Jalles Machado S.A.

Individual and consolidated financial statements on March 31, 2021

(A free translation of the original report in Portuguese containing financial statements prepared in accordance with the accounting practices adopted in Brazil)

Contents

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Independent auditors' report on the individual and consolidated financial statements

(A free translation of the original report in Portuguese containing financial statements prepared in accordance with the accounting practices adopted in Brazil)

To the Shareholders, Board members and Directors of
Jalles Machado S.A.
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Opinion

We have audited the individual and consolidated financial statements of Jalles Machado S.A. (“Company”), identified as Individual and Consolidated, respectively, comprising the balance sheet as of March 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the corresponding notes, comprising the significant accounting policies and other clarifying information.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the individual and consolidated financial position of Jalles Machado S.A. as of March 31, 2021, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in conformity with these standards, are described in the following section denominated “Auditor’s responsibilities for the audit of the individual and consolidated financial statements”. We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant’s Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

The key audit matters are those who, in our professional judgment, were the most significant in our audit of current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not express a separate opinion on these matters.

Measurement of biological assets

See Notes 2.7 g and 10 of individual and consolidated financial statements

Key audit matters	How our audit addressed this matter
The Company measures its sugarcane biological assets at fair value, less sales expenses. The determination of fair value less sales expenses requires the use of assumptions and estimates, which include, among others: the estimated crop area, the value of kg of Total Recoverable Sugar (TRS), expected productivity (sugarcane tons per hectare), total amount of TRS and discount rate. Due to the uncertainties related to the assumptions used in determining the fair value, less sales expenses, the impact that any changes in the assumptions and estimates used to measure this value would have on the individual and consolidated financial statements and the relevance of the amounts of biological assets, we consider this matter material for our audit.	Our procedures included, but were not limited to: — Evaluation of design and operating effectiveness of key internal controls of the Company related to the calculation of fair value less sales expense of biological assets. — With the assistance of our corporate finance specialists, an evaluation of reasonableness of the main assumptions used by the Company was carried out to calculate the fair value less sales expense of biological assets, and also, the comparison of main assumptions used with the internal historic information and external observable data of the market. — The evaluation whether the disclosures in financial statements include relevant information specifically in relation to assumptions used to calculate the fair value less sales expense of biological assets and sensitivity analysis. Based on procedures carried out summarized above, we consider that the measurement of fair value less sales expense of biological assets, as well as the related disclosures, are acceptable, in the context of the individual and consolidated financial statements for the year ended March 31, 2021, taken as a whole.

Leases payable and agricultural business arrangements payable

See Notes 2.7 and 22 of individual and consolidated financial statements

Key audit matters	How our audit addressed this matter
The Company initially adopted the CPC 06 (R2) – Leases as of April 1, 2019. According to CPC 06(R2), the Company recognizes the amounts related to right-of-use assets and the lease liabilities in the balance sheet. The determination of the estimates and assumptions used in the measurement of the right-of-use assets and lease liabilities involves relevant judgment, especially regarding the discount rate considered to measure lease liabilities and the impacts of extension options on the lease term. Due to the materiality of the amounts of right-of-use assets and lease liabilities and the uncertainties related to estimates and assumptions in determining the discount rate and the lease term, this matter was considered material for our audit.	Our audit procedures included, among others: — Evaluation of the design of key internal controls for measurement and identification of right-of-use and lease liability contracts; — Evaluation, based on a sample of contracts, of the information considered in the measurement of the right-of-use asset and the lease liability, including the analysis of the data used in the measurement and recalculation of the recognized amounts; — Evaluation of the lease terms by the Company, considering the extension options; and — Assessment of whether the disclosures in the financial statements consider the material information, specifically in relation to the measurement assumptions and schedule of leases payable. Based on procedures carried out summarized above, we consider that regarding the measurement and identification of right-of-use assets and lease liability, as well as the related disclosures, are acceptable, in the context of the individual and consolidated financial statements for the year ended March 31, 2021, taken as a whole.

Other matters - Statements of added value

Individual and consolidated statement of added value (DVA) for the year ended March 31, 2021, prepared under responsibility of Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures carried out together with the audit of Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting 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. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We have nothing to report in this regard.

Responsibilities of management and governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of individual and consolidated financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, where applicable, the matters relating to its going concern and the use of this basis of accounting in preparing the financial statements, unless management intends to wind-up the Company and its subsidiaries or cease its operations, or has no realistic alternative to avoid the closure of operations.

Those charged with governance of the Company and its subsidiaries are the people responsible for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our purposes are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue audit report containing our opinion. Reasonable assurance means a high level of assurance, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards always detects any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or taken as a whole, can influence, within a reasonable perspective, the economic decisions of users taken based on these financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

– Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the management, oversight and performance of audit of the Group, and, consequently, the audit opinion.

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

We also provide to those responsible for governance an statement that we fulfilled the material ethical requirements, including the applicable independence requirements, and report all the possible relationships or matters that could considerably affect our independence, including, when applicable, the respective disclaimers.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ribeirão Preto, June 22, 2021

KPMG Auditores Independentes
CRC SP-027666/F

Original report in Portuguese signed by
Marcos Roberto Bassi
Accountant CRC 1SP217348/O-5

Jalles Machado S.A.

Balance sheets at March 31, 2021 and 2020
(In thousands of reais)

		Individual		Consolidated	
Assets	**Note**	**2021**	**2020**	**2021**	**2020**
Current assets					
Cash and cash equivalents	3	1,178,300	382,843	1,194,100	389,082
Restricted cash	4	22,969	29,055	26,635	29,923
Accounts receivable and other receivables	5	36,523	43,918	36,523	44,034
Inventories	6	76,621	69,871	76,621	69,884
Advances to suppliers		14,133	13,051	14,133	13,051
Biological assets	10	369,899	186,627	369,899	186,860
Recoverable taxes and contributions	7	36,494	39,323	36,494	39,325
Recoverable income tax and social contribution		6,262	973	6,262	973
Derivative financial instruments	16	6,991	31,866	6,991	31,866
Dividends Receivable	8 c	14,066	8,952	-	-
Other assets		2,563	-	2,563	-
Total current assets		1,764,821	806,479	1,770,221	804,998
Current assets					
Restricted cash	4	1,685	2,951	1,685	16,259
Accounts receivable and other receivables	5	-	3,272	-	3,179
Derivative financial instruments	16	24,713	-	24,713	-
Judicial deposits	14	87,166	52,204	87,166	52,204
Recoverable taxes and contributions	7	6,512	34,355	6,512	34,355
Recoverable income tax and social contribution		-	3,150	-	3,150
Investments	8	175,538	217,194	101,928	132,240
Property, plant and equipment	9	883,077	925,599	952,519	1,009,812
Rights-of-use	22	589,345	571,197	507,237	478,188
Intangible assets		9,121	10,064	9,121	10,064
Total non-current assets		1,777,157	1,819,986	1,690,881	1,739,451
Total assets		3,541,978	2,626,465	3,461,102	2,544,449

		Individual		Consolidated	
Liabilities	**Note**	**2021**	**2020**	**2021**	**2020**
Current liabilities					
Loans and financing	11	425,125	202,018	427,668	211,515
Leases payable	22	79,845	64,893	53,706	45,816
Suppliers and other accounts payable	12	42,992	38,894	42,992	36,761
Derivative financial instruments	16	105,094	36,871	105,094	36,871
Provision and labor charges		20,858	19,665	20,858	19,889
Tax liabilities		12,430	7,629	12,514	7,779
Dividends payable	15	10,800	-	10,800	-
Income tax and social contribution payable		-	-	765	719
Advance from clients		11,202	12,311	11,202	12,310
Total current liabilities		708,346	382,281	685,599	371,660
Non-current liabilities					
Loans and financing	11	993,045	1,071,358	993,045	1,073,895
Leases payable	22	511,786	475,040	453,531	401,108
Derivative financial instruments	16	62,500	-	62,500	-
Net deferred taxes	13	95,749	81,522	95,749	81,522
Tax liabilities		10,523	5,824	10,523	5,824
Suppliers and other accounts payable	12	427	1,424	553	1,424
Provisions for contingencies	14	23,619	7,854	23,619	7,854
Total non-current liabilities		1,697,649	1,643,022	1,639,520	1,571,627
Shareholders' equity	15				
Capital		989,045	456,200	989,045	456,200
Profit reserves		101,164	77,908	101,164	77,908
Equity valuation adjustments		15,701	67,054	15,701	67,054
Additional dividends proposed		30,073	-	30,073	-
Total shareholders' equity		1,135,983	601,162	1,135,983	601,162
Total liabilities and shareholders' equity		3,541,978	2,626,465	3,461,102	2,544,449

See the accompanying notes to the financial statements

Jalles Machado S.A.

Statements of income
(In thousands of reais)

	Note	Individual 2021	Individual 2020	Consolidated 2021	Consolidated 2020 (Restated)
Net operating revenue	17	1,086,967	889,898	1,085,455	888,518
Change in the biological asset's fair value	10	177,184	(36,668)	177,184	(36,668)
Cost of sales and services	18 (a)	(673,868)	(592,539)	(655,544)	(578,710)
Gross income		**590,283**	**260,691**	**607,095**	**273,140**
Operating expenses					
Sales expenses	18 (b)	(103,522)	(66,311)	(103,522)	(66,311)
Administrative and general expenses	18 (c)	(72,605)	(73,628)	(72,721)	(73,749)
Provision for expected credit losses	5	(7,668)	(212)	(7,668)	(212)
Other revenues	19	93,361	109,330	93,361	109,295
Other expenses	19	(7,963)	(4,331)	(7,963)	(4,331)
Income (loss) before financial income (loss), equity income (loss) and taxes		**491,886**	**225,539**	**508,582**	**237,832**
Financial expenses	20	(719,213)	(369,338)	(717,786)	(366,754)
Financial revenues	20	410,523	177,740	410,887	178,201
Net financial income (loss)	20	**(308,690)**	**(191,598)**	**(306,899)**	**(188,553)**
Equity in net income of subsidiaries	8	27,086	20,888	11,126	8,660
Income (loss) before income tax and social contribution		**210,282**	**54,829**	**212,809**	**57,939**
Current income tax and social contribution	13	-	-	(3,061)	(2,936)
Deferred income tax and social contribution	13	(39,833)	21,695	(39,833)	21,695
Income from continued operations		170,449	76,524	169,915	76,698
Net income (loss) of discontinued operations (net of taxes)	27	-	-	534	(174)
Income (loss) for the year		**170,449**	**76,524**	**170,449**	**76,524**
Basic earnings and diluted per share (in reais)	21			0.7138	0.3355

See the accompanying notes to the financial statements

Jalles Machado S.A.

Statements of comprehensive income
(In thousands of reais)

	Individual		Consolidated	
Parent company and Consolidated	**2021**	**2020**	**2021**	**2020 Restated**
Income (loss) for the year	170,449	76,524	169,915	76,698
Income from discontinued operations	-	-	534	(174)
Total comprehensive income	170,449	76,524	170,449	76,524

See the accompanying notes to the financial statements

Jalles Machado S.A.

Statements of changes in shareholders' equity
(In thousands of reais)

	Note	Capital	Equity valuation adjustments	Profit reserves: Legal	Profit reserves: Investment grant	Profit reserves: Profit retention	Additional dividends proposed	Retained earnings	Total
Balances at March 31, 2019		**376,200**	**68,398**	**4,242**	**75,798**	**2,443**	**-**	**-**	**527,081**
Income (loss) for the year		-	-	-	-	-	-	76,524	76,524
Realization of equity valuation adjustments		-	(1,344)	-	-	-	-	1,344	-
Payment of reserves		80,000	-	(4,202)	(75,798)	-	-	-	-
Dividend distribution		-	-	-	-	(2,443)	-	-	(2,443)
Allocation of profits:									
Legal reserve		-	-	3,893	-	-	-	(3,893)	-
Partial recovery of the investment grant		-	-	-	73,975	-	-	(73,975)	-
Balances at March 31, 2020	**15**	**456,200**	**67,054**	**3,933**	**73,975**	**-**	**-**	**-**	**601,162**
Income (loss) for the year		-	-	-	-	-	-	170,449	170,449
Realization of equity valuation adjustments		-	(1,648)	-	-	-	-	1,648	-
Payment of reserves		59,400	-	(3,920)	(55,480)	-	-	-	-
Distribution of dividends in accordance with Ordinary General Meeting on June 25, 2020		-	-	-	(18,495)	-	-	-	(18,495)
Write-off by spin-off	**1.1**	(46,394)	(49,705)	-	-	-	-	-	(96,099)
Capital increase	**2.7 L**	552,760	-	-	-	-	-	-	552,760
Expenses with issuance of shares	**2.7 L**	(32,921)	-	-	-	-	-	-	(32,921)
Allocation of profits:									
Legal reserve		-	-	8,605	-	-	-	(8,605)	-
Intermediary dividend distribution in accordance with Extraordinary General Meeting (AGE) on 11/29/2020		-	-	-	-	-	-	(30,073)	(30,073)
Minimum compulsory dividends		-	-	-	-	-	-	(10,800)	(10,800)
Total recomposition of investment grant reserve		-	-	-	57,147	-	-	(57,147)	-
Retention of profits for investments in coordance with capital budget		-	-	-	-	35,399	-	(35,399)	-
Additional dividends proposed		-	-	-	-	-	30,073	(30,073)	-
Balances at March 31, 2021	**15**	**989,045**	**15,701**	**8,618**	**57,147**	**35,399**	**30,073**	**-**	**1,135,983**

See the accompanying notes to the financial statements

Jalles Machado S.A.

Statements of cash flows - Indirect method

(In thousands of reais)

	Note	Individual 2021	Individual 2020	Consolidated 2021	Consolidated 2020
Cash flow from operating activities					
Income (loss) for the year, including discontinued operation		170,449	76,524	170,449	76,524
Adjustments for:					
Depreciation of property, plant and equipment and amortization of intangible assets	18.a,b,c	93,445	85,605	93,445	93,618
Crop depreciation	18.a	88,645	81,630	88,645	81,847
Amortization of crop treatments	18.a	149,870	130,655	149,870	131,127
Depreciation of rights to use	18.a	64,302	50,345	45,980	29,058
Income (loss) in the disposal of property, plant and equipment		2,410	1,196	2,408	1,196
Equity in net income of subsidiaries	8.a	(27,086)	(20,888)	(11,126)	(8,660)
Provision for contingencies		15,765	(538)	15,765	(601)
Amortization of loan transaction costs	11	9,136	7,229	9,197	7,581
Provision for expected credit losses		7,668	212	7,668	212
Provision for derivative financial instruments	16	185,919	16,619	185,919	16,607
Change in the biological asset's fair value	10	(177,184)	36,668	(177,184)	36,668
Fair value of CBIOS		(3,090)	-	(3,090)	-
Remeasurements of right-of-use contracts and partnerships/leases payable		7,069	5,382	10,572	6,459
Provision for slow-moving inventories		105	(162)	105	(162)
Exchange rate - loans	11	23,423	76,561	23,423	76,561
Adjustment to present value		(3,206)	(2,658)	(3,206)	(2,658)
Current taxes and contributions	13	-	-	3,126	3,070
Deferred taxes and contributions:	13	39,833	(21,695)	39,833	(21,695)
Inflation adjustment of judicial deposits		(26,886)	-	(26,886)	-
Interest accrued on lease agreements and agricultural partnerships	22	25,839	26,956	15,780	18,690
Accrued interest on loans and financings	11	82,022	88,743	82,420	90,372
Changes:					
Accounts receivable and other receivables		28,662	27,015	28,462	27,137
Inventories		38,128	41,143	39,133	41,292
Biological assets	10	(159,717)	(151,253)	(160,463)	(151,720)
Advances to suppliers		(1,082)	4,865	(1,082)	4,865
Recoverable taxes and contributions		30,672	(220)	30,674	(2)
Recoverable income tax and social contribution		(2,139)	25,853	(2,139)	25,853
Other assets		214	-	214	-
Judicial deposits		(8,076)	(11,091)	(8,076)	(11,091)
Agricultural partnerships payable		(31,263)	-	(31,263)	-
Suppliers and other accounts payable		99	(10,434)	2,358	(10,571)
Provision and labor charges		1,193	1,825	969	1,846
Tax liabilities		12,706	2,658	12,578	2,572
Advance from clients		(1,109)	5,673	(1,108)	5,672
Cash and restricted investments		(80,872)	(149,341)	(95,762)	(200,628)
Restricted cash redemption		88,224	119,692	113,624	159,883
Settlement of derivative financial instruments		(55,034)	(14,314)	(55,034)	(14,314)
Interest paid from loans and financing	11	(66,614)	(92,357)	(67,032)	(94,961)
Interest paid on leases	22	(25,839)	(26,956)	(15,780)	(18,690)
Income tax and social contribution		-		(2,982)	(2,984)
Net cash flow from operating activities		496,601	411,142	510,404	399,973
Cash flow from investment activities					
Acquisition of other investments		(1,234)	(25,654)	(1,247)	(1,267)
Acquisition of property, plant and equipment	26	(147,497)	(141,081)	(147,497)	(141,102)
Acquisition of intangible assets		(1,804)	(2,751)	(1,804)	(2,751)
Amount received by capital decrease in investee		2,390	-	2,390	-
Dividends received		15,559	3,042	1,559	-
Amount received in cash for sale of property, plant and equipment		3,709	1,584	3,709	1,584
Plantations and acquisitions of sugarcane crops	9	(95,404)	(98,338)	(95,404)	(98,338)
Net cash flow used in investment activities		(224,281)	(263,198)	(238,294)	(241,874)
Cash flow from financing activities					
Loans and financing obtained	11	409,455	351,514	409,455	351,514
Amortization of loans and financing	11	(312,628)	(353,409)	(322,160)	(382,615)
Paid-up capital		552,760	-	552,760	-
Cost with issuance of shares		(32,921)	-	(32,921)	-
Amortization of agricultural partnerships		(58,226)	(77,954)	(58,226)	(77,954)
Amortization of leases		(19,303)	(19,487)	-	-
Payment of dividends		(16,000)	(3,257)	(16,000)	(3,257)
Net cash from (used in) financing activities		523,137	(102,593)	532,908	(112,312)
Increase in cash and cash equivalents		795,457	45,351	805,018	45,787
Cash and cash equivalents at the beginning of the period		382,843	337,492	389,082	343,295
Cash and cash equivalents at the end of the period		1,178,300	382,843	1,194,100	389,082
Increase in cash and cash equivalents		795,457	45,351	805,018	45,787

See the accompanying notes to the financial statements

Jalles Machado S.A.

Statement of added value

(In thousands of reais)

	Parent company		Consolidated	
	2021	2020	2021	2020
REVENUES	**1,335,343**	**1,187,244**	**1,336,835**	**1,190,012**
Sale of goods, products and services	1,275,506	1,088,040	1,276,998	1,090,827
Other revenues	78,124	104,999	78,124	104,980
Return of sales	(10,619)	(5,583)	(10,619)	(5,583)
Formation of estimated loss from allowance for doubtful accounts, net	(7,668)	(212)	(7,668)	(212)
INPUTS ACQUIRED FROM THIRD PARTIES	**(194,500)**	**(346,610)**	**(194,930)**	**(347,099)**
Cost of products and goods sold and services provided	(258,224)	(230,017)	(258,319)	(230,125)
Materials, energy, outsourced services and other	(111,983)	(82,745)	(112,318)	(83,126)
Net gain (loss) arising from change in the fair value and realization of gain or loss of biological assets	177,184	(36,668)	177,184	(36,668)
Recognition (derecognition) of CBIOS fair value	3,090	-	3,090	-
Loss/recovery of asset values	(4,567)	2,820	(4,567)	2,820
GROSS ADDED VALUE	**1,140,843**	**840,634**	**1,141,905**	**842,913**
DEPRECIATION, AMORTIZATION AND DEPLETION	**(396,262)**	**(348,235)**	**(378,250)**	**(335,650)**
NET ADDED VALUE PRODUCED BY THE ENTITY	**744,581**	**492,399**	**763,655**	**507,263**
ADDED VALUE RECEIVED AS TRANSFER	**384,303**	**179,920**	**368,739**	**168,480**
Equity in net income of subsidiaries	27,086	20,888	11,126	8,660
Financial revenues	43,468	18,543	43,864	19,071
Gain from exchange-rate changes	115,584	61,131	115,584	61,132
Gain on derivative operations	198,165	79,358	198,165	79,617
TOTAL ADDED VALUE PAYABLE	**1,128,884**	**672,319**	**1,132,394**	**675,743**
DISTRIBUTION OF ADDED VALUE	**1,128,884**	**672,319**	**1,132,394**	**675,743**
Personnel	**87,778**	**77,014**	**88,274**	**78,188**
Direct remuneration (cost)	67,304	63,413	67,763	64,390
Benefits	15,058	8,124	15,095	8,205
FGTS (Severance Pay Fund)	5,416	5,477	5,416	5,593
Taxes, duties and contributions	**201,544**	**165,493**	**205,980**	**170,056**
Federal	66,072	4,851	70,301	9,079
State	135,418	160,590	135,622	160,921
Municipal	54	52	57	56
Third-party capital remuneration	**669,113**	**353,288**	**667,691**	**350,975**
Financial expenses	117,181	108,517	115,759	105,938
Losses from exchange-rate changes	139,247	118,622	139,247	118,622
Loss on derivative operations	384,090	95,976	384,090	96,242
Financial expenses - IFRS 16	28,595	30,173	28,595	30,173
Remuneration of own capital	**170,449**	**76,524**	**170,449**	**76,524**
Retained earnings / Loss for the period	129,576	76,524	129,576	76,524
Dividend distribution	40,873	-	40,873	-

See the accompanying notes to the financial statements

Notes to the individual and consolidated financial statements

(In thousands of reais, unless otherwise indicated)

1 Operations

The activities of Companhia Jalles Machado S.A. and its subsidiaries Jalles Machado Empreendimentos Imobiliários S.A., Esplanada Bioenergia S.A. and associated companies Albioma Codora Energia S.A. e Albioma Esplanada Energia S.A. and Albioma Esplanada Energia S.A., hereinafter referred to as “Company”, comprise mainly the following operations:

a. Jalles Machado S.A.

Jalles Machado S.A. is a publicly-held company registered with the Brazilian Securities and Exchange Commission (CVM) under number 02549-6 on February 4, 2021. The Company's shares are traded on B3 under the ticker “JALL3”.

The Company has two industrial units, Jalles Machado and Otávio Lage, located in the municipality of Goianésia, in the State of Goiás. It has a processing capacity higher than 5 million tons of sugarcane per crop, it is mainly engaged is the industrialization and trading, in Brazil and abroad, of sugar, ethanol, electricity and other products derived from sugarcane. Always seeking to add value to its portfolio, the Company trades white and organic sugar, as well as sanitizers, under the Itajá brand, in addition to the production and sale of dry yeast.

All the sugarcane used in the manufacturing of industrial sites comes from its own plantations grown on its own land and through agricultural partnerships with shareholders and third parties.

b. Jalles Machado Empreendimentos Imobiliários S.A.

The subsidiary is headquartered in the city of Goianésia, in the State of Goiás, at Rodovia GO 338, Km 33 à esquerda, Km 03, Zona Rural and is engaged in the purchase and sale of real estate, lease of real estate and management of own assets for an indefinite period.

It has a non-residential real estate and equipment lease private instrument in the monthly amount of R$ 2,286, monetarily restated annually by the IGP-M until June 2024 with the Individual Jalles Machado S.A., and which, for the purposes of this consolidated condensed financial statements, is classified as property, plant and equipment.

c. Goiás Látex S.A.

The Company, located at Rua 33 nº 668 - Bairro Carrilho in the municipality of Goianésia - GO, and with a branch at Fazenda Esplanada, Rod. GO 080, Km 71, in the municipality of Vila Propício - GO, is mainly engaged in the rubber tree agricultural exploration and activities related to rubber cultivation, production, trading and export of raw and processed rubber and other latex processing byproducts, as well as the production and trading of seeds, the exploration and maintenance of a clonal garden for the commercialization of rubber tree stems and exploration and maintenance of seedling nursery for the trading of rubber tree seedlings. As of December 31, 2020, as part of Company’s organizational and structural optimization, Goiás Látex S.A. ceased to be an investment of Jalles Machado S.A., being part of the spun-off structure.

d. Esplanada Bioenergia S.A.

The Subsidiary is located at Rodovia GO 080, km 75.1, rural area, in the municipality of Goianésia - GO, engaged in the cogeneration and trading of electric power and water steam generated from sugarcane biomass and complementary raw materials, and may also perform other acts related to its corporate purpose, such as the sale of “carbon credits”.

e. Albioma Codora Energia S.A.

The investee company is domiciled at Rodovia GO 338, km 33, à esquerda km 4, zona rural, Municipality of Goianésia - GO, which is engaged in the generation and sale of electric power and steam, as well as of all the by-products resulting from the cogeneration of electric power.

f. Albioma Esplanada Energia S.A.

The investee company is located at Rodovia GO 080, km 75.1, rural area, in the municipality of Goianésia - GO, engaged in the cogeneration and trading of electric power and water steam generated from sugarcane biomass and complementary raw materials, and may also perform other acts related to its corporate purpose, such as the sale of “carbon credits”. The joint venture was formed in December 2017 to receive the assets of the energy cogeneration of Jalles Machado S.A., as a result of the negotiation with the partner Albioma Participações do Brasil.

1.1 Spin-off

For the purpose of carrying out an organizational and structural optimization, the Company carried out a partial spin-off operation on December 31, 2020, segregating activities not directly related to its core business.

Spun-off assets and liabilities include:

- Interests in Company’s investments that are not directly related to the development of sugar and alcohol and bioenergy activities, namely:
  - 3,749,998 shares representing the capital, equivalent to 100% of interest in the subsidiary GOIÁS LATEX S.A., a corporation headquartered at Rua 33, nº 302, Carrilho, CEP 76380-000, in the City of Goianésia, State of Goiás, enrolled with EIN (CNPJ) under 05.890.359/0001-03.
  - 300 shares representing the capital of SIRIUS FINANCIAL INVESTMENTS LTD., a company incorporated under the laws of the British Virgin Islands, headquartered at Level 1, Palm Grove House, Wickham's Cay 1, Road Town, Tortola, British Virgin Islands, 1999368.
  - R$ 608 related to Advance for Future Capital Increase at RÁDIO SOCIEDADE VERA CRUZ LTDA., a limited liability company headquartered at Rua R 29 Norte, 1218, in the city of Goianésia, State of Goiás, enrolled with EIN (CNPJ) under 26.865.402/0001-42.
  - 8,215 shares representing the capital of CTC - CENTRO DE TECNOLOGIA CANAVIEIRA S.A., a joint stock company headquartered at Av. Brigadeiro Faria Lima, 2179 – 10º andar, sala 3, CEP 01.452-000, in the City of São Paulo, State of

São Paulo, enrolled with CNPJ (EIN)/ME under No. 06.981.381/0001-13.

- 13,908,927 quotas representing the capital of COOPERATIVA DE CRÉDITO DE FREEM ADMISSÃO DO VALE DO SÃO PATRÍCIO LTDA., a limited liability company headquartered at Avenida Brasil Leste, n° 48, Centro, CEP 76380-028, in the city of Goianésia, State of Goiás, enrolled with CNPJ (EIN)/ME under No. 00.968.602/0001-37.

- R$ 1,471 - related to related party credits.

- All rights and obligations relating to the following lawsuits:

  - Compliance with Decision No. 1024411-46.2019.4.01.3400 in progress before the 3rd Federal Civil Court of the Judicial Section of the Federal District filed by the Cooperativa dos Produtores de Cana de Goianésia Ltda. against Banco do Brasil;

  - Lawsuit 90.0002637-7 - 3rd Federal Court (EE 0002618-84.1990.4.01.3400 (EEXEC 0049916.03.2012.4.01.3400) filed by the Company against the Federal Government on March 21, 1990, seeking compensation for property damage caused by acts of the Public Power that fixed the prices of the sugar and alcohol sector (specifically regarding anhydrous and hydrated alcohol) in non-compliance with articles 9 and 10 of Law 4870/65, in the period from March 1985 to October 1989.

  - Lawsuit 0015626-89.1994.4.01.3400 - 2nd Federal Court (REsp 1.294.078) filed by the Company against the Federal Government on December 19, 1994, seeking compensation for property damages caused by acts of the Public Power that fixed the prices of the sugar and alcohol sector (specifically regarding anhydrous and hydrated alcohol) in non-compliance with articles 9 and 10 of Law 4870/65, in the period from December 1989 to November 1994.

- The following rural and urban properties owned by the Company, including accessions and improvements:

Property	City	Book value
FAZENDA PASSA TRES 16,278.30 HECTARES	Cavalcante-GO	R$ 2,242
SOCIAL ASSISTANCE AND SCHOOL 7,936.23 SQM	Goianésia-GO	R$ 1,735
CALCAO DE COURO FARM AIRPORT AREA 11200	Goianésia-GO	R$ 294
PORTAL FARM AREA 19,204.06 SQM	Goianésia-GO	R$ 2,127
FAZENDA ÁGUA DOCE AREA 958.40 HECTARES	Vila Propício-GO	R$ 7,711
FAZENDA BOA VISTA AREA 2,523.40 HECTARES	Vila Propício-GO	R$ 20,780
FAZENDA ESPLANADA AREA 2,791.16 HECTARES	Vila Propício-GO	R$ 22,813
FAZENDA LAVRINHA 119,0825 HA	Goianésia-GO	R$ 659
FAZENDA LAVRINHA 18.00 HA	Goianésia-GO	R$ 125
FAZENDA LAVRINHA 6 8210	Goianésia-GO	R$ 51
FAZENDA LAVRINHA 93 5623 HA	Goianésia-GO	R$ 703
FAZENDA LAVRINHA S. SEBASTIAO 153, 4,965 HA	Santa Isabel-GO	R$ 1,718
FAZENDA LAVRINHA S. SEBASTIAO 24 20HA	Goianésia-GO	R$ 130
FAZENDA LAVRINHA S. SEBASTIAO 254,2809 HA	Santa Isabel-GO	R$ 3,356
FAZENDA LAVRINHA S. SEBASTIAO 48.20 HA	Goianésia-GO	R$ 272
FAZENDA POUSO ALEGRE 53 24 HA	Barro Alto-GO	R$ 330
FAZENDA RECANTO DO LAGO AREA 120.60 HA	Uruaçu-GO	R$ 1,189
FAZENDA TAQUARAL 1 ALQ. & 18L	Goianésia-GO	R$ 68
WAREHOUSE FOR STORAGE OF SUGAR AREA 3.978 25 (RUA 33)	Goianésia-GO	R$ 353
PROPERTY 01 HOUSE IN LOT 4, BLOCK 112 AREA 152	Goianésia-GO	R$ 36
POVOADO MORRO BRANCO AREA 2.312 44 SQM	Goianésia-GO	R$ 52
URBAN LAND WITH AREA OF 1,749 45 SQM	Goianésia-GO	R$ 114
URBAN LAND WITH AREA OF 41,303.59 SQM TIMB	Goianésia-GO	R$ 2,713
FAZ.LAVRINHA S. SEBASTIAO-HELIO AL 31.9887 HA	Goianésia-GO	R$ 108
CLUB, FARM, HOUSE AND LOTS 01 TO 16 OF BLOCK 18 AND 18-A	Goianésia-GO	R$ 354
FAZENDA PORTEIRAS AREA 470.7 HECTARES	Vila Propício-GO	R$ 2,738
URBAN AND RESIDENTIAL LAND LAURENTINO MARTINS	Goianésia-GO	R$ 520
Total		R$ **73,291**

The accounting effects of the spin-off on the Individual's balance sheet were as follows:

Assets	**12/31/2020 Before the merger**	**Effects of the spin-off**	**12/31/2020 After spin-off**
Current assets			
Current assets	1,307,986		1,307,986
Other assets	2,543	502	2,041
Total current assets	1,310,529	502	1,310,027
Non-current assets			
Accounts receivable and other receivables	2,717	2,689	28
Investments	223,281	46,242	177,039
Property, plant and equipment	854,068	73,272	780,796
Non-current assets	623,951	-	623,951
Total non-current assets	1,704,017	122,203	1,581,814
Total assets	3,014,546	122,705	2,891,841
Liabilities			
Current liabilities			
Current liabilities	718,523	-	718,523
Total current liabilities	718,523	-	718,523
Non-current liabilities			
Deferred income tax and social contribution	119,510	25,606	93,904
Suppliers and other accounts payable	1,430	1,000	430
Non-current liabilities	1,523,215	-	1,523,215
Total non-current liabilities	1,644,155	26,606	1,617,549
Shareholders' equity			
Capital	515,600	46,394	469,206
Profit reserves	13		13
Equity valuation adjustments	65,444	49,705	15,739
Retained earnings	70,811		70,811
Total shareholders' equity	651,868	96,099	555,769
Total liabilities and shareholders' equity	3,014,546	122,705	2,891,841

1.2 Initial public offering

On February 4, 2021, the Company obtained approval from the CVM for the granting of the Initial Registration as a Publicly-held Company – Category A.

On February 5, 2021, the Company released the Communication of the public offering for the primary and secondary distribution of book-entry common and nominative shares with no par value issued by the Company and held by certain Company's shareholders ("Offer"). The Offer consisted of the following public distribution: (i) primary of initially 61,835,749 new common shares issued by the Company ("Primary Offer"); and (ii) secondary of initially 15,458,937 common shares issued by the Company and held by certain Company's shareholders ("Secondary Offer"). The subscription or acquisition price, as the case may be, per share was R$ 8.30, which was determined after the completion of the book building procedure.

The physical and financial settlement of the shares initially offered occurred as of February 9, 2021 and totaled R$ 737,778.

Pursuant to article 24 of CVM Instruction 400, the number of shares initially traded was increased by a Greenshoe of 5,952,02 shares, as follows: (i) primary offer of 4,761,842 new common shares issued by the Company ("Primary Offer"); and (ii) secondary offer of 1,190,460 common shares issued by the Company and held by certain Company's shareholders ("Secondary Offer") under the same conditions and at the same price as the shares initially traded. The physical and financial settlement of the supplementary shares took place as of March 12, 2021 and totaled R$ 49,404.

The completion of the Primary Offer by means of a capital increase of the Company, with the exclusion of the preemptive right of the Company's current shareholders, pursuant to article 172, item I, of the Brazilian Corporate Law, as well as its terms and conditions, were approved at the Company's Extraordinary General Meeting held on November 25, 2020. The Company's Price per Share and the actual capital increase were approved at the Meeting of the Company's Board of Directors held on February 4, 2021.

With the completion of the Offer, the Company's shares are traded on B3 under the ticker "JALL3".

1.3 Aspects of COVID-19

Considering the current context of the COVID-19 pandemic, the Company has been taking actions that aim to mitigate the virus spread within the Company and assist society in Goianésia and the region. The main actions taken by the Company are as follows:

a) Measures adopted by the Company to assist society

Aiming to fulfill its social responsibility, the Company has dedicated itself to assisting hospitals and municipal and state government agencies, in addition to making donations to the population of Goianésia and surrounding municipalities. The donations made by the Company have already included:

- 44,124 liters of 70% alcohol. Of this total, 25 thousand liters were donated to the population of Goianésia and surrounding villages;
- 9,228 bottles of Algell hand sanitizer;
- 1 tons of organic sugar
- 250 food baskets and 100 blankets for the population of Goianésia;
- 1 respirator for the Goianésia Municipal Government.

The Company's communication channels have been constantly broadcasting news and guidelines that instruct people to adopt appropriate distancing, hygiene and health care measures.

b) Measures adopted by the Company to employees

Jalles Machado S.A. adopted several measures and actions to reduce the risk of Covid-19 contagion within the Company. From the outset, the Company created the crisis committee so that actions and responses to the effects of the pandemic were nimble. Among them, the main ones were as follows:

- Availability of 70º alcohol in all areas of the Company;
- Travel control and COVID testing on return from the trip;
- Implementation of the Distance Learning modality for training;

- Realization of remote meetings;
- Remote work for administrative areas;
- Increase in the number of Nursing and Occupational Safety professionals;
- Increase in the number of buses and disinfection of these vehicles with 70% alcohol and/or sodium hypochloride;
- Limitation of the capacity of vehicles to transport employees by 50% (industry, administrative, agricultural);
- Reduction of employees in the agricultural area at the bus terminal;
- Conducting a Campaign for vaccination against H1N1;
- Monitoring of all people when accessing transport vehicles and upon entering the company;
- In the period from March to October 2020, the removal of employees over 60, pregnant women, young apprentices and interns was carried out;
- Distribution of reusable masks to all employees;
- Reinforcement of communication for guidelines and compliance with containment measures, such as banners, booklets and videos;
- Reorganization of spaces in the eating areas, such as removal of tables and chairs, in addition to the provision of external spaces to avoid crowds by adding 64 spots;
- Cleaning of all environments within the unit with sodium hypochlorite on a daily basis;
- Acquisition of rapid tests and antigen to assess previous exposure to the virus of symptomatic employees and return to work due to temporary absence or travel;
- Structure for following-up and monitoring symptomatic or positive COVID patients (Monitoring Service Center – CAM);
- Control of employees vaccinated against COVID-19;
- Implementation of telemedicine for those being monitored.

Moreover, the financial department projected the financial result and cash flow generation in several pricing, exchange rate and production scenarios. These projections led us to conclude that Jalles Machado S.A. has a very resilient product portfolio, capital structure, liquidity, storage capacity, an efficient industrial complex and fully-owned sugarcane fields, with a low risk of going concern.

2 Preparation basis

2.1 Statement of compliance and preparation basis

The individual and consolidated financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil, which include the standards of the Brazilian Securities and Exchange Commission (“CVM”) and pronouncements of Accounting Pronouncement Committee (“CPC”) that are in conformity with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (IASB), and evidence all and only relevant information in financial statements, which are consistent with those used by Management.

The presentation of the Individual and Consolidated Statement of Added Value is required by Brazilian corporate law and the accounting practices adopted in Brazil applicable to publicly-held companies. The IFRS do not require the presentation of this statement. Accordingly, in conformity with IFRS, this statement is presented as supplementary information, without prejudice to financial statements as a whole.

The financial statements were prepared considering the historical cost as value basis and adjusted to reflect the revaluation of financial assets available for sale, other financial assets and liabilities (including financial instruments) and biological assets is adjusted to reflect the measurement at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates and the Company's Management to exercise its judgment in the process of applying the Company's accounting policies. Those areas requiring the highest level of judgment and having the highest complexity, and the areas where assumptions and estimates are significant for the financial statements are disclosed in Note 2.6.

The main accounting policies applied in the preparation of these financial statements are presented in Note 2.7.

All relevant information specific to the financial statements, and only such information, is being evidenced, and corresponds to the information used by company Management.

The issuance of financial statements was authorized by the Management on June 22, 2021.

Restatement of financial statements
In accordance with IFRS 5/CPC 31 - Non-current Assets Held for Sale and Discontinued Operations, the Company resubmitted the statement of income and comprehensive income for the year ended March 31, 2020, so that the disclosures are related with the operations that have been discontinued on the balance sheet date of the last year presented, pursuant to note 27.

2.2 Individual and consolidated financial statements

The individual financial statements include all the operations of the company Jalles Machado S.A. and the corresponding equity income (loss) in its subsidiaries and associated companies, whose Company has a significant influence. The consolidated financial statements include financial statements of its subsidiaries in the years ended March 31, 2021 and 2020. Its associated companies were maintained as investments valued under the equity method, according to Note 2.3 and Note 8.

Individual and consolidated financial statements include the following companies:

			Percentage of Interest	
Group entities	**Country**	**Rating**	**2021**	**2020**
Goiás Látex S.A.	Brazil	Subsidiary	0%	100%
Jalles Machado Empreendimentos Imobiliários S.A.	Brazil	Subsidiary	100%	100%
Esplanada Bioenergia S.A.	Brazil	Subsidiary	100%	100%
Albioma Codora Energia S.A.	Brazil	Investee	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Investee	40%	40%

* As of December 31, 2020 Goiás Látex S.A. is no longer an investment of the Company, due to the structural organization process carried out on this date, according to note 1.

2.3 Consolidation basis

(i) Subsidiaries

The Company controls an investee when it is exposed to, or has rights over the variable returns arising from its involvement with the investee and has the ability to affect those returns exerting its power over the investee. The financial statements of the subsidiaries are consolidated as from the date they start to be controlled by the Company until the date such control ceases.

(ii) Discontinued operation

A discontinued operation is recognized as the derecognition of a component of the entity that comprises operations and cash flows that can be clearly distinguished, operationally and for purposes of disclosing the financial statements, from the rest of the entity.

The Company resubmitted the statement of income and comprehensive income for the year ended March 31, 2020, so that the disclosures are related with the operations that have been discontinued on the balance sheet date of the last year presented.

(iii) Investments in investees companies accounted for under the equity method

			Percentage of Interest	
Group entities	**Country**	**Rating**	**2021**	**2020**
Albioma Codora Energia S.A.	Brazil	Investee	35%	35%
Albioma Esplanada Energia S.A.	Brazil	Investee	40%	40%

The Company's investments in entities accounted for at the equity method include interests in associated companies and subsidiaries.

Investments in associated companies are accounted under the equity method. Such investments are initially recognized by the cost, which includes expenses with transactions. After initial recognition, consolidated financial information includes the Company's interest in investee's income or losses for the year and other comprehensive income up to the date in which significant influence or joint control no longer exists.

(iv) Transactions eliminated in the consolidation

The balances and transactions between the Company and its subsidiaries and any unrealized revenues or expenses derived from transactions among them, are eliminated for the purposes of consolidated financial statements. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated against the investment in the proportion of the Company's interest in the investees. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

2.4 Measuring basis

The financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;
- Non-derivative financial instruments stated at fair value through profit or loss are measured at fair value; and
- Biological assets are measured at fair value less sales expenses.

2.5 Functional currency

These financial statements are being presented in Brazilian Real, functional currency of Jalles Machado S.A. and investees. All balances have been rounded to the nearest value, except otherwise indicated.

2.6 Use of estimates and judgments

During the preparation of these individual and consolidated financial statements, Management used judgments and estimates that affect the adoption of accounting policies of the Company and its subsidiaries, and the reported values of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

(i) Judgments

Information about judgment referring to the adoption of accounting policies which impact significantly the amounts recognized in the individual and consolidated financial statements are included in the notes: 8 **-** Investments: determines if the Company and its subsidiaries have significant influence over an investee; and 17 – Net operating revenue: whether sugar, ethanol, and yeast revenue is recognized over the correct period, over time, or at a specific point in time; and 22 **-** Leases payable: judgment on the exercise of the extension of lease agreements.

(ii) Uncertainties on assumptions and estimates

The Company and its subsidiaries make use of assumptions to establish estimates for the future. By definition, resulting accounting estimates are seldom equal to the respective actual incomes. The estimates and assumptions which present a significant risk, likelihood of causing an important adjustment to the book value of assets and liabilities for the coming year are shown below.

- **Note 9:** Review of useful lives of property, plant and equipment
  The recovery capacity of assets which are used in operations of the Company and its subsidiaries is valued whenever events or changes in the circumstances indicate that the book value of an asset or group of assets may not be recoverable based on future cash flows. If the book value of those assets exceeds recoverable value, their net value is adjusted and their useful lives are changed to new levels.

- **Note 10:** Biological assets
  The Company's fair value of biological assets represents the present value of net cash flows estimated for this asset, which is determined based on the assumptions established in discounted cash flow models.

- **Note 13:** Deferred income tax and social contribution
Deferred income and social contribution tax assets are recognized only in the proportion of the probability that the positive taxable base will be available and temporary differences can be used for it and the tax losses and negative bases of social contribution may be offset. The recovery of deferred tax asset balances is reviewed at the end of each year and, when it is no longer probable that future taxable income will be available to allow for the recovery of the asset, in whole or in part, the asset balance is adjusted by the amount that is expected to be recovered.

  Substantial judgment from Management is required to determine the amount of the deferred income tax and social contribution asset that can be recognized, based on the probable term and amount of future taxable income, along with future tax planning strategies.

- **Note 14:** Provisions for contingencies
The Company and its subsidiaries are parties to a number of lawsuits and administrative proceedings. Provisions are formed for all contingencies regarding judicial proceedings representing likely losses and assessed with a certain degree of assurance. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external and internal attorneys.

- **Note 22:** Leases payable and agricultural
The Company has industrial complex lease agreements and contracts signed with agricultural partners related to rural areas explored in agricultural partnership for the cultivation of sugarcane and which comply with the provisions of the Land Statute, which are currently accounted for in accordance with the accounting standard CPC 06 (R2)/IFRS 16 as of April 1, 2019.

  When measuring lease liabilities, the Company discounts lease payments using an incremental discount rate. The determination of the discount rate of agreements involves uncertainties related to assumptions and estimates that have a significant risk of resulting in an adjustment in the balances of liabilities and assets.

(iii) Measurement of fair value

A number of the Company and its subsidiary’s accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

The Company and its subsidiaries establish a control structure related to measurement of fair value. This includes an evaluation team with general responsibility of reviewing all significant fair value measurements, including Level 3 fair values, which are reported directly to the CFO.

Evaluation team regularly reviews significant non-observable data and valuation adjustments. If third-party information, such as brokerage firms’ quotes or pricing services, is used to measure fair value, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet requirements of technical pronouncements issued by Accounting Pronouncement Committee (CPC), International Financial Reporting Standards (IFRS), including the level in the fair value hierarchy in which such valuations should be classified.

When measuring fair value of an asset or liability, the Company and its subsidiaries use market observable data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation techniques, as follows:

- **Level 1:** prices quoted (not adjusted) in active markets for identical assets and liabilities.
- **Level 2:** inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).
- **Level 3:** inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

The Company and its subsidiaries recognize transfers between fair value hierarchic levels at the end of the individual and consolidated financial statements year in which changes occurred.

Additional information on the assumptions adopted in the measurement of fair values is included in the following notes:

- **Note 8 -** Investments
- **Note 10 -** biological assets; and
- **Note 16 -** financial instruments.

2.7 Significant accounting policies

The Company adopted accounting policies described below consistently to all years presented in these individual and consolidated financial statements.

a. Foreign currency

Transactions in foreign currency are translated into the functional currency of the Company at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted into the functional currency at the exchange rate on that date. Non-monetary items that are measured based on the historical cost in foreign currency are translated using the rate of the transaction date. Foreign currencies differences arising from reconversion are usually recognized in income (loss).

b. Operating revenue

CPC 47/ IFRS 15 establishes a comprehensive framework for determining whether and when revenue is recognized. It replaces the CPC - 30 (R1)/IAS 18 Revenues.

The Technical Pronouncement CPC 47/IFRS 15 establishes a comprehensive framework for determining whether and when revenue is recognized. It has superseded all current revenue recognition requirements in accordance with the CPC standards. The new standard establishes a new five-step model for accounting for revenue from contracts with customers. (i) when the parties to a contract approve it and are committed to its fulfillment; (ii) when the Company can identify the rights of each party related to the goods to be delivered; (iii) when it can identify the payment terms for the goods transferred; (iv) when the contract has a commercial substance; (v) when it is likely that the Company will receive the consideration to which it is entitled. According to this pronouncement, revenue should be recognized at an amount that reflects the counterparty that an Entity expects to be entitled in exchange for the transfer of goods or services to a client.

c. Short-term employee benefits

Obligations for short-term employee benefits are recognized as personnel expenses as the related service is rendered. The liability is recognized at the amount expected to be paid, if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

d. Government grant

A government grant is recognized in income (loss) throughout the year, compared with the expenses it intends to set-off, in a systematic basis, provided that the conditions of Technical Pronouncement CPC 07 (R1) IAS 20 - Governmental Grants and Assistance. While the requirements for recognition in the income statement are not fulfilled, the contra-entry to the government grant recognized in assets is maintained in a specific caption in liabilities and then the income (loss) is recognized. The portion recognized in income (loss) is reclassified from the accounts of the shareholders' equity to investment grant reserve.

e. Financial revenues and expenses

The financial revenues and expenses of the Company comprise the following:

- interest on interest earning bank deposits and restricted cash;
- interest revenue;
- gains/losses from derivative financial instruments;
- net gains/losses from exchange rate on financial assets and liabilities;
- discounts granted; and
- expenses with interest on loans and financing.

Financial revenues and expenses are recognized in income (loss) under the effective interest rate method.
The effective interest rate is the rate that exactly discounts payments or receipts in estimated future cash flows over the expected life of the financial instrument to:

- gross book value of financial asset; or
- amortized cost of financial liability.

In the calculation of interest revenue and expenses, the effective interest rate is applied on the gross book value of asset (when the asset is not impaired) or at amortized cost of liability. However, for financial assets impaired after initial recognition, interest revenue is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset no longer has a reduction in the recoverable credit amount, the calculation of interest revenue will be reverted to the gross basis.

f. Income tax and social contribution

At the Individual, the income tax and social contribution, both current and deferred, are calculated based on the rate of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 (annual basis) for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of income tax loss carryforward and negative basis of social contribution, limited to 30% of the taxable income for the year.

In the subsidiaries, income tax and social contribution are calculated according to the "deemed profit" current legislation. Based on this regime, for income tax purposes, taxable income corresponds to 8% on sales of goods and 32% on sales of services, plus other operating revenues; for social contribution purposes, taxable income corresponds to 12% on sales of goods and 32% on sales of services, plus other operating revenues. Income tax is calculated at the rate of 15% on the deemed profit plus a surcharge of 10% on the portion in excess of R$ 240 (annual).

Social contribution - Calculated at the rate of 9% on taxable income.

Income tax and social contribution expense comprises both current and deferred income tax and social contribution. Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders’ equity or in other comprehensive income.

(i) Current income tax and social contribution expense

Current tax expense is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. It is measured based on rates enacted or substantively enacted at the balance sheet date.

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

(ii) Expenses with deferred income tax and social contribution

Deferred tax assets and liabilities are recognized in relation to the temporary differences between the book values of assets and liabilities for financial statement purpose and the related amounts used for taxation purposes.

A deferred tax asset is recognized for unused tax losses, tax credits and unused deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the credits can be utilized. Deferred tax assets are reviewed at each balance sheet date and reduced when their realization is no longer probable.

Deferred tax assets and liabilities are measured at tax rates expected to be applied to temporary differences when they are reversed, based on rates enacted or substantively decreed up to the date of balance sheet.

Measurement of deferred tax assets and liabilities reflects tax consequences deriving from the way in which the Company expects to recover or settle the book value of its assets and liabilities.

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

g. ***Biological assets***

Biological assets are measured at fair value less estimated sales cost at cut time. In determining fair value, the Company used the discounted cash flow method according to the projected productivity cycle for these assets.

Significant assumptions used to determine biological assets' fair values are shown in Note 10. Measurement of fair value of biological assets is carried out on each reporting period.

The gain or loss in the change in fair value of the biological assets is recognized in income (loss) for the year in which they occur, in a specific line of the statement of income, named "Change in fair value of the biological assets". The depletion value of the biological assets is measured by the amount of agricultural product cut/sold, valued at its fair value.

h. ***Inventories***

Inventories are measured at the lower of cost and net realizable value. Inventory costs are valued at the average cost of purchase or production and include expenses incurred in the acquisition of inventories, production and conversion costs and other costs incurred in bringing them to their current locations and conditions.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and sales expenses.

The inventory of Decarbonization Credits – CBIOS is recognized at its fair value, net of any accumulated impairment losses.

i. ***Property, plant and equipment***

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

When significant parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of Property, plant and equipment.

The Company and its subsidiaries chose to remeasure the fixed asset items at deemed cost on the opening date of the year 2010 (April 1, 2009). The calculated effect was recognized in an equity valuation reserve account, in the Company's shareholders' equity and is amortized by means of depreciation, disposal or obsolescence of assets.

Any gains and losses on disposal a property, plant and equipment item are recognized in income (loss).

(ii) Subsequent costs

Subsequent costs are capitalized in accordance with the probability that associated future economic benefits may be earned by the Company. Maintenance expenses and recurring repairs are recognized in the income when incurred.

(iii) Maintenance costs

The replacement cost of a component of property, plant and equipment is recognized when it is probable that the future economic benefits embodied in the component will flow and its cost can be reliably measured. The book value of the component that is replaced is written off. Costs of normal maintenance on property, plant and equipment are charged to the income statement as incurred.

The Company performs annual maintenance at its manufacturing unit, approximately in the period from December to March. The main maintenance costs include costs of labor, materials, outsourced services and overhead allocated during the off-season period. Said costs are accounted for as a component of the cost of the equipment and depreciated during the following harvest. Any other type of expenditure, which does not increase the useful life or maintain the grinding capacity, is recognized as an expense.

(iv) Depreciation

Depreciation is calculated to amortize the cost of fixed asset items, net of their estimated residual values, using the straight-line method based on estimated useful lives of items. The depreciation is recognized in income (loss) and production cost. Land is not depreciated.

Leased assets are depreciated over the shorter of the lease term or the estimated useful life of the asset unless it is reasonably certain that the Company and its subsidiaries will obtain ownership at the end of the lease term.

Items of property, plant and equipment are depreciated from the date they are installed and are available for use, or, in the case of assets constructed by the Company, as of the date the construction is concluded and the asset is available for use.

The weighted average annual rates for the current and comparative years are as follows:

	Weighted average rate – %	
	Individual	**Consolidated**
Buildings	2.08%	2.09%
Machinery, equipment and facilities	6.40%	6.08%
Furniture, equipment and fixtures	11.40%	11.37%
Vehicles and semi-trailers	6.70%	6.70%
Other fixed assets	8.22%	8.18%
Aircrafts	12.66%	12.66%

The depreciation methods, useful lives and residual values are reviewed on each closing date, and adjusted if appropriate.

j. Intangible assets

(i) Other intangible assets

Other intangible assets acquired by the Company with finite useful lives are carried at cost, net of accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including trademarks and patents, are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated under the equity method based on useful life of such items to amortize the cost of items of intangible assets, net of their estimated residual values. Amortization is recognized in income (loss).

The average estimated useful life for the current year and comparative is 5 years. Amortization methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate.

k. Financial instruments

(i) Recognition and initial measurement

Trade accounts receivable derive substantially from the sale of sugar, ethanol, sanitizers and yeast by-products and they are initially recognized on the date that the transfer of products' control was derived from.

All other financial assets and liabilities are initially recognized when the Company and its subsidiaries become a party to the instrument's contractual provisions.

A financial asset (unless it is trade accounts receivable without a material financing component) or a financial liability is initially measured at fair value, plus, for an item not measured at FVTPL, transaction costs which are directly attributable to its acquisition or issuance. Trade accounts receivable without a significant financing component are initially measured at the transaction price.

(ii) Subsequent classification and measurement

Financial assets

In the initial recognition, a financial asset is classified as measured: at amortized cost; at FVTOCI - debt instrument; at FVTOCI - equity instrument; or at FVTPL.

Financial assets are not reclassified after initial recognition, unless the Company and its subsidiaries change the business model for the management of financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period subsequent to the change in the business model.

A financial asset is measured at amortized cost if it meets both conditions below and is not designated as measured at FVTPL:

- It is held within a business model whose purpose is to maintain financial assets to receive contractual cash flows;

- Its contractual terms generate, on specific dates, cash flows only related to the payment of principal and interest on outstanding principal value;

- A debt instrument is measured at FVTOCI if it meets both conditions below and is not designated as measured at FVTPL;

  - It is maintained within a business model whose purpose is achieved by both the receipt of contractual cash flows and the sale of financial assets; and

  - Its contractual terms generate, on specific dates, cash flows which are only payments of principal and interest on outstanding principal value.

In the initial recognition of an investment in an equity instrument not held for trading, the Company and its subsidiaries may irrevocably choose to present subsequent changes in the fair value of the investment in OCI. This choice is made on an investment basis.

All financial assets not classified as measured at amortized cost as described above or at FVTOCI, are classified as FVTPL. This includes all derivative financial assets (see Note 16). At initial recognition, the Company and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as FVTOCI, as FVTPL if it eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Evaluation of business model
The Company and its subsidiaries and its subsidiaries carry out an evaluation of the purpose of the business in which a financial asset is held in the portfolio, since this better reflects the way in which the business is managed and the information is provided to management. The information considered includes:

- The policies and goals established for the portfolio and practical operation of these policies. They include the question of whether management's strategy focuses on obtaining contractual interest revenues, maintaining a certain interest rate profile, matching the duration of financial assets with the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets;

- How the performance of the portfolio is evaluated and reported to the management of the Company and its subsidiaries;

- Risks that affect the performance of the business model (and the financial assets held in that business model) and the way those risks are managed;

- How business managers are remunerated - for example, if the remuneration is based on the performance of managed assets or in contractual cash flows obtained; and

- The sales rate, volume and timing of sales of financial assets in prior periods, the reasons for such sales and future sales expectations.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, which is consistent with the ongoing recognition of the assets of the Company and its subsidiaries.

Financial assets that are held for trading or are managed and whose performance is evaluated on fair value basis are measured at fair value through profit or loss (FVTPL).

Financial assets - evaluation whether the contractual cash flows represent solely payments of principal and interest:
For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as for a profit margin.

The Company considers the contractual terms of the instruments to assess whether the contractual cash flows are solely payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making this evaluation, the Company and its subsidiaries consider the following:

- Contingent events that change the amount or timing of cash flows;
- Terms that may adjust the contractual rate, including variable rates;
- The prepayment and the extension of the term; and
- The terms that limit the access of the Company and its subsidiaries to cash flows of specific assets (for example, based on the performance of an asset).

The prepayment is consistent with the principal and interest payment criterion if the prepayment amount mostly represents the unpaid principal and interest amounts on the outstanding principal value - which may include an additional reasonable offset due to the early termination of the contract. In addition, in relation to a financial asset acquired at a lower or higher value than contract's nominal value, permission or requirement of pre-payment at an amount that represents contract nominal value plus accumulated (but not paid) contract interest (which may also include fair additional remuneration for early termination of contract) are treated as consistent with this criterion if prepayment fair value is immaterial at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net income (loss), plus interest or dividend revenue, is recognized in income (loss).
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest revenue, foreign exchange gains and impairment losses are recognized in income (loss). Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities were classified as measured as amortized cost or at FVTPL. A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, if it is a derivative or assigned as such in initial recognition. Financial liabilities measured at FVTPL are measured at fair value and net income (loss), plus interest, is recognized in income (loss). Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in income (loss).

(iii) *Derecognition*

Financial assets
The Company and its subsidiaries derecognize a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company and its subsidiaries transfer the contractual rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and rewards of ownership of the financial asset are transferred or in which the Company nor transfers or maintain all ownership risks and rewards of the financial assets and also does not hold the control over the financial asset.

The Company and its subsidiaries carry out transactions in which it transfers assets recognized in the balance sheet, but retains all or substantially all risks and rewards of the assets transferred. In such cases, financial assets are not derecognized.
Financial liabilities
The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged or canceled or expire. The Company and its subsidiaries also derecognize a financial liability when terms are modified, and the cash flows of the modified liability are substantially different if a new financial liability based on the terms changed is recognized at fair value.

In the derecognition of a financial liability, the difference between the book value and the consideration paid (including assets transferred that do not pass through the cash or assumed liabilities) is recognized in the profit or loss.

(iv) *Offset*
Financial assets and liabilities are offset and the net value reported in the balance sheet only when the Company and its subsidiaries have a legally exercisable right to offset and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(v) *Derivative financial instruments*

The Company holds derivative financial instruments, such as forward currency contracts, commodity forward and swap contracts to hedge its exposure to risks of foreign currency change, interest rate and commodities' prices.

Embedded derivatives are separated from the host contracts and separately recorded when the host contract is not a financial asset and certain criteria are met. The Company evaluated its contracts and did not identify the existence of embedded derivatives.

Derivative financial instruments designated in a hedging transaction are initially measured at fair value. After the initial recognition, derivatives are measured at fair value and changes are recorded in Company's financial income (loss). They are presented as financial assets when the fair value of the instrument is positive; and as financial liabilities when the fair value is negative.

l. Capital – Individual

Common shares
Additional costs directly attributable to the issuance of shares are recognized as reducers of shareholders' equity as CPC 08/IAS 32. Effects from taxes related to these transactions' costs are accounted for in accordance with (CPC 32) /IAS 12 - Income taxes.

Due to the Company's IPO and the negotiations carried out on February 9, 2021 and March 12, 2021 as mentioned in Note 1, the Company's capital was changed as follows:

Traded shares	66,597,591
Share value	8.30
Total traded	R$ 552,760
Share issuance costs	R$ 32,921
Net effect in Company's shareholders' equity	R$ 519,839

Dividends
The Company's bylaws determines a percentage higher than 25% of net income adjusted under the terms of law related to payment of minimum mandatory dividends.

m. Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets
The Company and its subsidiaries recognize the contractual terms for estimated credit losses regarding:

- Financial assets measured at amortized cost;

The Company measures the provision for expected losses in an amount equal to expected credit loss for the whole life. When determining if the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Company and its subsidiaries consider reasonable and tolerable information that is relevant and available without excessive cost or effort. This includes quantitative and qualitative information and analysis, based on the historical experience of the Company and its subsidiaries, credit assessment, and considering forward-looking information.

The Company and its subsidiaries assume that the credit risk in a financial asset increases significantly if it is more than 30 days overdue.

The Company and its subsidiaries consider a financial asset in default when:

- It is very unlikely that the debtor will fully pay its credit obligations to the Company and its subsidiaries, without having to resort to actions like the realization of guarantee (if any); or

- The financial asset referring to a client who is in financial difficulties.

Credit-impaired financial assets
On each balance sheet date, the Company assesses whether the financial assets accounted for at amortized cost and the debt securities measured through other comprehensive income are experiencing recovery problems. A financial asset has “recovery problems” when one or more events with a negative impact on the estimated future cash flows of the financial asset occur. Objective evidence that financial assets had recovery problems includes the following observable data:

- Significant financial difficulties of the issuer or borrower;
- Breach of covenants, such as delinquency or late payments;
- Restructuring of an amount due to the Company and its subsidiaries under terms that would not be accepted in normal conditions;
- The probability that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Presentation of provision for expected credit losses in the balance sheet
Provision for losses for financial assets measured at amortized cost are deducted from the gross book value of assets.

For debt instruments measured at FVTOCI, the provision for losses is debited to the result and recognized in other comprehensive income.

Write-off
The gross book value of a financial asset is written off when the Company and its subsidiaries have no reasonable expectation of recovering the financial asset in full or in part. With respect to individual clients, the Company and its subsidiaries assess, on an individual basis, the time and amount of write-off based on the existence or not of reasonable expectation of recovery. The Company does not expect any significant recovery of amount written-off. However, financial assets written off may still be subject to credit collection, in compliance with procedures for the recovery of the amounts due.

(ii) Non-financial assets
The book values of the non-financial assets of the Company and its subsidiaries, except for biological assets, investment property, inventories, biological assets and deferred tax assets are reviewed at each balance sheet date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

For impairment tests, assets are grouped into the cash generating units (CGUs), that is, smallest identifiable group of assets that can generate cash inflows by continuous use, which are highly independent from cash inflows referring to other assets or cash generating units.

Recoverable value or CGU of an asset is the higher of value in use and fair value less selling costs. Value in use is based on estimated future cash flows discounted to present value using a discount rate before taxes that reflects current market evaluations of times value of money and the specific risks of the assets or CGU.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value.

Impairment losses are recognized in profit or loss. Recognized losses referring to CGUs are initially allocated to reduce any goodwill allocated to that CGU (or CGU group) and then to reduce the book value of other assets of that CGU (or CGU group) on a pro rata basis.

Regarding other assets, impairment losses are reversed only with the condition that the new book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

n. Provisions

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation.

The Company recognizes provision for labor, environmental, civil and tax claims. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of internal and external attorneys. Such provisions are reviewed and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions. For further details, see Note 14.

o. Suppliers

Trade accounts payable are obligations due for assets or services acquired in the normal course of businesses. They are initially recognized at fair value and, subsequently, measured at amortized cost using the effective interest rate method. In practice, they are usually recognized at the amount of the related invoice, adjusted at present value when applicable.

p. Leases

The Company applied CPC 06(R2) /IFRS 16 using the modified retrospective approach; therefore, comparative information was not presented and continues to be reported pursuant to CPC 06(R1) and IFRIC 4 (ICPC 03). The details of accounting policies in accordance with CPC 06(R1) /IFRS 16 and IFRIC 4 (ICPC 03) are disclosed separately.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease.

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company follows the definition of lease under CPC 06(R2) /IFRS 16 to assess whether an agreement transfer the right to control the use of an identified asset.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration of the contract to each lease component on the basis of its relative stand-alone prices. However, for leases of real estate, the Company has chosen to not separate non-lease components and lease and non-lease components are calculated as a single component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the value of initial measurement of the lease liability adjusted to any lease payments made to the initial date, plus any initial direct costs incurred by the lessee and an estimate of the costs to be incurred by the lessee to disassemble and remove the underlying asset, by returning it to the place where it is located or returning the underlying asset to the state required under the lease terms and conditions, less any lease incentives received accordingly.

The right-of-use asset is subsequently depreciated using the straight-line method from the start date to the end of the lease term, unless the lease transfers ownership of underlying asset to the lessee at the end of lease term, or if the cost of the right-of-use asset reflects that the lessee will exercise the call option. In this case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as that of property, plant and equipment. Moreover, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental loan rate. Generally, the Company uses its incremental loan rate as the discount rate.

The Company determines its incremental loan rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased.

Lease payments included in the measurement of lease liability comprise the following:

- fixed payments, including initial fixed payments;
- variable lease payments based on an index or rate, initially measured based on the index or rate at the initial date;
- amounts expected to be paid by the lessee, in accordance with the residual value guarantees; and
- the call option strike price if the lessee is reasonably certain to exercise such option, and payments of fines due to termination of the lease agreement, if the term of the lease reflects the fact that the lessee is exercising their option to terminate the lease agreement.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amounts expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is thus remeasured, an adjustment corresponding to the book value of the right-of-use asset is made or recorded in income (loss) if the right-of-use asset is reduced to zero.

Low-value asset leases

The Company opted not to recognize the assets of right-of-use and the lease liabilities for low-value lease assets and short-term lease, including IT equipment. The Company recognizes payments of those leases as straight-line method expense during the lease term.

q. Measurement of fair value

Fair value is the price that would be received upon the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company and its subsidiaries have access on such date. The fair value of a liability reflects its risk of non-performance. Non-compliance risk includes the own credit risk of the Company and its subsidiaries, among others.

A series of accounting policies and disclosures of the Company and its subsidiaries requires the measurement of fair value, for financial and non-financial assets and liabilities. (See Note 2.6).

When available, the Company and its subsidiaries measure the fair value of a security using the price quoted on an active market for such securities. A market is considered as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no price quoted on an active market, the Company and its subsidiaries use valuation techniques that maximize the use of relevant observable data and minimize the use of unobservable data. The chosen valuation technique incorporates all the factors market participants would take into account when pricing a transaction.

If an asset or a liability measured at fair value has a purchase price and a selling price, the Company and its subsidiaries measure assets based on purchase prices and liabilities based on selling prices.

The best evidence of the fair value of a financial instrument upon initial recognition is usually the transaction price – i.e., the fair value of the consideration given or received. If the Company and its subsidiaries determine that the fair value at initial recognition differs from the transaction price and the fair value is not evidenced by a price quoted on an active market for an identical asset or liability or based on an evaluation technique for which any non-observable data are judged to be insignificant in relation to measurement, then the financial instrument is initially measured at fair value adjusted to defer the difference between the fair value at the initial recognition and the transaction price. This difference is subsequently recognized in income (loss) on an appropriate basis over the life of the instrument, or until such time when its valuation is fully supported by observable market data or the transaction is closed, whichever comes first.

r. Loan transaction costs

Transaction costs directly related to loans and financing, in accordance with CPC 08/IAS 32, are initially recognized as a liability reduction. Subsequently, they are appropriated to the Company's financial income (loss) according to the term of the financing agreement to which it is related, so that the financial charges reflect the actual cost of the financial instrument and not only the contractual interest rate of the instrument.

s. Earnings per share

In accordance with CPC 41/IAS 33, the Company presents the basic and diluted earnings assigned to the holders of the Company's common shares.

Basic and diluted earnings per share are calculated by dividing the Company's profit for the year from continued operations (excluding profit from discontinued operations) by the weighted average number of common shares held by shareholders during the period.

The weighted average number of total common shares held by shareholders (outstanding) during the period is the number of total common shares held by shareholders at the beginning of the period, adjusted by the number of common shares repurchased or issued during the period and multiplied by the time weighting factor. The time weighting factor is the number of days that the total shares, except treasury shares, are with the shareholders as a proportion of the total number of days in the period.

t. Segment reporting

An operating segment is a component of the Company and its subsidiaries. It performs business activities from which it can obtain revenues while incurring in expenses, including revenues and expenses with transactions with other components of the Company and its subsidiaries. All operating results are often reviewed by the Executive Board for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance for which individual financial information is available.

Segment reporting, pursuant to CPC 22/IFRS 8, is presented in Note 25.

2.8 New standards and interpretations not yet effective

Several new standards will become effective for the years started after January 1, 2020 (April 1, 2020 for the Company). The Company did not adopt these changes for preparation of these financial statements.

The following changed standards and interpretations should not have a significant impact on the financial statements of the Company and its subsidiaries.

Onerous Contracts – Cost of Fulfilling a Contract (amendments to CPC 25/IAS 37)
These amendments specify which costs an entity must include to determine the cost of fulfilling a contract to assess if the contract is onerous. The amendments apply to annual periods beginning on or after January 01, 2022 for existing contracts, on the date such changes are adopted for the first time. On the date of initial application, the cumulative effect of applying the changes is recognized as an adjustment to the opening balance in retained earnings or other components of shareholders' equity, as appropriate. The comparisons are not restated.

Interest Rate Benchmark Reform - Phase 2 (amendments to CPC 48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7, CPC 11/IFRS 4 and CPC 06/IFRS 16)

These amendments address issues that may affect financial statements as a result of Interest Rate Benchmark Reform, including effects of changes in contractual cash flows or hedge relations arising from replacement of reference interest rate by an alternative benchmark rate. The amendments provide practical expedient for certain requirements of standards CPC 48/IFRS 9, CPC 38/IAS 39, CPC 40/IFRS 7, CPC 11/IFRS 4 and CPC 06/IFRS 16, related to the following:

- Changes in the basis for determining the contractual cash flows of financial assets, financial liabilities, and lease liabilities; and

- Hedge accounting.

(i) Change in the basis for determining cash flows
The changes will require an entity to record changes in the basis for determining the contractual cash flows of a financial asset or financial liability, required according to the reference interest rate reform, by updating the effective interest rate of the financial asset or financial liability.

As of March 31, 2021, the Company has bank loans bearing interests at LIBOR rates that will be subject to LIBOR reform. The Company has no reference to what rate the current loans will be changed.

(iii) Disclosure
The changes will require the Company to disclose additional information about the Company's exposure to risks arising from the reference interest rate reform and related risk management activities.

(iv) Transition
The Company plans to apply the amendments as of the adoption of the new benchmark interest rate by creditor institutions that use Libor as an indexing rate in their contracts. The application of these changes will have no impact on the amounts reported for 2020 or previous years.

3 Cash and cash equivalents

	Individual		**Consolidated**	
	2021	**2020**	**2021**	**2020**
Cash and banks	76,716	22,099	76,718	22,132
Banks with related parties (a) (Note 24)	2,858	3,622	4,347	5,562
Interbank funds applied (b)	1,033,588	356,579	1,041,084	350,520
Interest earning bank deposits with immediate settlement with related (a) and (c) (Note 24)	65,138	543	71,951	10,868
	1,178,300	382,843	1,194,100	389,082

The Company and its subsidiaries consider as cash and cash equivalents, the balances of check accounts and interest earning bank deposits maturing in less than 90 days, promptly convertible into a known amount of cash and significant risk of value change.

(a) Balance corresponding to checking account and interest earning bank deposits granted to the Company, remunerated at market rates of Banco Coopercred - Credit Cooperative of which the Company is a shareholder

(b) Highly liquid short-term interest earning bank deposits are promptly convertible into a known sum of cash and subject to an insignificant risk of change of value. These investments substantially refer to Deposit Bank Certificates (CDB) and Cooperative receipts of deposit (RDC), indexed to a market rate based on a percentage change from 90% to 113% (from 98% to 108.5% in 2020) of the Interbank Deposit Certificate (CDI).

(c) These investments have the same characteristics as the investments commented on in item (a) above and mainly refer to Cooperative receipts of deposit (RDC) indexed to 98% of the Interbank Deposit Certificate (CDI) in 2021 and 2020.

The Company's exposure to credit risks, interest rate and sensitivity analysis related to cash and cash equivalents is disclosed in note 16.

4 Restricted cash

		Individual		**Consolidated**
	2021	**2020**	**2021**	**2020**
Fomentar (b)	94	1,512	94	1,512
Special savings bonds	1,591	1,439	1,591	1,439
Interest earning bank deposits (a)	22,969	29,055	26,635	43,231
	24,654	32,006	28,320	46,182
Current	22,969	29,055	26,635	29,923
Non-current	1,685	2,951	1,685	16,259

(a) These refer to investments in CDBs, with an average yield 82.7% of CDI in 2021 (93% of CDI in 2020). The amounts were released in reais and are not subject to material changes in value.

(b) Amount invested for 10% of the tax incentive obtained. According to the Fomentar rules, the amount invested can only be used for early settlement of the tax due.

Under some long-term loan agreements, the Company is required to maintain a separate bank account for the collection of accounts receivable, which are released on the following business day, subject to the creditor's approval (bank accounts linked to financing). The cash held in the separate bank account was classified as restricted cash in the balance sheet.

The purpose of the restricted cash is to guarantee loans and financing, whose operations are normally settled in a period longer than 90 days.

5 Accounts receivable and other receivables

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Accounts receivable	44,920	41,544	44,920	41,702
Accounts receivable – Related parties (Note 24)	18	226	18	183
	44,938	41,770	44,938	41,885
Other receivables - Related parties (Note 24)	-	2,272	-	2,180
Other receivables	17	3,912	17	3,912
Provision for expected credit losses	(8,432)	(764)	(8,432)	(764)
	(8,415)	5,420	(8,415)	5,328
	36,523	47,190	36,523	47,213
Current	36,523	43,918	36,523	44,034
Non-current	-	3,272	-	3,179

The exposure of the Company to analysis and currency risks and a sensitivity analysis of financial assets and liabilities are disclosed in Note 16.

Balance of accounts receivable by maturity date is presented as follows:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Falling due	35,824	37,586	35,824	37,701
Overdue (days):				
01–30	1,671	3,266	1,671	3,266
31–60	81	85	81	85
61–90	8	-	8	-
91–180	156	69	156	69
181–360	3,448	53	3,448	53
>360	3,750	711	3,750	711
	44,938	41,770	44,938	41,885

Provision for estimated loss for doubtful accounts is considered sufficient by Management to cover possible losses on amounts receivable; changes are as follows:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Opening balance	(764)	(552)	(764)	(552)
Estimated loss	(7,797)	(216)	(7,797)	(216)
Write-off	129	4	129	4
	(8,432)	(764)	(8,432)	(764)

6 Inventories

	Individual		Consolidated	
	2021	2020	2021	2020
Sugar	20,557	35,265	20,557	35,265
Ethanol	17,867	10,456	17,867	10,456
Other finished goods	1,585	946	1,585	946
Decarbonization credits – CBIOS (*)	3,587	-	3,587	-
Work in process	174	211	174	211
Warehouse items	35,144	25,383	35,144	25,387
Other	-	-	-	6
Other – Related parties (Note 24)	52	60	52	63
Estimated loss with low-turnover inventories	(2,345)	(2,450)	(2,345)	(2,450)
	76,621	69,871	76,621	69,884

(*) RenovaBio – Cbios: As of March 31, 2021, the Company had 108,487 Cbios issued and not traded yet. During the crop, 153,941 Cbios were sold, classified in other revenues. The sale of these securities, after their bookkeeping, occurs mainly with fuel distributors, which have acquisition targets established by RenovaBio.
Established by Law 13576/2017, RenovaBio is the National Biofuels Policy. Its main instrument is the establishment of annual national decarbonization targets for the fuel sector to encourage production increase and participation of biofuels in Brazil's transport energy matrix.
Fuel distributors must prove compliance with individual mandatory targets through the purchase of Decarbonization Credits (CBIO), traded on the stock exchange, derived from the certification of the biofuel production process based on the respective efficiency levels achieved in relation to their emissions.

Inventories are measured by the average acquisition or production cost and do not exceed the net realization value.

A provision has been established for certain warehouse items regarded as slow-moving. The changes in said losses are as follows:

	Individual		Consolidated	
	2021	2020	2021	2020
Opening balance	(2,450)	(2,269)	(2,450)	(2,269)
Estimated loss	(1,392)	(855)	(1,392)	(855)
Reversal and write-off	1,497	674	1,497	674
	(2,345)	(2,450)	(2,345)	(2,450)

7 Recoverable taxes and contributions

	Individual		Consolidated	
	2021	2020	2021	2020
PIS and COFINS (a)	36,424	67,255	36,424	67,255
ICMS (b)	5,147	5,402	5,147	5,402
IPI	1,434	1,006	1,434	1,006
INSS	-	14	-	14
ISS	1	1	1	3
	43,006	73,678	43,006	73,680
Current	36,494	39,323	36,494	39,325
Non-current	6,512	34,355	6,512	34,355

(a) The balance comprises credits arising from the non-cumulative collection of PIS and COFINS on purchases of inputs, parts used to perform maintenance on the manufacturing facilities and agricultural fleet, maintenance services provided at the manufacturing and agricultural facilities, freight and storage related to sales transactions and electric power, as well as other credits arising from purchases of machinery and equipment, buildings and constructions to be used in production. These credits may be compensated with other federal taxes.

(b) The balance is mainly comprised of granted credit calculated in the trading of anhydrous ethanol (IN No. 493/01-GSF, dated July 6, 2001) and credits calculated on acquisition operations of property, plant and equipment items, realized at the rate of 1/48, and may be offset against taxes of the same nature.

8 Investments

The Company recorded a gain of R$ 27,086 as of March 31, 2021 (R$ 20,888 in 2020) from the equity in net income of its subsidiaries and associated companies, and a gain of R$ 11,126 in the consolidated as of March 31, 2021 (R$ 8,660 in 2020). None of the companies stated through the equity accounting method have shares traded in stock exchanges.

The table below provides summarized financial information on the subsidiaries and associated companies:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Investment in subsidiaries and investee companies evaluated under the equity method				
Jalles Machado Empreendimentos Imobiliários S.A.	74,090	77,761	-	-
Albioma Codora Energia S.A.	70,094	66,287	70,094	66,287
Albioma Esplanada Energia S.A.	31,460	28,090	31,460	28,090
Goiás Látex S.A.	-	7,865	-	-
Esplanada Bioenergia S.A.	(110)	(91)	-	-
	175,534	179,912	101,554	94,377
Other investments (d)	4	37,282	374	37,863
	175,538	217,194	101,928	132,240

* As of December 31, 2020 Goiás Látex S.A. is no longer an investment of the Company, due to the structural organization process carried out on this date, according to note 1.

a. Changes in the balances of investments in subsidiaries and associated company

	Individual	Consolidated
Balance at March 31, 2019	**144,345**	**85,717**
Equity in net income of subsidiaries	20,888	8,660
Advances for future capital increase	24,499	-
Minimum dividends proposed	(9,820)	-
Balance at March 31, 2020	179,912	94,377
Equity in net income of subsidiaries	27,086	11,126
Capital decrease in investee	(2,390)	(2,390)
Dividends proposed during meeting	(20,674)	(1,559)
Write-off of investment due to spin-off	(8,400)	-
Balance at March 31, 2021	175,534	101,554

b. Information from investee companies

The charts below present a summary of the subsidiaries' and associated company's financial information.

	Interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Shareholders' equity
2021								
Albioma Codora Energia S.A. (Associated Company)	35.00%	36,909	87,132	124,041	20,964	12,672	33,636	90,405
Albioma Esplanada S.A. (Associated Company)	40.00%	29,739	69,396	99,135	20,315	41,681	61,996	37,139
Jalles Machado Empreend. Imob. S.A.	99.99%	21,736	69,811	91,547	17,457	-	17,457	74,090
Esplanada Bioenergia S.A.	99.99%	16	3	19	-	127	127	(108)
		88,400	226,342	314,742	58,736	54,480	113,216	201,526

	Interest	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Shareholders' equity
2020								
Albioma Codora Energia S.A. (Associated Company)	35.00%	30,983	90,815	121,798	18,429	23,841	42,270	79,528
Albioma Esplanada S.A. (Associated Company)	40.00%	18,762	71,483	90,245	12,004	49,528	61,532	28,713
Goiás Látex S.A.	99.99%	688	7,583	8,271	406	-	406	7,865
Jalles Machado Empreend. Imob. S.A.	99.99%	9,001	90,517	99,518	19,220	2,537	21,757	77,761
Esplanada Bioenergia S.A.	99.99%	-	3	3	-	94	94	(91)
		59,434	260,401	319,835	50,059	76,000	126,059	193,776

2021	**Interest**	**Revenues**	**Expenses**	**Income (loss)**	**Equity in net income of subsidiaries**
Albioma Codora Energia S.A.	35.00%	52,096	(34,391)	17,705	6,197
Albioma Esplanada S.A.	40.00%	44,782	(32,458)	12,324	4,929
Goiás Látex S.A*	99.99%	1,710	(1,173)	537	533
Jalles Machado Empreend. Imob. S.A.	99.99%	26,205	(10,759)	15,446	15,444
Esplanada Bioenergia S.A.	99.99%	-	(17)	(17)	(17)
		124,793	(78,798)	45,995	27,086

2020	**Interest**	**Revenues**	**Expenses**	**Income (loss)**	**Equity in net income of subsidiaries**
Albioma Codora Energia S.A.	35.00%	51,872	(37,136)	14,736	**5,158**
Albioma Esplanada S.A.	40.00%	27,428	(18,672)	8,756	3,502
Goiás Látex S.A.	99.99%	2,742	(2,917)	(175)	(175)
Jalles Machado Empreend. Imob. S.A.	99.99%	24,782	(12,353)	12,429	12,425
Esplanada Bioenergia S.A.	99.99%	-	(22)	(22)	(22)
		106,824	(71,100)	35,724	20,888

* As of December 31, 2020 Goiás Látex S.A. is no longer an investment of the Company, due to the structural organization process carried out on this date, according to note 1. The equity income (loss) of Goiás Látex S.A. recognized in these financial statements represents the period between April and December 2020.

c. Dividends receivable

Dividends receivable	**Goiás Látex S.A.**	**Jalles Machado Empreend. Imob. S.A.**	**Albioma Esplanada Energia S.A.**	**Total**
2019	**87**	**2,087**	**-**	**2,174**
Dividends receivable	868	8,952	-	9,820
Receipts of dividends	(955)	(2,087)	-	(3,042)
2020	**-**	**8,952**	**-**	**8,952**
Dividends receivable	-	19,114	1,559	20,673
Receipts of dividends	-	(14,000)	(1,559)	(15,559)
2021	**-**	**14,066**	**-**	**14,066**

d. Data on other investments

The Company has interests in other investments valued at cost. As of March 31, 2021 and 2020, these interests are shown in the following charts:

	Individual		Consolidated	
Investments in other companies stated at cost	**2021**	**2020**	**2021**	**2020**
Cooperativa de Crédito Rural dos Plantadores de Cana do Vale do São Patrício Ltda. - Coopercred (1)	4	13,947	374	14,528
Rádio Sociedade Vera Cruz Ltda.	-	608	-	608
	4	14,555	374	15,136
Interest in other companies valued at fair value				
CTC - Centro de Tecnologia Canavieira S.A. (2)	-	22,727	-	22,727
	-	22,727	-	22,727
Total other investments	4	37,282	374	37,863

(1) According to note 1, as of December 31, 2020, the Company's investments in the investee were written-off by means of a spin-off, with only the quotas required to maintain the relationship with Cooperativa de Crédito Rural dos Plantadores de Cana do Vale do São Patrício Ltda. – Coopercred remaining.

(2) As of March 31, 2021, the Company did not hold an interest in CTC - Centro de Tecnologia Canavieira S.A. (cost of R$ 2,312 and fair value, R$ 20,415, which refers to 8,215 common shares with voting rights, accounting for 1.0746% of the investee's total capital as of March 31, 2020). As of December 31, 2020, the Company's investments in CTC – Centro de Tecnologia Canavieira S.A. were written-off by means of a spin-off, according to note 1.

e. Restatement of investments at fair value

Fair value is the price that would be received upon the sale of an asset in an orderly transaction between market participants at the measurement date, on the primary market or, in the absence thereof, on the most advantageous market to which the Company and its subsidiaries have access on such date.

9 Property, plant and equipment

Individual	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Works in progress (a)	Furniture, equipment and fixtures	Aircraft	Other fixed assets	Sugarcane plantation	Maintenance cost	Land	Total
Balance at March 31, 2019	**87,678**	**383,720**	**48,429**	**54,601**	**22,790**	**8,729**	**8,942**	**503,920**	**72,422**	**70,954**	**1,262,185**
Acquisitions of the period	-	17,580	9,300	36,812	4,077	-	529	98,338	81,334	-	247,970
Write-offs	-	(3,897)	(1,705)	(87)	(54)	-	(1,023)	(98,154)	(79,536)	-	(184,456)
Transfers	21,559	44,409	1,053	(71,033)	4,738	-	(726)	-	-	-	-
Balance at March 31, 2020	**109,237**	**441,812**	**57,077**	**20,293**	**31,551**	**8,729**	**7,722**	**504,104**	**74,220**	**70,954**	**1,325,699**
Acquisitions of the period	-	12,682	3,884	31,319	4,243		4,424	95,404	93,655	292	245,903
Write-offs	-	(9,829)	(2,335)	(42)	(36)		(1,508)	(72,563)	(76,001)	-	(162,314)
Write-off for spin-off	(4,892)	-	-	-	-	-	-	-	-	(69,445)	(74,337)
Transfers	5,401	20,973	51	(29,090)	2,855		(190)	-	-	-	-
Balance at March 31, 2021	**109,746**	**465,638**	**58,677**	**22,480**	**38,613**	**8,729**	**10,448**	**526,945**	**91,874**	**1,801**	**1,334,951**
Depreciation											
Balance at March 31, 2019	**(14,323)**	**(153,186)**	**(22,264)**	**-**	**(8,231)**	**(311)**	**(4,849)**	**(180,260)**	**-**	**-**	**(383,424)**
Depreciations of the period	(2,231)	(23,883)	(3,619)	-	(2,396)	(414)	(568)	(85,705)	(79,536)	-	(198,352)
Write-offs	-	2,678	888	-	33		387	98,154	79,536	-	181,676
Balance at March 31, 2020	**(16,554)**	**(174,391)**	**(24,995)**	**-**	**(10,594)**	**(725)**	**(5,030)**	**(167,811)**	**-**	**-**	**(400,100)**
Depreciations of the period	(2,493)	(25,706)	(4,273)	-		(311)	(3,807)	(90,729)	(81,717)	-	(209,036)
Write-offs	-	5,536	1,608	-			581	72,471	76,001	-	156,197
Write-off for spin-off	1,065	-	-	-		-	-	-	-	-	**1,065**
Balance at March 31, 2021	**(17,982)**	**(194,561)**	**(27,660)**	**-**	**(10,594)**	**(1,036)**	**(8,256)**	**(186,069)**	**(5,716)**	**-**	**(451,874)**
Net book value											
March 31, 2020	92,683	267,421	32,082	20,293	20,957	8,004	2,692	336,293	74,220	70,954	925,599
March 31, 2021	91,764	271,077	31,017	22,480	28,019	7,693	2,192	340,876	86,158	1,801	883,077

Consolidated	Buildings	Machinery, equipment and facilities	Vehicles and semi-trailers	Works in progress (a)	Furniture, equipment and fixtures	Aircraft	Other fixed assets	Plantations	Maintenance cost	Land	Total
Cost and deemed cost											
Balance at March 31, 2019	**119,971**	**490,137**	**48,430**	**54,610**	**22,953**	**8,729**	**8,940**	**510,628**	**72,422**	**73,102**	**1,409,922**
Acquisitions of the period	-	17,583	9,300	36,812	4,092		532	98,338	81,334	-	247,991
Write-offs	-	(3,897)	(1,705)	(78)	(54)		(1,032)	(98,154)	(79,536)	-	(184,456)
Transfers	21,559	44,409	1,053	(71,042)	4,738		(717)	-	-	-	-
Balance at March 31, 2020	**141,530**	**548,232**	**57,078**	**20,302**	**31,729**	**8,729**	**7,723**	**510,812**	**74,220**	**73,102**	**1,473,457**
Acquisitions of the period	-	12,682	3,884	31,319	4,243		4,424	95,404	93,655	292	245,903
Write-offs	-	(9,829)	(2,335)	(42)	(37)		(1,508)	(72,563)	(76,001)	-	(162,315)
Write-off for spin-off	(4,904)	(88)	-	(10)	(179)	-	(3)	(6,709)	-	(71,225)	(83,118)
Transfers	5,401	20,973	51	(29,090)	2,855		(190)	-	-	-	-
Balance at March 31, 2021	**142,027**	**571,970**	**58,678**	**22,479**	**38,611**	**8,729**	**10,446**	**526,944**	**91,874**	**2,169**	**1,473,927**
Depreciation											
Balance at March 31, 2019	**(20,487)**	**(201,798)**	**(22,265)**	**-**	**(9,651)**	**(289)**	**(3,487)**	**(181,346)**	**-**	**-**	(439,323)
Depreciations of the period	(3,061)	(30,469)	(3,619)	-	(2,411)	(414)	(568)	(85,920)	(79,536)	-	(205,998)
Write-offs	-	2,678	888	-	33		387	98,154	79,536	-	181,676
Balance at March 31, 2020	**(23,548)**	**(229,589)**	**(24,996)**	**-**	**(12,029)**	**(703)**	**(3,668)**	**(169,112)**	**-**	**-**	**(463,645)**
Depreciations of the period	(3,324)	(32,291)	(4,273)	-	(3,235)	(311)	(583)	(90,830)	(81,717)	-	(216,564)
Write-offs	-	5,536	1,608	-	22	-	560	72,471	76,001	-	156,198
Write-off for spin-off	1,068	66	-	-		-	64	1,405	-	-	2,603
Balance at March 31, 2021	**(25,804)**	**(256,278)**	**(27,661)**	**-**	**(15,242)**	**(1,014)**	**(3,627)**	**(186,066)**	**(5,716)**	**-**	**(521,408)**
Net book value											
March 31, 2020	117,982	318,643	32,082	20,302	19,700	8,026	4,055	341,700	74,220	73,102	1,009,812
March 31, 2021	116,223	315,692	31,017	22,479	23,369	7,715	6,819	340,878	86,158	2,169	952,519

(a) Works in progress refer mainly to investments in expansion and/or improvements in industrial and agricultural processes, facilities and storage structure for finished products.

As of March 31, 2021, the amount of R$ 326,081 (R$ 339,440 as of March 31, 2020) of property, plant and equipment of the Individual and Consolidated corresponds to agricultural machinery and equipment, vehicles, industrial machinery and equipment and properties pledged as collateral in bank financing transactions with financial institutions.

Impairment of cash generating units

During the years ended March 31, 2021 and 2020, the Company did not detect the existence of indicators that certain assets of this item may be above their recoverable values.

10 Biological assets

A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except for the cases where the fair value cannot be measured reliably.

The biological assets correspond to the agricultural products under development (uncut sugarcane) produced in the sugarcane crops (bearer plant), which will be used as raw material in the production of sugar and ethanol upon harvesting. These assets are measured at fair value less sales expenses.

The measurement at fair value of biological assets is classified as Level 3 – Assets and liabilities: which do not have prices or whose prices or evaluation techniques are based on a small or non-existent markets, non-observable or net.

The fair value of the harvested agricultural product is determined by the harvested amounts, measured at the CONSECANA value projected as of March 31, 2021, based on the deflated prices of sugar, ethanol and dollar futures extracted from current quotations on the Chicago and BM&F (B3).

The fair value of biological assets was determined using the discounted cash flow method, considering basically:

a. Cash inflows obtained by (i) multiplying estimated production measured in TRS (Total Recoverable Sugar) and (ii) by sugarcane futures market price, which is estimated based on forecasts and future estimated sugar and ethanol prices; and

b. Cash outflows represented by forecasts of required costs for biological transformation of sugarcane (crop treatment) until harvesting; harvesting/Cut, Load and Transportation (CCT) costs; cost of capital (land and machinery & equipment); agricultural lease and partnership costs; and taxes levied on positive cash flow.

All expenses related to obtaining the agricultural product derived from biological assets valued at fair value, net of sales costs, are considered an expense for the period when incurred. On the other hand, expenditures related to obtaining the agricultural product of biological assets valued at cost are also recorded as an asset at cost and recognized as an expense as soon as the agricultural product is sold and valued at fair value net of sales expenses. Expenses arising from the storage and maintenance of agricultural products are expenses for the year, as well as the changes in the net fair value of these products.

Main assumptions are used in the determination of such fair value:

	2021	**2020**
Estimated harvest area (hectares)	59,645	56,924
Expected productivity (tons of sugar cane/hectare)	92.75	97.26
Total recoverable sugar (TRS) (kg/ton of sugarcane)	130.69	136.41
TRS value/ kg	1.1112	0.7297

As of March 31, 2021, cash flows were discounted at 7.44% p.a. (7.35% p.a. in 2020) which is the WACC (Weighted Average Capital Cost) of the Company.

Based on estimated revenues and costs, the Company determines discounted cash flows to be generated and brings corresponding amounts to present value, considering a discount rate, compatible with investment remuneration under these circumstances. Changes in fair value are in “Biological Assets” caption and with contra-entry in sub-account “Change in biological assets' fair value’ in the income (loss) for the year.

Changes in biological assets in the year:

	Individual
Historical cost	130,640
Fair value	78,538
Balance at March 31, 2019	**209,178**
Increases arising from treatments	151,253
Decreases from harvest	(137,136)
Change in fair value	(36,668)
Balance at March 31, 2020	**186,627**
Increases arising from treatments	159,717
Decreases from harvest	(153,629)
Change in fair value	177,184
Balance at March 31, 2021	**369,899**
Comprised of:	
Historical cost	150,845
Fair value	219,054
Closing balance of biological assets	**369,899**

			Consolidated
	Sugarcane	**Rubber tree**	**Total**
Historical cost	130,640	238	130,878
Fair value	78,538	-	78,538
Balance at March 31, 2019	**209,178**	**238**	**209,416**
Increases arising from treatments	151,253	467	151,720
Decreases from harvest	(137,136)	(472)	(137,608)
Change in fair value	(36,668)	-	(36,668)
Balance at March 31, 2020	**186,627**	**233**	**186,860**
Increases arising from treatments	159,717	746	160,463
Decreases from harvest	(153,629)	(234)	(153,863)
Write-off by spin-off	-	(745)	(745)
Change in fair value*	177,184	-	177,184
Balance at March 31, 2021	**369,899**	**-**	**369,899**
Comprised of:			
Historical cost	150,845	-	150,845
Fair value	219,054	-	219,054
Closing balance of biological assets	**369,899**	**-**	**369,899**

* Due to the increase in the future prices of the products traded by the company, coupled with the appreciation of the US Dollar against the Real and a good productivity forecast for the next period, the fair value of biological assets recorded a significant variation compared to the previous period, when the future scenarios were not promising, mainly driven by the doubts caused by the beginning of the COVID-19 pandemic.

Fair value estimate could increase (decrease) if:

- Estimated TRS price were higher (lower);
- Estimated productivity (tons per hectare and TRS quantity) were higher (lower);
- If the discount rate were lower (higher)
- The future prices of the products traded were higher (lower)

Market risk management structure connected to agricultural activity

The Company is exposed to the following risks related to the plantations:

(i) Regulatory and environmental risks

The Company is subject to the laws and regulations applicable to the activities they carry out. Management established environmental policies and procedures for compliance with environmental laws and conducts periodic reviews to identify environmental risks and to ensure that their existing systems are sufficient to manage such risks.

(ii) Supply and demand risk

The Company is exposed to risks arising from sugar and ethanol sales price and volume fluctuations. Whenever possible, the Company manages these risks by aligning its production volume to market supply. Management conducts regular trend analyses to guarantee that operating strategies will be in line with market trends and ensure that estimated production volumes will be consistent with expected demand.

(iii) Climatic risks and others

The sugarcane planting operating activities are exposed to the risks of damage due to climate changes, pests and diseases, forest fires and other forces of nature. The Company has extensive processes in place that allocate resources for the follow up and mitigation of these risks, including regular inspections on sugarcane plantation.

Weather conditions may historically cause fluctuations in the sugar and alcohol industry and therefore in Company’s operating income, since they affect crops by means of increasing or reducing harvests. Moreover, Company’s businesses are subject to seasonal fluctuations determined by the sugar cane growth cycle in Brazil's Southeast region.

For more information on the Company and its subsidiaries' operating risk exposure, see note 16.

11 Loans and financing

This note provides information on contract terms of loans and financing bearing interest, which are measured at the amortized cost. For more information on the Company and its subsidiaries' exposure to interest, foreign currency and liquidity risks, see note 16.

					Individual		**Consolidated**	
Credit facility	**Index**	**Currency**	**Average nominal rate (p.a.) (a)**	**Year of maturity**	**2021**	**2020**	**2021**	**2020**
Working capital	FIXED/CDI/IPCA	R$	5.04%	2025	385,060	351,612	385,060	351,612
Capital market	IPCA/CDI	R$	12.13%	2026	458,957	424,049	461,503	436,148
Multilateral	CDI	R$	4.29%	2027	194,308	103,551	194,308	103,551
BNDES/Finame/Lease/CDC/FCO	FIXED/SELIC/TJLP/TX.JRSVAR	R$	7.16%	2030	114,612	122,405	114,612	122,405
Agricultural costing	FIXED/TJLP/SELIC	R$	5.41%	2021	15,730	15,246	15,730	15,246
Working capital	FIXED/LIBOR	USD	3.39%	2024	116,424	151,258	116,424	151,258
Multilateral	LIBOR	USD	2.81%	2027	149,956	122,996	149,956	122,996
Total					**1,435,047**	**1,291,117**	**1,437,593**	**1,303,216**
(-) Unamortized transaction costs					(16,877)	(17,741)	(16,880)	(17,806)
					1,418,170	1,273,376	1,420,713	1,285,410
Current					425,125	202,018	427,668	211,515
Non-current					993,045	1,071,358	993,045	1,073,895

(a) The average effective rate is calculated using the weighted average of financial expenses to be incurred by type and index of loan and financing contracts.

Schedule of debt amortization

Year of maturity	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
2020/21	-	202,018	-	211,515
2021/22	425,124	448,497	427,667	451,034
2022/23	289,707	213,734	289,707	213,734
2023/24	205,746	139,378	205,746	139,378
2024/25	116,775	65,158	116,775	65,158
2025/26	319,010	181,756	319,010	181,756
2026/27	29,382	9,936	29,382	9,936
2027/28	29,484	9,957	29,484	9,957
2028/29	1,259	1,259	1,259	1,259
2029/30	1,262	1,262	1,262	1,262
2030/31	421	421	421	421
	1,418,170	1,273,376	1,420,713	1,285,410

The following table presents the changes in loans and financing for the years ended March 31, 2021 and 2020:

	Individual		Consolidated	
Changes in debt	**2021**	**2020**	**2021**	**2020**
Previous balance	1,273,376	1,195,095	1,285,410	1,236,958
Funding financing	409,455	351,514	409,455	351,514
Amortization of principal	(312,628)	(353,409)	(322,160)	(382,615)
Amortization of interests	(66,614)	(92,357)	(67,032)	(94,961)
Accrued interest	82,022	88,743	82,420	90,372
Amortization of loan transaction costs	9,136	7,229	9,197	7,581
Exchange-rate change	23,423	76,561	23,423	76,561
	1,418,170	1,273,376	1,420,713	1,285,410

Information on the Company's assets pledged as collateral for loans and financing operations is disclosed in note 9.

The Company is subject to compliance with certain covenants that provide for the early maturity of loans and financing. In the event of non-compliance with obligations or an event of default in loan and financing agreements as a result of certain situations, among them, the early maturity of other agreements (cross-acceleration or cross-default), loans and financing linked to them may be considered overdue by the respective creditors.

12 Suppliers and other accounts payable

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Suppliers of assets and services	30,256	21,163	30,256	21,169
Suppliers of assets and services - Related parties (Note 24)	-	3,557	-	1,392
Suppliers of property, plant and equipment	3,002	8,551	3,002	8,551
Other accounts payable	10,161	7,047	10,287	7,073
	43,419	40,318	43,545	38,185
Current	42,992	38,894	42,992	36,761
Non-current	427	1,424	553	1,424

The information of the Company's exposure to liquidity risks related to suppliers and other accounts payable is disclosed in Note 16.

13 Net deferred tax

Deferred taxes on assets, liabilities and income were allocated as follows:

	2021		**2020**		**Shareholders' equity**		**Income (loss)**	
Individual and Consolidated	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**2021**	**2020**	**2021**	**2020**
Deemed cost – Property, plant and equipment	-	21,624	-	41,137	(18,664)	-	849	693
Fair value of biological assets	-	74,480	-	14,237	-	-	(60,243)	12,466
Deemed cost of sugarcane plantation	-	-	-	-	-	-	-	1,120
Incentivized accelerated depreciation	-	62,497	-	20,678	-	-	(41,819)	(7,355)
Depreciation recalculation - useful life	-	20,100	-	17,337	-	-	(2,763)	(3,591)
Adjustment to present value – Fomentar	-	4,003	-	2,913	-	-	(1,090)	(904)
Fair value of investments	-	18,719	-	25,661	(6,942)	-	-	-
Leases	136	-	-	1,079	-	-	1,215	(378)
Provision for contingencies	953	-	-	-	-	-	953	-
Fair value of CBIOS	-	1,050	-	-	-	-	(1,050)	-
Sub judice taxes settled and included in prior years, pending in the Taxable Income Computation Book (LALUR) required by the income tax regulation	-	4,726	-	-	-	-	(4,726)	-
Revenue recognition - CPC 47	1,985	-	-	-	-	-	1,985	-
On temporary provisions	5,043	-	2,214	-	-	-	2,829	(121)
Derivative instruments	46,203	-	1,702	-	-	-	44,501	784
Exchange-rate change	-		-	-			-	(702)
Tax loss from the income tax and social negative contribution basis	57,130	-	37,604	-	-	-	19,526	19,683
	111,450	**207,199**	**41,520**	**123,042**	**(25,606)**	**-**	**(39,833)**	**21,695**
Net deferred taxes		**95,749**		**81,522**				

The deferred income tax and social contribution are recognized to reflect future tax effects attributable to temporary differences between the tax bases of assets and liabilities and their book values.

Based on expected future taxable income generation, tax credits on tax losses from income tax, social contribution negative bases are recorded with no statutory limitation period and whose offset is limited to 30% of annual taxable income.

Income projections are regularly reviewed and deferred tax assets are revaluated in the event of relevant factors change their realization perspective.

The expected recoverability of the tax credits is based on the projections of future taxable income taking into consideration various business and financial assumptions at its preparation. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates projections.

The Company's Management, based on the budget approved, estimates that tax credits from temporary differences, tax losses and negative basis of social contribution will be realized as shown below:

Crop	**Losses to be offset**	**Unrealized IRPJ/CSLL**
2021/22	44,902	15,267
2022/23	63,876	21,718
2023/24	59,251	20,145
Total	**168,029**	**57,130**

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

	Individual		**Consolidated**	
Effective rate reconciliation	**2021**	**2020**	**2021**	**2020 Restated**
Income/loss before income tax and social contribution	210,282	54,829	212,809	57,939
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution at the combined statutory rates	(71,496)	(18,642)	(72,355)	(19,699)
Adjustments to determine the effective rate				
Adjustment in calculation of subsidiaries taxed at the presumed profit	-	-	3,224	2,278
Additions / Permanent exclusions	1,329	(1,608)	1,329	(1,608)
Distribution of dividends from grant reserve	(16,512)	-	(16,512)	-
Share issuance costs	11,193	-	11,193	-
Equity in net income of subsidiaries	9,209	7,102	3,783	2,945
Tax incentives	26,444	34,843	26,444	34,843
Income tax and social contribution in income for the year	(39,833)	21,695	(42,894)	18,759
Current income tax and social contribution	-	-	(3,061)	(2,936)
Deferred income tax and social contribution	(39,833)	21,695	(39,833)	21,695
Effective rate	-19%	40%	-20%	32%

14 Provision for contingencies

The Company and its subsidiaries are parties to lawsuits involving labor, environmental, civil and tax contingencies. To face future losses linked to those processes, a provision was recorded at an amount considered by the Company's management as sufficient to cover probable losses. The Company and its subsidiaries classify the risk of an unfavorable outcome in their lawsuits as "remote", "possible" or "probable". The likelihood of lawsuit losses and the determination of involved amounts was performed considering claimers' requests, previous court decisions on the matter, and the opinion of legal counsel of the Company and its subsidiaries. The main information of lawsuits are presented as follow:

	Individual and Consolidated			
	2021		2020	
	Judicial deposits	Provision	Judicial deposits	Provision
IPI (federal VAT) on crystal sugar – sub judice	14,290	14,290	3,792	3,792
Labor contingencies	892	3,538	1,092	2,311
PIS/COFINS/INSS and others	68,524	-	45,278	-
Other	3,460	5,791	2,042	1,751
	87,166	23,619	52,204	7,854

The changes in the balances of judicial deposits and provisions for contingencies for the year comprised by these financial statements were as follows:

Judicial deposits	Individual and Consolidated			
	2020	Additions	Reversals	2021
IPI (federal VAT) on Crystal Sugar	3,792	10,498	-	14,290
Labor	1,092	18	(218)	892
PIS/COFINS/ISS	45,278	23,246	-	68,524
Other	2,042	1,418	-	3,460
	52,204	35,180	(218)	87,166

Provisions for contingencies	Individual and Consolidated			
	2020	Additions	Reversals	2021
IPI (federal VAT) on Crystal Sugar	3,792	10,498	-	14,290
Labor	2,311	1,515	(288)	3,538
Other	1,751	4,040	-	5,791
	7,854	16,053	(288)	23,619

The Company's Management, based on information from its legal advisors, analysis of the pending legal proceedings, based on previous experience with regards to amounts claimed, management recorded provisions for amounts considered sufficient to cover possible losses from the current actions. The accrued amount consists of:

a. IPI (federal VAT) on crystal sugar – sub judice

Supported by preliminary injunctions obtained in a writ of mandamus, related to the crop seasons prior to the 2000/2001 crop season, the Company did not pay the Excise Tax (IPI) on sugar shipments, claiming that this taxation was unconstitutional based, among other aspects, on the violation of the principle of selectivity, provided for in Article 153, paragraph 3, item I of the Brazilian Federal Constitution.

As from May 2001, the Company has opted to pay the IPI amounts.

b. PIS/COFINS/ISS

Through a writ of mandamus, the Company is challenging the payment of the tax credit that represents the inclusion of ICMS (State VAT) in the calculation basis of PIS, FUNRURAL/PJ and COFINS, claiming that these funds do not qualify as own revenue, as established by Article 195, item I and Constitutional Amendment (EC) 20/1998, pursuant to Article 110 of the Brazilian Tax Code (CTN).

c. Unrecognized contingent liabilities

Unrecognized contingent liabilities not recognized in financial statements are civil and tax lawsuits, assessed as possible loss in the amount of R$ 21,753 as of March 31, 2021 for the individual and consolidated (R$ 30,476 as of March 31, 2020), for which no provision was recognized.

15 Shareholders' equity – Individual

Capital

On March 31, 2021, the Company's subscribed and paid-up capital is R$ 989,045 (R$ 456,200 in March 2020). It is represented by 294,697,091 common and nominative shares, with no par value, fully paid-up (456,199 in March 2020). Change in capital was as follows:

	Capital
Balances at March 31, 2020	456,200
Payment of reserves at 06/25/2020	59,400
Write-off due to spin-off on 12/31/2020	(46,394)
Capital increase	552,760
Expenses with issuance of shares	(32,921)
Balances at March 31, 2021	989,045

As of December 31, 2020, the Company’s shareholders authorized the stock split at the Extraordinary General Meeting in the proportion of 1 share for 500 new shares.

On February 4 and March 10, 2021, the Company issued, 61,835,749 and 4,761,842 new registered common shares with no par value, respectively.

Legal reserve

The legal reserve is set up at the rate of 5% of the net income determined in each financial year, pursuant to
article 193, Law No. 6,404/76, up to the limit of 20% of capital.

Tax incentives

Corresponds to the reserve that is recorded due to the tax incentive program. The benefit amount for a given year is recorded in the income (loss) for the year as a reduction in income tax with a corresponding reserve recorded in shareholders' equity. Under the incentive rules, tax incentives cannot be used to calculate or pay dividends. The amount of the incentives can only be used to increase the capital and is derived from the following incentives:

(a) Discount obtained through the early settlement of the financing agreement entered into with Fundo de Participação e Fomento à Industrialização do Estado de Goiás (FOMENTAR), which was the subject matter of a public offering, pursuant to Article 1, paragraph 1 of Law 13436/1998, dated December 13, 1998;

(b) Discount obtained from the Goiás State Industrial Development Program (PRODUZIR), according to Item VII, Article 20, Law 13591 of January 18, 2000.

(c) ICMS Credit granted on the sale of Anhydrous Ethanol Fuel, tax incentive granted by the Goiás State Government to companies included in the FOMENTAR or PRODUZIR programs, equivalent to 60% of the amount of ICMS as if it were owed on the operations of sales of Anhydrous Ethanol to distributors. The benefit is regulated by the State Law 13246/99, art. 3, II.

The Company sets up a “Tax Incentive Reserve” at the end of each year in which profit is calculated. The Company maintains parallel controls so that the corresponding amount of the reserve is capitalized to the extent that profits are determined in subsequent years, in accordance with Normative Instruction 1515/14, article 3, §3 and Law 12973/14, article 30, §3. As of March 31, 2021, there was no balance of the Tax Incentive Reserve, not established, (R$ 28,281 as of March 31, 2020).

Minimum mandatory dividends

The Company’s bylaws determines a percentage higher than 25% of income distributable to payment of compulsory minimum dividends. When due, minimum mandatory dividends payable are separated from shareholders' equity upon yearly closing and recorded as an obligation in liabilities. The minimum mandatory dividends payable were calculated as follows:

	2021	2020
Income (loss) for the year	170,449	76,524
Realization of equity valuation adjustments	1,648	1,344
Legal reserve	(8,605)	(3,893)
Partial recovery of the investment grant	-	(73,975)
Calculation basis for the compulsory minimum dividends	**163,492**	**-**
Minimum compulsory dividends	**40,873**	**-**
Offsetting with interim dividends on 11/29/2020	(30,073)	-
Balance of minimum mandatory dividends	**10.800**	**-**

Profit retention reserve

Pursuant to article 196 of Law 6,404/76, the Company set up a Profit Retention Reserve based on the capital budget after statutory and legal allocations as proposed by Management. The capital budget is submitted for consideration and approval by the General Meeting of Shareholders (AGM).

The proposal for the constitution of a Profit Retention Reserve, in the amount of R$35,399, aims to support the investment plan for the 2021/2022 harvest, substantially related to the industrial park expansion plan.

The amount of retained earnings as proposed in the capital budget, will be allocated to the acquisition of fixed assets (agricultural and industrial machinery and equipment and expansion of sugarcane), which aims to increase the crushing capacity of sugarcane, and consequently, the increase in sugar and ethanol production.

Equity valuation adjustments

It comprises the effect of the deemed cost of property, plant and equipment due to the application of IAS 16 (CPC 27) and Technical Interpretation ICPC 10 on transition date, less the respective deferred income tax and social contribution, and is being realized through depreciation, disposal or write-off of assets that originated them.

16 Financial instruments

a. Accounting classification

Considering the characteristics of the financial instruments held by the Company and its Subsidiaries, Management assesses that the book balances are close to fair values.

Individual

	Book value				Fair value
2021	**Fair value through profit or loss**	**Amortized cost**	**Other financial liabilities**	**Total**	**Level 2**
Financial assets					
Cash and cash equivalents	-	79,574	-	79,574	-
Interest earning bank deposits	1,098,726	-	-	1,098,726	1,098,726
Restricted cash	24,654	-	-	24,654	24,654
Derivative financial instruments	31,704	-	-	31,704	31,704
Accounts receivable and other receivables	-	36,523	-	36,523	-
Total	1,155,084	116,097	-	1,271,181	1,155,084
Financial instruments measured at fair value					
Derivative financial instruments	167,594	-	-	167,594	167,594
Total	167,594	-	-	167,594	167,594
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,418,170	1,418,170	-
Suppliers and other accounts payable	-	-	43,419	43,419	-
Leases payable			591,631	591,631	-
Total	-	-	2,053,220	2,053,220	-

	Book value				Fair value
2020	**Fair value through profit or loss**	**Amortized cost**	**Other financial liabilities**	**Total**	**Level 2**
Financial assets					
Cash and cash equivalents	-	25,721	-	25,721	-
Interest earning bank deposits	357,122	-	-	357,122	357,122
Restricted cash	32,006	-	-	32,006	32,006
Derivative financial instruments	31,866	-	-	31,866	31,866
Accounts receivable and other receivables	-	47,190	-	47,190	-
Total	420,994	72,911	-	493,905	420,994
Financial instruments measured at fair value					
Derivative financial instruments	36,871	-	-	36,871	36,871
Total	36,871	-	-	36,871	36,871
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,273,376	1,273,376	-
Suppliers and other accounts payable	-	-	40,318	40,318	-
Leases payable	-	-	539,933	539,933	-
Total	-	-	1,853,627	1,853,627	-

Consolidated

2021	Book value: Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Fair value: Level 2
Financial assets					
Cash and cash equivalents	-	81,065	-	81,065	-
Interest earning bank deposits	1,113,035	-	-	1,113,035	1,113,035
Restricted cash	28,320	-	-	28,320	28,320
Derivative financial instruments	31,704	-	-	31,704	31,704
Accounts receivable and other receivables	-	36,523	-	36,523	-
Total	1,173,059	117,588	-	1,290,647	1,173,059
Financial instruments measured at fair value					
Derivative financial instruments	167,594	-	-	167,594	167,594
Total	167,594	-	-	167,594	167,594
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,420,713	1,420,713	-
Suppliers and other accounts payable	-	-	43,545	43,545	-
Leases payable	-	-	453,531	453,531	-
Total	-	-	1,917,789	1,917,789	-

2020	Book value: Fair value through profit or loss	Amortized cost	Other financial liabilities	Total	Fair value: Level 2
Financial assets					
Cash and cash equivalents	-	27,694	-	27,694	-
Interest earning bank deposits	361,388	-	-	361,388	361,388
Restricted cash	46,182	-	-	46,182	46,182
Derivative financial instruments	31,866	-	-	31,866	31,866
Accounts receivable and other receivables	-	47,213	-	47,213	-
Total	439,436	74,907	-	514,343	439,436
Financial instruments measured at fair value					
Derivative financial instruments	36,871	-	-	36,871	36,871
Total	36,871	-	-	36,871	36,871
Financial liabilities not measured at fair value					
Loans and financing	-	-	1,285,410	1,285,410	-
Suppliers and other accounts payable	-	-	38,185	38,185	-
Leases payable	-	-	446,924	446,924	-
Total	-	-	1,770,519	1,770,519	-

b. Measurement of fair value

Fair value of financial assets and liabilities is the value by which the instrument can be exchanged in a current transaction between parties that would like to negotiate, and not in a forced sale or settlement. The methods and assumptions used to estimate the fair value are described below.

The fair value of cash and cash equivalents, accounts receivable, other financial assets, accounts payable and other short-term obligations are approximated to their book value due to the short-term maturity of these instruments. Fair value of other long-term assets and liabilities does not significantly differ from their book values.

The fair value of the liability financial instruments of the Company approximates the book value, since they are subject to variable interest rates and there was no significant change in Company's credit risk.

Hedge instruments are valued using valuation techniques with observable market data and refer mainly to interest rate and NDF swaps. The valuation techniques used generally include pricing models and contracts, with present value calculations. The models incorporate various data, including the credit quality of counterparties, spot foreign exchange, as well as forward rates and interest rate curves.

Fair value hierarchy
The Company uses the following hierarchy to determine and disclose the fair values of financial instruments using the valuation technique used:

- Level 1: prices quoted (not adjusted) in active markets for identical assets and liabilities;
- Level 2: other techniques for which all data that has significant effect on the recorded fair value is observable, either directly or indirectly; and
- Level 3: techniques that use data that have significant effect on fair value, and that are not based on data observable in the market.

As of March 31, 2021 and 2020, there were no transfers between levels to be considered.

c. Financial risk management

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

- Operating risks
- Credit risks;
- Liquidity risks;
- Market risks;
- Interest rate risks; and
- Foreign exchange risks.

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.

Risk management structure

The Management is responsible for monitoring the Company and its subsidiaries' risk management policies, and the managers of each area regularly report to the CEO on their activities.

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. The Company, through its training and management rules and procedures, aims to develop a disciplined and constructive control environment, in which all the employees understand their roles and obligations.

(i) Operating risks

Regulatory and environmental risks
The Company, its subsidiaries and associated company are subject to the laws and regulations applicable to the activities they carry out. Thus, the Companies have established environmental policies and procedures which seek to comply with environmental laws.

The production facilities and its industrial and agricultural activities are subject to environmental regulations. The Company, its subsidiaries and associated company reduces the risks associated with environmental matters, by operational procedures and investment controls in pollution control equipment.

The management periodically carries out analysis to identify environmental risks and to ensure that the existing systems are sufficient to manage these risks.

The Company, its subsidiaries and associated company believe that no provision for loss relating to environmental matters is required at present, based on the current laws and regulations in force.

Climatic risks and others
The Operating activities of rubber trees and sugarcane are exposed to the risk of damage due to climate changes, pests and diseases and other forces of nature. The Company and its subsidiaries have extensive processes in place that allocate resources for the follow up and mitigation of these risks, including regular inspections on plantation.

_(ii)_ _Credit risk_
Credit risk is the risk of the Company incurring financial losses if a customer or a counterparty in a financial instrument fails to comply with contract obligations.

Credit risk exposure
The book values of financial assets classified as loans and receivables represent the maximum credit exposure. The maximum credit risk exposure on financial information date was:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Cash and cash equivalents	1,178,300	382,843	1,194,100	389,082
Restricted cash	24,654	32,006	28,320	46,182
Accounts receivable and other receivables	36,505	44,692	36,505	44,850
Accounts receivable – Related parties	18	2,498	18	2,363
Hedge financial instruments	31,704	31,866	31,704	31,866
	1,271,181	493,905	1,290,647	514,343
Current	1,244,783	487,682	1,264,249	494,905
Non-current	26,398	6,223	26,398	19,438

Cash and cash equivalents
The Company and its subsidiaries have the principle of working with more solid financial institutions that presents better market conditions regarding rates and terms.

Trade accounts receivable and other credits
The exposure of the Company and its subsidiaries to credit risk is influenced, mainly, by the individual characteristics of each client. In addition, sales are evenly distributed throughout the corporate year (mainly in the crop period) which allows that the Company and two subsidiaries interrupts deliveries to customers which are considered as a “possible credit risk”.

Impairment losses
The Company assesses the impairment of accounts receivable based on: (a) historical experience of losses by clients and segment; (b) assigning a credit rating to each client based on qualitative and quantitative measures for the client; and (c) assigns a percentage of impairment

for the purpose of provision based on items (a) and (b) above and on the trade accounts receivables' status (current or overdue).

The breakdown by maturity of trade accounts receivable of the domestic and foreign market on the date of the financial statements for which impairment losses were recognized in accordance with internal risk ratings was as follows:
Changes in provision for expected credit losses were:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Opening balance	(764)	(552)	(764)	(552)
Estimated loss	(6,564)	(216)	(6,564)	(216)
Write-off	129	4	129	4
Effect of foreign currency translation	(1,233)	-	(1,233)	-
	(8,432)	(764)	(8,432)	(764)

From clients that present a history of non-performance of its financial obligations, the Company and its subsidiaries seek to operate with advanced payments.

Guarantees
The Company and its subsidiaries do not require collateral for third parties.

(iii) *Liquidity risk*
Liquidity risk is the risk of the Company and its subsidiaries encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The approach of the Company and its subsidiaries in liquidity management is to guarantee, as much as possible, that it always have sufficient liquidity to perform their obligations upon maturity, under normal and stress conditions, without causing third-party losses or with a risk of sullying the reputation of the Company and its subsidiaries.

The Company and its subsidiaries use IT systems and management tools which enable the monitoring of cash flow requirements and the optimization of their cash return on investments. The Company and its subsidiaries adopt the policy of operating with high liquidity to ensure the fulfillment of operational and financial obligations at least for an operational cycle; this includes the potential impact of extreme circumstances which cannot be reasonably predicted, such as natural disasters and cyclical movements in the commodities market.

In search of greater disclosure and transparency to its stakeholders, Jalles Machado is rated by two international risk rating agencies: Standard and Poor's and Fitch. The ratings assigned by Standard and Poor's are 'BB-' on a global scale and 'BrAAA' on a national scale, while the ratings assigned by Fitch are 'BB-' on a global scale and 'A+(bra)' on a national scale.

No cash flows are expected to occur significantly sooner or in amounts significantly different from the ones included in the analysis above.

Exposure to liquidity risk
The book values of financial liabilities with liquidity risk are as follows:

Individual	**2021**					
	Book value	**Contractual flow**	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Suppliers and other accounts payable (Note 12)	43,419	43,419	42,992	17	49	361
Leases payable	591,631	591,631	79,845	79,845	193,234	238,707
Derivative financial instruments	167,594	167,594	105,095	60,548	1,951	-
Loans and financing (Note 11)	1,418,170	1,815,778	476,362	334,730	938,725	65,961
	2,220,814	2,618,422	704,294	475,140	1,133,959	305,029
Current	653,056	704,294				
Non-current	1,567,758	1,914,128				

Individual	**2020**					
	Book value	**Contractual flow**	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Suppliers and other accounts payable (Note 12)	40,318	40,318	38,894	810	68	546
Leases payable	539,933	539,933	64,893	64,893	192,303	217,844
Derivative financial instruments	36,871	36,871	18,919	17,579	373	-
Loans and financing (Note 11)	1,273,376	1,456,600	256,580	497,107	478,839	224,074
	1,890,498	2,073,722	379,286	580,389	671,583	442,464
Current	342,676	379,286				
Non-current	1,547,822	1,709,677				

Consolidated	**2021**					
	Book value	**Contractual flow**	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Suppliers and other accounts payable (Note 12)	43,545	43,545	42,992	143	49	361
Leases payable	507,237	507,237	53,706	53,706	161,118	238,707
Derivative financial instruments	167,594	167,594	105,095	60,548	1,951	-
Loans and financing (Note 11)	1,420,713	1,818,342	478,926	334,730	938,725	65,961
	2,139,089	2,536,718	680,719	449,127	1,101,843	305,029
Current	629,460	680,719				
Non-current	1,509,629	1,855,999				

Consolidated	**2020**					
	Book value	**Contractual flow**	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Suppliers and other accounts payable (Note 12)	38,185	38,185	36,761	810	68	546
Leases payable	446,924	446,924	45,816	45,816	137,448	217,844
Derivative financial instruments	36,871	36,871	18,919	17,579	373	-
Loans and financing (Note 11)	1,285,410	1,469,208	266,620	499,675	478,839	224,074
	1,807,390	1,991,188	368,116	563,880	616,728	442,464
Current	285,147	368,116				
Non-current	1,522,243	1,623,072				

(iv) *Market risk*

Market risk is the risk that alterations in market prices, such as exchange rates and interest rates, have in the Company and its subsidiaries' earnings, or in the value of its holdings of 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.

The Company uses derivatives to manage market risks. All these transactions are carried out within the guidelines defined by the risk management committee.

Supply and demand risks

The Company and its subsidiaries are exposed to risks arising from fluctuations in the price and volume of the sugar, ethanol produced from sugarcane, latex and rubber trees. Whenever possible, the Company and its subsidiaries manages these risks by aligning its production volume to market supply and demand. Management conducts regular trend analyses to guarantee that operating strategies are in line with market trends and ensure that estimated production volumes are consistent with expected demand.

Interest rate risk

The operations of the Company and its subsidiaries are exposed to interest rates indexed to the Interbank Deposit Certificate (CDI), Long-Term Interest Rate (TJLP), Reference Rate (TR) and National Amplified Consumer Price Index (IPCA). Aiming to mitigate this kind of risk, the Company seeks to diversify funding in terms of prefixed or post-fixed rates and swap contracts.

Interest rate risk exposure

On the balance sheet dates, the profile of financial instruments remunerated through Company’s and subsidiaries' interests was:

	Individual		**Consolidated**	
	2021	**2020**	**2021**	**2020**
Financial assets				
Cash and cash equivalents (Note 3)	1,098,726	357,122	1,113,035	361,388
Restricted cash (Note 4)	24,654	32,006	28,320	46,182
Financial liabilities				
Loans and financing (Note 11)	1,418,170	1,273,376	1,420,713	1,285,410

Cash flow sensitivity analysis for variable rate instruments

Based on indebtedness balance, on disbursement schedule and on interest rates of loans and financing and assets, we performed a sensitivity analysis on the increase (decrease) in shareholders' equity and income for the year, according to the following amounts. Scenario 1 corresponds to the scenario considered as the most probable for interest rates on the date of financial statements. Scenario 2 presents a 25% change in the rates. Scenario 3 presents a 50% change in the rates. We have segregated effects into rate appreciation and depreciation, according to tables below:

Interest rate risk on financial assets and liabilities – Appreciation of rates – Individual

			2021					
			Scenario 1		Scenario 2		Scenario 3	
Instrument	**Amount**	**Risk**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposits	1,098,726	CDI	2.65%	29,116	3.31%	36,395	3.98%	43,674
Pledged financial investments	22,969	CDI	2.65%	609	3.31%	761	3.98%	914
Financial liabilities								
BNDES/Finame/Lease/CDC	(16,987)	SELIC	6.57%	(1,116)	8.21%	(1,395)	9.85%	(1,674)
Finame/Finem/Agricultural Costing	(67,416)	TLP	8.00%	(5,390)	9.99%	(6,737)	11.99%	(8,085)
Multilateral/Working Capital/Capital Markets/Agricultural Costing	(804,675)	CDI	4.73%	(38,079)	5.92%	(47,599)	7.10%	(57,118)
Capital market	(255,367)	IPCA	18.16%	(46,375)	22.70%	(57,969)	27.24%	(69,562)
Finem / FCO	(12,615)	TX.JRSVAR	3.36%	(424)	4.20%	(530)	5.04%	(636)
Multilateral / Working capital	(149,956)	LIBOR 6 m	2.81%	(4,210)	3.51%	(5,263)	4.21%	(6,315)
Working capital	(116,424)	LIBOR 3 m	3.39%	(3,947)	4.24%	(4,934)	5.09%	(5,920)
Net financial income (loss) (estimated)				(69,816)		(87,271)		(104,722)
Impact on result and equity (change)						(17,455)		(34,906)

Interest rate risk on financial assets and liabilities – depreciation of rates – Individual

			2021					
			Scenario 1		Scenario 2		Scenario 3	
Instrument	**Amount**	**Risk**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposits	1,098,726	CDI	2.65%	29,116	1.99%	21,837	1.33%	14,558
Pledged financial investments	22,969	CDI	2.65%	609	1.99%	457	1.33%	304
Financial liabilities								
BNDES/Finame/Lease/CDC	(16,987)	SELIC	6.57%	(1,116)	4.93%	(837)	3.28%	(558)
Finame/Finem/Agricultural Costing	(67,416)	TLP	8.00%	(5,390)	6.00%	(4,043)	4.00%	(2,695)
Multilateral/Working Capital/Capital Markets/Agricultural Costing	(804,675)	CDI	4.73%	(38,079)	3.55%	(28,559)	2.37%	(19,040)
Capital market	(255,367)	IPCA	18.16%	(46,375)	13.62%	(34,781)	9.08%	(23,188)
Finem / FCO	(12,615)	TX.JRSVAR	3.36%	(424)	2.52%	(318)	1.68%	(212)
Multilateral / Working capital	(149,956)	LIBOR 6 m	2.81%	(4,210)	2.11%	(3,157)	1.40%	(2,105)
Working capital	(116,424)	LIBOR 3 m	3.39%	(3,947)	2.54%	(2,960)	1.70%	(1,974)
Net financial income (loss) (estimated)				(69,816)		(52,361)		(34,910)
Impact on result and equity (change)						17,455		34,906

Interest rate risk on financial assets and liabilities – Appreciation of rates – Consolidated

			2021					
			Scenario 1		Scenario 2		Scenario 3	
Instrument	**Amount**	**Risk**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposits	1,113,035	CDI	2.65%	29,495	3.31%	36,868	3.98%	44,242
Pledged financial investments	26,635	CDI	2.65%	706	3.31%	883	3.98%	1,059
Financial liabilities								
BNDES/Finame/Lease/CDC	(16,987)	SELIC	6.57%	(1,116)	8.21%	(1,395)	9.85%	(1,674)
Finame/Finem/Agricultural Costing	(67,416)	TLP	8.00%	(5,390)	9.99%	(6,737)	11.99%	(8,085)
Multilateral/Working Capital/Capital Markets/Agricultural Costing	(807,221)	CDI	4.74%	(38,225)	5.92%	(47,781)	7.10%	(57,337)
Capital market	(255,367)	IPCA	18.16%	(46,375)	22.70%	(57,969)	27.24%	(69,562)
Finem / FCO	(12,615)	TX.JRSVAR	3.36%	(424)	4.20%	(530)	5.04%	(636)
Multilateral / Working capital	(149,956)	LIBOR R6m	2.81%	(4,210)	3.51%	(5,263)	4.21%	(6,315)
Working capital	(116,424)	LIBOR R3m	3.39%	(3,947)	4.24%	(4,934)	5.09%	(5,920)
Net financial income (loss) (estimated)				(69,486)		(86,858)		(104,228)
Impact on result and equity (change)						(17,372)		(34,742)

Interest rate risk on financial assets and liabilities – Depreciation of rates – Consolidated

			2021					
			Scenario 1		Scenario 2		Scenario 3	
Instrument	**Amount**	**Risk**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**
Financial assets								
Interest earning bank deposits	1,113,035	CDI	2.65%	29,495	1.99%	22,122	1.33%	14,748
Pledged financial investments	26,635	CDI	2.65%	706	1.99%	529	1.33%	353
Financial liabilities								
BNDES/Finame/Lease/CDC	(16,987)	SELIC	6.57%	(1,116)	4.93%	(837)	3.28%	(558)
Finame/Finem/Agricultural Costing	(67,416)	TLP	8.00%	(5,390)	6.00%	(4,043)	4.00%	(2,695)
Multilateral/Working Capital/Capital Markets/Agricultural Costing	(807,221)	CDI	4.74%	(38,225)	3.55%	(28,669)	2.37%	(19,113)
Capital market	(255,367)	IPCA	18.16%	(46,375)	13.62%	(34,781)	9.08%	(23,188)
Finem / FCO	(12,615)	TX.JRSVAR	3.36%	(424)	2.52%	(318)	1.68%	(212)
Multilateral / Working capital	(149,956)	LIBOR6m	2.81%	(4,210)	2.11%	(3,157)	1.40%	(2,105)
Working capital	(116,424)	LIBOR3m	3.39%	(3,947)	2.54%	(2,960)	1.70%	(1,974)
Net financial income (loss) (estimated)				(69,486)		(52,114)		(34,744)
Impact on result and equity (change)						17,372		34,742

Currency risk

The Company and its subsidiaries are subject to currency risk (US dollar) in part of their borrowings taken in a currency other than the functional currency.

As regards other monetary assets and liabilities denominated in foreign currency, the Company and its subsidiaries guarantees that its net exposure is kept at an acceptable level, buying or selling foreign currencies at demand rates, when necessary, to address short-term instabilities.

The short-term portions of the monetary liabilities denominated in foreign currency are secured by assets also denominated in foreign currency (sugar export at a price fixed in foreign currency).

Exposure to foreign currency

The summary of quantitative data on the Company's exposure to foreign currency risk, provided by Management, is based on its risk management policy, as follows:

Individual and Consolidated	**2021**		**2020**	
	R$	**US$**	**R$**	**US$**
Cash and cash equivalents	25,522	4,480	20,614	3,965
Accounts receivable	26,410	4,636	26,232	5,046
Loans and financing	(266,380)	(46,755)	(274,254)	(52,754)
Net exposure	(214,448)	(37,639)	(227,408)	(43,743)

Sensitivity analysis – Currency risk

The sensitivity analysis is made based on the exposure of loans and financing to the inflation adjustments of the USD. The Company presents two scenarios with an increase and decrease of 25% and 50% in the risk variable considered. We present below the possible impacts of how much the shareholders' equity and income (loss) for the year would have increased (decreased) according to the respective amounts. These scenarios can produce impacts on profit or loss and/or future cash flows of the Company as described below:

- **Scenario I:** For the probable scenario in US dollar the exchange rate on March 31, 2021 was considered;

- **Scenario II:** Deterioration of 25% in the main risk factor of the financial instrument in relation to the level verified in the probable scenario; and

- **Scenario III:** Deterioration of 50% in the main risk factor of the financial instrument in relation to the level verified in the probable scenario.

			Individual and Consolidated			
Scenarios			**Increase (R$)**		**Decrease (R$)**	
	USD	**R$**	**25%**	**50%**	**25%**	**50%**
Financial instruments						
Assets						
Cash and cash equivalents	4,480	25,522	6,381	12,762	(6,381)	(12,762)
Accounts receivable	4,636	26,410	6,603	13,206	(6,603)	(13,206)
Liabilities						
Loans and financing	(46,755)	(266,380)	(66,594)	(133,189)	66,594	133,189
Impact on income (loss) and shareholders' equity			(53,610)	(107,221)	53,610	107,221

d. Capital management

The Company and its subsidiaries' capital management is conducted so as to balance own and third parties' fund sources, balancing the return to shareholders and the risk to shareholders and creditors.

Aiming to maintain or adjust its capital structure, the Company may take steps to ensure that the above goals are met.

e. Hedge financial instruments

The Company is exposed to market risks, namely: (i) volatility of sugar and by-product prices; (ii) volatility of exchange rate; and (iii) volatility of interest rates. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

As of March 31, the fair values of transactions with derivative financial instruments for hedging, measured according to observable data, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

			2021	
			Individual and Consolidated	
Hedge	**Maturity**	**Notional**	**Assets**	**Liabilities**
Term	Apr 2021–Mar 2022	184,912,301	1,322	36,765
NDF	Apr 2021–Mar 2022	24,678,142	41	8,737
Swap	Apr 2021–Mar 2022	434,600,781	4,762	29,310
Option	Apr 2021–Mar 2022	29,759,364	866	30,283
NDF	Apr 2022–Mar 2023	18,601,042	375	3,850
Term	Apr 2022–Mar 2023	86,447,570	-	6,250
Swap	Apr 2022–Mar 2023	246,365,636	7,015	25,465
Option	Apr 2022–Mar 2023	29,093,153	-	24,983
Swap	Apr 2023–Mar 2024	236,440,756	13,240	1,015
Option	Apr 2023–Mar 2024	14,089,033	-	775
Swap	Apr 2024–Mar 2025	92,964,600	3,888	161
Swap	Apr 2025–Mar 2026	42,224,250	195	-
			31,704	**167,594**
				135,890

			2020	
			Individual/Consolidated	
Hedge	**Maturity**	**Notional**	**Assets**	**Liabilities**
Futures contracts	Apr 2020–Mar 2021	-	7,656	-
Option	Apr 2020–Mar 2021	39,200,000	1,079	-
Term	Apr 2020–Mar 2021	11,329,181	7,507	-
Futures contracts	Apr 2021–Mar 2022	-	2,891	-
Term	Apr 2021–Mar 2022	2,048,704	23	-
Swap	Apr 2023–Mar 2024	71,318,848	12,710	-
Futures contracts	Apr 2020–Mar 2021	-	-	8,420
NDF	Apr 2020–Mar 2021	6,468,605	-	6,808
Option	Apr 2020–Mar 2021	39,200,000	-	1,231
Swap	Apr 2020–Mar 2021	50,913,139	-	352
Term	Apr 2020–Mar 2021	32,079,717	-	2,108
Futures contracts	Apr 2021–Mar 2022	-	-	5,863
Option	Apr 2021–Mar 2022	39,200,000	-	2,860
Swap	Apr 2021–Mar 2022	133,061,161	-	3,193
Term	Apr 2021–Mar 2022	82,561,093	-	5,663
Swap	Apr 2022–Mar 2023	20,436,406	-	373
			31,866	**36,871**
				5,005

Derivative instruments are not qualified for hedge accounting. Changes in the fair value of any of these derivative instruments are directly recognized in the statement of income.

Income (loss) from hedge financial instruments

The Company recorded the gains and losses on these transactions in profit or loss for the year. As of March 31, the impacts recorded in profit or loss are shown below:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Income (loss) from MTM				
Losses on hedge operations (MTM)	(307,426)	(74,650)	(307,426)	(74,563)
Gains on hedge operations (MTM)	176,541	72,345	176,541	72,345
	(130,885)	(2,305)	(130,885)	(2,218)
Income (loss) from settled operations				
Losses on hedge operations (settled)	(76,664)	(21,326)	(76,664)	(21,414)
Gains on hedge operations (settled)	21,624	7,013	21,624	7,013
	(55,040)	(14,313)	(55,040)	(14,401)
Net effect on Company's financial income (loss)	(185,925)	(16,618)	(185,925)	(16,619)

To reduce the volatility of its cash flow and asset protection as a result of fluctuations in the price of sugar and exchange rates, the Company implemented an Exchange, Commodities and Liquidity Risk Management Policy and uses several hedge instruments to hedge a portion of the projected volume of sales at floating prices, with the sole purpose of mitigating risks arising from mismatches in the indexes between assets and liabilities (commodity prices, interest or exchange rates).

Pursuant to the Foreign Exchange, Commodities and Liquidity Risk Management Policy, the Company may use several derivative financial instruments available, such as: (i) determination of the future price of sugar in US dollars, (ii) purchase or sale of spot or future foreign exchange, (iii) foreign currency swap, (iv) prepayment of loans or borrowings in foreign currency, (v) purchase and sale of foreign exchange options and commodity prices, (vi) investment in foreign exchange funds (vii) purchase and sale of sugar options, and (viii) maintenance of cash and cash equivalents in foreign currency.

During the year, the relevant increase in the prices of sugar and the appreciation of the US dollar against the Real caused the settlements of the aforementioned hedge contracts, as well as the mark-to-market (MTM) of the remaining contracts, to generate a relevant negative adjustment for the period when compared to the previous year. On the other hand, this scenario contributed to the increase in operating revenue with the sale of sugar and increase in the fair value of the Biological Asset.

17 Net operating revenue

The Company generates revenue mainly from sale of products derived from the industrialization process of sugarcane. Revenue is recognized upon transfer of ownership of the product sold for the amount considered likely to the received as the consideration to which it is entitled.

The operating revenue of the Company and its subsidiaries comprises revenue from sales, as detailed below:

	Individual		Consolidated	
	2021	2020	2021	2020 Restated
Foreign market				
White sugar	91,413	21,440	91,413	21,440
Organic sugar	252,462	203,022	252,462	203,022
	343,875	224,462	343,875	224,462
Domestic market				
Ethanol	461,378	570,104	461,377	570,104
Sugar	302,885	198,601	302,885	198,601
Organic sugar	21,335	20,051	21,335	20,051
Soybean	892	965	892	965
Sanitizers	127,836	61,450	127,836	61,450
Yeast derivatives	8,593	8,872	8,593	8,872
CBIOS	4,677	-	4,677	-
Other sales	4,035	3,535	3,517	3,094
	931,631	863,578	931,112	863,137
Tax gross revenue	1,275,506	1,088,040	1,274,987	1,087,599
(-) Sales tax	(177,920)	(192,559)	(178,913)	(193,498)
(-) Returns	(10,619)	(5,583)	(10,619)	(5,583)
Total net operating revenue	1,086,967	889,898	1,085,455	888,518

Reconciliation of net revenue by market

Domestic market				
Gross revenue	931,631	863,578	931,112	863,137
(-) Sales tax	(177,920)	(192,559)	(178,913)	(193,498)
(-) Returns	(6,702)	(4,057)	(6,702)	(4,057)
Net revenue	747,009	666,962	745,497	665,582
Foreign market				
Gross revenue	343,875	224,462	343,875	224,462
(-) Returns	(3,917)	(1,526)	(3,917)	(1,526)
Net revenue	339,958	222,936	339,958	222,936
Total net revenue	1,086,967	889,898	1,085,455	888,518

Obligations on performance and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the client. The Company recognizes the revenue when the control over the product or service is transferred to the client.

The Company recognizes revenue reflecting the consideration it expects to receive in exchange for control of the goods. There is no estimate of losses on sales and there is no loyalty program. The Company considers that all performance obligations are fulfilled when the product is delivered, which is also the moment of revenue recognition.

18 Operating costs and expenses by type

a. Cost of products sold

	Individual		Consolidated	
	2021	2020	2021	2020 Restated
Amortization of biological assets	(149,870)	(130,655)	(149,870)	(130,655)
Depreciation of plantation	(88,645)	(81,630)	(88,645)	(81,631)
Depreciation of machinery, equipment and facilities	(87,955)	(80,831)	(87,955)	(88,830)
Depreciations from right-of-use	(64,302)	(50,345)	(45,980)	(29,058)
Services rendered by third parties	(61,157)	(58,956)	(61,157)	(58,956)
Personnel costs	(58,813)	(53,777)	(58,813)	(53,777)
Operation and maintenance	(49,549)	(44,196)	(49,549)	(44,195)
Raw material /industrial inputs	(56,210)	(41,616)	(56,210)	(41,616)
Freight	(34,372)	(33,296)	(34,372)	(33,296)
Other expenses	(18,812)	(17,237)	(18,810)	(16,696)
CBIOS	(4,183)	-	(4,183)	
	(673,868)	(592,539)	(655,544)	(578,710)

b. Sales expenses

	Individual and Consolidated	
	2021	2020
Freight	(49,809)	(36,601)
Sales commissions	(11,309)	(7,672)
Personnel costs	(7,857)	(6,307)
Other expenses	(15,067)	(7,824)
Services rendered by third parties	(16,655)	(5,413)
Depreciations	(2,825)	(2,494)
	(103,522)	(66,311)

c. General and administrative expenses

	Individual		Consolidated	
	2021	2020	2021	2020 Restated
Personnel expenses	(24,590)	(20,091)	(24,590)	(20,091)
Services rendered by third parties	(11,600)	(8,979)	(11,688)	(9,075)
Other expenses	(11,168)	(16,753)	(11,179)	(16,765)
Depreciations	(2,665)	(2,280)	(2,665)	(2,280)
Tax expenses - Protege/GO	(12,280)	(13,868)	(12,280)	(13,868)
Advance to Produzir	(4,402)	(10,204)	(4,402)	(10,204)
Tax expenses	(1,859)	(1,978)	(1,876)	(1,994)
Freight	(11)	(13)	(11)	(13)
Reversal/(Provision) for contingencies	(4,030)	538	(4,030)	541
	(72,605)	(73,628)	(72,721)	(73,749)

19 Other operating revenues (expenses), net

	Individual		Consolidated	
	2021	2020	2021	2020 Restated
Tax incentive - Produzir program (a)	44,026	64,913	44,026	64,913
Tax incentive - Fomentar program (b)	27,347	24,158	27,347	24,158
Credit granted on anhydrous ethanol (c)	6,058	13,185	6,058	13,185
Claim	1,146	4,123	1,146	4,123
Disposal of fixed asset items	3,709	1,584	3,709	1,584
Evaluation of decarbonization credits (d)	7,274	-	7,274	-
Other operating revenues	3,801	1,367	3,801	1,332
	93,361	109,330	93,361	109,295
(-) Other expenses	(1,869)	(1,560)	(1,869)	(1,560)
(-) Cost of write-off of disposed assets	(6,094)	(2,771)	(6,094)	(2,771)
	(7,963)	(4,331)	(7,963)	(4,331)
Other operating revenues	85,398	104,999	85,398	104,964

(a) Tax incentive, regulated by article 20 of State Law 13591/2000, granted by the Government of the State of Goiás regarding the discount on the payment of 73% of the ICMS due on sales of incentivized products from the Otávio Lage Unit.

(b) Tax incentive granted by the Goiás State Government to companies included in the FOMENTAR or PRODUZIR programs, equivalent to 60% of the amount of ICMS as if it were owed on the operations of sales of Anhydrous Ethanol to distributors. The benefit is regulated by State Law 13246/99, art. 3, II.

(c) Tax incentive obtained through the early settlement of the financing agreement entered into with Fundo de Participação e Fomento à Industrialização do Estado de Goiás (FOMENTAR), which was the subject matter of a public offering, pursuant to Article 1, paragraph 1 of Law 13436/1998, dated December 13, 1998.

(d) Decarbonization credits – CBIOS are recognized upon recognition of anhydrous and hydrous ethanol revenue at market value. Upon identifying a loss in the CBIOS inventory valuation, the provision for loss is recognized in other operating revenues (expenses), net. The sale of credits is recognized as a gross revenue and the inventory write-off is recognized in the cost of goods sold.

20 Net financial income (loss)

	Individual		Consolidated	
	2021	2020	2021	2020 Restated
Financial expenses				
Interest	(141,464)	(133,374)	(140,004)	(130,776)
Foreign exchange costs	(139,247)	(118,622)	(139,247)	(118,622)
Losses on hedge operations (MTM)	(307,426)	(74,650)	(307,426)	(74,563)
Losses on hedge operations (settled)	(76,664)	(21,326)	(76,664)	(21,414)
Discounts granted	(3,296)	(3,807)	(3,296)	(3,807)
Other	(51,116)	(17,559)	(51,149)	(17,572)
	(719,213)	(369,338)	(717,786)	(366,754)
Financial revenues				
Foreign exchange gain	115,584	61,131	115,584	61,132
Gains on hedge operations (MTM)	176,541	72,345	176,541	72,345
Yields from financial investments	12,131	13,890	12,490	14,345
Gains on hedge operations (settled)	21,624	7,013	21,624	7,013
Interest	28,833	2,458	28,837	2,464
Other	55,810	20,903	55,811	20,902
	410,523	177,740	410,887	178,201
Net financial	**(308,690)**	**(191,598)**	**(306,899)**	**(188,553)**

21 Earnings per share

The calculation of basic and diluted earnings per share was based on net income attributed to common shareholders.

	Consolidated	
	2021	**2020**
Income from continued operations	170,449	76,524
Weighted average of shares	238,802,278	228,099,500
Basic and diluted earnings per share (in reais)	0.7138	0.3355

Weighted average of common shares (basic and diluted)

	Number of shares	
	2021	**2020**
Balance at the beginning of the year	228,099,500	228,099,500
Effect of shares issued	66,597,591	-
Average number of shares in the year	238,802,278	228,099,500

22 Leases payable

The Company has rental contracts of the industrial farm of the branch and sugarcane agricultural partnership agreements shareholders and third parties to ensure part of its production for the next harvesting periods.

After evaluating and inventorying the contracts, Jalles Machado S.A. recognized assets and liabilities related to the contracts regarding: agricultural partnerships for the sugarcane cultivation, which despite the legal nature of being a rural partnership pursuant to the Land Statute (Law 4504 dated November 30, 1964 with amendments by the Law 11443 dated January 05, 2007), started being classified in the concept of the right-of-use of the accounting standard in accordance with CPC 06 (R2)/IFRS 16.

When measuring the lease liabilities for those leases previously classified as leases, the Company discounted the lease and asset payments identified in rural partnership contracts using its incremental loan rate on March 31, 2021, which was 7+08% p.a. (6.06% p.a. as of March 31, 2020).

Agricultural business arrangements are distributed as follows:

	2021	**2020**
Land of relates parties and third party	55,450 hectares	53,153 hectares

Changes in the right-of-use during the period of these financial statements were as follows:

Rights-of-use	Individual			Consolidated
	Business arrangements	Industrial plant (*)	Total	Business arrangements
Initial adoption	454,843	103,829	558,672	454,843
Depreciations	(40,231)	(20,564)	(60,795)	(40,231)
Remeasurements	63,576	9,744	73,320	63,576
Balance at March 31, 2020	478,188	93,009	571,197	478,188
Additions	11,921	-	11,921	11,921
Depreciations	(47,653)	(25,092)	(72,745)	(47,653)
Remeasurements	64,781	14,191	78,972	64,781
Balance at March 31, 2021	507,237	82,108	589,345	507,237

(*) Lease of an industrial complex until June 2024 with the subsidiary Jalles Machado Empreendimentos S.A.

Changes in the lease liability and business arrangements during the year ended March 31, 2021 were as follows:

	Individual			Consolidated
	Business arrangements	Industrial plant	Total	Business arrangements
Initial adoption	454,843	103,829	558,672	454,843
Amortizations	(96,644)	(27,753)	(124,397)	(96,644)
Accrued interest	18,690	8,266	26,956	18,690
Subsequent measurements	70,035	8,667	78,702	70,035
Balance at March 31, 2020	446,924	93,009	539,933	446,924
Additions	11,921	-	11,921	11,921
Amortizations	(58,226)	(19,303)	(77,528)	(58,226)
Settlement with advances	31,264	-	31,264	31,264
Interest payment	(15,780)	(10,059)	(25,839)	(15,780)
Accrued interest	15,780	10,059	25,839	15,780
Subsequent measurements	75,354	10,688	86,041	75,354
Balance at March 31, 2021	507,237	84,394	591,631	507,237

The maturities for the installments recorded in liabilities are as follows:

Individual	**2021**				
	Book value	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 Years**
Business arrangements payable	214,827	13,935	13,935	41,805	145,152
Business arrangements payable (related parties)	292,410	39,771	37,141	97,328	118,170
Leases payable (related parties)	84,394	26,139	26,139	32,116	-
	591,631	79,845	77,215	171,249	263,322
Current	79,845				
Non-current	511,786				

Individual	**2020**				
	Book value	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Business arrangements payable	184,071	21,294	12,047	47,283	103,447
Business arrangements payable (related parties)	262,853	24,522	33,769	90,165	114,397
Leases payable (related parties)	93,009	19,077	19,077	54,855	-
	539,933	64,893	64,893	192,303	217,844
Current	64,893				
Non-current	475,040				

Consolidated	**2021**				
	Book value	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Business arrangements payable	214,827	13,935	13,935	41,805	145,152
Business arrangements payable (related parties)	292,410	39,771	37,141	97,328	118,170
	507,237	53,706	51,076	139,133	263,322
Current	53,706				
Non-current	453,531				

Consolidated	**2020**				
	Book value	**Up to 12 months**	**1–2 years**	**2–5 years**	**>5 years**
Business arrangements payable	184,071	21,294	12,047	47,283	103,447
Business arrangements payable (related parties)	262,853	24,522	33,769	90,165	114,397
	446,924	45,816	45,816	137,448	217,844
Current	45,816				
Non-current	401,108				

23 Commitments

Sugar sale commitments

The Company has sundry agreements in the market of sugar committing itself to selling certain volumes in future crops. These volumes related to commitments are as follows:

Product	**2021**	**2020**
Sugar (in tons) - Jalles Machado Unit	14,647	37,995
Ethanol (m³)	1,807	-

Crop commitments are as follow:

Sugar

Crop	**2021**	**2020**
2019/2020 (in tons)	975	25,995
2020/2021 (in tons)	13,672	12,000
	14,647	37,995

Ethanol

Crop	**2021**	**2020**
2020/2021 (m³)	1,807	-

24 Related parties

Operations with key management personnel

Remuneration of key management staff

The Company's key management personnel is comprised by the Executive Board and members of the Board of Directors and Audit, elected at the Ordinary General Meeting. The amounts related to key management remuneration during the year ended March 31, 2021, consisting of short-term benefits, totaled R$ 8,228 (R$ 4,720 as of March 31, 2020), and were recorded in administrative expenses. These amounts include salaries, fees, variable remuneration and direct and indirect benefits.

The Company and its subsidiaries do not have other types of compensation, such as post-employment benefits, other long-term benefits or benefits of labor contract rescission.

Other related party transactions

Main balances of assets and liabilities as of March 31, 2021 and 2020, as well as transactions that influenced the income (loss) for the years ended March 31, 2021 and 2020, consisting of related-party transactions, mainly arise from transactions of shareholders and companies linked to the same economic group.

	Individual					
	Assets		Liabilities		Income (loss)	
	2021	2020	2021	2020	2021	2020
Current						
Banks checking account (note 3) (c)	2,858	3,622	-	-	-	-
Interest earning bank deposits (note 3) (c)	65,138	543	-	-	834	1,089
Inventories (Note 6)	52	60	-	-	(638)	(782)
	68,048	4,225	-	-	196	307
Dividends						
Jalles Machado Empreendimentos Imobiliários S/A	14,066	8,952	-	-	-	-
CTC - Centro de Tecnologia Canavieira	-	-	-	-	47	56
	14,066	8,952	-	-	47	56
Current						
Clients and suppliers (Note 5), (Note 12)						
Albioma Codora Energia S/A (a) (b)	-	-	-	-	1,998	(4,620)
Albioma Esplanada Energia S/A.		15	-	-	(66)	(128)
Goiás Látex S/A - Sales	14	48	-	-	315	394
Jalles Machado Empreendimentos Imobiliários S/A	-	5	-	-	60	60
Vera Cruz Agropecuária Ltda	1	154	-	-	9	183
Other related parties	3	4	-	2,165	23	-
CTC - Centro de Tecnologia Canavieira	-	-	-	1,392	(6,205)	(5,538)
	18	226	-	3,557	(3,866)	(9,649)
Leases (Note 22)						
Leases payable (g)	-	-	26,139	19,077	(6,426)	(3,473)
Business arrangements payable (f)	-	-	39,773	24,522	(7,145)	(7,299)
	-	-	65,912	43,599	(13,571)	(10,772)
Non-current (Note 5)						
Esplanada Bioenergia S/A (e)	-	92	-	-	3	9
Goiás Látex S/A (e)	-	-	-	-	4	4
Vera Cruz Agropecuária Ltda (d)	-	876	-	-	4	-
Loans with shareholders	-	1,304	-		-	-
	-	2,272	-	-	11	13
Rights-of-use (Note 22)						
Right-of-use - partnerships (h)	292,410	294,117	-	-	9,874	13,730
Right-of-use - leases (i)	82,108	93,009	-	-	(10,901)	(10,820)
	374,518	387,126	-	-	(1,027)	2,910
Leases (Note 22)						
Leases payable (g)	-	-	58,255	73,932	(14,321)	(13,460)
Business arrangements payable (f)	-	-	252,639	238,331	(45,391)	(70,940)
	-	-	310,894	312,263	(59,712)	(84,400)

	Consolidated					
	Assets		Liabilities		Income (loss)	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
Current						
Banks checking account (note 3) (c)	4,347	5,562	-	-	-	-
Interest earning bank deposits (note 3) (c)	71,951	10,868	-	-	941	1,182
Inventories (Note 6)	52	63	-	-	(482)	(610)
	76,350	16,493	-	-	459	572
Current						
Clients and suppliers						
Vera Cruz Agropecuária Ltda	1	154	-	-	9	183
Goiás Látex S.A.	14	-	-	-	315	-
Albioma Codora Energia S/A	-	-	-	-	1,998	(4,620)
Albioma Esplanada Energia S/A.	-	15	-	-	(66)	(128)
Other related parties	3	14	-	1,392	23	(5,192)
	18	183	-	1,392	2,279	(9,757)
Leases (Note 22)						
Business arrangements payable (g)	-	-	39,773	24,522	(7,145)	(7,299)
	-	-	39,773	24,522	(7,145)	(52,183)
Non-current – Accounts receivable (Note 5)						
Vera Cruz Agropecuária Ltda (d)	-	876	-	-	4	-
Loans with shareholders	-	1,304	-	-	-	-
	-	2,180	-	-	4	-
Rights-of-use (Note 22)						
Rights-of-use - agricultural partnership (h)	292,410	294,117	-	-	9,874	(50,345)
Leases (Note 22)						
Business arrangements payable (g)	-	-	252,639	238,331	(45,391)	(70,940)

(a) Sale of goods and provision of sundry services to the associated company Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A.
(b) Acquisition and sale of goods and services of the associated company Albioma Esplanada Energia S.A. and Albioma Esplanada Energia S.A.
(c) Balance corresponding to a current account, interest earning bank deposits bearing market interest rates from Banco Coopercred, a credit cooperative that the Company is a shareholder.
(d) Balance of loans granted to the direct Individual Vera Cruz Agropecuária Ltda., bearing interest at 0.9489% per month.
(e) Refers to the granting of loan to subsidiaries Goiás Látex S.A. and Esplanada Bioenergia S.A., remunerated at 12% per annum.
(f) The calculation of the sugarcane price for the purpose of paying for partnerships is based on the amount of the ATR priced based on Consecana's methodology using the product mix and prices adopted by Jalles Machado S.A. This amount is adjusted according to the contractual term, production volume, irrigation capacity, feasibility of organic sugarcane production, extension of the farm, distance, soil quality, relief and strategic interest. Such specific conditions were duly negotiated between the parties.
(g) Lease agreement for the industrial complex of the subsidiary Jalles Machado Empreendimentos Imobiliários S.A., where the Company has the subsidiary Unit Otávio Lage.
(h) Rights-of-use of leased land in the form of business arrangements.
(i) Right-of-use on the lease of industrial complex between the Individual and Jalles Machado Empreendimentos Imobiliários S.A.

As of April 22, 2015, the Company signed a contract with its associated company Albioma Codora Energia S.A. with the purpose of combining assets, inputs, technical, human and financial resources from the parties to produce electricity and water steam, which uses biomass (sugar cane bagasse and straw, wood chips, sawdust, among other byproducts) and is valid until March 15, 2035. The Company is responsible for supplying the inputs, receiving electricity in return.

Employee benefits

The Company and its subsidiaries provide to its employees benefits comprising mainly: meals, transportation, scholarships, life insurance, medical assistance, dental assistance, pharmacy benefits, education etc.

The Company and its subsidiaries include in their HR policies a Profit-Sharing Program (PPR) in which all the employees who have signed a formal employment agreement with them are entitled to participate. The goals and criteria for distribution of funds and awards are agreed to between the parties, including unions representing employees, with the goals of increased productivity, competitiveness and motivation and engagement among participants.

The amounts related to employee benefits recorded in administrative expenses and cost of sales in the statement of income are presented below:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Food	7,918	5,996	7,918	5,996
Transport	14,171	12,968	14,171	13,104
Profit sharing	13,766	10,182	13,766	10,182
Medical or dental care	6,958	5,111	6,958	5,125
Education	1,354	1,243	1,354	1,257
Scholarship	61	93	61	93
Other	6,292	5,587	6,292	5,589
	50,520	**41,180**	**50,520**	**41,346**

25 Segment information

An operating segment is a component of the Company and its subsidiaries. It performs business activities from which it can obtain revenues while incurring in expenses, including revenues and expenses with transactions with other components of the Company and its subsidiaries. All operating results are often reviewed by the Executive Board for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance for which individual financial information is available.

The Company and its subsidiaries have two operating business segments: 1- Sugar, Ethanol and byproducts of the sugarcane agro-industrial process (AED); and 2- Natural Rubber (discontinued operation on December 31, 2020), as disclosed below. The activities presented in the column “Other” do not qualify as operating segments and represent activities not allocated to segments.

Management defined the operating areas of the Company and its subsidiaries, based on reports employed to make strategic decisions, reviewed by the main decision makers, namely: the Executive Board, according to the authority levels established in the process implemented by the Company and its subsidiaries.

The analyses are performed by segmenting the business based on the industrial products by the Company and its subsidiaries, comprised by the following segments:

- Sugar, Ethanol and byproducts of the sugarcane agro-industrial process (AED);
- Natural rubber (operation discontinued as of December 31, 2020).

Performance analyzes of operating segments are carried out based on the statement of income by business, focused on profitability:

	03/31/2021			
	AED	**Rubber** (discontinued)	**Other**	**Total**
Gross revenue				
Domestic market				
Ethanol	461,377	-	-	461,377
White sugar	302,885	-	-	302,885
Organic sugar	21,335	-	-	21,335
Soybean	892	-	-	892
Sanitizers	127,836	-	-	127,836
Yeast derivatives	8,593	-	-	8,593
Natural rubber	4,677	-	-	4,677
Other sales	3,517	-	-	3,517
	931,112	-	-	931,112
Foreign market				
White sugar	91,413	-	-	91,413
Organic sugar	252,462	-	-	252,462
	343,875	-	-	343,875
(-) Taxes, contributions and sales deductions	(188,539)	-	(993)	(189,532)
Net revenue	**1,086,448**	**-**	**(993)**	**1,085,455**
Cost of products sold	(655,544)	-	-	(655,544)
Changes in the market value of biological assets	177,184	-	-	177,184
Gross income	**608,088**	**-**	**(993)**	**607,095**
Sales expenses	(103,522)	-	-	(103,522)
Other operating expenses, net	5,124	-	(115)	5,009
Operating income	**509,690**	**-**	**(1,108)**	**508,582**
Profit sharing of investees under the equity method	11,126			11,126
Financial income (loss)	(306,705)	-	(194)	(306,899)
Income (loss) before taxes	214,111	-	(1,302)	212,809
Deferred income tax and social contribution	(39,834)	-	(3,060)	(42,894)
Income from continued operations	**174,277**	**-**	**(4,362)**	**169,915**
Net income (loss) of discontinued operations (net of taxes)	-	534	-	534
Income (loss) for the year	**174,277**	**534**	**(4,362)**	**170,449**

	2020			
	AED	**Rubber** (discontinued)	**Other**	**Total**
Gross revenue				
Domestic market				
Ethanol	570,104	-	-	570,104
White sugar	198,601	-	-	198,601
Organic sugar	20,051	-	-	20,051
Soybean	965	-	-	965
Sanitizers	61,450	-	-	61,450
Yeast derivatives	8,872	-	-	8,872
Other sales	3,094	-	-	3,094
	863,137	-	-	863,137
Foreign market				
White sugar	203,022	-	-	203,022
Organic sugar	21,440	-	-	21,440
	224,462	-	-	224,462
(-) Taxes, contributions and sales deductions	(198,142)	-	(939)	(199,081)
Net revenue	**889,457**	**-**	**(939)**	**888,518**
Cost of products sold	(578,710)	-	-	(578,710)
Changes in the market value of biological assets	(36,668)	-	-	(36,668)
Gross income	**274,079**	**-**	**(939)**	**273,140**
Sales expenses	(66,311)	-	-	(66,311)
Other operating expenses, net	31,057	-	(54)	31,003
Operating income	**238,825**	**-**	**(993)**	**237,832**
Profit sharing of investees under the equity method	8,660			8,660
Financial income (loss)	(186,575)	-	(1,978)	(188,553)
Income (loss) before taxes	60,910	-	(2,971)	57,939
Deferred income tax and social contribution	21,695	-	(2,936)	18,759
Income from continued operations	**82,605**	**-**	**(5,907)**	**76,698**
Net income (loss) of discontinued operations (net of taxes)	-	(174)	-	(174)
Income (loss) for the year	**82,605**	**(174)**	**(5,907)**	**76,524**

On the date of the financial statements of 2021 and 2020, the Company had clients that accounted for over 10% of its net revenues of “Sugar, Ethanol and By-products” segment. In the year ended March 31, 2021, the Company’s main client accounted for 10% of net revenues (in the 2020, one client accounted for 11% of net revenues).

In the Rubber segment, discontinued operation as of December 31, 2020, three clients accounted for 91% of net sales for the nine-month period ended December 31, 2020 (as of March 31, 2020, a client accounted for 84% of net revenues).

Operating assets and liabilities by segment:

The operating assets and liabilities of the Company and its subsidiaries were segregated by segment and are presented below.

	AED		RUBBER		TOTAL	
Assets	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Current assets						
Cash and cash equivalents	1,194,100	388,811	-	271	1,194,100	389,082
Pledged financial investments	26,635	29,923	-	-	26,635	29,923
Accounts receivable and other receivables	36,523	43,865	-	169	36,523	44,034
Inventories	76,621	69,872	-	12	76,621	69,884
Advances to suppliers	14,133	13,051	-	-	14,133	13,051
Biological assets	369,899	186,626	-	234	369,899	186,860
Hedge operations	6,991	31,866	-	-	6,991	31,866
Recoverable taxes and contributions	36,494	39,323	-	2	36,494	39,325
Recoverable income tax and social contribution	6,262	973	-	-	6,262	973
Other assets	2,563	-	-	-	2,563	-
Total current assets	1,770,221	804,310	-	688	1,770,221	804,998
Non-current assets						
Long-term assets						
Pledged financial investments	1,685	16,259	-	-	1,685	16,259
Accounts receivable and other receivables	-	3,179	-	-	-	3,179
Derivative financial instruments	24,713	-	-	-	24,713	-
Judicial deposits	87,166	52,204	-	-	87,166	52,204
Recoverable taxes and contributions	6,512	34,355	-	-	6,512	34,355
Recoverable income tax and social contribution	-	3,150	-	-	-	3,150
Total non-current assets	120,076	109,147	-	-	120,076	109,147
Investments	101,928	132,020	-	220	101,928	132,240
Property, plant and equipment	952,519	1,002,449	-	7,363	952,519	1,009,812
Rights-of-use	507,237	478,188	-	-	507,237	478,188
Intangible assets	9,121	10,064	-	-	9,121	10,064
	1,570,805	1,622,721	-	7,583	1,570,805	1,630,304
Total non-current assets	1,690,881	1,731,868	-	7,583	1,690,881	1,739,451
Total assets	3,461,102	2,536,178	-	8,271	3,461,102	2,544,449

Liabilities	AED 2021	AED 2020	RUBBER 2021	RUBBER 2020	TOTAL 2021	TOTAL 2020
Current liabilities						
Loans and financing	427,668	211,515	-	-	427,668	211,515
Leases payable	53,706	45,816	-	-	53,706	45,816
Suppliers and other accounts payable	42,992	36,680	-	81	42,992	36,761
Hedge operations	105,094	36,871	-	-	105,094	36,871
Provision and labor charges	20,858	19,665	-	224	20,858	19,889
Tax liabilities	12,514	7,709	-	70	12,514	7,779
Dividends payable	10,800	-	-	-	10,800	-
Income tax and social contribution payable	765	688	-	31	765	719
Advance from clients	11,202	12,310	-	-	11,202	12,310
Total current liabilities	685,599	371,254	-	406	685,599	371,660
Non-current liabilities						
Loans and financing	993,045	1,073,895	-	-	993,045	1,073,895
Leases payable	453,531	401,108	-	-	453,531	401,108
Derivative financial instruments	62,500	-	-	-	62,500	-
Deferred income tax and social contribution	95,749	81,522	-	-	95,749	81,522
Tax liabilities	10,523	5,824	-	-	10,523	5,824
Suppliers and other accounts payable	553	1,424	-	-	553	1,424
Provisions for contingencies	23,619	7,854	-	-	23,619	7,854
Total non-current liabilities	1,639,520	1,571,627	-	-	1,639,520	1,571,627
Shareholders' equity						
Capital	989,045	448,200	-	8,000	989,045	456,200
Profit reserves	101,164	78,043	-	(135)	101,164	77,908
Equity valuation adjustments	15,701	67,054	-	-	15,701	67,054
Additional dividends proposed	30,073	-	-	-	30,073	-
Total shareholders' equity	1,135,983	593,297	-	7,865	1,135,983	601,162
Total liabilities and shareholders' equity	3,461,102	2,536,178	-	8,271	3,461,102	2,544,449

26 Statements of cash flows

Property, plant and equipment

During the year ended March 31, 2021 and 2020, as mentioned in note 9, fixed asset items were acquired at total cost in the Individual and consolidated of R$ 147,497 and R$ 141,081, as follows:

	Individual		Consolidated	
	2021	**2020**	**2021**	**2020**
Cost with the acquisition of property, plant and equipment	245,903	247,970	245,903	247,991
Balance of suppliers at the end of the year	(3,002)	(8,551)	(3,002)	(8,551)
Acquisition of crop	(95,404)	(98,338)	(95,404)	(98,338)
	147,497	**141,081**	**147,497**	**141,102**

27 Discontinued operation

As of December 31, 2020, the Company carried out a partial spin-off in which, among other assets and liabilities, the investment in Goiás Látex S.A., previously controlled by the Company and responsible for the operational monitoring of natural rubber, was spun- off.

The natural rubber segment was not classified as a discontinued operation or classified as held-for-sale before. The consolidated statement of income and consolidated statement of cash flows for the comparative year are being restated to present the discontinued operation separately from the continued operations.

Net income (loss) from discontinued operation

	Dec 2020	**Mar 2020**
Net operating revenue	1,709	2,742
Cost of sales and services	(1,020)	(2,497)
Gross income	**689**	**245**
Operating expenses		
Administrative and general expenses	(117)	(356)
Other revenues	-	16
Income (loss) before financial income (loss) and taxes	**572**	**(95)**
Financial expenses	(5)	(271)
Financial revenues	32	326
Net financial income (loss)	**27**	**55**
Income (loss) before income tax and social contribution	**599**	**(40)**
Current income tax and social contribution	(65)	(134)
Net income (loss) of discontinued operations	534	(174)
Basic earnings and diluted per share (in reais)	0.00	0.00

Statements of comprehensive income form disontinued operations

	Dez/2020	Mar/2020
Income (loss) for the year	534	(174)
Other comprehensive income	-	-
Total comprehensive income	534	(174)

Cash flows from (used in) continued operations

	Dec 2020	Mar 2020
Cash flow from operating activities		
Income (loss) for the year	534	(174)
Crop depreciation	119	230
Amortization of crop treatments	234	472
Provision for contingencies	-	(63)
Provision for derivative financial instruments	-	5
Current taxes and contributions	65	135
Accrued interest on loans and financings	5	-
Changes:		
Accounts receivable and other receivables	57	76
Inventories	(121)	20
Biological assets	(746)	(467)
Advances to suppliers	(750)	-
Recoverable taxes and contributions		219
Suppliers and other accounts payable	499	17
Provision and labor charges	(70)	19
Tax liabilities	11	(20)
Settlement of derivative financial instruments	-	(17)
Income tax and social contribution	(61)	(127)
Net cash flow used in (from) operating activities	(224)	325
Cash flow from investment activities		
Acquisition of other investments	(6)	(28)
Acquisition of fixed assets	-	(22)
Net cash flow used in investment activities	(6)	(50)
Cash flow from financing activities		
Loans and financing obtained	300	-
Payment of dividends	-	(955)
Net cash from financing activities	300	(955)
Increase (decrease) in cash and cash equivalents	70	(680)
Cash and cash equivalents at the beginning of the year	271	951
Cash and cash equivalents at the end of the year	341	271
Increase (decrease) in cash and cash equivalents	70	(680)

Effect on the financial position of Company's consolidated

(In thousands of reais)

	12/31/2020
Assets	
Current assets	
Cash and cash equivalents	341
Accounts receivable and other receivables	112
Inventories	133
Advances to suppliers	750
Biological assets	746
Recoverable taxes and contributions	1
Total current assets	2,083
Non-current assets	
Investments	226
Property, plant and equipment	7,244
Total non-current assets	7,470
Total assets	9,553

	12/31/2020
Liabilities	
Current liabilities	
Loans and financing	300
Suppliers and other accounts payable	35
Provision and labor charges	154
Tax liabilities	81
Income tax and social contribution payable	35
Total current liabilities	605
Non-current liabilities	
Suppliers and other accounts payable	549
Total non-current liabilities	549
Shareholders' equity	
Capital	8,000
Profit reserves	40
Retained earnings	359
Total shareholders' equity	8,399
Total liabilities and shareholders' equity	9,553

*   *   *

Members of the Management

Administrative Board

Oscar de Paula Bernardes Neto
Chairman of the Board and independent member

Alexandre Lahóz Mendonça de Barros
Vice-President and independent member

Plinio Mário Nastari
Executive member

Otávio Lage de Siqueira Filho
Member

Silvia Regina Fontoura de Siqueira
Member

Clóvis Ferreira de Morais
Member

Gibrail Kinjo Esber Brahim Filho
Member

Executive Board

Otávio Lage de Siqueira Filho -
Chief Executive Officer

Rodrigo Penna de Siqueira
Chief Financial Officer

Henrique Penna de Siqueira
Chief Sales Officer

Joel Soares Alves da Silva
Chief Operating Officer

Accountant
Nelson Gomes da Silva Neto
CRC/GO nº 011 107/O

MANAGEMENT REPORT 2020/21

JALLES MACHADO S/A
Financial Division
Investor Relations Department

jallesmachado.com/ri/en/

Jalles Machado S.A.

Management Report

Fiscal Year ended March 31, 2021 (2020/21 Crop)

Board of Directors:

Oscar Bernardes
Chairman and Independent Member

Alexandre Mendonça de Barros
Vice- Chairman and Independent Member

Plinio Nastari
Executive Member

Otávio Lage de Siqueira Filho
Member

Silvia Regina de Siqueira
Member

Clóvis Ferreira de Morais
Member

Gibrail Kanjo Esber Brahin
Member

Executive Board:

Otávio Lage de Siqueira Filho
Chief Executive Officer

Henrique Penna de Siqueira
Commercial Officer

Rodrigo Penna de Siqueira
Chief Financial Officer

Joel Soares Alves da Silva
Operations Officer

Audit:

KPMG Auditores Independentes

Caption:

- *UJM – Jalles Machado Plant*
- *UOL – Otávio Lage Plant*
- *1Q21 – Quarter ended June 30, 2020 (2020/21 Crop)*
- *2Q21 – Quarter ended September 30, 2020 (2020/21 Crop)*
- *3Q21 – Quarter ended December 31, 2020 (2020/21 Crop)*
- *4Q21 – Quarter ended March 31, 2021 (2020/21 Crop)*
- *2019/20 Crop – Fiscal Year ended March 31, 2020*
- *2020/21 Crop – Fiscal Year ended March 31, 2021*

Investor Relations:

Frederiko Mamede
+55 62 3389-9000
ri@jallesmachado.com

Goianésia, June 17, 2021.

Dear shareholders,

The Management of Jalles Machado S.A., in compliance with legal and statutory provisions, is pleased to submit for your appreciation the Management Report and the Company's Financial Statements, together with the Independent Auditors' Report, for the fiscal year ended March 31, 2021. The Company's operating and financial information, except where otherwise indicated, is presented on the basis of consolidated figures, and is prepared in line with the accounting practices adopted in Brazil, and in accordance with the International Financial Reporting Standards (IFRS), alongside with the pronouncements issued by CPC (Committee of Accounting Pronouncements) applicable to its operations. All comparisons take into account the fiscal year 2020, except where otherwise indicated.

Message from Management

We closed yet one more fiscal year, and it is with great pleasure and sense of accomplishment that we present to our shareholders a record crop in terms of production, sales and profitability. Within a very challenging global environment, perhaps the most challenging since the end of World War II, we had a lot to celebrate. We processed 5,295.7 thousand tons of sugarcane, a volume 3.6% higher than in the previous crop year. For the first time, we have exceeded the R$ 1 billion mark in net revenues, having reached R$ 1,085.5 million in the 2020/21 crop year. We have also recorded growth in profitability, with increases in both gross and net margins. As a result, we closed the fiscal year ended March 31, 2021 showing a 122.7% growth in net income, which rose from R$ 76.5 million to R$ 170.4 million.

Our employees have always been at the center of our attention and in the 2020/2021 crop year it was no different. We took several measures throughout the crop season to protect our teams and communities from the pandemic, while at the same time preserving our operations, so as to serve society with our essential products, especially the healthcare units with gel and liquid alcohol 70%. Our achievements have only been possible with the individual effort and dedication of each one of our employees, who are aware of their importance to the conduction of our strategy.

In addition, the strategy of increasing ethanol storage for trading during the off-season period proved to be correct once again. We experienced a recovery in both demand and prices throughout the crop year, following the initial retraction caused by the pandemic, which reduced urban mobility. As a result, off-season prices were up 51% compared to the average price practiced during the first quarter of the fiscal year, versus the last quarter of the fiscal year. Another highlight was the increase in the share of sugar in the production mix from 39% in the 2019/20 crop to 47% during the last crop year, taking advantage of the improvement in the price of white sugar. In addition, we have differentiated and higher margin products, such as our organic line. In December 2020, we launched a new brand, La Terre, aimed at concentrating our focus on healthier organic products, which feature a differentiated target audience and marketing and commercialization strategies.

We have been able to put these strategies into practice because we have a healthy capital structure and low financial leverage, since some of them require high storage capacity and cash availability. Throughout the crop, we conducted a CRA issue of R$ 240 million, our rating was raised from "BB-" to "BB" on a global scale by S&P and from "brAA+" to "brAAA" on a national scale, with a stable perspective. Additionally, Fitch reviewed the perspective of our rating from stable to positive, and reiterated the "A+ (Bra)" national rating.

Finally, on March 12, 2021, we welcomed our new 4,500 partners by completing our IPO, with the listing of the Company's shares on the Novo Mercado under the ticker JALL3, B3's special trading segment for companies with differentiated levels of corporate governance. With the IPO process, we have strengthened the Company's cash in the amount of R$ 519.8 million, net of the IPO costs, which will be earmarked to finance our growth plan.

Such achievements encourage us to strive for more. Although many challenges may still remain, such as climate issues for example, we will continue seeking to enhance productivity and efficiency, and we count on our employees to leverage these achievements into the foundations for new goals.

We shall remain committed, focused, in a transparent manner, and with respect for all of our stakeholders, while creating value for our shareholders and for society as a whole. The ESG (Environmental, Social and Corporate Governance) aspects have been part of our management model for years, and as a publicly-held Company with shares listed on the stock exchange, we will carry on investing, monitoring and enhancing our practices. In this sense, we are proud to have reached the position of eighth best company to work for in the agribusiness sector, according to a survey conducted by the global advisor Great Place to Work - GPTW in 2020.

We would like to thank all our partners, internal and external, who have contributed to the completion of another year of outstanding results.

Agriculture:

Average yield stood at 95.6 tons per hectare (TCH), in line with the 2019/20 crop of 96.0 TCH. The Total Recoverable Sugar (TRS) Field, during the crop, decreased by 4.1%, from 136.4 kg/t in the 2019/20 crop to 130.7 kg/t in the 2020/21 crop. The decrease is mainly a reflection of changes in soil and climate conditions, such as rainfall, light, temperature and air humidity, which directly influence the development of sugarcane.

In the face of a challenging crop year, management focused on opportunities to reduce Capex without jeopardizing the high efficiency of the field operation, and without neglecting the excellence in sugarcane field management, which has led to the high productivity recorded, in spite of adverse conditions.

Industry:

Enhancing efficiency in both industrial plants, by making better use of crushing time and reducing losses, was the main challenge to be met in order to process the 5.3 million tons of sugarcane in the 2020/2021 crop year. The TRS Production closed the period at 137.7 kg/t in the 2020/21 crop, versus 143.3 kg/t in the 2019/20 crop, or a 3.9% reduction.

Moreover, in response to the pandemic, Jalles Machado sought ways to increase production in its sanitizer plants, especially of gel and liquid alcohol. In comparison with the previous crop year, the Company increased its production of sanitizers by 76.2%, to 3,421.1 thousand boxes.

Human Talents:

For the first time, Jalles Machado ranked among the best companies to work for when it comes to the Agribusiness sector. Since 2018, the Company has been elected by Great Place to Work as one of the best companies to work for. Furthermore, we were ranked eighth in the large companies category and fifth among companies in the Midwest region. A great place to work is made up of the best team, which believes in the purpose and embarks together on the Company's mission. More than just a pretty speech, this is seen in practical terms. The evaluation of internal culture in 2021 showed above-average results for the sector, region, and in global terms.

Jalles Machado	**82**
Regional average	58
Global average	49

In the fiscal year ended March 31, 2021, Jalles Machado had, on average, 3,582 employees, up 6.1% from the 3,375 in the immediately previous crop year. Approximately 12.8% were allocated to the administrative area, 20.2% to the industrial area, and 67.0% to agriculture.

Social and Environmental:

Our concern over the Coronavirus pandemic transcended the internal public. We have sought to increase the production (+72.6%) of sanitizers to meet the increased demand, although several actions were also taken to raise awareness and prevention of the whole community. Jalles Machado carried out donations of food staple baskets and alcohol 70% for the population of Goianésia and villages of the municipality, in addition to healthcare organizations and various other institutions not only in the state of Goiás.

On the environmental front, the two industrial units are certified under the Renovabio (Brazilian Biofuels Policy). The ethanol production will generate credit for the Company, which will be allowed to trade it in a regulated environment on the stock exchange, thus generating extra revenue. In the 2020/21 crop, 153,941 Cbios were commercialized, generating an additional revenue of R$ 4.7 million.

Subsequent events:

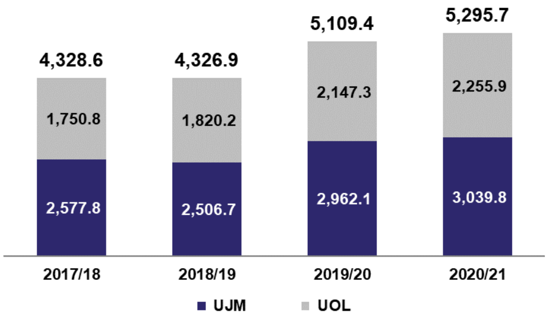
On April 1, 2021, the Otávio Lage Plant (UOL) was certified by the FDA (Food and Drug Administration), pursuant to the U.S. Federal Drug and Cosmetic Act, as amended by the Bioterrorism Act of 2002 and the FDA's Food Safety Modernization Act. This Certificate is mandatory for companies exporting food, pharmaceuticals, and medical devices to the US. From that moment on, the two industrial Jalles Machado plants are eligible to export sugar to the USA. The seal is the result of a long and laborious certification process, and ensures that the UOL is fully compliant with the US Food Quality Control Authority, thereby generating greater visibility for our products, including in other countries, in addition to reinforcing Jalles Machado's commitment to quality, transparency, and ethics in its negotiations.

On May 19, 2021, through a material fact, the Company disclosed operational forecasts to the market. The information is available at the CVM and on the Company's Investor Relations website, under the Material Fact heading, and in item 11 of the reference form.

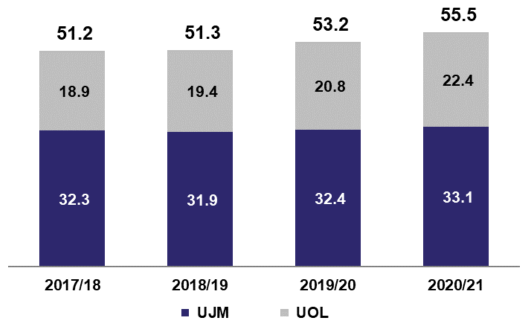
The Executive Board

Highlights for the 2020/21 Crop:

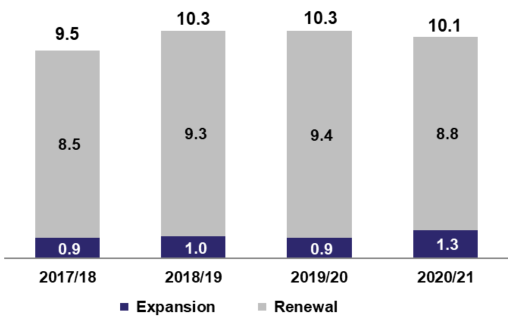
Crushing ('000 ton)



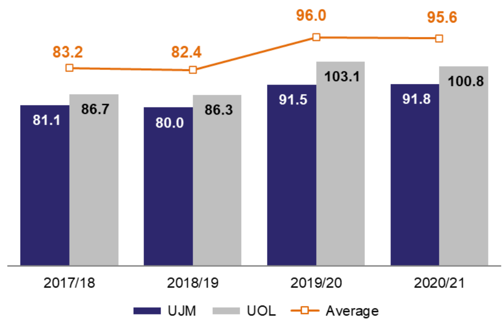
Harvested Area ('000 ha)



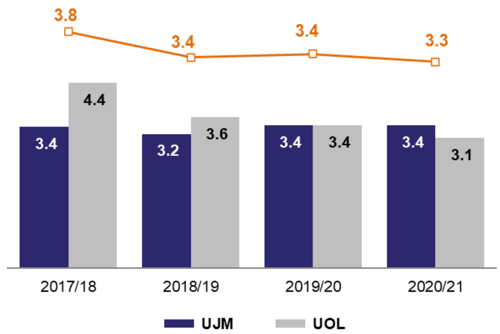
Planting ('000 ha)



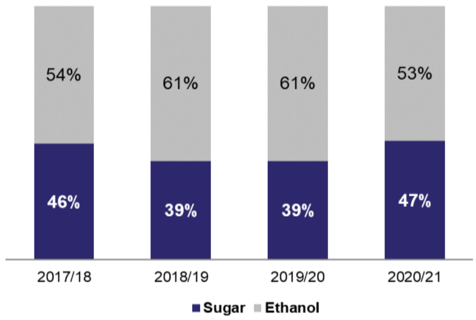
Productivity (ton/ha)



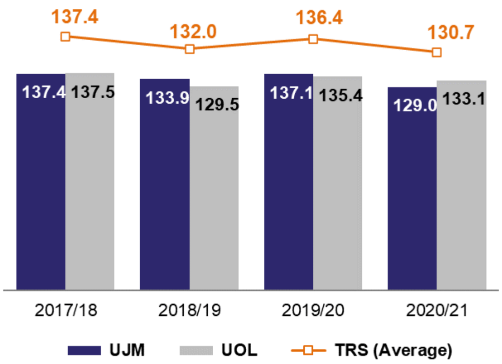
Average Age of Sugarcane Plantation (years)



Production Mix (%)



TRS Field (kg/ton)



R$ million	2020/21	2019/20	Chg (%)	2018/19	2017/18
Gross Revenue	**1,275.0**	**1,087.6**	17.2%	908.3	867.2
Net Revenue	**1,085.5**	**888.5**	22.2%	762.2	736.5
Change in Biological Asset	**177.2**	**(36.7)**	-583.2%	(17.3)	5.7
COGS	**655.5**	**578.7**	13.3%	565.4	544.8
Gross Profit	**607.1**	**273.1**	122.3%	179.5	197.4
Gross Margin	***55.9%***	***30.7%***	*25.2 p.p.*	*23.6%*	*26.8%*
SG&A	**176.2**	**140.1**	25.8%	89.2	101.5
Other Oper. Rev. (Exp.)	**85.4**	**105.0**	-18.6%	64.5	67.3
Share in Earnings/(Loss) of Assoc./Subs.	**(7.7)**	**(0.2)**	3521.9%	-	-
Assets in subsidiaries	**11.1**	**8.7**	28.5%	6.0	6.0
Operating Income/(Loss) (EBIT)	**519.7**	**246.5**	110.8%	160.9	169.2
Disposal of assets	**-**	**-**	n/a	50.5	-
Financial Results w/o forex	**(97.2)**	**(114.4)**	-15.1%	(103.6)	(140.7)
Share in Earnings/(Loss) of Assoc./Subs.	**419.0**	**123.6**	n/a	51.3	22.5
Effect of FOREX Rate Changes/Hedging Op.	**(209.7)**	**(74.1)**	182.9%	(45.1)	25.5
Profits beafore taxes	**212.8**	**57.9**	267.3%	62.7	54.1
Income tax and social contribution on profits	**(3.1)**	**(2.9)**	4.3%	(5.9)	(12.3)
Income tax and social contribution on profits deferred	**(38.8)**	**21.7**	-278.8%	14.6	6.9
Results from discontinued operations	**0.5**	**(0.2)**	n/a	-	-
Net Income	**171.5**	**76.5**	124.1%	71.4	46.2
Adjusted LTM EBITDA[1]	**709.9**	**610.0**	16.4%	492.9	491.9
Adjusted LTM EBITDA Margin[1]	***65.4%***	***68.7%***	*-3.3 p.p.*	*65.6%*	*66.8%*
Capex	**248.9**	**252.1**	-1.3%	287.4	253.9
Cash, Cash Equiv. and Cash Restricted	**1,222.4**	**435.3**	180.8%	348.0	444.1
Net Debt	**198.3**	**850.1**	-76.7%	888.9	835.4
Sugarcane crushing	**5,295.7**	**5,109.4**	3.6%	4,326.9	4,328.6
Gross Revenue/T.	**240.8**	**212.9**	13.1%	209.9	200.3
Ebitda/T. (R$/T.)	**134.0**	**119.4**	12.3%	115.6	113.6
Net Debt/Adjusted LTM EBITDA	**0.3x**	**1.4x**	n/a	1.8x	1.7x
ROE	**15.0%**	**12.7%**	*2.3 p.p.*	15.0%	10.2%
Liquidity Ratio	**2.6x**	**2.2x**	n/a	2.6x	1.6x

[1]2018/19: Esplanada. 2015/16: Codora. [2]Change in the fair value of biological assets.

[3-4] Disconsidering tax incentives (Fomentar and Bolsa garantia Fomentar programs)

2020/21
Crop Results

Operational Context

The activities of Companhia Jalles Machado S.A., and its subsidiaries Jalles Machado Empreendimentos Imobiliários S.A., Esplanada Bioenergia S.A. and the affiliated companies Albioma Codora Energia S.A. and Albioma Esplanada Energia S.A., hereinafter referred to as "Company", essentially comprise the following operations:

Jalles Machado S.A.

Jalles Machado S.A. is a publicly-held Company registered with the Brazilian Securities and Exchange Commission (CVM) under number 02549-6 of February 4, 2021. The Company's shares are traded at B3 under the ticker symbol "JALL3".

The Company holds two industrial units, Jalles Machado and Otávio Lage, located in the municipality of Goianésia (GO). With a processing capacity of over 5 million tons of sugarcane per crop, its core business is the industrialization and marketing, both domestically and abroad, of sugar, ethanol, electric power and other sugarcane by-products. The Company is always seeking to add value to its portfolio, such as the marketing of white and organic sugar and sanitizing products under its own brand Itajá, in addition to the production and marketing of dry yeast.

All the sugarcane used in the industrial units' processes comes from the Company's own farms, cultivated in its own fields, and through agricultural partnerships with shareholders and third parties.

Jalles Machado Empreendimentos Imobiliários S.A.

This subsidiary is headquartered in the city of Goianésia, state of Goiás, at Rodovia GO 338, Km 33 on the left, Km 03, Rural Zone, and its corporate objective is the purchase and sale of real estate, the leasing of real estate and the management of its own assets, for an indefinite period of time.

It holds a private real estate lease instrument for non-residential purposes and equipment in the amount of R$ 2,286 per month, adjusted annually by the IGP-M index, up to June 2024, with the Parent Company Jalles Machado S.A.. For the purpose of the consolidated financial statements, it is classified as property, plant and equipment.

Goiás Látex S.A.

The subsidiary is located at Rua 33 nº 668 - Bairro Carrilho in the municipality of Goianésia (GO), with a branch at Fazenda Esplanada, Rod. GO 080, Km 71, in the municipality of Vila Propício (GO). The Company's main activity is rubber farming and related activities, production, commercialization and exports of rubber in natura and processed, and other latex processing by-products, as well as the production and marketing of seeds, exploration and maintenance of a clonal garden for commercialization of rubber tree stems, and exploration and maintenance of a seedling nursery for the marketing of rubber tree seedlings.

On December 31, 2020, as part of the Company's organizational and structural optimization purpose, Goiás Látex S.A. ceased to be an investment of Jalles Machado S.A., and became part of the spun-off structure.

Esplanada Bioenergia S.A.

This subsidiary is headquartered at Rodovia GO 080, km 75.1, rural zone, in the municipality of Goianésia (GO), and is engaged in the co-generation and sale of electric power and water steam generated from sugarcane biomass and complementary raw materials. It may also engage in other related activities, such as the sale of "carbon credits".

Albioma Codora Energia S.A.

This affiliated company is based at Rodovia GO 338, km 33, on the left, km 4, rural area, in the municipality of Goianésia (GO), and is engaged in the production and sale of electric power and steam, in addition to all byproducts stemming from the co-generation of electric power.

Albioma Esplanada Energia S.A.

This affiliated company is located at Rodovia GO 080, km 75.1, rural area, in the municipality of Goianésia (GO), and is engaged in the co-generation and sale of electric energy and water steam, generated from sugarcane biomass and complementary raw materials, and may also perform other related activities connected with its corporate purpose, such as the sale of "carbon credits". The joint venture was formed in December 2017 to host the energy co-generation assets from Jalles Machado S.A., as a result of the negotiation with the partner Albioma Participações do Brasil.

Operational Performance

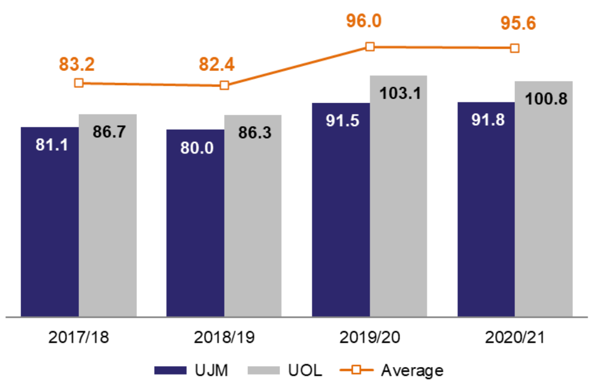
Sugarcane crushing

Jalles Machado closed the year reporting a total crushing of 5,295.7 tons of sugarcane, a record volume for the Company, up 3.6% over the volume recorded in the previous crop year.

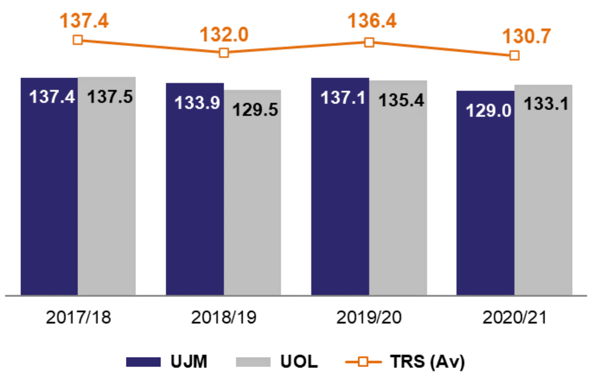
With a total harvested area of 55.5 thousand hectares, average productivity remained practically flat when compared to the previous crop, with a TCH (ton of cane per hectare) of 95.6 t/ha, versus 96.0 t/ha in the 2019/20 crop year.

Due to climate changes, and considering rainfall at different times during the crop year, light, temperature and air humidity, factors that directly impact the development of sugarcane, the quality of the product harvested in the 2020/21 crop year, as measured by the field total recoverable sugar (TRS) index, was 130.7 kg/t. The TRS Production was 137.7kg/t for the 2020/21 crop, representing a 3.9% reduction when compared to the previous crop, 2019/20, of 143.3 kg/t.

Processed Sugarcane ('000 ton) e TCH (ton/ha)



TRS Field (kg/ton)



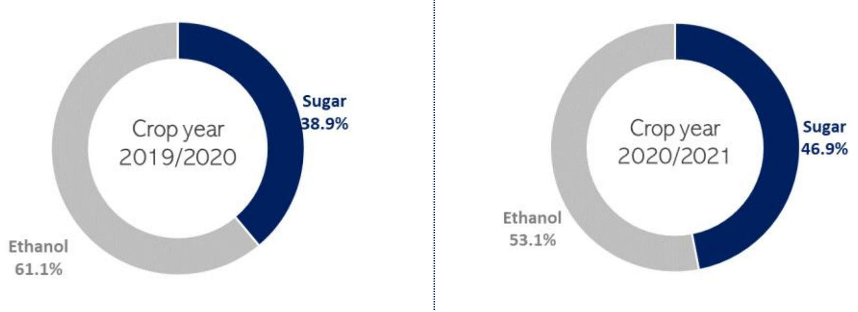
Production

The record crushing volume in the 2020/21 crop partially offset the lower sugar content of the processed sugarcane during the period, leading to a total output of 729.0 thousand tons of TRS (sugar and ethanol), a volume in line (- 0.4%) with that produced in the previous crop, of 732.1 thousand tons.

	2020/21	2019/20	Chg. %	Chg.#
Sugarcane Processing (k tonnes)	**5,295.7**	**5,109.4**	***3.6%***	***186.3***
TRS Production* (k tonnes)	**729.0**	**732.1**	***-0.4%***	***(3.0)***
Ethanol Production (k m3)	**236.6**	**272.7**	***-13.2%***	***(36.1)***
Hydrous / Organic	182.3	224.9	*-18.9%*	*(42.6)*
Anhydrous	54.4	47.8	*13.7%*	*6.6*
Sugar Production (k bags 50kg)	**313.0**	**258.7**	***21.0%***	***54.2***
Refined	218.5	164.2	*33.1%*	*54.3*
Organic	85.8	89.0	*-3.6%*	*(3.2)*
VHP	8.6	5.5	*56.7%*	*3.1*
Sanitizers (k boxes)	**3,421.1**	**1,941.8**	***76.2%***	***1,479.3***
Yeast Production (k tonnes)	**3.0**	**3.4**	***-11.4%***	***(0.4)***

**Sugar and etanol. Sanitizers not included.*
Source: Company's agro reports.

Production Mix



The Company adjusted its production mix to market price conditions, by increasing the sugar production to the detriment of ethanol. For the total 2020/21 crop, Jalles Machado produced 313.0 thousand tons of sugar, a volume 21.0% higher than that recorded for the previous crop, with highlight to the production of white sugar, which increased by 33.1%.

Furthermore, due to the population's need to maintain more hygienic practices in view of the ongoing Covid-19 pandemic, the production of sanitizers (gel alcohol, alcohol 70%, among others) was increased by 76.2%, totaling 3.4 million boxes during the 2020/21 crop year.

Sales

A total of 674.9 thousand tons of TSR (sugar and ethanol) were sold, a volume 4.1% higher than in the previous crop year. With the Company's mix primarily directed to sugar, the total volume of white, organic and VHP sugar sold during the year came to 325.4 thousand tons, representing a 51.0% growth over 2019/20, whereas the total volume of ethanol (hydrous, organic and anhydrous) dropped by 21.0%, totaling 198.1 thousand m^3 for the 2020/21 crop.

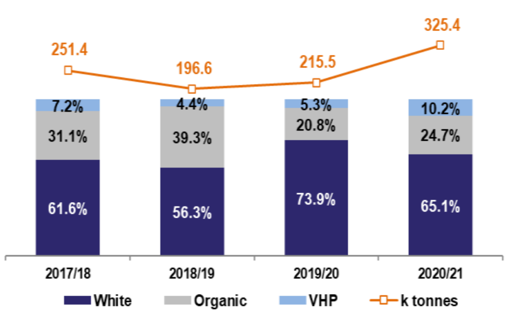
	2020/21	2019/20	Chg. %	Chg. #
Sugarcane Processing (k tonnes)	**5,295.7**	**5,109.4**	**3.6%**	**186.3**
TRS Production* (k tonnes)	**674.9**	**648.3**	**4.1%**	**26.6**
Ethanol Production (k m3)	**198.1**	**250.6**	**-21.0%**	**(52.5)**
Hydrous / Organic	178.4	221.3	-19.4%	(42.9)
Anhydrous	19.7	29.4	-32.9%	(9.7)
Sugar Production (k bags 50kg)	**325.4**	**215.5**	**51.0%**	**110.0**
White	211.8	159.1	33.1%	52.7
Organic	80.5	44.9	79.3%	35.6
VHP	33.1	11.4	190.3%	21.7
Sanitizers (k boxes)	**3,359.9**	**1,891.9**	**77.6%**	**1,468.1**
Yeast Production (k tonnes)	**2.7**	**3.4**	**-19.8%**	**(0.7)**

**Sugar and etanol. Sanitizers not included.*
Source: Company's agro reports.

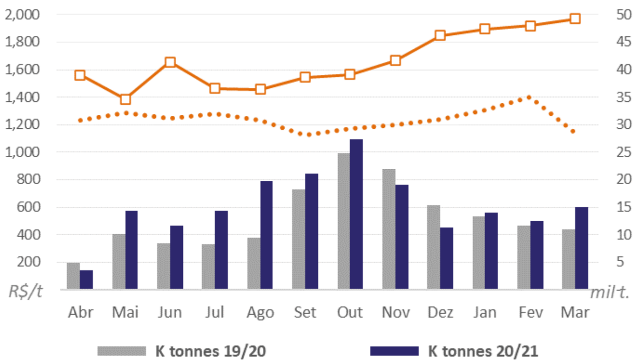
During the entire 2020/21 crop, the price of white sugar remained at a higher level than the one registered in the previous period, without showing any reversal trend until the end of the crop, in March/21.

Sugar

Volume



Price (white sugar)



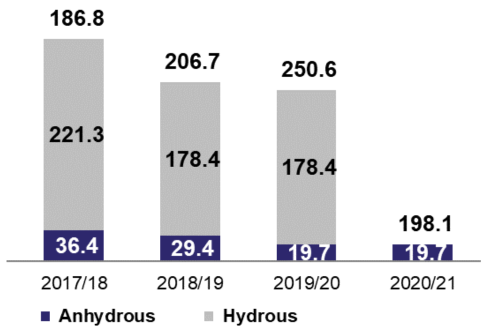
The total average price of sugar from Jalles Machado is higher than the market price, due to the fact that the Company also sells packaged sugar and organic sugar, partially under its own brand Itajá, which has a higher margin than the commodity price. Compared to the 2019/20 crop, organic and VHP sugar sales increased by 79.3% and 190.3%, respectively. Even though the total sales volume of the two items combined is lower than that of white sugar, the increase in sales volume contributed to widen the difference in the Company's average sales price.

During the 2020/21 crop, the Company sold a total of 325.4 thousand tons of sugar, at an average gross price of R$ 2,053.6/t, representing a 14.7% rise in relation to the average selling price practiced during the previous crop.

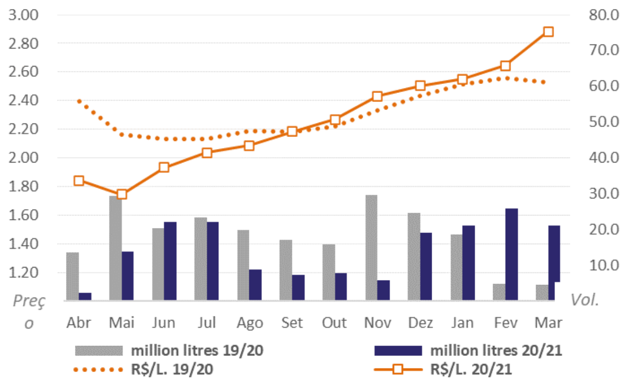
The price of hydrous ethanol, in turn, which in the first six months of the 2020/21 crop year remained lower than in the same period of the previous crop, has shown a strong upward trend. Since October/20, the beginning of the second half of the crop season, the price of that product has remained slightly above that of the 2019/20 crop, and widened this difference in March/21, indicating that it is likely to remain at its current, higher level.

Ethanol

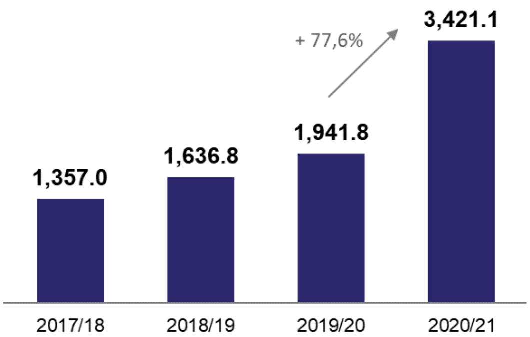
Volume



Price (hydrated ethanol)



Sanitizers - volume



The constant need for sanitation, with the adoption of this habit by the population due to the pandemic, led to increased demand for sanitizing products. Jalles Machado's sales for the 2020/21 crop of products such as gel and liquid alcohol 70% climbed by 77.6%, to a total of 3.4 million boxes.

Economic and financial performance

Operating revenues

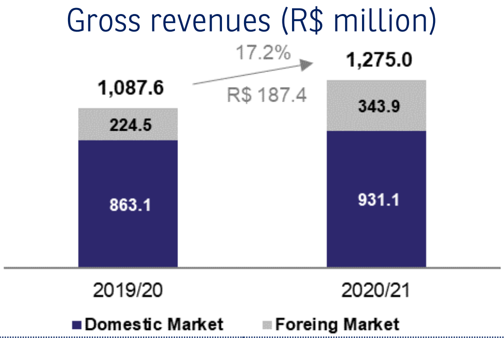
The prices of sugar and sanitizers remained above those reported in the previous year for the entire 2020/21 crop, and the ethanol prices have also remained at a higher level as from October/20. In addition, Jalles Machado recorded an increase in the sales volume of products for the period. These factors have caused the Company's gross revenues to exceed last crop year's by 17.2%, to a total amount of R$ 1,275.0 million for the fiscal year 2020/21.

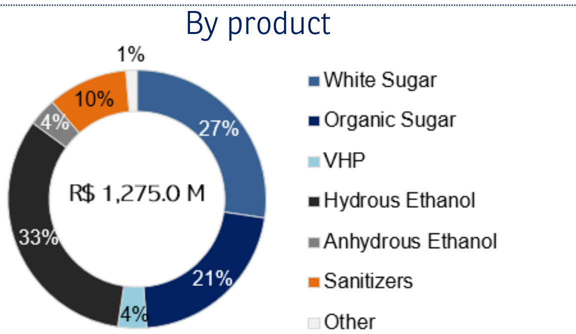
The Company's exports also contributed to this performance, taking into account the 21.5% growth in organic sugar sales, coupled with the positive effect of the FX variation. In addition to the higher gross revenues in dollars from external sales - US$ 63.6 million in the 2020/21 crop year, versus US$ 54.6 million in the previous crop year (+16.6%) -, when translated into local currency, revenues are increased due to the 31.4% appreciation of the US dollar against the Brazilian real during the period, considering the average dollar rate.

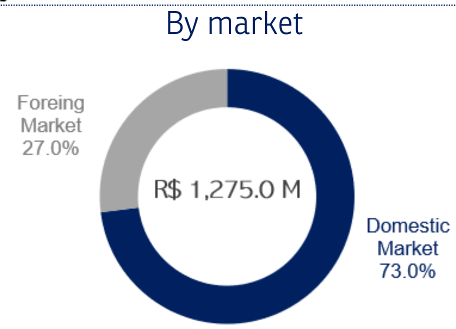
Thus, gross revenues from exports amounted to R$ 343.9 million, representing a 53.2% growth over the previous crop year. In terms of total share in gross revenues, exports accounted for 27.0% in the last crop year, versus 20.6% in the previous crop season.

Gross revenues from sugar sales amounted to R$ 668.1 million, accounting for 52.4% of the overall revenues for the 2020/21 crop, as compared to R$ 443.1 million and 40.7% in the previous year. This growth reflects the increase in the price of the product, coupled with the change in the Company's production mix.

Revenues from the sale of anhydrous ethanol + hydrated ethanol accounted for 36.2% of the overall gross revenues in the 2020/21 crop year (52.4% in the previous crop year), and the sale of sanitizers accounted for 10.0% (5.7% in the previous crop year). Overall gross revenues also included sales of dried yeast and soybeans, resulting from crop rotation, which accounted for 1.4% of gross revenues.







Net revenues rose by 22.2% in comparison with the previous crop year, to a total of R$ 1,085.5 million. The growth in percentage terms is higher than that recorded in gross revenues over the same period, due to the higher share of exports in the overall sales for the 2020/21 crop year.

Cost of goods sold (COGS) and gross profit

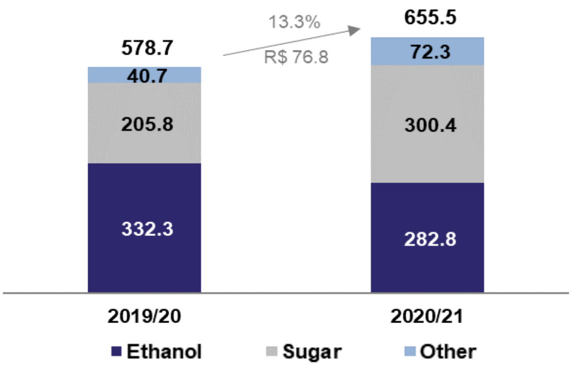
In the 2020/21 crop year, the cost of goods sold stood at R$ 655.5 million, representing a 13.3% hike in relation to the previous year, which was lower than the 22.2% growth recorded in net operating revenues during the same period.

The cost of ethanol production, due to the change in the Company's mix, showed a 14.9% drop for the 2020/21 crop when compared to the previous season, whereas the production cost of sugar and other products increased by 46.0% and 77.8%, respectively.

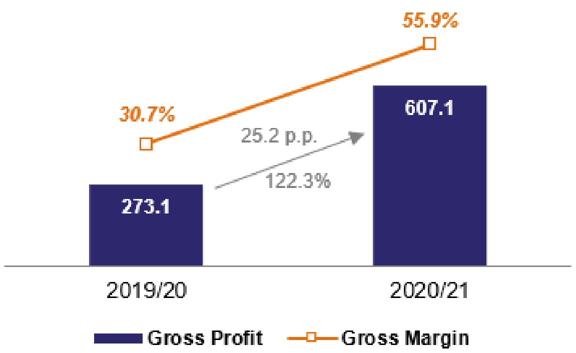
The gross performance for the 2020/21 crop year also includes the positive variation of R$ 177.2 million related to the fair value of biological assets, chiefly due to the improved environment for sugar and ethanol prices during the 2020/21 crop year. In the previous season, this item was negative by R$ 36.7 million.

As a result, the Company recorded a gain in profitability. Gross profit more than doubled in relation to the previous crop year (+122.3%), to the amount of R$ 607.1 million, and the gross margin expanded by 25.2 percentage points, to 55.9%.

COGS (R$ million)



Gross profit (R$ million) and gross margin (%)



Other operating income and equity from stakes in affiliates

The Company posted a positive balance of R$ 85.4 million as other operating income, compared to a net income of R$ 105.0 million in the previous crop year, representing an 18.7% reduction during the period.

The amount booked as other operating income mainly derives from the tax incentives that Jalles Machado enjoys for being located in the state of Goiás, namely: (i) Production, in the amount of R$ 44.0 million; (ii) Incentives, in the amount of R$ 27.3 million, and; (ii) credit granted over anhydrous ethanol, in the amount of R$ 6.1 million. It also includes the proceeds from the sale of Cbios. The reduction in relation to the same period of the previous year is due to the lower revenues from sales in the domestic market, which are responsible for generating the aforementioned tax credits.

Description	20/21	19/20
Tax Incentive "Fomentar"	27.3	24.2
Tax Incentive "Produzir"	44.0	64.9
Credit granted over anhydrous ethanol	6.1	13.2
Other operating income - Tax Incentives	**77.4**	**102.3**
Cbios sales	7.3	-
Disposal of fixed assets	3.7	1.6
Other operating income	3.8	1.3
Accident	1.1	4.1
(-) Other expanses	(1.9)	(1.6)
(-) Write off of assets sold	(6.1)	(2.8)
Others	**8.0**	**2.7**
Other operating income	**85.4**	**105.0**

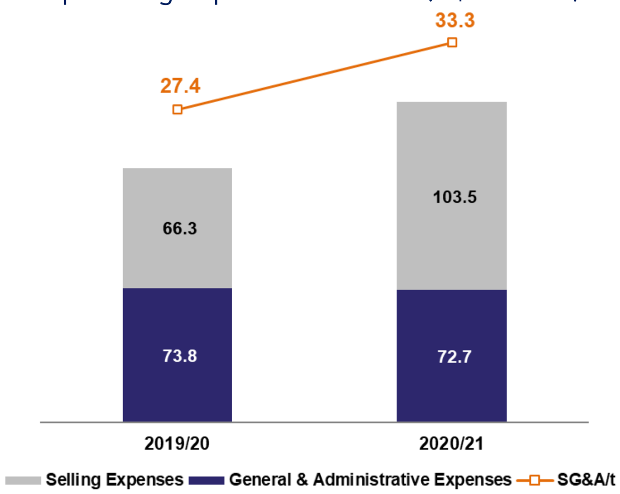
Equity from investments in affiliates reflects the results of Jalles Machado's stakes in Albioma Esplanada and Albioma Codora, responsible for the sale of electric energy. In the 2020/21 crop year, this account registered an R$ 11.1 million income, which represents a performance 27.6% higher than the result obtained in the previous crop year.

Operating expenses (SG&A)

Total operating expenses for the 2020/21 crop year came to R$ 176.2 million, up 25.8% over the previous fiscal year. This performance is mainly related to the increase in selling expenses, which showed a 56.1% surge in the period, amounting to R$ 103.5 million (58.7% of SG&A). The increase in selling expenses relates to the higher volume of exports from the last crop year, since external sales incur in higher expenses with freight, shipping and commissions, in addition to expenses denominated in foreign currency and, therefore, including the negative effect of the devaluation of the real against the US dollar when accounted in local currency.

General and administrative expenses for the 2020/21 crop year added up to R$ 72.7 million, accounting for 41.3% of total operating expenses, and showed a 1.4% drop in relation to the previous crop year.

Operating expenses – SG&A (R$ million)



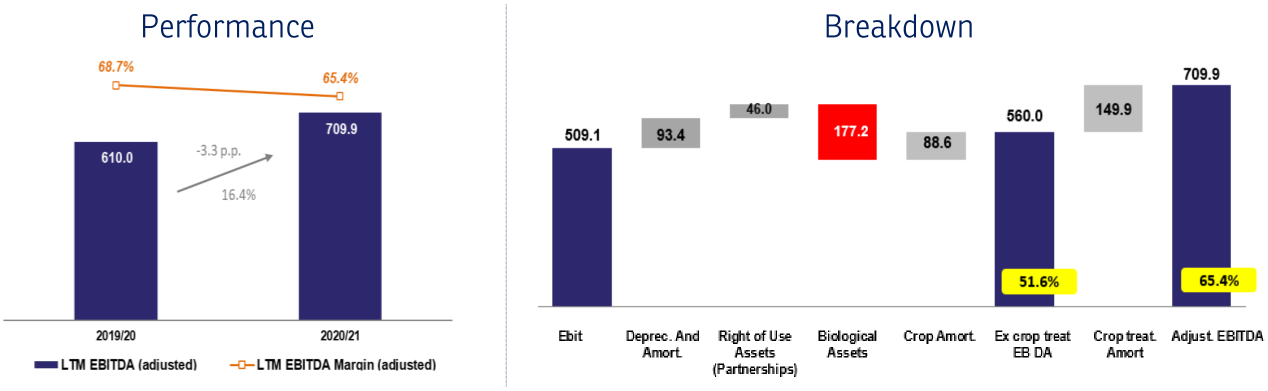
Adjusted EBITDA

The Company excludes the amount corresponding to the fair value of biological assets from the calculation of the EBITDA, since it considers that, by doing so, EBITDA provides a better assessment of the effective operating cash generation.

Given the growth in both revenues and gross profit, Jalles Machado's adjusted EBITDA amounted to R$ 709.9 million for the 2020/21 crop year, up 16.4% from the previous crop year. The margin over net revenues fell 3.3 p.p., mainly due to the increase in selling expenses in connection with the higher exports volume.

R$ Million	2020/21	2019/20	Chg. (%)
Net Income	170.4	76.5	*122.7%*
(+) Financial Results	306.9	188.6	*62.7%*
(+) Taxes	42.9	(18.8)	*NA*
(+) Depreciation and amortization	378.0	335.7	*12.6%*
(-) Assets in subsidiaries	11.1	8.7	*27.6%*
Ebitda	887.1	573.3	*54.7%*
(-) Gains/losses in biological assets	177.2	(36.7)	*NA*
Ebitda adjusted	**709.9**	**610.0**	***16.4%***
Net operating income	1,085.5	888.5	*22.2%*
Ebitda Margin Adjusted	***65.4%***	***68.7%***	***-3.3 p.p.***

Adjusted EBITDA (R$ million)



Financial result

After excluding the result from FX variation and hedge operations, the Company's financial result for the 2020/21 crop year was a net expense of R$ 97.2 million, which corresponds to a R$ 17.2 million reduction in relation to the R$ 114.4 million net expense registered in the previous crop year, primarily due to the higher average volume of resources invested throughout the 2020/21 crop year.

Exchange rate variations accounted for a financial expense of R$ 23.8 million, or a R$ 33.7 million (58.7%) reduction in the financial expense of R$ 57.5 million recorded in the previous fiscal year. Such performance relates to the growth in the exports volume, resulting in a foreign exchange gain from the conversion of these sales into local currency, coupled with the greater change in the FX rate during the last crop year versus the one registered in fiscal year 2019/20.

Balance Sheet – MTM by Harvest	
Safra	R$ mm
21/22	-98.1

22/23	-53.2
23/24	11.5
24/25	3.7
25/26	0.2
Total	-135,9

The forex rate variation also had an impact on the hedge operations result, which led to the recording of R$ 55.0 million in net expenses (settlement) and R$ 130.9 million (MTM) for the 2020/21 crop year, versus a net expense of R$ 14.3 million (settlement) and R$ 2.3 million (MTM) in the previous year.

Overall, the total financial result for the year ended March 2021 was a net financial expense in the amount of R$ 280.3 million, 71.5% higher than the net financial expense of R$ 163.4 million registered in the 2019/20 crop.

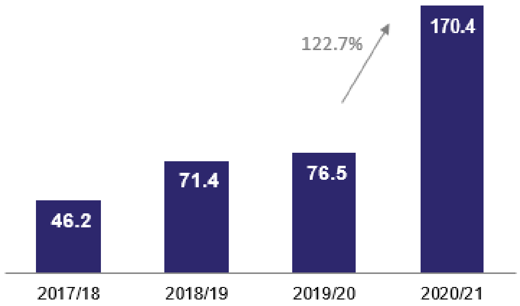
R$ million	2020-21	2019-20	Chg. %	Chg. #
Interest Income	97.2	37.7	157.7%	59.5
Interest Expenses	(167.8)	(127.0)	32.1%	(40.8)
Financial Res. (w/o forex)	**(70.6)**	**(89.3)**	**-20.9%**	**18.7**
Interest Expenses IFRS16	**(26.6)**	**(25.1)**	**5.8%**	**(1.5)**
Exchange Gains	115.5	61.1	89.0%	54.4
Exchange Losses	(139.3)	(118.6)	17.4%	(20.7)
Total Exchange Gain/(Loss)	**(23.8)**	**(57.5)**	**-58.7%**	**33.7**
Hedging Op. (Settlement - Effect on Cash)	(55.0)	(14.3)	284.5%	(40.7)
Hedging Op. (MTM - No Effect on Cash)	(130.9)	(2.3)	5577.1%	(128.6)
Hedging Op.	**(185.9)**	**(16.6)**	**1018.7%**	**(169.3)**
Financial Result	**(306,9)**	**(188.6)**	**62.8%**	**(118.3)**

Net income

The increase in the price of sugar and, as of the second half of the 2020/21 crop year, also of ethanol, simultaneous to the higher total volume of ATR commercialized, the positive adjustment in the fair value of biological assets and the gain in gross margin, contributed for Jalles Machado to close the fiscal year with a net profit of R$ 170.4 million. The result is a record for the company and exceeds by 2.2 times (+122.7%) the profit recorded in the previous crop year.

The hike in sugar prices and, as of the second half of the 2020/21 crop, also in ethanol prices, coupled with the higher total volume of ATR sold, in addition to the positive adjustment in the fair value of biological assets and the gain in gross margin, contributed to Jalles Machado closing the fiscal year with a net income of R$ 170.4 million. This is a record result for the Company, and exceeds by 2.2 times (+122.7%) the net income reported for the previous crop year.

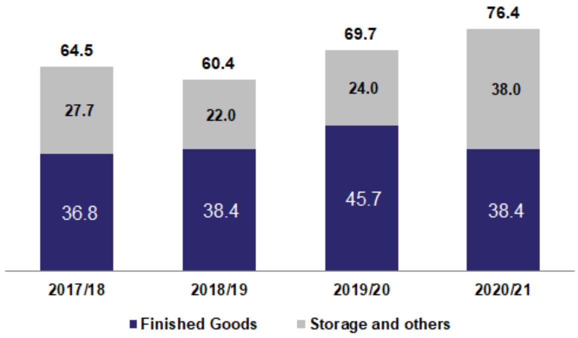
Net income (R$ million)



Inventories

Inventory of finished products ended the period at R$ 40.0 million, down 14.3% from the previous fiscal year. The reduction in finished product inventory is mainly concentrated in white and organic sugar. Warehousing inventory totaled R$ 36.4 million.

Inventory of finished products (R$ million)



Product	Unit	Mar/2021	Mar/2020	Chg. (%)	Chg. #
TRS	**k tonnes**	**44.9**	**52.6**	***-14.7%***	***- 7.8***
White	k tonnes	5.2	14.4	*-63.9%*	*(9.2)*
Organic	k tonnes	18.1	26.6	*-31.9%*	*(8.5)*
VHP	k tonnes	1.2	2.8	*-58.6%*	*(1.7)*
Anhydrous	k m³	8.7	2.6	*233.7%*	*6.1*
Hydrous	k m³	4.5	3.2	*43.0%*	*1.4*
Sanitizers	k 12L box	27.0	49.7	*-45.7%*	*(22.7)*

R$ million	Mar/2021	Mar/2020	Chg. (%)	Chg. R$
Sugar	**20.6**	**35.3**	**-41.7%**	**(14.7)**
White	*5.1*	*11.3*	*-55.2%*	*(6.3)*
Organic	*14.4*	*21.2*	*-32.2%*	(6.8)
VHP	*1.1*	*2.7*	*-59.8%*	*(1.6)*
Ethanol	**17.9**	**10.5**	**70.9%**	**7.4**
Anhydrous	*11.7*	*6.5*	*80.7%*	*5.2*
Hydrous	*6.2*	*4.0*	*54.9%*	*2.2*
Others	***1.6***	***0.9***	*67.5%*	*0.6*
Inventory in Storage	***36.4***	***23.0***		
Total	**76.4**	**69.7**	**9.7%**	**6.8**

Hedge

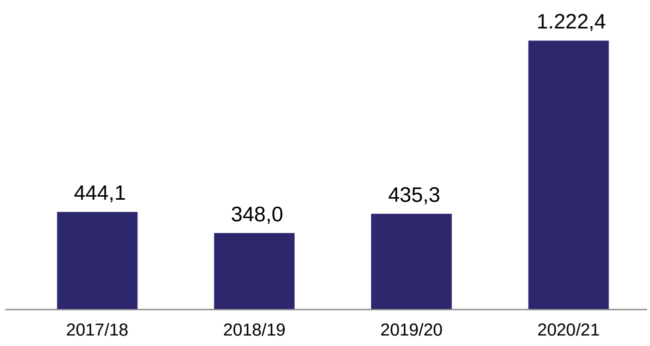
Jalles Machado historically seeks to hedge against possible variations in the US dollar, through the fixing of VHP sugar and organic sugar prices. Since the former has a strong negative correlation with the forex rate, the Company considers, for hedging purposes, only the sugar position effectively fixed in USD.

Cash

With the worsening of the Pandemic from mid-February 2020, Jalles Machado has outlined as a goal to strengthen the Company's cash position, and from that moment on, reinforced the dialogue with partner financial institutions in order to raise funds at attractive rates and terms. Between March and November of 2020, the amount of R$ 638.0 million was raised, all long term, which enabled the Company to increase its cash to R$ 657.4 million, considering the sum of the items cash and cash equivalents, plus short and long term restricted cash.

In February 2021, the Company's cash was strengthened by the inflow of proceeds from the public share offering, in the net amount of R$ 519.8 million. Thus, Jalles Machado's cash and cash equivalents added up to R$ 1,222.4 million at the close of the fiscal year ending March 31, 2021. This amount accounted for 2.9x the short-term maturities, thereby preserving the high liquidity.

Cash and Cash Equivalents (R$ million)



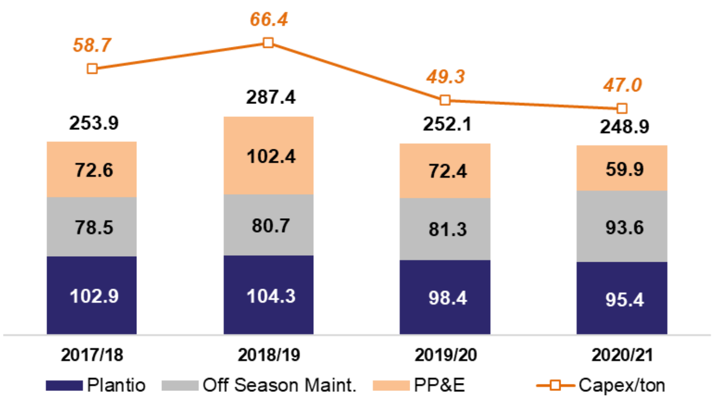
Capex

Total Capex for the crop year amounted to R$ 248.9 million, down 1.3% from the amount invested in the previous crop year. Investments in planting came to R$ 95.4 million, whereas investments in off-season maintenance and fixed assets totaled R$ 93.6 million and R$ 59.9 million, respectively. In the face of a challenging harvest, management decided to focus on opportunities to reduce Capex without jeopardizing the high efficiency of the field operations, and without sacrificing the excellence in the management of the sugarcane fields, which has led to the high productivity achieved, even under adverse circumstances.

Capex per ton at the close of the crop year stood at R$ 47.0/t.

The total planted area reached 10,100 hectares, of which 1,300 corresponded to expansion areas, and the remaining 8,800 to renewal plantings.

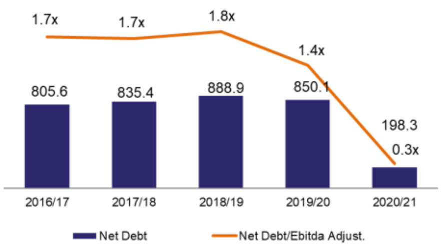
Capex (R$ million)



Debt

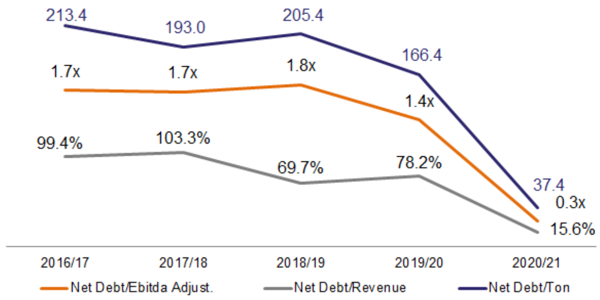
The combination of the Free Cash Flow generation and the inflow of proceeds from the public offering has reduced the Company's net debt by R$ 651.9 million, closing March 31, 2021 at R$ 198.3 million, with a Net Debt/Adjusted EBITDA ratio of 0.3x, versus 1.4x at the end of the previous fiscal year.

Net Debt* (R$ million)



*Does not include Fomentar.

Leverage Reduction

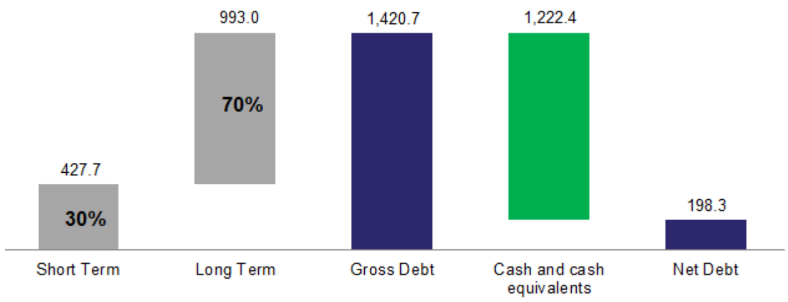


*Nominal, not adjusted for inflation.

Funds raised totaled R$ 409.4 million.

At the end of March 2021, 70.0% of the Company's Gross Debt was concentrated in the long term, and 30.0% in the short term. Of the total debt, 81.2% is denominated in local currency and 18.8% in US dollars.

Debt Profile * (R$ million)

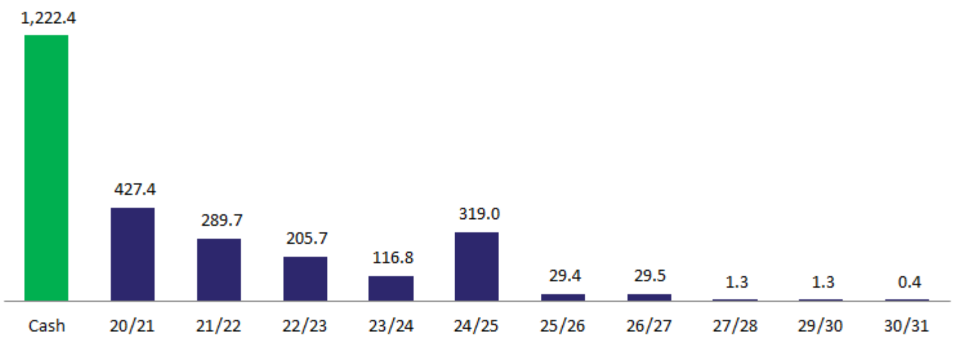


The strategy related to funding and allocation in local and/or foreign currency takes into consideration the cash flow scenario planned for the next five years, in addition to the sugar, ethanol, and power commercialization contracts.

As for the amortization schedule, the chart below demonstrates that the Company relies on a comfortable cash flow to honor the maturities of the upcoming crops, even when considering the investments earmarked with the use of the proceeds from the IPO to increase crushing capacity. Jalles Machado holds an excellent bankability, a brAAA rating by S&P, and is going through an extremely favorable moment for the sector in which it operates.

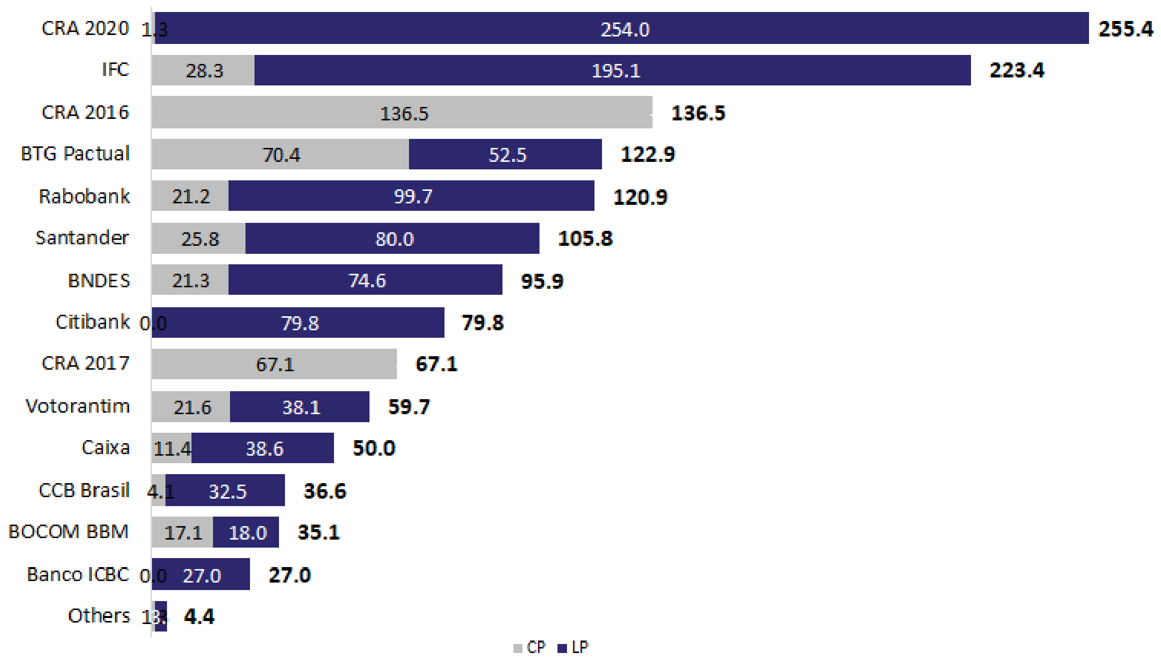
For the following crop years, the Company will continue to negotiate with partner financial institutions, even though it has been capitalized with the proceeds from the public share offering.

Amortization Schedule (R$ million)



Operations in the capital markets accounted for 32.5% of the debt balance as at March 31, 2021, whereas long-term working capital and investment financing operations were equivalent to 35.3% and 32.5%, respectively.

Indebtedness by Institution (R$ million)



* Volume below 1.0% of total debt and transaction cost.

Relationship with Independent Auditors

In compliance with CVM Instruction 381/03, the Company informs that KPMG Auditores Independentes has been hired to provide the following services: audit of the financial statements in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards ("IFRS"); and review of the quarterly interim financial information, in accordance with Brazilian and international standards for the review of interim information (NBC TR 2410 - Review of Interim Financial Information Performed by the Auditor of the Entity and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). The Company has not hired the independent auditor to perform any tasks other than the audit of the financial statements.

The hiring of the independent auditor is based on the principles that safeguard the auditor's independence, which entail: (a) the auditor should not audit his own work; (b) not perform managerial functions; and (c) not provide any services that may be considered prohibited by current regulations. Furthermore, Management must obtain a statement from the independent auditor declaring that the particular services provided do not affect their professional independence.

The information contained in the performance report, which is not clearly identified as a copy of the information presented in the financial statements, has not been subject to audit or review