EBITDA Rises 28.6% in 3Q20, Driven by a 27.4% Rise in Net Revenue During the Quarter

Piracicaba, February 14, 2020 – CTC Centro de Tecnologia Canavieira (a publicly-held company with shares listed on the "Bovespa Mais" segment (CTCA3), but not traded), one of the most world-renowned centers for biotechnology applied to sugarcane, today announced the results for the ***third Quarter–2019/20 Crop (3Q20.)*** *The financial and operating information contained herein, except where otherwise indicated, is presented in Brazilian Reais (R$), in compliance with the International Financial Reporting Standards (IFRS), the Brazilian Corporations Law and the accounting guidelines laid out by the CPC [Comitê de Pronunciamentos Contábeis, or Brazilian Accounting Pronouncements Committee.].*

MESSAGE FROM MANAGEMENT

Driven by the results we achieved in 3Q20, we continue working towards our goal of growing sustainably, considering the nine-month period of the crop year. Constantly focused on offering high value-added products to our customers, we continued investing heavily in sugarcane biotechnology R&D projects. We are confident our efforts and competitive advantages will allow us to continue growing steadily and increasing our market share, with sustainable results in the long term as well.

Biofuel consumption hit record highs in a year of high ethanol production and competitive gas station prices. According to ANP [Agência Nacional do Petróleo, Gás Natural e Biocombustíveis, or Brazilian National Agency of Petroleum, Natural Gas and Biofuels] data, the demand for hydrous ethanol totaled 22:54 billion liters over the 12 months of 2019.

With the RenovaBio program, the Brazilian government has been showing it recognizes the sugar and ethanol industry plays a key role in allowing the country to achieve its environmental targets and adopts a joint strategy between the state and corporations to recognize the importance of all types of biofuels in the Brazilian energy mix, both for energy security and for the reduction of greenhouse gas emissions. Biofuel production is by far the main activity in the alternative energy sector. In fact, ethanol and bioelectricity production accounts for 43.5% of the Brazilian energy mix according to EPE [Empresa de Pesquisa Energética, or Energy Research Company], and it will be benefited by a higher demand for ethanol.

EPE data also indicates the demand for ethanol shot up by almost three billion liters in 2019. With the possibility of increasing the blend of ethanol into gasoline (from 27% to up to 40%), ANP expects that demand to increase even further, by 200 million liters. By 2030, investments in the industry should have totaled R$1.4 trillion.

OUR BUSINESS

Having set a benchmark due to the innovations it has pioneered in the sugar and energy industry, CTC is a biotechnology company whose main goal is to develop and market sugarcane strains that meet producers' needs by taking into account the specific crop features of each Brazilian region. To develop our sugarcane strains, we have professional teams highly specialized and skilled in improving gene pools and biotechnologies, allowing us to offer products specially designed to meet the market's demands. We continuously seek to introduce genetically modified sugarcane strains that enable us to improve the sugar and energy industry's fundamentals and productivity.

Royalty revenues from technology licensing recognized here are connected with sugarcane strains we provided for clients and booked in the income statement for the respective fiscal year, based on the crop area at the beginning of the crop year.

HIGHLIGHTS IN 3Q20

The productivity of premium varieties rose from 9.9 to 12.4 TAH*, 25% higher than the industry's average. In the Cerrado region, productivity was 29% higher.

Crop **market share** increased to 35% in 3Q20. Premium and GMO varieties accounted for 53% of CTC's total crop market share.

Net revenue	⇧	**27.4%**	The crop market share increased **by 35%** (3Q19 vs. 3Q20.)
Gross operating profit	⇧	**48.5%**	The rise in gross profit was driven by the increase in revenue.
Operating EBITDA	⇧	**28.6%**	The increase in EBITDA was due to a rise in revenue. In **9M20**, there was a **56.9%** upturn
Investment in projects (research costs)	⇧	**17.0%**	There was an increase in investments in projects, mainly in artificial seeds and biotechnology.

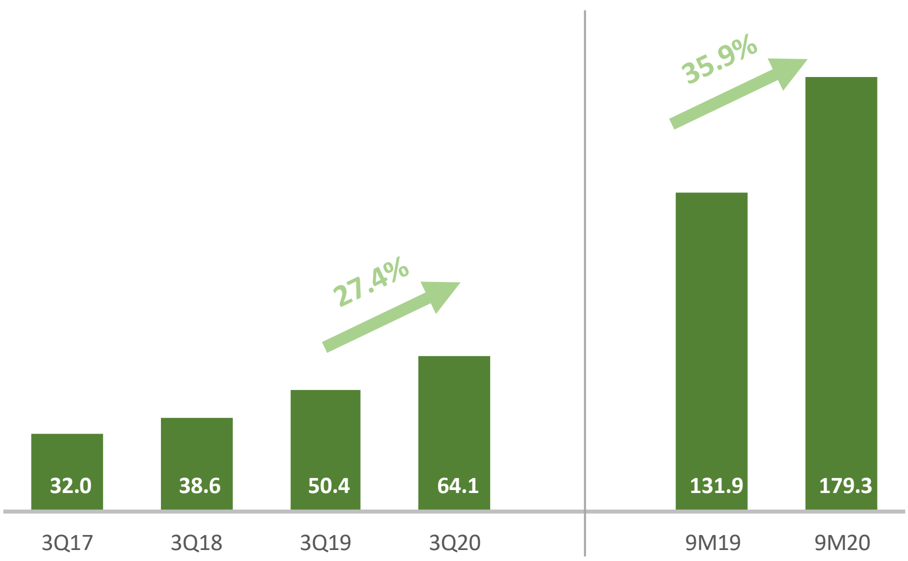
**Source: CTC Benchmark System*

DESEMPENHO ECONÔMICO-FINANCEIRO

Financial Summary

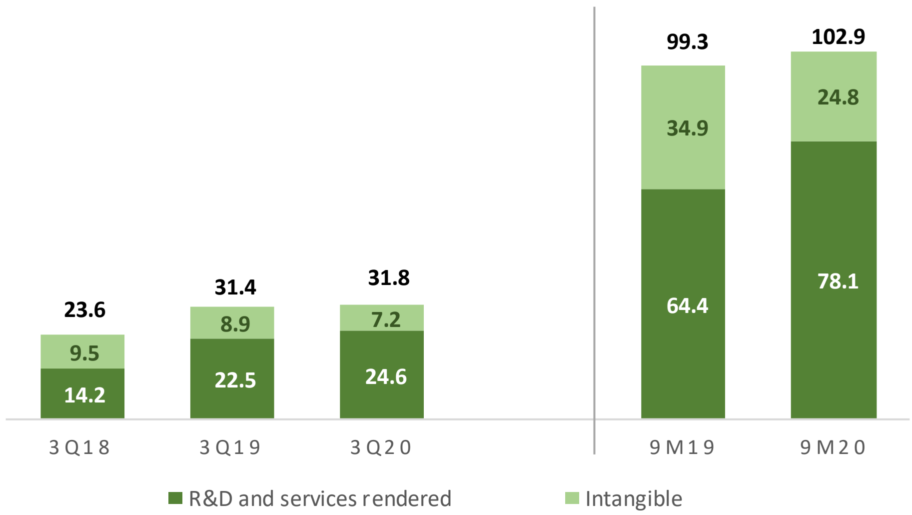
	3Q20	3Q19	Chg. 3Q/3Q	2Q20	1Q20	9M20	9M19	Chg.
Net Revenues from Sales	64.2	50.4	27.4%	65.7	49.4	179.2	131.9	35.9%
Operating Expenses (Selling, General and Administrative)	19.7	14.5	35.7%	15.6	15.8	51.1	40.7	25.5%
Project costs	24.6	22.5	9.5%	28.4	25.1	78.1	64.3	21.4%
Gross Profit from Operations	19.9	13.4	48.5%	21.7	8.4	50.0	26.9	86.3%
Gross Margin from Operations	**31.0%**	**26.6%**	**4.4 p.p.**	**33.1%**	**17.1%**	**27.9%**	**20.4%**	**7.5 p.p.**
Depreciation and amortizations	7.2	7.6	-6.1%	11.3	9.1	27.6	22.6	22.0%
EBITDA from Operations	**27.1**	**21.0**	**28.6%**	**33.1**	**17.52**	**77.6**	**49.5**	**56.9%**
EBITDA Margin from Operations	**42.2%**	**41.8%**	**0.4 p.p.**	**50.3%**	**35.5%**	**43.3%**	**37.5%**	**5.8 p.p.**
Net Income	15.9	8.8	79.7%	14.4	7.5	37.8	25.6	47.5%
Net Margin	**24.8%**	**17.6%**	**7.2 p.p.**	**21.9%**	**15.2%**	**21.1%**	**19.4%**	**1.7 p.p.**
Project costs	24.6	22.5	9.5%	28.4	25.1	78.1	64.3	21.4%
Intangible Assets	7.2	8.1	-10.7%	8.6	9.0	24.8	34.9	-28.9%
Total Project Costs	**108.1**	**101.9**	**6.1%**	**37.0**	**34.1**	**179.2**	**170.6**	**5.1%**

Net revenue



Net revenue amounted to R$64.1 million in 3Q20, 27.4% up on 3Q19. The rise in revenue in 3Q20 was driven by an increase in the crop market share (34.6% year-over-year), as well as the larger share in sales of premium varieties, which provide greater productivity for customers. By the close of 3Q20, CTC varieties had been planted in about 213,000 more hectares, a year-over-year increase of 35.9%.

Investment in Research and Development – R&D Costs and Intangible Assets



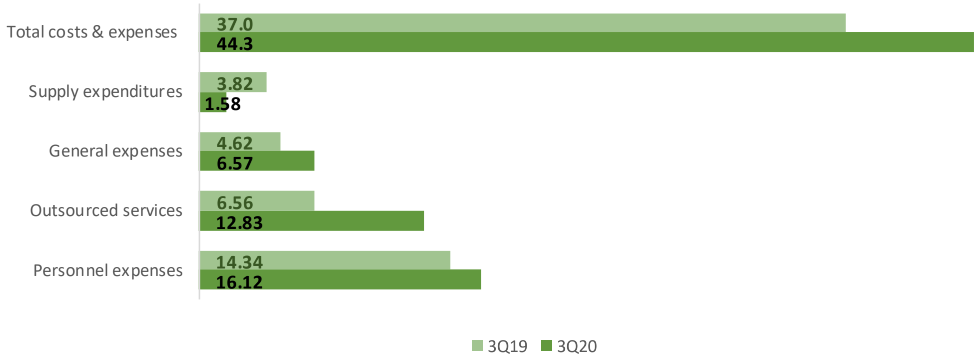
R&D costs and the cost of services provided totaled R$17.4 million in 3Q20, up 17.0% from R$14.9 million in 3Q19. Research investments also reflect the progress of the Artificial Seed Project, still in the research phase, and are recognized as expenses rather than capitalized as intangible items.

The increase in revenue led to a lower ratio between revenue and R&D costs, which corresponded to 43.6% of net revenue in 3Q20 vs. 48.7% in the previous crop year.

In 9M20, R&D costs and cost of services provided climbed by 30.3% year-over-year.

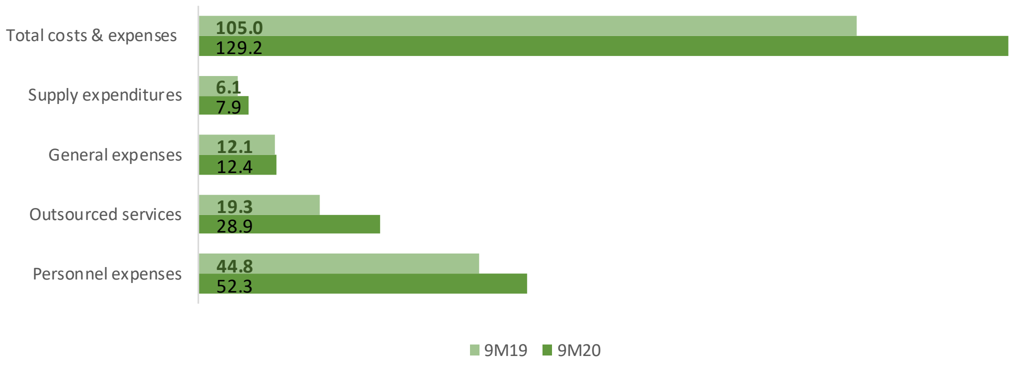
General and Administrative Expenses

In millions of R$



Operating expenses totaled R$37.1 million in 3Q20, rising by 26.5% from the year-ago quarter, when they came to R$29.3 million. In this regard, it is worth noting higher expenses on outsourced services, and general and personnel expenses, in connection respectively with consulting services related to deregulation, CTC Genomics LLC and the Company's corporate restructuring to improve governance.

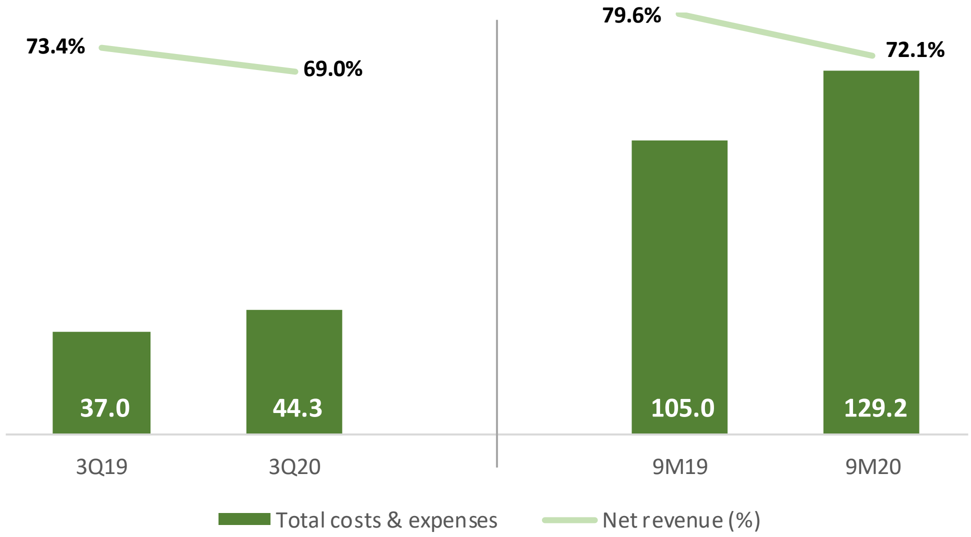
In millions of R$



In 9M20, operating expenses totaled R$101.5 million, 23.0% up on 9M19, when they came to R$82.4 million. Operating expenses were mainly driven by consulting services related to deregulation, CTC Genomics LLC and the Company's corporate restructuring to improve governance.

Costs and expenses vs. net revenue

In millions of R$

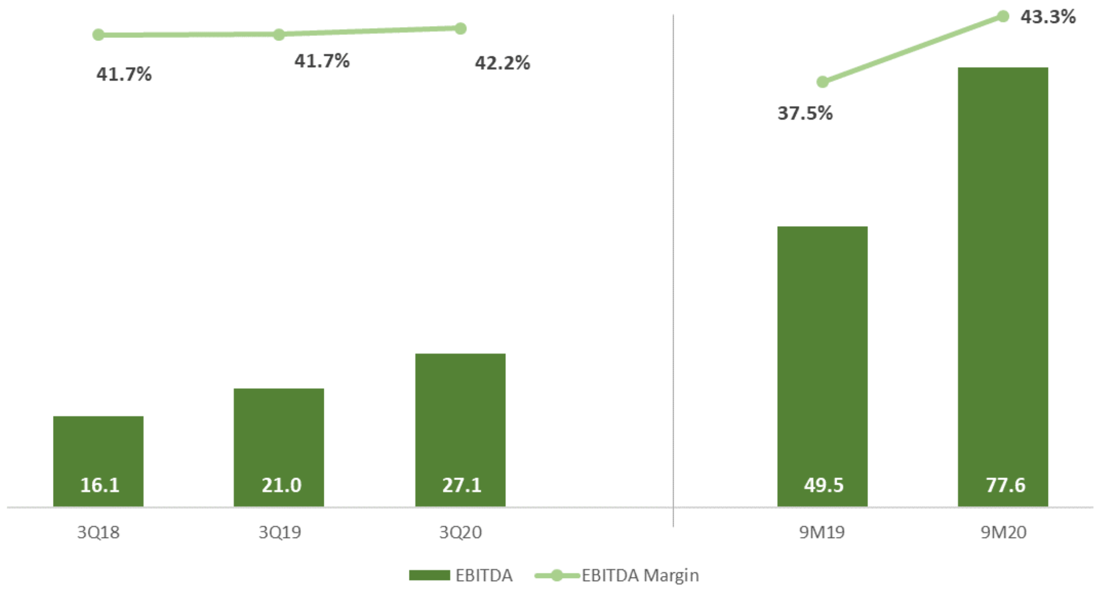


The ratio between total revenue and operating expenses fell by 6.0% in 3Q20 in relation to the year-ago quarter due a 27.4% rise in net revenue.

However, that ratio dropped significantly from 79.6% in 9M19 to 72.1% in 9M20 (down 9.5 p.p.) owing to a 35.9% increase in revenue during that same period..

EBITDA and EBITDA Margin

In millions of R$



Increased operating income, notably resulting from an upturn in sales when compared with 3Q19, led to a rise in both gross profit and operating cash generation as measured by EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), which amounted to R$27.1 million in 3Q20, up 29.0% from R$21.0 million in 3Q19. EBITDA margin stood at 43.4%% in 9M20, a 15.4 p.p. increase compared to the year-ago quarter.

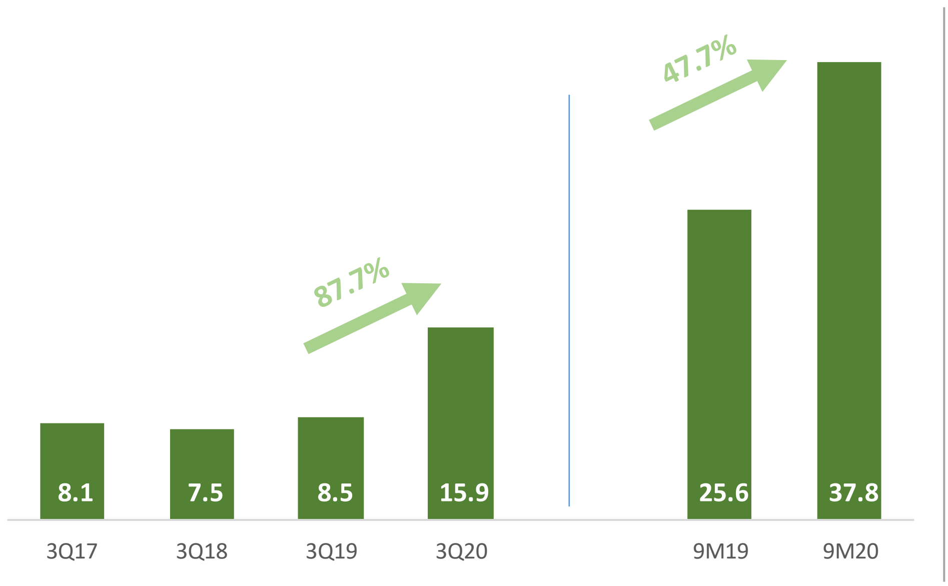
Adjusted EBITDA

(In millions of R$)	*3Q20*	*3Q19*	*Chg. 3Q/3Q*	*2Q20*	*1Q20*	*9M20*	*9M19*	*Chg. 9M/9M*
EBITDA from Operations	***27.1***	***21.0***	***29.0%***	***33.1***	***17.5***	***77.7***	***49.7***	***56.3%***
EBITDA Margin from Operations	***42.2%***	***41.8%***	***0.4 p.p.***	***50.4%***	***35.5%***	***43.4%***	***37.7%***	***5.7 p.p.***
Other Operating (Expenses) Revenues	*-*	*-1.4*		*-7.6*	*-0.1*	*-7.7*	*1.3*	*-692.3%*
Total Adjusted EBITDA	***27.1***	***19.6***	***38.3%***	***25.5***	***17.4***	***70.1***	***51***	***37.5%***
Total Adjusted EBITDA Margin	***42.2%***	***39.0%***	***3.2 p.p.***	***38.9%***	***35.3%***	***39.1%***	***38.7%***	***0.4 p.p.***

For the purposes of financial reporting, the Company has been reporting Adjusted EBITDA as shown above since inception.

Net income

In millions of R$



Net income totaled of R$15.9 million in 3Q20, up 87.7% year-over-year. In 9M20, net income came to R$37.8 million, 47.7% up on 9M19, led directly by the 35.9% rise in net revenue.

Debt

Net debt *(In millions of R$)*	**12/31/2019**	**03/21/2019**	**12/31/2018**
Loans and Financing			
Current Liabilities	50.5	46.2	46.2
Non- Current Liabilities	75.5	107.6	116.9
Financiamentos Operacionais			
Current Liabilities	8.1	9.1	10.9
Non- Current Liabilities	-	0.1	0.1
Gross Debt	**134.1**	**163.0**	**174.1**
Cash and Cash Equivalents and Financial Investments	339.0	297.2	330.4
Net cash	**204.9**	**134.1**	**156.3**
EBITDA from Operation	77.6	54.9	49.5
Net cash/ EBITDA from Operation	**2.6**	**2.4**	**3.2**

Net cash and cash equivalents flattened out. The main year-over-year impact came from the capital contribution from BNDES [Banco Nacional de Desenvolvimento Econômico e Social, or Brazilian National Bank for Economic and Social Development] in December 2018 and the ensuing rise in cash and cash equivalents.

Application of CPC 06 (R2) / IFRS 16–Leases–Leasing Operations (“Leasing”)

Since January 1, 2019, the Company has applied IFRS 16–Leases (Leasing Operations), which is concerned with the accounting practices applicable to leasing operations and their interpretations. The main effects of this change are described in detail in the Financial Statements dated September 30, 2019. The adoption of that standard has introduced changes in the accounting procedure for the fixed portion of leases so that future obligations must now be recognized as contra entries to the respective right-of-use assets. Leasing expenses, booked as "Leasing Expenses" until 2018, are now recognized under depreciation.

Relationship with independent auditors

Pursuant to CVM Instruction 381, of January 14, 2003, regarding audited Entities’ requirement to disclose information about services unrelated to independent audit provided by their independent auditors, CTC hereby states the Company’s policy for hiring independent auditors for services unrelated to independent audit is designed to ensure there are no conflicts of interests, loss of independence or objectivity, and is based on principles that preserve auditors’ independence.

The special review of the quarter ended December 31, 2019 (3Q20) was conducted by KPMG Auditores Independentes, which provided no services unrelated to auditing during that period.

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