

# Raízen Energia S.A.

**Financial Statements as of March 31, 2021 and  
Independent auditor's report**

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## MANAGEMENT REPORT

In compliance with legal and statutory provisions, the Management of Raízen Energia S.A. hereby presents the Management Report and the Consolidated Financial Statements, prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as with the accounting practices adopted in Brazil and rules of the Brazilian Securities and Exchange Commission (CVM). The Company adopted all the standards, reviews of standards, and interpretations issued by IASB and those which are in force for financial statements for the period ended March 31, 2021.

Raízen Group ("Group" or "Raízen"), when mentioned, represents all business presented jointly by Raízen Energia S.A. ("RESA") and its controlled companies and Raízen Combustíveis S.A and its controlled companies.

## OPERATIONAL PERFORMANCE

We present below the consolidated results of Raízen Energia, mainly engaged in the production and trading of sugarcane products, including raw (called VHP) and white sugar, anhydrous and hydrated ethanol, in addition to activities related to cogeneration of energy from biomass and ethanol and energy trading operations. Raízen Energia's fiscal year begins in April and ends in March of each year. This report addresses the results for the quarter beginning on January 1, 2021 and ending on March 31, 2021 (4Q'21), and for the year beginning on April 1, 2020 and ending on March 31, 2021 (2020/21 crop year).

### Financial Highlights – Combined and Consolidated

#### Adoption of CPC 06 (R2) / IFRS 16 – Leases

Since April 1st, 2019, the Company has applied CPC 06 (R2) / IFRS 16 - Leases, which concerns lease accounting principles, and replaces IAS 17 - Leases and its interpretations. Raízen chose the modified retrospective approach, without resubmitting the 2018/19 Consolidated Financial Statements

**Agro-industrial – 2020/21 Crop year: Crushing for this harvest closed at 61.5 MM t (+3%) with a sugar equivalent production of 8.3 MM t (+7%),** on the back of improved agricultural productivity (10.2 kg ATR/ha, +6%), and 52% of production mix directed to sugar. Investments in operational improvements boosted product availability and allowed capturing efficiency gains, yielding 3% reduction in unit cash cost (ex-CONSECANA) in the year.

**Renewables: Adjusted EBITDA reached R\$ 533 million (-32%) in 4Q'21 and R\$ 2.2 billion (-9%) in the crop year,** due to reduced contribution from electricity resale & trading when compared with the 2019/20 harvest. This effect was partly offset by higher own ethanol volume sold with higher average prices.

**Sugar: Adjusted EBITDA in 4Q'21 was R\$ 513 million (-34%),** reflecting a 33% reduction in own volumes sold. **In the crop year, however, adjusted EBITDA grew 60%, totaling R\$ 1.7 billion.** The improved yearly results were due to the 16% increase in own volumes, at 30% better average prices, as well as cost reduction, evidencing the assertiveness of Raízen's strategy to maximize profitability by optimizing the production mix, amplifying footprint in the sugar value chain, and pricing/ hedging.

#### Definitions

**4Q'20:** quarter ended March 31, 2020.

**3Q'21:** quarter ended December 31, 2020.

**4Q'21:** quarter ended March 31, 2021.

**FY 2020:** period from April 1st, 2019 to March 31, 2020.

**FY 2021:** period from April 1st, 2020 to March 31, 2021.

## A. Renewables and Sugar

### Sugarcane Agricultural and Industrial Operation

*We will present below information on Agricultural and Industrial Production, in addition to Raízen for the segments "Renewables" and "Sugar".*

The **Middle-South region of Brazil recorded a total crushing of 606 million (+3%) of sugarcane tones processed in crop 2020/21,** according to UNICA. This expansion, together with the higher concentration of ATR in the plant due to the drier climate, resulted in greater product availability, with a 7% growth in the production of sugar equivalent compared to the previous cycle. The production mix ended the crop aimed at ethanol production (54%), however, with a drop compared to the 65% of the 2019/20 crop, explained by the increase in the profitability of sugar in relation to biofuel.

Sugar and Renewables	4Q'21	4Q'20	Var %	FY 2021	FY 2020	Var %
<b>Operating</b>						
Sugarcane crushed (Mln ton)	-	-	n/a	61.5	59.6	3.2%
Sugar Equivalent Production (000' ton)	8.8	10.6	-16.7%	8,295.7	7,788.2	6.5%
Agricultural Yield (ATR/ha)	-	-	n/a	10.2	9.6	5.8%
Production Mix (% Sugar – Ethanol)	0% vs	0% vs	n/a	52% vs 48%	49% vs 51%	n/a
<b>Financial</b>						
Unit Cash Cost (R\$/ton)	(883.2)	(783.8)	12.7%	(807.8)	(753.1)	7.3%
Unit Cash Cost ex- Consecana (R\$/ton)	(805.4)	(783.8)	2.8%	(730.0)	(753.1)	-3.1%
<b>Investments (R\$ Mln)</b>	<b>1,267.5</b>	<b>1,004.4</b>	<b>26.2%</b>	<b>2,896.4</b>	<b>2,826.8</b>	<b>2.5%</b>
<b>Maintenance Capex</b>	<b>799.4</b>	<b>689.3</b>	<b>16.0%</b>	<b>2,042.4</b>	<b>2,075.5</b>	<b>-1.6%</b>
<b>Operational Capex</b>	<b>296.5</b>	<b>204.0</b>	<b>45.4%</b>	<b>502.6</b>	<b>376.6</b>	<b>33.5%</b>
<b>Project Capex</b>	<b>171.6</b>	<b>111.1</b>	<b>54.5%</b>	<b>351.4</b>	<b>374.7</b>	<b>-6.2%</b>

**At Raízen, sugarcane 2020/21 crop processing totaled 61.5 million tons (+3%),** with a record production of 8.3 million tons of equivalent sugar (+7%) and a 52% mix towards sugar. The greater agricultural productivity of the period (10.2 kg ATR/ha, +6%) was a result of investments that have been made to maximize the yield (TSH) of the cane fields, as well as a greater ATR, which was benefited by the drier climate. This effect allowed for increased availability of product for sale.

**Crop investments totaled R\$ 2.9 billion (+3%),** growth explained by the operational improvement plan, by inflation, and BRL exchange rate depreciation versus USD for the period. These effects were partially offset by the continued capture of efficiencies in operating processes of the company. Therefore, the unit cash cost (ex-CONSECANA) of crop 2020/21 shrank 3% in comparison to the previous period, which is evidence of the Company's journey towards ever-increasing efficiency.

## A.1. Renewables

**Raízen's sales volume of ethanol fell by 16% in 4Q'21,** due to the lower contribution of resale & trading compared to 4Q'20 (-43%). Sold volume of own ethanol increased 28% in the period, due to the more attractive prices for biofuel, which reached R\$ 2,830/cbm (+23%). **Net revenue from ethanol totaled R\$ 3.7 billion in the quarter (+3%),** reflecting better prices, which offset the lower volume of resale and trading in the period. In the crop, the total sold volume of ethanol was 11% lower, driven by the reduction in third party volumes (-24%), partially offset by the expansion (+5%) in own volume. The smaller volume of sales was offset by the increase in prices, **totaling ethanol net revenues of R\$ 12.4 billion (+ 8%) in the 2020/21 crop.**

**Power sales volume increased (+5%) in the quarter,** driven by resale & trading. The expansion in sales was offset by a 29% drop in average prices, **generating a 26% reduction in net revenue from power, which reached R\$ 495 million in 4Q'21.** For the crop season, energy sold volume shrank by 31%, mostly in resales & trading, due to less attractive prices in the spot market. As a result, net revenue for crop 2020/21 totaled R\$ 2.1 billion (-45%), due to the lower volume with lower average sale prices (R\$ 114/MWh, -21%).

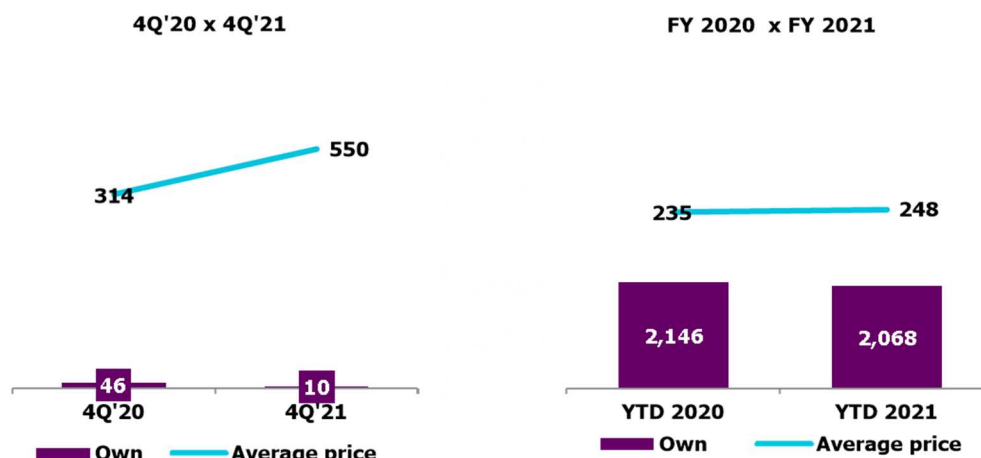
**Adjusted EBITDA for Renewables reached R\$ 533 million (-32%) in 4Q'21 and R\$ 2.2 billion (-9%) in the crop-year,** pressured by the lower results from resale & trading of energy compared to crop 2019/20. This effect was partially offset by the increase in prices and own ethanol volume sold.

Renewables	4Q'21	4Q'20	Var %	FY 2021	FY 2020	Var %
<b>Ethanol Sales Volume ('000 cbm)</b>	<b>1,320</b>	<b>1,571</b>	<b>-16%</b>	<b>4,749</b>	<b>5,325</b>	<b>-11%</b>
Own	766	598	28%	2,519	2,398	5%
Resale & Trading	554	973	-43%	2,230	2,927	-24%
<b>Ethanol Net Revenue (R\$ Mln)</b>	<b>3,735.9</b>	<b>3,618.9</b>	<b>3.2%</b>	<b>12,439.0</b>	<b>11,480.2</b>	<b>8.4%</b>
Total Ethanol Average price (R\$/cbm)	2,830.3	2,303.9	22.9%	2,619.2	2,156.0	21.5%
<b>Energy Sales Volume ('000 MWh)</b>	<b>4,687</b>	<b>4,472</b>	<b>5%</b>	<b>18,562</b>	<b>26,879</b>	<b>-31%</b>
Own	10	46	-77%	2,068	2,146	-4%
Resale & Trading	4,676	4,426	6%	16,494	24,733	-33%
<b>Energy Net revenue (R\$ Mln)</b>	<b>494.7</b>	<b>667.3</b>	<b>-25.9%</b>	<b>2,109.6</b>	<b>3,866.0</b>	<b>-45.4%</b>
Total Energy Average price (R\$/MWh)	105.6	149.2	-29.3%	113.7	143.8	-21.0%
Own Energy Average price (R\$/MWh)	549.7	313.7	75.2%	247.5	235.0	5.3%
<b>Other Net Revenue (R\$ Mln)</b>	<b>143.2</b>	<b>69.5</b>	<b>&gt;100</b>	<b>607.2</b>	<b>766.7</b>	<b>-20.8%</b>
<b>Renewables Total Net Revenue (R\$ Mln)</b>	<b>4,373.8</b>	<b>4,355.7</b>	<b>0.4%</b>	<b>15,155.8</b>	<b>16,112.9</b>	<b>-5.9%</b>
<b>EBITDA (R\$ Mln)</b>	<b>803.0</b>	<b>975.8</b>	<b>-17.7%</b>	<b>2,907.1</b>	<b>2,899.7</b>	<b>0.3%</b>
Biological assets effect	(76.3)	(21.3)	>100%	(200.6)	(7.6)	>100%
IFRS 16 effect	(169.8)	(173.5)	-2%	(556.8)	(481.9)	16%
Non-recurring effects	(23.6)	-	n/a	47.1	-	n/a
<b>Adjusted EBITDA (R\$ Mln)</b>	<b>533.3</b>	<b>781.0</b>	<b>-31.7%</b>	<b>2,196.8</b>	<b>2,410.2</b>	<b>-8.9%</b>
<b>Inventories: Ethanol</b>						
000'cbm				335.8	508.8	-34.0%
R\$ Mln				759.2	919.2	-17.4%
R\$/cbm				2,260.9	1,806.6	25.1%

#### Ethanol Sales Volume ( `000 cbm & R\$/cbm)



## Electricity (000' MWh & R\$/MWh)



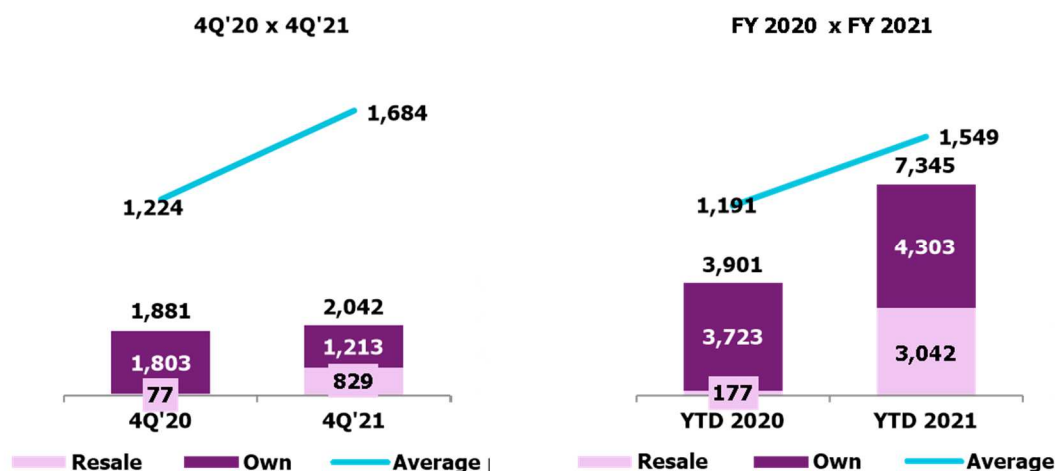
## A.2. Sugar

**Raízen's sugar volume sold increased by 9% in the quarter,** due to the expansion of the origination and resale operation, since the beginning of the crop. Own volume was 33% lower in 4Q'21, as a result of the commercial strategy for the crop, with a lower concentration of sales in this quarter. **Sugar net revenue reached R\$ 3.4 billion in 4Q'21 (+49%),** benefiting from the 38% higher average price capture, in addition to the higher volume. **In the 2020/21 crop, sales volume recorded growth (+88%),** due to the higher volume produced and expansion of origination and resale operations, in line with the expansion strategy of the Raízen's operations in the sugar value chain. The average price of sugar reached R\$ 1,549/ton (+30%), resulting from the company's hedging strategy, capturing better prices. **Sugar's net revenue totaled R\$ 11.4 billion in the year,** more than double the sales recorded in the 2019/20 crop.

**Adjusted EBITDA in the sugar operation reached R\$ 513 million (-34%) in 4Q'21** driven by the reduction in own sold volume in the period. **In the 2020/21 crop, Adjusted EBITDA recorded an expansion of 60%, a total of R\$ 1.7 billion,** due to the higher sale of own volume with better average prices, as well as the capture of cost efficiencies.

Sugar	4Q'21	4Q'20	Var %	FY 2021	FY 2020	Var %
<b>Sales Volume (000' ton)</b>	<b>2,042</b>	<b>1,881</b>	<b>9%</b>	<b>7,345</b>	<b>3,901</b>	<b>88%</b>
Own	1,213	1,803	-33%	4,303	3,723	16%
Resale & Trading	829	77	>100%	3,042	177	>100%
<b>Net revenue (R\$ Mln)</b>	<b>3,437.9</b>	<b>2,302.8</b>	<b>49.3%</b>	<b>11,376.3</b>	<b>4,646.8</b>	<b>&gt;100</b>
Average price (R\$/ton)	1,684.0	1,224.4	37.5%	1,548.9	1,191.3	30.0%
<b>EBITDA (R\$ Mln)</b>	<b>779.9</b>	<b>963.5</b>	<b>-19.1%</b>	<b>2,574.7</b>	<b>1,529.5</b>	<b>68.3%</b>
Biological assets effect	(82.6)	(20.5)	>100%	(240.7)	(5.3)	>100%
IFRS 16 effect	(184.0)	(166.7)	10.4%	(643.1)	(467.4)	37.6%
<b>Adjusted EBITDA (R\$ Mln)</b>	<b>513.4</b>	<b>776.3</b>	<b>-33.9%</b>	<b>1,690.9</b>	<b>1,056.8</b>	<b>60.0%</b>
<b>Inventories: Sugar</b>				<b>FY 2021</b>	<b>FY 2020</b>	
000' ton				198.4	142.5	39.2%
R\$ Mln				235.4	132.2	78.1%
R\$/ton				1,186.5	927.7	27.9%

## Sugar Sales Volume ('000 ton & R\$/ton)



The position of volumes and sugar prices defined with trading companies or via derivative financial instruments for both, US dollars and converted into Reais, until March 31<sup>st</sup> 2021, is summarized as follows:

Summary of Hedge Operations as of	2021/22	2022/23
Volume ('000 ton)	2,164.0	1,845.0
Average price (¢R\$/lb)*	66.5	77.7
Average price (¢US\$/lb)*	13.5	13.2

\*Note: Includes polarization premium.

## Reorganization of quarterly results report and statements about financial information

As from 3Q'21, we have presented Raízen Energia results in order to show **its products sold and services provided, with the aim of improving and amplifying the understanding on how Raízen captures value throughout the operational chain.**

The table below shows the reconciliation of Raízen Energia adjusted EBITDA from April 2020 to March 2021, based on the division by segment used through the 2Q'21 and the new proposal adopted as from the 3Q'21, as follows:

YTD 2021	
EBITDA (Mln R\$)	Raízen Energia
Sugar	2,574.7
Renewables	2,907.1
Marketing & Services	23.0
<b>Adjustments end Elimination</b>	<b>-</b>
<b>Total</b>	<b>5,504.8</b>
Adjusted EBITDA (Mln R\$)	
Sugar	1,690.9
Renewables	2,196.8
Marketing & Services	23.0
<b>Adjustments end Elimination</b>	<b>-</b>
<b>Total</b>	<b>3,910.7</b>

## **EBITDA Reconciliation (R\$ Mln) - Raízen Energia**

<b>EBITDA Reconciliation (R\$ Mln)</b>	<b>4Q'21</b>	<b>4Q'20</b>	<b>Var %</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Var %</b>
<b>Net income - Owners of the Company</b>	<b>286.1</b>	<b>284.3</b>	<b>0.6%</b>	<b>614.2</b>	<b>175.8</b>	<b>&gt;100%</b>
Net income - Non-controlling Interest	(5.0)	37.7	n/a	(20.3)	98.1	n/a
<b>Net income for the period</b>	<b>281.1</b>	<b>322.0</b>	<b>-12.7%</b>	<b>593.9</b>	<b>273.9</b>	<b>&gt;100%</b>
Income tax and social security	99.9	129.8	-23.0%	238.4	64.5	>100%
Financial result	240.8	334.1	-27.9%	924.8	932.6	-0.8%
Depreciation and amortization	959.5	1.140.8	-15.9%	3.747.7	3.128.2	19.8%
<b>EBITDA</b>	<b>1,581.3</b>	<b>1.926.7</b>	<b>-17.9%</b>	<b>5.504.8</b>	<b>4.399.2</b>	<b>25.1%</b>

## **POLICY ON DISTRIBUTION OF DIVIDENDS AND INTEREST ON OWN CAPITAL**

Raízen Energia S.A. follows the Brazilian Corporation Law for the purpose of distributing dividends and its bylaws provide for the payment of mandatory dividend to common shares of 1% of adjusted net income for each year ended March 31. The amounts distributed and paid as dividends and interest on own capital are explicitly stated in the statements of cash flows, statements of changes in shareholders' equity and in the notes to the financial statements for the year ended March 31, 2021.

## **ESG MANAGEMENT AGENDA**

Raízen seeks to be the benchmark company in sustainability in the industries where it operates, through the incorporation of best environmental, social and governance practices in its business strategy, promoting shared value within the chain.

As an integrated energy company, Raízen is prepared for the dynamic scenario of the segments in which it operates. Thus, we have adopted Sustainability as a central element of our strategy. Throughout our 10 years of history we kept an active listening of our stakeholders through materiality process, which consist in a survey about most relevant themes about our business and interested parts, accordingly with the impacts, positive or negative, caused by the operations.

The process includes internal and external documents analysis, involvement of High Leadership and consultation to our related public – which are accessed by interviews or forms, prioritizing the first option whenever is possible. The diversity of stakeholders' categories consulted enrich the process, resulting in a variety of themes that reflects different perspectives of our business model.

Those themes are plotted in a Materiality Matrix, what allow us to identify the most relevant, considering our acting sectors and the context we are placed. Also integrates our Sustainable Strategic Plan, which orient goals and structure actions for every identified aspect.

Periodically reviewed, our Materiality Matrix of 2019 considered public documents of more than 30 companies, among clients and financial institutions, in order to map trends of sustainability for those public. In this stage, qualitative interviews were conducted with investment specialists of the sectors we operate. The identified themes were confronted, in a second stage, with the reality of each business, in order to identify strengths and possible gaps of sustainable practices. This process counted with an involvement of 12 departments and 18 managers.

In 2020, we amplified the listening, in a work that started by the political analysis, strategic guidelines, communication materials, certificates, among other internal documents, besides sectorial studies, releases, recent publication at press and ratings surveys and market indices. After, 240 consults were conducted to clients and partners, public authorities, communities, investors, employees, and High Administration members.

At the end of the process, seven materials themes were identified. It is been defined and/or updated the long-term ambitions, short-term plans as well as medium-term deadline and goals to be strategically structured and unfolded across the next crop years to the main related teams. The themes are climate changes and energy transition; HSSE management; compliance and ethic governance; innovation, development and circular economy; relationship with communities; human rights, diversity and inclusion; financial performance and business expansion.



Our long-term strategy contemplates nine public compromises assumed in synchrony with 14 of 17 United Nations (UN) Sustainable Development Goals (SDGs) and directly correlated to materials themes. Those are a group of practices that always integrates our day by day – do more with less, reduce negative environmental impacts, valuing our team life quality, generating social positive impacts and also circular economy -, and gains even more relevance the “Decade of Action” – denomination, attributed by UN due to the deadline proximity to reach global compromises of Sustainable Development Agenda, in 2030. Publicly assumed ESG Compromises<sup>1</sup>:

1. Reduce carbon footprint of ethanol and sugar by 10%
2. Reduce water collection from external sources by 10%
3. Raise GJ/ha indicator by 15%
4. Ensure a robust system to traceability of 100% of crushed sugarcane volume
5. Ensure sustainability programs internationally acknowledged to sugarcane sources
6. Keep all operating units certified by recognized standard certifications
7. Promote advances in Human Rights on our operations and supply chain
8. Influence in an active way our strategic partners and eliminate violation risks of our ethic and compliance values
9. 100% of surrounding<sup>2</sup> contemplated by *Fundação Raízen*

Aiming to improve the governance regarding this area, the company implemented the Sustainability Committee in 2019/2020, which includes representatives of the top leadership, such as the CEO and Vice-Presidents, who strategically discuss its Sustainability agenda.

Moreover, the Corporate Social Responsibility Committee (CSR) is part of this structure, where matters are discussed with representatives of the shareholders (Shell and Cosan), who address relevant issues to the Board of Directors.

Aiming to ensure a high level of transparency and engagement with its stakeholders, Raízen publishes its Annual Report annually (following the guidelines of the GRI - Global Reporting Initiative international standard), thus reaffirming the Company's commitment to dialogue with its strategic audiences. The report presents the performance in key indicators, in addition to the result of actions developed by Raízen during the crop year.

## CLIMATE CHANGES AND EMISSION MANAGEMENT

Since its creation, Raízen quantifies and manages Greenhouse Gas (GHG) emissions from its activities through the Annual Emissions Inventory. The inventory covers all the company's operations and is audited by an independent third party, thus making it a robust management tool.

The quality of information reported and used as an internal diagnosis is fundamental. Therefore, we invest in a software for data collection and automated calculation of emissions, in addition to having more than 80% of emissions coming from system integrations. This means that said data are not handled and, consequently, generate less uncertainty to the results.

Also aiming to better manage the GHG emissions from our processes, we carry out the Life Cycle Analysis (LCA) of our products annually, with a special focus on the carbon footprint. The knowledge obtained through the Inventory and the LCA allowed Raízen to commit to reducing its carbon footprint of ethanol produced by 10% by 2030. Said reduction will be achieved through the more efficient use of inputs and productivity gains in sugarcane fields, thus stressing our commitment to the low carbon economy and the efficient use of land.

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<sup>1</sup> The compromises have reference to 2018/2019 crop year.

<sup>2</sup> Compromise applicable to surrounding with reception capacity of the model.

With a view to business continuity, Raízen has been working on mapping and incorporating risks resulting from climate change into the risk matrices of the company's business throughout the last crops. These risks are the result of a study carried out in the 2017/2018 crop, using a consulting firm specialized in the subject, where reputational, operational, regulatory and market aspects were analyzed. The results obtained reinforced that Raízen is on the right track and that its businesses can take advantage of many opportunities, especially regarding regulatory and market aspects.

## **SUSTAINABLE SOURCE AND CERTIFICATIONS**

Raízen has 25 of its ethanol and sugar producing units certified according to the international Bonsucro standard – the only standard developed specifically for sugarcane production – which certifies that the units follow its highest sustainability requirements. The Bonsucro certification, a voluntary initiative, is recognized by the European Commission for complying with the criteria established by the European Renewable Energy Directive (Directive 2009/28/EC). With this certification, companies can sell their products to European Union (EU) countries and to other markets and clients with high standards of sustainability requirements.

Raízen also maintains other certifications that attest to the quality of its products and the excellence of its processes, such as ISO 9001 and FSSC 22000 (certifications that ensure the quality and safety of Raízen products, respectively), ISO 14001 and OSHAS 18001 (environmental management and occupational health and management systems, respectively) and Sedex Global (a platform that allows to store, share and communicate production and quality information with clients). Moreover, the company also meets the requirements for registration with the EPA (United States Environmental Protection Agency Program, mandatory for ethanol producers that sell biofuel in the North American market), as well as registration with CARB (California Air Resources Board), which ensures compliance with the fuel production and transportation rules provided for in the Low Carbon Fuel Standard.

Our certification strategy also extends to second generation ethanol (E2G) produced from sugarcane bagasse. This plant, whose operation started in 2014/2015, is integrated with the Costa Pinto unit in the city of Piracicaba (SP) and achieved a productivity index of 226 liters of E2G per ton of biomass on a dry basis. All E2G production meets the most stringent sustainability standards of Bonsucro and ISCC, in addition to the criteria for accessing the American and European Union markets.

In the continuous search for more sustainable production, Raízen developed the ELO Program in partnership with Imaflores and Solidaridad, two internationally recognized institutions operating in the sustainable development of agricultural commodity chains. This is an unprecedented initiative worldwide to promote sustainability in Raízen's sugarcane supply chain. The project allowed Raízen to expand its sustainable performance by providing knowledge, processes and resources to engage its sugarcane suppliers to adopt measures that guarantee adequate working conditions, best practices for preserving the environment and, consequently, an integrated management of processes and businesses. Currently, the ELO Program serves approximately 2,000 producers, accounting for 94% of the volume of sugarcane from third parties. In 2019, ELO Program was considered the Big Push for sustainability by Economic Commission for Latin America and Caribbean (Cepal) of United Nations.

Sugarcane suppliers are also supported by the "Cultivar" Program. Its main purpose is to help the producers in cost reduction, generate cash flow and increase productivity by offering financial, operational and educational services.

## **HEALTH AND SAFETY**

Safety is a priority topic for Raízen, that disseminates responsibility for safe attitudes among its employees and partners. Raízen has the challenge of attaining a zero accident rate in all its businesses, focusing on safe behavior as the key to achieving this goal, which has yielded significant improvements in its accident rates year after year, a scenario that also occurred in the 2020/2021 crop year.

Health and safety are two of the main pillars of the Company's operations, reflected in how the Integrated Operations Management System (SIGO) program is followed in daily operations. SIGO is an integrated platform that manages activities involving HSE risks in all Raízen activities, focused on preventive behaviors and continuous improvement.

## **BEST ENVIRONMENTAL PRACTICES**

The Company's environmental performance is based on the recognition that, as one of the leading companies in the country's energy industry, it is responsible for preserving the environment and minimizing the impacts caused by its activities. For this purpose, the Company invests in the conscious use of its resources, always seeking the best practices.

Raízen has been a signatory to the Agro-Environmental Protocol for the Sugar and Alcohol Sector since 2007. This document, an agreement signed between the government of the State of São Paulo and the Union of the Sugarcane Industry (Unica) of São Paulo, lists principles and technical guidelines to be adopted by the industries in the sugarcane chain regarding environmental matters. Among these principles, we highlight the anticipation of the legal deadlines established for the elimination of burning practice during the sugarcane harvest. Aiming to achieve this goal, Raízen made significant investments in monitoring and responding to fire in the sugarcane fields, using high-definition, long-range cameras to identify fire outbreaks and responding rapidly to prevent spread.

It is known that burning sugarcane for harvesting acidifies the soil and the water and emits greenhouse gases. Raízen's harvesting is 99% mechanical, and the remaining part is manual in lands where the use of machinery is unfeasible. The company also adopts biological control to fight plagues, which limits the use of chemical pesticides, and maintains contracts with specialized companies for services in case of environmental emergencies.

## **RENEWABLE ENERGY**

Raízen operates in a circular economy system, taking advantage of all waste and inputs used in its processes to generate new forms of energy, thus directly contributing to the environment, generating less industrial waste and creating sustainable products that help cleaning the Brazilian energy matrix. To use waste as inputs in its process is a strategy to improve productivity and expand its portfolio.

As the biggest sugarcane ethanol producer in Brazil, Raízen commercializes different types (hydrous in various standards, anhydrous and neutral) to many markets nationally and globally. According to the Union of the Sugarcane Industry (Unica) of São Paulo, the company is one of the biggest individual producers in Brazil, with an annual volume of approximately 2,5 billion liters.

Considered one of the biggest producers of electric power using sugarcane bagasse and straw in the world, all its 23 operating production units are self-sufficient in energy consumption and 13 of them commercialize the surplus to the National Interconnected System (SIN).

Since 2019, Raízen is the only Company that produces Second Generation ethanol, produced by the waste generated from sugar and ethanol production of First Generation. In the next year, it initiated activities at one of the biggest Biogas plants of the world, in which, from residues of vinasse and cake filter, produces biogas that can be converted to electricity or biomethane gas – substitute of Diesel in heavy vehicles. Related to electricity generation, the plant has an installed capacity of 21 MW.

It also produces pellets that replace fossil fuels, such as coal. In order to go further, partnered with RWE to study the viability, in large scale, of the pellets for electric power generation in thermoelectric plants powered by coal converted to biomass.

Diversifying its portfolio of renewable products, the Company entered the Distributed Generation market with 3,800 solar panels (1.3 MWp of installed power) in the area that is most dedicated to this purpose in São Paulo State territory.

## **WATER RESOURCES**

The efficient use of natural resources in our operations is part of a responsible action. To produce one liter of sugarcane fuel, 1.4 thousand liters of water are needed. However, when Raízen identified the opportunity to use the water of the sugarcane, it created the ReduSa program. Until 20'21 crop year, the average withdrawal per production unit was reduced in 19.6% in comparison to 12'13 crop year, when it was created. The reduced water withdrawal reinforces the Company's resilience to water shortage. The initiative was awarded in Bonsucro Global Week 2019. Furthermore, the Plan for Monitoring the Quality of Superficial Waters and Liquid Effluents was created with the support of certified laboratories.

## SOCIAL PERFORMANCE

Raízen and its subsidiaries understand and recognize that its activities have a potential impact, positive or negative, on diverse stakeholders, including communities in areas of influence of its operations. From this perspective, the Company revised its Social Performance strategy and policy. In this process, we understood the power of social capital for Raízen's current and future strategy, formalizing the ambition to be a reference in positive social impact in the sectors in which the Company operates, to potentialize the company's business and culture, and to mobilize people and organizations for the future of renewable energy.

This ambition, reflected in the different acting fronts in social performance, points to positive results. Last year, Raízen's volunteer program – "VOAR - Voluntários em Ação Raízen" - was present in 37 cities, with 1,305 unique volunteers and 63 actions. There were about 5,800 volunteer hours that benefited more than 7 thousand people. Raízen's Private Social Investment reached more than 25 cities, R\$13.8 million of which was invested only in incentive projects. The Raízen Foundation, in its core dedicated to childhood, served 214 children, 135 educational activities carried out, 831 hours of classes and 23 tons of donated food. Besides working with children, the Raízen Foundation, which has been active in the education of children and young people in social vulnerability for 19 years, carries out engagement actions with families to they be the part of the development process of their students. Throughout the 20'21 crop year, actions were taken to diagnose the psychological health of young people, digital literacy and internet access. Partnerships were also made with the students' schools so that those who did not have access to the internet could take away the Foundation's activities in the school environment. More than 1,500 young people and children were served, with a total impact of more than 6 thousand benefited family members. In total, Raízen's Social Investment benefited more than 2.2 million people in the 2020/2021 crop year.

Raízen performs the mapping of socio-environmental aspects and impacts of the business, analysis of direct and indirect risks to communities and monitoring through Mitigation Plan for Negative Impacts on Communities, which considers, among other tools, the application of Risk Factor Matrix, the dissemination of direct communication channels, such as the Clients Service ("SAC") and the implementation of awareness and prevention campaigns.

When applying the Risk Factor Matrix, we weigh factors as probability and consequences of the identified impacts. The impacts classified as potentially relevant demands an action plan and are susceptible to control actions.

Based on the prior socioeconomic diagnosis of the localities, Raízen works to minimize the risks and negative impacts identified and potentialize the positive impacts, valuing local vocations and of people's protagonism. Socioeconomic diagnoses consider consultations with internal and external stakeholders, as well as mapping opportunities. We also listen to communities impacted by the company's operations, through the Clients Service (SAC), which is prepared to receive and address the most diverse manifestations, such as doubts, complaints, suggestions and praise from the communities neighboring the operations.

Raízen is signatory of agro-environment – "Ethanol More Green", compromise renewed in 2018 that determines elimination of fire on sugarcane harvest in São Paulo State. In addition, Raízen is a member of "PAME", the Mutual External Assistance Plan, system of cooperation among companies in actions of big emergencies. The harvest of agricultural operation is 100% mechanized and does not practice any type of controlled burn.

One of the highlights of the 2020/2021 crop year was the release of a pilot project for a direct communication channel so that anyone can indicate where there are outbreaks of fires close to our operations. Institutionally, we have implemented a multidisciplinary Committee to ensure the management of the topic, which is of great concern to us, as it potentially exposes employees and neighbors to risk situations, besides to harming the environment and the supply chain production itself. We monitor our sugarcane fields daily to prevent and fight any fires of unknown or accidental origin, as is the case with those from bonfires and other sources - such as cigarettes, for example - in areas of great circulation, mainly close to cities and highways.

We invest in environmental education and sustainable development in the cities where we operate, raising awareness about ways of prevention and alerting about the risks of fire occurrences to the surrounding communities. In addition, in partnership with representatives of the Environmental Police and the Secretariat of Infrastructure and Environment of the State of São Paulo, the Company promoted an event on preventing and fighting fires in sugarcane fields. The event was attended by representatives of the sector, employees, journalists and secretaries working in areas of interest to Raízen and partners.

For the Prevention and Combat actions, we developed a Protocol with 39 security procedures, unprecedented in the sector, which aims at the safety of brigadiers, increasing efficiency in combat and action within the Law. More than 1,100 brigadiers were trained and as additional material resources, today we have 173 combat trucks with automated cannons, which significantly increases the safety of this operation.

## **HUMAN RESOURCES**

As of March 31, 2021, considering the employees of our companies, we had 29,350 employees (28,843 in March 2020). All our employees, including migrant and temporary rural workers, are directly hired by the Company under the Brazilian Labor Code (CLT) regime.

The Company maintains harmonious relationships with Workers' Unions that represent its employees. Collective bargaining agreements and conventions to which we are a party or directly negotiate have, in general, a term of 12 months. The Company is committed to complying with the applicable labor legislation and the conditions agreed in the collective bargaining instruments entered into with the unions, applying them equally to unionized and non-unionized employees.

We offer our employees, including our executives, a benefits package that includes balanced meals, health care, hospital and dental assistance, medication purchase allowance, food basket or food stamps, group life insurance, scholarships, among others, applicable to the different internal audiences of the Company. All of our employees are entitled to profit sharing programs, customized by area of activity and developed in accordance with applicable legislation, counting on the participation of workers' commissions and representatives of professional unions, whose remuneration is based on the achievement of goals and operational performance. The members of our Board of Directors are not entitled to these benefits.

The Company has been laying the groundwork for a solid career and succession plan of its employees, besides ensuring the continuity of the performance evaluation programs, based on the meritocracy model.

The "Raízen University", comes in constant evolution in driving the learning and development actions of all areas. Thus, the structure currently includes five units, strategically connected to the challenges of the markets in which we operate. However, there are some prerequisites for everyone: Health, Safety and Environment (HSE); "Nossa RAIZ"; and Ethics and Sustainability. There is also the Continuing Education Center, which fosters the continuous self-development of our team. Through training and experience, we will promote the exchange and integration between different areas of knowledge.

Diversity and Inclusion is also an agenda of big evolution in which we understand that makes many differences to reach unique results to our business. We have an ambitious goal of, until 2025, reach 30% of women in high leadership positions. Our committee of D&I is a lot active in promoting this agenda over the business, as of organic management groups. Important topics boost actions of gender, ethnic, and PWDs themes. A factor that, for us, have been leveraging that is the constant formation of our leaders to reduce the impact of biases and respect and individuality views.

## **CORPORATE GOVERNANCE**

The Company bases its relationship with its stakeholders on the principles of transparency, equity, quality of accountability and corporate responsibility.

Aiming to ensure management and business transparency, the Company has an information disclosure policy, with the purpose of ensuring that data for the market is presented in a broad, transparent, homogeneous and consistent manner.

The Company maintains robust internal control procedures, objectively adapting itself to the needs provided for by its Corporate Governance principles. In line with the best governance practices, the Company has committees to support the monitoring and deliberations of its Board of Directors, such as the Audit Committee, Financial Committee, Compensation Committee and Corporate Social Responsibility Committee.

## **STATEMENT OF THE EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS**

In compliance with the provisions of article 25, paragraph one, item 6 of CVM Instruction No. 480/09, the Company's Directors declare that discussed, reviewed and agreed with the information in Company's financial statements for the fiscal year ended March 31, 2021.

## **STATEMENT OF THE EXECUTIVE OFFICERS ON THE INDEPENDENT AUDITORS' REPORT**

In compliance with the provisions of article 25, paragraph one, item 5 of CVM Instruction No. 480/09, the Company's Directors declare that discussed, reviewed and agreed with opinion expressed in Ernst & Young Auditores Independentes auditors' report issued on May 29, 2021 for the fiscal year ended March 31, 2021.

## **RELATIONSHIP WITH EXTERNAL AUDITORS**

The policy of the Company and its subsidiaries for contracting services other than external audit from independent auditors follows principles that preserve their independence. These principles comprise, in accordance with internationally accepted standards: (a) the auditor should not audit his own work; (b) the auditor should not exercise management role for the client, and (c) the auditor should not legally represent the interests of his clients.

Throughout the year, in compliance with CVM Instruction No. 381/03, we hereby inform that Ernst & Young Auditores Independentes exclusively provided audit services for the individual and consolidated financial statements for the year ended March 31, 2021, and its related parties provided tax compliance, assurance services on the sustainability report and greenhouse gases inventory for base year 2019. We understand that those services do not represent a conflict of interest, loss of independence or objectivity of our independent auditors.

**A free translation from Portuguese into English of independent auditor's report on individual and consolidated financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS)**

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## **Independent auditor's report on individual and consolidated financial statements**

To the  
Board of Directors, Shareholders, and Officers of  
**Raízen Energia S.A.**

### **Opinion**

We have audited the individual and consolidated financial statements of Raízen Energia S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as of March 31, 2021, and the statements of income, of comprehensive income, of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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 we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

### *Goodwill impairment testing*

As of March 31, 2021, the balance of goodwill (Note 13) was recorded in the individual financial statements for R\$1,271,785 thousand, and in the consolidated financial statements for R\$1,547,350 thousand. The realization of these assets is supported by estimates of future profitability and cash generation prepared by management, based on its judgment and on the business plan and budget, as approved by the corporate governance bodies. Such estimates are internally prepared and reviewed in accordance with the Company's governance structure, since they involve a high degree of judgment. The Company annually assesses the assumptions and estimates of future profitability and cash generation for each Cash Generating Unit (CGU) to which goodwill is allocated, as well as the related growth rates, discount rates, cash flow projections, among others indicators, since there may be economic or regulatory changes in the markets in which they operate. Given that these estimates may be subject to changes that may have a material impact on the recoverable value of these assets and, consequently, on the individual and consolidated financial statements as a whole, this was considered a key audit matter.

#### How our audit addressed this matter:

Our audit procedures included, but were not limited to, (a) involving valuation experts to assist in the analysis and review of the methodologies and models used by management and in the assessment of assumptions that supported the projections that determined the business plan, budget, technical studies and analysis of the recoverable value of the Company's goodwill; (b) assessing the reasonableness and consistency of the data and assumptions used in the preparation of these documents, including growth rates, discount rates, country risk and cash flow projections, among others, as provided by the Company's management, and comparing them with available market inputs, as well as with the very assumptions approved by management in the preparation of its business plan and other estimates made by the Company; (c) assessing potential effects of the current COVID-19 pandemic on the assumptions used; (d) checking the mathematical accuracy of the projections; (e) comparing the assertiveness of projections made in previous periods with the performance achieved by the Company in the year; (f) reviewing information that could refute the most significant assumptions and selected methodologies; (g) a sensitivity analysis of such assumptions, to assess the behavior of the recoverable amount, considering other scenarios and assumptions, based on market data; and (h) assessing the adequacy of the disclosures in the respective footnotes to the individual and consolidated financial statements as of March 31, 2021.

Based on the results of the audit procedures performed for goodwill impairment testing, which are consistent with management's assessment, we considered that the criteria and assumptions adopted by management for this recoverable amount, as well as the related disclosures in the footnotes, are appropriate in the context of the financial statements taken as a whole.

### *Valuation of financial instruments, including derivatives, and designation of hedge accounting*

As described in Note 26 to the individual and consolidated financial statements, the Company has some strategies in place to hedge its future cash flows from the impact of significant variables, such as fluctuations in exchange rates, interest rates and price volatility in the commodities market. These strategies consist of entering into specific derivative financial instruments for each type of risk (futures, swap, forward, among others). Some of these financial instruments are designated as hedged items underlying a specific documented risk, for the purpose of recognizing at the same time the result of the impacts of the (derivative and non-derivative) instrument and the item, which is known as hedge accounting.



Monitoring this matter was considered significant for our audit due to the complexity of the estimates and the high degree of judgment involved in measuring the fair value of financial instruments, including derivatives, as well as in determining a hedge relationship and its effectiveness, and the significant impacts of changes in the assumptions adopted for measuring financial instruments and hedge designations.

How our audit addressed this matter:

Our audit procedures included, but were not limited to, (a) understanding the main internal controls established and reviewing the models adopted by management for assessing the valuation of financial instruments, including derivatives and designation of hedge accounting; (b) submitting confirmation letters to financial institutions; (c) involving experts in financial instruments to assess the adequacy of the supporting documentation of hedge relationships, as well as the reasonableness of the main assumptions used to calculate the fair value of derivative financial instruments, using information on recent market transactions, the discount rate and credit risk of the Company and its counterparties; and (d) assessing the adequacy of the disclosures in the respective footnotes to the individual and consolidated financial statements as of March 31, 2021.

Based on the results of the audit procedures performed for the valuation of financial instruments, including derivatives and the designation of hedge accounting, which are consistent with management's assessment, we considered that the criteria and assumptions used to determine the valuation of financial instruments, including derivatives and designation of hedge accounting adopted by management, as well as the respective disclosures in the footnotes, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

#### *Fair value measurement of biological assets*

As disclosed in Note 7 to the individual and consolidated financial statements, the fair value measurement of biological assets is based on valuation techniques supported by an unobservable and liquid market, with assumptions that consider internal and external inputs, mainly related to the expected productivity, projected average prices for Total Recoverable Sugar (ATR), and cash flow discount rates.

Adjustments to the assumptions used in the calculation of biological assets can potentially have significant impacts on the individual and consolidated financial statements in "Biological Assets" under Current Assets and in "Cost of goods sold" in the statement of income for the year.

Due to the risks inherent in the subjectivity of certain assumptions that require management to exercise judgment and that may have a significant impact on measuring the fair value of biological assets and, consequently, on the individual and consolidated financial statements as a whole, this was considered a key audit matter.

How our audit addressed this matter:

Our audit procedures included, but were not limited to, (a) understanding the main internal controls established for measuring biological assets, and reviewing the model adopted for estimating the biological assets' fair value less costs to sell; (b) involving valuation experts to assist us in the analysis and review of the adequacy of the key assumptions used to determine the fair value of biological assets, including the future selling price of sugar, the productivity of sugarcane fields, the planted areas and the discount rate, and we compare the productivity assumptions with available internal and external historical information, in addition to performing a sensitivity analysis of the significant assumptions used; and (c) assessing the adequacy of the disclosures in the respective footnotes to the individual and consolidated financial statements as of March 31, 2021.

Based on the results of the audit procedures performed for testing the fair value measurement of biological assets, which are consistent with management's assessment, we considered that the criteria and assumptions adopted by management for the fair value measurement of biological assets, as well as the related disclosures in the footnotes, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

#### *Realization of deferred tax assets*

As described in Note 17, the Company recorded R\$3,113,389 thousand in the individual financial statements, and R\$3,351,648 thousand in the consolidated financial statements, in the form of deferred tax credits arising from income tax losses (IRPJ and CSLL tax losses) and temporary differences that are to be recognized and realized based on a study prepared by management on the generation of future taxable profits. Estimating the generation of future taxable profits requires significant judgment in determining the projection of future profits. Monitoring this matter was considered significant for our audit due to the materiality of amounts involved, as well as the degree of judgment used by management in the projections of future taxable profits, and the potential impact that any changes in the assumptions and estimates used could have on the amount of the related credits recorded in the Company's individual and consolidated financial statements.

How our audit addressed this matter:

Our audit procedures included, but were not limited to, (a) understanding the main internal controls in place, and reviewing the model used by management to assess the realization of deferred tax assets; (b) reviewing the tax bases that gave rise to tax credits in light of current tax legislation; (c) assessing the assumptions and methodology used by the Company in the projections of future taxable profits, such as the evolution of sales and costs, projections of other revenues and expenses and adjustments for permanent and temporary differences considered for determining taxable profit, effects the current COVID-19 pandemic on the assumptions used, tax planning strategies, tax rates and mathematical calculations; (d) comparing certain projection inputs, if any, with other external sources and aligning these assumptions with the business plans approved by the Company's relevant departments; (e) comparing the assertiveness of projections made in previous periods with the performance achieved by the Company in the year; (f) reperforming the calculation of projections considering historical scenarios and assessing the risks of their untimely realization, or of extending the time limit for using the respective credits; and (g) assessing the adequacy of the disclosures in the respective footnotes to the individual and consolidated financial statements as of March 31, 2021.

Based on the results of the audit procedures performed for the realization of deferred tax assets, which are consistent with management's assessment, we considered that the criteria and assumptions used to determine the realizable value of deferred tax credits adopted by management, as well as the related disclosures in the footnotes, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

## **Other matters**

### *Financial statements of prior year audited by another independent auditor*

The audit of the individual and consolidated financial statements as of March 31, 2020, originally prepared before the adjustments in the disclosure of operating segments described in explanatory note 22, was conducted under the responsibility of other independent auditor, who issued an unmodified audit report, dated June 5, 2020. As part of our audit of 2021 individual and consolidated financial statements, we also audited the adjustments described in explanatory note 22, which were made to adjust the corresponding disclosures relating to the individual and consolidated financial statements of 2020. In our opinion, such adjustments are appropriate and have been correctly made. We were not engaged to audit, review or apply any other procedures on the Company's individual and consolidated financial statements for the year 2020 and, therefore, we do not express an opinion or any form of assurance on the individual and consolidated financial statements of 2020 taken as a whole.

### *Statements of value added*

The individual and consolidated statements of value added (SVA) for year ended March 31, 2021, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

## **Other information accompanying the individual and consolidated financial statements and the auditor's report**

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

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

## **Responsibilities of management and those charged with 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 the accounting practices adopted in Brazil and with the 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 of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

## **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained 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 Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluded 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated 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.
- Obtained 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 direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

São Paulo, May 29, 2021.

ERNST & YOUNG  
Auditores Independentes S.S.  
CRC-2SP034519/O-6

Original report in Portuguese signed by  
Uilian Dias Castro de Oliveira  
Contador CRC-1SP223185/O-3

# RAÍZEN ENERGIA S.A.

## Statements of financial position – March 31 (In thousands of reais – R\$)

		<b>Individual</b>		<b>Consolidated</b>	
	<b>Note</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3	1,346,874	3,030,814	4,042,966	6,473,747
Restricted cash	4	848,717	103,833	918,295	180,186
Derivative financial instruments	26	2,172,549	2,766,327	2,863,598	4,406,076
Trade accounts receivable	5	272,054	280,251	1,421,788	1,166,380
Inventories	6	551,414	599,307	1,245,439	1,327,707
Biological assets	7	999,021	690,838	1,353,185	897,315
Recoverable income tax and social contribution	17.a.1	73,327	183,411	80,607	195,503
Recoverable taxes	8	229,828	247,656	363,040	453,635
Other financial assets	9	-	280,966	37,633	314,273
Related parties	10	2,514,858	2,899,513	3,466,058	3,792,096
Dividends receivable		22,370	7,640	-	-
Other receivables		226,394	169,606	399,966	231,477
Total current assets		9,257,406	11,260,162	16,192,575	19,438,395
<b>Noncurrent assets</b>					
Derivative financial instruments	26	1,544,977	1,484,248	1,950,537	1,812,316
Other financial assets	9	107,071	97,853	226,690	258,768
Recoverable income tax and social contribution	17.a.1	249,233	457,827	281,133	489,727
Recoverable taxes	8	231,081	226,202	477,932	303,195
Related parties	10	354,658	338,756	2,785,501	3,152,840
Deferred income tax and social contribution	17.b	2,166,384	986,362	2,206,682	1,137,283
Judicial deposits	18	310,299	259,129	453,880	403,704
Other receivables		245,479	229,732	294,530	258,855
Investments	11	7,789,547	6,837,722	560,063	586,202
Property, plant and equipment	12	6,687,992	6,527,442	11,056,969	10,837,504
Intangible assets	13	1,452,003	1,465,461	1,809,493	1,830,886
Right of use	15.a	4,446,886	3,769,256	5,233,891	4,390,329
Total noncurrent assets		25,585,610	22,679,990	27,337,301	25,461,609
Total assets		34,843,016	33,940,152	43,529,876	44,900,004

See the accompanying notes to the financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of financial position – March 31 (In thousands of reais – R\$)

(Continued)

	Note	Individual		Consolidated	
		2021	2020	2021	2020
Liabilities					
Current liabilities					
Suppliers	14	977,581	871,874	4,253,193	6,110,835
Lease liabilities	15.b	789,780	792,423	939,454	915,059
Loans and financing	16	934,334	3,087,599	1,771,398	3,597,675
Derivative financial instruments	26	3,368,764	2,704,909	4,138,301	4,036,490
Payroll and related charges payable		397,590	374,340	478,168	446,377
Income tax and social contribution payable	17.a.2	-	-	153,484	53,389
Taxes payable		70,389	86,366	186,116	165,822
Dividends payable	20.b	8,252	3,017	8,252	22,516
Related parties	10	3,203,285	2,994,818	1,227,631	1,223,909
Advances from clients	5	105,246	190,002	371,266	210,349
Other liabilities		86,219	1,028,884	151,972	1,089,715
Total current liabilities		9,941,440	12,134,232	13,679,235	17,872,136
Noncurrent liabilities					
Lease liabilities	15.b	2,979,186	2,312,109	3,648,861	2,822,603
Loans and financing	16	8,061,879	7,282,796	14,796,627	12,948,167
Derivative financial instruments	26	1,673,181	1,242,869	1,768,300	1,305,645
Taxes payable		172,070	170,080	181,579	179,541
Related parties	10	4,558,095	2,773,260	1,380,763	1,008,813
Provision for legal disputes	18	436,974	391,112	571,805	512,055
Deferred income tax and social contribution	17.b	-	-	426,671	507,814
Other liabilities		195,791	151,944	166,722	155,053
Total noncurrent liabilities		18,077,176	14,324,170	22,941,328	19,439,691
Total liabilities		28,018,616	26,458,402	36,620,563	37,311,827
Equity	20				
Capital		6,514,134	6,512,609	6,514,134	6,512,609
Capital reserves		1,089,121	1,089,121	1,089,121	1,089,121
Equity adjustments		(1,783,306)	(519,411)	(1,783,306)	(519,411)
Income reserves		1,004,451	399,431	1,004,451	399,431
		6,824,400	7,481,750	6,824,400	7,481,750
Interest of non-controlling shareholders		-	-	84,913	106,427
Total equity		6,824,400	7,481,750	6,909,313	7,588,177
Total liabilities and equity		34,843,016	33,940,152	43,529,876	44,900,004

See the accompanying notes to the financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of income Years ended March 31

(In thousands of reais - R\$, except earnings per share)

		Individual		Consolidated	
	Note	2021	2020	2021	2020
Net operating revenue	21	9,180,342	7,683,036	32,090,805	30,710,614
Cost of products sold and services provided	23	(7,236,547)	(6,732,079)	(28,420,190)	(28,322,670)
Gross income		1,943,795	950,957	3,670,615	2,387,944
Operating revenue (expenses)					
Selling	23	(1,036,979)	(697,331)	(1,173,229)	(840,125)
General and administrative	23	(484,867)	(462,960)	(685,605)	(623,810)
Other operating (expenses) revenue, net	24	(39,628)	196,827	17,209	368,204
Equity accounting result	11	901,630	879,278	(71,909)	(21,206)
		(659,844)	(84,186)	(1,913,534)	(1,116,937)
Income before finance results and income tax and social contribution		1,283,951	866,771	1,757,081	1,271,007
Financial					
Financial expenses	25	(1,213,215)	(1,153,269)	(1,457,509)	(1,353,705)
Financial income	25	144,948	210,337	375,107	443,542
Net exchange variation	25	(237,742)	(576,174)	(229,410)	(670,807)
Net effect of derivatives	25	417,040	534,096	387,034	648,408
		(888,969)	(985,010)	(924,778)	(932,562)
Income (loss) before income tax and social contribution		394,982	(118,239)	832,303	338,445
Income tax and social contribution	17.a				
Current		(301,623)	(21,550)	(729,170)	(265,237)
Deferred		520,821	315,617	490,815	200,771
		219,198	294,067	(238,355)	(64,466)
Net income for the year		614,180	175,828	593,948	273,979
Attributable to:					
Company's controlling shareholders		614,180	175,828	614,180	175,828
Company's noncontrolling shareholders		-	-	(20,232)	98,151
		614,180	175,828	593,948	273,979
Earnings per common share:					
Basic and diluted	20.e			0.085	0.024

See the accompanying notes to the financial statements.



# RAÍZEN ENERGIA S.A.

## Statements of comprehensive income Years ended March 31 (In thousands of reais – R\$)

	Individual		Consolidated	
	2021	2020	2021	2020
Net income for the year	614,180	175,828	593,948	273,979
<b>Comprehensive income</b>				
<b>Items that will not be reclassified to statement of income</b>				
Equity adjustment - Actuarial losses (gains)	3,404	(3,545)	4,127	(4,132)
Equity adjustment - Actuarial losses (effect from subsidiaries)	723	(587)	-	-
Deferred taxes on adjustments (Note 17.b)	(1,157)	1,205	(1,157)	1,205
	<u>2,970</u>	<u>(2,927)</u>	<u>2,970</u>	<u>(2,927)</u>
<b>Items that are or may be reclassified to statements of income or loss</b>				
Net income (loss) from derivative financial instruments designated as hedge accounting (Note 26.e)	(1,982,800)	(683,551)	(1,982,800)	(683,551)
Effect of foreign currency translation effects	41,783	163,458	41,783	163,458
Deferred taxes on adjustments (Note 17.b)	674,152	232,410	674,152	232,410
	<u>(1,266,865)</u>	<u>(287,683)</u>	<u>(1,266,865)</u>	<u>(287,683)</u>
Other components of the comprehensive income for the year	<u>(1,263,895)</u>	<u>(290,610)</u>	<u>(1,263,895)</u>	<u>(290,610)</u>
Total comprehensive income for the year	<u><u>(649,715)</u></u>	<u><u>(114,782)</u></u>	<u><u>(669,947)</u></u>	<u><u>(16,631)</u></u>
Attributable to:				
Company's controlling interests	(649,715)	(114,782)	(649,715)	(114,782)
Company's noncontrolling interests	-	-	(20,232)	98,151
	<u>(649,715)</u>	<u>(114,782)</u>	<u>(669,947)</u>	<u>(16,631)</u>

See the accompanying notes to the financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of changes in equity Years ended March 31 (In thousands of reais – R\$)

	Attributable to the Parent Company's shareholders										
	Capital reserves				Income reserves						
	Capital	Capital reserve	Special goodwill reserve	Equity adjustments	Tax incentive reserve	Legal reserve	Retained profits	Retained earnings	Total	Interest of non-controlling shareholders	Total equity
Balances at March 31, 2019	6,511,193	846,010	243,111	(228,801)	407,906	226,519	296,825	-	8,302,763	35,263	8,338,026
Comprehensive income (loss) for the year											
Net income for the year	-	-	-	-	-	-	-	175,828	175,828	98,151	273,979
Equity valuation adjustments - Hedge accounting (Note 26.e)	-	-	-	(451,141)	-	-	-	-	(451,141)	-	(451,141)
Equity valuation adjustments - Actuarial gain (loss)	-	-	-	(2,927)	-	-	-	-	(2,927)	-	(2,927)
Effect of foreign currency translation	-	-	-	163,458	-	-	-	-	163,458	-	163,458
	-	-	-	(290,610)	-	-	-	175,828	(114,782)	98,151	(16,631)
Contribution (distributions) to the Company's shareholders											
Business combination (Note 29)	-	-	-	-	-	-	-	-	-	4,162	4,162
Redemption and allocation of dividends to preferred shareholders (Note 20.b)	1,416	-	-	-	-	-	-	(2,147)	(731)	-	(731)
Set-up of tax incentive reserve of subsidiaries (Note 20.d.ii)	-	-	-	-	80,006	-	-	(80,006)	-	-	-
Payment of dividends (Note 20.b)	-	-	-	-	-	-	(296,725)	-	(296,725)	(11,650)	(308,375)
Set-up of reserves (Note 20.b)	-	-	-	-	-	8,791	84,014	(92,805)	-	-	-
Minimum mandatory dividend (Note 20.b)	-	-	-	-	-	-	-	(870)	(870)	(19,499)	(20,369)
Realization of reserves (Note 20.b)	-	-	-	-	(407,905)	-	-	-	(407,905)	-	(407,905)
	1,416	-	-	-	(327,899)	8,791	(212,711)	(175,828)	(706,231)	(26,987)	(733,218)
Balances at March 31, 2020	6,512,609	846,010	243,111	(519,411)	80,007	235,310	84,114	-	7,481,750	106,427	7,588,177
Comprehensive income for the year											
Net income for the year	-	-	-	-	-	-	-	614,180	614,180	(20,232)	593,948
Equity valuation adjustments - Hedge accounting (Note 26.e)	-	-	-	(1,308,648)	-	-	-	-	(1,308,648)	-	(1,308,648)
Equity valuation adjustments - Actuarial gain (loss)	-	-	-	2,970	-	-	-	-	2,970	-	2,970
Effect of foreign currency translation	-	-	-	41,783	-	-	-	-	41,783	-	41,783
	-	-	-	(1,263,895)	-	-	-	614,180	(649,715)	(20,232)	(669,947)
Contribution (distributions) to the Company's shareholders											
Redemption and allocation of dividends to preferred shareholders (Note 20.b)	1,525	-	-	-	-	-	(908)	(3,251)	(2,634)	-	(2,634)
Set-up of tax incentive reserve of subsidiaries (Note 20.d.ii)	-	-	-	-	83,112	-	-	(83,112)	-	-	-
Payment of dividends (Note 20.b)	-	-	-	-	-	-	-	-	-	(1,282)	(1,282)
Set-up of reserves (Note 20.b)	-	-	-	-	-	30,710	492,106	(522,816)	-	-	-
Minimum mandatory dividend (Note 20.b)	-	-	-	-	-	-	-	(5,001)	(5,001)	-	(5,001)
	1,525	-	-	-	83,112	30,710	491,198	(614,180)	(7,635)	(1,282)	(8,917)
Balances at March 31, 2021	6,514,134	846,010	243,111	(1,783,306)	163,119	266,020	575,312	-	6,824,400	84,913	6,909,313

See the accompanying notes to the financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of cash flows - Indirect method Years ended March 31 (In thousands of reais – R\$)

	Individual		Consolidated	
	2021	2020	2021	2020
Cash flows from operating activities				
Income (loss) before income tax and social contribution	394,982	(118,239)	832,303	338,445
Adjustments to:				
Depreciation and amortization (Note 23.a)	2,922,449	2,540,112	3,747,716	3,128,170
Net gain arising from changes in fair value and realized gain or loss on biological assets (Note 23.a)	(303,730)	(18,889)	(441,222)	(12,881)
Equity accounting result in subsidiaries and associates (Note 11)	(901,630)	(879,278)	71,909	21,206
Interest, monetary variation and foreign exchange differences, net	1,414,304	1,240,314	1,513,268	1,304,241
Fair value of financial instruments payable (Note 25)	6,520	(3,178)	3,066	5,874
Recognition of provision for contingencies, net	110,876	102,548	124,988	133,870
Unrealized (gains) losses on derivative transactions	647,599	(346,908)	950,184	(892,688)
Revenue from investment grant - ICMS	-	-	(83,112)	(80,006)
Gain (loss) on business combination (Note 24)	11,447	(219,921)	11,447	(219,921)
Other	(44,032)	(25,514)	(61,152)	(150,543)
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	(68,811)	183,036	(82,289)	133,837
Inventories	23,586	22,981	46,702	(369,901)
Restricted cash	(743,040)	(14,302)	(768,550)	(32,961)
Derivative financial instruments	(2,016,204)	514,451	(1,915,997)	537,112
Judicial deposits	(11,592)	(21,369)	(43,046)	(21,350)
Suppliers and advances to suppliers	49,573	(61,329)	(2,119,704)	1,548,874
Taxes recoverable and payable	41,695	(10,917)	160,741	(42,266)
Related parties	(608,507)	(16,112)	1,298,773	(853,899)
Payroll and related charges payable	23,250	32,268	31,789	45,903
Payments of contingencies (Note 18)	(34,904)	(40,846)	(45,022)	(60,133)
Other assets and liabilities, net	126,850	157,314	41,606	75,749
Payment of income and social contribution taxes on net income	-	-	(300,652)	(196,264)
Net cash flows from operating activities	1,040,681	3,016,222	2,973,746	4,340,468
Cash flows from investment activities				
Acquisition of companies, net of cash acquired (Note 29)	-	(25,003)	-	(189,798)
Capital decrease in subsidiary (Note 11.d.ii)	31,869	-	-	-
Additions to investments (Notes 11.d.i and 11.e.i)	(40,897)	(186,306)	(40,897)	(23,872)
Additions to property, plant and equipment and intangible assets	(1,529,393)	(1,668,870)	(2,105,240)	(2,162,030)
Dividends received from subsidiaries	7,640	273,212	-	1,034
Cash received upon disposal of property, plant and equipment	55,233	21,687	54,652	19,440
Additions to biological assets	(626,840)	(623,147)	(752,810)	(710,405)
Interest received on intragroup pre-export financing	-	-	125,161	132,274
Received of principal on intragroup pre-export financing	-	-	-	1,126,624
Net cash flows used in investing activities	(2,102,388)	(2,208,427)	(2,719,134)	(1,806,733)
Cash flows from financing activities				
Funding from third-party loans and financing	1,760,027	5,268,698	3,108,443	5,375,633
Amortizations of principal of third-party loans and financing	(3,298,496)	(1,584,834)	(3,924,189)	(3,026,684)
Amortization of interest on third party loans and financing	(413,330)	(432,553)	(646,569)	(603,440)
Amortizations of third-party lease liabilities	(867,113)	(766,555)	(1,058,926)	(864,782)
Amortizations of intragroup lease liabilities	(171,358)	(145,737)	(171,358)	(145,737)
Net redemption of financial investments subject to financing (restricted cash)	30	72	32,684	10,185
Payment of dividends (Note 20.b)	(3,925)	(711,794)	(24,706)	(726,291)
Pre-export financing taken out - intragroup	1,212,550	-	-	-
Interest paid on intragroup pre-export financing	(99,537)	(62,422)	-	-
Intragroup asset management, net and other	1,184,744	(216,551)	(148,389)	(80,288)
Net cash flows (used in) from financing activities	(696,408)	1,348,324	(2,833,010)	(61,404)
(Decrease) increase in cash and cash equivalents, net	(1,758,115)	2,156,119	(2,578,398)	2,472,331
Cash and cash equivalents at beginning of year	3,030,814	537,241	6,473,747	3,189,859
Effect of exchange rate change on cash and cash equivalents	74,175	337,454	147,617	811,557
Cash and cash equivalents at the end of the year	1,346,874	3,030,814	4,042,966	6,473,747

Supplementary information on cash flows is stated in Note 30.

See the accompanying notes to the financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of value added Years ended March 31 (In thousands of reais, R\$)

	Individual		Consolidated	
	2021	2020	2021	2020
Revenues				
Gross sales of products and services	9,757,542	8,218,258	33,652,849	32,352,319
Sales returns, discounts and rebates	(30,948)	(20,511)	(93,198)	(72,857)
Reversal (set-up) of allowance for doubtful accounts, net	402	(1,365)	1,069	(1,451)
Other operating (expenses) revenue, net	(31,379)	199,478	26,056	370,656
	9,695,617	8,395,860	33,586,776	32,648,667
Bought-in inputs				
Cost of products sold and services provided	(3,692,334)	(3,157,288)	(23,847,946)	(23,965,820)
Materials, energy, third-party services and other	(1,152,045)	(840,061)	(1,287,553)	(967,688)
Net gain arising from changes in fair value and realized gain or loss on biological assets	303,730	18,889	441,222	12,881
(Set-up) of provision for estimated losses on property, plant and equipment (Note 12)	(8,249)	(2,650)	(8,847)	(2,452)
Reversal (set-up) of provision for estimated loss on inventory obsolescence, net	7,117	(5,741)	9,132	(6,022)
	(4,541,781)	(3,986,851)	(24,693,992)	(24,929,101)
Gross value added	5,153,836	4,409,009	8,892,784	7,719,566
Depreciation and amortization	(2,922,449)	(2,540,112)	(3,747,716)	(3,128,170)
Net value added	2,231,387	1,868,897	5,145,068	4,591,396
Value added received in transfers				
Equity accounting result	901,630	879,278	(71,909)	(21,206)
Financial income	144,948	210,337	375,107	443,542
Foreign exchange gain	256,932	80,753	265,654	90,105
Gain on derivative transactions	422,625	534,097	395,995	648,408
	1,726,135	1,704,465	964,847	1,160,849
Value added to be distributed	3,957,522	3,573,362	6,109,915	5,752,245
Distribution of value added				
Personnel				
Direct compensation	800,752	849,533	1,180,618	1,184,718
Benefits	302,580	288,286	365,097	340,283
Unemployment Compensation Fund (FGTS)	91,934	103,081	111,794	121,228
	1,195,266	1,240,900	1,657,509	1,646,229
Taxes, charges and contributions				
Federal	542,734	256,074	1,446,686	1,133,745
Deferred federal taxes	(520,821)	(315,617)	(490,815)	(200,771)
State	298,752	272,955	782,781	729,286
Local	8,796	9,823	11,724	13,229
	329,461	223,235	1,750,376	1,675,489
Debt remuneration				
Financial expenses	1,213,215	1,153,269	1,457,509	1,353,705
Foreign exchange loss	494,674	656,927	495,064	760,912
Loss on derivative transactions	5,585	-	8,961	-
Rentals and leases	105,141	121,602	126,316	138,481
	1,818,615	1,931,798	2,087,850	2,253,098
Equity remuneration				
Dividends	6,727	1,601	6,727	1,601
Retained profits	607,453	175,828	587,221	273,979
Noncontrolling interests in retained profits	-	-	20,232	(98,151)
	614,180	177,429	614,180	177,429
Value added distributed	3,957,522	3,573,362	6,109,915	5,752,245

See the accompanying notes to the financial statements.

# **RAÍZEN ENERGIA S.A.**

## **Notes to financial statements as of March 31, 2021**

(In thousands of reais – R\$, unless otherwise indicated)

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### **1. Operations**

Raízen Energia S.A. (the “Company”, the “Group”, “Raízen Energia” or “RESA”) is a publicly held corporation registered with the Brazilian Securities and Exchange Commission (“CVM”) in Category B, with head office at Avenida Brigadeiro Faria Lima, 4,100, 11° Floor, Part V, Itaim Bibi, in the city and state of São Paulo. The Company was incorporated on June 1, 2011 and is a subsidiary indirectly and jointly controlled by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”).

Raízen Group corresponds to the joint businesses of RESA and its subsidiaries and of Raízen Combustíveis S.A. (“RCSA”) and its subsidiaries.

The Company and its subsidiaries are primarily engaged in the production, trading and sale of sugar, ethanol and pallets, including abroad through subsidiaries, as well as in the co-generation of power produced from sugarcane bagasse at its 26 mills located in Brazil’s Central South Region, and through the power trading business.

The planting of sugarcane requires a period from 12 to 18 months for maturation and the harvest usually begins between April and May every year and ends between November and December, period when sugar and ethanol are produced. The sale of production takes place throughout the year and is not subject to changes due to seasonality, only changes in the regular market supply and demand. The Company’s fiscal year begins on April 1 and ends on March 31 every year due to its production cycle.

In the years ended March 31, 2021 and 2020, the Company and its subsidiaries carried out the following internal restructuring processes and business combinations: i) acquisition of Raízen Biomassa S.A. “Biomassa” (formerly known as Cosan Biomassa S.A.); ii) acquisition of Nova América Agrícola Ltda. The details of these operations are described in Note 29.

#### **Execution of the acquisition contract of Biosev S.A. (“Biosev”)**

On February 8, 2021, Raízen Group entered into an acquisition agreement with Biosev and Hédéra Investimentos e Participações S.A. (“Hédéra”), as the controlling shareholder of Biosev, among other parties, through which Raízen Group agreed to acquire up to 100% of the shares issued by Biosev, under the terms and conditions established in the referred to contract.

The acquisition involves exchange of shares, with issue of 3.5000% non-redeemable preferred shares without voting rights, 1.4999% of redeemable preferred shares at symbolic value and without voting rights, all issued by Raízen Group companies, amounting to R\$ 3,600,000 and paid in cash.

On March 18, 2021, the General Superintendence of the Administrative Council for Economic Defense - CADE definitively approved, without restrictions, the acts of concentration, referring to the Raízen Group's transaction with Biosev, after the 15-day period elapsed since its publication in the Union Official Journal, on March 2, 2021. As a result, the precedent condition related to CADE's approval was obtained.

The acquisition remains subject to certain conditions established in the referred agreement, among which the main condition not yet satisfied refers to the restructuring by Biosev of its current financial indebtedness.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

(In thousands of reais – R\$, unless otherwise indicated)

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#### **Covid-19**

In March 2020, the World Health Organization (WHO) declared the Covid-19 outbreak to be a pandemic. The government authorities of various countries, including Brazil, imposed virus containment restrictions. The Company has implemented a contingency plan with the objective of preserving the health and integrity of its employees, in addition to ensuring the safety and continuity of its operations, since its products and services are considered essential activities, as they are strategic inputs in hospitals, security, food and energy.

In this scenario, the Company has been monitoring the effects on its business and on the assessment of the key critical accounting estimates and judgments, as well as on other balances with the potential to generate uncertainties and impacts on the financial statements. The most significant assessments and the main effects of the Covid-19 pandemic on the results of operations are as follows:

##### **i) Going concern assumption:**

The Company's financial statements were prepared and are disclosed considering the going concern assumption regarding its key activities.

##### **ii) Impairment of nonfinancial assets and tax credits:**

The Company assessed the indications of impairment losses on nonfinancial assets and tax credits and concluded that, even with a potential reduction in cash flows and in expected statement of income for the 2021/22 harvest, the value in use of the cash-generating units continues to be significantly higher than the carrying amount, and, in the case of taxes, the expectation of the taxable base of the main taxes remains, in addition to the fact that most of the taxes do not have an expiry date for offsetting purposes.

##### **iii) Estimated losses on doubtful accounts:**

The impairment losses associated with the credit risk on financial assets are calculated based on the future expectation of loss, considering the individual situation of the clients and of the economic group to which they belong. Considering that the Company operates mainly with large trading companies, it maintains a careful credit analysis and, when applicable, requires cash advances to ship products. There were no significant losses recognized due to Covid-19.

##### **iv) Net realizable value of inventories:**

The Company uses the estimated sales price in the ordinary course of business, net of selling expenses, as net realizable value assumption. Therefore, according to the price curve in Brazil, which throughout the year has been impacted by the fluctuation of consumption as the result of social isolation measures, there has been no estimated losses on realization of consolidated inventories as of March 31, 2021

# **RAÍZEN ENERGIA S.A.**

## **Notes to financial statements as of March 31, 2021**

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### **v) Liquidity:**

During the pandemic period, the Company adopted a conservative strategy of maintaining liquidity levels above those normally adopted. Still during the year, the Company had access to a number of sources of financing, having raised funds in the international securities market (US\$225 million), in the domestic securities market (R\$ 1.2 billion), in addition to the usual sources from financial institutions (R\$ 1.1 billion). Furthermore, the Group had access to revolving credit facilities, credit lines that have not been used to date, totaling US\$1 billion. In the year ended March 31, 2021, the Company received an upgrade in its credit rating by Moody's to an investment grade and maintaining them for S&P and Fitch, as disclosed in Note 26.k.

For the year ended March 31, 2021, the Company recorded consolidated cash of R\$ 4,042,966, consolidated working capital (current assets less current liabilities) of R\$ 2,513,340, and consolidated net income of R\$ 593,948.

### **vi) Capex**

The Company does not expect significant reductions or impacts on its recurring and operating investments for the 2021/22 harvest, but rather a rationalization of expansion projects not related to the Group's operating activities, which will be postponed to the coming years.

### **vii) Leases**

There were no changes in the amounts previously recorded as right-of-use assets or lease liabilities as a result of a contractual modification related to Covid-19.

### **viii) Contractual commitments**

To date, there has been no enforcement either against or in favor of the Company on its agreements, whether through termination or force majeure provisions.

## **2. Presentation of the financial statements and significant accounting policies**

### **2.1. Basis of preparation**

The individual and consolidated financial statements were prepared and are presented in accordance with accounting policies adopted in Brazil, which comprise the Brazilian Corporation Law, the Securities and Exchange Commission ("CVM") rulings and the Brazilian Financial Accounting Standards Board ("CPC") pronouncements, which are in conformity with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and evidence all relevant information specific to the financial statements, and only such information, which is consistent with that used for management of the Company.

# **RAÍZEN ENERGIA S.A.**

## **Notes to financial statements as of March 31, 2021**

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The presentation of the Statement of Value Added (SVA), individual and consolidated, is required by the Brazilian corporation law and the accounting practices adopted in Brazil applicable to publicly held companies. This statement is not required under IFRS. Consequently, under IFRS, this statement is presented as supplementary information, without prejudice to the set of financial statements.

Issue of these financial statements was authorized by management on May 29, 2021.

### **a) Basis of measurement**

The individual and consolidated financial statements were prepared on a historical cost basis, except, when applicable, for the valuation of certain assets and liabilities, such as inventories, biological assets, related parties, financial instruments (including derivative instruments), and loans and financing, which are measured at fair value.

### **b) Functional and presentation currencies**

The individual and consolidated financial statements are presented in Brazilian reais, which is also the Company's functional currency. The functional currency of subsidiaries operating in the international economic environment is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial statements of each subsidiary included in the Company's consolidation, as well as those used as a basis for investments measured by the equity method, are prepared based on the functional currency of each entity. For foreign subsidiaries, assets and liabilities were converted into reais at the exchange rate prevailing at the year end, and statement of income was calculated at the average monthly rate during the year. The conversion effects are recorded in equity of these subsidiaries.

### **c) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's individual and consolidated financial statements requires that management make judgments and estimates and adopt assumptions that affect the amounts disclosed referring to revenues, expenses, assets and liabilities as of the financial statements reporting date.

These estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the year in which the estimates are revised and in any subsequent years affected. If there is a significant change in the facts and circumstances on which the assumptions and estimates are based, statement of income and the financial position of the Company and its subsidiaries could be significantly impacted.

Significant accounting estimates and assumptions are as follows:

### **Income tax, social contribution tax and other taxes payable**

The Company is subject to income and social contribution taxes in all countries in which it operates. Accordingly, a significant judgment call is required to determine the provision for these taxes.



## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

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In certain transactions, the final determination of the tax is uncertain. The Company also recognizes provisions to cover certain situations in which it is probable that additional tax amounts will be due. When the result of these matters is different from the amounts initially estimated and recorded, these differences affect current and deferred tax assets and liabilities and income or comprehensive income for the year in which the definitive amount is determined.

#### **Deferred income and social contribution taxes**

Deferred income and social contribution tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be used in the future. Additionally, the Company recognizes deferred taxes based on temporary differences determined from the tax base and the carrying amount of certain assets and liabilities, using the rates in force. Management's significant professional judgment is required so as to determine the deferred income and social contribution tax assets to be recognized based on reasonable timing and future taxable profit level, jointly with future tax planning strategies. Further details are presented in Note 17.

#### **Biological assets**

Biological assets are measured at fair value on each statement of financial position date and the effects of changes in fair value between periods are allocated directly to the cost of sales. Further details on assumptions used are presented in Note 7.

#### **Property, plant and equipment and intangible assets, including goodwill**

The accounting treatment of property, plant and equipment and intangible assets includes making estimates to determine the useful life for depreciation and amortization purposes, in addition to the fair value on the acquisition date, especially regarding assets acquired in business combinations.

The Company annually assesses the impairment indicators of goodwill and intangible assets with indefinite useful lives. Property, plant and equipment and intangible assets with finite lives, subject to depreciation and amortization, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Determination of the recoverable amount of the cash-generating unit to which goodwill was attributed also includes the use of hypotheses and estimates and requires significant judgment by management. Further details are presented in Notes 11, 12 and 13.

#### **Provision for contingencies**

The Company and its subsidiaries recognize provision for tax, civil, labor and environmental legal disputes. Assessment of the likelihood of loss includes analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance in the legal system, as well as the evaluation of internal and external legal advisors. The provisions are reviewed and adjusted to take into account changes in circumstances, such as the applicable statute of limitations, outcomes of tax audits, or additional exposures that may be identified based on new issues or court decisions. Further details are presented in Note 18.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### Fair value of financial instruments

When the fair value of financial assets and liabilities presented in the statement of financial position may not be obtained from active markets, it is determined using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted in the market, whenever possible. However, when this is not possible, a certain level of judgment is required to establish the fair value. Judgment includes considerations of the inputs used, such as liquidity risk, credit risk and volatility. Changes in the assumptions relating to these factors could affect the reported fair value of financial instruments. Further details are presented in Note 26.

## 2.2. Basis of consolidation

The consolidated financial statements include those of Raízen Energia and of its subsidiaries in the years ended March 31, 2021 and 2020. The direct and indirect subsidiaries are listed below:

	2021		2020	
	Direct	Indirect	Direct	Indirect
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta")	92.29%	7.71%	92.29%	7.71%
Benálcool Açúcar e Álcool Ltda. ("Benálcool")	100.00%	-	100.00%	-
Bioenergia Araraquara Ltda. ("Bio Araraquara")	-	100.00%	-	100.00%
Bioenergia Barra Ltda. ("Bio Barra")	99.99%	0.01%	99.99%	0.01%
Bioenergia Caarapó Ltda. ("Bio Caarapó")	-	100.00%	-	100.00%
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto")	-	100.00%	-	100.00%
Bioenergia Gasa Ltda. ("Bio Gasa")	-	100.00%	-	100.00%
Bioenergia Jataí Ltda. ("Bio Jataí")	-	100.00%	-	100.00%
Bioenergia Maracáí Ltda. ("Bio Maracáí")	-	100.00%	-	100.00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100.00%	-	100.00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100.00%	-	100.00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100.00%	-	100.00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100.00%	-	100.00%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	99.99%	0.01%	99.99%	0.01%
Raízen Ásia PT Ltd. ("Raízen Ásia")	-	100.00%	-	100.00%
Raízen Biogás SPE Ltda. ("Raízen Biogás SPE")	99.90%	0.10%	99.90%	0.10%
Raízen Biomassa S.A.	81.50%	-	81.50%	-
Raízen Biotecnologia S.A. ("Biotecnologia")	100.00%	-	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	31.48%	68.52%	31.48%	68.52%
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")	47.37%	52.63%	47.37%	52.63%
Raízen Energy Finance Ltd. ("Raízen Energy Finance")	100.00%	-	100.00%	-
Raízen Fuels Finance S.A. ("Raízen Fuels")	100.00%	-	100.00%	-
Raízen GD Ltda.	-	100.00%	-	100.00%
Raízen International Universal Corp. ("RIUC")	100.00%	-	100.00%	-
Raízen North América, Inc. ("Raízen North América")	-	100.00%	-	100.00%
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu")	100.00%	-	100.00%	-
Raízen Trading Colombia S.A.S.	-	100.00%	-	-
Raízen Trading LLP ("Raízen Trading") (i)	-	100.00%	100.00%	-
Raízen Trading Netherlands BV	-	100.00%	-	-
Raízen Trading S.A. (i)	100.00%	-	-	-
Raízen-Geo Biogás S.A. ("Biogás")	85.00%	-	85.00%	-
RWEX Participações S.A. ("RWEX")	-	70.00%	-	70.00%
RZ Agrícola Caarapó Ltda.	100.00%	-	100.00%	-
São Joaquim Arrendamentos Agrícolas Ltda. ("São Joaquim")	-	-	-	100.00%
Unimodal Ltda. ("Unimodal")	53.17%	20.24%	53.17%	20.24%
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	-	70.00%	-	70.00%

- (i) On March 1, 2021, Raízen Trading LLP started to be consolidated indirectly. Raízen Trading S.A., the new parent company of this economic subgroup, started to be consolidated directly by the Company.

# **RAÍZEN ENERGIA S.A.**

## **Notes to financial statements as of March 31, 2021**

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The subsidiaries are fully consolidated as from the control acquisition date and continue to be consolidated through the date on which such control ceases to exist. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Parent Company, using consistent accounting policies. Where necessary, adjustments are made to align the accounting policies with those adopted by the Parent Company.

Balances and transactions arising from operations between consolidated companies, such as revenues and expenses and unrealized income (loss), are fully eliminated.

The accounting policies detailed below were applied consistently to all years presented in these individual and consolidated financial statements.

### **2.3. Summary of significant accounting policies**

Significant accounting practices used for preparation of these financial statements are described below. These policies were consistently applied to all years presented, unless otherwise stated.

#### **a) Revenue recognition**

Revenues from sale of products, including the resale of products on the foreign market by the subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, are recognized on the delivery to the clients. Delivery is considered to be the moment when the clients accepts the products and the risks and benefits from the ownership are transferred. Revenue is recognized at this time as long as revenue and costs can be reliably measured, receipt of the consideration is likely and there is no continuous involvement of management with the products. Sales prices are established based on purchase orders or contracts.

Service revenues are recognized when the valuation can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the entity, when the stage of completion of the transaction at the end of the period can be determined and measured as well as the amount related to costs.

Revenue from the sale of cogeneration of power is recorded based on the power available on the network and at rates specified under the terms of the supply agreements or the market price in force, as applicable. The calculation of the volume of energy delivered to the buyer occurs on a monthly basis. Clients in control of electricity from the moment they consume it. Due to the flow of billing of certain agreements, the electric power produced and sold through auction is initially recorded as anticipated revenue, recognized in statement of income for the year only when available for use by clients.

Energy operations are traded on an active market and, for accounting purposes, they meet the definition of financial instruments at fair value. The Company recognizes revenue when the energy is delivered to the clients at the fair value of the consideration. In addition, unrealized net gains resulting from mark-to-market - difference between contracted and market prices - from open net contracted operations on the date of the financial statements are recognized as revenue.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

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Revenue is stated net of taxes (Federal VAT (“IPI”), State VAT (“ICMS”), Contribution Tax on Gross Revenue for Social Integration Program (“PIS”), Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”), Social Security Tax (“INSS”), among others), returns, rebates and discounts, as well as eliminations of sales between group companies, in the case of consolidated financial statements.

#### **b) Transactions denominated in foreign currency**

Foreign currency transactions are initially recognized by the Company's entities at the functional currency rate in effect on the transaction date or on the valuation dates, when the items are remeasured.

Monetary assets and liabilities denominated in foreign currency are converted into reais using the exchange rate in effect on the date of the respective statement of financial position, and foreign exchange gains and losses resulting from settlement of these transactions and from translation using the exchange rates at the year-end are recognized in the statement of profit or loss, as finance income (costs), except when qualified as hedge accounting and, therefore, recognized in the statement of comprehensive income.

Nonmonetary items measured at historical cost in foreign currency are translated at the exchange rate in force on the initial transaction date. Nonmonetary items measured at fair value in a foreign currency, if any, are translated using the exchange rates prevailing on the date when the fair value was determined.

#### **c) Financial instruments – initial recognition and subsequent measurement**

##### **(i) Financial assets**

###### **Measurement**

Upon initial recognition, a financial asset is classified as measured: (i) at amortized cost; (ii) at fair value through other comprehensive income; or (iii) at fair value through profit or loss.

Reclassification between classes occurs when there is a change in the business model for management of financial assets and liabilities. In this case, all instruments related to the change are reclassified at the time of the change.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at fair value through profit or loss: (i) the objective is to maintain financial assets in order to receive contractual cash flows; and (ii) its contractual terms generate, on specific dates, cash flows that are related to the payment of principal and interest on the principal amount outstanding.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

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A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as measured at fair value through profit or loss: (i) the objective is both to receive contractual cash flows and to sell financial assets; and (ii) its contractual terms generate, on specific dates, cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified as at fair value through profit or loss.

#### **Business model assessment**

The Company conducts an assessment of the objective of the business model in which a financial asset is held in the portfolio because it better reflects the way in which the business is managed, and the information is provided to management.

The information considered includes: (i) the policies and objectives set for the portfolio and the operation of the policies. These include the issue of whether management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets; (ii) how the portfolio's performance is assessed and reported to the Company management; (iii) the risks that affect the performance of the business model (and the financial asset held within that business model) and the way those risks are managed; (iv) how the business executives are compensated - for example, if the compensation is based on the fair value of the assets managed or on the contractual cash flows obtained; and (v) the frequency, volume and timing of sales of financial assets in previous years, the reasons for such sales and expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a manner consistent with the continuous recognition of the Company's assets.

Financial assets held for trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

#### **Assessment of whether contractual cash flows are solely payments of principal and interest**

For purposes of assessment of contractual cash flows, “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is substantially defined as a consideration for the time value of money and for the credit risk associated with the principal amount outstanding over a given period of time and for the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

## **RAÍZEN ENERGIA S.A.**

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The Company considers the contractual terms of the instrument 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 the value of the contractual cash flows so that it would not meet this condition. In making this assessment, the Company considers: (i) contingent events that change the amount or timing of cash flows; (ii) terms that can adjust the contractual rate, including variable rates; (iii) prepayment and extension of the term; and (iv) the terms that limit the Company's access to cash flows from specific assets (for example, based on the performance of an asset).

#### **Impairment of financial assets**

The Company applies the expected credit loss model to financial assets measured at amortized cost, contractual assets and debt instruments measured at fair value through other comprehensive income, but not to investments in equity instruments.

The expected loss matrix adopted by the Company considers the grouping of clients with similar default characteristics, by sales channel and rating (clients risk rating, measured internally)

#### **(ii) Financial liabilities**

These are measured at amortized cost and fair value through profit or loss. As of March 31, 2021, in the case of the Company, they comprised loans and financing, suppliers and payables to related parties, derivative financial instruments and other liabilities.

#### **(iii) Offset of financial instruments – net presentation**

Financial assets and liabilities are presented net in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **(iv) Derecognition (write-off)**

A financial asset is derecognized when: (i) the rights to receive cash flows from the asset expire; and (ii) the Company transfers its rights to receive cash flows of the asset or assumes an obligation to fully pay the cash flows received to a third party under a pass-through arrangement, and (a) the Company transfers substantially all risks and rewards of the asset, or (b) the Company neither transfers nor retains substantially all risks and rewards related to the asset, but transfers control thereover.

A financial liability is written off when the obligation under the liability is extinguished, which means when the obligation specified in the contract is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender in substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective book values is recognized in the statement of profit or loss.

#### **(v) Derivative financial instruments and hedge accounting**

The cash flow hedge relationships of highly probable future exports or imports are considered to be hedging relationships and qualify for hedge accounting.

## **RAÍZEN ENERGIA S.A.**

**Notes to financial statements as of  
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### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as currency forward contracts, commodity forward contracts and swaps to hedge against the risk of changes in exchange rates and commodity prices. Derivative financial instruments designated in hedging transactions are initially recognized at fair value on the date when the derivative contract is entered into and are subsequently also revalued at fair value. Derivatives are stated as financial assets when the instrument's fair value is positive and as financial liabilities when negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are recognized directly in statement of income, with the exception of instruments designated as hedge accounting, such as cash flow hedge, which is recognized directly in equity, in other comprehensive income. The fair value of financial instruments that do not qualify as hedge accounting are recognized in statement of income for the year, in the case of instruments related to operating transactions, in operating accounts (for example: revenue, cost, expenses) and, in the case of instruments related to financial operations, as finance income (costs).

The following classifications apply for hedge accounting purposes: (i) fair value hedge by hedging against exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, or an identified part of such an asset, liability or firm commitment that is attributable to a specific risk and may affect statement of income; (ii) cash flow hedge by hedging against changes in cash flows that are attributable to a specific risk associated with a recognized asset or liability or a highly probable anticipated transaction that may affect statement of income; or (iii) net investment hedge in a foreign operating unit.

Upon initial recognition of a hedge relationship, the Company formally classifies and documents the hedge relationship to which the Company wishes to apply hedge accounting, as well as management's risk management objective and strategy for policy-based hedge purposes. and robust practices exercised by management, which, among others, provides that there is no over hedge in relation to the underlying instruments.

The documentation substantially includes: (i) identification of the hedging instrument, (ii) the hedged item or transaction, (iii) the nature of the hedged risk, (iv) statement confirming that the transaction is within management's policies and practices, and (v) statement confirming the correlation of the hedging instrument for the purpose of offsetting the exposure to the change in the fair value of the hedged item or cash flows related to the hedged risk. The highly probable nature of the projected hedged transaction as well as the projected years of transfer of gains or losses arising from hedging instruments from equity to statement of income, are also included in the hedging relationship documentation.

In practice, the main hedges that meet the criteria for hedge accounting are listed below:

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

(In thousands of reais – R\$, unless otherwise indicated)

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#### **Cash flow hedge**

The effective portion of the gain or loss of the hedging instrument is recognized directly in equity, under other comprehensive income, while the ineffective portion is recognized immediately in statement of income for the year.

The amounts recorded in other comprehensive income are transferred to statement of income when the hedged transaction affects statement of income, for example, when the hedged income or expense is recognized or when a forecasted sale occurs. When the hedged item is the cost of a nonfinancial asset or liability, the amounts recorded in equity are transferred to the initial carrying amount of the nonfinancial asset or liability. If occurrence of the expected transaction or firm commitment is no longer expected, the amounts previously recognized in equity are transferred to statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its classification as hedge is revoked, gains or losses previously recognized in comprehensive income remain in equity until the expected transaction or firm commitment affects statement of income.

#### **Fair value hedge and fair value option of certain financial liabilities**

The Company designates certain debts mainly related to pre-export financing contracts (“PPEs”) with third parties and related parties as liabilities measured at fair value through profit or loss, in order to eliminate or significantly reduce the inconsistency in the measurement that would otherwise result in the recognition of gains and losses on loans and derivatives on different bases. As a result, fluctuations in the fair value of loans are recognized under finance income (costs), as fair value of financial instruments payable, classified in the finance cost group.

#### **d) Inventories**

In general, inventories are valued at the average cost of acquisition or production, with the exception of Raízen Trading’s inventories, which are measured at fair value and restated according to the price of commodities in the market, not exceeding net realizable value. The costs of finished products and work in process comprise raw materials, direct labor, other direct costs and respective direct production expenses (based on normal operating capacity), less borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs to sell.

Estimated losses on slow-moving or obsolete storeroom inventories are recorded when there is no movement during a two-year period, and they are not considered strategic by management.

#### **e) Related parties**

The Raízen Group (RESA and RCSA), of which the Company is part, has a fully integrated management of the cash flows of its companies and subsidiaries.

Among the main instruments used for cash management among Group companies, which are applicable to the Company, we highlight the following:



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### **Notes to financial statements as of March 31, 2021**

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- (i) Financial Resource Management Contract (“GRF”) - operation used between companies domiciled in Brazil

RESA, which centralizes the Group's corporate activities, is responsible for cash management, based on the aforementioned contract.

Such transactions are presented in the statement of cash flows, on a net basis, under cash flows from financing activities.

- (ii) PPE contracts – transaction carried out between companies domiciled in Brazil and abroad

In certain situations, Group companies domiciled abroad raise funds in the international financial market and subsequently transfer them to Group companies domiciled in Brazil, in the form of PPE contracts. These contracts are formalized pegged to exported volumes of products sufficient to settle the contracts.

Such transactions are presented under cash flows from investing activities when granted (outflow of funds) and under cash flows from financing activities when received (inflow of funds).

Operational financial transactions with related parties are carried out on an arm's length basis, in line with those prevailing in the market or with conditions the Company would contract with third parties.

#### **f) Investment in associates and subsidiaries (individual financial statements)**

Investments in entities over which the Company has significant influence or control are accounted for using the equity method, initially recorded in the statement of financial position at cost, plus changes after the acquisition of equity interest.

The statement of profit or loss reflects the share of the statement of income of associates or subsidiaries based on the equity accounting result method. When a change is directly recorded in equity of the associate or subsidiary, the Company recognizes its portion in the variations occurred and discloses this fact, when applicable, in the statement of changes in equity.

After application of the equity method, the Company establishes whether an additional impairment loss on its investment in the associate or subsidiary should be recorded. The Company establishes, at each statement of financial position date, whether there is objective evidence that the investment in the associate or subsidiary is impaired. If that is the case, the Company calculates the impairment amount as the difference between the recoverable amount and the carrying amount of the associate or subsidiary and records this amount in the statement of profit or loss.

Unrealized income from operations between the Company and its associates and joint ventures are eliminated in proportion to the interest held therein. The accounting policies of the associates are adjusted, when necessary, to ensure consistency with the policies adopted by the Company.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

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#### g) Biological assets

Biological assets refer to sugarcane plantations, which are measured at fair value, excluding the land on which they are planted, according to the discounted cash flow method.

For sugarcane, the Company uses future cash flows discounted at present value and projected according to the productivity cycle estimated for each harvest, taking into account the estimated useful life of the assets, the prices of total recoverable sugar, estimated yields and estimated costs related to production, harvesting, loading and transport for each hectare planted.

Changes in fair values between the years, as well as their amortization, are allocated to statement of income under Cost of products sold.

#### h) Property, plant and equipment

Property, plant and equipment items, including sugarcane plantation, are measured at historical acquisition, less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenses directly attributable to acquisition of an asset. The cost of assets built by the Company includes materials and direct labor, and any other cost to bring the asset to the location and condition necessary for it to operate as intended by management, as well as borrowing costs on qualifying assets. Borrowing costs related to funds raised for construction in progress are capitalized upon completion of these projects.

The Company and its subsidiaries carry out the main scheduled maintenance activities at their industrial units on an annual basis (off-season). This usually occurs between the months of January to March and aim to inspect and replace components.

The key annual maintenance costs include labor costs, materials, external services and overheads allocated during the off-season period. These costs are classified as parts and components with frequent replacement, under property, plant, and equipment, and are fully amortized in the following harvest.

The cost of an equipment item that requires annual replacement is accounted for as a component of the cost of the equipment and depreciated during the following harvest. The costs of periodic maintenance are recorded as expenses when incurred since the replaced components do not improve the production capacity or introduce improvements to the equipment. Land is not depreciated.

As of March 31, 2021 and 2020, the depreciation of such assets was calculated based on the estimated useful life of each asset. Annual weighted average depreciation rates are as follows:

<u>Class of property, plant, and equipment</u>	<u>Average annual rate</u>
Buildings and improvements	2%
Machinery, equipment and facilities	5%
Furniture and fixtures	10%
IT equipment	21%
Vehicles, vessels and aircraft	8%
Sugarcane planting	20%

Residual values and useful lives of the assets are reviewed by competent technical members and adjusted, as appropriate, at each year end.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

#### i) Leases

According to IFRS 16 (CPC 16 (06)), the Company recognizes right-of-use assets and lease liabilities at the lease commencement date.

The lease liability is initially measured at the present value of the lease payments that were not paid on the transition date, discounted using the Group's incremental rate on loans, a fixed nominal rate based on the Group's indebtedness, equivalent to approximately 100% of the CDI for recognized leases.

In the year ended March 31, 2021, the discount rates applied in accordance with the contractual term were as follows:

Contractual term (years)	Rates			
	2021		2020	
	Nominal	Actual	Nominal	Actual
1 year	3.10%	-0.55%	5.00%	1.60%
2 years	4.49%	0.74%	5.60%	1.90%
3 years	5.57%	1.48%	6.20%	2.30%
4 years	6.34%	2.08%	6.60%	2.70%
5 years	6.82%	2.50%	6.90%	3.00%
6 years	7.23%	2.86%	7.10%	3.10%
7 years	7.57%	3.13%	7.30%	3.30%
8 years	7.77%	3.32%	7.40%	3.40%
9 years	7.95%	3.48%	7.60%	3.50%
More than 10 years	8.10%	3.62%	7.70%	3.60%

The lease term is equivalent to the minimum non-cancellable term of the contracts and the Company does not add to the lease term, the years covered by a renewal option, except in cases where the Company is reasonably certain that the renewal option will be exercised, such as for example, in the case of agricultural contracts in which the Company has the prerogative of renewal for a pre-established number of harvests under the terms of the contract.

The right-of-use asset is initially measured at cost, comprising the value of the initial measurement of the lease liability and, when applicable, adjusted for any lease payments made in advance, initial direct costs incurred, cost estimates for dismantling and removal, and incentives received.

The right-of-use asset is subsequently depreciated using the same depreciation method applied to similar property, plant and equipment items and, if applicable, will also be reduced by impairment losses.

The Company remeasures the lease liability if there is a change in the lease term or if there is a change in future lease payments resulting from a change in the index or rate used to determine these payments, and the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

(In thousands of reais – R\$, unless otherwise indicated)

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#### **i) Intangible assets**

##### **i) Goodwill**

Goodwill is the positive difference between the amount paid for the acquisition of a business and the net fair value of the assets and liabilities of the acquiree. Goodwill on acquisitions of subsidiaries is disclosed under Investments and Intangible assets, in the individual and consolidated financial statements, respectively.

Goodwill is recorded at cost, less any impairment losses, when applicable, subjected to testing at least annually. For impairment test purposes, goodwill acquired in a business combination is, as of acquisition date, allocated to each cash generating unit of the Company expected to benefit from the business combination, regardless of other assets or liabilities of the acquiree being attributed to these units.

##### **ii) Intangible assets with finite useful lives**

Intangible assets with defined useful lives are carried at cost, less accumulated amortization and impairment losses, when applicable.

As of March 31, 2021 and 2020, the annual weighted average amortization rates are as follows:

<b><u>Class of intangible asset</u></b>	<b><u>Average annual rate</u></b>
Software license	20%
Agricultural partnership agreements	9%
Sugarcane supply agreements	10%
Technology	10%

Residual values and useful lives of the assets are reviewed by competent technical members and adjusted, if applicable, at end each year.

#### **k) Impairment of nonfinancial assets**

The Company and its subsidiaries assess if there are indications of loss of value of an asset on an annual basis. If indications are identified, the Company estimates the asset's recoverable amount. The recoverable amount of an asset item is the higher of: (a) its fair value less costs that would be incurred to sell it, and (b) its value in use. When necessary, the value in use is usually determined based on the discounted cash flow (before taxes) resulting from the continuous use of the asset until the end of its useful life.

Regardless of the existence of indications of impairment, goodwill and intangible assets with an indefinite useful life, if any, are tested for impairment annually.

When the carrying amount of an asset exceeds its recoverable amount, the loss is recognized as an operating expense in statement of income.

## **RAÍZEN ENERGIA S.A.**

**Notes to financial statements as of  
March 31, 2021**

**(In thousands of reais – R\$, unless otherwise indicated)**

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### **l) Provisions**

Provisions are recognized when: (i) the Company has a present legal or constructive obligation as a result of past events, (ii) it is likely that an outflow of funds will be required to settle the obligation, and (iii) amount may be reliably estimated.

### **m) Employee benefits**

The Company has a supplementary pension plan composed of a defined contribution plan and a defined benefit portion, intended for all employees.

For the defined contribution, the expense is recognized in statement of income when it occurs, while, for the defined benefit, the Company recognizes a liability based on a methodology that considers a series of factors that are determined by actuarial calculations, which use certain assumptions to determine the cost (or revenue) for the pension plan.

Actuarial gains or losses arising from adjustments and changes in actuarial assumptions are recorded directly in equity as other comprehensive income, when incurred.

Past service costs are immediately recognized in statement of income.

### **n) Income tax and social contribution**

Income and social contribution tax income (expenses) for the year comprise current and deferred taxes. Income taxes are recognized in statement of income, except to the extent they relate to items directly recognized in equity or comprehensive income. In this case, the taxes are also recognized in equity or comprehensive income.

Current and deferred income and tax social contribution are determined based on the tax legislation enacted or substantially enacted at the date of the statement of financial position in the countries where the Company entities operate and generate taxable profit. Management regularly assesses the positions assumed in the income tax calculations with respect to situations in which applicable tax regulations give rise to different interpretations, and records provisions, when appropriate, based on estimated amounts payable to tax authorities.

Income tax is calculated on taxable profit at a rate of 15%, plus surtax of 10% on profit exceeding R\$240 over 12 months, whereas social contribution tax is calculated at a rate of 9% on taxable profit, both recognized on an accrual basis. In other words, the Company is subject to a theoretical combined tax rate equivalent to 34%.

Deferred income and social contribution taxes related to income and social contribution tax losses and temporary differences are stated net in the statement of financial position when there is a legal right and the intention to offset them when calculating current taxes, related to the same legal entity and the same tax authority.

Accordingly, deferred tax assets and liabilities in different entities or different countries are usually presented separately, and not on a net basis. Deferred taxes are calculated based on the rates established upon their realization and are reviewed annually.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

(In thousands of reais – R\$, unless otherwise indicated)

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Tax prepayments or current amounts subject to offsetting are stated under current or noncurrent assets, according to their estimated realization.

#### **o) Capital and remuneration to shareholders**

Capital is comprised by common and preferred shares. Incremental expenses directly attributable to the issue of shares, when incurred, are presented as a deduction from equity, as additional capital contribution, net of tax effects.

Preferred shares are segregated into liability and equity components based on the contractual terms, if any.

The only class A preferred share, as well as each common share, entitles to one vote in resolutions at the Company's general meetings, as well as fixed annual dividends of R\$ 0.01 (one cent).

Non-voting class B preferred shares issued by the Company are intended to reimburse assets, mostly represented by tax benefits, contributed by shareholder Cosan, to the extent they are used by the Company. Non-voting class C preferred shares, previously issued by the Company to the shareholder Shell, were fully redeemed at the Special General Meeting held on July 31, 2017.

Non-voting class D preferred shares entitle the Shareholder Shell to the receipt of fixed annual dividends.

Distribution of profits to shareholders is made in the form of dividends and/or interest on equity based on the limits defined in the Company's bylaws and the laws in force.

#### **p) Business combinations**

The Company adopts the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities assumed, and any equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, where applicable. Acquisition-related costs are recorded in statement of income as incurred. Identifiable assets acquired; liabilities (including contingent) assumed in a business combination are initially measured at fair value on the acquisition date. The Company recognizes the noncontrolling interest in the acquiree, both for its fair value and for the proportional portion of the noncontrolling interest in the fair value of the acquiree's net assets. Measurement of the noncontrolling interest is determined for each acquisition made.

The excess of the consideration transferred and of the fair value on the date of acquisition of any previous equity interest in the acquiree in relation to the fair value of the Company's interest in the net identifiable assets acquired is recorded as goodwill. When applicable, in acquisitions in which the Company attributes fair value to noncontrolling interests, the determination of goodwill also includes the value of any noncontrolling interest in the acquiree, and goodwill is determined considering the interest of the Company and of noncontrolling interests. When the consideration transferred is less than the fair value of the net assets of the acquiree, the difference is recognized directly in statement of income for the year as a bargain purchase.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

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### q) Segment information

An operating segment is a component of the Company that carries out business activities from which revenues may be obtained and expenses incurred, including revenues and expenses related to transactions with other Company components. All operating income of the operating segments is frequently reviewed by the Company's CEO and by the Board of Directors for purposes of decisions concerning funds to be allocated to the segment and performance evaluation, and for which individual financial information is available.

### r) Statement of value added

The statement of value added was prepared in accordance with accounting pronouncement CPC 09 – Statement of value added, issued by the Brazilian FASB (CPC).

## 2.4. Impacts of the new CPC/IFRS and ICPC/IFRIC on the financial statements

The following amendments were adopted for the first time for the year beginning March 1, 2020:

- Definition of material: amendments to IAS 1/CPC 26 "Presentation of financial statements" and IAS 8/CPC 23 "Accounting policies, changes in accounting estimates and errors"
- Definition of business: amendments to IFRS 3/CPC 15 "Business combination"
- IBOR reform: amendments to IFRS 9/CPC 48, IAS 39/CPC 38 and IFRS 7/CPC 40 "Financial instruments"
- Revised conceptual framework for financial reporting
- Covid-19 related rent concessions: amendments to IFRS 16/CPC 06 (R2) "Leases"

The above amendments did not significantly impact the Group.

## 2.5. New CPC/IFRS and ICPC/IFRIC (IFRS' Interpretations Committee) applicable to financial statements

The following amendments have been issued by the IASB but are not yet effective for 2021. Although encouraged by the IASB, early adoption of the standards in Brazil is not permitted by the CPC.

- **Amendments to IFRS 9/CPC 48, IAS 39/CPC 38 and IFRS 7/CPC40 - Financial instruments, IFRS 4 - Insurance contracts and IFRS 16 - Leases:** the amendments provided for in Phase 2 of the IBOR reform address issues that may affect the financial statements during the reform of a benchmark interest rate, including the effects of changes in contractual cash flows or hedging relationships arising from the replacement of a rate with an alternative benchmark rate (replacement issues). The effective date of application of this amendment is January 1, 2021 and, in the case of the Company, April 1, 2021. The Company's contracts linked to the Euro Interbank Offered Rate ("EURIBOR") and the London Interbank Offered Rate ("LIBOR") are being reviewed between the parties and will be updated by the respective alternative rates disclosed, plus a spread. Management estimates that the updated cash flows will be economically equivalent to the original and does not expect significant impacts related to this replacement.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

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- **Amendment to IAS 16/CPC 27 - Property, plant and equipment:** in May 2020, the IASB issued an amendment that does not allow an entity to deduct from the cost of property, plant and equipment the amounts received from the sale of items produced while the asset is being prepared for its intended use. Such revenues and related costs must be recognized in statement of income for the year. The effective date of application of this amendment is January 1, 2022 and, in the case of the Company, April 1, 2022.
- **Amendment to IAS 37/CPC 25 - Provisions, contingent liabilities and contingent assets:** in May 2020, the IASB issued this amendment to clarify that, for the purpose of assessing whether a contract is onerous, the cost of complying with the contract includes the incremental compliance costs of such contract and allocation of other costs directly related to compliance therewith. The effective date of application of this amendment is January 1, 2022 and, in the case of the Company, April 1, 2022.
- **Amendment to IFRS 3/CPC 15 - Business combination:** issued in May 2020, this amendment aims to replace the references from the previous version of the conceptual framework with the most recent one. The effective date of application of this amendment is January 1, 2022 and, in the case of the Company, April 1, 2022.
- **Annual improvements - 2018-2020 cycle:** in May 2020, the IASB issued the following amendments as part of the annual improvement process, applicable as of January 1, 2022 and, in the case of the Company, April 1, 2022:
  - (i) IFRS 9/CPC 48 - Financial instruments: clarifies which rates should be included in the 10% test for the write-off of financial liabilities.
  - (ii) IFRS 16/CPC 06 (R2) - Leases: amendment to example 13 in order to exclude the example of lessor payments related to improvements in the leased property.
  - (iii) IFRS 1/CPC 37 (R1) – First-time adoption of International Financial Reporting Standards: simplifies the application of said standard by a subsidiary that adopts IFRS for the first time after its parent company, in relation to measurement of the accumulated amount of foreign exchange differences.
  - (iv) IAS 41/CPC 29 - Biological assets - removal of the requirement to exclude cash flows from taxation when measuring the fair value of biological assets and agricultural products, thus aligning the requirements for measuring fair value in IAS 41 with those of other IFRS standards.

There are no other IFRS/CPC standards or IFRIC interpretations not yet effective that could have a significant impact on the Company's financial statements.



# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### 3. Cash and cash equivalents

	Index	Average yield rate		Individual		Consolidated	
		2021	2020	2021	2020	2021	2020
Funds in banks in cash				289,365	1,697,060	1,694,002	3,027,182
Values awaiting foreign exchange closure (1)				1,057,505	1,333,754	1,087,345	1,441,368
Investment funds (2)	CDI	82.50%	98.59%	-	-	231,334	21,997
CDB (Bank deposit certificate) and commitments (3)	CDI	98.46%	98.79%	4	-	1,030,285	1,983,200
				<u>1,346,874</u>	<u>3,030,814</u>	<u>4,042,966</u>	<u>6,473,747</u>
Domestic (local currency)				21,815	112,260	1,293,004	2,132,840
Abroad (foreign currency) (Note 26.d)				<u>1,325,059</u>	<u>2,918,554</u>	<u>2,749,962</u>	<u>4,340,907</u>
				<u>1,346,874</u>	<u>3,030,814</u>	<u>4,042,966</u>	<u>6,473,747</u>

- (1) These refer basically to receiving foreign currency funds from overseas clients, for which obtaining foreign exchange from financial institutions was not yet concluded until the statement of financial position date, and to foreign funds held for payment of debts related to export performance.
- (2) These correspond to investments in fixed income funds managed by leading financial institutions, which are managed by shares, at the sole discretion of the Company, with daily yield and liquidity.
- (3) Refer to fixed income investments in first-class financial institutions, with daily yield earnings and liquidity.

### 4. Restricted cash

	Index	Average yield rate		Individual		Consolidated	
		2021	2020	2021	2020	2021	2020
Financial investments linked to financing (1)	CDI	100.02%	100.02%	39	157	39	32,346
Financial investments linked to derivative operations (Note 26.g) (2)	CDI	99.88%	101.34%	57,642	20,408	57,642	20,408
Margin on derivative operations (Note 26.g) (3)	-	-	-	<u>791,036</u>	<u>83,268</u>	<u>860,614</u>	<u>127,432</u>
				<u>848,717</u>	<u>103,833</u>	<u>918,295</u>	<u>180,186</u>
Domestic (local currency)				57,682	20,566	57,681	52,754
Abroad (foreign currency) (Note 26.d)				<u>791,035</u>	<u>83,267</u>	<u>860,614</u>	<u>127,432</u>
				<u>848,717</u>	<u>103,833</u>	<u>918,295</u>	<u>180,186</u>

- (1) Financial investments in LFT (Financial Treasury Bills), carried out with top-tier banks, held by virtue of financing with the Brazilian Development Bank (“BNDES”), the redemption of which is subject to payment of certain installments of said financing.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

- (2) It corresponds to investments in CDB, carried out with first-tier banks, used in derivative instrument transactions.
- (3) Refers to margin deposits in derivative transactions refer to margin calls by counterparties in derivative instrument transactions and are exposed to the US dollar exchange rate fluctuation (Note 26.g).

## 5. Trade accounts receivable

	Individual		Consolidated	
	2021	2020	2021	2020
Domestic	266,024	183,105	747,091	534,389
Abroad (Note 26.d)	9,759	101,277	701,661	659,560
Allowance for expected credit losses	(3,729)	(4,131)	(26,964)	(27,569)
	<u>272,054</u>	<u>280,251</u>	<u>1,421,788</u>	<u>1,166,380</u>

The Company has no notes given as collateral. The maximum exposure to credit risk at the statement of financial position date is the carrying amount of each class of trade accounts receivable.

The maturity of trade accounts receivable is as follows:

	Individual		Consolidated	
	2021	2020	2021	2020
Falling due	263,630	267,975	1,379,824	1,098,906
Overdue:				
Within 30 days	6,966	11,580	18,608	38,626
From 31 to 90 days	1,419	554	15,192	18,448
From 91 to 180 days	174	446	1,160	6,263
More than 180 days	3,594	3,827	33,968	31,706
	<u>12,153</u>	<u>16,407</u>	<u>68,928</u>	<u>95,043</u>
	<u>275,783</u>	<u>284,382</u>	<u>1,448,752</u>	<u>1,193,949</u>

The allowance for expected credit losses was estimated based on the credit risk analysis, which includes the history of losses, the individual situation of clients, the situation of the economic group to which the clients belong, the security interest for debts and, where applicable, the assessment of legal advisors. The allowance for expected credit losses is considered sufficient by management to cover any losses on receivables. Changes in this allowance are as follows:

	Individual	Consolidated
At March 31, 2019	(2,766)	(24,649)
Expected loss, net	(1,365)	(1,451)
Foreign exchange differences	-	(1,469)
At March 31, 2020	(4,131)	(27,569)
Reversal	402	1,069
Foreign exchange differences	-	(464)
At March 31, 2021	<u>(3,729)</u>	<u>(26,964)</u>

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

On March 31, 2020, the Company recorded R\$ 105,246 and R\$ 371,266 in the Individual and Consolidated financial statements, respectively (R\$ 190,002 and R\$ 210,349 in the Individual and Consolidated financial statements, respectively on March 31, 2020) in current liabilities, under Advances from clients, which refer substantially to amounts received from foreign clients relating to purchase of sugar and ethanol.

## 6. Inventories

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Finished products:				
Sugar	144,358	68,504	235,406	132,232
Ethanol	220,977	342,342	759,219	919,236
Storeroom items	128,096	130,090	159,879	172,702
Other	57,983	58,371	90,935	103,537
	<u>551,414</u>	<u>599,307</u>	<u>1,245,439</u>	<u>1,327,707</u>

On March 31, 2021, inventories are stated net of estimated loss on obsolescence and realization, and slow-moving and/or obsolete inventories, amounting to R\$ 15,245 and R\$ 20,019, in the Individual and Consolidated financial statements, respectively (R\$ 22,362 and R\$ 30,151 in the Individual and Consolidated financial statements, respectively, on March 31, 2020). Changes in the referred to losses are shown below and were recognized in the statement of profit or loss under Costs of sales and services:

	<b>Individual</b>	<b>Consolidated</b>
Balance at March 31, 2019	(16,621)	(21,767)
Estimated loss	(17,911)	(27,902)
Reversal / realization	12,170	19,518
Balance at March 31, 2020	(22,362)	(30,151)
Estimated loss	(26,370)	(35,678)
Reversal / realization	33,487	44,810
Balance at March 31, 2021	<u>(15,245)</u>	<u>(21,019)</u>

## 7. Biological assets

The Company's biological assets comprise unharvested cane cultivated in sugarcane crops, which will be used as a source of raw material in the production of sugar, ethanol and bioenergy upon harvesting.

Planted areas represent only sugarcane crops, not considering the land where the crops are located, which are recognized under Property, plant and equipment.

The following significant assumptions were used in determining the fair value:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Estimated harvest area (hectares)	410,752	383,375	463,793	436,663
Number of Total Recoverable Sugar "ATR" per hectare	9.71	10.26	9.82	10.38
Projected average ATR price per kg (R\$/kg)	0.77	0.61	0.77	0.61

## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

On March 31, 2021, cash flows were discounted at 5.32% (5.30% on March 31, 2020), which is the WACC (Weighted Average Cost of Capital) of the Company.

In the year ended March 31, 2021, the Company reviewed the assumptions used to calculate the biological asset, the main impact of which was the increase in the average ATR price, influenced by the price of ethanol, and by the price of VHP sugar, in line with what has been observed in recent months as well as new dollar price projections.

Changes in biological assets (sugarcane) are as follows:

	Individual	Consolidated
<b>Balance at March 31, 2019</b>	654,348	813,995
Additions to sugarcane treatments	641,408	731,275
Absorption of harvested sugarcane costs	(623,808)	(707,432)
Change in fair value	(51,244)	3,197
Fair value realization	70,134	9,685
Business combination (Note 29)	-	46,595
<b>Balance at March 31, 2020</b>	690,838	897,315
Additions to sugarcane treatments	646,044	781,601
Absorption of harvested sugarcane costs	(641,296)	(765,936)
Change in fair value	281,094	468,563
Fair value realization	22,636	(27,341)
Other	(295)	(1,017)
<b>Balance at March 31, 2021</b>	999,021	1,353,185

The estimated fair value could increase (decrease) if:

- The estimated ATR price were higher (lower);
- The projected productivity (tons per hectare and quantity of ATR) were higher (lower); and
- The discount rate were lower (higher).

The operational activities of sugarcane planting are exposed to variations resulting from climate changes, pests, diseases and forest fires, among other natural forces.

Historically, climatic conditions can cause volatility in the sugar-energy sector and, consequently, in the Company's operating results, as they influence crops by increasing or reducing harvests.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### 8. Recoverable taxes

	Individual		Consolidated	
	2021	2020	2021	2020
PIS and COFINS (i)	162,999	150,911	447,511	293,478
ICMS	212,845	212,307	274,812	321,797
IPI	31,657	31,545	40,031	36,472
Tax Recovery Program (REFIS)	42,004	41,510	42,004	41,510
Other	11,404	37,585	36,614	63,573
	460,909	473,858	840,972	756,830
Current	(229,828)	(247,656)	(363,040)	(453,635)
Noncurrent	231,081	226,202	477,932	303,195

#### (i) ICMS on the PIS and COFINS tax bases

Since adoption of the PIS and COFINS noncumulative regime, the Company has been pleading in court the right to exclude ICMS from the PIS and COFINS tax bases. In the year ended December 31, 2021, the Company concluded that the necessary legal certainty for recognizing referred to tax credits had been achieved, since certain events occurred that consolidated the understanding that the decision of March 15, 2017 of the Federal Supreme Court of Brazil (STF) ensures the taxpayer's right to exclude ICMS from the PIS/COFINS tax bases. Management's understanding is supported by legal opinions issued by legal advisors.

Therefore, in the year ended March 31, 2021, the Company recognized consolidated credits in the amount of R\$ 119,892 (R\$ 96,939 and R\$ 177,524, individual and consolidated, respectively, as of March 31, 2020), under Taxes recoverable, noncurrent assets, arising from certain final decisions handed down on legal disputes for the entire year after 5 years of the date of distribution of the legal disputes in court and, in the case of decisions not yet final, credits after October 2, 2017. These credits were recognized in statement of income in the amount of R\$ 41,660 consolidated (R\$ 54,730 and R\$ 130,808, individual and consolidated, respectively, as of March 31, 2020).

Credits in the amount of R\$ 78,232, consolidated (R\$ 42,209 and R\$ 46,716, individual and consolidated, respectively, as of March 31, 2020), whose taxable events preceded the establishment of Raízen by the shareholders Cosan and Shell (according to Note 1), were recognized as Related parties (Note 10.a.4), under noncurrent liabilities, and should be refunded as they are used by the Company.

### 9. Other financial assets

	Individual		Consolidated	
	2021	2020	2021	2020
Credits from indemnity suits – refundable (1)	107,070	97,852	107,070	97,852
Credits from indemnity suits – own (2)	-	-	133,046	177,629
National Treasury Certificates - CTN (3)	-	280,966	24,206	297,459
Other	1	1	1	101
	107,071	378,819	264,323	573,041
Current	-	(280,966)	(37,633)	(314,273)
Noncurrent	107,071	97,853	226,690	258,768

- (1) Credits arising from final favorable decisions, which are not part of the net assets contributed by Cosan in establishing the Group. As such, RESA recorded an obligation of equal value, classified as current and noncurrent liabilities, under Related parties (Note 10.c), as these credits will be fully refunded to Cosan when effectively received. These credits bear interest by reference to the IPCA-E and Selic variation, plus annual interest of 6%, as applicable.
- (2) Credits arising from a final court decision favoring Raízen Araraquara, a subsidiary of the Company, relating to the lawsuit filed by Instituto do Açúcar e do Alcool ("IAA") against the Brazilian federal government, lodged by Copersucar in 1990. The lawsuit claims indemnification for the losses caused to the plants by the federal government by setting prices lower than the market prices. In the year ended March 31, 2021, credits received from indemnification legal disputes totaled R\$ 36,473.
- (3) Government securities issued by the Brazilian National Treasury, under the Special Program for Securitization of Agricultural Loans (PESA), with an original term of 20 years, with maturities until 2025, given as collateral to the financing transaction called PESA. These securities earn the General Market Price Index (IGP-M) plus annual interest of 12%. At maturity, their amount tends to be equivalent to the principal amount of the debt payable to PESA and can be used to settle this debt. In the year ended March 31, 2021, the Company redeemed the amount of R\$ 357,185 for settlement of the PESA.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### 10. Related parties

#### a) Summary of balances with related parties

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>				
<b>Assets classified by currency:</b>				
Domestic (local currency)	2,384,239	3,123,195	1,494,655	1,780,411
Abroad (foreign currency) (Note 26.d)	485,277	115,074	4,756,904	5,164,525
	<u>2,869,516</u>	<u>3,238,269</u>	<u>6,251,559</u>	<u>6,944,936</u>
<b>Asset management (1)</b>				
Raízen Combustíveis S.A. and subsidiaries	701,439	392,476	701,439	392,476
Bioenergia Barra Ltda.	188,039	405,006	-	-
Raízen Biomassa S.A.	178,271	43,208	-	-
Raízen Biogás Ltda.	101,056	38,161	-	-
Raízen GD Ltda.	54,900	4,335	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	-	1,047,659	-	-
Other	6	3	-	-
	<u>1,223,711</u>	<u>1,930,848</u>	<u>701,439</u>	<u>392,476</u>
<b>Commercial and administrative transactions (2)</b>				
Raízen Combustíveis S.A. and subsidiaries	71,926	165,692	1,714,422	2,998,452
Rumo Group	36,120	24,407	38,632	24,772
Cosan S.A. Indústria e Comércio	15,561	15,796	16,343	15,796
Comgás - Companhia de Gás de São Paulo	12,867	16,083	12,867	16,083
Philipinas Shell Petroleum Corp.	-	-	11,213	4,784
Raízen Trading LLP	136,648	42,961	-	-
Raízen International Universal Corporation	347,881	71,584	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	241,470	234,273	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	179,332	89,467	-	-
Raízen Paraguaçu Ltda.	19,073	18,137	-	-
Unimodal Ltda.	3,617	3,617	-	-
RZ Agrícola Caarapó Ltda.	2,299	34,463	-	-
Raízen and Wilmar Sugar Pte. Ltd.	-	-	-	2,189
Shell Trading Rotterdam	-	-	-	14,745
Agroterenas S.A. (iv)	-	-	-	36,019
Other	24,867	40,893	11,339	22,957
	<u>1,091,661</u>	<u>757,373</u>	<u>1,804,816</u>	<u>3,135,797</u>
<b>Financial transactions (3)</b>				
Raízen Combustíveis S.A. and subsidiaries	-	-	3,132,354	2,795,958
	-	-	<u>3,132,354</u>	<u>2,795,958</u>
<b>Framework transactions (4)</b>				
Cosan S.A. Indústria e Comércio	553,425	549,519	612,231	617,974
Nova América - Agrícola Caarapó (iv)	-	-	-	2,202
Shell Brazil Holding B.V.	719	529	719	529
	<u>554,144</u>	<u>550,048</u>	<u>612,950</u>	<u>620,705</u>
	<u>2,869,516</u>	<u>3,238,269</u>	<u>6,251,559</u>	<u>6,944,936</u>
<b>Current</b>	<u>(2,514,858)</u>	<u>(2,899,513)</u>	<u>(3,466,058)</u>	<u>(3,792,096)</u>
<b>Noncurrent</b>	<u>354,658</u>	<u>338,756</u>	<u>2,785,501</u>	<u>3,152,840</u>

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Liabilities</b>				
<b>Liabilities classified by currency:</b>				
Domestic (local currency)	4,263,097	3,873,233	2,342,132	1,876,643
Abroad (foreign currency) (Note 26.d)	3,498,283	1,894,845	266,262	356,079
	<u>7,761,380</u>	<u>5,768,078</u>	<u>2,608,394</u>	<u>2,232,722</u>
<b>Asset management (1)</b>				
Raízen Combustíveis S.A. and subsidiaries	604,371	441,013	604,371	441,013
Raízen Centroeste Açúcar e Alcool Ltda.	292,179	-	-	-
Bioenergia Barra Ltda. and subsidiaries	434,488	296,017	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	176,113	252,250	-	-
Raízen Caarapó Açúcar e Alcool Ltda.	273,835	186,111	-	-
Raízen Paraguaçu Ltda.	166,211	481,541	-	-
WX Energy Comercializadora de Energia Ltda.	95,433	107,764	-	-
Benálcool Açúcar e Alcool Ltda.	1,695	1,268	-	-
RWXE Participações S.A.	525	513	-	-
Agrícola Ponte Alta Ltda.	294,587	126,314	-	-
RZ Agrícola Caarapó Ltda.	5,491	-	-	-
	<u>2,344,928</u>	<u>1,892,791</u>	<u>604,371</u>	<u>441,013</u>
<b>Commercial and administrative transactions (2)</b>				
Shell Trading US Company	-	-	266,262	356,079
Rumo Group	27,722	27,197	31,978	31,645
Raízen Combustíveis S.A. and subsidiaries	20,196	32,736	21,036	44,692
Propriedades Agrícola Radar and subsidiaries	5,521	11,813	5,521	11,813
Cosan S.A. Indústria e Comércio	625	5,040	626	5,040
Raízen Trading LLP	93,866	422,017	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	226,306	223,443	-	-
Raízen Araraquara A.A.Ltda.	147,817	75,701	-	-
Raízen Paraguaçu Ltda.	5,491	12,825	-	-
Bioenergia Barra Ltda. and subsidiaries	10,115	7,708	-	-
Raízen International Universal Corp.	7,559	2,166	-	-
Nova América Agrícola Ltda. (iv)	-	-	-	14,789
Agroterenas S.A. (iv)	-	-	-	34,217
Other	22,612	14,667	26,713	18,653
	<u>567,830</u>	<u>835,313</u>	<u>352,136</u>	<u>516,928</u>
<b>Financial transactions (3)</b>				
Raízen Fuels Finance Limited	3,405,254	1,894,845	-	-
	<u>3,405,254</u>	<u>1,894,845</u>	<u>-</u>	<u>-</u>
<b>Framework transactions (4)</b>				
Cosan S.A. Indústria e Comércio	505,516	398,905	715,950	530,472
Agrícola Ponte Alta Ltda.	1,915	1,915	-	-
	<u>507,431</u>	<u>400,820</u>	<u>715,950</u>	<u>530,472</u>
<b>Preferred shares (5)</b>				
Cosan S.A. Indústria e Comércio	2,220	3,745	2,220	3,745
	<u>2,220</u>	<u>3,745</u>	<u>2,220</u>	<u>3,745</u>
<b>Lease liabilities (6)</b>				
Radar Propriedades Agrícolas S.A.	159,998	146,736	159,998	146,736
Aguassanta Agrícola S.A.	132,200	143,546	132,200	143,546
Nova Agrícola Ponte Alta S.A.	113,464	108,040	113,464	108,040
Jatobá Produtos Agrícola Ltda.	71,179	65,563	71,179	65,563
Nova Amaralina S.A. Propriedades Agrícolas	59,180	55,805	59,180	55,805
Proud Participações S.A.	57,685	9,846	57,685	9,846
Terrainvest Propriedades Agrícolas S.A.	59,440	52,932	59,440	52,932
Seringueira Propriedades Agrícolas Ltda.	49,195	45,825	49,195	45,825
Bioinvestments Negócios e Participações S.A.	49,636	8,522	49,636	8,522
Águas da Ponte Alta S.A.	48,814	4,898	48,814	4,898
Aguapar Agrícola Ltda.	41,302	38,763	41,302	38,763
Agrobio Investimento e Participações S.A.	19,250	26,307	19,250	26,307
Terras da Ponte Alta S.A.	18,501	17,200	18,501	17,200
Other	53,873	16,581	53,873	16,581
	<u>933,717</u>	<u>740,564</u>	<u>933,717</u>	<u>740,564</u>
	<u>7,761,380</u>	<u>5,768,078</u>	<u>2,608,394</u>	<u>2,232,722</u>
<b>Current liabilities</b>	<u>(3,203,285)</u>	<u>(2,994,818)</u>	<u>(1,227,631)</u>	<u>(1,223,909)</u>
<b>Noncurrent liabilities</b>	<u>4,558,095</u>	<u>2,773,260</u>	<u>1,380,763</u>	<u>1,008,813</u>

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### (1) Asset management

The amounts recorded in assets and liabilities refer to funds provided to and received from the companies, respectively, as a way of managing financial resources. In relation to these transactions, the Company recorded net finance costs of R\$ 15,420 and R\$ 2,748 in the year ended March 31, 2021 (R\$ 55,076 and R\$ 40,587 in the year ended March 31, 2020), individual and consolidated, respectively, as a result of cash management.

### (2) Commercial and administrative transactions

The amount recorded in assets refers to reimbursement of administrative expenses, transactions for the sale of goods, such as sugar, ethanol and other materials, as well as advances for acquisition of sugarcane and cargo handling at ports. The amount recorded in liabilities refers to reimbursement of administrative expenses, rendering of services, advances from clients for export of sugar and purchase of products such as sugar, sugarcane, diesel oil and ethanol.

### (3) Financial transactions

On March 31, 2021 and 2020, the amount recorded in assets refers to pre-export financing (“PPE”) agreements receivable from Raízen Combustíveis S.A., at an average effective annual interest rate of 4.19% (4.38% on March 31, 2020), as shown below:

Agreement	Currency	Principal in foreign currency	Maturity	Consolidated	
				2021	2020
PPE	Dollar (US\$)	350,000	01/20/2027	2,014,719	1,767,773
		350,000		2,014,719	1,767,773
PPE	Euro (€)	66,000	10/15/2021	447,550	413,826
PPE	Euro (€)	40,000	01/20/2022	268,418	243,357
PPE	Euro (€)	60,000	09/21/2022	401,667	371,002
		166,000		1,117,635	1,028,185
				3,132,354	2,795,958
			Current	(736,812)	(36,534)
			Noncurrent	2,395,542	2,759,424

On March 31, 2021 and 2020, the amount recorded in liabilities refers substantially to pre-export financing agreements due to Raízen Fuels, at an average effective annual interest rate of 3.75% (3.81% on March 31, 2020), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Individual	
				2021	2020
Pre-export financing (1)	Dollar (US\$)	200,000	04/30/2024	1,150,633	1,099,825
Pre-export financing	Dollar (US\$)	25,000	01/20/2027	143,909	114,772
Pre-export financing (1)	Dollar (US\$)	125,000	01/20/2027	811,072	680,248
Pre-export financing (1)	Dollar (US\$)	233,000	01/20/2027	1,299,640	-
		583,000		3,405,254	1,894,845
			Current	(28,304)	(9,301)
			Noncurrent	3,376,950	1,885,544

(1) The Company designates certain pre-export financing agreements as liability measured at fair value through profit or loss. Accordingly, referred to agreement is increased by the fair value measurement in the amount of R\$ 62,665 (R\$ 65,999 on March 31, 2020), with a negative impact on statement of income of R\$ 1,317 (negative impact of R\$ 21,201 as of March 31, 2020) - see Note 25.



## RAÍZEN ENERGIA S.A.

### Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

#### (4) Framework transactions

On March 31, 2021, the amounts recorded in assets and liabilities refer to tax credits, amounts spent or payable, fully reimbursable, resulting from the establishment of Raízen. In the year ended March 31, 2021, the Company recognized the amount of R\$ 78,232, consolidated (R\$ 42,209 and R\$ 46,716, individual and consolidated, respectively, as of March 31, 2020), referring to credits for the exclusion of ICMS from the PIS and COFINS tax bases to be refunded. For addition information see Note 8.

#### (5) Preferred shares

The balance of preferred shares payable, recorded in liabilities, refers to tax benefit amounts reimbursable to Cosan, when effectively used by the Company, determined by the balances of income and social contribution tax losses ("NOL").

In the year ended March 31, 2021, the Company proposed the allocation of dividends totaling R\$ 1,525 to holders of Class B preferred shares, as shown in Note 20.b.

#### (6) Lease liabilities

On March 31, 2021 and 2020, the amount recorded in liabilities refers to lease agreements relating to transactions with related parties.

	<b>Individual and Consolidated</b>
<b>April 1, 2019</b>	<b>720,759</b>
Additions of new agreements	29,190
Write-off of agreements	(19,093)
Payment of principal	(145,737)
Restatement - interest	63,719
Remeasurement of agreements	91,726
<b>March 31, 2020</b>	<b>740,564</b>
Additions of new agreements	44,649
Write-off of agreements	(25,739)
Payment of principal	(171,358)
Restatement - interest	67,706
Remeasurement of agreements	277,895
<b>March 31, 2021</b>	<b>933,717</b>
Current	(121,360)
Noncurrent	812,357

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

### b) Summary of transactions with related parties (4)

	Individual		Consolidated	
	2021	2020	2021	2020
<b>Sales of products, net of returns</b>				
Raízen Combustíveis S.A. and subsidiaries	669,783	1,006,221	6,497,076	10,709,805
Shell International Petróleo	-	-	845,493	118,223
Shell Trading US Company	-	-	76,432	761,476
Raízen and Wilmar Sugar Pt	-	-	-	299,713
Shell Brasil Petróleo Ltda.	-	-	-	12,251
Raízen International Univer S.A.	3,533,702	3,921,156	-	-
Raízen Trading LLP	1,455,911	2,011,669	-	-
Other	183,287	235,303	26,533	29,908
	5,842,683	7,174,349	7,445,534	11,931,376
<b>Purchase of goods and services</b>				
Shell Trading US Company	-	-	(2,866,541)	(4,190,511)
Raízen Combustíveis S.A. and subsidiaries	(458,238)	(546,166)	(561,543)	(612,794)
Rumo Group (i)	(394,915)	(230,118)	(459,307)	(276,483)
Cosan Lubrificantes e Especialidades S.A.	(23,741)	(19,763)	(30,739)	(25,521)
Shell Brasil Petróleo	(12,687)	(6,540)	(16,010)	(7,626)
Palermo Agrícola S.A.	(5,075)	(5,061)	(5,075)	(5,061)
Shell Energy do Brasil Ltda.	-	-	(6,216)	(5,808)
Raízen Paraguaçu Ltda.	(88,113)	(68,227)	-	-
Nova América Agrícola Caarapó Ltda. (iv)	-	-	-	(169,863)
Raízen Araraquara Açúcar e Alcool Ltda.	(141,603)	(125,263)	-	-
Raízen Trading LLP	(456,668)	(643,841)	-	-
Agroterenas S.A. (iv)	-	-	-	(348,099)
Nova América Agrícola Ltda. (iv)	-	-	-	(173,266)
Other	(59,294)	(52,290)	(9,781)	(66,434)
	(1,640,334)	(1,697,269)	(3,955,212)	(5,881,466)
<b>Renewed of shared expenses (1)</b>				
Raízen Combustíveis S.A. and subsidiaries	152,624	133,265	152,624	133,265
Companhia de Gás de São Paulo	36,863	32,703	36,863	32,703
Rumo Group (i)	26,986	35,299	26,986	35,299
Cosan Lubrificantes e Especialidades S.A.	7,319	7,406	7,319	7,406
Cosan S.A. Indústria e Comércio	2,959	3,035	2,959	3,035
Raízen Paraguaçu Ltda.	24,230	22,980	-	-
Bioenergia Barra Ltda. and subsidiaries	10,481	9,834	-	-
Other	37,912	30,759	9,757	5,509
	299,374	275,281	236,508	217,217
<b>Net financial income (expense) (3)</b>				
Raízen Combustíveis S.A. and subsidiaries	(2,783)	(38,577)	458,771	1,057,094
Radar Group	(35,974)	(15,360)	(35,974)	(31,941)
Águas Santa Group	(14,579)	(6,956)	(14,579)	(14,684)
Janus Group	(10,694)	(4,957)	(10,694)	(10,232)
Tellus Group	(6,430)	(3,432)	(6,430)	(6,758)
Raízen Centroeste Açúcar e Alcool Ltda.	(4,536)	(13,399)	-	-
Raízen Trading LLP and subsidiaries	(36,185)	(111)	-	-
Bioenergia Barra Ltda. and subsidiaries	(1,540)	15,525	-	-
Raízen Fuels Finance Limited	(363,851)	(600,455)	-	-
Other	(7,429)	(12,402)	(72)	4,456
	(484,001)	(680,124)	391,022	997,935

(i) “Rumo Group” refers to the railway and port operations represented by the following companies: Rumo S.A., Elevações Portuárias S.A, Logisport Armazéns Gerais S.A. Rumo Malha Sul S.A. Rumo Malha Oeste S.A. Rumo Malha Paulista S.A. Rumo Malha Norte S.A., Rumo Malha Central S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.

(ii) “Aguassanta Group” refers to land lease transactions for the planting of sugarcane with entities Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda., Palermo Agrícola S.A. and Vila Santa Empreendimentos Imobiliários Ltda.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements as of March 31, 2021

(In thousands of reais – R\$, unless otherwise indicated)

- (iii) “Radar Group” refers to land lease transactions for the planting of sugarcane, and the main companies of this Group are the following: Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Terras da Ponte Alta, Nova Santa Barbara Agrícola S.A., Radar II Propriedades Agrícolas S.A., Vale da Ponte Alta S.A., Proud Participações S.A. and Bioinvestments Negócios S.A.
- (iv) Agroterenas S.A. and Nova América no longer have significant influence over the Company and are therefore not classified as related parties (CPC 05 (R1)).
- (1) Expenses with shared corporate, management and operating costs reimbursed by related parties;
  - (2) Expenses with land leased from related parties that are not part of Raízen Group;
  - (3) This substantially refer to charges generated between referred to companies as a way of managing financial resources, due to financial management of cash and pre-export financing agreements.
  - (4) Transactions with related parties are entered into on an arm’s length basis, in line with those prevailing in the market or that the Company would take out with third parties.

### c) Summary of balances reimbursable from/to shareholder Cosan

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Current assets</b>				
Other receivables (i)	139,612	77,880	149,766	88,350
	<u>139,612</u>	<u>77,880</u>	<u>149,766</u>	<u>88,350</u>
<b>Noncurrent assets</b>				
Judicial deposits (Note 18)	146,720	111,796	262,177	226,372
Other financial assets (Note 9)	107,070	97,852	107,070	97,852
Other receivables (i)	112,114	111,377	196,937	117,898
	<u>365,904</u>	<u>321,025</u>	<u>566,184</u>	<u>442,122</u>
<b>Total assets</b>	<u>505,516</u>	<u>398,905</u>	<u>715,950</u>	<u>530,472</u>
<b>Current liabilities</b>				
Taxes payable	8,446	8,445	9,520	9,557
Other payables (ii)	190,742	204,887	213,093	234,189
	<u>199,188</u>	<u>213,332</u>	<u>222,613</u>	<u>243,746</u>
<b>Noncurrent liabilities</b>				
Taxes payable (ii)	171,519	169,530	180,966	178,897
Provision for contingencies (Note 18)	182,718	166,657	208,652	195,331
	<u>354,237</u>	<u>336,187</u>	<u>389,618</u>	<u>374,228</u>
<b>Total liabilities</b>	<u>553,425</u>	<u>549,519</u>	<u>612,231</u>	<u>617,974</u>

- (i) These refer mainly to legal expenses receivable from the shareholder.
- (ii) These refer mainly to tax credits to be reimbursed to the shareholder.

### d) Officers and members of the Board of Directors

Fixed and variable compensation to key management personnel, including statutory officers and members of the Board of Directors, recognized in profit or loss for the year, is as follows:

	<b>2021</b>	<b>2020</b>
Regular remuneration	(58,074)	(56,911)
Bonuses and other variable remuneration	(41,973)	(50,760)
Total remuneration	<u>(100,047)</u>	<u>(107,671)</u>

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements as of March 31, 2021**

**(In thousands of reais – R\$, unless otherwise indicated)**

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The Company shares corporate, managerial and operational structures and costs with its related party RCSA. Key management personnel and other administrative functions are mostly comprised of employees of the Company itself. Accordingly, as of March 31, 2021, RCSA reimbursed the amount of R\$ 52,636 (R\$ 44,992 as of March 31, 2020) to the Company.

**e) Other significant information involving related parties**

Considering that Raízen Group operates a corporate treasury, the Company is the guarantor of certain debts of its related party RCSA.

**RAÍZEN ENERGIA S.A.**

**Notes to financial statements**  
**March 31, 2021**  
(In thousands of reais, unless otherwise stated)

**11. Investments**

**a) Individual**

	Country	Business activity	Equity interest	Investments (1)		Equity accounting result	
				2021	2020	2021	2020
Book value							
Agrícola Ponte Alta Ltda.	Brazil	Sale of ethanol	92.29%	1,164,416	1,005,060	160,439	167,111
Benálcool Açúcar e Álcool Ltda.	Brazil	Holding	100.00%	4,282	4,006	279	331
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.04%	134,753	120,148	13,907	7,517
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Sugar and ethanol mill	31.48%	262,776	247,677	15,289	20,195
Raízen Centroeste Açúcar e Álcool Ltda.	Brazil	Ethanol mill	47.37%	811,099	733,671	77,737	82,096
Logum Logística S.A.	Brazil	Logistics	30.00%	270,966	309,550	(73,438)	(25,389)
Raízen Araraquara Açúcar e Álcool Ltda. (3)	Brazil	Sugar and ethanol mill	99.99%	1,066,734	924,469	143,547	11,786
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	53,672	86,626	(7,413)	10,535
Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	-	69,333	-	17,921
Raízen and Wilmar Sugar PTE Ltd.	Singapore	Sugar trading	50.00%	50,325	47,924	(1,388)	845
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	55,771	50,898	(8)	(11)
Raízen Paraguaçu Ltda. (3)	Brazil	Sugar and ethanol mill	100.00%	1,402,038	1,107,202	298,189	153,393
Bionergia Barra Ltda.	Brazil	Cogeneration of energy	99.99%	1,329,344	1,071,860	259,986	327,346
Uniduto Logística S.A.	Brazil	Logistics	46.48%	42,574	47,550	(11,385)	(4,373)
Raízen-Geo Biogás S.A.	Brazil	Biogas mill	85.00%	19,326	19,926	(608)	(1,960)
Raízen Trading S.A. (5)	Switzerland	Trading	100.00%	319,818	-	79,342	-
Raízen Trading LLP (5)	United Kingdom	Trading	100.00%	-	216,675	-	114,263
Raízen Biomassa S.A.	Brazil	Biomass	81.50%	(39,180)	(26,798)	(12,382)	(4,941)
RZ Agrícola Caarapó Ltda.	Brazil	Sugar and ethanol mill	100.00%	406,496	367,608	63,250	3,654
Subtotal				7,355,210	6,403,385	1,005,343	880,319
Investment goodwill (4)							
Benálcool Açúcar e Álcool Ltda.			100.00%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			100.00%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.04%	45,514	45,514	-	-
Ryballa Participações Ltda.			100.00%	5,400	5,400	-	-
Raízen Biomassa S.A.			81.50%	39,153	39,153	-	(1,041)
Subtotal				434,337	434,337	-	(1,041)
Total investment				7,789,547	6,837,722	1,005,343	879,278
Provision for negative equity at subsidiaries and associates (2)							
Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	(32,114)	-	(103,713)	-
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Other	Brazil	-		(3)	(3)	-	-
Total provision for negative equity				(34,040)	(1,926)	(103,713)	-
						901,630	879,278

(1) Investments measured by the equity method; (2) Classified in noncurrent liabilities, under “Other obligations”; (3) On March 31, 2021, investment balances include an allocated portion of goodwill from the merger of Curupay and acquisition of Usina Zanin, in the amounts of R\$ 77,633 and R\$ 68,497 (negative) (of R\$ 87,371 and R\$ 66,196 (negative) on March 31, 2020), respectively. Amortization of surplus values of referred to allocations, classified in the Parent Company as equity accounting result, totaled R\$ 9,738 and R\$ 2,300 (R\$ 7,351 and R\$ 3,263 on March 31, 2020), respectively; (4) Goodwill the purchase of shares; (5) change in the economic group detailed in Note 2.2. i – Basis of consolidation.

**RAÍZEN ENERGIA S.A.**

**Notes to financial statements**  
**March 31, 2021**  
(In thousands of reais, unless otherwise stated)

**(b) Consolidated**

	Investments (1)				Equity accounting result		
	Country	Business activity	Equity interest	2021	2020	2021	2020
<u>Book value</u>							
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.58%	138,575	123,556	14,302	7,711
Logum Logística S.A.	Brazil	Logistics	30.00%	270,966	309,550	(73,438)	(25,389)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	42,574	47,550	(11,385)	(4,373)
Raízen and Wilmar Sugar PTE Ltd	Singapore	Trading	50.00%	50,326	47,924	(1,388)	845
Subtotal				502,441	528,580	(71,909)	(21,206)
<u>Investment goodwill (2)</u>							
In Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
In Centro de Tecnologia Canavieira S.A.			19.58%	51,946	51,946	-	-
Subtotal				57,622	57,622	-	-
Total investment				560,063	586,202	(71,909)	(21,206)

(1) Investments measured by the equity accounting result method.  
(2) Goodwill on the purchase of shares.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### Changes in investments in associates and associates:

	Individual	Consolidated
<b>Balance at March 31, 2019</b>	5,606,301	572,918
Equity accounting result	879,278	(21,206)
Additions to investment (Note 11.d.i)	186,306	23,872
Dividends declared	(6,788)	-
Gain on bargain purchase (Note 29)	219,921	-
Dividends received (Note 11.e.ii)	(210,168)	(1,034)
Effect of foreign currency translation	163,461	11,652
Other	(589)	-
<b>Balance at March 31, 2020</b>	6,837,722	586,202
Equity accounting result	1,005,343	(71,909)
Additions to investment (Note 11.d.i)	40,897	40,897
Dividends declared	(22,367)	-
Gain (loss) on business combination (Note 29)	(11,447)	-
Effect of foreign currency translation	39,879	4,873
Transfers and reclassifications	(69,333)	-
Reduction in investment (Note 11.d.ii)	(31,869)	-
Other	722	-
<b>Balance at March 31, 2021</b>	7,789,547	560,063

### Changes in the provision for negative equity at subsidiaries and associates:

	Individual
<b>Balance at March 31, 2020</b>	(1,926)
Equity accounting result	(103,713)
Transfers and reclassifications	69,333
Effect of foreign currency translation	2,266
<b>Balance at March 31, 2021</b>	(34,040)

### c) Summarized financial information of associates, considering equity accounting result adjustments, when applicable

- March 31, 2021

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,812,110	91,605	854,443	38,596	100,651
Liabilities	(1,908,890)	(9)	(146,705)	(416,440)	-
Equity	903,220	91,596	707,738	(377,844)	100,651
Year ended March 31, 2021					
Net operating revenue	168,943	-	305,469	-	10,802
Net income (loss)	(244,793)	(24,495)	73,037	(1,406)	(4,645)

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,355,141	103,219	811,416	59,421	542,186
Liabilities	(1,323,309)	(908)	(180,386)	(536,080)	(446,339)
Equity	1,031,832	102,311	631,030	(476,659)	95,847
Year ended March 31, 2020					
Net operating revenue	173,415	-	227,341	-	2,112,914
Net income (loss)	(84,630)	(8,486)	39,481	(1,148)	1,690

(1) The fiscal year of these investees ends on December 31.

(2) Significant influence over these companies has been defined, mainly, based on the Company's right to elect key management personnel and to decide on significant strategic and operational matters.

(3) Jointly controlled entity in which the Company holds 50% interest in common shares, whose fiscal year ends on August 31. The Company did not set up a provision for estimated loss on equity accounting result, since it has no legal or constructive obligations to make payments relating to that company.

(4) The fiscal year ends on March 31.

d) Transactions conducted until March 31, 2021

#### i) Additions to investment

##### Capital increase in Logum Logística S.A. ("Logum")

In the year ended March 31, 2020, capital increases were resolved, approved and subscribed totaling R\$ 117,920. The amounts subscribed by the Company in these transactions totaled R\$ 34,911, fully paid up through checking account.

There were no changes in the percentage of interest held in the capital of this investee, since all shareholders made capital contributions proportionally to their previously held interest.

##### Capital increase in Uniduto Logística S.A. ("Uniduto")

In the year ended March 31, 2021, capital increases were resolved, approved and subscribed totaling R\$ 12,880. The amounts subscribed by the Company in these transactions totaled R\$ 5,986, fully paid up through checking account.

All shareholders contributed and paid up the shares, proportionally to the interest held, with the exception of one shareholder, who failed to contribute and pay up the shares. As a consequence of these events, shareholders Raízen Energia and Copersucar entered into an Agreement for future capital contribution, thus enabling that Uniduto honor the commitments assumed with shareholders of Logum.

Such future capital contributions have not yet been resolved by the investee's shareholders. Therefore, the percentage of equity interest held in this investee did not change.



## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements**

**March 31, 2021**

(In thousands of reais, unless otherwise stated)

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#### **ii) Reduction in investment**

##### Capital reduction of Raízen Fuels Finance S.A. (Raizen Fuels)

On November 24, 2020, the capital was reduced in subsidiary Raízen Fuels through the cancellation of 1,127,991 shares, amounting to USD 1,128 (R\$6,095 on the transaction date). The Company was reimbursed in the amount of R\$ 6,095 upon payment, equivalent to 100% equity interest held in that company's capital.

##### Distribution of Raízen Fuels Finance S.A.'s share reserve

In the year ended March 31, 2021, through a shareholders' meeting, the payment of share reserve in the amount of USD 4,770 (R\$ 25,774 on the date of the transaction) was approved to the Company, which was settled on November 24, 2020.

#### **e) Transactions conducted until March 31, 2020**

##### **(i) Additions to investment**

##### Capital increase in Logum Logística S.A. ("Logum")

In the year ended March 31, 2020, capital increases were resolved, approved and subscribed totaling R\$ 68,900. The amounts subscribed by the Company in these transactions totaled R\$ 20,670, fully paid up through checking account.

There were no changes in the percentage of interest held in the capital of this investee, since all shareholders made capital contributions proportionally to their previously held interest.

##### Capital increase in Uniduto Logística S.A. ("Uniduto")

In the year ended March 31, 2020, capital increases were resolved, approved and subscribed totaling R\$ 6,890. The amounts subscribed by the Company in these transactions totaled R\$ 3,202, fully paid up through checking account.

There were no changes in the percentage of interest held in the capital of this investee, since all shareholders made capital contributions proportionally to their previously held interest.

##### Acquisition of RZ Agrícola Caarapó Ltda.

On January 2, 2020, the Company acquired 100% of the units of interest of RZ Agrícola Caarapó Ltda. (formerly denominated Nova América Agrícola Caarapó Ltda.), recording the amount of R\$ 162,434 referring to this transaction. The details are described in Note 29.

#### **ii) Dividends received**

Based on income for the year ended March 31, 2019, the investee Centro de Tecnologia Canavieira S.A. ("CTC") allocated dividends to the Company totaling R\$ 1,034, received on 11/19/2019.

Based on income for the year ended March 31, 2020, Raízen Trading allocated dividends to the Company totaling R\$ 209,134, received on March 30, 2020.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

## 12. Property, plant and equipment

### a) Individual

	Land and rural properties	Buildings and improvements	Machinery, equipment, and facilities	Aircraft, vessels and vehicles	Furniture, fixtures, and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
<b>Cost:</b>										
<b>March 31, 2019</b>	14,915	947,235	4,523,681	516,313	181,542	404,096	974,852	4,879,830	15,067	12,457,531
Additions	-	7,874	22,963	33	4	518,189	612,922	612,737	-	1,774,722
Write-offs	-	-	(36,382)	(29,798)	(433)	-	-	-	(3,031)	(69,644)
Transfer between cost and depreciation	-	-	-	-	-	-	(505,149)	-	-	(505,149)
Transfers (1)	-	156,318	198,081	31,453	12,691	(439,391)	-	-	4,062	(36,786)
Estimated loss (2)	-	-	(1,258)	(455)	(937)	-	-	-	-	(2,650)
<b>March 31, 2020</b>	14,915	1,111,427	4,707,085	517,546	192,867	482,894	1,082,625	5,492,567	16,098	13,618,024
Additions	-	10,000	39,105	22	693	511,353	581,863	498,244	1	1,641,281
Write-offs	-	(19)	(76,853)	(73,847)	(17,990)	-	-	(1,516)	-	(170,225)
Transfer between cost and depreciation	-	-	-	-	-	-	(543,491)	-	-	(543,491)
Transfers (1)	2,599	50,669	223,236	22,321	9,293	(348,224)	-	-	4,777	(35,329)
Estimated loss (2)	-	-	4,949	(14,129)	931	-	-	-	-	(8,249)
<b>March 31, 2021</b>	17,514	1,172,077	4,897,522	451,913	185,794	646,023	1,120,997	5,989,295	20,876	14,502,011
<b>Accumulated depreciation:</b>										
<b>March 31, 2019</b>	-	(284,621)	(1,737,225)	(253,399)	(110,549)	-	(504,671)	(3,457,721)	(15,039)	(6,363,225)
Depreciation expense in the year	-	(30,346)	(245,637)	(39,269)	(19,604)	-	(543,969)	(397,046)	(732)	(1,276,603)
Write-offs	-	-	17,743	22,897	326	-	-	-	2,968	43,934
Transfer between cost and depreciation	-	-	-	-	-	-	505,149	-	-	505,149
Transfers (1)	-	(44)	575	(177)	(191)	-	-	-	-	163
<b>March 31, 2020</b>	-	(315,011)	(1,964,544)	(269,948)	(130,018)	-	(543,491)	(3,854,767)	(12,803)	(7,090,582)
Depreciation expense in the year	-	(31,940)	(274,129)	(39,662)	(20,266)	-	(579,973)	(446,636)	(2,160)	(1,394,766)
Write-offs	-	18	58,987	51,630	17,203	-	-	-	-	127,838
Transfer between cost and depreciation	-	-	-	-	-	-	543,491	-	-	543,491
Transfers (1)	-	1	8,266	(8,388)	121	-	-	-	-	-
<b>March 31, 2021</b>	-	(346,932)	(2,171,420)	(266,368)	(132,960)	-	(579,973)	(4,301,403)	(14,963)	(7,814,019)
<b>Net residual value:</b>										
March 31, 2021	17,514	825,145	2,726,102	185,545	52,834	646,023	541,024	1,687,892	5,913	6,687,992
March 31, 2020	14,915	796,416	2,742,541	247,598	62,849	482,894	539,134	1,637,800	3,295	6,527,442

(1) Refers to transfers between classes of property, plant and equipment and intangible assets and reclassification to suppliers in the amount of R\$ 21.

(2) This refers to net (set up) of provision for estimated loss on property, plant and equipment recognized in statement of income for the year under “Other operating (expenses) revenue, net” (Note 24).

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### b) Consolidated

	Land and rural properties	Buildings and improvements	Machinery, equipment, and facilities	Aircraft, vessels, and vehicles	Furniture, fixtures, and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
<b>Cost:</b>										
<b>March 31, 2019</b>	37,926	1,652,746	8,886,064	589,610	219,648	581,696	1,245,183	5,638,387	30,367	18,881,627
Additions	-	9,663	37,489	37	434	737,599	786,642	718,173	374	2,290,411
Business combination (1)	4,660	64,336	141,565	41,895	3,753	-	-	198,734	328	455,271
Write-offs	-	-	(42,640)	(33,833)	(436)	-	-	-	(5,319)	(82,228)
Transfer between cost and depreciation	-	-	-	-	-	-	(648,027)	-	-	(648,027)
Transfers (2)	-	162,053	281,976	25,343	13,333	(524,075)	-	-	4,469	(36,901)
Estimated loss (3)	-	-	(1,170)	(342)	(940)	-	-	-	-	(2,452)
Other	-	-	-	-	232	-	-	-	(155)	77
<b>March 31, 2020</b>	42,586	1,888,798	9,303,284	622,710	236,024	795,220	1,383,798	6,555,294	30,064	20,857,778
Additions	-	11,656	46,307	29	693	811,194	766,545	609,860	(306)	2,245,978
Write-offs	-	(19)	(86,355)	(82,024)	(17,996)	-	-	(2,814)	-	(189,208)
Transfer between cost and depreciation	-	-	-	-	-	-	(692,423)	-	-	(692,423)
Transfers (2)	2,599	53,881	321,688	6,230	5,127	(553,008)	-	-	5,483	(158,000)
Estimated loss (3)	-	-	5,072	(14,850)	931	-	-	-	-	(8,847)
Business combination (1)	-	109	(3,928)	257	35	-	-	-	(828)	(4,355)
Other	-	-	-	-	(381)	-	-	-	(649)	(1,030)
<b>March 31, 2021</b>	45,185	1,954,425	9,586,068	532,352	224,433	1,053,406	1,457,920	7,162,340	33,764	22,049,893
<b>Accumulated depreciation:</b>										
<b>March 31, 2019</b>	-	(453,669)	(3,422,620)	(296,606)	(133,140)	-	(648,027)	(4,056,632)	(24,662)	(9,035,356)
Depreciation expense in the year	-	(47,662)	(441,678)	(45,079)	(22,936)	-	(692,423)	(439,985)	(3,184)	(1,692,947)
Write-offs	-	-	22,531	31,100	326	-	-	-	5,251	59,208
Transfer between cost and depreciation	-	-	-	-	-	-	648,027	-	-	648,027
Transfers (2)	-	(44)	579	(180)	(188)	-	-	-	-	167
Other	-	-	-	-	-	-	-	-	627	627
<b>Accumulated depreciation:</b>										
<b>March 31, 2020</b>	-	(501,375)	(3,841,188)	(310,765)	(155,938)	-	(692,423)	(4,496,617)	(21,968)	(10,020,274)
Depreciation expense in the year	-	(56,058)	(486,647)	(54,332)	(24,527)	-	(752,950)	(558,210)	(3,543)	(1,936,267)
Write-offs	-	18	67,099	64,137	17,209	-	-	-	-	148,463
Transfer between cost and depreciation	-	-	-	-	-	-	692,423	-	-	692,423
Transfers (2)	-	19,195	80,134	20,160	3,242	-	-	-	-	122,731
<b>March 31, 2021</b>	-	(538,220)	(4,180,602)	(280,800)	(160,014)	-	(752,950)	(5,054,827)	(25,511)	(10,992,924)
<b>Net residual value:</b>										
March 31, 2021	45,185	1,416,205	5,405,466	251,552	64,419	1,053,406	704,970	2,107,513	8,253	11,056,969
March 31, 2020	42,586	1,387,423	5,462,096	311,945	80,086	795,220	691,375	2,058,677	8,096	10,837,504

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements**

**March 31, 2021**

**(In thousands of reais, unless otherwise stated)**

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- (1) Refers to acquisition of RZ Agrícola Caarapó Ltda. and of Raízen Biomassa S.A. The details of this operation are described in Note 29.
- (2) Refers to transfers between classes of property, plant and equipment and intangible assets and reclassification to suppliers in the amount of R\$ 446.
- (3) This refers to net (set up) of provision for estimated loss on property, plant and equipment recognized in statement of income for the year under “Other operating (expenses) revenue, net” (Note 24).

### **Construction in progress**

The balance of construction in progress refers mainly to i) vinasse concentration project; ii) project to receive chopped sugarcane and separate straw for energy cogeneration; iii) installation of tanks to expand ethanol storage capacity; iv) a new plant to transform vinasse into biogas; and v) investments for industrial maintenance and improvement, agricultural automation, as well as Environment, Health and Safety measures (“EHS”).

In the year ended March 31, 2021, various projects of such natures were completed, totaling R\$ 551,205

### **Capitalization of borrowing costs**

In the year ended March 31, 2021, individual and consolidated borrowing costs capitalized totaled R\$ 47,785 and R\$ 54,752 (R\$ 28,690 and R\$ 37,748 on March 31, 2020) respectively. The annual weighted average rates of financial charges on debt, for the individual and consolidated financial statements, used to capitalize interest on the balance of construction in progress, were 7.94% and 7.72% on March 31, 2021 (7.09% and 6.99% on March 31, 2019), respectively.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

## 13. Intangible assets

### a) Individual

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Technology (2)	Total
<b>Cost or valuation:</b>						
<b>March 31, 2019</b>	238,763	1,639,811	18,411	26,011	185,136	2,108,132
Additions	6,271	-	-	-	-	6,271
Transfers (1)	36,497	-	-	-	-	36,497
<b>March 31, 2020</b>	281,531	1,639,811	18,411	26,011	185,136	2,150,900
Additions	6,214	-	-	-	-	6,214
Transfers (1)	35,308	-	-	-	-	35,308
<b>March 31, 2021</b>	323,053	1,639,811	18,411	26,011	185,136	2,192,422
<b>Accumulated amortization:</b>						
<b>March 31, 2019</b>	(158,435)	(368,026)	(18,411)	(18,762)	(72,334)	(635,968)
Amortization expenses in the year	(29,633)	-	554	(2,007)	(18,511)	(49,597)
Transfers (1)	126	-	-	-	-	126
<b>March 31, 2020</b>	(187,942)	(368,026)	(17,857)	(20,769)	(90,845)	(685,439)
Depreciation expense in the year	(34,094)	-	(221)	(2,223)	(18,442)	(54,980)
<b>March 31, 2021</b>	(222,036)	(368,026)	(18,078)	(22,992)	(109,287)	(740,419)
<b>Net residual value:</b>						
March 31, 2021	101,017	1,271,785	333	3,019	75,849	1,452,003
March 31, 2020	93,589	1,271,785	554	5,242	94,291	1,465,461

(1) This refers to the transfers between classes of property, plant and equipment and of intangible assets.

(2) Refers to technologies developed by Iogen for the production of second-generation ethanol ("E2G"), represented by contractual rights including exclusivity to RESA for the sale of these rights in the territories in which it operates, among others. Amortization takes place over an average term of 10 years, which reflects the estimated time for the financial return of the technologies developed for the production of E2G.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

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#### b) Consolidated

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Contractual relationships with clients	Right of use - public concessions	Technology	Other	Total
<b>Cost or valuation:</b>									
<b>March 31, 2019</b>	259,753	1,978,730	18,411	181,516	16,196	12,541	185,136	26,111	2,678,394
Additions	6,649	-	-	-	-	-	-	-	6,649
Business combination (1)	233	-	-	-	-	-	-	-	233
Write-offs	(16)	-	-	-	-	-	-	-	(16)
Transfers (2)	36,614	-	-	-	-	-	-	-	36,614
Other	-	-	-	-	-	-	-	3,072	3,072
<b>March 31, 2020</b>	303,233	1,978,730	18,411	181,516	16,196	12,541	185,136	29,183	2,724,946
Additions	6,082	-	-	-	-	-	-	-	6,082
Transfers (2)	35,715	-	-	-	-	-	-	-	35,715
Other	-	-	-	-	-	-	-	1,181	1,181
<b>March 31, 2021</b>	345,030	1,978,730	18,411	181,516	16,196	12,541	185,136	30,364	2,767,924
<b>Accumulated amortization:</b>									
<b>March 31, 2019</b>	(178,901)	(431,380)	(18,411)	(101,912)	-	(12,541)	(72,332)	(21,206)	(836,683)
Amortization expenses in the year	(30,005)	-	555	(7,767)	(1,767)	-	(18,513)	-	(57,497)
Transfers (2)	120	-	-	-	-	-	-	-	120
<b>March 31, 2020</b>	(208,786)	(431,380)	(17,856)	(109,679)	(1,767)	(12,541)	(90,845)	(21,206)	(894,060)
Depreciation expense in the year	(34,319)	-	(221)	(9,622)	(1,767)	-	(18,442)	-	(64,371)
<b>March 31, 2021</b>	(243,105)	(431,380)	(18,077)	(119,301)	(3,534)	(12,541)	(109,287)	(21,206)	(958,431)
<b>Net residual value:</b>									
March 31, 2021	101,925	1,547,350	334	62,215	12,662	-	75,849	9,158	1,809,493
March 31, 2020	94,447	1,547,350	555	71,837	14,429	-	94,291	7,977	1,830,886

(1) Refers to acquisition of Raízen Biomassa S.A. for R\$233 (Note 29).

(2) Refers to the transfers between classes of property, plant and equipment and of intangible assets.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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### Goodwill

This refers to goodwill paid for expected future profitability, amortized on a straight-line basis until March 31, 2009, after which, as required by IAS 38 (CPC 04) - Intangible assets, they are no longer amortized. As of March 31, 2021 and 2020, balance of goodwill is as follows:

Goodwill	Individual	Consolidated
	2021	2021
On acquisition of Costa Rica Canavieira Ltda.	57,169	57,169
On acquisition of Cerrado Açúcar e Alcool S.A.	24,660	24,660
On acquisition of former Cosan S.A. Açúcar e Alcool (current RESA)	558	558
On acquisition of Univalem S.A. Açúcar e Alcool	5,018	5,018
On acquisition of Usina Açucareira Bom Retiro S.A.	81,575	81,575
On acquisition of Usina Benálcool	100,046	149,247
On acquisition of Usina Santa Lúza	42,348	42,348
On acquisition of Usina Zanin Açúcar e Alcool	-	98,380
On acquisition of Vertical	-	4,313
On acquisition of Corona Group	380,003	380,003
On acquisition of Destivale Group	42,494	42,494
On acquisition of Mundial Group	87,435	87,435
On establishment of FBA - Franco Brasileira S.A. Açúcar e Alcool	4,407	4,407
On merger of Curupay S.A. Participações	-	109,841
On payment of capital at Mundial	14,800	14,800
On acquisition of Santa Cândida and Paraíso Mills	431,272	431,272
On acquisition of RWXE Participações S.A.	-	8,430
On acquisition of Ryballa Participações Ltda.	-	5,400
	<u>1,271,785</u>	<u>1,547,350</u>

### Impairment analysis for cash-generating units containing goodwill

The Company tests at least annually the recoverable amount of goodwill that is allocated to the identified Cash-Generating Units ("CGU")

The Company uses the value in use method to determine the recoverable amount, which is based on the projection of the discounted cash flows expected from the cash-generating units determined by management based on the budgets that take into account the assumptions related to each CGU, using information available in the market and previous performances. The discounted cash flows were prepared for a period of 20 years, in accordance with a reasonable time to recover the assets related to the activities of the Company's economic sector. No real growth rate was considered in the year of the cash flow or in perpetuity, based on past performance and expectations for market development. The discount rate used was 5.39% per year (5.12% as of March 31, 2020).

The main assumptions used were expected price of sales of commodities over the long term, productivity in agricultural areas, performance of Total Recoverable Sugar ("ATR"), and operating and administrative costs. The entire cash flow was discounted at rates that reflect specific risks related to the relevant assets in each cash-generating unit.

As a result of the annual tests, no significant expense was recognized regarding impairment of assets and goodwill in the years ended March 31, 2021 and 2020. As previously described, the determination of the recoverability of the assets depends on certain key assumptions that are influenced by the market, technological and economic conditions in force at the time that this recoverability is tested and, therefore, it is not possible to determine whether impairment losses will occur in the future and, should they occur, whether they will be material.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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(In thousands of reais, unless otherwise stated)

### 14. Suppliers

	Individual		Consolidated	
	2021	2020	2021	2020
Materials and services (i)	549,923	477,673	2,110,912	2,442,055
Sugarcane (i)	306,904	253,428	463,003	304,492
Suppliers – agreement (ii)	120,754	140,773	1,679,278	3,364,288
	<u>977,581</u>	<u>871,874</u>	<u>4,253,193</u>	<u>6,110,835</u>
Domestic (local currency)	977,010	871,430	1,741,714	1,334,107
Abroad (foreign currency) (Note 26.d)	571	444	2,511,479	4,776,728
	<u>977,581</u>	<u>871,874</u>	<u>4,253,193</u>	<u>6,110,835</u>

- i. Balance payable to suppliers of materials and services refers to purchase of machinery and equipment for the manufacturing facilities of the mills, as well as the origination of products for resale.
- ii. The Company has agreements related to payments with financial institutions ("Agreements") through which certain suppliers may anticipate their receivables related to products and services provided to the Company, directly with financial institutions. Under such Agreements, the supplier elects whether to anticipate the receivables and the financial institutions decide whether or not to acquire said credits, without interference from the Company. The use of the Agreements does not imply any change in the notes issued by the suppliers, maintaining the conditions regarding the original amounts and payment terms, which is between 60 and 90 days, on average, falling within the Company's recurring operational cycle.

### 15. Leases

#### 15.a. Right of use

On March 31, 2021, and 2020, rights of use are presented by the following underlying assets:

##### a.1) Individual

	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Total
<b>Cost or valuation:</b>						
<b>April 1, 2019</b>	<u>3,110,010</u>	<u>47,174</u>	<u>122,603</u>	<u>168,029</u>	<u>84,012</u>	<u>3,531,828</u>
Additions of new agreements - non-cash effect	659,076	674	101,899	21,451	-	783,100
Write-off of agreements - non-cash effect	(119,363)	(729)	(67,415)	(84,313)	-	(271,820)
Remeasurement of agreements - non-cash effect (1)	497,311	4,599	41,671	2,141	5,346	551,068
<b>March 31, 2020</b>	<u>4,147,034</u>	<u>51,718</u>	<u>198,758</u>	<u>107,308</u>	<u>89,358</u>	<u>4,594,176</u>
Additions of new agreements - non-cash effect	555,021	4,000	1,519	149,146	-	709,686
Write-off of agreements - non-cash effect	(167,466)	(33)	(905)	(11,523)	-	(179,927)
Remeasurement of agreements - non-cash effect (1)	817,920	70,355	48,873	92,937	7,970	1,038,055
<b>March 31, 2021</b>	<u>5,352,509</u>	<u>126,040</u>	<u>248,245</u>	<u>337,868</u>	<u>97,328</u>	<u>6,161,990</u>
<b>Amortization:</b>						
<b>March 31, 2019</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additions - with impact on statement of income	(714,763)	(12,199)	(51,678)	(40,449)	(5,831)	(824,920)
<b>At March 31, 2020</b>	<u>(714,763)</u>	<u>(12,199)</u>	<u>(51,678)</u>	<u>(40,449)</u>	<u>(5,831)</u>	<u>(824,920)</u>
Additions - with impact on statement of income	(780,703)	(11,859)	(50,249)	(48,194)	(6,062)	(897,067)
(-) Write-off of agreements	6,883	-	-	-	-	6,883
<b>March 31, 2021</b>	<u>(1,488,583)</u>	<u>(24,058)</u>	<u>(101,927)</u>	<u>(88,643)</u>	<u>(11,893)</u>	<u>(1,715,104)</u>
<b>Net residual value:</b>						
<b>March 31, 2021</b>	<u>3,863,926</u>	<u>101,982</u>	<u>146,318</u>	<u>249,225</u>	<u>85,435</u>	<u>4,446,886</u>
<b>March 31, 2020</b>	<u>3,432,271</u>	<u>39,519</u>	<u>147,080</u>	<u>66,859</u>	<u>83,527</u>	<u>3,769,256</u>

(1) Updating of the restatement index, substantially composed of the variation in the price of CONSECANA applied to lease and sharecropping agreements.



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## Notes to financial statements

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### a.2) Consolidated

	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Total
<b>Cost or valuation:</b>						
<b>April 1, 2019</b>	3,523,705	47,525	127,584	171,584	84,012	3,954,410
Additions of new agreements - non-cash effect	836,788	12,106	115,047	75,296	-	1,039,237
Write-off of agreements - non-cash effect	(121,481)	(978)	(72,269)	(86,012)	-	(280,740)
Remeasurement of agreements - non-cash effect (1)	585,329	4,600	44,581	(39,114)	5,347	600,743
Business combination (2)	-	111	-	-	-	111
<b>March 31, 2020</b>	4,824,341	63,364	214,943	121,754	89,359	5,313,761
Additions of new agreements - non-cash effect	693,595	41,678	2,891	184,603	-	922,767
Write-off of agreements - non-cash effect	(198,334)	(1,129)	(861)	(11,558)	-	(211,882)
Remeasurement of agreements - non-cash effect (1)	951,450	70,885	50,595	101,436	7,965	1,182,331
<b>March 31, 2021</b>	6,271,052	174,798	267,568	396,235	97,324	7,206,977
<b>Amortization:</b>						
<b>March 31, 2019</b>	-	-	-	-	-	-
Additions - with impact on statement of income	(803,747)	(17,990)	(54,307)	(42,112)	(5,831)	(923,987)
Write-off of agreements - non-cash effect	-	107	304	231	-	642
Transfers	-	(12)	-	12	-	-
Business combination (2)	-	(87)	-	-	-	(87)
<b>March 31, 2020</b>	(803,747)	(17,982)	(54,003)	(41,869)	(5,831)	(923,432)
Additions - with impact on statement of income	(904,260)	(32,779)	(56,063)	(58,829)	(6,026)	(1,057,957)
(-) Write-off of agreements	8,303	-	-	-	-	8,303
<b>At March 31, 2021</b>	(1,699,704)	(50,761)	(110,066)	(100,698)	(11,857)	(1,973,086)
<b>Net residual value:</b>						
<b>March 31, 2021</b>	4,571,348	124,037	157,502	295,537	85,467	5,233,891
<b>March 31, 2020</b>	4,020,594	45,382	160,940	79,885	83,528	4,390,329

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA's index variation).

(2) On December 2, 2019, the Company acquired 81.5% of the shares of Raízen Biomassa S.A. The details of this operation are described in Note 29.

We present below the weighted average amortization rates by class of right of use as of March 31, 2021 and 2020:

Class	Average rate (% per year)	
	2021	2020
Land	17%	19%
Properties	53%	35%
Aircraft and vehicles	25%	33%
Machinery and equipment	25%	21%
Manufacturing facilities	7%	7%

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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### 15.b. Lease liabilities

Changes in lease liabilities in the years ended March 31, 2021 and 2020 are as follows:

	Individual	Consolidated
<b>Balance on April 1, 2019</b>	2,705,438	3,107,544
Additions of new agreements	753,912	1,010,049
Write-off of agreements	(255,171)	(262,445)
Payments	(766,555)	(864,783)
Restatement - interest	246,968	285,799
Remeasurement of agreements (1)	459,574	509,017
Transfers	(39,634)	(47,553)
Business combination (Note 29)	-	34
<b>Balance at March 31, 2020</b>	3,104,532	3,737,662
Additions of new agreements	664,424	880,373
Write-off of agreements	(148,459)	(175,155)
Payments	(867,113)	(1,058,926)
Restatement - interest	265,717	321,818
Remeasurement of agreements (1)	760,177	904,849
Transfers	(10,312)	(22,306)
<b>Balance at March 31, 2021</b>	3,768,966	4,588,315
Current	(789,780)	(939,454)
Noncurrent	2,979,186	3,648,861

(1) Remeasurements it is mainly related to the agriculture lease and partnership contracts (CONSECANA's index variation).

The weighted average incremental borrowing rate applied to the lease liability as of March 31, 2021 was 8.49% per year (8.59% as of March 31, 2020).

On March 31, 2021, the maturity of lease liabilities of third parties and related parties (Note 10.a.6) in the consolidated financial statements is as follows:

Years	Present value	Future value
1 to 12 months	1,060,814	1,266,484
13 to 24 months	988,275	1,258,635
25 to 36 months	828,650	1,040,244
37 to 48 months	669,958	831,953
49 to 60 months	527,754	646,996
61 to 72 months	429,546	517,078
73 to 84 months	263,866	327,924
85 to 96 months	199,758	248,049
97 to 120 months	141,029	176,770
More than 121 months	412,382	518,644
Gross total	5,522,032	6,832,777
Potential right of PIS and COFINS recoverable (1)	(510,788)	(632,032)
Total, net	5,011,244	6,200,745

(1) This refers to the potential right of PIS/COFINS credits on payments of lease calculated based on the theoretical rate of 9.25%. This disclosure complies with CVM/SNC/SEP Memorandum Circular No. 02/2019 and represents an estimate only. Therefore, these credits are not those that could effectively be used by RESA in the future. In such event, the referred to credits may be materially different due to the possibility of the effective rate being different from the theoretical rate or the payment not being subject to the use of credit, for instance, due to subsequent changes in tax legislation.

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16. Loans and financing

Type	Final maturity	Index	Financial charges		Individual		Consolidated	
			Annual effective average interest rate (2)		2021	2020	2021	2020
			2021	2020				
<b>Debt classification per currency:</b>								
Denominated in Brazilian real (R\$)					7,464,387	7,739,706	8,501,825	8,875,466
Denominated in US dollar and euro (Note 26.d)					1,584,230	2,660,510	8,123,800	7,703,519
					9,048,617	10,400,216	16,625,625	16,578,985
<b>Debt type (1):</b>								
BNDES	March/24	URTJLP	5.25%	6.19%	3,316	8,540	4,077	9,572
BNDES	December/30	Fixed rate	3.61%	3.59%	155,044	216,933	272,276	383,931
BNDES	April/24	UMBND	5.07%	6.68%	8,338	11,539	29,090	36,539
BNDES	December/38	IPCA	9.37%	7.36%	65,824	65,143	145,968	128,956
Advances on foreign exchange contracts (ACC)	-	Dollar (US\$) + fixed rate	-	1.71%	-	880,423	-	880,423
Debentures	June/30	IPCA + interest	8.88%	7.06%	1,135,949	1,115,357	1,135,949	1,115,357
Working capital	-	CDI	-	4.41%	-	-	-	33,457
Working capital	-	FED	-	0.83%	-	-	-	16,644
PPE	August/25	US dollar (US\$) + Libor	1.37%	3.19%	1,584,230	1,780,087	1,584,230	2,062,651
Term Loan Agreement	April/24	US dollar (US\$) + Libor	1.24%	2.95%	-	-	1,150,629	1,051,522
Rural financial product note (CPR-F)	November/29	CDI	3.03%	4.35%	1,007,495	2,017,442	1,007,495	2,017,442
Senior Notes Due 2027 (“Senior 2027”)	January/27	US Dollar (US\$)	5.30%	5.30%	-	-	4,271,404	2,681,081
Resolution No. 2471 (PESA)	April/23	IGP-M	18.06%	7.53%	-	305,470	30,708	328,965
Special Program for Securitization of Agricultural Loans (PESA)	October/25	Fixed rate	3.00%	3.00%	38	46	38	46
Credit notes	-	CDI	-	3.91%	-	84,941	-	84,941
Finame/Lease	January/25	Fixed rate	6.62%	6.64%	26,564	37,464	41,130	57,571
Finame/Lease	-	URTJLP	-	8.29%	-	45	-	45
Finep	November/22	Fixed rate – US\$	5.00%	5.00%	-	-	55,174	88,278
Loan 4131	-	Fixed rate	-	4.34%	-	-	-	54,778
Agribusiness Receivables Certificate (CRA)	July/29	CDI	2.59%	3.57%	1,976,142	1,985,954	2,421,980	2,439,894
Agribusiness Receivables Certificate (CRA)	July/30	IPCA + interest	9.79%	7.29%	3,085,677	1,890,832	3,357,942	2,150,473
Schuldschein	October/21	Fixed rate - EUR	2.88%	2.88%	-	-	447,457	382,920
Schuldschein	September/22	Euribor	1.63%	1.79%	-	-	670,078	573,499
					9,048,617	10,400,216	16,625,625	16,578,985
<b>Expenses incurred with the placement of the securities:</b>								
BNDES					(974)	(1,357)	(1,109)	(2,135)
CRA					(35,366)	(15,590)	(35,366)	(15,590)
Debentures					(4,670)	(180)	(4,670)	(180)
PPE					-	-	(133)	(142)
Finep					-	-	-	(199)
Finem					(253)	(268)	(620)	(397)
CPR-F					(11,141)	(12,426)	(11,141)	(12,426)
Senior Notes Due 2027					-	-	(4,561)	(2,074)
					(52,404)	(29,821)	(57,600)	(33,143)
					8,996,213	10,370,395	16,568,025	16,545,842
Current					(934,334)	(3,087,599)	(1,771,398)	(3,597,675)
Noncurrent					8,061,879	7,282,796	14,796,627	12,948,167

- (1) Loans and financing are generally guaranteed by promissory notes from the Company. In certain cases, they also have collaterals from their subsidiaries, from Raízen Combustíveis S.A., in addition to security interest, such as: i) receivables arising from energy trading contracts (BNDES); ii) CTN (Note 9) and land mortgage (PESA); iii) property, plant and equipment (Note 12); and iv) lien of financed assets (Finame).
- (2) Payments of interest on loans and financing are classified as cash flow from financing activities.

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Installments falling due in the long term, less amortization of expenses with placement of securities, is as follows:

	2021	
	Individual	Consolidated
13 to 24 months	64,149	1,007,729
25 to 36 months	1,075,766	1,412,171
37 to 48 months	1,417,481	2,575,057
49 to 60 months	1,113,318	1,119,557
61 to 72 months	251,144	4,479,023
73 to 84 months	1,311,477	1,318,441
85 to 96 months	1,255,161	1,262,125
More than 97 months	1,573,383	1,622,524
	8,061,879	14,796,627

### a) BNDES

This corresponds to funds raised by the Company and its subsidiaries for financing of the cogeneration and greenfield projects and for construction of the Biogas plant and Sugar Warehouses.

As of March 31, 2021, the Company and its subsidiaries had unused lines of credit available from the Brazilian Development Bank (BNDES), in the amount of R\$ 72,494 (R\$ 207,210 as of March 31, 2020). The use of these lines of credit is subject to the fulfillment of certain contractual conditions.

### b) Advances on Exchange Contracts (ACC)

Taken out in	Index rate	Maturity	Amount	
			R\$	US\$
Mar-20	Fixed	Sep-20	399,633	79,250
Apr-20 (1)	Fixed	Apr-21	126,530	25,000
Sep-20	Fixed	Mar-21	424,521	90,000
Oct-20	Fixed	Jan-21	111,758	20,000
Nov-20	Fixed	Feb-21	199,585	37,000
Nov-20	Fixed	Feb-21	108,234	20,000

(1) In March 2021, the Company settled this agreement in advance.

### c) Debentures

In June 2020, the Brazilian SEC ("CVM") granted the Company registration for its fifth (5<sup>th</sup>) Public Issue of Unsecured Debentures through which 169,518 single-series non-privileged unsecured nonconvertible debentures were issued, at the nominal value of R\$ 1,000.00 (one thousand reais), totaling R\$ 169,518.

In November 2019, the CVM granted the Company registration for its fourth (4<sup>th</sup>) Public Issue of Unsecured Debentures through which 900,000 single-series non-privileged unsecured nonconvertible debentures were issued, at the nominal value of R\$ 1,000.00 (one thousand reais), totaling R\$ 900,000.

	Index	Principal	Receipt date	Maturity
4 <sup>th</sup> series	IPCA	900,000	11/28/2019	16/11/2029
5 <sup>th</sup> series	IPCA	169,518	06/15/2020	15/06/2030

## RAÍZEN ENERGIA S.A.

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(In thousands of reais, unless otherwise stated)

#### d) PPEs

The Company entered into PPE agreements with various financial institutions for purposes of financing of future goods exports, as shown below:

Taken out in	Maturity	Amount	
		R\$	US\$
Aug-18	Aug-24	613,378	150,000
Aug-18	Aug-25	515,675	125,000
Mar-20	Sep-20	326,248	65,000

#### e) **Term Loan Agreement**

On March 25, 2019, Raízen Fuels took out a new term loan agreement of US\$ 200,000 thousand, partially repaying the above loan, with final maturity on April 30, 2024. Jointly with this agreement, Raízen Fuels also obtained a revolving credit facility of US\$ 300,000 thousand, with maturity in April 2024.

#### f) **Rural Product Note**

Taken out in	Maturity	Principal
Nov-19	Nov-29	750,000
Dec-19	Nov-29	250,000
Dec-19	Sep-20	800,000
Mar-20	Sep-20	200,000

The funds raised will be used for preparation of the soil, plantation and plant treatments.

#### g) **Senior Notes Due 2027**

Taken out in	Issuer	Maturity	US\$
Jan-17	Capital market	Jan-27	500,000
Jul-20	Capital market	Jan-27	225,000

In July 2020 Raízen Fuels Finance, a subsidiary of Raízen Energia, issued in the international market US\$ 225 million additional to the existing Senior Notes due in January 2027, totaling a principal of US\$ 725 million. Both of them with payment of half-yearly interest every January and July of each year.

#### h) **Special Program for Securitization of Agricultural Loans (PESA)**

In the period from 1998 to 2000, the Company and its subsidiaries renegotiated their debts related to financing for agricultural costing with various financial institutions, reducing their financial cost to annual interest rates below 7.53%, guaranteeing repayment of the debt with assignment and transfer of National Treasury Certificates (CTN), redeemable upon settlement of the debt, taking advantage of the incentive granted by Central Bank Resolution No. 2471, of February 26, 1998. Said debt is settled upon redemption of the CTNs and compliance with contractual provisions.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

In the year ended March 31, 2021, the Company offset PESA contracts in the amount of R\$ 357,185, through redemptions of the CTN, as explained in Note 9.

#### i) Credit notes

The credit notes were settled through exports made during the year ended March 31, 2021.

#### j) Finame

These refer to machinery and equipment financing transactions, intermediated by several financial institutions and are intended for investments in property, plant and equipment. Such financing agreements are paid monthly basis, guaranteed by chattel mortgage of the financed items.

#### k) CRA

Taken out in	Issuer	Issue	Series	Maturity	Principal
Oct-14	Gaia Agro Securitizadora S.A. (1)	10 <sup>th</sup>	2 <sup>nd</sup>	Dec-21	101,987
Jun-15	Gaia Agro Securitizadora S.A.	14 <sup>th</sup>	Single	Jun-21	675,000
May-16	RB Capital Companhia de Securitização	1 <sup>st</sup>	3 <sup>rd</sup>	May-22	465,706
May-16	RB Capital Companhia de Securitização (1)	1 <sup>st</sup>	4 <sup>th</sup>	May-23	209,294
May-17	RB Capital Companhia de Securitização	1 <sup>st</sup>	6 <sup>th</sup>	Apr-23	738,814
May-17	RB Capital Companhia de Securitização (1)	1 <sup>st</sup>	7 <sup>th</sup>	Apr-24	230,877
Mar-19	RB Capital Companhia de Securitização	6 <sup>th</sup>	1 <sup>st</sup>	Mar-25	300,000
Mar-19	RB Capital Companhia de Securitização (1)	6 <sup>th</sup>	2 <sup>nd</sup>	Mar-26	600,000
Jul-19	True Securitizadora SA	6 <sup>th</sup>	1 <sup>st</sup>	Jul-29	228,190
Jul-19	True Securitizadora SA	6 <sup>th</sup>	2 <sup>nd</sup>	Jul-29	787,658
Jun-20	True Securitizadora S.A.	8 <sup>th</sup>	2 <sup>nd</sup>	Jun-27	352,426
Jun-20	True Securitizadora S.A.	8 <sup>th</sup>	2 <sup>nd</sup>	Jun-30	728,056

(1) Funding expenses were fully recognized in the Company's statement of income due to the swap contracted.

The funds raised will be used in the activities carried out by Raízen Energia and its subsidiaries, substantially related to agribusiness, in the ordinary course of business, which include operations, investments and financing needs related to production, sale, processing or industrial manufacturing of agricultural products or inputs or of machinery and implements used in the agricultural activity.

#### l) Schuldschein

Taken out in	Maturity	R\$	Amount €
Oct-14	Oct-21	201,043	66,000
Jan-15	Jan-22	121,052	40,000
Sep-15	Sep-22	264,164	60,000

#### Covenants

The Company and its subsidiaries are not compelled to comply with financial ratios and are subject only to certain covenants of loan and financing agreements, such as cross-default and negative pledge. All restrictive clauses referring to loans, financing and debentures are in compliance by the Company and its subsidiaries as of March 31, 2021.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### Revolving Credit Facility

Raízen Fuels, a wholly owned subsidiary of Raízen Energia, has a revolving credit facility in the total amount of US\$ 300,000 thousand, which had not been used until the closing date of these financial statements, as follows:

Beneficiary	Institution	Amount (US\$)	Maturity
Raízen Fuels	Syndicate of banks	300,000	April 2024

### Fair value

As of March 31, 2021 and 2020, the carrying amount and fair value of the loans are as follows:

Type	Classification	Individual					
		Amount raised, restated		Fair value (3)		Finance income (costs) (2)	
		2021	2020	2021	2020	2021	2020
PPE	Fair value through statement of income	1,568,959	1,500,272	1,584,231	1,508,521	(7,023)	18,082
CRA	Fair value through statement of income	2,680,105	1,851,022	2,704,840	1,883,536	7,779	(30,561)
Debentures	Fair value through statement of income	982,933	930,273	952,034	893,415	(5,959)	36,858
		<u>5,231,997</u>	<u>4,281,567</u>	<u>5,241,105</u>	<u>4,285,472</u>	<u>(5,203)</u>	<u>24,379</u>

Type	Classification	Consolidated					
		Amount raised, restated		Fair value (3)		Finance income (loss) (2)	
		2021	2020	2021	2020	2021	2020
Senior Notes Due 2027 (1)	Fair value through statement of income	2,201,188	826,464	2,256,683	881,408	(551)	(11,335)
PPE	Fair value through statement of income	1,568,959	1,775,400	1,584,231	1,785,136	(5,536)	17,778
CRA	Fair value through statement of income	2,940,458	2,098,507	2,977,105	2,143,520	8,366	(38,574)
Term Loan Agreement	Fair value through statement of income	1,139,970	1,088,770	1,150,628	1,099,825	397	(10,558)
Debentures	Fair value through statement of income	982,933	930,273	952,034	893,415	(5,959)	36,858
Loan 4131	Fair value through statement of income	-	56,666	-	56,883	217	(43)
		<u>8,833,508</u>	<u>6,776,080</u>	<u>8,920,681</u>	<u>6,860,187</u>	<u>(3,066)</u>	<u>(5,874)</u>

- (1) The fair value of Senior 2027 is based on the price quote on the secondary market. As of March 31, 2021, the face value is of 111.08% (94.99% as of March 31, 2020).
- (2) Refers to the impact of fair value on finance income (costs), as presented in Note 25.
- (3) Referred to debts are increased by a fair value assessment in the amount of R\$9,108 and R\$ 87,173 (R\$ 3,905 and R\$ 84,107 on March 31, 2020), in the individual and consolidated financial statements, respectively.

Other loans and financing have no quoted value, but the fair value substantially approximates their carrying amount, due to exposure to variable interest rates and the immaterial changes in the Company's credit risk, which can be obtained by comparing quoted papers as shown above.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### 17. Income tax and social contribution

#### a) Reconciliation of income and social contribution tax credit (expense):

	Individual		Consolidate	
	2021	2020	2021	2020
<b>Income before income tax and social contribution</b>	394,982	(118,239)	832,303	338,435
Income and social contribution taxes at nominal rate (34%)	(134,294)	40,201	(282,983)	(115,071)
<b>Adjustments to calculate the effective rate:</b>		-		
Difference between deemed income and taxable income rates (i)	-	-	34,295	28,822
Taxation on a worldwide basis ("TBU") related to investments abroad	48,522	(43,575)	6,228	1,393
Investment grant – ICMS	-	-	28,258	27,244
Equity accounting result	306,554	298,954	(24,449)	(7,210)
Brazilian Special Regime for Reinstatement of Taxes (Reintegra)	2,707	1,625	3,031	1,872
Breakages and inventory differences	(8,007)	(2,218)	(9,738)	(3,207)
Other	3,716	(920)	7,003	1,691
<b>Current tax and deferred income and social contribution credit (expense)</b>	219,198	294,067	(238,355)	(64,466)
Effective rate	-55.50%	248.71%	28.64%	19.05%

(i) The companies engaged in power cogeneration calculated Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) under the taxation regime called "Lucro Presumido", whereby profit is computed as a percentage of the company's gross revenue, as determined by the legislation, generating a difference in relation to the IRPJ and CSLL nominal rate.

#### a.1) Recoverable income tax and social contribution

	Individual		Consolidated	
	2021	2020	2021	2020
IRPJ	316,677	520,196	353,514	558,732
CSLL	5,883	121,042	8,226	126,498
	322,560	641,238	361,740	685,230
Current	(73,327)	(183,411)	(80,607)	(195,503)
Noncurrent	249,233	457,827	281,133	489,727

#### a.2) Income tax and social contribution payable

	Consolidated	
	2021	2020
IRPJ	126,782	44,144
CSLL	26,702	9,245
	153,484	53,389



# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### b) Deferred income tax and social contribution assets and liabilities:

#### b.1) Individual

				2021	2020
	Basis	IRPJ 25%	CSLL 9%	Total	Total
Noncurrent assets (liabilities)					
<b>Tax losses</b>					
Tax losses	4,140,604	1,035,151	-	1,035,151	624,052
Negative basis for social contribution	3,910,300	-	351,927	351,927	213,832
<b>Temporary differences:</b>					
Provisions for legal disputes	802,285	200,571	72,206	272,777	242,529
Exchange differences - cash basis	1,831,579	457,895	164,842	622,737	524,359
Result unrealized with derivatives	1,334,829	333,707	120,135	453,842	-
Estimated loss on realization of assets	208,703	52,176	18,783	70,959	50,019
Remuneration and employee benefits	239,618	59,905	21,565	81,470	75,386
Lease liabilities	394,500	98,625	35,505	134,130	60,063
Miscellaneous provisions and other temporary differences	265,871	66,468	23,928	90,396	99,022
Total deferred tax assets		2,304,498	808,891	3,113,389	1,889,262
Biological assets	(347,494)	(86,874)	(31,274)	(118,148)	(14,879)
Capitalized borrowing loans	(165,891)	(41,473)	(14,930)	(56,403)	(48,068)
Result unrealized with derivatives	-	-	-	-	(124,819)
Capital gain	(328,182)	(82,046)	(29,536)	(111,582)	(115,475)
Review of useful lives of PPE	(1,072,644)	(268,161)	(96,538)	(364,699)	(330,798)
Amortized tax goodwill	(871,097)	(217,774)	(78,399)	(296,173)	(268,861)
Total deferred tax liabilities		(696,328)	(250,677)	(947,005)	(902,900)
<b>Total deferred- Assets, net</b>		1,608,170	558,214	2,166,384	986,362

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### b.2) Consolidated

				2021	2020
	Basis	IRPJ 25%	CSLL 9%	Total	Total
<u>Noncurrent assets (liabilities)</u>					
<b>Tax losses</b>					
Tax losses	4,689,792	1,172,448	-	1,172,448	769,439
Negative basis for social contribution	4,459,489	-	401,354	401,354	266,171
<b>Temporary differences:</b>					
Provisions for legal dispute	918,415	229,604	82,657	312,261	275,758
Result unrealized with derivatives	1,073,515	268,379	96,616	364,995	-
Exchange differences - cash basis	1,904,556	476,139	171,410	647,549	564,541
Provision for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Estimated loss on realization of assets	270,674	67,668	24,361	92,029	71,160
Compensation and benefits to employees	262,932	65,733	23,664	89,397	82,557
Lease liabilities	457,785	114,446	41,201	155,647	73,197
Miscellaneous provisions and other temporary differences	174,426	43,607	15,698	59,305	56,784
Total deferred tax assets		2,479,688	871,960	3,351,648	2,216,270
Biological assets	(591,971)	(147,993)	(53,277)	(201,270)	(44,665)
Capitalized borrowing loans	(272,897)	(68,224)	(24,561)	(92,785)	(85,831)
Result unrealized with derivatives	-	-	-	-	(264,225)
Capital gain	(328,182)	(82,046)	(29,536)	(111,582)	(115,475)
Review of useful lives of PPE	(2,179,376)	(544,844)	(196,144)	(740,988)	(672,159)
Fair value of property, plant and equipment	(194,818)	(48,705)	(17,534)	(66,239)	(72,987)
Amortized tax goodwill	(1,055,215)	(263,804)	(94,969)	(358,773)	(331,459)
Total deferred tax liabilities		(1,155,616)	(416,021)	(1,571,637)	(1,586,801)
<b>Total deferred taxes</b>		1,324,072	455,939	1,780,011	629,469
<b>Deferred taxes - Assets, net</b>				2,206,682	1,137,283
<b>Deferred taxes - Liabilities, net</b>				(426,671)	(507,814)
<b>Total deferred taxes</b>				1,780,011	629,469

### b.3) Changes in deferred taxes, net:

	Individual		Consolidated	
	2021	2020	2021	2020
Balance at the beginning of year	986,362	437,132	629,469	122,896
Revenue in profit or loss	520,821	315,617	490,815	200,771
Deferred taxes on comprehensive income	672,995	233,615	672,995	233,615
Business combination (Note 29)	-	-	-	69,535
Use of income tax and social contribution losses for settlement of Refis	(13,794)	-	(13,794)	-
Other	-	(2)	526	2,652
Balance at end of year	2,166,384	986,362	1,780,011	629,469

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### b.4) Realization of deferred income and social contribution taxes:

In assessing the ability to recover deferred taxes, projections of future taxable profit and changes in temporary differences approved by management are considered. There is no expiration date for the use of the income and social contribution tax loss balances, however the use of the tax loss carryforward is limited to 30% of annual taxable profits.

As of March 31, 2021, the Company's expectation for realization of deferred tax assets, including income and social contribution tax loss carryforwards and temporary differences is as follows:

Years	Individual	Consolidated
2021/2022 harvest	180,448	209,770
2022/2023 harvest	477,709	418,685
2023/2024 harvest	406,896	394,438
2024/2025 harvest	571,787	620,136
2025/2026 harvest	371,853	430,144
2026/2027 harvest	1,104,696	1,278,475
<b>Total</b>	<b>3,113,389</b>	<b>3,351,648</b>

## 18. Provision for legal dispute and judicial deposits

### Breakdown of legal disputes considered as probable loss

As of March 31, 2021 and 2020, legal disputes are broken down as follows:

	Individual		Consolidated	
	2021	2020	2021	2020
Tax	86,306	102,504	100,007	115,655
Civil	64,811	21,304	87,161	37,088
Labor	285,857	267,304	384,637	359,312
	<u>436,974</u>	<u>391,112</u>	<u>571,805</u>	<u>512,055</u>
Non reimbursable legal disputes (i)	254,256	224,455	363,153	316,724
Reimbursable legal disputes (ii) (Note 10.c)	182,718	166,657	208,652	195,331

When the Group was setup it was agreed that Cosan and Shell would reimburse the Group for legal disputes that were ongoing or originated before its formation, thus, the Group should reimburse Cosan and Shell regarding the judicial deposits made on the date before its formation. As of March 31, 2021 and 2020, the balances of judicial deposits are as follows:

	Individual		Consolidated	
	2021	2020	2021	2020
Tax	187,300	167,025	309,870	287,553
Civil	43,054	8,158	43,202	8,462
Labor	79,945	83,946	100,808	107,689
	<u>310,299</u>	<u>259,129</u>	<u>453,880</u>	<u>403,704</u>
Own judicial deposits	163,579	147,333	191,703	177,332
Refundable judicial deposits (Note 10.c)	146,720	111,796	262,177	226,372

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### i) Non reimbursable legal disputes

				Individual
	Tax	Civil	Labor	Total
March 31, 2020	10,743	4,203	209,509	224,455
Provisioned for the year	2,224	7,538	87,775	97,537
Write-offs/reversals (i)	(1,022)	(2,915)	(70,670)	(74,607)
Payments	-	(768)	(34,136)	(34,904)
Monetary restatement (ii)	-	4,811	36,964	41,775
March 31, 2021	11,945	12,869	229,442	254,256

(i) Considers reversal of monetary restatement in the amount of (R\$ 27,466) accounted for in profit or loss for the year under Finance income (loss).

(ii) Accounted for in statement of income for the year under Finance income (loss).

				Consolidated
	Tax	Civil	Labor	Total
March 31, 2020	22,242	12,957	281,525	316,724
Provisioned for the year	2,618	11,617	115,101	129,336
Write-offs/reversals (i)	(1,915)	(8,766)	(91,218)	(101,899)
Payments	-	(1,777)	(43,245)	(45,022)
Monetary restatement (ii)	737	14,699	48,578	64,014
March 31, 2021	23,682	28,730	310,741	363,153

(i) Considers reversal of monetary restatement in the amount of (R\$36,904) accounted for in profit or loss for the year under Finance income (costs).

(ii) Accounted for in statement of income for the year under Finance income (costs).

### ii) Reimbursable legal disputes (i)

				Individual
	Tax	Civil	Labor	Total
March 31, 2020	91,761	17,101	57,795	166,657
Provisioned for the year	698	18,369	8,397	27,464
Write-offs/reversals (ii)	(21,909)	(2,477)	(14,749)	(39,135)
Payments	-	(994)	(4,362)	(5,356)
Monetary restatement	3,811	19,943	9,334	33,088
March 31, 2021	74,361	51,942	56,415	182,718

				Consolidated
	Tax	Civil	Labor	Total
March 31, 2020	93,413	24,131	77,787	195,331
Provisioned for the year	1,152	19,230	10,973	31,355
Write-offs/reversals (iii)	(22,064)	(3,497)	(19,213)	(44,774)
Payments	-	(1,994)	(7,013)	(9,007)
Monetary restatement	3,824	20,561	11,362	35,747
March 31, 2021	76,325	58,431	73,896	208,652

(i) The change does not and will never effects the profit or loss due to the Company's right to reimbursement.

(ii) This includes reversal of monetary restatement amounting to R\$ 20,510.

(iii) This includes reversal of monetary restatement amounting to R\$ 23,528.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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(In thousands of reais, unless otherwise stated)

### iii) Total legal disputes

	<b>Individual</b>		
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>
<b>March 31, 2020</b>	102,504	21,304	267,304
Provisioned for the year	2,922	25,907	96,172
Write-offs/reversals	(22,931)	(5,392)	(85,419)
Payments	-	(1,762)	(38,498)
Monetary restatement	3,811	24,754	46,298
<b>March 31, 2021</b>	<b>86,306</b>	<b>64,811</b>	<b>285,857</b>

	<b>Consolidated</b>		
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>
<b>March 31, 2020</b>	115,655	37,088	359,312
Provisioned for the year	3,770	30,847	126,074
Write-offs/reversals	(23,979)	(12,263)	(110,431)
Payments	-	(3,771)	(50,258)
Monetary restatement	4,561	35,260	59,940
<b>March 31, 2021</b>	<b>100,007</b>	<b>87,161</b>	<b>384,637</b>

### a) Tax

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
ICMS (i)	20,322	35,884	26,636	41,480
IPI (ii)	44,554	44,000	44,554	44,000
Attorneys' fees	11,947	10,744	16,737	16,034
Other	9,483	11,876	12,080	14,141
	<b>86,306</b>	<b>102,504</b>	<b>100,007</b>	<b>115,655</b>
Non reimbursable legal disputes	11,946	10,743	23,683	22,243
Reimbursable legal disputes	74,360	91,761	76,324	93,412

- The provision for ICMS credits includes the following: (a) notices received, for which, despite the defenses at the administrative or judicial levels, the Company's legal advisors understand that the likelihood of loss is probable; (b) use of credits and financial charges in matters for which the understanding by the Company management and tax advisors differs from the interpretations of the tax authorities.
- The provisioned IPI amount corresponds to IPI Seletividade, a matter recently judged by the Federal Supreme Court with general resonance (RE No. 592145, theme 080) unfavorably to the taxpayer, establishing the following thesis: Constitutionally, from the selective character viewpoint, given the essentiality of the product and the isonomic treatment, article 2 of Law No. 8393/1991 establishes the maximum Federal VAT (IPI) rate of 18%, exemption ensured, regarding taxpayers located in the area of operation of the Northeast Development Agency (SUDENE) and the Amazon Development Agency (SUDAM), and authorization to reduce up to 50% of the rate for taxpayers located in the states of Espírito Santo and Rio de Janeiro.

### b) Civil and labor

The Company and its subsidiaries are parties to several civil legal disputes related to (i) indemnity for property damage and pain and suffering, (ii) contractual disputes, (iii) executions, (iv) collections, (v) rendering of accounts, (vi) possessions, and (vii) public civil and annulment actions of environmental nature.

The Company and its subsidiaries are also parties to several labor claims filed by former employees and employees of service providers who question, among others, the payment of overtime, night shift and risk exposure premiums, job reinstatement, refund of deductions made in payroll such as confederative association dues, union dues and others.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

**Legal disputes are considered as possible losses and, thus, no provision for legal disputes has been recognized in the combined consolidated financial statements**

### a) Tax

	Individual		Consolidated	
	2021	2020	2021	2020
ICMS (i)	1,763,778	1,754,108	2,206,879	2,182,633
INSS (ii)	209,109	197,760	225,150	211,521
IPI (iii)	271,220	268,900	311,759	310,508
IRPJ and CSLL (iv)	1,470,125	1,047,882	1,757,114	1,399,508
PIS and COFINS (v)	1,531,591	1,640,274	1,635,745	1,745,539
Offsetting with IPI credit (IN) No. 67/98 (iv)	116,407	115,350	138,142	136,871
MP No. 470 – Debt in installment payment (vii)	241,657	189,882	241,657	189,882
Other	276,541	224,816	374,107	335,131
	<u>5,880,428</u>	<u>5,438,972</u>	<u>6,890,553</u>	<u>6,511,593</u>
Non reimbursable legal disputes	2,955,748	2,689,214	3,559,687	3,349,845
Reimbursable legal disputes	2,924,680	2,749,758	3,330,866	3,161,748

#### (i) ICMS

Refers substantially to: (i) portion related to fine of the notice served due to the alleged nonpayment of ICMS and noncompliance with accessory obligation, in an operation involving agricultural partnership and toll manufacturing, from May 2005 to March 2006 and May 2006 to March 2007; (ii) ICMS levied on shipping of crystallized sugar for export, which, according to the tax agent, is classified as semi-finished good and, under ICMS regulation, is subject to taxation; (iii) ICMS levied on alleged divergences in the sugar and ethanol inventories, arising from the comparison between the magnetic tax files and the Inventory Registration Books; (iv) tax notices related to collection of the ICMS tax differential resulting from sales of ethanol intended to companies located in other states of the Country, which, based on a superseding rule, had their state registrations revoked; and (v) ICMS requirement resulting from disallowance of diesel oil credits used in the agro-industrial production process, with a defense filed for being essential to the Company's activities, based on article 155, paragraph 2, item I of the Federal Constitution and Supplementary Law No. 87/96 ; (vi) previously unused ICMS-ST credit allegedly unduly taken related to diesel oil as an end consumer; (vii) matching credit allegedly unduly taken; (viii) tax credits related to freight (transport services) allegedly unduly used since the subsequent operation is exempt or not taxed.

#### (ii) INSS

Possible legal disputes related to INSS involve mainly: (i) revision of the legal disputes linked to Revenue Procedure IN MPS/SRP No. 03/2005, from 2005 to 2011, which are now rated as remote loss due to the probable recognition of expiry of the procedural rights period. IN MPS/SRP No. 03/2005 restricted the constitutional immunity of social security taxes on export revenue, and exports are now taxed through commercial exporting companies or trading companies. (ii) requirement of the contribution for purposes of the National Rural Learning Service (SENAR) on direct and indirect export operations, where the Brazilian IRS ("RFB") understands that there is no right to constitutional immunity; and, (iii) requirement of the social security tax on resale of goods in the domestic market and to third parties that are not included in the social security tax base calculation, which only applies to gross revenue resulting from the production effectively occurring in the facilities and not from purchased goods.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements**

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#### **(iii) IPI**

RFB Regulatory Instruction No. 67/98 validated the procedure adopted by industrial facilities that shipped products without recording and paying IPI, related to operations with demerara, upper quality granulated sugar, special granulated sugar, extra special granulated sugar, and refined granulated sugar, carried out from July 6, 1995 to November 16, 1997, and with refined amorphous sugar carried out from January 14, 1992 to November 16, 1997. This standard was carried into effect in the respective proceedings brought by Brazilian Federal Revenue Service, whose likelihood of loss is classified as possible, according to the assessment of the Group's legal advisors.

#### **(iv) IRPJ and CSLL**

IRJP and CSLL balances refer substantially to:

In February 2014, the subsidiary Raízen Paraguaçu (formerly denominated Raízen Tarumã) was served notices in the restated amount of R\$ 62,310 (R\$ 1,449 in 2020) by the RFB, requiring payment of IRPJ e CSLL for calendar years 2009 to 2012, involving the following issues: (i) goodwill amortization; and (ii) offset of income and social contribution tax losses. The Company filed defense in January 2012 and, together with its legal counsel, classified this case as a possible loss.

In relation to non-reimbursable legal claims, interlocutory decisions were handed down by the RFB in November 2014 addressing disallowance of noncumulative PIS/COFINS credits, arising from goods and services purchased in the domestic market and offset against IRRF and CSLL/IRPJ. Given that the disallowed credits are related to goods and services used in the Company's production chain, the disallowance is totally undue and illegal, based on current legislation (Laws No. 10637/02 and No. 10833/03), explaining the classification of loss as possible.

In December 2016, the was served a notice, recoverable from the shareholder Cosan, related to disallowance of deductions from goodwill amortization for calendar years 2011 to 2012 (the corporate fact that generated the right to use goodwill occurred in 2006) for which the possible amount totals R\$ 111,334 (R\$ 109,600 in 2020).

In February 2018, the Company was served a notice referring to disallowance of goodwill amortization due to expected future profitability, deducted from the IRPJ and CSLL tax bases for calendar years 2013 to 2016, in the amount of R\$ 463,038 (R\$ 454,362 in 2020). The Company filed an administrative defense because the goodwill amortization occurred under the terms of the current legislation. The likelihood of a favorable outcome is assessed as possible.

In the last two months of 2018, the Company was served a notice by the federal tax authorities requiring payment of IRPJ and CSLL for 2013 and 2014 based on alleged undue deductions from taxable profit for the year of monthly estimates that were subject to unapproved offsets. The Company filed objections, as current legislation and opinion No. 88/14 of the Office of the Attorney General of the National Treasury (PGFN) allow the collection of estimates in offsetting processes.

In October 2020, the Company was served a notice referring to a reimbursable claim of IRPJ and CSLL referring to the period from 2006 to 2000 in the amount of R\$ 462,284 resulting from disallowance of goodwill amortization (corona goodwill) and the use of income and social contribution tax losses.

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### Notes to financial statements

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#### (v) PIS and COFINS

These refer substantially to (i) disallowance of PIS and COFINS credits by the noncumulative system, from 2012 to 2015, provided for in Laws No. 10637/2002 and No. 10833/2003, respectively. These disallowances stem, in summary, from the restrictive interpretation of the RFB regarding the concept of "inputs", as well as different interpretations of the said laws. These challenges are still at the administrative level; (ii) related to the unconstitutionality of the increase in the PIS/COFINS tax bases determined by Law No. 9718/98. It is worth mentioning that this issue has already been consistently accepted by the Federal Supreme Court, deeming such an exception unconstitutional; and (iii) the difference in PIS and COFINS calculated as a result of offset of the Social Contribution Tax for Intervention in the Economic Order (CIDE). For tax authorities, such deduction could only have been made in the event of payment.

#### (vi) Offsetting with IPI credit (IN) No. 67/98

RFB Regulatory Instruction Number 67/98 brought with it the possibility of a refund of IPI collected in the period from January 14, 1992, to November 16, 1997, on amorphous refined sugar. Accordingly, RESA, for the periods in which payment was made, it pleaded to offset amounts against other taxes due. However, the Federal Revenue Service dismissed requests for restitution as well as an offset. Thus, RESA administratively appealed against the dismissal.

After notification of payment of debts object to an offset in view of the changes introduced by IN SRF Number 210/02, RESA filed a writ of mandamus with an injunction request to suspend the enforceability of offset taxes, with the aim of impeding the Public Administration from executing these debts. The injunction was granted by the competent court.

#### (vii) MP No. 470 Installment payment

Federal Revenue Service partially rejected requests for payment of federal tax debts in installments made by RESA, with the argument that offered tax loss is not sufficient to settle respective debts. RESA and its legal advisors consider that the losses indicated existed and were available for such use.

#### b) Civil and labor

	Individual		Consolidated	
	2021	2020	2021	2020
Civil	549,614	490,861	834,519	763,215
Labor	139,844	158,014	178,626	192,560
	<u>689,458</u>	<u>648,875</u>	<u>1,013,145</u>	<u>955,775</u>
Non-reimbursable legal disputes	199,359	218,090	384,464	325,721
Reimbursable legal disputes	490,099	430,785	628,681	630,054



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## 19. Commitments (Consolidated)

The Company and its subsidiaries have several commitments to purchase sugarcane from third parties in order to guarantee part of their production in the following crops. The amount of sugarcane to be purchased was calculated based on the estimate of the quantity to be ground by area, considering the expected their productivity in the areas where the sugarcane fields are located. The amount to be paid by the Company is determined at the end of each harvest year, according to the price published by CONSECANA.

The Company has agreements with the Rumo Group for transportation and handling of sugar for export.

As of March 31, 2021, the volumes related to purchase commitments and service agreements by harvest are as follows:

	Sugarcane (in tons)	Storage (in cubic meters)	Sugar transportation and handling (in tons)
2021/2022 harvest	35,668,256	1,635,000	8,167,886
2022/2023 harvest	32,950,672	1,272,000	-
2023/2024 harvest	27,125,450	720,000	-
2024/2025 harvest	22,585,345	720,000	-
As from 2025/2026 harvest	44,521,171	3,420,000	-
Total	162,850,894	7,767,000	8,167,886
Total estimated payments (nominal value)	16,477,090	501,001	189,192

## 20. Equity

### a) Capital and Capital reserve

As of March 31, 2021 and 2020, capital amounts to R\$ 6,516,354. This account is deducted from the balance of redeemable preferred shares - financial instrument payable – in the amount of R\$ 2,220 (R\$ 3,745 in March 2020), totaling R\$ 6,514,134 (R\$ 6,512,609 in March 2020).

The fully subscribed and paid-in capital is represented as follows:

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A. ("CIP")	Cosan S.A.	Total
Common shares	3,621,641,599	3,621,641,599	-	7,243,283,198
Class A preferred shares	-	-	1	1
Class B preferred shares	-	-	133,242,457	133,242,457
Class D preferred shares	100,000	-	-	100,000
Total on March 31, 2021 and 2020	3,621,741,599	3,621,641,599	133,242,458	7,376,625,656

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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### Redeemable preferred shares

The tax benefits arising from NOL and GW dated before the incorporation of Raízen (Note 10.a.5) must be returned to the respective shareholders as the Company uses them to reduce the balances of its taxes payable.

For such refunds, Class B preferred shares were issued for Cosan and Class C and D for Shell, with the objective of remunerating them in the amount of the tax benefit used by the Company.

As of March 31, 2021, the balance of preferred shares (Class B) recorded in equity, under Capital, totals R\$ 2,220 owned by Cosan (R\$ 3,745 as of March 31, 2020), as shown in Note 10.a.5.

### Capital reserves

#### Capital reserve

This corresponds substantially to the goodwill reserve arising from the portion of the share issue price with no par value that exceeded the amount allocated to the formation of share capital. Said reserve can only be used for capital increase, absorption of losses that exceed retained earnings and income reserves, redemption, reimbursement or purchase of shares, or payment of cumulative dividends to preferred shareholders.

#### Goodwill special reserve

This arises from downstream mergers occurred in the Company, the goodwill of which is now deductible for income and social contribution tax purposes. Accordingly, the Company set up a special goodwill reserve in equity, as the effect at subsidiaries of the downstream mergers, with a corresponding entry of deferred tax assets, equivalent to the tax benefit of 34% that will result from amortization of such goodwill.

### b) Dividends

In accordance with the Company's bylaws, shareholders are entitled to mandatory minimum dividends of 1% on net income determined at the year end, adjusted in accordance with article 202 of the Brazilian Corporation Law.

The amounts of legal reserve and dividends for the years ended March 31, 2021 and 2020 were determined as follows:

	2021	2020
Net income for the year	614,180	175,828
(-) Effect of subsidiary tax incentives	(83,112)	(80,006)
	531,068	95,822
(-) Formation of legal reserve - 5%	(30,710)	(8,791)
Ordinary dividend distribution calculation basis	500,358	87,031
Minimum mandatory dividend - 1%	(5,001)	(870)
Dividends to holders of Class B preferred shares	(1,525)	(1,416)
Dividends to holders of Class D preferred shares	(1,726)	(731)
Total provisioned dividends in the – Parent Company	(8,252)	(3,017)
Dividends payable to non-controlling shareholders	-	(19,499)
Total dividends provisioned - Consolidated	(8,252)	(22,516)

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On March 31, 2021										
	Proceeds	Year	Approval at SGM and/or Annual and Special GM	Share type and class	Impacts on equity	Without impacts on equity	Amount paid	Receiver	Percentage	Payment date
Company										
RESA	Income reserve	Mar-20	11/13/2020	Class D preferred shares	908	-	908	Shell	100%	11/24/2020
WX	Retained earnings	Mar-20	10/30/2020	Common	1,282	-	1,282	Other	100%	11/30/2020
WX	Retained earnings	Mar-20	10/30/2020	Common	-	19,499	19,499	Other	100%	11/30/2020
RESA	Retained earnings	Mar-20	10/30/2020	Class B preferred shares	-	1,416	1,416	CIP	100%	11/04/2020
RESA	Retained earnings	Mar-20	10/30/2020	Class D preferred shares	-	731	731	Shell	100%	11/04/2020
RESA	Retained earnings	Mar-20	10/30/2020	Common	-	870	870	Shell / CIP	50% each	11/04/2020
RESA	Retained earnings	Mar-21	-	Class B preferred shares	-	1,525	-	CIP	100%	-
RESA	Retained earnings	Mar-21	-	Common	5,001	-	-	Shell / CIP	50% each	-
RESA	Retained earnings	Mar-21	-	Class D preferred shares	1,726	-	-	Shell	100%	-
					8,917	24,041	24,706			
On March 31, 2020										
	Proceeds	Year	Approval at SGM and/or Special GM	Share type and class	Impacts on equity	Without impacts on equity	Amount paid	Receiver	Percentage	Payment date
Company										
RESA	Retained earnings	Mar-19	06/26/2019	Common	172,602	-	172,602	Shell / CIP	50% each	06/27/2019
RESA	Income reserve	Mar-19	06/26/2019	Common	407,905	-	407,905	Shell / CIP	50% each	06/27/2019
WX	Retained earnings	Mar-19	07/31/2019	Common	7,051	2,847	9,898	Other	100%	08/19/2019
RESA	Retained earnings	Mar-19	08/20/2019	Common	-	7,164	7,164	Shell / CIP	50% each	08/30/2019
RESA	Retained earnings	Mar-19	09/25/2019	Common	124,123	-	124,123	Shell / CIP	50% each	09/27/2019
WX	Retained earnings	Mar-19	12/17/2019	Common	4,599	-	4,599	Other	100%	01/06/2020
WX	Retained earnings	Mar-20	-	Common	19,499	-	19,499	Other	100%	-
RESA	Retained earnings	Mar-20	-	Class B preferred shares	-	1,416	-	CIP	100%	-
RESA	Retained earnings	Mar-20	-	Class D preferred shares	731	-	731	Shell	100%	-
RESA	Retained earnings	Mar-20	-	Common	870	-	870	Shell / CIP	50% each	-
					737,380	11,427	747,391			

## RAÍZEN ENERGIA S.A.

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#### c) Equity valuation adjustments

##### i) Effect of foreign currency translation

Corresponds to the differences in the translation into reais of accounting information of investees with a functional currency different from the Parent Company's.

##### ii) Income from financial instruments designated as hedge accounting

This refers to changes in the fair value of financial instruments arising from hedged cash flows from export revenues for VHP sugar, ethanol and exchange differences on pre-export financing.

##### iii) Actuarial gain (loss)

These arise from gains and losses from adjustment through experience and changes in actuarial assumptions about the defined benefit plan. This component is recognized in other comprehensive income and will never be recycled to statement of income in subsequent years.

##### iv) Changes in equity adjustments, net of taxes:

	2019	Comprehensive income (loss)	2020	Comprehensive income (loss)	2021
Effect of foreign currency translation	(2,475)	163,458	160,983	41,783	202,766
Actuarial losses with defined benefit (DB) plans	(12,526)	(2,927)	(15,453)	2,970	(12,483)
Income (loss) on derivative financial instruments - Hedge accounting	(213,800)	(451,141)	(664,941)	(1,308,648)	(1,973,589)
Total	(228,801)	(290,610)	(519,411)	(1,263,895)	(1,783,306)

#### d) Profit reserve

##### i) Legal reserve

On of March 31, 2021 and 2020, the Company allocated 5% of net income for the year to the legal reserve, in accordance with the bylaws and in compliance with the Brazilian Corporation Law.

##### ii) Tax incentive reserve

State	Tax benefit	Effect at subsidiaries		Note	Impact on statement of income	
		2021	2020		2021	2020
Goiás	Goiás State Industrial Development Program (1)	67,218	64,696	24	67,218	64,696
Mato Grosso do Sul	Term of agreement No. 331/2008 (2)	15,894	15,310	23	15,894	15,310
		83,112	80,006		83,112	80,006

(1) Refers to the Goiás state incentive program "Produzir", which finances of part of the ICMS payment.

(2) Refers to the tax benefit on sugar industrial processing operations in that state, equivalent to 67% of the ICMS debit balance and the matching credit of Ethanol.

The entire amount related to these benefits was allocated to the tax incentive reserve.

## RAÍZEN ENERGIA S.A.

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#### iii) Profits retention reserve

The remaining balance of net income for the year, after allocations for set-up of the legal reserve and provision of dividends, was allocated to this reserve. The Company's bylaws provide that up to 80% of the profit for the year can be allocated to this reserve, for operations and new investments and projects, not exceeding 80% of the share capital.

#### e) Noncontrolling interests

Noncontrolling interests correspond to interest held by these shareholders in the proportion of 26.59% on equity of subsidiary Unimodal Ltda., 15% on equity of subsidiary Biogás, 30% on equity of subsidiary RWXE and 18.50% on equity of subsidiary Raízen Biomassa S.A.

#### f) Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Company shareholders by the weighted average number of common shares issued in the year.

The table below presents information on profit or loss and shares used to calculate basic and diluted earnings per share for the years ended March 31, 2021 and 2020 (in thousands of reais, except for earnings per share):

#### Basic and Diluted:

	2021	2020
<b>Numerator</b>		
Net income for the year	614,180	175,828
Profit or loss available to preferred shareholders	(1,525)	(1,416)
Profit available to common shareholders	612,655	174,412
<b>Denominator:</b>		
Weighted average number of common shares outstanding (in thousands)	7,243,283	7,243,283
Basic and diluted earnings per common share (reais per share)	0.085	0.024

The Company does not have outstanding common shares that may cause dilution or debt convertible into common shares. As such, the basic and diluted earnings per share are equivalent.

## 21. Net operating revenue

	Individual		Consolidated	
	2021	2020	2021	2020
Gross revenue from sales of products and services	9,757,542	8,218,258	33,652,850	32,352,319
Sales taxes	(546,252)	(514,711)	(1,468,847)	(1,568,847)
Returns and cancellations	(28,410)	(19,335)	(49,605)	(30,984)
Trade discounts	(2,538)	(1,176)	(43,593)	(41,874)
Operating revenue, net	9,180,342	7,683,036	32,090,805	30,710,614

# RAÍZEN ENERGIA S.A.

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Operating revenue, net is broken down as follows:

	Individual		Consolidated	
	2021	2020	2021	2020
Net sales and service revenue	10,194,931	7,814,974	33,198,972	30,525,029
Gain (loss) on financial instruments designated as hedge accounting	(1,063,943)	(173,317)	(1,063,943)	(173,317)
Gain (loss) on financial instruments not designated as hedge accounting	49,354	41,379	(44,224)	358,902
Net operating revenue	9,180,342	7,683,036	32,090,805	30,710,614

## 22. Segment information

The information by operating segments is presented consistently with the internal report provided to the main operational decision makers. The main operational decision makers, responsible for allocating resources and evaluating the performance of the operating segments, are the President of the Company (CEO) and the Board of Directors (CA), also responsible for making the Group's strategic decisions.

In 2021, the Company reorganized to focus its operations as an integrated energy company descendant of renewable sources. In this context, the main operational decision makers led to consider the perspective of business activities, resulting in three operating segments: (i) Sugar, (ii) Renewables and (iii) Marketing and services.

- (i) Sugar: refer to sugar production, commercialization, origination, and trading activities.
- (ii) Renewables: refer to the ethanol production, commercialization, origination and trading activities; production and commercialization of bioenergy; resale and trading of electric energy and production and sale of other renewable products (solar energy and biogas). Such business activities were aggregated in a single segment, since its products and services come from renewable sources, use similar technologies and present synergy in its production and distribution process. The combination of these activities results in the clean energy and decarbonization portfolio offered by the Company. The performance of these business activities is assessed in an integrated manner by the decision makers through the operating result.
- (iii) Marketing and services: refer to the activities of negotiation and commercialization of oil products (Diesel and Gasoline).

Due to the changes made, the information by segment from the previous period is being restated as required by CPC 22 / IFRS 8.

### Segment operational results

Segment's performance is evaluated based on the operating result and this information is prepared based on items directly attributable to the segment, as well as those that can be allocated on reasonable bases. There are no transfers and / or eliminations between business segments.

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	Segments			2021	
	Sugar	Renewables	Marketing and services	Non-segmented	Total
Operating revenue, net	11,376,200	15,155,905	5,558,700	-	32,090,805
Cost of sales and services	(9,623,376)	(13,261,114)	(5,535,700)	-	(28,420,190)
Gross profit	1,752,824	1,894,791	23,000	-	3,670,615
Selling expenses	(537,939)	(635,290)	-	-	(1,173,229)
General and administrative expenses	(304,639)	(380,966)	-	-	(685,605)
Other operating (expenses) income, net	(28,143)	45,352	-	-	17,209
Equity accounting result	6,824	(78,733)	-	-	(71,909)
Income before finance income (costs) and income and social contribution taxes	888,927	845,154	23,000	-	1,757,081
Financial income (costs) (i)	-	-	-	(924,778)	(924,778)
Income and social contribution taxes (current and deferred) (i)	-	-	-	(238,355)	(238,355)
Net income for the year	888,927	845,154	23,000	(1,163,133)	593,948
Other information:					
Depreciation and amortization	1,687,098	2,060,618	-	-	3,747,716
Additions to property, plant and equipment and intangible assets	1,041,275	1,063,965	-	-	2,105,240
Net gain arising from changes in fair value and realized gain or loss on biological assets	240,758	200,464	-	-	441,222

	Segments			Restated 2020	
	Sugar	Renewables	Marketing and services	Non-segmented	Total
Operating revenue, net	4,647,000	16,113,114	9,950,500	-	30,710,614
Cost of sales and services	(4,045,042)	(14,296,828)	(9,980,800)	-	(28,322,670)
Gross profit	601,958	1,816,286	(30,300)	-	2,387,944
Selling expenses	(352,410)	(487,715)	-	-	(840,125)
General and administrative expenses	(260,973)	(362,837)	-	-	(623,810)
Other operating (expenses) income, net	166,539	201,665	-	-	368,204
Equity accounting result	4,807	(26,013)	-	-	(21,206)
Income before finance income (costs) and income and social contribution taxes	159,921	1,141,386	(30,300)	-	1,271,007
Financial income (costs) (i)	-	-	-	(932,562)	(932,562)
Income and social contribution taxes (current and deferred) (i)	-	-	-	(64,466)	(64,466)
Net income for the year	159,921	1,141,386	(30,300)	(997,028)	273,979
Other information:					
Depreciation and amortization	1,369,865	1,758,135	-	-	3,128,000
Additions to property, plant and equipment and intangible assets	1,000,307	1,161,723	-	-	2,162,030
Net gain arising from changes in fair value and realized gain or loss on biological assets	5,261	7,620	-	-	12,881

(i) The financial result and taxes on profit, since they are managed within the group, are not allocated to the operating segments.

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The Company monitors the net operating revenue in the domestic and foreign markets, as follows:

		Consolidated
	2021	2020
Foreign market	17,226,467	9,822,672
Domestic market	14,864,338	20,887,942
Total	32,090,805	30,710,614

The breakdown of net operating revenue by product is as follows:

		Consolidated
	2021	2020
Ethanol	12,439,004	11,480,254
Sugar (1)	11,376,188	4,646,782
Diesel (2)	4,139,565	6,782,952
Energy	2,109,567	3,866,040
Gasoline (2)	1,419,153	3,167,655
Other products and services	607,328	766,931
Total	32,090,805	30,710,614

(1) The increase is mainly due to sugar origination operations.

(2) Refers to import of by-products which, given the nature of the operation, may significantly impact revenue and cost, according to market opportunities, but have a limited impact on gross profit.

The main EAB clients in the years ended March 31, 2021 and 2020, which individually represented 5% or more of the Company's total revenues, are as follows:

		Consolidated
Clients	2021	2020
Raízen Combustíveis S.A.	36.04%	41.93%
Petrobrás Distribuidora S.A.	9.62%	12.22%

## Segment operational assets

Since the part of the assets are also used for the production of sugar and renewables the Company segregated these assets by segment through the corresponding cost centers in which they are allocated or apportionment criteria that take into account the production of each product in relation to its total production.

			Segments		2021
	Sugar	Renewables	Marketing and services	Non segmented	Total
Investments (Note 11)	159,720	400,343	-	-	560,063
Property, plant and equipment (Note 12)	4,791,010	6,263,812	2,147	-	11,056,969
Intangible (Note 13)	970,130	816,720	22,643	-	1,809,493
Right of use (Note 15.a)	2,813,670	2,402,252	17,969	-	5,233,891
Total asset by segment	8,734,530	9,883,127	42,759	-	18,660,416
Other current and noncurrent assets (i)	-	-	-	24,869,460	24,869,460
Total assets	8,734,530	9,883,127	42,759	24,869,460	43,529,876
Total liabilities	-	-	-	(36,620,563)	(36,620,563)
Total of assets, net	8,734,530	9,883,127	42,759	(11,751,103)	6,909,313



# RAÍZEN ENERGIA S.A.

## Notes to financial statements

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	Segments			Restated 2020
	Sugar	Renewables	Marketing and services	Non Segmented
Investments (Note 11)	138,092	448,110	-	-
Property, plant and equipment (Note 12)	4,303,437	6,531,505	2,562	-
Intangible (Note 13)	869,786	940,818	20,282	-
Right of use (Note 15.a)	2,130,892	2,253,647	5,790	-
Total asset by segment	7,442,207	10,174,080	28,634	-
Other current and noncurrent assets (i)	-	-	-	27,255,083
Total assets	7,442,207	10,174,080	28,634	27,255,083
Total liabilities	-	-	-	(37,311,827)
Total assets, net	7,442,207	10,174,080	28,634	(10,056,744)
				7,588,177

(i) Refers to other current and non-current assets that are not segmented and that were included in the tables above for purposes of reconciliation with the total assets.

The operating assets related to these segments are located only in Brazil.

## Geographic Information

The percentage of net operating revenue by geographic area is as follows:

	Consolidated	
	2021	2020
Brazil	14,864,338	20,887,942
Asia	6,245,999	2,324,793
North America	5,541,978	5,084,025
South America (1)	2,175,780	1,517,104
Europe	3,033,968	887,537
Other (2)	228,742	9,213
Total	32,090,805	30,710,614

(1) South America (except Brazil).

(2) Africa, Central America, United Arab Emirates and Oceania.

## 23. Costs and expenses by nature

### Reconciliation of costs and expenses by nature

Costs and expenses are shown in statement of income by function. The reconciliation of statement of income by nature for the year ended March 31, 2021 and 2020 is detailed below:

#### a) Costs and expenses by nature:

	Individual		Consolidated	
	2021	2020	2021	2020
Raw materials (1)	(2,940,119)	(2,599,231)	(15,881,742)	(10,291,415)
Purchase of fuel (2)	(123,444)	(136,642)	(5,540,759)	(9,980,844)
Depreciation and amortization	(2,922,449)	(2,540,112)	(3,747,716)	(3,128,170)
Purchase of energy	-	-	(1,556,589)	(2,731,284)
Personnel expenses	(882,585)	(889,622)	(1,283,908)	(1,232,508)
Cutting, loading and transportation (CCT)	(854,464)	(696,180)	(1,134,116)	(937,546)
Maintenance materials	(348,383)	(309,346)	(429,583)	(374,121)
Hired labor	(274,968)	(237,228)	(315,206)	(266,509)
Change in the fair value of biological assets	281,094	(51,244)	468,563	3,195
Realization of the fair value of biological assets	22,636	70,133	(27,341)	9,686
Other expenses	(715,711)	(502,898)	(830,627)	(857,089)
	(8,758,393)	(7,892,370)	(30,279,024)	(29,786,605)

(1) Includes R\$ 15,894 (R\$ 15,310 as of March 31, 2020) referring to ICMS tax incentive. (Note 20.d.ii).

(2) The reduction in the costs of resale of Diesel and Gasoline is mainly due to a lower trading volume of these products at Raízen Trading.

#### b) Classified as:

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	Individual		Consolidated	
	2021	2020	2021	2020
Cost of products sold and services provided	(7,236,547)	(6,732,079)	(28,420,190)	(28,322,670)
Selling	(1,036,979)	(697,331)	(1,173,229)	(840,125)
General and administrative	(484,867)	(462,960)	(685,605)	(623,810)
	<u>(8,758,393)</u>	<u>(7,892,370)</u>	<u>(30,279,024)</u>	<u>(29,786,605)</u>

## 24. Other operating (expenses) revenue, net

	Individual		Consolidated	
	2021	2020	2021	2020
Income from investment grant (Note 20.d.ii)	-	-	67,218	64,696
Recognition of net tax credits	16,982	43,100	57,444	99,582
Income from sale of scrap and waste	13,653	12,077	16,746	14,526
Income (expenses) on sale of property and equipment	12,846	(4,318)	13,907	(3,928)
Recognition of provision for contingencies, net	(75,974)	(61,705)	(81,061)	(71,675)
Income (expenses) on sales transactions (1)	6,237	(35,933)	(36,189)	24,892
Income (expenses) on business combination (2)	(11,447)	219,921	(11,447)	219,921
Set-up of provision for estimated losses on property and equipment (Note 12)	(8,249)	(2,650)	(8,847)	(2,452)
Other	6,324	26,335	(562)	22,642
	<u>(39,628)</u>	<u>196,827</u>	<u>17,209</u>	<u>368,204</u>

- (1) Refers mostly to income (expenses) on washout of certain commercial agreements, within the scope of the Company's commercial strategy in the ordinary course of business.
- (2) Refers to income (expenses) from acquisition of 100% of RZ Agrícola Caarapó Ltda.'s shares and 81.5% of Raízen Biomassa S.A.s' shares. The details of this operation are described in Note 29.

## 25. Financial

	Individual		Consolidated	
	2021	2020	2021	2020
<u>Financial expenses</u>				
Interest	(917,399)	(970,382)	(1,130,848)	(1,144,194)
Holding loss	(301,323)	(120,321)	(324,499)	(137,396)
PIS and COFINS on finance revenues	(23,290)	(22,469)	(30,210)	(31,165)
Other	(12,468)	(71,965)	(23,638)	(72,824)
	<u>(1,254,480)</u>	<u>(1,185,137)</u>	<u>(1,509,195)</u>	<u>(1,385,579)</u>
Fair value of financial instruments payable (Notes 10 and 16)	(6,520)	3,178	(3,066)	(5,874)
Amounts capitalized on qualifying assets (Note 12)	47,785	28,690	54,752	37,748
	<u>(1,213,215)</u>	<u>(1,153,269)</u>	<u>(1,457,509)</u>	<u>(1,353,705)</u>
<u>Financial income</u>				
Interest	83,114	164,266	288,863	349,479
Holding gain and others	55,751	28,231	61,200	29,522
Yields from financial investments	6,007	17,650	24,954	64,334
Other	76	190	90	207
	<u>144,948</u>	<u>210,337</u>	<u>375,107</u>	<u>443,542</u>
Net exchange variation (1)	(237,742)	(576,174)	(229,410)	(670,807)
Net effect of the derivatives (2)	417,040	534,096	387,034	648,408
	<u>(888,969)</u>	<u>(985,010)</u>	<u>(924,778)</u>	<u>(932,562)</u>

- (1) Includes net foreign exchange losses on assets and liabilities denominated in foreign currency; and
- (2) Includes realized and unrealized gains (losses) on futures, options, swaps and NDFs and other derivatives.

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## **Notes to financial statements**

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## **26. Financial instruments**

### **a) Overview**

The Company is exposed to the following risks arising from its operations, which are equalized and managed through certain financial instruments:

- Price risk
- Currency risk
- Interest rate risk
- Credit risk
- Liquidity risk

This note presents information on the Company's exposure to each of the aforementioned risks, its objectives, policies and processes for measuring and managing the risk and managing its capital.

### **b) Risk management structure**

The Company has specific treasury and trading policies that define how risk management should be conducted. To monitor activities and ensure compliance with policies, the Company has the following main committees: (i) Risk Committee that meets weekly to analyze the behavior of the commodities (sugar, ethanol and oil by-products) and foreign exchange markets and deliberate on hedging positions and pricing strategy for exports or imports of products, so as to reduce the adverse effects of changes in prices and exchange rates. (ii) Ethanol Committee that meets monthly to assess the risks associated with the sale of ethanol and to adjust them to the limits defined in the risk policies; as well as to monitor the liquidity and counterparty (credit) risks; (iii) Electricity committee, which meets weekly to assess the risks related to the sale of energy and to adjust them to the limits defined in the risk policies.

The Company and its subsidiaries are exposed to the following significant market risks: (i) fluctuations in the prices of sugar, electricity, oil by-products and ethanol; (ii) fluctuations in exchange rates; and (iii) fluctuations in interest rates. The financial instruments for hedging purposes are taken out by analyzing the risk exposure to which management seeks coverage.

On March 31, 2021 and 2020, the fair values related to transactions involving derivative financial instruments for hedging or other purposes were measured at fair value through observable inputs, such as prices quoted in active markets or discounted cash flows based on market curves, and are presented below:

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	Individual		Consolidated	
	Notional amount		Fair value	
	2021	2020	2021	2020
<u>Price risk</u>				
Commodity derivatives				
Futures and options	9,730,270	4,739,805	(1,245,924)	1,294,503
	9,730,270	4,739,805	(1,245,924)	1,294,503
<u>Foreign exchange rate risk</u>				
Foreign exchange rate derivatives				
Futures contracts	(333,291)	280,730	8,921	(1,355)
Forward contracts	8,573,423	8,679,750	(359,346)	(1,227,282)
FX lock exchange	-	-	-	-
FX swap	(2,546,238)	(5,980,689)	17,366	132,443
	5,693,894	2,979,791	(333,059)	(1,096,194)
<u>Interest rate risk</u>				
Interest rate swap	(3,613,047)	(6,035,896)	254,562	104,488
	(3,613,047)	(6,035,896)	254,562	104,488
Total			(1,324,421)	302,797
Current assets			2,172,549	2,766,327
Noncurrent assets			1,544,977	1,484,248
Total assets			3,717,526	4,250,575
Current liabilities			(3,368,764)	(2,704,909)
Noncurrent liabilities			(1,673,181)	(1,242,869)
Total liabilities			(5,041,945)	(3,947,778)

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### c) Price risk

Price risk arises from the possibility of fluctuation in the market prices of products traded by the Company and its subsidiaries, mainly VHP sugar (sugar #11), refined sugar (#5 or white sugar), ethanol, electricity and oil by-products. These price fluctuations may lead to material changes in the Company's sales revenues. To mitigate this risk, the Company constantly monitors the market to anticipate price changes. The positions of derivative financial instruments used to hedge against the commodities price risk outstanding on March 31, 2021 are as follows:

Consolidated							
Price risk: commodity derivatives outstanding							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	ICE	Sugar#11	Apr/21 to Sep/23	11,417,077 t	18,709,413	(2,275,051)
Futures	Short	NYSE LIFFE	Sugar#5	Apr/21 to Sep/21	233,250 t	569,583	17,927
Options	Short	ICE	Sugar#11	Sep-21	541,706 t	31,567	(49,455)
Futures	Short	OTC	Sugar#11	Apr/21 to Feb/22	264,172 t	365,390	(129,185)
Futures	Short	ICE	Sugar#11	Apr/21 to Jun/23	44,482 t	87,472	2,557
Subtotal – sugar futures short position					12,500,687 t	19,763,425	(2,433,207)
Futures	Long	ICE	Sugar#11	Apr/21 to Sep/23	(6,144,601) t	(9,998,041)	1,427,718
Futures	Long	NYSE LIFFE	Sugar#5	Apr/21 to Nov/21	(41,700) t	(103,213)	(3,898)
Options	Long	ICE	Sugar#11	Apr/22 to Sep/23	(441,727) t	(22,688)	25,692
Futures	Long	ICE	Sugar#11	May/21 to Mar/22	(71,130) t	(142,926)	(7,788)
Subtotal – sugar futures long position					(6,699,158) t	(10,266,868)	1,441,724
Physical fixed	Short	ICE	Sugar#11	Apr/21 to Jun/23	807,201 t	1,467,526	17,960
Subtotal – sugar physical fixed short position					807,201 t	1,467,526	17,960
Physical fixed	Long	ICE	Sugar#11	Apr/21 to Mar/22	(187,735) t	(361,210)	(9,659)
Subtotal – sugar physical fixed long position					(187,735) t	(361,210)	(9,659)
Subtotal – sugar futures					6,420,995 t	10,602,873	(983,182)
Futures	Short	B3	Ethanol	Apr/21 to Nov/21	81,600 m³	188,794	(1,861)
Futures	Short	CME	Ethanol	Apr/21 to Mar/22	1,151,235 m³	2,975,583	(135,349)
Futures	Short	OTC	Ethanol	Apr/21 to Mar/22	664,963 m³	864,691	(51,722)
Options	Short	CME	Ethanol	Apr/21 to Jun/21	(51,675) m³	(5,785)	8,517
Subtotal – ethanol futures short position					1,846,123 m³	4,023,283	(180,415)
Futures	Long	B3	Ethanol	Apr/21 to Dec/21	(140,040) m³	(338,999)	3,907
Futures	Long	CME	Ethanol	Apr/21 to Dec/21	(1,028,830) m³	(2,482,109)	112,063
Futures	Long	OTC	Ethanol	Apr/21 to Mar/22	(536,893) m³	(760,371)	50,751
Subtotal – ethanol futures long position					(1,705,763) m³	(3,581,479)	166,721
Physical fixed	Short	CHGOETHNL	Ethanol	Apr/21 to Dec/21	491,570 m³	1,321,322	(58,583)
Subtotal – ethanol physical fixed short position					491,570 m³	1,321,322	(58,583)

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						Consolidated	
						Price risk: commodity derivatives outstanding	
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Physical fixed	Long	CHGOETHNL	Ethanol	Apr/21 to Dec/21	(605,624) m³	(1,638,506)	49,696
Subtotal – ethanol physical fixed long position					(605,624) m³	(1,638,506)	49,696
Subtotal – ethanol futures					26,306 m³	124,620	(22,581)
Futures	Short	NYMEX	Gasoline	Apr/21 to Dec/21	444,087 m³	1,035,082	(167,161)
Futures	Short	ICE	Gasoline	May/21 to Dec/22	186,030 m³	368,640	(32,518)
Futures	Short	CME	Gasoline	Apr/21 to Jun/21	22,260 m³	1,250	(463)
Options	Short	ICE	Gasoline	Apr/21 to Sep/21	715,500 m³	61,105	(51,723)
Options	Short	NYMEX	Gasoline	May/21 to Nov/21	298,920 m³	68,424	(162,519)
Subtotal - Gasoline futures short position					1,666,797 m³	1,534,501	(414,384)
Futures	Long	NYMEX	Gasoline	Apr/21 to Sep/21	(247,881) m³	(659,257)	40,099
Futures	Long	CME	Gasoline	Apr/21 to Jun/21	(22,260) m³	(905)	809
Futures	Long	ICE	Gasoline	May/21 to Dec/22	(186,030) m³	(369,972)	33,365
Options	Long	ICE	Gasoline	Apr/21 to Sep/21	(588,300) m³	(56,274)	44,054
Options	Long	NYMEX	Gasoline	May/21 to Feb/22	(306,870) m³	(67,604)	25,914
Subtotal - Gasoline futures long position					(1,351,341) m³	(1,154,012)	144,241
Subtotal - Gasoline futures					315,456 m³	380,489	(270,143)
Physical fixed	Short	OTC	Energy	Apr/21 to Dec/32	18,457,918 mwh	3,897,848	(199,577)
Subtotal – energy physical fixed short position					18,457,918 mwh	3,897,848	(199,577)
Physical fixed	Long	OTC	Energy	Apr/21 to Dec/32	(18,457,918) mwh	(3,602,026)	396,099
Subtotal – energy physical fixed long position					(18,457,918) mwh	(3,602,026)	396,099
Subtotal - energy physical fixed					- mwh	295,822	196,522
Net exposure of commodity derivatives as of March 31, 2021						11,403,804	(1,079,384)
Net exposure of commodity derivatives as of March 31, 2020						5,455,090	1,731,213

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### d) Foreign exchange rate risk

Currency risk derives from the possibility of fluctuations in exchange rates used by the Company for revenue from export, import, debt flows and other assets and liabilities in foreign currency. The Company uses derivatives to manage cash flow risks arising from export revenues denominated in US dollars, net of other foreign currency denominated cash flows. The positions of derivative financial instruments used to hedge against currency risk are as follows:

							Consolidated
Price risk: foreign exchange derivatives outstanding							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (US\$ thousand)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial dollar	Apr/21 to May/21	373,500	2,127,942	21,007
Futures	Short	CME	Commercial euro	Apr/21 to Jun/21	48,750	277,743	3,574
Options	Short	B3	Commercial dollar	Jul/22 to Oct/22	7,866	44,816	(22)
Subtotal – futures short position					430,116	2,450,501	24,559
Futures	Long	B3	Commercial dollar	Apr/21 to May/21	(325,500)	(1,854,471)	(15,920)
Futures	Long	CME	Commercial euro	Apr/21 to Jun/21	(48,750)	(277,743)	(1,718)
Options	Long	B3	Foreign Exchange Options	Apr/21 to Oct/22	(114,366)	(651,578)	2,000
Subtotal - futures long position					(488,616)	(2,783,792)	(15,638)
Forward	Short	OTC/Cetip	NDF	Apr/21 to Jun/21	3,316,466	18,894,902	(435,262)
Forward	Long	OTC/Cetip	NDF	Apr/21 to Jun/21	(1,811,644)	(10,321,479)	75,916
Subtotal – forward – long/short positions					1,504,822	8,573,423	(359,346)
Exchange swap	Short	OTC	Exchange swap	Oct/21 to Jan/27	524,497	2,988,217	(1,475,395)
Exchange swap	Long	OTC	Exchange swap	Oct/21 to Jan/27	(971,417)	(5,534,455)	1,492,761
Subtotal - swap					(446,920)	(2,546,238)	17,366
Locked-in exchange	Short	OTC	Locked-in exchange	Jun/21 to Sep/21	18,723	106,669	3,271
Locked-in exchange	Long	OTC	Locked-in exchange	Jun/21 to Sep/21	(10,723)	(61,094)	(1,771)
Subtotal – Locked-in Exchange short position					8,000	45,575	1,500
Net exposure of foreign exchange derivatives on March 31, 2021					1,007,402	5,739,469	(331,559)
Net exposure of foreign exchange derivatives on March 31, 2020					492,161	2,558,601	(1,013,341)

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On March 31, 2021 and 2020, the summary of quantitative data on the Company's currency risk accounting exposure is as follows:

	Consolidated	
	2021	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	2,749,962	482,678
Restricted cash (Note 4)	860,614	151,056
Trade accounts receivable (Note 5)	701,661	123,157
Related parties (Note 10)	4,490,642	788,205
Suppliers (Note 14)	(2,511,479)	(440,819)
Loans and financing (Note 16)	(8,123,800)	(1,425,903)
Derivatives financial instruments (Note 26.d) (i)	-	(1,007,402)
Currency exposure, net	(1,832,400)	(1,329,028)
Derivatives settled in the month following closing (ii)		152,250
Net currency exposure, adjusted on March 31, 2021 (iii)		(1,176,778)
Net currency exposure, adjusted on March 31, 2020 (iii)		(639,421)

(i) This refers to the notional foreign exchange derivative transactions.

(ii) Settlement at PTAX on the last day of the closing month.

(iii) The net foreign exchange exposure, this will be substantially offset by probable future revenues of export products and/or import products.

### e) Hedge accounting effect

The Company formally designates transactions subject to hedge accounting by documenting: (i) the hedging relationship; (ii) the Company's risk management objective and strategy in adopting hedge; (iii) identification of the financial instrument; (iv) the hedged item or transaction; (v) the nature of the risk to be hedged; (vi) a description of the hedging relationship; and (vii) evidence of the correlation between hedge and hedged item.



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On March 31, 2021 and 2020, the impacts recognized in the Company's equity and the estimated realization in statement of income are as follows:

Financial instruments	Market	Risk	Realization period				
			2020/21	2021/22	Above 2022	2021	2020
Futures	OTC / ICE	Sugar#11 Sugar#5	6,041	(722,668)	(274,704)	(991,331)	862,063
Futures	B3 / NYMEX / OTC	Ethanol	-	(277,432)	-	(277,432)	303,960
Options	ICE	Sugar#11	-	(5,027)	(14,682)	(19,709)	135,346
NDF	OTC	FX	(11,684)	(585,142)	(9,097)	(605,923)	(1,311,720)
Swap	Debt	FX	-	-	(1,010,576)	(1,010,576)	(924,290)
PPE	Debt	FX	-	-	(85,316)	(85,316)	(72,847)
			(5,643)	(1,590,269)	(1,394,375)	(2,990,287)	(1,007,488)
(-) Deferred taxes			1,919	540,691	474,088	1,016,698	342,547
Effect on equity on March 31			(3,724)	(1,049,578)	(920,287)	(1,973,589)	(664,941)

Below are the changes in balances in other comprehensive income (loss) for the year:

	2021	2020
Beginning balance	(664,941)	(213,800)
Gains/(losses) incurred in the year:		
Fair value of commodity futures designated as hedge accounting	(2,467,480)	1,459,714
Gain (loss) on foreign exchange forwards fair value designated as hedge accounting	(515,370)	(1,665,618)
Foreign exchange differences on debt contracts designated as hedge accounting	(98,755)	(650,346)
Gain (loss) on commodities in net operating revenue and other operating income and expenses	(128,363)	(246,134)
Gain (loss) on foreign exchange forwards in net operating revenue and other operating income and expenses	1,227,168	418,833
Total changes in the year	(1,982,800)	(683,551)
Effect of deferred taxes on equity adjustment	674,152	232,410
	(1,308,648)	(451,141)
Balance at March 31	(1,973,589)	(664,941)

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### Notes to financial statements

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#### f) Interest rate risk

The Company monitors fluctuations in variable interest rates related to certain debts, especially those linked to Libor and, when necessary, uses derivative instruments to minimize these risks. The positions of derivative financial instruments used to hedge against the interest rate risk are as follows:

					Consolidated		
					Price risk: interest derivatives outstanding		
Derivatives	Long / Short	Market	Agreement	Maturity	Notional (US\$ thousand)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Interest rate swap	Long	OTC	Interest rate swap	Dec/21 to Jun/30	(671,881)	(3,827,905)	318,475
Net exposure of interest derivatives as of March 31, 2021					(671,881)	(3,827,905)	318,475
Net exposure of interest derivatives as of March 31, 2020					(550,043)	(2,859,509)	158,385

#### g) Credit risk

A substantial part of the sales made by the Company and its subsidiaries is intended for a select group of highly qualified counterparties, such as trading companies, fuel distribution companies, electricity distributors and large supermarket chains.

Credit risk is managed by specific rules for clients acceptance, credit analysis and establishment of exposure limits per clients, including, when applicable, requirement of letter of credit from first-tier banks and capturing security interest on loans granted. Management considers that the credit risk is substantially covered by the allowance for expected credit losses.

Individual risk limits are determined based on internal or external ratings, according to the limits determined by the Company management. The use of credit limits is regularly monitored. No credit limits were exceeded during the year, and management does not expect any losses from non-performance by the counterparties at an amount higher than that already provisioned.

The Company operates commodity derivatives in the New York – NYBOT, Chicago – CBOT and London – LIFFE futures and options markets, as well as in the over the counter (OTC) market with selected counterparties. The Company operates commodity exchange rate derivatives and over-the-counter contracts registered with B3, mainly with the main national and international banks considered Investment Grade by international rating agencies.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

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**Guarantee margins** - Derivative transactions on commodity exchanges (NYBOT, LIFFE and B3) require guarantee margins. The total consolidated margin deposited on March 31, 2021 amounts to R\$ 918,256 (R\$ 147,840 on March 31, 2020), of which R\$ 57,642 (R\$ 20,408 on March 31, 2020) in restricted short-term investments and R\$ 860,614 (R\$ 127,432 on March 31, 2020) in derivative transaction margin.

The Company's derivative transactions over the counter do not require a guarantee margin.

Credit risk on cash and cash equivalents is mitigated through the conservative distribution of investment funds and CDBs (Note 3) that make up the item. The distribution follows strict criteria for allocation and exposure to counterparties, which are the main local and international banks considered, in their majority, as Investment Grade by the international rating agencies.

### h) Liquidity risk

Liquidity risk is that in which the Company may encounter difficulties in honoring the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach to liquidity risk management is to ensure, as much as possible, that there is always sufficient liquidity to meet obligations upon their maturity, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the Company's reputation. As part of the liquidity management process, management prepares business plans and monitors their execution, discussing the positive and negative cash flow risks and assessing the availability of financial resources to support its operations, investments and refinancing needs.

The table below shows the maturity of financial liabilities:

	Consolidated				
	March 31, 2021				
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing (1)	1,861,401	1,112,734	6,212,588	12,306,172	21,492,895
Suppliers (Note 14)	4,253,193	-	-	-	4,253,193
Derivative financial instruments	4,138,301	509,423	76,128	1,182,749	5,906,601
Related parties (1) (*)	1,217,116	-	-	569,930	1,787,046
Third party and related party lease liabilities (1)	1,266,484	1,258,635	2,519,193	1,788,465	6,832,777
At March 31, 2021	12,736,495	2,880,792	8,807,909	15,847,316	40,272,512
At March 31, 2020	16,116,776	2,880,324	7,855,424	12,517,715	39,370,239

(1) Undiscounted contractual cash flows.

(\*) Except related parties lease liabilities.

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements**

**March 31, 2021**

(In thousands of reais, unless otherwise stated)

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#### **i) Fair value**

The fair value of financial assets and liabilities is the amount for which a financial instrument may be exchanged in a current transaction between willing parties, other than 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, trade accounts receivable, other financial assets, suppliers, related parties and other short-term obligations approximates the respective carrying amount, mostly due to the short-term maturity of these instruments. The fair value of other long-term assets and liabilities does not differ significantly from their carrying amount.

The fair value of loans and financing substantially approximates the amounts recorded in the financial statements as these financial instruments are subject to variable interest rates (Note 16).

Derivatives measured by valuation techniques with observable market data refer mostly to interest rate swaps, foreign exchange forward contracts and commodities forward contracts. More frequently applied valuation techniques include pricing models of forward contracts and swaps, discounted to present value. The models include various inputs, including in connection with the creditworthiness of the counterparties, spot and forward foreign exchange rates, interest rate curves and forward rate curves of the hedged commodity.

The financial instruments are classified into the following categories:

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## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

		Consolidated			
		Book value		Fair value	
	Classification	2021	2020	2021	2020
Financial assets					
Cash and cash equivalents, except investments (Note 3)	Amortized cost	2,781,347	4,468,550	2,781,347	4,468,550
Interest earnings bank deposits (Note 3)	Fair value through profit or loss	1,261,619	2,005,197	1,261,619	2,005,197
Restricted cash, except restricted investments (Note 4)	Amortized cost	860,614	127,432	860,614	127,432
Restricted financial investments (Note 4)	Fair value through profit or loss	57,681	52,754	57,681	52,754
Trade accounts receivable (Note 5)	Amortized cost	1,421,788	1,166,380	1,421,788	1,166,380
Derivative financial instruments (2)	Fair value through profit or loss	4,814,135	6,218,392	4,814,135	6,218,392
Related parties (Note 10)	Amortized cost	6,251,559	6,944,936	6,251,559	6,944,936
Other financial assets (Note 9)	Amortized cost	264,323	573,041	264,323	573,041
		17,713,066	21,556,682	17,713,066	21,556,682
Financial liabilities					
Loans and financing (Note 16) (1)	Amortized cost	(7,647,344)	(9,685,655)	(8,058,593)	(9,809,988)
Loans and financing (Note 16)	Fair value through profit or loss	(8,920,681)	(6,860,187)	(8,920,681)	(6,860,187)
Derivative financial instruments (2)	Fair value through profit or loss	(5,906,601)	(5,342,135)	(5,906,601)	(5,342,135)
Suppliers (Note 14)	Amortized cost	(4,253,193)	(6,110,835)	(4,253,193)	(6,110,835)
Related parties (Note 10)	Amortized cost	(2,608,394)	(2,232,722)	(2,608,394)	(2,232,722)
		(29,336,213)	(30,231,534)	(29,747,462)	(30,355,867)

(1) These are stated net of security placement costs.

(2) As of March 31, 2021, these include derivatives designated as hedging instruments in the amount of R\$ 2,990,287 (R\$ 1,007,488 in 2020).

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### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

#### Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments using valuation techniques:

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

Financial instruments are classified as follows:

	Consolidated		
Financial instruments measured at fair value as of March 31, 2021	Level 1	Level 2	Total
Interest earnings bank deposits (Note 3)	-	1,261,619	1,261,619
Restricted financial investments (restricted cash) (Note 4)	-	57,681	57,681
Derivative financial instruments - assets	2,191,353	2,622,782	4,814,135
Loans and financing (Note 16)	-	(8,920,681)	(8,920,681)
Derivative financial instruments - liabilities	(3,455,864)	(2,450,737)	(5,906,601)
<b>Total as of March 31, 2021</b>	<b>(1,264,511)</b>	<b>(7,429,336)</b>	<b>(8,693,847)</b>
<b>Total as of March 31, 2020</b>	<b>1,422,948</b>	<b>(5,348,927)</b>	<b>(3,925,979)</b>

As of March 31, 2021 and 2020, there were no transfers between these levels to determine the fair value of financial instruments.

#### j) Sensitivity analysis

Below is the sensitivity analysis of the fair value of financial instruments according to the types of risk considered significant by the Company, pursuant to CVM Ruling No. 475 issued on March 17, 2008.

#### Assumptions for sensitivity analysis

The Company adopted three scenarios for its sensitivity analysis, one probable and two that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the futures market curves for sugar and the US dollar on March 31, 2021, corresponding to the balance of the derivatives' fair value on that date. Possible and remote adverse scenarios were defined considering adverse impacts of 25% and 50% on sugar and US dollar price curves, which were considered the basis for the probable scenario.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

## Sensitivity analysis tables

### ii) Sensitivity about changes in the fair value of financial instruments

		Impact on profit or loss (*)				
		March 31, 2021				
	Risk factor	Probable scenario	Possible scenario (25%)	Fair value balance	Remote scenario (50%)	Fair value balance
<b>Price risk</b>						
Commodity derivatives						
Futures and options						
Purchase and sale commitments	Sugar price increase	(991,483)	(2,618,251)	(3,609,734)	(5,236,501)	(6,227,984)
Purchase and sale commitments	Gasoline price increase	(270,143)	(125,177)	(395,320)	(250,354)	(520,497)
Purchase and sale commitments	Energy price increase	196,521	27,589	224,110	55,178	251,699
Purchase and sale commitments	Ethanol price increase	(14,279)	(135,533)	(149,812)	(271,067)	(285,346)
		(1,079,384)	(2,851,372)	(3,930,756)	(5,702,744)	(6,782,128)
<b>Currency risk</b>						
Exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	US dollar increase	8,921	(67,377)	(58,456)	(134,753)	(125,832)
Locked-in exchange contracts:						
Purchase and sale commitments	US dollar increase	1,500	(11,019)	(9,519)	(22,037)	(20,537)
Forwards:						
Purchase and sale commitments	US dollar increase	(359,346)	(2,589,172)	(2,948,518)	(5,178,344)	(5,537,690)
FX swaps:						
Purchase and sale commitments	US dollar decrease	17,366	(472,340)	(454,974)	(944,679)	(927,313)
		(331,559)	(3,139,908)	(3,471,467)	(6,279,813)	(6,611,372)
<b>Interest rate risk</b>						
Swap, Forward and Futures contracts	Interest rate decrease	318,475	9,943	328,418	19,886	338,361
		318,475	9,943	328,418	19,886	338,361
Total		(1,092,468)	(5,981,337)	(7,073,805)	(11,962,671)	(13,055,139)

(\*) Result projected to occur in up to 12 months from March 31, 2021.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

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(In thousands of reais, unless otherwise stated)

As of March 31, 2021, the commodity and foreign exchange futures curves used in the aforementioned sensitivity analysis were as follows:

	Position	Scenarios		
		Probable	Possible	Remote
Sugar price increase – R\$/ton	Short	1,898	2,372	2,847
Gasoline price increase - R\$/m³	Short	2,620	3,275	3,931
Energy price increase - R\$/mwh	Short	220	275	330
Ethanol price increase - R\$/m³	Short	2,379	3,093	3,712
Exchange rate increase - R\$/US\$	Short	5.79	7.23	8.68
Exchange rate decrease - R\$/US\$	Long	5.79	4.34	2.89
Interest rate decrease - % p.y.	Long	2.65	1.99	1.33

#### iii) Foreign exchange exposure, net

The probable scenario considers the position on March 31, 2021. The effects of the possible and remote scenarios that would be posted to the consolidated statement of profit or loss as foreign exchange gains (losses) are as follows:

		Effect of exchange-rate changes			
		Scenarios			
Currency exposure, net		Possible +25%	Remote +50%	Possible -25%	Remote -50%
<b>March 31, 2021</b>					
Cash and cash equivalents (Note 3)	2,749,962	687,491	1,374,981	(687,491)	(1,374,981)
Restricted cash (Note 4)	860,614	215,154	430,307	(215,154)	(430,307)
Trade accounts receivable (Note 5)	701,661	175,415	350,831	(175,415)	(350,831)
Related parties (Note 10)	4,490,642	1,122,661	2,245,321	(1,122,661)	(2,245,321)
Suppliers (Note 14)	(2,511,479)	(627,870)	(1,255,740)	627,870	1,255,740
Loans and financing (Note 16)	(8,123,800)	(2,030,950)	(4,061,900)	2,030,950	4,061,900
Impact on statement of income for the year		(458,099)	(916,200)	458,099	916,200

#### iv) Interest rate sensitivity

As of March 31, 2021, the probable scenario considers the weighted annual average rate of fixed interest on the Company's loans and financing, and for short-term investments and restricted cash, the CDI accumulated over the past 12 months. In both cases, simulations were performed with an increase and decrease of 25% and 50%. The consolidated results of this sensitivity analysis are presented below:



## RAÍZEN ENERGIA S.A.

### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

	Probable	Interest rate sensitivity			
		Scenarios			
		Possible +25 %	Remote +50 %	Possible -25 %	Remote -50 %
Interest earnings bank deposits	26,757	6,689	13,379	(6,689)	(13,379)
Interest earning bank deposits (restricted cash)	1,279	320	640	(320)	(640)
Loans and financing	(590,677)	(147,669)	(295,339)	147,669	295,339
Additional impact in income (loss) for the year	(562,641)	(140,660)	(281,320)	140,660	281,320

As of March 31, 2021, the rates used in the sensitivity analysis were as follows:

	Probable	Scenarios			
		Possible +25 %	Remote +50 %	Possible -25 %	Remote -50 %
CDI accumulated – % p.y.	2,12	2,65	3,18	1,59	1,06
Post-fixed interest on loans and financing – % p.y.	5,12	6,40	7,68	3,84	2,56

### k) Capital management

The Company's objective when managing its capital structure is to ensure its ability to continue as a going concern and to finance investment opportunities, maintaining a healthy credit profile and offering an adequate return to its shareholders.

The Company maintains relationship with the main local and international rating agencies, as shown below:

Agency	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	05/28/2020
	Global	BBB	Negative	05/28/2020
Moody's	National	Aaa.Br	Stable	12/09/2020
	Global	Baa3	Stable	12/09/2020
Standard & Poor's	National	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

The Raízen Group monitors its capital through a combined treasury management of its business, using a leverage ratio represented by debt divided by equity.

The third-party capital, which comprises the Raízen Energia net debt, is calculated based on total loans and financing in the market, less cash and cash equivalents, export prepayment receivable in the Group, investments and trade notes held as collateral for debt items, and derivative financial instruments taken out to hedge indebtedness.

Financial leverage ratios on March 31, 2021 and 2020 were calculated as follows:

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

		Consolidated
	2021	2020
<b>Third party capital</b>		
Loans and financing (Note 16)	16,568,025	16,545,842
(-) Cash and cash equivalents (Note 3)	(4,042,966)	(6,473,747)
(-) Financial investments linked to financing (Note 4)	(39)	(32,346)
(-) National Treasury Certificates - CTN (Note 9)	(24,206)	(297,459)
(-) Intragroup pre-export financing (Note 10.a.3)	(3,132,354)	(2,795,958)
(-) Foreign exchange and interest rate swaps and other derivatives	(335,841)	(373,681)
	9,032,619	6,572,651
<b>Own capital</b>		
Equity		
Attributable to shareholders of Parent Company	6,824,400	7,481,750
Interest of non-controlling shareholders	84,913	106,427
	6,909,313	7,588,177
<b>Total own capital and third-parties</b>	15,941,932	14,160,828
<b>Leverage ratio</b>	57%	46%

## 27. Retirement supplementation plan and other employee benefits

### (a) Pension fund

#### Defined contribution

The Company sponsors the retirement plan Raiz, administered by Raizprev – Entidade de Previdência Privada, a closed nonprofit supplementary pension plan entity.

The Entity has administrative, equity and financial autonomy, and its objective is to administer and provide private pension plans, as defined in the Benefit Plan Regulations.

The Company has legal and contractual obligations that could give rise to the need to make additional extraordinary contributions in case of shortfall.

In the year ended March 31, 2021, the contribution recognized as an expense totaled R\$ 15,665 (R\$ 15,393 in the year ended March 31, 2020).

### (b) Profit sharing

The Company recognizes a liability and an expense for profit sharing based on a methodology that considers previously defined goals of employees. The Company recognizes a provision when it is contractually bound or when there is a past practice that has created a constructive obligation.

## RAÍZEN ENERGIA S.A.

### Notes to financial statements

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## 28. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with their assets and operations.

The contracted coverages are based on a careful study of risks and losses, and the types of insurance taken out are considered by management to be sufficient to cover any claims, considering the nature of the activities of the Company and its subsidiaries. As of March 31, 2021, the details are as follows:

Assets covered	Coverage	Insured amount
Operational risks	Fire, lightning, explosion, among others	1,000,748
General civil liability	Third-party claims	320,000
		<u>1,320,748</u>

- (1) Includes the amount of CHF 15,000, equivalent to R\$ 89,521, referring to coverage taken out exclusively for Raízen Trading.  
(2) The amount includes coverage for the Raízen Group (RESA and RCSA).

## 29. Corporate reorganization

### 1) Transactions carried out in the year ended March 31, 2021

#### (i) RZ Agrícola Caarapó Ltda.

As of December 31, 2020, the Company completed the price allocation of the assets acquired and liabilities assumed by the Company in the process of acquisition of Nova América Agrícola Ltda., as mentioned in Note 29 to the financial statements as of March 31, 2020.

The main differences between preliminary and final gains on bargain purchase are shown below:

Changes	Total
Fair value of net assets	364,019
(-) Total cost of acquisition	(162,434)
<b>Preliminary gain on bargain purchase</b>	<b><u>201,585</u></b>
(-) Advance to supplier	(7,092)
(-) Property, plant and equipment (Note 12.b)	(4,355)
(=) Final adjustments – bargain purchase (Note 11.b and 24)	<b>(11,447)</b>
<b>Final gain on bargain purchase</b>	<b><u>190,138</u></b>

## **RAÍZEN ENERGIA S.A.**

### **Notes to financial statements**

**March 31, 2021**

(In thousands of reais, unless otherwise stated)

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#### **2) Transactions carried out in the year ended March 31, 2020**

##### **(i) Raízen Biomassa S.A.**

On October 1, 2019, RESA and Cosan entered into an agreement for purchase and sale of shares and other covenants for acquisition by RESA of 81.5% of the shares held by Cosan in Raízen Biomassa S.A. "Biomassa" (formerly known as Cosan Biomassa S.A.) for R\$1.00 (one real) each, assuming the debts of Biomassa. The debts had collaterals of Cosan, which were transferred to Raízen after the acquisition was completed.

The Biomassa Share Purchase and Sale Agreement was signed on October 1, 2019 and the transaction was completed on December 2, 2019, after the covenants were fully implemented. The fair value was considered based on the balances of Biomassa on such date.

Biomassa is engaged in the production and sale of bagasse pellets and sugarcane straw. Sales of pellets represented R\$ 9.2 million in the year ended December 31, 2018. Thus, despite being an embryonic market, RESA is capable of generating outputs.

Through this investment, RESA aims to capture synergies that were suppressed, and insert the company in the business of producing and selling sugarcane biomass pellets and straw, consolidating Raízen's position as an integrated player in the Energy sector.

## RAÍZEN ENERGIA S.A.

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In accordance with IFRS 3/CPC15 – Business combination, the preliminary fair value of assets acquired, and liabilities assumed on the date of acquisition of Biomassa is presented below. The difference between the amount paid and the net assets at fair value resulted in the recognition of bargain purchase.

Changes	Total
Cash and cash equivalents	154
Derivative financial instruments - assets	4,729
Inventories	18,421
Recoverable taxes	20,186
Other receivables	1,817
Deferred income tax and social contribution (Note 17.b,3)	62,242
Property, plant and equipment (Note 12.b)	141,267
Intangible assets (Note 13.b)	264
Right of use (Note 15.a.b)	24
Loans and financing	(212,426)
Suppliers	(1,808)
Related parties	(10,784)
Other liabilities	(1,554)
Lease liabilities (Note 15.b)	(34)
Net assets (i)	22,498
Raízen interest (81.5%)	(18,336)
(-) Cost of acquisition	-
<b>Bargain purchase (Note 11.b and 24)</b>	<b>18,336</b>

Minority interest (18.5%) equivalent to R\$ 4,162

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison and cost technique: the valuation model considers the market prices quoted for similar items, when available, and depreciated replacement costs, when applicable. The depreciated replacement cost reflects adjustments of physical deterioration, as well as the functional and economic obsolescence. The fair value of property, plant and equipment items on the acquisition date amounted to approximately R\$ 141,267, which represented an adjustment of around R\$ 49,318.

Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

#### (ii) RZ Agrícola Caarapó Ltda.

On October 25, 2019, RESA entered into a Share Purchase and Sale Agreement with Nova América Agrícola Ltda., which provides for the terms and conditions for the acquisition of RZ Agrícola Caarapó Ltda. shares held by Nova América Agrícola Ltda. (100% of the capital) for R\$162,434.

## RAÍZEN ENERGIA S.A.

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In accordance with IFRS 3/CPC15, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of RZ Agrícola Caarapó is represented below. The difference between the amount paid and the net assets at fair value resulted in the recognition of gain on bargain purchase.

Changes	Total
Cash and cash equivalents	167
Accounts receivable	1,311
Inventories	15,079
Biological assets (Note 7)	46,595
Other receivables	12,613
Judicial deposits	1,696
Deferred income tax and social contribution (Note 17.b.3)	7,293
Property, plant and equipment (Note 12.b)	314,004
Suppliers	(10,057)
Salaries and social charges	(3,426)
Taxes and charges	(1,295)
Other liabilities	(13,463)
Provision for legal disputes	(6,498)
<b>Net assets</b>	<b>364,019</b>
(-) Cost of acquisition	(162,434)
<b>Bargain purchase (Note 11.b and 24)</b>	<b>201,585</b>

The valuation techniques used to measure the fair value of the significant assets acquired were as follows:

Assets acquired	Valuation technique
Property, plant and equipment	Market comparison and cost technique: the valuation model considers the market prices quoted for similar items, when available, and depreciated replacement costs, when applicable. The depreciated replacement cost reflects adjustments of physical deterioration, as well as the functional and economic obsolescence. The fair value of property, plant and equipment items on the acquisition date amounted to approximately R\$ 314 million, which represented an adjustment of around R\$ 29 million.

Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### 30. Cash flow supplementary information

#### a) Reconciliation of cash flows from financing activities

The reconciliation of cash flows from financing activities for the year ended March 31, 2021 is shown below:

					Individual	
(Assets)/Liabilities	Financial investments linked to finance	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Dividend s payable Total
Opening balance	(157)	10,089,430	3,104,532	740,564	1,860,533	3,017 15,797,91
Transactions with impact on Financial Cash Flow (“FCF”)						
Funding from third-party loans and financing	-	1,760,027	-	-	-	- 1,760,027
Amortizations of principal of third-party loans and financing	-	(3,298,496)	-	-	-	- (3,298,496)
Amortization of interest on third party loans and financing	-	(413,330)	-	-	-	- (413,330)
Amortizations of third-party lease liabilities	-	-	(867,113)	-	-	- (867,113)
Amortizations of intragroup lease liabilities	-	-	-	(171,358)	-	- (171,358)
Net redemption of financial investments subject to financing (restricted cash)	30	-	-	-	-	- 30
Payment of dividends (Note 20.b)	-	-	-	-	-	(3,925) (3,925)
Pre-export financing taken out - intragroup	-	-	-	-	1,212,550	- 1,212,550
Interest paid on intragroup pre-export financing	-	-	-	-	(99,537)	- (99,537)
Intragroup asset management, net and other	-	-	-	-	1,184,744	- 1,184,744
	30	(1,951,799)	(867,113)	(171,358)	2,297,757	(3,925) (696,408)
Other changes not affecting cash flows from financing activities						
Interest, monetary variation and foreign exchange differences, net	88	838,567	265,717	67,706	371,926	- 1,544,004
Fair value of financial instruments payable (Note 25)	-	6,520	-	-	-	- 6,520
Redemption and allocation of dividends to preferred shareholders (Note 20.b)	-	-	-	-	(1,525)	3,251 1,726
Allocation of dividends (Note 20.b)	-	-	-	-	-	5,909 5,909
Addition, write-off, remeasurement of lease liabilities and other	-	13,495	1,265,830	296,805	-	- 1,576,130
	88	858,582	1,531,547	364,511	370,401	9,160 3,134,289
Closing balance	(39)	8,996,213	3,768,966	933,717	4,528,691	8,252 18,235,80

# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

	Consolidated						
(Assets)/Liabilities	Financial investment s liked to finance	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Dividends payable	Total
Opening balance	(32,346)	16,248,383	3,737,662	740,564	(2,743,676)	22,516	17,973,103
Transactions with impact on Financial Cash Flow (“FCF”)							
Funding from third-party loans and financing	-	3,108,443	-	-	-	-	3,108,443
Amortizations of principal of third-party loans and financing	-	(3,924,189)	-	-	-	-	(3,924,189)
Amortization of interest on third party loans and financing	-	(646,569)	-	-	-	-	(646,569)
Amortizations of third-party lease liabilities	-	-	(1,058,926)	-	-	-	(1,058,926)
Amortizations of intragroup lease liabilities	-	-	-	(171,358)	-	-	(171,358)
Payment of dividends (Note 20.b)	-	-	-	-	-	(24,706)	(24,706)
Net redemption of financial investments subject to financing (restricted cash)	32,684	-	-	-	-	-	32,684
Intragroup asset management, net and other	-	-	-	-	(148,389)	-	(148,389)
	32,684	(1,462,315)	(1,058,926)	(171,358)	(148,389)	(24,706)	(2,833,010)
Other changes not affecting cash flows from financing activities							
Interest, monetary variation and foreign exchange differences, net	(377)	1,735,540	321,818	67,706	(333,612)	-	1,791,075
Fair value of financial instruments payable (Note 25)	-	3,066	-	-	-	-	3,066
Redemption and allocation of dividends to preferred shareholders (Note 20.b)	-	-	-	-	(1,525)	3,251	1,726
Allocation of dividends (Note 20.b)	-	-	-	-	-	7,191	7,191
Addition, write-off, remeasurement of lease liabilities and other	-	19,145	1,587,761	296,805	-	-	1,903,711
	(377)	1,757,751	1,909,579	364,511	(335,137)	10,442	3,706,769
Closing balance	(39)	16,543,819	4,588,315	933,717	(3,227,202)	8,252	18,846,862

(1) Stated net of CTN.



# RAÍZEN ENERGIA S.A.

## Notes to financial statements

March 31, 2021

(In thousands of reais, unless otherwise stated)

### b) Transactions not involving cash

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Investment transactions not involving cash</b>				
Depreciation of agricultural assets capitalized as biological assets Depreciation of agricultural assets capitalized as biological assets (Note 7)	(19,204)	(18,261)	(28,791)	(20,870)
Depreciation and amortization of agricultural assets capitalized as property, plant and equipment (Note 12)	(68,303)	(81,249)	(83,412)	(91,962)
Right of use (Note 15.a)	(1,567,814)	(1,062,348)	(1,893,216)	(1,359,240)
Tax credits on property, plant and equipment, including property, plant, and equipment adjustment to present value	(2,014)	(2,184)	(8,656)	(5,320)
Interest capitalized on property, plant and equipment (Notes 12 and 25)	(47,785)	(28,690)	(54,752)	(37,748)
	<u>(1,705,120)</u>	<u>(1,192,732)</u>	<u>(2,068,827)</u>	<u>(1,515,140)</u>

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