

Maturity year	
Up to 12 months	46,122
13–24 months	40,759
25–36 months	35,461
37–48 months	12,920
	135,262

Covenants

The Company complied with the covenant as of September 30, and March 31, 2019.

Reconciliation of equity changes with cash flows from financing activities

		Cash flow					
	03/31/2019	**Funding**	**Interest accrual**	**Payments**	**Interest paid**	**Transfers between current and non-current**	**06/30/2019**
Loans and financing	153,775	-	2,955	(18,688)	(2,780)	-	135,262
Current	46,158	-	2,955	(18,688)	(2,780)	18,477	46,122
Non-current	107,617	-	-	-	-	(18,477)	89,140
Total	153,775	-	2,955	(18,688)	(2,780)	-	135,262

16 Provision for lawsuits

The Company, in the ordinary course of their business, is subject to tax, labor, civil lawsuits, among others. The Management, based on its legal advisors' opinion and, whenever applicable, grounded on specific opinion issued by experts, assesses the expectation of the outcome of the proceeding in course and determines the need or not for forming a provision for contingencies.

As of September 30, 2019, the amount of R$ 1,981 (same as on March 31, 2019), was provisioned, which supported by the opinion of Management and legal advisors, is sufficient to cover losses expected from the outcome of the ongoing labor lawsuits. The counterparty of the contingency adjustment was made in the account of administrative and sales expenses.

In addition, the Company is subject to Federal Tax lawsuits classified as possible and adjusted at Selic over the period, in the amount of R$ 56,776 (R$ 56,517 on March 31, 2019), and labor lawsuits, in the amount of R$ 1,113 (R$ 1,080 on March 31, 2019), at different stages of procedural rules.

17 Shareholders' equity

a) Capital

The Company's capital is R$ 562,202 as of September 30, 2019, represented by 801,870 shares, all common and nominative, with no par value.

Profit reserves:

b) Legal reserve

As of September 30, 2019, the Company has the amount of R$ 1,143 (Same as on March 31, 2019) recorded under the "Legal Reserve" caption.

Reserve of shareholders' equity

The Company's Bylaws provides that remaining profit after legal destinations may be destined by shareholders in Annual Shareholders' Meeting through a proposal of the Board of Directors, obeying the limit of capital for a statutory reserve denominated Reserve of shareholders' equity.

On March 31, 2019, after the offset of accumulated losses, allocation of legal reserve and minimum mandatory dividends, the Board of Directors recognized this reserve in the amount of R$16,292, according to approval occurred on June 17, 2019.

c) Net earnings per share

The table below shows the reconciliation of net income for the period with amounts used to calculate basic and diluted net earnings per share:

	Parent company and Consolidated	**Parent company and Consolidated**
	09/30/2019	**09/30/2018**
Net income for the period attributable to Company's shareholders (a)	21,919	16,818
Weighted average of outstanding shares (b)	801,870	801,870
Net income per common share at (a) / (b) x 1000	27.33	20.97

18 Operating segments (consolidated and parent company)

The Company's management uses its internal management reports for decision-making in its individual and consolidated financial statements, on the same basis as these statements are disclosed, that is, only one segment complying with the CPC 22 - Segment Reporting, considered internally as collection of royalties. Other revenues are not material.

With respect to information on the main clients, in view of the own operation, the Company does not have any client that individually accounts for more than 10% of the total consolidated revenue.

19 Operating revenue

	Parent company and Consolidated		Parent company and Consolidated	
	04/01/2019–09/30/2019 (6 months)	07/01/2019–09/30/2019 (3 months)	04/01/2018–09/30/2018 (6 months)	07/01/2018–09/30/2018 (3 months)
Revenues from royalties	38,570	22,337	21,084	11,443
Revenues from royalties - related parties (Note 23)	83,885	45,864	66,192	37,429
Other revenues	4,569	4,266	3,142	1,192
Taxes	(11,900)	(6,693)	(8,862)	(4,943)
Total	115,124	65,774	81,556	45,121

20 Operating expenses by type

	Consolidated				Parent company			
	04/01/2019 – 09/30/2019 (6 months)	07/01/2019 – 09/30/2019 (3 months)	04/01/2018 – 09/30/2018 (6 months)	07/01/2018 – 09/30/2018 (3 months)	04/01/2019–09/30/2019 (6 months)	07/01/2019–09/30/2019 (3 months)	04/01/2018 – 09/30/2018 (6 months)	07/01/2018–09/30/2018 (3 months)
Personnel expenses	(36,215)	(18,716)	(30,484)	(15,339)	(36,215)	(18,716)	(30,484)	(15,339)
Services engaged	(16,088)	(7,252)	(12,746)	(7,325)	(16,088)	(7,252)	(11,927)	(7,325)
Expenses with materials	(6,279)	(4,929)	(2,284)	267	(6,279)	(4,929)	(2,284)	267
Depreciation and amortization	(20,442)	(9,618)	(15,032)	(7,591)	(19,953)	(9,128)	(15,032)	(7,591)
General expenses	(5,880)	(3,465)	(7,515)	(2,863)	(4,035)	(1,107)	(7,515)	(2,863)
	(84,906)	(43,981)	(68,061)	(32,851)	(82,571)	(42,863)	(67,242)	(32,851)
Reconciliation with operating expenses classified per function:								
Cost of research & development, products sold and services rendered	(53,526)	(28,397)	(41,894)	(20,663)	(51,192)	(26,063)	(41,894)	(20,663)
Administrative expenses	(31,379)	(15,583)	(26,167)	(12,188)	(31,379)	(16,800)	(25,348)	(12,188)
	(84,905)	(43,980)	(68,061)	(32,851)	(82,571)	(42,863)	(67,242)	(32,851)

21 Net financial

	Consolidated				Parent company			
	04/01/2019–09/30/2019 (6 months)	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (6 months)**	**07/01/2018–09/30/2018 (3 months)**	**04/01/2019–09/30/2019 (6 months)**	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (6 months)**	**07/01/2018–09/30/2018 (3 months)**
Revenue from interest earning bank deposits	7,605	3,484	5,838	2,978	7,605	3,484	5,838	2,978
Other financial revenues	1,860	673	3,803	2,534	1,860	673	3,803	2,534
Financial revenues (a)	9,465	4,157	9,641	5,512	9,465	4,157	9,641	5,512
Bank expenses	(1,623)	(778)	(2,205)	(1,183)	(1,623)	(778)	(2,205)	(1,183)
Interest on loans	(2,844)	(1,333)	(3,526)	(1,730)	(2,844)	(1,333)	(3,526)	(1,730)
Other financial expenses	(92)	(45)	(189)	(81)	(78)	(30)	(189)	(81)
Financial expenses (b)	(4,559)	(2,156)	(5,920)	(2,994)	(4,546)	(2,143)	(5,920)	(2,994)
Net financial (a+b)	4,906	2,001	3,721	2,518	4,919	2,014	3,721	2,518

22 Financial instruments

a. Accounting classification and fair values

The following table shows the book and fair values of financial assets and liabilities, including their fair value classifications.

Consolidated		**Book value**		**Fair value**	
September 30, 2019					
Financial assets measured at fair value		**September 30, 2019**	**March 31, 2019**	**September 30, 2019**	**March 31, 2019**
				Level 2	**Level 2**
Cash and cash equivalents (interest earning bank deposits)	Fair value through profit or loss	195,114	150,886	195,114	150,886
Interest earning bank deposits	Fair value through profit or loss	40,579	145,533	40,579	145,533
Financial assets not measured at fair value					
Cash and cash equivalents (except for interest earning bank deposits)	Amortized cost	11,285	745	-	-
Accounts receivable	Amortized cost	125,338	79,518	-	-
Other accounts receivable	Amortized cost	12,824	11,176	-	-
Financial liabilities not measured at fair value					
Loans and financing	Amortized cost	135,262	153,775	-	-
Suppliers	Amortized cost	9,123	7,439	-	-
Other accounts payable	Amortized cost	3,866	5,622	-	-

Parent company		Book value		Fair value	
September 30, 2019					
Financial assets measured at fair value		**September 30, 2019**	**March 31, 2019**	**September 30, 2019**	**March 31, 2019**
				Level 2	**Level 2**
Cash and cash equivalents (interest earning bank deposits)	Fair value through profit or loss	194,731	150,886	194,731	150,886
Financial instruments	Fair value through profit or loss	40,579	145,533	40,579	145,533
Financial assets not measured at fair value					
Cash and cash equivalents (except for interest earning bank deposits)	Amortized cost	11,285	245	-	-
Accounts receivable	Amortized cost	125,338	79,518	-	-
Other accounts receivable	Amortized cost	12,824	11,176	-	-
Financial liabilities not measured at fair value					
Loans and financing	Amortized cost	135,262	153,775	-	-
Suppliers	Amortized cost	8,024	7,439	-	-
Other accounts payable	Amortized cost	5,134	3,532	-	-

Fair value vs. book value

The book values referring to the financial instruments contained in the balance sheet, when compared with the amounts that could be obtained in their trading in an active market or, in the absence hereof, with the net present value adjusted with a basis on the current interest rate in the market, are substantially close to their corresponding market values.

b. Financial risk management

The Company is exposed to the following risks resulting from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information on the Company's exposure to each of the risks above, the Company's objectives, measurement policies, and the Company's risk and capital management proceedings.

c. Risk management framework

The Management is globally responsible for the establishment and supervision of the risk management framework of the Company. Management is responsible for the development and monitoring of the risk management policies. Managers of each department regularly report their activities to Management.

The Company's risk management policies are established to identify and analyzed the risks that it faces, to define appropriate limits and controls of risks, and to monitor risks and adherence to the limits. The risk management policies and systems are reviewed frequently to reflect changes in the market conditions and in the Company's activities.

d. Credit risk

Credit risk is the risk of a Company to incur in losses if a client or a counterparty of a financial instrument fails to fulfill its contractual obligations arising mainly from trade accounts receivable and other receivables and cash and cash equivalents.

Credit risk exposure

The book values of financial assets classified as loans and receivables represent the maximum credit exposure.

Credit risks

The Company restricts its credit risk exposure associated to banks and interest earning bank deposits by investing with reputable financial institutions. With respect to accounts receivable, the Company restricts its exposure to credit risks by selling to a broad client base and through ongoing credit analyses. As of March 31, 2019, there was no significant concentration of credit risk associated with clients.
Financial instruments that potentially subject the Company to concentration of credit risk consist principally of bank balances, interest earning bank deposits and trade receivables. The balance of accounts receivable is distributed under sundry clients.

Assets	Note	Consolidated 09/30/2019	Consolidated 03/31/2019	Parent company 09/30/2019	Parent company 03/31/2019
Cash and cash equivalents (except for interest earning bank deposits)	4	11,285	745	11,285	245
Cash and cash equivalents (interest earning bank deposits)	4	195,114	150,886	194,731	150,886
Financial instruments	5	40,579	145,533	40,579	145,533
Accounts receivable	6	125,338	79,518	125,338	79,518
Other accounts receivable	7	12,824	11,176	12,824	11,176
		385,141	387,858	384,757	387,358

Trade accounts receivable and other receivables

Expense with formation of this provision for losses was recorded under "Other operating revenues (expenses)" caption in the statement of income. When all efforts to recover trade accounts receivable, amounts credited to such provision, are, normally reversed against definitive write-off of the note.

The breakdown by maturity of loans and receivables on the date of the financial statements for which no impairment losses were recognized was as follows:

	Parent company and Consolidated 09/30/2019	Parent company and Consolidated 03/31/2019
Falling due	53,854	42,669
Overdue (days):		
1–30	30,204	1,121
31–60	4,439	2,793
61–180	5,774	10,011
>180	31,067	22,924
Total (Note 6)	125,338	79,518
(-) Provision for expected credit loss - related parties	(25,685)	(14,504)
(-) Provision for expected credit loss	(14,618)	(17,830)
Total (Note 6)	(40,303)	(32,334)
	85,035	47,184

Balance at March 31, 2019	32,334
Provision for expected credit loss	7,969
Balance at September 30, 2019	40,303

e. Liquidity risk

The contractual maturities of financial liabilities are shown below, including payment of estimated interest.

Schedule of debt amortization

September 30, 2019	Book value	Contractual cash flow	12 months	13–24 months	25–36 months	37–48 months
Suppliers	8,565	8,565	8,565	-	-	-
Loans and financing	135,262	144,730	49,350	43,612	37,944	13,824

March 31, 2019	Book value	Contractual cash flow	12 months	13–24 months	25–36 months	37–48 months
Suppliers	9,247	9,247	9,247	-	-	-
Loans and financing	153,775	163,832	47,707	43,222	38,444	34,459

f. Market risk

Market risk refers to changes in market prices, such as interest rates that affect the gains of the Company, or in the value of their interest in financial instruments. The objective of market risk management is to manage and control exposures to market risks according to acceptable parameters and optimize the return at the same. For outstanding transactions and operations, the relevant risk is the interest rate risk.

Interest rate risk

Interest rate risk is the risk of the Company incurring financial losses due to adverse changes in interest rates, which may be caused by economic crises and/or changes in the monetary policy of domestic market. This exposure refers mainly to changes in market interest rates that affect the Company's liabilities indexed at CDI - Interbank Deposit Certificate.

Profile

On the date of financial statements, the profile of financial instruments remunerated through Company's variable interest was:

		Book value	
Consolidated and parent company	**Risk**	**09/30/2019**	**03/31/2018**
Prefixed rate instruments			
Suppliers		9,123	9,247
Loans and financing		135,262	144,797
Variable rate instruments			
Interest earning bank deposit (financial instruments and cash and cash equivalents)	CDI	235,693	296,419
Loans and financing	TJLP	8,978	8,978

Sensitivity analysis

The Company has R$ 235,693 of interest earning bank deposits indexed to the post- fixed rate, mainly the "CDI" rate, and R$ 8,978 of loans and financing indexed to the post-fixed rate, mainly the "Libor' rate. The table below considers three scenarios, taking into account their percentage changes for CDI and TJLP, where the probable scenario is 10% greater than effective average rate in 2019. Other scenarios consider CDI and TJLP appreciation of 25% and 50% on this rate and represent the impact of financial expenses on income (loss) for the period and shareholders' equity.

Interest rate risk on financial assets and liabilities - Depreciation of rates

					Scenarios			
	Exposure - 09/30/2019		Probable		Index reduction by 25%		Index reduction by 50%	
Instruments		**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	235,693	CDI decr.	6.22	14,660	4.67	10,995	3.11	7,330
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	4.4625	(401)	2.98	(267)
Projected financial income (loss)				15,194		11,396		7,597
Impact on income (loss) and shareholders' equity				-		(3,799)		(7,597)

					Scenarios			
	Exposure - 03/31/2019		Probable		Index reduction by 25%		Index reduction by 50%	
Instruments		**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	296,419	CDI decr.	6.22	18,437	4.67	13,828	3.11	9,219
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	4.4625	(401)	2.98	(267)
Projected financial income (loss)				18,971		14,229		9,486
Impact on income (loss) and shareholders' equity				-		(4,743)		(9,486)

Interest rate risk on financial assets and liabilities - appreciation of rates

					Scenarios			
	Exposure - 09/30/2019		Probable		Index increase by 25%		Index increase by 50%	
Instruments		**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	235,693	CDI decr.	6.22	14,660	7.78	18,325	9.33	21,990
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	7.4375	(668)	8.93	(801)
Projected financial income (loss)				15,194		18,993		22,791
Impact on income (loss) and shareholders' equity				-		3,799		7,597

								Scenarios
	Exposure - 03/31/2019		Probable		Index increase by 25%		Index increase by 50%	
Instruments		**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	296,419	CDI decr.	6.22	18,437	7.78	23,047	9.33	27,656
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	7.4375	(668)	8.93	(801)
Projected financial income (loss)				18,971		23,714		28,457
Impact on income (loss) and shareholders' equity				-		4,743		9,486

The Company's goal is to manage the operational risk to avoid the occurrence of financial losses and damage to its reputation, and to pursue cost effectiveness and avoid control procedures that restrict technological initiatives.

23 Related parties

a. Parent company and ultimate parent company

The group of ultimated Controlling shareholders is represented by the control block, comprised by the shareholders: Raízen Group, Copersucar S.A., São Martinho Group, Guarani S.A., Grupo Bunge e S.A. Usina Coruripe Açúcar e Álcool.

b. Remuneration of key management personnel

The remuneration paid to Management is defined in the Annual Shareholders' Meeting and the values paid as remuneration were R$ 5,866 (R$ 4,128 as of September 30, 2018).

Other related party transactions

Main asset and liability balances, as well as transactions that influence income for the year, derive from transactions between the Company and its related parties for the following types of operations:

Accounts receivable - Note 6	**09/30/2019**	**03/31/2019**
Eth Group	8,451	9,368
Virgolino de Oliveira Group	7,859	8,088
Ferrari Agroindustrial S.A.	5,091	6,461
Biosev Group	7,602	1,904
Usina Alvorada Açúcar e Álcool Ltda	3,450	4,024
Bunge Group	6,594	-
São Martinho Group	2,263	242
Raízen Group	6,487	-
Pedra Agroindustrial	4,923	-
Tonon Bioenergia S.A.	2,284	2,542
Adecoagro Group	4,879	2,041
Tereos Group	1,220	-
Usina Santa Rosa S.A.	1,728	1,728
S.A. Usina Coruripe Açúcar E Alcool	1,013	2,326
Noble Do Brasil S.A	3,063	-
Jalles Machado S.A.	1,363	1,219

Usina Ipiranga de Açúcar e Álcool S.A.	1,017	-
Usina De Açucar Santa Terezinha Ltda	2,413	-
Usina Santa Fé S.A.	1,338	2,175
Bp Group	1,453	-
Baldin Group	1,153	1,244
Usina Açucareira Furlan S.A.	1,317	942
Nova America Agricola Ltda	1,105	809
Alto Alegre Group	839	39
Cocal Comercio E Industria Canaã Açucar E Alcool S.A.	889	-
Denusa – Destilaria Nova União S.A.	627	769
Unialco Group	572	1,003
Usina Batatais S.A. Açúcar E Álcool	711	361
Zilor	363	-
Usina Melhoramentos	359	179
Usina Santo Antônio S.A	253	-
Usina São Francisco S.A	252	-
Usina Uberaba S.A.	252	21
Usina Açucareira Ester S.A.	628	1,030
Goiasa Goiatuba Álcool Ltda.	225	-
J. Pilon Açucar E Alcool	253	-
Antonio Ruette Agroindustrial Ltda	311	278
Della Coletta Bioenergia S.A.	69	580
Dacalda Açúcar E Alcool Ltda	290	209
Usina Açucareira São Manoel S.A.	604	217
Usina Santa Adelia S.A.	245	210
Wd Agroindustrial Ltda	294	140
U.S.A. – Usina Santo Angelo Ltda	210	135
Companhia Muller de Bebidas	144	-
Usina Trapiche S.A	137	124
Usj – Açucar E Alcool S.A.	90	-
Agropeu - Agroindustrial de Pompeu S/A	121	112
Usina Maringa	73	98
Santa Vitória Açucar E Alcool Ltda	74	68
Usina Santa Lucia S.A.	62	59
Lasa Linhares Agroindustrial S.A	41	-
Alcon - Cia de Álcool Conceição da Barra	3	-
Usina São José da Estiva S.A Açúcar e Álcool	-	2,009
	87,057	**52,754**

A substantial portion of the Company’s operations is carried out with related parties, with revenues among shareholders being:

Revenues (Note 19) (a))	**09/30/2019**	**09/30/2018**
Bunge Group	7,945	5,037
Biosev Group	7,602	6,524
São Martinho Group	6,612	5,871
Raízen Group	6,487	4,966
Pedra Agroindustrial	4,747	3,733
Tereos Group	3,983	3,015
Adecoagro Group	3,512	1,976
Eth Group	3,237	2,169
Usina Ipiranga de Açúcar e Álcool S.A.	3,104	2,361
Cocal Comercio E Industria Canaã Açucar E Alcool S.A.	3,099	1,805
Noble Do Brasil S.A	3,063	1,954

Jalles Machado S.A.	2,755	2,421
Bp Group	2,678	1,970
S.A. Usina Coruripe Açúcar E Alcool	2,536	2,138
Alto Alegre Group	2,420	1,850
Usina de Açúcar Santa Terezinha Ltda	2,413	2,002
Nova America Agrícola Ltda	1,603	1,230
Usina Batatais S.A. Açúcar E Álcool	1,397	607
Zilor	1,285	853
Usina Melhoramentos	1,245	577
Usina Santa Fé S.A.	1,014	860
Ferrari Agroindustrial S.A.	992	693
Usina Alvorada Açúcar e Álcool Ltda	825	350
Goiasa Goiatuba Álcool Ltda.	787	617
Usina Uberaba S.A.	783	505
Usina Santo Antônio S.A	765	694
Usina São Francisco S.A	750	681
Usina Açucareira Ester S.A.	742	780
J. Pilon Açúcar E Álcool	647	592
Antonio Ruette Agroindustrial Ltda	627	581
Usina Açucareira S. Manoel S.A.	529	416
Usina Santa Adelia S.A.	527	416
Usina Açucareira Furlan S.A.	375	742
U.S.A. – Usina Santo Angelo Ltda	364	236
USJ - Açúcar E Álcool S.A.	363	231
Denusa – Destilaria Nova União S.A.	297	280
Santa Vitória Açucar E Alcool Ltda	283	109
Companhia Muller de Bebidas	262	-
Unialco Group	260	434
Dacalda Açúcar E Alcool Ltda	226	203
Usina Maringa	223	204
Wd Agroindustrial Ltda	223	133
Usina Santa Lucia S.A.	124	117
Agropeu - Agroindustrial de Pompeu S/A	69	43
Lasa Linhares Agroindustrial S.A	41	49
Usina Trapiche S.A	37	66
Virgolino de Oliveira Group	21	606
Alcon - Cia de Álcool Conceição da Barra	6	5
Clealco Açúcar e Álcool S.A.	-	587
Usina São José da Estiva S.A Açúcar e Álcool	-	1,005
Usina Santa Rosa S.A.	-	106
Tonon Bioenergia S.A.	-	372
Della Coletta Bioenergia S.A.	-	234
Baldin Group	-	186
Overall total	**83,885**	**66,192**

(*) As defined according to shareholders’ agreement.

(a) Accounts receivable and revenue - Royalties’ Contracts
Transactions with sugarcane varieties and technology licensing. Royalties are recognized at the accrual system in conformity with the agreement’s essence.

24 Insurance

The Company has an insurance program and risk management that provides consistent coverage and protection for corporate assets and operations.

Contracted coverage is based on an assessment of risks and losses and contracted insurance types are considered by Management as sufficient to cover possible claims that may arise, considering the nature of the Company's activities.

At September 30, 2019, operating risk insurance coverage was comprised of R$ 36,000 for material damage and R$ 37,000 for civil liability.

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CTC - Centro de Tecnologia Canavieira S.A.
EIN N° 06.981.381/0002-02

Board of Directors

Board Members

Pedro Isamu Mizutani – Chairman
Fábio Venturelli – Vice Chairman
Luis Roberto Pogetti – Board Member
Mario Luiz Lorencatto – Board Member
Martus Antônio Rodrigues Tavares – Board Member
Otávio Lage de Siqueira Filho – Board Member
Juliana Sá Vieira Baiardi – Board Member
Pierre Louis Joseph Santoul – Board Member
Roberto Faldini – Independent Board Member
Fernando de Castro Reinach – Independent Director
Rodrigo Correia Barbosa – Observer Board Member
Paulo Meneguett – Observer Board Member
Juan José Blanchard – Observer Board Member

Executive Board

CEO
José Gustavo Teixeira Leite

Directors
Viler Corrêa Janeiro
Rinaldo Pecchio Jr

Accountant in charge: Evandro Rodrigues Ferreira
CRC 1SP270523/O-7