CTC - Centro de Tecnologia Canavieira S.A.

(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)

KPDS 602460

Contents

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Report on the review of quarterly information - ITR

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 interim, individual and consolidated interim financial information of CTC - Centro de Tecnologia Canavieira S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended December 31, 2019, which comprise the balance sheet as of December 31, 2019 and related statements of income, of comprehensive income for the three and nine-month periods then ended, of changes in shareholders' equity and cash flows for the nine-month period then ended, including the explanatory notes.

Company's Management is responsible for the preparation of the interim financial information in accordance with CPC 21(R1) - Interim Statement and 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. 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 review standards for interim 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 information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing 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, we are not aware of any facts that would lead us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 issued by IASB and applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters - Statements of added value

The aforementioned quarterly information includes the individual and consolidated statements of added value for the nine-month period ended December 31, 2019, prepared under responsibility of Company's Management, and presented as supplementary information for IAS 34 purposes. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and book records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Added Value. Based on our review, we are not aware of any facts that may lead us to believe that they have not been prepared, in all material respects, in accordance with the criteria set forth in this Standard and consistently with respect to the individual and consolidated interim financial information taken as a whole.

Ribeirão Preto, February 14, 2020

KPMG Auditores Independentes
CRC 2SP-027666/F

Original report in Portuguese signed by

Giovani Ricardo Pigatto
Accountant CRC 1SP263189/O-7

CTC - Centro de Tecnologia Canavieira S,A,

Balance sheets at December 31, 2019 and March 31, 2019

(In thousands of reais)

		Consolidated		Parent company	
Assets	**Note**	**31/12/2019**	**03/31/2019**	**31/12/2019**	**03/31/2019**
Cash and cash equivalents	4	296,994	151,631	296,305	151,131
Accounts receivable	6	7,704	27,859	7,705	27,859
Financial instruments	5	-	99,400	-	99,400
Inventories		2,610	350	2,578	350
Recoverable taxes		108	140	108	140
Biological assets		859	671	859	671
Current tax assets		2,561	3,963	2,561	3,963
Other accounts receivable	7	57	264	25	264
Total current assets		**310,894**	**284,278**	**310,141**	**283,778**
Financial instruments	5	41,990	46,133	41,990	46,133
Accounts receivable	6	12,413	19,325	12,413	19,325
Other accounts receivable	7	11,007	10,912	11,007	10,912
Recoverable taxes		2,860	3,735	2,860	3,735
Deferred tax assets	8	45,005	41,648	45,005	41,648
Total non-current assets		**113,275**	**121,753**	**113,275**	**121,753**
Investments	9	-	-	5,475	3,313
Property, plant and equipment	10	113,785	123,316	108,856	118,413
Right to use	11	27,586	-	25,168	-
Intangible assets	12	270,649	249,228	269,585	249,228
Total non-current assets		**525,295**	**494,297**	**522,359**	**492,707**
Total assets		**836,189**	**778,575**	**832,500**	**776,485**

		Consolidated		Parent company	
Liabilities	**Note**	**31/12/2019**	**03/31/2019**	**31/12/2019**	**03/31/2019**
Suppliers	13	8,142	9,127	7,209	9,127
Leases	11	5,078	-	4,549	-
Loans and financing	16	50,463	46,158	50,463	46,158
Taxes and contributions payable		2,841	2,443	2,840	2,443
Salaries, vacation and charges	14	18,898	20,455	18,555	20,455
Dividends payable		1,107	5,431	1,107	5,431
Unearned revenues	15	31,133	2,930	31,133	2,930
Other accounts payable		1,260	2,692	1,222	602
Total current liabilities		**118,921**	**89,236**	**117,078**	**87,146**
Suppliers	13	-	120	-	120
Leases	11	22,146	-	20,299	-
Loans and financing	16	75,518	107,617	75,518	107,617
Provision for lawsuits	17	1,981	1,981	1,981	1,981
Total non-current liabilities		**99,645**	**109,718**	**97,798**	**109,718**
Shareholders' equity	18				
Capital		562,202	562,202	562,203	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		163	(16)	163	(16)
Retained earnings		37,823	-	37,823	-
Total shareholders' equity		**617,623**	**579,621**	**617,624**	**579,621**
Total liabilities		**218,566**	**198,954**	**214,876**	**196,864**
Total liabilities and shareholders' equity		**836,189**	**778,575**	**832,500**	**776,485**

See the accompanying notes to the interim financial information,

CTC - Centro de Tecnologia Canavieira S.A.

Statements of income

Nine and three-month period ended December 31, 2019 and 2018

(In thousands of reais)

	Note	Consolidated				Parent company			
		04/01/2019–12/31/2019 (9 months)	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**	**04/01/2019–12/31/2019 (9 months)**	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**
Operating revenue	20	179,271	64,147	131,919	50,363	179,271	64,147	131,919	50,363
Cost of research and services rendered	21	(78,124)	(24,598)	(64,365)	(22,471)	(74,508)	(23,316)	(62,668)	(20,774)
Gross income		**101,147**	**39,549**	**67,554**	**27,892**	**104,763**	**40,831**	**69,251**	**29,589**
Administrative and sales expenses	21	(51,051)	(19,672)	(40,665)	(14,498)	(51,051)	(19,672)	(39,182)	(13,834)
Equity in net income of subsidiaries	9	-	-	-	-	(3,535)	(1,257)	(3,180)	(2,361)
Other operating revenues (expenses)		(7,611)	36	1,349	(1,389)	(7,716)	-	1,349	(1,389)
Income (loss) before net financial revenues (expenses) and taxes		42,485	19,912	28,238	12,005	42,461	19,902	28,238	12,005
Financial revenues	22	13,147	3,682	14,627	4,986	13,147	3,682	14,627	4,986
Financial expenses	22	(6,758)	(2,199)	(8,995)	(3,075)	(6,734)	(2,188)	(8,995)	(3,075)
Net financial	22	**6,389**	**1,483**	**5,632**	**1,911**	**6,413**	**1,494**	**5,632**	**1,911**
Income before income tax and social contribution		48,874	21,396	33,870	13,916	48,874	21,396	33,870	13,916
Income tax and social contribution:									
Deferred assets	8	3,357	2,785	(514)	15	3,357	2,785	(514)	15
For the year	8	(14,408)	(8,277)	(7,691)	(5,084)	(14,408)	(8,277)	(7,691)	(5,084)
Net income for the period		**37,823**	**15,904**	**25,665**	**8,847**	**37,823**	**15,904**	**25,665**	**8,847**
Net income per basic and diluted share for the period	18	**47.17**	**19.83**	**32.01**	**11.03**	**47.17**	**19.83**	**32.01**	**11.03**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of comprehensive income

Nine and three-month period ended December 31, 2019 and 2018

(In thousands of reais)

	Consolidated				Parent company			
	04/01/2019–12/31/2019 (9 months)	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (9 months)**	**07/01/2018–09/30/2018 (3 months)**	**04/01/2019–09/30/2019 (9 months)**	**07/01/2019–09/30/2019 (3 months)**	**04/01/2018–09/30/2018 (9 months)**	**07/01/2018–09/30/2018 (3 months)**
Net income for the period	**37,823**	**15,904**	**25,665**	**8,847**	**37,823**	**15,904**	**25,665**	**8,847**
Comprehensive income:								
Items that are or may be reclassified to income (loss):								
Effect of foreign currency translation	179	(36)	(36)	(58)	179	(36)	(36)	(58)
	179	(36)	(36)	(58)	179	(36)	(36)	(58)
Total comprehensive income for the period	**38,002**	**15,868**	**25,629**	**8,789**	**38,002**	**15,868**	**25,629**	**8,789**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of changes in shareholders’ equity

Nine-month periods ended December 31, 2019 and 2018

(In thousands of reais)

	Capital	Legal reserve	Reserve of shareholders’ equity	Accumulated translation adjustments	Retained earnings (loss)	Total
Balances at April 1, 2018	**556,550**	-	-	-	(731)	555,819
Comprehensive income						
Paid-up capital (Note 8)	5,652	-	-	-	-	5,652
Effect of foreign currency translation	-		-	(36)	-	(36)
Net income for the period	-	-	-	-	25,665	25,665
Balances at December 31, 2018	**562,202**	**-**	**-**	(36)	**24,934**	**587,100**
Balances at April 1, 2019	562,202	1,143	16,292	(16)	-	579,621
Comprehensive income						
Effect of foreign currency translation	-	-	-	179	-	179
Net income for the period	-		-	-	37,823	37,823
Balances at December 31, 2019	**562,202**	**1,143**	**16,292**	**163**	**37,823**	**617,623**

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of cash flows – Indirect method

Nine-month periods ended December 31, 2019 and 2018

(In thousands of reais)

		Consolidated		Parent company	
	Note	04/01/2019–12/31/2019	04/01/2018–12/31/2018	04/01/2019–12/31/2019	04/01/2018–12/31/2018
Cash flow from operating activities					
Net income for the period		37,823	25,665	37,823	25,665
Adjustments for:					
Depreciation and amortization	10 | 12	27,613	22,670	27,306	22,670
Provision for expected credit losses		(1)	1,722	(21)	1,722
Provision for profit sharing		-	8,357	(21)	8,357
Equity in net income of subsidiaries	9	-	-	3,535	3,180
Provision for lawsuits		-	1,264	-	1,264
Provisions for interest	16	4,228	5,467	4,228	5,467
Income tax and social contribution		(3,357)	514	(3,357)	514
		66,306	65,659	69,493	68,839
Changes in assets and liabilities					
(Increase) decrease in accounts receivable		27,068	(5,514)	27,087	(5,514)
(Increase) in inventories		(2,260)	(41)	(2,228)	(41)
Decrease in recoverable taxes and current tax asset		14,906	9,677	14,906	9,677
Decrease (increase) in other accounts receivable		112	(2,255)	144	(2,233)
(Decrease) in suppliers		(1,105)	(1,034)	(2,038)	(1,034)
(Decrease) in lease and right-of-use		(3,559)	-	(3,261)	-
(Increase) in taxes and contributions payable and current tax liabilities		398	197	397	197
(Decrease) in salaries, vacation and charges payable		(1,557)	(15,264)	(1,879)	(15,264)
Increase in unearned revenue		28,203	31,532	28,203	31,532
(Decrease) increase in other accounts payable		(5,757)	397	(3,702)	192
Cash from operating activities		122,753	83,354	127,122	86,351
Taxes paid		(12,597)	(1,816)	(12,597)	(1,816)
Interest paid	16	(4,001)	(5,320)	(4,001)	(5,320)
Net cash flow from operating activities		106,155	76,218	110,524	79,215
Cash flow from investment activities					
Redemptions (investments) of financial instruments		103,543	(80,193)	103,543	(80,193)
Acquisition of property, plant and equipment	10	(12,060)	(10,125)	(12,050)	(9,035)
Funds from disposal of property, plant and equipment		1,293	1,640	1,293	1,640
Biological assets		(188)	-	(188)	-
Investments in subsidiary		-	-	(5,518)	(5,857)
Intangible assets	12	(25,539)	(36,322)	(24,409)	(36,322)
Net cash flow from (used in) investment activities		67,049	(125,000)	62,671	(129,767)
Cash flow from financing activities					
Paid-up capital		-	96,247	-	96,247
Loans paid	16	(28,021)	(28,098)	(28,021)	(28,098)
Net cash flow (used in) from financing activities		(28,021)	68,149	(28,021)	68,149
Effect of changes in exchange rate on cash and cash equivalents		179	(36)	-	-
Increase in cash and cash equivalents		145,363	19,331	145,174	17,597
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		296,994	176,626	296,305	174,892
Increase in cash and cash equivalents		145,363	19,331	145,174	17,597

See the accompanying notes to the interim financial information.

CTC - Centro de Tecnologia Canavieira S.A.

Statements of added value

Nine-month periods ended December 31, 2019 and 2018

(In thousands of reais)

		Consolidated		Parent company	
	Note	04/01/2019–12/31/2019	04/01/2018–12/31/2018	04/01/2019–12/31/2019	04/01/2018–12/31/2018
Revenues		**197,944**	**144,360**	**197,944**	**144,360**
Sale of goods, products and services		190,679	140,915	190,679	140,915
Other revenues		7,264	5,167	7,264	5,167
Provision for expected credit losses		1	(1,722)	1	(1,722)
Inputs acquired from third parties		**(49,225)**	**(37,537)**	**(45,915)**	**(34,357)**
Cost of products, goods sold and services rendered		(7,861)	(6,099)	(7,861)	(6,099)
Materials, energy, outsourced services and other		(41,364)	(31,438)	(38,054)	(28,258)
Gross added value		**148,720**	**106,823**	**152,030**	**110,003**
Depreciation and amortization	10 | 12	**(27,613)**	**(22,670)**	**(27,306)**	**(22,670)**
Net added value produced by the Company		**121,107**	**84,153**	**124,724**	**87,333**
Added value received as transfer		**16,859**	**17,006**	**13,246**	**13,826**
Financial revenues		13,147	14,627	13,147	14,627
Equity in net income of subsidiaries		-	-	(3,535)	(3,180)
Other		3,712	2,379	3,634	2,379
Total added value payable		**137,966**	**101,159**	**137,970**	**101,159**
Distribution of added value		**(129,996)**	**(101,159)**	**(130,000)**	**(101,159)**
Personnel		**(52,338)**	**(44,646)**	**(52,338)**	**(44,646)**
Direct remuneration		(28,579)	(27,299)	(28,579)	(27,299)
Benefits		(21,100)	(15,152)	(21,100)	(15,152)
Severance Pay Fund (FGTS)		(2,659)	(2,195)	(2,659)	(2,195)
Taxes, rates and contributions		**(33,081)**	**(21,854)**	**(33,081)**	**(21,854)**
Federal - PIS / COFINS		(18,667)	(14,098)	(18,667)	(14,098)
Federal - Income tax and social contribution		(14,408)	(7,691)	(14,408)	(7,691)
Municipal		(6)	(65)	(6)	(65)
Third-party capital remuneration		**(6,755)**	**(8,994)**	**(6,758)**	**(8,994)**
Interest and bank expenses		(6,584)	(8,605)	(6,584)	(8,605)
Other		(171)	(389)	(174)	(389)
Remuneration of own capital		**(37,823)**	**(25,665)**	**(37,823)**	**(25,665)**
Net income for the period		(37,823)	(25,665)	(37,823)	(25,665)

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 individual and consolidated 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 interim information are consistent with those adopted and disclosed under the Notes to the financial statements 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 interim information.

Issue of individual and consolidated interim financial information was authorized by the Executive Board on February 12, 2020.

b. Basis of consolidation

Consolidated financial information includes the interim 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 December 31, 2019 are presented with respective accounting reflexes of this adoption.

a. CPC 06 (R2) - Lease operations

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 increase rate in nominal loan on April 1, 2019. The average nominal rate applied was 4.95% depending on the terms of the agreements, for reporting purposes, as required by Circular Letter/CVM/SNC/SEP/No. 02/2019 if the accumulated effective interest rate TLP of 5.09% is applied, the effect on the long-term result would be 149 thousand.

(ii) Impacts on adoption

	Consolidated		
	Previous balance 04/01/2019	**First-time adoption adjustment - IFRS 16 Buildings**	**Balance after first-time adoption 04/01/2019**
Assets			
Current assets	283,778	-	283,778
Total current assets	283,778	-	283,778
Non-current	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	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 04/01/2019	**First-time adoption adjustment - IFRS 16 Buildings**	**Balance after first-time adoption 04/01/2019**
Assets			
Non-current assets	284,278	-	284,278
Total current assets	284,278	-	284,278
Non-current	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			
Non-current liabilities	89,236	3,134	92,370
Total current liabilities	89,236	3,134	92,370
Non-current	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	
	12/31/2019	**03/31/2019**	**12/31/2019**	**03/31/2019**
Cash and banks	739	745	50	245
Interest earning bank deposits (*)	296,255	150,886	296,255	150,886
	296,994	151,631	296,305	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 23, Financial Instruments.

5 Financial instruments - Interest earning bank deposits

	Parent company and Consolidated	Parent company and Consolidated
	12/31/2019	**03/31/2019**
Interest earning bank deposits	41,990	145,533
	41,990	145,533
Current assets	-	99,400
Non-current assets	41,990	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 23, Financial Instruments.

6 Accounts receivable

	Parent company and Consolidated	Parent company and Consolidated
	12/31/2019	**03/31/2019**
Trade accounts receivable	14,416	26,764
Clients - related parties (Note 24)	46,005	52,754
Total (Note 23)	60,421	79,518
(-) Provision for expected credit loss - related parties	(26,909)	(14,504)
(-) Provision for expected credit loss	(13,394)	(17,830)
Total (Note 23)	(40,303)	(32,334)
Current	7,704	27,859
Non-current	12,413	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 23, Financial Instruments.

7 Other accounts receivable

	Parent company and Consolidated	Parent company and Consolidated
	12/31/2019	**03/31/2019**
Prepaid expenses (i)	9,653	9,596
Judicial deposits	1,354	1,316
Other accounts receivable	57	264
	11,064	11,176
Current assets	57	264
Non-current assets	11,007	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 tax assets

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, however, be subject to change.

	Parent company and Consolidated		
	03/31/2019	**Recognized in income (loss)**	**12/31/2019**
Tax loss and negative basis	1,936	(1,936)	-
Expected credit loss	10,993	2,710	13,703
Impairment loss	17,138	-	17,138
Provision for profit sharing	4,319	(357)	3,962
Timing differences	7,262	2,940	10,202
Net deferred tax	**41,648**	**3,357**	**45,005**

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:

	12/31/2019	**12/31/2018**
Income before income tax and social contribution	48,874	33,870
Combined statutory rate	34%	34%
Income tax and social contribution:		
Calculated at combined statutory rate	(16,617)	(11,516)
Permanent additions and exclusions (*)	5,566	3,311
Income tax and social contribution in income for the period	(11,051)	(8,205)
Effective rate	23%	24%
Deferred tax	3,357	(514)
Current tax	(14,408)	(7,691)

(*) Substantially refers to permanent additions of wholly-owned subsidiary, CTC Genomics LLC, in the United States and permanent exclusions of Law 11196/05, “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)

				Investment	Equity method
Book value	**Country**	**Business**	**Percentage of Interest**	**12/31/2019**	**12/31/2019**
CTC Gemonics	USA	R&D	100%	5,475	(3,535)
				5,475	(3,535)

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

Balance at March 31, 2019	3,313
Investee's contribution - CTC Genomics	5,518
Equity in net income of subsidiaries	(3,535)
Accumulated translation adjustment	179
Balance at December 31, 2019	5,475

The main subsidiary's captions are as follows:

December 31, 2019	**CTC Genomics**
Assets	9,689
Liabilities	4,215
Shareholders' equity	5,474
Net loss	(3,535)

10 Property, plant and equipment

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	2,570	160	659	607	58	131	-	6,368	223	1,274	12,050
Right-of-use (first-time adoption of CPC 06 R2/IFRS 16)	-	-	-	(7,691)	-	-	-	-	-	-	(7,691)
Balance at December 31, 2019	**123,004**	**3,382**	**5,560**	**5,569**	**1,758**	**28,234**	**2,002**	**15,675**	**236**	**6,688**	**192,108**
Depreciation:											
Balance at March 31, 2019	**(44,214)**	**(1,520)**	**(3,802)**	**(8,511)**	**(239)**	**(9,641)**	**-**	**-**	**-**	**(1,409)**	**(69,336)**
Depreciation for the period	(16,972)	(155)	(325)	(1,298)	(93)	(1,471)	-	-	-	-	(20,314)
Right-of-use (first-time adoption of CPC 06 R2/IFRS 16)	-	-	-	6,398	-	-	-	-	-	-	6,398
Balance at December 31, 2019	**(61,186)**	**(1,675)**	**(4,127)**	**(3,411)**	**(332)**	**(11,112)**	**-**	**-**	**-**	**(1,409)**	**(83,252)**
Balance at March 31, 2019	76,220	1,702	1,099	4,142	1,461	18,462	2,002	9,307	13	4,005	118,413
Balance at December 31, 2019	61,818	1,707	1,433	2,158	1,426	17,122	2,002	15,675	236	5,279	108,856

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	125,153	3,302	5,004	12,653	1,700	28,103	2,002	9,307	13	5,414	192,651
Additions	2,570	170	659	607	58	131	-	6,368	223	1,274	12,060
Write-offs	-	-	-	-	-	-	-	-	-	-	-
Right-of-use (first-time adoption of CPC 06 R2/IFRS 16)	-	-	-	(7,691)	-	-	-	-	-	-	(7,691)
Balance at December 31, 2019	127,723	3,472	5,663	5,569	1,758	28,234	2,002	15,675	236	6,688	197,020
Depreciation:											
Balance at March 31, 2019	(44,213)	(1,520)	(3,802)	(8,511)	(239)	(9,641)	-	-	-	(1,409)	(69,335)
Depreciation in the period	(17,089)	(159)	(348)	(1,298)	(93)	(1,311)	-	-	-	-	(20,298)
Right-of-use (first-time adoption of CPC 06 R2/IFRS 16)	-	-	-	6,398	-	-	-	-	-	-	6,398
Balance at December 31, 2019	(61,302)	(1,679)	(4,150)	(3,411)	(332)	(10,952)	-	-	-	(1,409)	(83,235)
Balance at March 31, 2019	80,940	1,782	1,202	4,142	1,461	18,462	2,002	9,307	13	4,005	123,316
Balance at December 31, 2019	66,421	1,793	1,513	2,158	1,426	17,282	2,002	15,675	236	5,279	113,785

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 December 31, 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 during the current interim information were as follows:

Usage rights	**Consolidated**	**Parent company**
04/01/2019 - First-time adoption - CPC 06 (R2)/IFRS 16	**26,529**	**23,855**
Addition	4,254	4,254
Depreciation	(3,197)	(2,941)
December 31, 2019	**27,586**	**25,168**

Changes in lease liability during the interim information 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	(3,559)	(3,261)
December 31, 2019	**27,224**	**24,848**
Current	5,078	4,549
Non-current	22,146	20,299

12 Intangible assets

Consolidated

	Software	Research and development costs	Use license	Total
Balance at March 31, 2019	**17,128**	**245,015**	**-**	**262,143**
Additions	700	24,288	551	25,539
Balance at December 31, 2019	**17,828**	**269,303**	**551**	**287,682**
Amortization				
Balance at March 31, 2019	**(10,697)**	**(2,218)**	**-**	**(12,914)**
Amortization for the period	(1,245)	(2,874)	-	(4,119)
Balance at December 31, 2019	**(11,942)**	**(5,092)**	**-**	**(17,034)**
Balance at March 31, 2019	**6,432**	**242,797**	**-**	**249,228**
Balance at December 31, 2019	**5,887**	**264,211**	**551**	**270,649**

Parent company

	Software	Research and development costs	Total
Balance at March 31, 2019	**17,128**	**245,015**	**262,143**
Additions	121	24,288	24,409
Balance at December 31, 2019	**17,249**	**269,303**	**286,552**
Amortization			
Balance at March 31, 2019	**(10,697)**	**(2,218)**	**(12,914)**
Amortization for the period	(1,178)	(2,874)	(4,052)
Balance at December 31, 2019	**(11,875)**	**(5,092)**	**(16,966)**
Balance at March 31, 2019	**6,432**	**242,797**	**249,228**
Balance at December 31, 2019	**5,375**	**264,211**	**269,585**

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

	03/31/2019	Additions	12/31/2019
Conventional Improvement Projects (a)	111,425	10,430	121,856
Transgenic Improvement Projects (b)	133,589	13,858	147,447
Use license (c)	-	551	551
Total	**245,014**	**24,840**	**269,854**

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 9456, of April 25, 1997) 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).

(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.

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 December 31, 2019, Management did not find the need to form a provision for the recoverable value of the asset.

13 Suppliers

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

	Consolidated		Parent company	
	12/31/2019	**03/31/2019**	**12/31/2019**	**03/31/2019**
Domestic suppliers	7,209	9,244	7,209	9,244
Foreign suppliers	933	3	-	3
	8,142	9,247	7,209	9,247
Current	8,142	9,127	7,209	9,127
Non-current	-	120	-	120

14 Salaries, vacation and charges payable

	Consolidated		Parent company	
	12/31/2019	**03/31/2019**	**12/31/2019**	**03/31/2019**
Provision for vacation and social security charges	4,443	4,895	4,443	4,895
Provision for 13th salary and charges	-	941	-	941
Participation in goal management program	11,741	12,704	11,654	12,704
INSS payable	959	1,080	959	1,080
IRRF on salaries	1,084	559	1,084	559
FGTS payable	379	231	379	231
Other	292	45	36	45
	18,898	20,455	18,555	20,455

15 Unearned revenues

	Parent company and Consolidated	Parent company and Consolidated
	12/31/2019	**03/31/2019**
Unearned revenues (i)	2,930	2,930
Deferred revenues from related parties (ii) - Note 24	28,203	-
Total	31,133	2,930

(i) Unearned revenues correspond to amounts received from FINEP - Financiadora de Estudos e Projetos (FINEP - Financing Agency for Studies and Projects) for the development of projects and researches defined in agreements signed by the parties. Based on the evolution of performance of projects and use of assets and respective rendering of accounts, the values will be allocated to income (loss) as a revenue.

Due to the Company’s transformation mentioned in Note 1, the agreement signed with FINEP has been concluded. The balances related to FINEP projects in the amount of R$ 2,930 are pending approval of the respective rendering of accounts for conclusion and allocation of balances of projects.

(ii) Deferred revenues correspond to revenues from royalties related to 19/20 crop, which will be allocated to income (loss) for the year on the accrual basis.

16 Loans and financing (Parent company and consolidated)

Parent company and Consolidated			Maturity			Debit balance	
Description	**Currency**	**Charges**	**from**	**to**	**Guarantees**	**12/31/2019**	**03/31/2019**
Finame	R$	2.5% p.a.	2013	2021	Lien of fixed assets	87	175
FINEP	R$	4% p.a.	2015	2022	Bank guarantee (1.9%)	88,116	110,145
BNDES	R$	4% p.a.	2013	2022	Bank guarantee (1.9%)	28,799	34,477
BNDES	R$	TJLP	2013	2022	Bank guarantee (1.9%)	8,978	8,978
						125,981	153,775
Current						50,463	46,158
Non-current						75,518	107,617

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

Months:	
Up to 12	50,463
13–24	36,004
25–36	35,457
37–48	4,057
	125,981

Covenants

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

Reconciliation of equity changes with cash flows from financing activities

		Cash flow				
	03/31/2019	**Interest accrual**	**Payments**	**Interest paid**	**Transfers**	**12/31/2019**
Loans and financing	153,775	4,228	(28,021)	(4,001)	-	125,981
Current	46,158	4,228	(28,021)	(4,001)	32,099	50,463
Non-current	107,617	-	-	-	(32,099)	75,518
Total	153,775	4,228	(28,021)	(4,001)	-	125,981

17 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 December 31, 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$ 58,518 (R$ 56,517 on March 31, 2019), and labor lawsuits, in the amount of R$ 1,152 (R$ 1,080 on March 31, 2019), at different stages of procedural rules.

18 Shareholders' equity

a. Capital

The Company's capital is R$ 562,202 as of December 31, 2019, represented by 801,870 shares, all common and nominative, with no par value.

Profit reserves

b. Legal reserve

As of December 31, 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**
	12/31/2019	**09/30/2018**
Net income for the period attributable to Company's shareholders (a)	37,823	25,665
Weighted average of outstanding shares (b)	801,870	801,870
Net income per common share at (a) / (b) x 1000	47.17	32.01

19 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.

20 Operating revenue

	Parent company and Consolidated		Parent company and Consolidated	
	04/01/2019–12/31/2019 (9 months)	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**
Revenues from royalties	60,979	22,409	28,829	7,745
Revenues from royalties - related parties (Note 24)	129,700	45,815	112,086	45,894
Other revenues	7,265	2,696	5,167	2,025
Taxes	(18,673)	(6,773)	(14,163)	(5,301)
Total	179,271	64,147	131,919	50,363

21 Operating expenses by type

	Consolidated				Parent company			
	04/01/2019–12/31/2019 (9 months)	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**	**04/01/2019–12/31/2019 (9 months)**	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**
Personnel expenses	(52,338)	(16,123)	(44,823)	(14,339)	(56,240)	(20,025)	(44,823)	(14,339)
Services engaged	(28,914)	(12,846)	(19,302)	(6,556)	(25,012)	(8,924)	(19,302)	(6,556)
Expenses with materials	(7,861)	(1,582)	(6,099)	(3,815)	(7,861)	(1,582)	(6,099)	(3,815)
Depreciation and amortization	(27,613)	(7,171)	(22,670)	(7,638)	(27,306)	(7,353)	(22,670)	(3,044)
General expenses	(12,449)	(6,568)	(12,136)	(4,621)	(9,140)	(5,104)	(8,956)	(6,854)
	(129,175)	(44,270)	(105,030)	(36,969)	(125,559)	(42,988)	(101,850)	(34,608)
Reconciliation with operating expenses classified per function:								
Cost of research & development, products sold and services rendered	(78,124)	(24,598)	(64,365)	(22,471)	(74,508)	(23,316)	(62,668)	(20,774)
Administrative expenses	(51,051)	(19,672)	(40,665)	(14,498)	(51,051)	(19,672)	(39,182)	(13,834)
	(129,175)	(44,270)	(105,030)	(36,969)	(125,559)	(42,988)	(101,850)	(34,608)

22 Net financial

	Consolidated				Parent company			
	04/01/2019–12/31/2019 (9 months)	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**	**04/01/2019–12/31/2019 (9 months)**	**10/01/2019–12/31/2019 (3 months)**	**04/01/2018–12/31/2018 (9 months)**	**10/01/2018–12/31/2018 (3 months)**
Earnings from investments	11,038	3,433	9,199	3,361	11,038	3,433	9,199	3,361
Other financial revenues	2,109	249	5,428	1,625	2,109	249	5,428	1,625
Financial revenues	13,147	3,682	14,627	4,986	13,147	3,682	14,627	4,986
Bank expenses	(2,514)	(891)	(3,486)	(1,280)	(2,514)	(891)	(3,486)	(1,280)
Interest on loans	(4,070)	(1,226)	(5,120)	(1,595)	(4,070)	(1,226)	(5,120)	(1,595)
Other financial expenses	(174)	(81)	(389)	(200)	(150)	(71)	(389)	(200)
Financial expenses	(6,758)	(2,198)	(8,995)	(3,075)	(6,734)	(2,188)	(8,995)	(3,075)
Net financial	6,389	1,484	5,632	1,911	6,413	1,494	5,632	1,911

23 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 December 31, 2019		**Book value**		**Fair value**	
Financial assets measured at fair value		**December 31, 2019**	**March 31, 2019**	**December 31, 2019**	**March 31, 2019**
				Level 2	**Level 2**
Cash and cash equivalents (interest earning bank deposits)	Fair value through profit or loss	296,255	150,886	296,255	150,886
Interest earning bank deposits	Fair value through profit or loss	41,990	145,533	41,990	145,533
Financial assets not measured at fair value					
Cash and cash equivalents (except for interest earning bank deposits)	Amortized cost	739	745	-	-
Accounts receivable	Amortized cost	60,421	79,518	-	-
Other accounts receivable	Amortized cost	11,064	11,176	-	-
Financial liabilities not measured at fair value					
Loans and financing	Amortized cost	125,981	153,775	-	-
Suppliers	Amortized cost	8,142	9,247	-	-
Other accounts payable	Amortized cost	1,260	2,692	-	-

Parent company December 31, 2019		**Book value**		**Fair value**	
Financial assets measured at fair value		**December 31, 2019**	**March 31, 2019**	**December 31, 2019**	**March 31, 2019**
				Level 2	**Level 2**
Cash and cash equivalents (interest earning bank deposits)	Fair value through profit or loss	296,255	150,886	296,255	150,886
Financial instruments	Fair value through profit or loss	41,990	145,533	41,990	145,533
Financial assets not measured at fair value					
Cash and cash equivalents (except for interest earning bank deposits)	Amortized cost	50	245	-	-
Accounts receivable	Amortized cost	60,421	79,518	-	-
Other accounts receivable	Amortized cost	11,064	11,176	-	-
Financial liabilities not measured at fair value					
Loans and financing	Amortized cost	125,981	153,775	-	-
Suppliers	Amortized cost	7,209	9,247	-	-
Other accounts payable	Amortized cost	1,222	602	-	-

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 December 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.

		Consolidated		Parent company	
Assets	**Note**	**12/31/2019**	**03/31/2019**	**12/31/2019**	**03/31/2019**
Cash and cash equivalents (except for interest earning bank deposits)	4	739	745	50	245
Cash and cash equivalents (interest earning bank deposits)	4	296,255	150,886	296,255	150,886
Financial instruments	5	41,990	145,533	41,990	145,533
Accounts receivable	6	60,421	79,518	60,421	79,518
Other accounts receivable	7	11,064	11,176	11,064	11,176
		410,469	387,858	409,780	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	Parent company and Consolidated
	12/31/2019	**03/31/2019**
Falling due	2,348	42,669
Overdue (days):		
1–30	1,958	1,121
31–60	7,124	2,793
61–180	14,753	10,011
181–360	4,272	5,750
>360	29,965	17,174
Total (Note 6)	60,420	79,518
(-) Provision for expected credit loss - related parties	(26,909)	(14,504)
(-) Provision for expected credit loss	(13,394)	(17,830)
Total (Note 6)	(40,303)	(32,334)
	20,117	47,184
Balance at March 31, 2019		32,334
Provision for expected credit loss		7,969
Balance at December 31, 2019		40,303

e. Liquidity risk

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

Schedule of debt amortization

December 31, 2019	Book value	Contractual cash flow	12 months	13–24 months	25–36 months	37–48 months
Suppliers	7,209	7,209	7,209	-	-	-
Loans and financing	125,981	134,798	53,996	38,524	37,939	4,339

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**	**12/31/2019**	**03/31/2018**
Prefixed rate instruments			
Suppliers		8,142	9,247
Loans and financing		117,003	144,797
Variable rate instruments			
Interest earning bank deposit (financial instruments and cash and cash equivalents)	CDI	338,245	296,419
Loans and financing	TJLP	8,978	8,978

Sensitivity analysis

The Company has R$ 338,245 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					
			Probable		Index reduction by 25%		Decrease of the index by 50%	
Instruments	**Exposure - 12/31/2019**	**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	338,245	CDI decr.	5.94	20,092	4.46	15,069	2.97	10,046
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	4.4625	(401)	2.98	(267)
Projected financial income (loss)				20,626		15,469		10,313
Impact on income (loss) and shareholders’ equity				-		(5,156)		(10,313)

			Scenarios					
			Probable		Index reduction by 25%		Decrease of the index by 50%	
Instruments	**Exposure - 03/31/2019**	**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	296,419	CDI decr.	5.94	17,607	4.46	13,205	2.97	8,804
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	4.4625	(401)	2.98	(267)
Projected financial income (loss)				18,141		13,606		9,071
Impact on income (loss) and shareholders’ equity				-		(4,535)		(9,071)

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

			Scenarios					
			Probable		Increase in the index by 25%		Increase in the index by 50%	
Instruments	**Exposure - 12/31/2019**	**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	338,245	CDI decr.	5.94	20,092	7.43	25,115	8.91	30,138
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	7.4375	(668)	8.93	(801)
Projected financial income (loss)				20,626		25,782		30,939

Impact on income (loss) and shareholders' equity	-	5,156	10,313

			Scenarios					
	Exposure - 03/31/2019		**Probable**		**Increase in the index by 25%**		**Increase in the index by 50%**	
Instruments		**Risk**	**%**	**Amount**		**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposit (financial instruments and cash and cash equivalents)	296,419	CDI decr.	5.94	17,607	7.43	22,009	8.91	26,411
Financial liabilities								
Loans and financing	8,978	TJLP decr.	5.95	(534)	7.4375	(668)	8.93	(801)
Projected financial income (loss)				18,141		22,677		27,212
Impact on income (loss) and shareholders' equity				-		4,535		9,071

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.

24 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$ 7,600 (R$ 5,421 as of December 31, 2018).

c. 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)	**12/31/2019**	**03/31/2019**
Virgolino de Oliveira Group	8,131	8,088
Biosev Group	6,362	1,904
Eth Group	5,777	9,368
Ferrari Agroindustrial S.A.	4,435	6,461
Usina Alvorada Açúcar e Álcool Ltda	3,896	4,024
Adecoagro Group	3,577	2,041
Tonon Bioenergia S.A.	2,284	2,542
Usina Santa Rosa S.A.	1,728	1,728
Jalles Machado S.A.	1,378	1,219
Baldin Group	1,033	1,244
Usina Açucareira Furlan S.A.	756	942
Usina Açucareira São Manoel S.A.	710	217
Usina Batatais S.A. Açúcar E Álcool	699	361
Denusa – Destilaria Nova União S.A.	654	769
S.A. Usina Coruripe Açúcar E Alcool	611	2,326
Unialco Group	595	1,003
Usina Açucareira Ester S.A.	548	1,030

Accounts receivable (Note 6)	**12/31/2019**	**03/31/2019**
Usina Santa Fé S.A.	542	2,175
Dacalda Açúcar E Alcool Ltda	339	209
Nova America Agricola Ltda	329	809
Antonio Ruette Agroindustrial Ltda	314	278
Wd Agroindustrial Ltda	312	140
Usina Santa Adelia S.A.	263	210
U.S.A. – Usina Santo Angelo Ltda	228	135
Santa Vitória Açucar E Alcool Ltda	142	68
Agropeu - Agroindustrial de Pompeu S/A	124	112
Usina Santa Lucia S.A.	92	59
Companhia Muller de Bebidas	87	-
Usina Maringa	36	98
Usina Trapiche S.A	23	124
Usina São José da Estiva S.A Açúcar e Álcool	-	2,009
Della Coletta Bioenergia S.A.	-	580
Usina Melhoramentos	-	179
Usina Uberaba S.A.	-	21
Alto Alegre Group	-	39
São Martinho Group	-	242
	46,005	**52,754**

Deferred revenue (Note 15)	**12/31/2019**	**03/31/2019**
Bunge Group	4,453	-
São Martinho Group	3,280	-
Raízen Group	2,692	-
Pedra Agroindustrial	2,459	-
Tereos Group	2,133	-
Cocal Comercio E Industria Canaã Açucar E Alcool S.A.	1,765	-
Noble Do Brasil S.A	1,678	-
Bp Group	1,528	-
Usina Ipiranga de Açúcar e Álcool S.A.	1,472	-
Clealco Açúcar E Alcool S.A.	1,440	-
Alto Alegre Group	1,221	-
Usina De Açucar Santa Terezinha Ltda	1,052	-
Zilor	741	-
Goiasa Goiatuba Álcool Ltda.	450	-
Usina Santo Antônio S.A	385	-
Usina Uberaba S.A.	383	-
Usina São Francisco S.A	372	-
J. Pilon Açucar E Alcool	235	-
Usj – Açucar E Alcool S.A.	227	-
Usina Melhoramentos	162	-
Della Coletta Bioenergia S.A.	60	-
Lasa Linhares Agroindustrial S.A	13	-
Alcon - Cia de Álcool Conceição da Barra	2	-
	28,203	-

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

Revenues (Note 20) (a))	12/31/2019	12/31/2018
Bunge Group	12,397	8,081
Biosev Group	11,483	9,988
São Martinho Group	10,031	8,822
Raízen Group	9,974	7,669
Pedra Agroindustrial	7,249	5,771
Tereos Group	6,135	4,889
Adecoagro Group	5,847	3,162
Eth Group	5,124	3,577
Usina Ipiranga de Açúcar e Álcool S.A.	4,892	3,611
Cocal Comercio E Industria Canaã Açucar E Alcool S.A.	4,864	2,966
Noble Do Brasil S.A	4,764	3,181
Jalles Machado S.A.	4,161	3,648
Bp Group	4,206	3,148
S.A. Usina Coruripe Açúcar E Alcool	3,865	3,298
Alto Alegre Group	3,759	2,920
Usina de Açúcar Santa Terezinha Ltda	3,465	3,230
Nova America Agrícola Ltda	2,337	1,935
Usina Batatais S.A. Açúcar E Álcool	2,250	1,026
Usina Melhoramentos	2,134	1,004
Zilor	2,026	1,440
Usina Santa Fé S.A.	1,536	1,339
Ferrari Agroindustrial S.A.	1,578	1,096
Usina Alvorada Açúcar e Álcool Ltda	1,271	2,098
Goiasa Goiatuba Álcool Ltda.	1,237	931
Usina Uberaba S.A.	1,220	810
Usina Santo Antônio S.A	1,150	1,034
Usina São Francisco S.A	1,123	1,044
Usina Açucareira Ester S.A.	1,068	1,156
J. Pilon Açúcar E Álcool	989	887
Antonio Ruette Agroindustrial Ltda	947	847
Usina Santa Adelia S.A.	826	627
Usina Açucareira S. Manoel S.A.	822	642
USJ - Açúcar E Álcool S.A.	590	365
Usina Açucareira Furlan S.A.	561	1,069
U.S.A. – Usina Santo Angelo Ltda	581	388
Santa Vitória Açucar E Alcool Ltda	560	191
Denusa – Destilaria Nova União S.A.	471	420
Unialco Group	372	658
Companhia Muller de Bebidas	336	-
Wd Agroindustrial Ltda	370	207
Dacalda Açúcar E Alcool Ltda	339	310
Usina Maringa	336	299
Usina Santa Lucia S.A.	185	176
Agropeu - Agroindustrial de Pompeu S/A	109	67
Lasa Linhares Agroindustrial S.A	54	65
Usina Trapiche S.A	56	67
Virgolino de Oliveira Group	41	3,402
Alcon - Cia de Álcool Conceição da Barra	9	9
Clealco Açúcar e Álcool S.A.	-	5,143
Usina São José da Estiva S.A Açúcar e Álcool	-	1,507
Usina Santa Rosa S.A.	-	661
Tonon Bioenergia S.A.	-	560
Della Coletta Bioenergia S.A.	-	364
Baldin Group	-	281
Overall total	**129,700**	**112,086**

(*) 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.

25 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.

As of December 31, 2019, operating risk insurance coverage was comprised of R$ 36,000 for material damage and R$ 37,000 for civil liability.

* * *

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

Fabio Lopes Junior – Board Member

Pedro Wongtschowski - Independent Board Member

Fernando de Castro Reinach – Independent Board Member

Rodrigo Correia Barbosa – Observer Board Member

Paulo Meneguett – Observer Board Member

Juan José Blanchard – Observer Board Member

Executive Board

Chief Executive Officer

José Gustavo Teixeira Leite

Directors

Viler Corrêa Janeiro

Rinaldo Pecchio Jr

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