

Belo Horizonte (MG), february, 28, 2020

To:
Councilors and Administrators of
Sabero Organics América S.A.
Belo Horizonte – MG

C/O Mr. Ramakrishna.Sadaram - President
Mr. Carlos Danilo Bregalda - Accountant

Dear Sirs:

Attached is our external audit report for the accounting and financial procedures of 2019.
It comprises the Balance Sheet, the Income Statement, the Statement of Changes in Net Equity
and Cash Flow Statement.
We are at your disposal for any further necessary explanations.

Best regards,

ICL AUDITORIA E CONSULTORIA LTDA.
SERGIO DE OLIVEIRA
ACCOUNTANT
CRC/MG no. 51.699

SABERO ORGANICS AMÉRICA S/A.
CNPJ nº 04.016.649/0001-51

ASSETS

	31.12.19	31.12.18
Current Assets		
Cash equivalents	208.219	107.524
Recoverable Tax	216.100	62.511
Advances Payable/Receivable	0	(68)
	424.319	169.968
Non-Current Assets		
Property, plant and equipment	2.903	2.955
Intangible	918.118	1.183.587
	921.021	1.186.543
Assets Total	1.345.340	1.356.511

The notes are an integral part of the Financial Statements

SABERO ORGANICS AMÉRICA S/A.
 CNPJ nº 04.016.649/0001-51

LIABILITIES

	31.12.19	31.12.18
Current Liabilities		
Suppliers	0	24.305
Contributions and Taxes Payable	179	87
Salaries and Benefits	0	4.613
	179	29.005
Non-Current Liabilities		
Related Parties	0	0
Advance to capital increase	602.253	602.253
	602.253	602.253
SHARE HOLDER EQUITY		
Capital	3.474.899	3.474.899
(-) Complement the capital	(86.042)	(86.042)
Accumulated Profit or Losses	(2.663.604)	(2.418.278)
(-) Temporary Exercise Result	17.655	(245.326)
	742.908	725.253
Liabilities Total	1.345.340	1.356.511

The notes are an integral part of the Financial Statements

**INCOME STATEMENT,
NET RESULT as of December 31st, 2019**

	31.12.19	31.12.18
Income		
Gross Comission Income	1.397.373	976.219
(-) Tax Deductions	(42.010)	(29.311)
	1.355.363	946.908
Expenses		
Fees and Registers	(267.155)	(195.611)
Administrative	(798.076)	(722.407)
	(1.065.231)	(918.018)
Depreciation and Amortization		
Fixed Asset	(52)	(437)
Licenses	(265.470)	(265.470)
	(265.521)	(265.907)
Non-operatinional result		
Financial Investments	1.903	518
(-) Tax Deductions	(8.859)	(8.827)
	(6.956)	(8.309)
NET RESULT	17.655	(245.326)

SABERO ORGANICS AMÉRICA S/A.
CNPJ nº 04.016.649/0001-51

**CHARGES IN SHAREHOLDER EQUITY,
FOR THE PERIOD AS OF DECEMBER 31st, 2019**
(In Reais 1)

	Capital Stock	Total
Balances at december 30, 2018	3.474.899	3.474.899
Payment in full in capital	0	0
Balances at december 30, 2019	3.474.899	3.474.899

The notes are an integral part of the Financial Statements

SABERO ORGANICS AMÉRICA S/A.
CNPJ nº 04.016.649/0001-51

CASH FLOW FOR THE PERIOD
AS OF DECEMBER 31st,
(In Reais 1)

	31/12/2019	31/12/2018
opening balance, December 31st,	169.968	92.932
Pre-Operating activities		
receipts in the period	1.397.373	976.219
Expenses in the period	(1.101.013)	(1.116.876)
Taxes in the period	(42.009)	(29.311)
Net cash provided by operating activities	(424.319)	(169.968)
Activities of investment		
Adding property	(0)	(0)
Net cash provided by investing activities	(0)	(0)
Funding Activities		
Loans and financing -	0	0
Advance for capital increase	0	0
Payment in full in capital	0	0
Net cash provided by financing activities	0	0
Net change in cash and cash equivalents	(424.319)	(169.968)
Change in assets		
Cash at beginning of period	262.900	92.932
Cash at end of period	687.219	262.900
	(424.319)	(169.968)

The notes are an integral part of the Financial Statements

Sabero Organics America S.A.
Administration Notes To The Financial Statements 2019 Exercise
In R\$ 1

1. OPERATIONS

Namely **SABERO ORGANICS AMÉRICA S/A** it's a privately held capital anonymous society, with headquarters in the city of Belo Horizonte, Minas Gerais, and social aims to the manufacture, distribution, import and export of products: insecticides, herbicides, fungicides, acaricides and products related to agriculture, household cleaning and veterinary. The corporation changed it's past limited company status in January 1st, 2010.

2. PRESENTATION OF FINANCIAL ACCOUNTING

The financial statements were prepared based on accounting practices adopted in Brazil, following the accounting guidelines issued by the Corporate Law, Law No. 6404/76, adopting also the Law No.11638/07 and Provisional Measure n ° 449/08.

The accounting practices adopted due to the initial adoption of the Law 11638/07 and Measure No 449/08 did not affect the result and equity.

As provided by CPC 13 (Initial Adoption of Law 11638/07 and Measure in 449/08), namely SABERO ORGANICS AMERICA S/A. chosen in this first year of validity of the Act by disclosing the statements of cash flows without the indication of the values corresponding to the previous year.

3. PRINCIPAL ACCOUNTING POLICIES

a. Cash

Shown as the output value, including income and monetary variations earned, if applicable.

b. Property

Shown as acquisition cost, with depreciation deduction, as rates cited in Note 5.

Administration Notes To The Financial Statements 2019 Exercise In R\$ 1

c. Deferred

Expenses incurred related to the organization and constitution of the company and general and administrative expenses incurred after its formation, were recorded as pre-operating expenses, in the intangible asset; the deferred asset for depreciation from the year in which profits are generated and it began to be amortized in the 2013 exercise. All company efforts on this phase are considered to obtain all necessary products commercialization registers it objectives to sell in the future.

d. Liabilities and due to long-term

Demonstrated by the known or estimated amounts, plus, when applicable, the corresponding charges and monetary variations incurred.

e. Tax Losses

The details of the Company's NOLCO that can be claimed as deduction from normal taxable income and against regular corporate income tax due and their respective availment period are as follows:

Year	Amount	Available until
2018	245.326	No expires
2017	423.830	No expires
2016	523.226	No expires
2013	323.770	No expires
2011	869.142	No expires

*All amounts have undetermined availability, no expiring date.

Deferred income tax assets on NOLCO has not been recognized because management believes that the Company may not have sufficient taxable profit available to allow all or part of the deferred income tax assets to be utilized in the near future.

The Company is subjected to tax rate of 24%. The Company has past tax losses of 2.385.294 as of 31 Dec 2019 on which the unrecognized tax benefit is 572.471 as of 31 Dec 2019. These tax benefits have not been recognised in the financials on a conservative basis of accounting.

f. Break Up Administrative Expenses

Administrative Expenses	2019	2018
PERSONEL – Salaries	7,00	55.440,00
OFFICIE MATERIALS	0	274,25
ACCOUNT, AUDIT, LAWYERS	62.016,70	47.887,40
OFFICE	19.954,16	18.221,26
MAINTENANCE	82.940,86	429.651,14
TRAVELING AND ACCOMODATION	0	46.835,86
TRANSLATION/TYPING SERVICES AND OTHER SERVICES	509.098,00	195.610,75
	674.016,72	793.920,66

4. CASH EQUIVALENTS

Cash	786
Financial application	207.433
	208.219

5. FIXED ASSET

	Corrected Value	Accumulated Depreciation	net	annual rates of Depreciation
Machinery and equipment	849	(849)	0	10 %
Furniture	3.000	(3.000)	0	10 %
Computer equipment	7.126	(4.222)	2.903	20 %
	10.975	(8.071)	2.903	

6. INTANGIBLE ASSET

	Corrected Value	Accumulated Depreciation	net	annual rates of Amortization
Acefato	345.706	(233.351)	112.355	10 %
Acehero	227.811	(153.772)	74.039	10 %
Chloromo 480 EC	85.417	(57.656)	27.761	10 %
Chlorsab 480 EC	85.417	(57.656)	27.761	10 %
Clorpirifós Técnico	345.706	(233.351)	112.355	10 %
Clorpirifós 480 EC	227.967	(153.772)	74.039	10 %
Glifosato	345.706	(233.351)	112.355	10 %
Glyweed	253.681	(171.234)	82.447	10 %
Mancozeb Técnico	345.706	(233.351)	112.355	10 %
Mancozeb 800 WP	306.168	(206.663)	99.505	10 %
Sabizeb 800 WP	85.417	(57.656)	27.761	10 %
Cipermetrina 250 EC	58.347	(58.347)	-	10 %
Metamidofós Formulado	58.347	(58.347)	-	10 %
Permetrina Técnica	25.418	(25.418)	-	10 %
Others under elaboration	55.340	-	-	-
	2.852.152	(1.934.034)	918.118	

7. CAPITAL

The share capital is represented by 3.474.899 shares at par value of R\$ 1,00 each. Partner Jayant Kumar Rih Singhani owns 86.840 shares, 800 paid, and major partner Sabero Organics Gujarat Limited owns 3.388.057, fully paid. The company Authorized Capital is R\$ 6.000.000,00 (six million reais).

Ramakrishna Sadaram
President

Carlos Danilo Bregalda
Accountancy CRCMG 52.115

INDEPENDENT AUDITORS' REPORT

Dear Sirs:
Councilors and Administrators of
Sabero Organics América S.A.
Belo Horizonte – MG

We examined the Financial Statements of Sabero Organics América S.A., which comprise the Balance Sheet as of December 31, 2019, the Income Statement, and the corresponding Statement of Changes in net Equity for the period then ended, and Cash Flow Statement, as well as a summary of the main accounting practices, and the other explanatory notes.

The Administration's Responsibility concerning the Financial Statements

The Company Administration is responsible for the preparation and adequate presentation of these financial statements in accordance with the accounting practices adopted in Brazil, and for the internal controls, it deems necessary to make possible the preparation of the financial statements free of any relevant distortion, regardless if caused by fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express an opinion concerning these financial statements based on our audit, carried out in accordance with Brazilian and international auditing norms. These norms entail compliance with ethical requirements by the auditors, and ensure the audit planned and executed with the aim of obtaining reasonable certainty that the financial statements are free of any relevant distortion.

An audit involves the execution of selected procedures for the obtaining of evidence concerning the amounts and disclosures presented in the financial statements. The selected procedures depend on the auditor's judgment, including relevant distortion risk assessment of the financial statements, regardless if caused by fraud or error. In this risk assessment, the auditor takes into consideration the internal controls relevant for the preparation and adequate presentation of the Entity's financial statements in order to plan the adequate audit procedures under the given circumstances, but not with the objective of expressing an opinion about the efficiency of the Entity's internal controls. An audit also includes an assessment of the suitability of the accounting practices utilized and the reasonability of the accounting estimates made by the Administration, as well as the evaluation of the overall presentation of the financial statements.

We believe the audit evidence obtained is sufficient and appropriate to found our opinion.



Auditoria e Consultoria

<http://www.iclauditoria.com.br>

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the financial statements previously referred to present adequately, in all material aspects, the equity and financial position of Sabero Organics América S.A.

Belo Horizonte (MG), February 28, 2020

ICL AUDITORIA E CONSULTORIA LTDA.

CRC/MG nº 6.270

SERGIO DE OLIVEIRA

ACCOUNTANT CRC/MG no. 51.699