

# Raízen S.A.

(formerly Raízen Combustíveis S.A.)

**Financial Statements as of March 31, 2022  
and Independent Auditor's Report**

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Raízen S.A.

## Management Report

In compliance with the law and its bylaws, Raízen S.A. submits to its shareholders its Management Report and corresponding Financial Statements, accompanied by the Independent Auditor Report, for the fiscal year ended March 31, 2022, which were prepared on a consolidated basis and in Brazilian real, in accordance with the accounting practices adopted in Brazil and international financial reporting standards (IFRS). The Company also makes available a detailed version of its Financial Statements and earnings release on its website: [ri.raizen.com.br](http://ri.raizen.com.br).

## *Message from the CEO*

Even in the face of challenging scenario, this year represented one more step in the Company's journey towards growth. We are proud to look back at our history and see what we managed to build this last year — and what a year! We had one of the biggest IPOs in history; we finished the integration with Biosev; we were accredited as a Great Place to Work; our new E2G plants not only were finished but also started their operation; we opened our 100th OXXO store; we now have new sources of renewable power in our portfolio with Gera; we are now in Paraguay and entered the lubricants market — and these are only some of our achievements this year! We managed to accomplish it all ethically, respectfully and with the historic milestone of zero fatalities, reinforcing our non-negotiable commitment to safety.

Doing more with less, reducing environmental impact, ensuring the quality of life of our team, promoting positive social impacts and ensuring circular economy are practices that have always been part of our daily operations and that we have intensified in the last year to achieve positive results for the commitments we have assumed. There is no doubt we have the necessary structure to achieve our ambitions. Every crop we invest in broadening our portfolio, optimizing our processes and technologies, among other innovations to strengthen our unique and irreplicable performance model. That allows us to look ahead, raising our performance to a level of protagonism in the energy transition.

During the crop 2021'22 our expertise in pricing renewable products and sugar, as well as our focus on operational efficiency, more than offset the lower availability of sugarcane and inflation on costs. We integrated Biosev's assets and team in an organic and effective way, expanding our scale and assuring the biomass supply to increasingly produce cleaner energy, such as E2G, biogas and the other alternative energy sources in our portfolio. In Marketing & Services, our integrated platform benefited from the recovery in consumption to leverage sales, as well as using our differentiated logistics infrastructure to maximize gains from the supply and commercialization strategy, in a challenging operational environment for the segment. We reinforced the capital structure with the IPO last August, to capture concrete growth opportunities.

We are very well positioned to keep providing the energy necessary to help people in their daily activities and business operations achieve the most. We have only been operating for 10 years and now we are a reference in bioenergy! From our start as sugar and ethanol producers and fuel distributors, such a milestone shows we are entering a new cycle of growth and expansion to lead the energy transition. Providing products that make the world go round is what has made Raízen an integrated company, a global reference. This is just the start of our journey for a new electric power approach, and we will do it our way — doing now while looking forward.

**Ricardo Mussa**  
CEO Raízen

## Raízen Results - Pro-forma Consolidated

We present below the highlights by operating segment and the pro-forma consolidated results of the Company in order to provide comparability of results in relation to previous periods and to ensure greater transparency of the performance of our business. **The pro forma approach considers:**

- **Crop-year 2021'22:** (i) Raízen's accounting consolidated results (including all businesses for the entire period) of the crop year in conjunction with (ii) the results for the months of April and May 2021 of Raízen Energia, not included in the accounting due to the corporate reorganization which took place in June 2021, and (iii) Biosev's results for the months of April 2021 to March 2022, including business eliminations.
- **Crop-year 2020'21:** (i) results of Raízen (formerly Raízen Combustíveis) and its subsidiaries, including Raízen Energia, combined with (ii) Biosev's results for the months of April 2020 to March 2021, without any eliminations between businesses.

The following table shows full year pro forma results by segment for Raízen S.A. for 21'22 crop year (from April 2021 to March 2022). Due to the (i) corporate reorganization in 1Q 21'22 and (ii) the acquisition of Biosev in 2Q 21'22 (August 10, 2021), we present a column of "Deconsolidation", aiming to reconcile consolidated accounting result of Raízen, disclosed in the Company's Financial Statements as of March 31, 2022:

Pro forma Profit and Loss Statement - 2021'22							
(R\$ Mln)	Renewables	Sugar	Marketing & Services	Eliminations	Raízen Pro forma	Deconsolidation <sup>1</sup>	Raízen Accounting
Net operating revenue	24,810.4	18,999.5	165,634.5	(13,152.6)	196,291.8	(5,021.9)	191,269.9
Cost of products sold	(20,319.0)	(16,857.0)	(159,586.0)	13,156.6	(183,605.4)	4,034.5	(179,570.9)
Lucro bruto	4,491.4	2,142.5	6,048.5	4.0	12,686.4	(987.4)	11,699.0
(Expenses)/Revenues with:	(1,381.5)	(1,546.6)	(3,182.4)	0.3	(6,110.2)	581.6	(5,528.6)
Sales	(614.1)	(877.3)	(2,814.3)	1.3	(4,304.4)	276.2	(4,028.2)
General and administrative	(632.5)	(725.2)	(858.5)	0.4	(2,215.8)	256.2	(1,959.6)
Other (expenses)/operational fees	(80.2)	42.4	518.2	(1.4)	479.0	43.2	522.2
Equity method result	(54.7)	13.5	(27.8)	-	(69.0)	6.0	(63.0)
EBIT	3,109.9	595.9	2,866.1	4.3	6,576.2	(405.8)	6,170.4
Depreciation and amortization	3,358.8	3,281.4	1,166.9	1.7	7,808.8	(1,439.3)	6,369.5
EBITDA	6,468.7	3,877.3	4,033.0	6.0	14,385.0	(1,845.1)	12,539.9
Financial result*	-	-	-	-	(2,071.4)	102.9	(1,968.5)
IR/CSLL (current and deferred) *	-	-	-	-	(972.6)	20.3	(952.3)
Net income	-	-	-	-	3,532.2	(282.6)	3,249.6

\*The financial result and taxes are managed within the group and for this reason are not allocated to the operational segments.

## Executive Summary

Adjusted EBITDA Pro forma					
R\$ MM	2021'22	AV%	2020'21	AV%	Var %
Raízen - Adjusted EBITDA Pro forma	10,703.8	100.0%	8,951.2	100.0%	19.6%
Renewables	4,605.4	43.0%	3,467.3	38.7%	32.8%
Sugar	1,965.0	18.4%	2,777.4	31.0%	-29.3%
Marketing & Services	4,127.4	38.6%	2,718.0	30.4%	51.9%
Adjustments and eliminations	6.0	0.1%	(11.5)	-0.1%	n/a

Raízen's 2021'22 crop was marked by impressive achievements and operational and financial results. We had zero fatalities and improved safety indicators during our construction and operational works — our commitment is to ensure safety first at all costs. We took a step further in our journey to improve the agricultural and industrial indexes that will be decisive to our future profitability despite the severe climate impacts on the crop. Our crop increased strongly, with a net revenue of R\$ 196.3 billion (+57%) and Adjusted EBITDA of R\$10.7 billion (+20%), reflecting a consistent performance in face of the challenges all segments have faced during the year. The adjusted net income of the year was R\$3 billion, doubling the profit from the previous crop. The leverage decreased 1.3 times the Net Debt/EBITDA in the latest 12 months (in comparison to 2.1 times in the 4Q 20'21). ROACE, our main metrics to assess the return, continues to evolve and has reached 13%.

<sup>1</sup> Deconsolidation: difference between the (i) full result of Biosev from April to December 2021, presented as pro forma, and the consolidation of Biosev starting on the acquisition date on August 10 to December 31, 2021, presented in the accounting result, and (ii) result for 2 months (April and May 2021) of Raízen Energia considered in pro forma and excluded from the accounting result, due to the corporate reorganization on June 1, 2021.

## Renewables & Sugar

**Agroindustrial Operation:** Milling on this crop reached 76 million tons of sugarcane (-14%), as the cane fields were negatively impacted by the weather. We remain focused on continuously improving the agricultural efficiency and profitability — our performance with the first cutting of sugarcane (TSH) increased 2% in this crop, while the average result for the industry showed a decrease of 10% (Center-South region, according to CTC) due to impacts from climate. The cash cost (+11%) was impact by the lower dilution of fixed cost along the year due to the low availability of sugarcane in the market and the inflation over the general costs, agricultural inputs, diesel and raw materials, reflecting on the results from Sugar and Renewables segments.

**Renováveis:** The pro forma adjusted EBITDA for the quarter was R\$580 million, with the strong expansion of the crop to R\$ 4.6 billion (+33%) in the year. The lower volume of ethanol and electric power produced and sold in this crop year was offset by the best prices from Raízen in the year. It is important to remind a material portion of the sales of ethanol scheduled for 4Q 21'22 was protected with proxy hedge or fixed prices for exports to protect the ROACE.

**Sugar:** The pro forma adjusted EBITDA reached R\$ 174 million in the quarter, with the crop reaching R\$ 2 billion, in line with guidance. The decreased in comparison with the previous crop can be explained by the 20% reduction of the own volume sold as well as by the trading strategy that shifted part of the inventories for sale for the next months, aiming to maximize profitability. It is worth remembering that the sugar production mix of this crop was lower compared to the previous year (51% vs 54% in the last crop). With favorable estimates of forward curves, we have gone further with the hedge strategy to improve the protection for the next crops, with prices up to 37% over the one charged for the current crop (R\$0.75/pounds for the crop 21'22 versus R\$1.03/pounds for the crop 23'24), indicating a maximized return.

**Marketing & Services:** The pro forma adjusted EBITDA from Brazil and LatAm (Argentina and Paraguay) integrated platform amounted to R\$ 1 billion (-7%) in the quarter, ending the year with such an expansion that reached R\$ 4.1 billion (+52%) in line with guidance. In Brazil, we expanded sales volume in the quarter (+7%) and in the crop year (+14%), with all segments recovering taking advantage of the good opportunities to network expansion. The lower demand due to the increase in Covid-19 cases numbers, the gap in gasoline and diesel prices in Brazil, in addition to the sharp drop of ethanol prices impacted the results for January and February. At the end of the quarter, however, the resumption of demand with an improving business environment brought good opportunities to improve the operation return and, even in a challenging scenario, we reinforced our commitment to always guarantee the supply of our clients and our distribution network. In the Latam (Argentina and Paraguay) operations, the recovery of results reflects the higher volume sold reflecting the service station network expansion in Argentina and the increase of the network in Paraguay that is under the Shell brand as well as for the transfer of the price adjustments to the consumer.

## Raízen Consolidated Accounting Results

Data mentioned below is the income statement of Raízen S.A., after the corporate reorganization and incorporation of Biosev. The tables below portray the entirety information provided in the Company's Financial Statements.

### Raízen Consolidated Accounting Results – 2021'22

(R\$ Mln)	2021'22	2020'21	Var %
<b>Net operating revenue</b>	191,269.9	89,415.3	>100%
Cost of goods sold	(179,570.9)	(85,084.0)	>100%
<b>Gross profit</b>	11,699.0	4,331.3	>100%
<b>Operating expenses</b>	(5,528.6)	(2,457.6)	>100%
Sales	(4,028.2)	(2,172.3)	85.4%
General and administrative	(1,959.6)	(645.1)	>100%
Other Operating revenues	522.2	369.6	41.3%
Equity pick-up	(63.0)	(9.8)	>100%
<b>Income before financial result</b>	6,170.4	1,873.7	>100%
Financial result	(1,968.5)	(368.4)	>100%
<b>Income before Income tax and social contribution</b>	4,201.9	1,505.3	>100%
Income tax and social contribution	(952.3)	(466.0)	>100%
<b>Net income for the period</b>	3,249.6	1,039.3	>100%

## ESG Agenda Management

Raízen integrates environmental, social, economic and governance (ESG) aspects to generate and share value with our stakeholders, as this is what guarantees the continuity, competitiveness and responsibility of our business.

Raízen is prepared for the dynamic scenario faced by the segments it operates in, having adopted Sustainability as an essential element for our strategy. Our 10-year history involves paying attention to what stakeholders have to say through the materiality assessment, which consists of a survey on the topics most pertaining to our business and interested parties based on the positive and negative impacts from our operations. This assessment encompasses internal and external documentation, the engagement of the Senior Leadership and checking what the groups we interact with have to say through interviews or forms — whenever possible, we try interviewing them. The fact there are many classes of stakeholders makes the assessment even more interesting as we have different views on themes related to our business model.

These themes are inserted in a Materiality Matrix that allows us to identify which are the most pertaining while considering the sectors we operate and the context we are facing. The Strategic Sustainability Plan also provides for such themes as well as sets the goals and actions to be undertaken concerning each issues that has been identified.

Our strategy also encompasses nine public commitments assumed that work along with 14 out of 17 United Nations' Sustainable Development Goals (SDGs) directly related to said themes. They are:

1. Reducing the carbon footprint for ethanol and sugar by 10%
2. Reducing water impounding from external sources by 10%
3. Increasing the GJ/ha indicator by 15%
4. Ensuring a robust system to track 100% of the volume of milled sugarcane
5. Promoting sustainability programs internationally accredited for sugarcane sources
6. Maintaining all the operating units certified with an internationally accredited standard
7. Promoting improvements to defend human rights throughout our operations and supply chain
8. Actively influencing our strategic partners to overcome the risks from breaching our ethical and compliance values
9. 100% of the surrounding communities helped by Fundação Raízen

With the purpose of reinforcing our commitment to the sustainable allocation of capital and ensuring consistency with the commitments made, Raízen recently created the role of Chief Strategy Officer, combining the areas of Strategy, New Business, M&A and Sustainability, under the leadership of Paula Kovarsky. This new structure reinforces the evolution of ESG governance within the Company, bringing it even closer to strategic discussions and decision making.

At the start of the crop, we officially implemented a new ESG KPI in the Company's Scorecard to measure the volume of CO<sub>2</sub> emissions we have avoided thanks to our portfolio of renewable products. When we assessed the indicator for the period, we noticed we had avoided emitting 30 million tons of CO<sub>2</sub> since 2011.

We evolved our integrated ESG management by making reinforcing and expanding our Sustainability Committee, the highest internal forum for resolution on the Raízen ESG Agenda, in which the company's ESG metrics and strategies are discussed, in addition to ensuring cross-function alignment of the topic. Such committee is composed of the CEO and 5 Vice-Presidents.

We are actively working to diversify our Board of Directors, which resulted in two new women members: Luciana de Oliveira Hall-Cezar Coelho and Sonat Burman-Olsson. Both executive directors were part of the boards of other companies and their experience may help Raízen become the leader in the energy transition, promoting even more the circular economy based on renewable sources and low carbon emissions.

We also adhered to UN Global Compact, the biggest initiative of corporate sustainability in the world, with more than 16 thousand members from 160 countries. It shows our commitment to develop actions aligned to ten universal principles from the areas of Human Rights, Labor, Environment and Anticorruption (platform approval pending, may be excluded).

## ***Sustainable Finance***

In December 2022 (sic), Raízen announced to the market a RCF (Revolving Credit Facility) based on diversity goals and certification of sustainable production (Bonsucro certification). This is the first time the company has issued something related to ESG aspects. Later, in February 2022, the Company issued a "green" Debenture related to the same public sustainability commitments, collecting a total of R\$1.2 billion.

## ***Climate change and management of emissions***

One of our goals is to lead the energy transition, providing society with the energy it needs today as we promote new energy sources for the future to achieve a low-carbon economy.

One of the material results from such commitment is Raízen's performance in the CDP, an initiative from the financial sector that became a global reference in the management of impacts from climate change. Raízen is now part of the distinguished A-List of companies working to adapt their business model to the climate changes. This is the highest level of the CDP ranking and reinforces the Company's role in climate management as one of the agents in the decarbonization of the global energy matrix.

Raízen was in Glasgow to take part in the COP26, the most important forum in the world to discuss methods to face the climate changes. We participated in the most relevant discussions regarding the paths to a low carbon economy, presenting the success case of sugarcane and Raízen as protagonists of the transition.

## ***Transparency and recognition***

Among the external recognitions of our performance, in April 2021, we were highlighted in ESG Guide of Exame magazine (ranking entitled "Best of ESG"), ranking as the most sustainable company in the energy sector in the country.

In June 2021, we launched the "ESG Agenda" portal, wherein we publicly share the topics of our sustainability strategy, public commitments, governance, transparency and our ESG differentials.

In July 2021 we launched our 10th Annual Sustainability Report, externally audited by Ernst & Young, following the GRI (Global Reporting Initiative) standard and answering for the first time to the indicators set by the Sustainability Accounting Standards Board (SASB). This way we amounted more than 160 indicators reported, reinforcing our commitment with a transparent business management. In the same period, we also launched the first Raízen Foundation Activities Report.

With two new women acting as independent directors, Raízen was acknowledged with the seal "Women on Board", an initiative supported by UN Women to address gender diversification in corporate boards, reinforcing the engagement in creating a more diverse corporate environment aligned to the global trends of increasing gender equality in senior management positions.

## ***Sustainable origin and certifications***

To ensure we can provide energy around the world, we are careful with the raw materials we use. We understand that we can and shall act beyond the limits of our industry, promoting best practices throughout the supply chain. This is the reason Raízen now holds 24 out of its 31 operational ethanol and sugar production units with an international Bonsucro standard certificate, the only one specifically created for sugarcane production and that certifies that the units follow their highest sustainability requirements. The Bonsucro certification is a voluntary initiative supported by the European Commission as it follows the criteria from the Directive for Renewable Energy (Directive 2009/28/EC). With this certificate, the companies are qualified to trade their products to any countries from the European Union (EU) and other markets and customers with higher sustainability requirements as well.

Raízen also holds other specific certificates for some units to acknowledge the quality of its products and the excellence of its processes, such as ISO 9001 and FSSC 22000 (respectively certificates that ensure the management of quality and the management of food safety in Raízen), ISO 14001 and 45001 (respectively for environmental management and occupational health management systems) and SMETA (certificate for social responsibility). The Company also meets the requirements for the registration with EPA (U.S. Environmental Protection Agency), mandatory for ethanol producers trading biofuel in the US market, and CARB (California Air Resources Board), for following the fuel transportation and production rules set by the Low Carbon Fuel Standard. We also have many other certificates, such as: ISO 17025, RenovaBio, Kosher, Halal, METI.



Our certification strategy also encompasses the second-generation ethanol (E2G) produced from sugarcane bagasse, which production follows the highest sustainability standards from Bonsucro and ISCC, besides other criteria to access the US and EU markets.

About 50% of the sugarcane we mill come from suppliers, which is why Raízen has the ELO Program, created in a partnership with Imaflora and Solidaridad, internationally renowned institutions working with the sustainable development of agricultural commodity chains, to support the continuous improvement of the sugarcane suppliers. This is an unprecedented initiative in the global scope, which aligned to Bonsucro certification seeks to promote the sustainability in the sugarcane supply chain.

This project helped Raízen expand its sustainable operations by providing knowledge, processes and resources to its sugarcane suppliers so they would be engaged and adopt measures to ensure proper working conditions, best practices to protect the environment and, finally, an integrated management of processes and business.

The sugarcane suppliers are also supported by the Cultivar Program, which assists them reducing costs, generate cash and increase productivity by offering financial, operational and/or educational services.

In September, the 21'22 crop, the 1st ESG Supply Chain Forum took place, an event attended by our 250 main strategic providers to explain how Raízen is addressing the ESG issue connected with the supply chain. Therefore, we counted on the Ethos Institute and Raízen's business partners, BASF and Boticário Group, in order to discuss and show in practice the integration between the value chains.

## Renewable energy

Raízen's operation aims for the circular economy, using the waste from its processes to keep producing energy while directly refraining from impacting the environment as such a process results in less industrial waste, creating sustainable products that help cleaning the Brazilian energy matrix. To use the waste as input is Raízen's strategy to improve productivity and broaden its portfolio.

As we are guided by the sustainable business approved, at the start of the crop we executed new commercial agreements to sell cellulosic ethanol ("E2G", created from sugarcane bagasse) to be supplied for the next 9 years. The total volume of E2G already sold by Raízen has achieved almost 1 billion liters, which will be produced in plants that will be built in the Company's Bioenergy Parks. We also maintained the market development for the sale of biomethane, which is the renewable substitute of the natural gas, extracted from vinasse and filter cake (byproducts of sugar and ethanol production).

In September 2021, Raízen signed its first long-term sale for commercialization of renewable natural gas ("Biomethane") with Yara Brasil Fertilizantes S.A. ("Yara"), one of the largest consumers of natural gas in Brazil. This first agreement will last for 5 years and provides for a volume of 20,000 m<sup>3</sup>/day. The product will be used by Yara to produce hydrogen and green ammonia in its industrial parks. This pioneer transaction in the free gas market reinforces our commitment with the provision of products and solutions to our customers that reduce the emission of greenhouse gases by increasing efficiency of our processes, without increasing the cultivated area, supporting the decarbonization of the world's energy matrix.

In the same year in October, we announced the partnership with Volkswagen and Shell to promote the decarbonization and expansion of the bioenergy use in the automotive sector. This arrangement provides for a series of initiatives to reduce the emission of greenhouse gases while promoting the use of ethanol as fuel and the supply of biomethane to replace the use of natural gas in Volkswagen's factories and stores in Brazil. These biofuels will be supplied by Raízen.

In the energy sector, we announced a joint venture with Gera Group, which works with distributed generation projects in Brazil. Thanks to that arrangement, we took another step further in our strategy to use more renewable sources as we now are using biogas from urban waste to generate electricity along with Gera's Hydroelectric Power Plants. This partnership has increased our capacity to generate energy to a total of 350 MW, to be potentially expanded in the short term, as well as it has expanded our direct operation to 19 states through 26 concessionaires. We also signed agreements to provide renewable energy to Heineken's distribution centers, located in 12 Brazilian states. This agreement will last for five years and will reduce the emission of 85 tons of carbon.

## *Health and safety*

Safety is a priority for Raízen, which instructs its employees and partners about safe approaches. Raízen chose to assume the challenge of zero accidents in all its business, focusing on ensuring a safe behavior to achieve this goal. It has led to significant improvements to its accident at work indexes year after year, and once again during 2021/2022.

The safety guidelines are officially provided in our Health, Safety, Environment and Sustainability Policy (SSMA). The employees are trained, and the Company holds awareness events led by those comprising the SSMA Committee and/or the Sustainability Committee.

Raízen also has an Integrated System of Operational Management (SIGO) comprised by nine elements encompassing the health and safety of our employees, followed during our daily operations. This system is aligned to the international standards and best practices, going beyond the requirements from the legislation in force and focused on preventive behavior and continuous improvement.

## *Best environmental practices*

A responsible operation means an efficient use of the natural resources. Raízen's ReduZa program, from the moment it was created in the crop 15'16 to the crop 21'22, manage to reduce by 16% the volume of water impounded from external sources during the milling period, reaching its 31 operational units, representing a reduction of 12 billion liters.

Returning hot condensate water to the boilers also helped Raízen's operations as it reduced the need for more water and at the same time improved the energy efficiency with less consumption of bagasse. A lower water impounding reinforces the Company's resilience amid a water scarcity. The program was awarded first place during the 12th FIESP Award for conservation and reuse of water in 2017, in 2018 it received an honorable mention, and in 2019 it was awarded in the Bonsucro Global Week.

## *Social Performance*

One of our goals is to be a reference for positive social impact in the sectors we operate in, making the most of our business and culture, engaging people and organizations to consider the future of energy.

During the crop 2021'22, we strived for developing innovative social technologies and manage the demands and expectations from the place we operate in. We use our social and economic maturity assessment total in all locations our operations are active. This tool considers how society sees our company based on input from Raízen's internal and external stakeholders and the survey of secondary data on social and economic indicators.

Through Ativa Juventude Program, Fundação Raízen provided vocational education to 1459 young people from 25 Brazilian cities in 2021. Such achievement is aligned to our 2030 commitment of providing Raízen's educational programs to all the locations we are operating in. We also invested in professional qualification courses to the surrounding communities living in all the territories our Bioenergy Parks are located. These courses were aimed based on our business diversity strategy, taking gender and disabilities as priority, in order to support internal hiring demands.

We directly benefited more than 40 thousand people through our VOAR (Raízen's Volunteering Institution) social program. About 2700 Raízen's volunteers took part in the social transformation we aim to achieve in more than 80 locations we are operating in. The volunteering employees also managed to develop their skills with this experience.

In 2021/2022, we socially invested more than R\$ 27 million in the locations we operate in.

## Human Resources

On March 2022, considering the employees of our companies, we had 30,359 employees. All our employees, including migrant and temporary rural workers, are hired directly by the Company under the CLT regime.

The Company maintains harmonious relationships with the Labor Unions that represent its employees. The collective agreements and conventions to which we are a party or which we negotiate directly are generally of 12-month duration. The Company strives to comply with the applicable labor legislation and the conditions agreed upon in the collective 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, medical and dental care, subsidies for the purchase of medicines, food vouchers, group life insurance, scholarships, among others, applicable to our different internal publics. All our employees are entitled to profit sharing programs, segmented by business and developed in accordance with the applicable legislation, with the participation of labor commissions and representatives of the professional unions, whose remuneration is based on the achievement of targets and business performance. Members of our Board of Directors are not entitled to these benefits.

The company has been structuring the bases for a solid career and succession plan, in addition to continuing the performance evaluation programs, based on the model of recognition of deliveries and behavior.

In order to align the interests of shareholders with those of employees, generate commitment to the sustainability and performance of our business and retain key talent for the continuity and growth of Raízen, we have a long-term recognition program, paid in shares. In addition to this strategy, we monitor key employees individually and senior management is committed to managing this.

The Raízen employee development methodology is constantly evolving, covering the entire learning ecosystem, including tools that stimulate collective intelligence, exchanges, collaboration, development through mentoring, coaching, on-the-job development, and the Raízen University, which consists of five academies, strategically connected to the challenges of the markets in which we operate. In each academy, there are schools that delve into topics according to the individual development track. However, some are prerequisites for all: Health, Safety and Environment (HSE); Our Root; and Ethics and Sustainability. There is also the Continuing Education Center, which stimulates the continuous self-development of our team. Through training and experiences, we promote the exchange and integration between different areas of knowledge.

Diversity & Inclusion is also a strategic agenda, which has presented great evolutions and that we understand will make a lot of difference in achieving differentiated results for our business. We have an ambitious goal of having 30% of women in top leadership positions by 2025. Our D&I committee is very active in promoting the agenda in the business, starting with the management of the Transformers groups, which are organized into Gender, Racial Ethnic, LGBTQIAP+ and PCD's. Important agendas discussed within these groups drive practical actions. A factor that, for us, has been leveraging the theme is the constant training of our leaders to reduce the impact of biases and the vision of respect for individualities.

## Corporate Governance

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

To guarantee the transparency of its management and business, the Company has an information disclosure policy in order to ensure that the data for the market are presented in a broad, transparent, homogeneous and consistent way.

The Company maintains robust internal control procedures, having adapted itself objectively to the needs guided 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, Finance Committee and Corporate Social Responsibility Committee.

## Capital Market

Raízen is a public corporation. On March 31 of 2022, its capital stock was represented by 1,358,936,900 preferred shares and 8,993,572,584 common shares. The Company has its shares listed on the B3 - Brasil, Bolsa, Balcão under the code RAIZ4, since 2021, being part of the Level 2 listing segment of B3.

Raízen's relationship with the financial community and investors is guided by disclosing information transparently and in accordance with the highest standards of corporate governance, legal compliance and ethical conduct. The Investor Relations area maintains contact with investors and market analysts and organizes events for reporting information on Company's performance. Raízen maintains a website ([www.raizen.com.br/en](http://www.raizen.com.br/en)) with information that is constantly updated, specific, segmented and oriented to the different stakeholders who access the platform.

## Relevant Events

We closed a historic year for Raízen, with significant milestones in our business and projects. We achieved record results aligned with our mission to redefine the future of energy and promote energy transition, creating and offering alternatives for the global decarbonization process and generating value for our customers, suppliers, consumers and shareholders. We present below the main highlights of the year.

**Public Offerings:** in August 2021, we started our public offering in B3, with R\$6.7 billion in the highest IPO of the year in Brazil and one of the highest throughout the history of B3.

**Acquisition of Biosev:** we concluded the acquisition of Biosev, which bioenergy plants were integrated and will generate gains of scale and operational synergies. The operation is strategically aligned with Raízen's long-term business plan, based on the improvement of its leadership position in the power transition process through the offer of more efficient, cleaner and renewable power, according to our high financial discipline level.

**Joint Venture with Gera Group:** we finished the process of our joint venture with Gera Group to develop new projects with distributed generation of renewable power and technological solutions related to efficiently contracting, managing and consuming electric power, working along with our platform with products and services using renewable sources.

**Acquisition of Barcos y Rodados:** in November 2021, we concluded the acquisition of 50% of Barcos y Rodados (B&R), leader in the fuel distribution market in Paraguay, with a network of 350 reseller gas stations, representing the entry of Raízen's operations in Paraguay. The acquisition expands Raízen's operations in the Marketing & Services sector, comprising the platform of operations in the South America.

We started the **construction of our second E2G plant**, an important milestone in our Renewables agenda as it is the first of 19 plants to be built by 2030/31. Raízen is a leader in the production of E2G, with the largest commercial scale plant in operation in the world, having produced approximately 100 million liters of E2G since its inauguration. Besides the advances in the construction of the plants, we also announced the signing of long-term contracts for the export of E2G. Our E2G will also be used to fuel Ferrari Formula 1 cars with 10% of our biofuel in their gasoline (E10) starting in 2022, in compliance with International Automobile Federation (FIA) guidelines.

We also had advances in the Biogas agenda. We operate the largest biogas plant in Latin America, in the Guariba (SP) Bioenergy Park. From the residues of filter cake and vinasse, we produce biogas that can be converted into electricity or biomethane gas. **We started the construction of the 2nd Biogas plant**, the first dedicated to the production of renewable natural gas (Biomethane), with an investment of approximately R\$ 300 million and a production capacity of 26 million cubic meters of renewable natural gas per year, enough to supply approximately 200 thousand residential customers. The entire production of the new plant was sold to Yara Brasil Fertilizantes and Volkswagen do Brasil, under long-term contracts.

## Directors' Statement on the Financial Statements

In compliance with the provisions of article 25, paragraph 1, item 6 of CVM Instruction 480/09, the Company's Officers declare that they have discussed, reviewed and agreed with the information contained in the Company's financial statements related to the fiscal year ended March 31, 2022.

## Statement of the Directors about the Independent Auditors' Report

In compliance with the provisions of article 25, paragraph 1, item 5 of CVM Instruction 480/09, the Company's Officers state that they have discussed, reviewed and agreed with the opinion expressed in the report of the auditors Ernst & Young Auditores Independentes, issued on May 13, 2022, related to the financial statements for the fiscal year ended March 31, 2022.

## Relationship with External Auditors

The policy of the Company and its subsidiaries for contracting services unrelated to the external audit from independent auditors is based on the principles that preserve their independence. These principles consist, in accordance with internationally accepted standards, in that: (a) the auditor should not audit his own work, (b) the auditor should not exercise a management function in his client, and (c) the auditor should not legally represent the interests of his clients.

Throughout the year, in compliance with CVM Instruction 381/03, we inform that Ernst & Young Auditores Independentes exclusively provided audit services for the individual and consolidated financial statements for the fiscal year ending March 31, 2022 and, its related parties provided assurance services on operations in Argentina for payment of Royalties on the use of the Shell brand and assurance on the sustainability report of the subsidiary Raízen Araraquara. We understand that these services do not represent a conflict of interest, loss of independence or objectivity of our independent auditors.

## Acknowledgements

Raízen's Management thanks its shareholders, clients, suppliers and financial institutions for their collaboration and trust, and especially its employees for their dedication and commitment. For a detailed analysis of Raízen's 2021/2022 crop year results, please visit its website: [www.raizen.com.br](http://www.raizen.com.br).

## **Statutory Audit and Integrity Committee Report – 2021'2022**

The Statutory Audit and Integrity Committee (CAE) of Raízen S.A. is a statutory body of permanent functioning established on July 28, 2021, within the best corporate governance practices.

The Committee is composed of three (3) members with a 2-year term of office. All members are independent and two (2) of them, including Mrs. Luciana de Oliveira Cezar Coelho and Ms. Sonat Burman-Olsson act as independent members of the Board of Directors.

According to the Internal Regulations, it is up to the Committee to ensure the quality and integrity of the financial statements of Raízen S.A., compliance with legal and regulatory requirements, the performance, independence and quality of the work of the independent audit firms and the internal audit, as well as the quality and effectiveness of the internal control system and risk management practices. The Committee's evaluations are based on information received from the Administration, independent auditors, internal audit, risk management and internal controls officers, whistleblowing and ombudsman channel managers and their own analysis resulting from direct observation.

*EY AUDITORES INDEPENDENTES* is the company responsible for auditing the financial statements according to professional standards established by the Federal Accounting Council ( CFC ) and certain specific requirements of the Brazilian Securities and Exchange Commission ( CVM). The independent auditors are also responsible for the special review of quarterly reports (ITRs) sent to the Brazilian Securities and Exchange Commission. The report of the independent auditors reflects the results of their verifications and presents their opinion regarding the reliability of the financial statements for the year in relation to the accounting principles derived from the CFC in accordance with the standards issued by the International Standard Accounting Board (IASB), CVM regulations and precepts of Brazilian corporate law. With respect to quarterly financial information, these independent auditors issued reports containing unqualified opinion for the following quarters during 2021 and 2022: (i) 1 October 2020 to 31 December 2020; (ii) 1 January 2021 to 31 March 2021; (iii) April 1, 2021 to June 30, 2021; (iv) July 1, 2021 to September 30, 2021; (v) 1 October 2021 to 31 December 2021; and (vi) 1 January 2022 to 31 March 2022.

Internal Audit work is carried out by an internal team. The Statutory Audit and Integrity Committee is responsible for the approval of the internal audit plan that in its execution is monitored and guided by the manager of the Audit, Risks and Internal Controls area and develops its activities in a broad manner, mainly observing the coverage of areas, processes and activities that present the most sensitive risks to the operation and most significant impacts in the implementation of the Company's strategy.

### **Activities of the Audit and Integrity Committee in 2021 and 2022:**

For clarification purposes, the Committee met 10 (ten) times from March 04<sup>th</sup>, 2021 to May 2<sup>nd</sup>, 2022, and until July 28, 2021 the Committee was not a statutory body of the Company, being composed of non-independent members. Below, the breakdown of the dates of the meetings and the composition of the Committee for all meetings that were held in 2021 and 2022:

- (i) March 4, 2021 – non-statutory committee  
✓ **Members:** Douglas Alexander e Marcelo Eduardo Martins
- (ii) May 5, 2021 – non-statutory committee  
✓ **Members:** Douglas Alexander e Marcelo Eduardo Martins
- (iii) July 26, 2021 – non-statutory committee  
✓ **Members:** Brian Eggleston e Marcelo Eduardo Martins
- (iv) August 6, 2021 – Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho
- (v) August 10, 2021 – Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho
- (vi) November 3, 2021 – Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho e Sonat Burman-Olsson
- (vii) November 11, 2021 – Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho e Sonat Burman-Olsson
- (viii) February 2, 2022 - Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho e Sonat Burman-Olsson
- (ix) February 14, 2022 - Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho e Sonat Burman-Olsson
- (x) May 2, 2022 - Statutory Committee  
✓ **Members:** Patricia Regina Verderesi Schindler, Luciana de Oliveira Cezar Coelho e Sonat Burman-Olsson

Among the activities performed during this period and topics discussed, the following aspects should be highlighted:

- a) approval and monitoring of the Annual Internal Audit Work Program, including integration with other activities related to risk management and Compliance;
- b) to become aware of the points of attention and recommendations arising from the work of the Internal Audit, as well as to monitor the improvement measures adopted by the Administration;
- c) monitoring of the internal control system as to its effectiveness and improvement processes, the monitoring of fraud risks and meetings with the Internal Auditors and the Independent Auditors, with the area of Internal Controls, Compliance and Ombudsman;
- d) monitoring of the methodology adopted for risk management and the results obtained as well as the last update referring to base-date March 31, 2022, according to the work presented and developed by the specialized area and by all managers responsible for the risks under its management, with the objective of ensuring the disclosure of the relevant risks to the Company. For clarification purposes, it should be noted that the methodology of the risks and the integrity of the formulas presented are the responsibility of the Company's Finance Committee;
- e) analysis, approval and monitoring of the Annual Work Program of the Independent Audit and its timely execution;
- f) monitoring the process of preparation and review of the financial statements, the Management Report and the Earnings Releases, notably through meetings with the Directors and the independent auditors for discussion of quarterly information (ITRs), and their quarterly financial statements;
- g) monitoring of the complaints channel, open to shareholders, employees, establishments, issuers, suppliers and the general public, with responsibility of the Audit area in receiving and investigating complaints or suspected violations of the Code of Ethics, respecting the confidentiality and independence of the process and, at the same time, ensuring the appropriate levels of transparency;
- h) holding periodic meetings with the Company's top executives, in order to become aware of the main business strategies, as well as to monitor operational and systemic improvements to strengthen the processing and security of transactions;



- i) attention to transactions with related parties with the aim of ensuring the quality and transparency of information;
- j) monitoring of legal compliance programs, the Privacy Program and the risk management process and updating the ERM Matrix; and
- k) presentation of scenario related to *cybersecurity* aspects;
- l) recommendation to the Company's Board of Directors on the approval of the Quarterly Financial Information (ITR's) made available at CVM for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters of fiscal year 2021/2022.

**Conclusion:**

The members of the Statutory Audit and Integrity Committee of Raízen S.A., in the exercise of their duties and legal responsibilities, as provided for in the Internal Regulations of the committee itself, proceeded to analyze the quarterly financial statements, accompanied by the preliminary report of the independent auditors for the following quarters of fiscal year 2021/2022; (i) April 1, 2021 to June 30, 2021; (ii) July 1, 2021 to September 30, 2021; (iii) 01 October 2021 to 31 December 2021; and (iv) 01 January 2022 to 31 March 2022. Taking into account the information provided by the Company's Management and *EY Auditores Independentes*, considering that it adequately reflects, in all relevant respects, the asset and financial positions of the Company and its subsidiaries, and unanimously recommended the approval of the documents by the Company's Board of Directors, in accordance with the Law.

São Paulo, May 13, 2022

**Luciana de Oliveira Cezar Coelho**

Member of the Audit and Integrity Committee of Raízen S.A.

**Sonat Burman-Olsson**

Member of the Audit and Integrity Committee of Raízen S.A.

**Patricia Regina Verderesi Schindler**

Member and Coordinator of the Audit and Integrity Committee of Raízen S.A.

**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  
Management and Shareholders of  
**Raízen S.A. (formerly Raízen Combustíveis S.A.)**

### **Opinion**

We have audited the individual and consolidated financial statements of Raízen S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as of March 31, 2022, and the statements of income, of comprehensive income, of changes in equity and of 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, 2022, 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.

- *Revenue recognition from the sale of products at the end of the year*

As mentioned in Note 2.3 (a) to the individual and consolidated financial statements for the year ended March 31, 2022, revenues from sales of products which are part of individual and consolidated net operating revenue are recognized on delivery of products to the client. These revenues derive from the activities involving the distribution and sale of oil products and ethanol, other fluid hydrocarbons and its related products, sale of natural gas and sugar production and trade, which are generally recognized after the invoices are issued and products leave the distributors’ facilities and sugar and ethanol mills, which involve a large volume of decentralized transactions for significant amounts.

The measurement process of billed but not delivered sales at the end of the year involves judgment by the Company in determining the estimates of average delivery times and requires routines and internal controls to identify and measure sales billed but not delivered at the end of the year. Any control deficiency may impact the measurement of sales billed but not delivered at the end of the year, and, consequently, the amount recognized in the individual and consolidated financial statements, therefore, this was considered a key audit matter.

How our audit addressed this matter:

Our audit procedures included, among others, reviewing the average delivery time adopted by the Company to estimate the calculation of sales billed but not delivered at the end of the year and comparison with the average sales time at the end of the year; data analysis procedures; tests of details; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2022.

Based on the results of the audit procedures performed for revenue recognition from the sale of products at the end of the year, which are consistent with Company’s assessment, we considered that the criteria and assumptions adopted by the Company for revenue recognition from the sale of products at the end of the year, as well as the related disclosures in Notes 2.3 (a) and 22, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

- *Control acquisition of Biosev S.A. (business combination)*

As mentioned in Notes 1 (i) and 30 (a), on August 10, 2021, after completion of the conditions precedent, the Company acquired all shares issued by Biosev S.A.. Accounting for this acquisition requires, among other procedures, that the Company determines the fair value of the consideration transferred, the fair value of assets acquired and liabilities assumed, and goodwill arising from expected future profitability, or gain on bargain purchase. These procedures involve a high degree of judgment to determine the estimate of the fair value based on methodology, measurement and assumptions concerning the future performance of the business acquired, which are subject to a high level of uncertainty.

Due to uncertainties related to the methodology and assumptions, such as gross operating revenue, deductions, operating costs, operating expenses, income tax and social contribution, capex, working capital, depreciation and discount rate inherent to the measurement of fair value and, consequently, the determination of the information that must be disclosed to enable users of the financial statements to evaluate the nature and financial effects arising from the business combination, we considered this a key audit matter.

How our audit addressed this matter:

Our audit procedures included, among others, reading the agreements entered into that formalized the business combination and the corresponding financial transaction regarding the acquisition, such as contracts and minutes; analysis of the criteria in determining the acquisition price; evaluation of the harmonization of accounting practices; check whether the opening balances are consistent with the historical balance figures; review the methodology applied to measure the fair value of assets acquired and liabilities assumed and goodwill determined; assessment of the assumptions applied, as well as the impacts of possible changes in such assumptions on the calculated fair values and their relevance in relation to the financial statements as a whole; match the assumptions applied in calculations made with external and historical data to evaluate the reasonableness of the fair value; assessment of the competence and relevant experience of the specialists hired by the Company who assisted in the measurement of the fair value of the assets acquired, liabilities assumed and the goodwill determined; reviewing information that could refute the most significant assumptions and selected methodologies; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2022.

Based on the results of the audit procedures performed for the control acquisition of Biosev S.A., which are consistent with Company's assessment, we considered that the criteria and assumptions adopted by the Company to measure the fair value of assets acquired and liabilities assumed, and goodwill calculated by the Company, as well as the related disclosures in Notes 1 (i) and 30 (a), are appropriate in the context of the individual and consolidated financial statements taken as a whole.

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

As mentioned in Notes 2.3 (c) (v) and 27 to the individual and consolidated financial statements, the Company has 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 instrument (derivative and non-derivative) 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 on the financial statements that changes in the assumptions adopted for measuring financial instruments and hedge designations may generate.

How our audit addressed this matter:

Our audit procedures included, among others, understanding and analysis of the models adopted by the Company for assessing the valuation of financial instruments, including derivatives and designation of hedge accounting; obtain external confirmation from financial institutions; 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; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2022.

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 Company’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 the Company, as well as the respective disclosures in Notes 2.3 (c) (v) e 27, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

- *Fair value measurement of biological assets*

As mentioned in Notes 2.3 (f) and 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 applied 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 products sold” in the statement of income for the year.

Due to the risks inherent in the subjectivity of certain assumptions that require the Company 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, among others, understanding and analysis of the model adopted for estimating the biological assets' fair value less costs to sell; involving valuation experts to assist us in the analysis and review of the adequacy of the key assumptions applied 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; comparison of the productivity assumptions with available internal and external historical information; sensitivity analysis of the significant assumptions applied; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2022.

Based on the results of the audit procedures performed for testing the fair value measurement of biological assets, which are consistent with Company's assessment, we considered that the criteria and assumptions adopted by the Company for the fair value measurement of biological assets, as well as the related disclosures in Notes 2.3 (f) and 7, are appropriate in the context of the individual and consolidated financial statements taken as a whole.

## **Other matters**

### *Statements of value added*

The individual and consolidated statements of value added (SVA) for year ended March 31, 2022, 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 the 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 13, 2022.

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

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

## RAÍZEN S.A.

### Statements of financial position as of March 31 In thousands of Reais - R\$

	Note	Individual		Consolidated	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	3	578,004	1,988,154	8,234,568	2,604,779
Securities	4.a	-	-	87,529	-
Restricted cash	4.b	326,055	108,949	2,279,632	146,888
Derivative financial instruments	27	154,842	502,485	5,409,266	592,165
Trade accounts receivable	5.a	2,338,361	1,542,374	6,271,015	2,438,789
Inventories	6	2,983,519	1,998,116	9,931,945	4,403,077
Advances to suppliers	14.b	2,825	6,939	4,215,961	33,052
Biological assets	7	-	-	3,913,957	-
Recoverable income tax and social contribution	17.b	352,937	198,642	605,854	265,956
Recoverable taxes	8	1,595,810	1,391,625	3,325,080	2,177,355
Dividends receivable		110,610	44,859	4,287	3,664
Related parties	9.a	984,683	664,212	975,556	1,095,381
Assets from contracts with clients	10	420,514	381,381	555,612	475,045
Other receivables		483,173	42,406	1,235,078	202,118
Total current assets		10,331,333	8,870,142	47,045,340	14,438,269
Non-current assets					
Trade accounts receivable	5.a	270,356	270,593	366,823	372,565
Derivative financial instruments	27	976,060	2,788,965	2,082,299	2,788,965
Recoverable taxes	8	1,267,315	486,284	2,091,851	950,411
Related parties	9.a	681,517	887,157	1,110,082	883,446
Advances to suppliers	14.b	-	-	190,506	-
Assets from contracts with clients	10	1,930,565	1,888,687	2,530,981	2,255,452
Recoverable income tax and social contribution	17.b	-	-	71,818	44,900
Deferred income tax and social contribution	17.d	-	-	3,163,593	194,791
Judicial deposits		51,832	54,529	723,460	67,746
Other receivables		6,552	58,977	547,826	111,783
Investments	11	29,344,844	6,725,377	1,354,419	757,228
Property, plant and equipment	12	1,581,362	1,499,502	22,264,852	6,669,643
Intangible assets	13	2,273,786	592,847	6,020,859	1,345,218
Rights of use	15.a	228,796	163,680	10,779,635	511,736
Total non-current assets		38,612,985	15,416,598	53,299,004	16,953,884
Total assets		48,944,318	24,286,740	100,344,344	31,392,153

See the accompanying notes to the financial statements.

# RAÍZEN S.A.

## Statements of financial position as of March 31 In thousands of Reais - R\$

		<b>Individual</b>		<b>Consolidated</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Liabilities					
Current liabilities					
Suppliers	14.a	8,683,342	5,376,840	19,059,514	6,657,980
Lease liabilities	15.b	51,603	33,065	2,417,813	210,785
Loans and financing	16	213,604	439,464	1,565,260	441,435
Related parties	9.a	3,517,885	1,616,225	1,746,606	4,069,152
Derivative financial instruments	27	830,748	49,560	7,174,053	174,546
Payroll and related charges payable		203,546	86,596	1,090,396	177,753
Income tax and social contribution payable	17.c	-	-	160,666	81,425
Taxes payable		215,761	110,620	775,748	353,370
Dividends and interest on own capital payable	20.b	244,121	189,391	269,662	199,926
Anticipated revenues		-	6,527	114,699	6,599
Bonuses payable		68,684	54,000	84,230	68,167
Advances from clients	5.b	54,398	28,755	4,796,239	99,772
Other liabilities		667,440	243,415	1,160,321	369,912
Total current liabilities		14,751,132	8,234,458	40,415,207	12,910,822
Non-current liabilities					
Lease liabilities	15.b	95,191	44,937	8,006,891	276,094
Loans and financing	16	7,112,721	6,289,137	20,709,616	7,143,732
Related parties	9.a	3,532,363	2,810,161	3,271,094	2,711,178
Derivative financial instruments	27	451,109	-	1,278,472	-
Taxes payable		-	-	210,140	6,209
Provision for legal disputes	18	724,706	937,857	1,835,953	1,004,007
Deferred income tax and social contribution	17.d	113,305	451,344	1,373,942	1,370,818
Bonuses payable		214,811	169,397	267,681	200,527
Other liabilities		300,567	23,122	716,440	158,924
Total non-current liabilities		12,544,773	10,725,955	37,670,229	12,871,489
Total liabilities		27,295,905	18,960,413	78,085,436	25,782,311
Equity	20				
Attributable to controlling shareholders					
Capital		6,859,670	1,921,843	6,859,670	1,921,843
Treasury shares		(40,082)	-	(40,082)	-
Capital reserve		10,285,353	510,941	10,285,353	510,941
Equity adjustments		1,939,039	1,302,428	1,939,039	1,302,428
Income reserves		2,604,433	1,591,115	2,604,433	1,591,115
		21,648,413	5,326,327	21,648,413	5,326,327
Interest of non-controlling shareholders		-	-	610,495	283,515
Total equity		21,648,413	5,326,327	22,258,908	5,609,842
Total liabilities and equity		48,944,318	24,286,740	100,344,344	31,392,153

See the accompanying notes to the financial statements.

# RAÍZEN S.A.

## Statements of income Years ended March 31 In thousands of Reais - R\$

		<b>Individual</b>		<b>Consolidated</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net operating revenue	22	120,081,462	68,952,066	191,269,874	89,415,311
Cost of products sold and services provided	24	(117,098,691)	(66,287,858)	(179,570,862)	(85,083,966)
Gross income		<u>2,982,771</u>	<u>2,664,208</u>	<u>11,699,012</u>	<u>4,331,345</u>
Operating revenue (expenses)					
Selling	24	(1,506,099)	(1,092,257)	(4,028,231)	(2,172,294)
General and administrative	24	(507,491)	(404,120)	(1,959,624)	(645,098)
Other operating revenue, net	25	101,896	212,869	522,256	369,587
Equity accounting result	11	2,827,377	64,058	(63,050)	(9,778)
		<u>915,683</u>	<u>(1,219,450)</u>	<u>(5,528,649)</u>	<u>(2,457,583)</u>
Income before financial results and income tax and social contribution		<u>3,898,454</u>	<u>1,444,758</u>	<u>6,170,363</u>	<u>1,873,762</u>
Financial results	26				
Financial expenses		(313,179)	(273,639)	(1,812,955)	(393,597)
Financial income		214,817	173,549	575,473	309,155
Net exchange variation		1,646,553	(891,812)	1,855,631	(1,202,630)
Net effect of derivatives		(2,495,845)	911,302	(2,586,660)	918,637
		<u>(947,654)</u>	<u>(80,600)</u>	<u>(1,968,511)</u>	<u>(368,435)</u>
Income before income tax and social contribution		<u>2,950,800</u>	<u>1,364,158</u>	<u>4,201,852</u>	<u>1,505,327</u>
Income tax and social contribution	17.a				
Current		(142,970)	(428,692)	(1,338,651)	(735,434)
Deferred		341,188	61,020	386,362	269,451
		<u>198,218</u>	<u>(367,672)</u>	<u>(952,289)</u>	<u>(465,983)</u>
Net income for the year		<u>3,149,018</u>	<u>996,486</u>	<u>3,249,563</u>	<u>1,039,344</u>
Attributable to:					
Company's controlling shareholders		3,149,018	996,486	3,149,018	996,486
Company's non-controlling shareholders		-	-	100,545	42,858
		<u>3,149,018</u>	<u>996,486</u>	<u>3,249,563</u>	<u>1,039,344</u>
Earnings per share	20.f				
Basic				0.36	0.60
Diluted				<u>0.36</u>	<u>0.60</u>

See the accompanying notes to the financial statements.

**RAÍZEN S.A.****Statements of comprehensive income****Years ended March 31****In thousands of Reais - R\$**

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net income for the year	3,149,018	996,486	3,249,563	1,039,344
Comprehensive income				
Items that will not be reclassified to statement of income				
Equity results on other comprehensive income	1,718	(745)	-	-
Actuarial gain (loss), net	-	-	2,603	(993)
Deferred taxes on actuarial gain (loss), net	-	-	(885)	248
	<u>1,718</u>	<u>(745)</u>	<u>1,718</u>	<u>(745)</u>
Items that are or may be reclassified to statement of income				
Equity results on other comprehensive income	1,484,673	-	-	-
Income (loss) from financial instruments designated as hedge accounting	(6,402)	(30,187)	2,401,828	(30,187)
Deferred taxes on hedge	2,177	10,264	(816,622)	10,264
Effect of foreign currency translation	(845,555)	608,560	(990,354)	608,560
	<u>634,893</u>	<u>588,637</u>	<u>594,852</u>	<u>588,637</u>
Total comprehensive income for the year	<u>636,611</u>	<u>587,892</u>	<u>596,570</u>	<u>587,892</u>
Comprehensive income for the year	<u>3,785,629</u>	<u>1,584,378</u>	<u>3,846,133</u>	<u>1,627,236</u>
Attributable to:				
Company's controlling shareholders	3,785,629	1,584,378	3,785,629	1,584,378
Company's non-controlling shareholders	-	-	60,504	42,858
	<u>3,785,629</u>	<u>1,584,378</u>	<u>3,846,133</u>	<u>1,627,236</u>

See the accompanying notes to the financial statements.

# RAÍZEN S.A.

## Statements of changes in equity Years ended March 31 In thousands of Reais - R\$

	Attributable to controlling shareholders												
	Capital	Treasury shares	Capital reserve				Profit reserves				Interest of non-controlling shareholders	Total equity	
			Transactions with shareholders	Capital reserve	Special reserve - Law No. 8,200/91	Equity adjustments	Legal reserve	Tax incentive reserve	Retained profits	Retained earnings			Total
Balances as of March 31, 2021	1,921,843	-	-	510,847	94	1,302,428	197,097	-	1,394,018	-	5,326,327	283,515	5,609,842
Comprehensive income for the year													
Net income for the year	-	-	-	-	-	-	-	-	-	3,149,018	3,149,018	100,545	3,249,563
Share of equity of investees (Note 11.c)	-	-	-	-	-	1,486,391	-	-	-	-	1,486,391	-	1,486,391
Net loss with financial instruments designated as hedge accounting	-	-	-	-	-	(4,225)	-	-	-	-	(4,225)	-	(4,225)
Effect of foreign currency translation	-	-	-	-	-	(845,555)	-	-	-	-	(845,555)	(40,041)	(885,596)
Total comprehensive income for the year	-	-	-	-	-	636,611	-	-	-	3,149,018	3,785,629	60,504	3,846,133
Contributions from shareholders, net													
Capital increase (Notes 11 and 20.a)	4,937,827	-	-	9,846,994	-	-	-	-	-	-	14,784,821	29,795	14,814,616
Repurchase of shares (Note 20.d)	-	(40,082)	-	-	-	-	-	-	-	-	(40,082)	-	(40,082)
Share-based payment (Note 21)	-	-	42,305	-	-	-	-	-	-	-	42,305	-	42,305
Share issue expenses, net (Note 20.a)	-	-	-	(109,684)	-	-	-	-	-	-	(109,684)	-	(109,684)
Business combinations (Note 30.b)	-	-	-	-	-	-	-	-	-	-	-	272,982	272,982
Dividends and interest on own capital (Note 20.b)	-	-	-	-	-	-	-	-	(1,394,018)	(741,682)	(2,135,700)	(39,255)	(2,174,955)
Effect of transaction between shareholders at subsidiary (Note 20.a)	-	-	-	(7,423)	-	-	-	-	-	-	(7,423)	2,423	(5,000)
Effect of redemption of preferred shares at subsidiary (Note 20.a)	-	-	-	2,220	-	-	-	-	-	-	2,220	-	2,220
Recognition of reserves and other	-	-	-	-	-	-	-	375,803	2,031,533	(2,407,336)	-	531	531
Total contributions from shareholders, net	4,937,827	(40,082)	42,305	9,732,107	-	-	-	375,803	637,515	(3,149,018)	12,536,457	266,476	12,802,933
Balances as of March 31, 2022	6,859,670	(40,082)	42,305	10,242,954	94	1,939,039	197,097	375,803	2,031,533	-	21,648,413	610,495	22,258,908

See the accompanying notes to the financial statements.

# RAÍZEN S.A.

## Statements of changes in equity Years ended March 31 In thousands of Reais - R\$

	Attributable to controlling shareholders									
	Capital reserve			Profit reserves				Interest of non-controlling shareholders	Total equity	
	Capital	Capital reserve	Special reserve - Law No. 8,200/91	Equity adjustments	Legal reserve	Retained profits	Retained earnings	Total		
Balances as of March 31, 2020	1,921,843	510,847	94	714,536	197,097	550,113	-	3,894,530	259,024	4,153,554
Comprehensive income for the year										
Net income for the year	-	-	-	-	-	-	996,486	996,486	42,858	1,039,344
Share of equity of investees (Note 11.c)	-	-	-	(745)	-	-	-	(745)	-	(745)
Net loss with financial instruments designated as hedge accounting	-	-	-	(19,923)	-	-	-	(19,923)	-	(19,923)
Effect of foreign currency translation	-	-	-	608,560	-	-	-	608,560	-	608,560
Total comprehensive income for the year	-	-	-	587,892	-	-	996,486	1,584,378	42,858	1,627,236
Distributions to shareholders, net										
Dividends and interest on own capital	-	-	-	-	-	(907)	(152,978)	(153,885)	(18,367)	(172,252)
Recognition of reserves and others	-	-	-	-	-	844,812	(843,508)	1,304	-	1,304
Total distributions to shareholders, net	-	-	-	-	-	843,905	(996,486)	(152,581)	(18,367)	(170,948)
Balances as of March 31, 2021	1,921,843	510,847	94	1,302,428	197,097	1,394,018	-	5,326,327	283,515	5,609,842

See the accompanying notes to the financial statements.



# RAÍZEN S.A.

## Statements of cash flows – Indirect method

Years ended March 31

In thousands of Reais - R\$

	Individual		Consolidated	
	2022	2021	2022	2021
Cash flows from operating activities				
Income before income tax and social contribution	2,950,800	1,364,158	4,201,852	1,505,327
Adjustments:				
Depreciation and amortization (Note 24)	305,231	217,396	6,369,468	987,575
Amortization of assets from contracts with clients (Notes 10 and 22)	434,281	384,876	579,822	502,468
Net gain from change in the fair value and realization of gain or loss of biological assets fair value (Note 7)	-	-	(1,374,524)	-
Equity accounting result (Note 11)	(2,827,377)	(64,058)	63,050	9,778
Losses (gains) on sales of property, plant and equipment (Note 25)	11,198	(15,408)	18,378	(67,698)
Gains (losses) on transactions with carbon credits ("CBIO")	184,936	149,250	84,835	180,007
Net interest, inflation adjustments and exchange variation	(1,289,486)	991,852	71,395	1,194,623
Change in fair value of financial instruments (Note 26)	(246,299)	(66,230)	(592,707)	(66,230)
Net loss (gain) on derivative financial instruments	3,323,845	(476,814)	5,488,519	(564,716)
Recognition of tax credits and other, net (Note 25)	(208,644)	(190,002)	(332,905)	(219,723)
Changes in inventories' fair value hedge (Note 6)	55,876	(244,942)	55,876	(244,942)
Others	71,723	(76,608)	(28,401)	(67,469)
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	(235,292)	33,216	1,426,777	(63,771)
Inventories	(1,041,279)	(67,668)	(2,629,168)	177,507
Acquisition of CBIO	(444,500)	(130,384)	(601,427)	(154,646)
Restricted cash	(263,468)	(77,832)	(391,683)	(120,701)
Payments of assets from contracts with clients	(769,861)	(766,205)	(1,006,665)	(978,498)
Derivative financial instruments	74,926	177,074	(851,447)	734,941
Related parties	41,203	(563,545)	(162,779)	(1,471,655)
Suppliers and advances to suppliers	3,309,796	2,899,552	4,986,515	2,376,615
Recoverable and payable taxes	(1,067,599)	(972,555)	(1,251,725)	(727,989)
Payroll and related charges payable	116,950	(19,042)	254,112	(8,521)
Other assets and liabilities, net	35,745	3,282	342,858	(147,596)
Payment of income tax and social contribution	-	-	(806,066)	(32,438)
Net cash generated by operating activities	2,522,705	2,489,363	13,913,960	2,732,248
Cash flows from investing activities				
Investments in securities, net	-	-	(92,093)	-
Additions to investment (Note 11)	(6,013,700)	(9,203)	(106,681)	(9,203)
Acquisition of businesses, net of cash acquired (Note 30)	(4,762,555)	-	(4,568,035)	-
Additions to biological assets (Notes 7 and 31.b)	-	-	(1,172,332)	-
Additions to property, plant and equipment and intangible assets (Notes 12, 13 and 31.b)	(315,628)	(148,187)	(5,070,211)	(529,980)
Cash contributed through corporate reorganization (Note 11)	-	-	2,636,055	-
Cash received on disposal of equity interest	-	-	48,791	19,599
Cash received on disposal of property, plant and equipment	7,864	40,041	86,196	138,115
Dividends received from subsidiaries and associates	108,701	73,386	51,505	-
Net cash used in investing activities	(10,975,318)	(43,963)	(8,186,805)	(381,469)
Cash flows from financing activities				
Capital increase (Note 20.a)	6,709,671	-	6,709,671	-
Share issue expenses (Note 20.a)	(149,347)	-	(149,347)	-
Funding from third-party loans and financing	5,744,543	269,000	7,248,633	476,069
Amortizations of principal of third-party loans and financing	(3,968,815)	(1,250,098)	(6,775,276)	(1,972,986)
Payment of interest on third-party loans and financing	(141,519)	(152,830)	(720,202)	(208,032)
Amortizations of third-party lease liabilities	(43,906)	(29,184)	(2,179,271)	(329,250)
Amortizations of intragroup lease liabilities	(18,194)	(16,010)	(200,608)	-
Amortizations of principal of export prepayment (PPE) - intragroup	(675,990)	-	-	-
Payment of interest on PPE – intragroup	(122,667)	(125,160)	(982)	(125,160)
Financial investments linked to financing (restricted cash)	1,009	19,292	983	19,292
Treasury shares	(40,082)	-	(40,082)	-
Payment of dividends and interest on own capital (Note 20.b)	(1,970,891)	(1,640)	(2,741,001)	(23,273)
Management of intragroup funds, net and others	1,726,035	142,695	(701,340)	152,648
Net cash generated by (used in) in financing activities	7,049,847	(1,143,935)	451,178	(2,010,692)
Increase (decrease) in cash and cash equivalents, net	(1,402,766)	1,301,465	6,178,333	340,087
Cash and cash equivalents at beginning of year (Note 3)	1,988,154	635,968	2,604,779	2,167,058
Effect of exchange rate change on cash and cash equivalents	(7,384)	50,721	(548,544)	97,634
Cash and cash equivalents at end of year (Note 3)	578,004	1,988,154	8,234,568	2,604,779

Supplementary information to the cash flows is shown in Note 31.

See the accompanying notes to the financial statements.

# RAÍZEN S.A.

## Statements of value added Years ended March 31 In thousands of Reais - R\$

	Individual		Consolidated	
	2022	2021	2022	2021
Revenues				
Gross revenue from products and services, including result with financial instruments designated and not designated as hedge accounting (Note 22)	124,060,666	71,803,552	205,344,396	97,999,427
Sales returns and cancellations, discounts and rebates (Note 22)	(1,005,887)	(710,309)	(1,340,697)	(885,587)
Amortization of assets from contracts with clients (Note 22)	(434,281)	(384,876)	(579,822)	(502,468)
Reversal (set up) of allowance for estimated credit losses, net (Note 5)	(22,651)	(11,944)	(12,148)	(8,558)
Other operating income, net	46,083	88,006	389,969	315,064
	122,643,930	70,784,429	203,801,698	96,917,878
Inputs acquired from third parties				
Cost of products sold and services provided	(117,063,200)	(66,555,265)	(173,606,956)	(84,774,312)
Change in inventories' fair value hedge (Note 6)	(55,876)	244,942	(55,876)	244,942
Materials, energy, third-party services and others	(1,142,677)	(876,540)	(3,318,229)	(1,605,712)
Net gain from change in the fair value and realization of biological assets fair value (Note 7)	-	-	1,374,524	-
Others	16,826	25,242	(40,531)	77,214
	(118,244,927)	(67,161,621)	(175,647,068)	(86,057,868)
Gross value added	4,399,003	3,622,808	28,154,630	10,860,010
Depreciation and amortization (Note 24)	(305,231)	(217,396)	(6,369,468)	(987,575)
Net value added produced	4,093,772	3,405,412	21,785,162	9,872,435
Value added received on transfers				
Equity accounting result (Note 11)	2,827,377	64,058	(63,050)	(9,778)
Financial income (Note 26)	214,817	173,549	575,473	309,155
Foreign exchange gains	1,646,553	654,432	3,267,417	667,608
Gains on derivative transactions	-	1,512,819	1,029,781	1,617,824
Other amounts received on transfers	59,195	122,087	132,287	55,012
	4,747,942	2,526,945	4,941,908	2,639,821
Value added to distribute	8,841,714	5,932,357	26,727,070	12,512,256
Distribution of value added				
Personnel				
Direct compensation	395,247	268,213	2,810,703	690,155
Benefits	62,026	53,089	457,815	77,487
Unemployment Compensation Fund (FGTS)	17,890	15,547	156,919	16,896
	475,163	336,849	3,425,437	784,538
Taxes, fees and contributions				
Federal and abroad	621,869	820,996	10,319,850	6,535,410
State	2,124,062	1,414,986	3,260,520	1,454,250
Municipal	3,766	2,660	16,880	5,143
Deferred taxes (Note 17.d)	(341,188)	(61,020)	(386,362)	(269,451)
	2,408,509	2,177,622	13,210,888	7,725,352
Remuneration of third-party capital				
Financial expenses (Note 26)	313,179	273,639	1,812,955	393,597
Foreign exchange losses	-	1,546,244	1,411,786	1,870,238
Loss on derivative transactions	2,495,845	601,517	3,616,441	699,187
	2,809,024	2,421,400	6,841,182	2,963,022
Equity remuneration				
Dividends and interest on own capital	741,682	148,945	767,223	159,480
Retained earnings for the period	2,407,336	847,541	2,407,336	847,541
Non-controlling shareholders	-	-	75,004	32,323
	3,149,018	996,486	3,249,563	1,039,344
Value added distributed	8,841,714	5,932,357	26,727,070	12,512,256

See the accompanying notes to the financial statements.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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#### **1. Operations**

Raízen S.A. (“Company” or “Raízen”), formerly Raízen Combustíveis S.A., is a publicly-held corporation, registered in the Brazilian Securities and Exchange Commission (“CVM”) in Category A, whose registration request was granted on May 28, 2021, and headquartered at Avenida Almirante Barroso, 81, 36th floor, room 32B109, in the city of Rio de Janeiro (RJ), Brazil. The Company is indirectly jointly controlled by Shell PLC (“Shell”), formerly Royal Dutch Shell, and Cosan S.A. (“Cosan”).

At the Special General Meeting (“SGM”) held on June 2, 2021, the Company’s shareholders resolved and approved the change of the corporate name to Raízen S.A..

On August 5, 2021, within the scope of its initial public offering of shares (“IPO”) of the Company, the process of trading its preferred shares at B3 SA – Brasil, Bolsa, Balcão (“B3”) began, under ticker name “RAIZ4”, in the listing segment named Level 2 of corporate governance.

The Company’s main activities are: (i) distribution and sale of ethanol and oil, fuels and other fluid hydrocarbons and their by-products; (ii) trade of natural gas and operation as sales representative for the sale of lubricants at full stations fuel; (iii) operations related to convenience and proximity stores; (iv) research and industrial and commercial use of new energy sources; (v) development and licensing of technology on a global scale relating to the production of sugar and ethanol; (vi) importing and exporting of the abovementioned products; (vii) oil refining and production and sale of automotive and industrial lubricants through its Argentine subsidiaries; (viii) production, trading and sale of sugar, ethanol and pellets through the subsidiaries Raízen Energia S.A. (“RESA”) and Biosev S.A. (“Biosev”), as well as the cogeneration of energy through sugarcane bagasse and by electric power trading business; (ix) sale of energy, development, implementation, operation and maintenance of plants for the generation of electric power from renewable sources; and (x) equity interest in other companies.

The planting of sugarcane requires a period of 12 to 18 months for maturation and the harvest period generally starts between the months of April and May of each year and ends, in general, between the months of November and December, period in which sugar and ethanol production also takes place. Production is sold throughout the year and is not subject to seasonal variations, only normal market supply and demand. Due to their production cycle, the fiscal year of the subsidiaries RESA and Biosev, as well as that of the Company, begins on April 1st and ends on March 31 of each year.

The key transactions carried out in the year ended March 31, 2022 were:

- **Capital increases at Raízen**

- (i) **Corporate reorganization through capital increase, with all Raízen Energia S.A. (“RESA”) shares**

The Annual and Special Meeting held on June 1, 2021, approved the Company’s capital increase in the amount of R\$ 5,975,956, through a contribution of 100% of the equity interest held by shareholders with RESA, with the issuance of 7,332,154,111 new common shares. As a result of this transaction, the Company now holds full control of RESA.

Net assets contributed by shareholders were recorded at book value, as the Company continues to be jointly controlled by said shareholders. RESA’s consolidated net assets, contributed by the Company’s shareholders, are presented in Note 11.

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### **Notes from management to the financial statements as of March 31, 2022**

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#### **(ii) Capitalization of capital reserves**

The Company's capital increase was approved at the Special General Meeting held on July 12, 2021, from R\$3,000,000 to R\$3,130,135, with bonus in preferred shares, through capitalization of part of the capital reserve account balance.

#### **(iii) Raízen's IPO**

On August 3, 2021, Raízen's Board of Directors announced the setting of the price per preferred share of its initial public offering at R\$ 7.40. The initial public offering, settled on August 5, 2021, was for 810,811,000 preferred shares of the Company, in the amount of R\$ 6,000,000, as part of the base offering and there was also an overallotment of 121,621,650 preferred shares in the amount of R\$900,000 for price stabilization activities.

On September 3, 2021, the Company's capital increase of R\$ 709,670 was approved, through the issuance of 95,901,350 new supplementary preferred shares, with settlement on September 8, 2021.

On September 9, 2021, Raízen's Board of Directors announced the closing of the primary distribution public offering totaling 906,712,350 preferred, registered, book-entry shares with no par value, considering the initial public offering and the partial placement of supplementary shares, totaling R\$6,709,670.

Details of the IPO are described in Note 20.

#### **(iv) Exercise of subscription bonus by Hédéra Investimentos e Participações S.A. ("Hédéra")**

On August 10, 2021, Raízen's Board of Directors ratified that Hédéra exercised the subscription warrant with consequent issuance and attribution thereto of 330,602,900 preferred book-entry shares with no par value within the Company's authorized capital limit, in the amount of R\$ 2,347,281, adjusted to market value on the transaction date for R\$76,663, totaling R\$2,423,944, corresponding to a unit value of R\$7.10 per share, Hédéra currently holds a 3.2% interest in the Company's capital. This transaction is related to the Biosev acquisition process, as detailed in Note 30.

#### **• Acquisition of new businesses by Raízen**

##### **(i) Biosev**

On February 8, 2021, Raízen entered into an acquisition agreement with Biosev and Hédéra, as the controlling shareholder of Biosev, among other parties, through which it Raízen 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 of Biosev was completed on August 10, 2021, with the conditions precedent established in the agreement were complied with.

The details of this business combination are presented in Note 30.a.

## **RAÍZEN S.A.**

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#### **(ii) Shell's lubricant business in Brazil**

The Company has operated as the exclusive agent for sale of lubricants of the Shell brand since 2011, based on an agreement effective for ten (10) years signed between Raízen and Shell.

With maturity of this intermediation agreement on June 7, 2021, Raízen and Shell negotiated an extension of the scope of the relationship held until then, with acquisition of the totality of Shell's lubricant business in Brazil by Raízen.

The transaction includes the lubricant blending plant located in Ilha do Governador and the Duque de Caxias base, in Rio de Janeiro, as well as the distribution chain and the respective contracts.

On January 18, 2022, Brazil's Antitrust Agency (CADE) granted the definitive approval, without restrictions, of the application to carry out joint operations referring to the transaction between Raízen and the shareholder Shell, after a period of 15 days from its publication in the Federal Gazette, on December 31, 2021. As a result, the condition precedent relating to CADE's approval was obtained.

The acquisition was subject to the fulfillment of other conditions precedent usual for this type of transaction, which were concluded on May 1, 2022. For additional information see Note 32.b.

#### **(iii) Fuel distribution network in Paraguay from Barcos & Rodados S.A. ("B&R")**

On August 10, 2021, a share purchase agreement was signed for acquisition of 50% of B&R, a company with head office in Paraguay. On November 1, 2021, the transaction was concluded, in which the Company obtained an interest in the capital stock representing B&R, and consequent control, for the net present value of R\$597,375.

The details of this business combination are presented in Note 30.b.

#### **(iv) Agreement for acquisition of the Gera Group**

On October 6, 2021, the Company through its indirect subsidiary Biobarra Energia Ltda. entered into a share purchase agreement for the acquisition and the formation of the Gera Group ("JV Raízen Gera"), with investment in energy generation companies (currently with 15 plants located in four Brazilian states), development of new renewable energy distribution projects and technology solutions related to the contracting, management and consumption of electric energy and energy efficiency.

On January 5, 2022, the Company, upon satisfaction of all the conditions precedent established in the agreement, concluded the acquisition of renewable energy generation assets, as well as the formation of the referred group.

The details of this business combination are presented in Note 30.c.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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- **Capital increases at the subsidiaries Blueway Trading Importação e Exportação S.A. (“Blueway”) and RESA**

In the Special Shareholders’ Meetings held on August 6 and 31, 2021, Raízen approved capital increases in the subsidiaries Blueway and RESA, in the amount of R\$ 750,000 and R\$ 5,250,000, respectively, the details of which are described in Note 11.

#### **1.1. Covid-19**

In March 2020, the World Health Organization (WHO) declared COVID-19 outbreak to be a pandemic. The government authorities of various countries, including Brazil, imposed virus containment restrictions. In this scenario, the Company 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 as its products and services are considered essential activities, since they are strategic inputs for hospitals and for the security, food and power segments.

The Company and its subsidiaries continue to monitor the evolution of Covid-19, the effects on their 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 Company’s 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 for its significant businesses.

##### **(ii) Impairment of non-financial assets and tax credits**

The Company assessed the indications of impairment losses on non-financial assets and tax credits and concluded that, even with a potential reduction in cash flows and in expected statement of income for the 2022/23 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) 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, particularly price fluctuation and consumption volatility in certain regions arising from social distancing resulted in a consolidated amount of provision for estimated loss on inventories realization, obsolescence and other of R\$ 73,902 as of March 31, 2022 (R\$ 21,690 in 2021).

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### **Notes from management to the financial statements as of March 31, 2022**

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#### **(iv) Allowance for expected credit losses**

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 mostly with security interest from its clients, it carries out a careful credit analysis and when applicable requires cash advances for shipping of products. There was no significant additional recognition due to Covid-19.

#### **(v) Liquidity**

Raízen ended the fiscal year ended March 31, 2022, with a consolidated cash of R\$ 8,234,568 (R\$ 2,604,779 in 2021), consolidated working capital (current assets less current liabilities) of R\$ 6,630,133 (R\$1,527,447 in 2021), and consolidated net income of R\$ 3,249,563 (R\$ 1,039,344 in 2021).

Additionally, on March 31, 2022, the parent company Raízen S.A. presented negative working capital of R\$4,419,799 (positive of R\$635,684 in 2021). An important part of current liabilities arises from the balance payable to group companies and their shareholders, including in the form of dividends and interest on own capital, in the amount of R\$3,762,006 (R\$1,805,616 in 2021) renegotiable as to the payment term, if necessary. For this reason, management has a reasonable expectation that the Company will have sufficient funds to remain in operation in the foreseeable future, mainly based on its income generation, cash generated from operating activities and the funds generated in the public offering of shares of the Company. (Note 20).

#### **(vi) 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.

#### **(vii) 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.

### **1.2. Conflict in Eastern Europe – War between Russia and Ukraine**

The conflict in Eastern Europe, between Russia and Ukraine, has been pushing up the prices of oil, oil by-products, gas and fertilizers in the international market, as Russia is the world's second largest oil producer and a major producer of inputs for fertilizers such as nitrate, phosphorus and potassium.

Due to this scenario, and considering the importance of these commodities in Raízen's operations, management understands that the increase in the costs of oil and its by-products, and of fertilizer inputs currently observed in the market, resulting from the war, up to date, has not affected its annual financial statements, because the Company maintains minimum inventory levels and a hedge policy, which aims to protect its results against changes in currency prices and commodities in general.

Raízen constantly monitors the international markets for these commodities and through trade initiatives and a supply strategy, it intends to minimize possible financial impacts and risks of disruption in the supply of its operations, seeking viable alternatives for products and supplier countries in the event of shortage of any products or inputs.

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### **Notes from management to the financial statements as of March 31, 2022**

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Governments and institutions have recently announced sanctions for certain industrial sectors in Russia. These and any additional sanctions, as well as responses from Russia or governments of other jurisdictions, may adversely affect Raízen's business.

## **2. Significant accounting policies**

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

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Law, the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), and the pronouncements issued by the Accounting Pronouncements Committee ("CPC"), which are in conformity with the 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.

The consolidated financial statements, which comprise the balance sheet and the statements of income, of comprehensive income, of cash flows, of changes in equity and of value added, as well as the corresponding explanatory notes for the year ended March 31, 2022, contained in these individual and consolidated annual financial statements are not comparable with the respective annual consolidated financial statements as of March 31, 2021, substantially due to the corporate reorganization through a capital increase with all the shares of RESA on June 1, 2021, carried out by the shareholders Shell and Cosan, and mentioned in Note 1 and for the acquisitions of Biosev, of the fuel distribution network in Paraguay from Barcos & Rodados S.A. and Gera Group, concluded on August 10, 2021, November 1, 2021, and January 5, 2022, respectively, detailed in Notes 1 and 30.

Issue of these financial statements was authorized by Management on May 13, 2022.

#### **(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 short-term investments, inventories and financial instruments (including derivative instruments), and certain loans and financing, which are measured at fair value.

#### **(b) Functional and presentation currency**

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, except for subsidiary Barcos & Rodados S.A. acquired by the Company on November 1, 2021, which has the Paraguayan Guarani as its functional currency. 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 subsidiaries located abroad, their assets and liabilities were converted into Reais at the exchange rate at the end of the year and the results were calculated at the average monthly rate during the year. The translation effects are stated in equity from these subsidiaries.



## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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#### **(c) Statement of value added**

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by Brazilian corporate law and by the accounting practices adopted in Brazil applicable to publicly-held companies. The IFRS does not require the presentation of this statement. The statement of value added was prepared in accordance with the criteria defined in Technical Pronouncement CPC 09 - Statement of Value Added.

#### **(d) 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 tax and social contribution, when applicable, in all countries in which it operates. Accordingly, a significant judgment is required to determine the provision for these taxes.

In certain transactions, the final determination of the tax is uncertain. When applicable, 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 tax and social contribution**

Deferred income tax and social contribution 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 to determine the deferred income tax and social contribution assets to be recognized based on reasonable timing and future taxable profit level, jointly with future tax planning strategies. For further details, see Note 17.d.

##### **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 products sold. For further details, see Note 7.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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#### **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 recovered. Determination of the recoverable amount of the cash-generating unit to which goodwill was attributed also includes the use of estimates and requires significant judgment by management. For more details, see Notes 12 and 13.

#### **Provision for legal disputes**

The Company and its subsidiaries recognize the provision for tax, civil, labor and environmental legal disputes. Determination of the likelihood of loss includes determination of evidence available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of internal and external attorneys. Such provisions are reviewed and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions. For more details, see Note 18.

#### **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. For further details, see Note 27.

#### **Lease liabilities**

Management exercises significant judgment in determining the assumptions used to measure lease liabilities, such as determining the term of the various lease agreements, discount rates, the agreements that are within the scope of the standard, and the impacts of any changes in the assumptions associated with the judgments and estimates adopted by the Company and its subsidiaries. For further details, see Note 15.

#### **Share-based payment**

The management exercises judgment in determining the assumptions used in measuring and recognizing the fair value of share-based payment on the date of grant and in determining the impacts of any changes on the assumptions associated with the judgments and estimates adopted by the Company and its subsidiaries. For further details, see Note 21.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

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### 2.2. Basis of consolidation

The consolidated financial statements include financial information on Raízen and its subsidiaries, and boutique investment funds. Direct and indirect subsidiaries and the investment funds are listed below:

	2022		2021	
	Direct	Indirect	Direct	Indirect
Blueway Trading Importação e Exportação S.A.	100%	-	100%	-
Petróleo Sabbá S.A. ("Sabbá")	80%	-	80%	-
Raízen Argentina S.A. (1)	100%	-	100%	-
Raízen Energina S.A. (1)	95%	5%	95%	5%
Deheza S.A. (1)	-	100%	-	100%
Estación Lima S.A. (1)	-	100%	-	100%
Raízen Mime Combustíveis S.A. ("Raízen Mime")	76%	-	76%	-
Raízen Serviços e Participações S.A. (formerly Raízen S.A.)	100%	-	100%	-
Sabor Raíz Alimentação S.A.	69%	-	69%	-
Saturno Investimentos Imobiliários Ltda.	100%	-	100%	-
Barcos & Rodados S.A. (4)	50%	-	-	-
Raízen Energia S.A. (2)	100%	-	-	-
Agrícola Ponte Alta Ltda. (2)	-	100%	-	-
Benálcool Açúcar e Alcool Ltda. (2)	-	100%	-	-
Bioenergia Araraquara Ltda. (2)	-	100%	-	-
Bioenergia Barra Ltda. ("Bio Barra") (2)	-	100%	-	-
Bioenergia Caarapó Ltda. (2)	-	100%	-	-
Bioenergia Costa Pinto Ltda. (2)	-	100%	-	-
Bioenergia Gasa Ltda. (2)	-	100%	-	-
Bioenergia Jataí Ltda. (2)	-	100%	-	-
Bioenergia Maracá Ltda. (2)	-	100%	-	-
Bioenergia Rafard Ltda.	-	100%	-	-
Bioenergia Serra Ltda. (2)	-	100%	-	-
Bioenergia Tarumã Ltda. (2)	-	100%	-	-
Bioenergia Univalem Ltda. (2)	-	100%	-	-
Raízen Araraquara Açúcar e Alcool Ltda. (2)	-	100%	-	-
Raízen Ásia PT Ltd. (2)	-	100%	-	-
Raízen Biomassa S.A. (2)	-	82%	-	-
Raízen Biotecnologia S.A. (2)	-	100%	-	-
Raízen Caarapó Açúcar e Alcool Ltda. (2)	-	100%	-	-
Raízen Centroeste Açúcar e Alcool Ltda. (2)	-	100%	-	-
Raízen Energy Finance Ltd. (2)	-	100%	-	-
Raízen Fuels Finance S.A. ("Raízen Fuels") (2)	-	100%	-	-
Raízen GD Ltda. (2)	-	100%	-	-
Raízen International Universal Corp. (2)	-	100%	-	-
Raízen North América, Inc. (2)	-	100%	-	-
Raízen Paraguai Ltda. (2)	-	100%	-	-
Raízen Trading Colombia S.A.S. (2)	-	100%	-	-
Raízen Trading LLP ("Raízen Trading") (2)	-	100%	-	-
Raízen Trading Netherlands BV (2)	-	100%	-	-
Raízen Trading S.A. (2)	-	100%	-	-
Raízen-Geo Biogás S.A. (2)	-	85%	-	-
RWXE Participações S.A. (2)	-	100%	-	-
RZ Agrícola Caarapó Ltda. (2)	-	100%	-	-
Unimodal Ltda. (2)	-	73%	-	-
WX Energy Comercializadora de Energia Ltda. (2)	-	100%	-	-
Biosev S.A. (3)	100%	-	-	-
Biosev Bioenergia S.A. (3)	-	100%	-	-
Biosev Comercializadora S.A. (3)	-	100%	-	-
Biosev Bioenergia International S.A. (3)	-	100%	-	-
Gera Next Participações S.A. (5)	-	100%	-	-
Gera Energia Rio S.A. (5)	-	100%	-	-
Bio Gera Energia S.A. (5)	-	100%	-	-
GER Serviços de O&M Ltda. (5)	-	100%	-	-
Bio Gera Locações de Máquinas e Equipamentos Industriais Ltda. (5)	-	100%	-	-
Bio Gera Consultoria em Engenharia Elétrica Ltda. (5)	-	100%	-	-
CGB Santos Energia Ltda. (5)	-	100%	-	-
Gera Microgerações Solar Ltda. (5)	-	100%	-	-
CGS Piancó Ltda. (5)	-	100%	-	-
Raízen Gera Desenvolvedora S.A. (5)	-	51%	-	-

(1) Jointly called Raízen Argentina, all based in Argentina;

(2) Jointly called Raízen Energia and subsidiaries, the shares of which were contributed to Raízen on June 1, 2021 by the shareholders Shell and Cosan;

(3) Jointly called Biosev, acquired by Raízen on August 10, 2021 (Note 30);

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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- (4) Acquired by Raízen on November 1, 2021 (Note 30); and
- (5) Jointly called “Raízen-Gera”, acquired by indirect subsidiary Bioenergia Barra Ltda., on January 5, 2022 (Note 30).

Boutique investment funds (“FI”)	Total interest	
	2022	2021
FI renda fixa crédito privado RJ – Banco Santander S.A.	100%	100%
FI renda fixa crédito privado RAÍZEN I – Banco BNP PARIBAS BRASIL S.A.	100%	100%
Otto Energy – BTG Pactual S.A.	100%	-

### 2.3. Summary of significant accounting policies

The main accounting policies applied in the preparation of these financial statements are defined below. Those accounting policies have been applied consistently to all the years presented, unless otherwise stated.

#### a) Revenue recognition

Revenues from sales of products (Note 22) are recognized on the delivery to the client. Delivery is considered to be the moment when the client 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.

Storage and lease income comprise rent of gas stations and storage of fuels at the RSA and its subsidiaries’ terminals and is recognized based on the effective rendering of services, under “other operating income, net” (Note 25).

Revenue is shown net of taxes (State VAT (“ICMS”); Contribution Tax on Gross Revenue for Social Integration Program (“PIS”); Contribution Tax on Gross Revenue for Social Security Financing (“COFINS”), Social Contribution Tax for Intervention in the Economic Order (“CIDE”); Fuel Transfer Tax (“ITC”); Value Added Tax (“VAT”); and Tax on Gross Income (“IIB”), returns, rebates and discounts, amortization referring to exclusive supply rights, as well as eliminations of sales between group companies, in the case of the consolidated financial statements.

Revenue from the sale of cogeneration of power of the subsidiaries RESA and Biosev 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 monthly. Clients gain 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 the 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. RESA and Biosev recognize revenue when the energy is delivered to the client 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 S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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

Foreign currency transactions are initially recorded by the Company's entities at the functional currency 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 the settlement of these transactions and from translation using the exchange rates at the year-end are recognized in the "Financial Results", as financial income (expenses), except when qualified as hedging accounting and, therefore, recognized in the statement of comprehensive income.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at 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.

Goodwill and fair value adjustments arising from the acquisition of an entity abroad (entities with a functional currency different from the Parent Company) are treated as assets and liabilities of the entity abroad and converted at the closing rate, and the adjustments resulting from the conversion are also recognized in equity as cumulative translation adjustments.

#### **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 to receive contractual cash flows; and (ii) its contractual terms generate, on specified dates, cash flows that are related to the payment of principal and interest on the principal amount outstanding.

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 the receipt of contractual cash flows and the sale of financial assets; and (ii) the contractual terms give rise, at specified dates, to cash flows that are Solely Payment of Principal and Interest (SPPI) 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.

## **RAÍZEN S.A.**

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#### **Business model evaluation**

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.

Information 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.

#### **Evaluation 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 the credit risk associated with the principal outstanding over a given period of time and the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

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. When 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, contract 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 (client risk rating, measured internally).

## **RAÍZEN S.A.**

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

These are measured at amortized cost and fair value through profit or loss, comprising, in the case of the Company, mostly loans and financing, balances payable to suppliers and related parties, and derivative financial instruments.

Payments of interest on loans and financing are classified as cash flow from financing activities.

#### **(iii) Offsetting 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 from 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 income.

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

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

#### **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 fair value of derivatives during the year are recognized directly in profit or loss, 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 is recognized in profit or loss 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 financial income (expenses).

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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 profit or loss; (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 profit or loss; 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 hedged 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 periods of transfer of gains or losses arising from hedging instruments to profit or loss, are also included in the hedging relationship documentation.

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

#### **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 profit or loss for the year.

The amounts recorded in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, 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 profit or loss. 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 profit or loss.

#### **Net investment hedge in foreign entities**

Hedge of net investment in foreign operations is accounted for similarly to cash flow hedge. Any gain or loss on the hedging instrument related to the effective hedge portion is recognized under equity, in "Equity adjustments". The gain or loss related to the ineffective portion is immediately recognized in profit or loss. Accumulated gains and losses in equity are included in profit or loss for the year, when the foreign investment is sold.



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

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

#### **Fair value hedge - inventories**

The Company designates inventories of by-products with pegged derivatives at fair value, as detailed in Note (6).

#### **d) Decarbonization credits (“CBIO”)**

The Company is a fossil fuel distributor and has carbon credit retirement goals established by Brazil’s National Petroleum Agency (“ANP”) and the Ministry of Mines and Energy (MME) under the terms of the new Brazil’s National Biofuels Policy. Carbon credit is an asset that must be converted into cash through a transaction carried out by B3.

The Company classifies the carbon credits as a financial asset measured at fair value through profit or loss. They are recognized under “Other receivables”, in current assets, and initially measured based on the carbon credit acquisition price. The goals established and published by the ANP remain in force until December of each year and are recorded by the Company as provision in “Other liabilities”, in current liabilities.

#### **e) Inventories**

In general, inventories are valued at the average cost of acquisition, with the exception of inventories of by-products with pegged derivatives designated at fair value (Note 2.3.c), not exceeding net realizable value. Cost is determined by the acquisition average cost method. 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.

The inventories of subsidiaries RESA and Biosev are valued at the average cost of acquisition or production, except for the indirect subsidiary Raízen Trading’s inventories, which are measured at fair value and adjusted 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 three-month period and they are not considered strategic by the Company.

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#### **f) Biological assets**

The biological assets of subsidiaries RESA and Biosev refer to unharvested cane cultivated in sugarcane crops, which will be used as a raw material source in the production of sugar, ethanol and bioenergy upon harvesting. The fair value measurement method is the cash flow discounted to present value. The valuation model considers the present value of expected cash flows to be generated, including projections of up to two years, considering the estimates of the effective date for cutting the unharvested cane.

Changes in fair values between the years, as well as their amortization, are allocated to the profit or loss("P&L") under Cost of sales and services.

#### **g) Related parties**

Raízen Group, in which the Company is inserted, has a fully integrated management of the cash flow of its companies and subsidiaries.

The main instruments used for cash management between the Raízen Group companies, which are applicable to the Company, are as follows:

##### **(1) Asset Management Contract ("GRF") - operation between companies domiciled in Brazil**

RESA, which centralizes the Raízen 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 flow from financing activities.

##### **(2) PPE contracts- transaction carried out between companies domiciled in Brazil and abroad**

In certain situations, Raízen Group companies domiciled abroad raise funds in the international financial market and subsequently transfer them to Raízen Group 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 and 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.

#### **h) Assets from contracts with clients**

The assets from contracts with clients correspond to the bonuses granted to RSA clients and are subject to deadlines and performance obligations, particularly the use of the quantities provided for in supply contracts. As the contractual conditions are met, bonuses are amortized and recognized in the statement of income, under Net operating revenue (Note 22).

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#### **i) Investment in subsidiaries (individual financial statements) and in associates and joint ventures**

Investments in entities over which the Company has significant influence or shared 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 income reflects the share of profit or loss from subsidiary's operations based on the equity method. When a change is directly recorded in equity of the subsidiary, associate or joint venture, the Company recognizes its portion in the changes 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 its subsidiary, associate and joint venture should be recorded. The Company determines, at each statement of financial position date, if there is objective evidence that the investment has been 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 subsidiary, associate and joint venture, and records this amount in the statement of income.

The accounting policies of the associates and joint ventures are adjusted, when necessary, to ensure consistency with the policies adopted by the Company.

Dividends and Interest on Own Capital received from investments in subsidiaries (individual financial statements), in associates and joint ventures are classified as cash flow from investing activities.

#### **j) Property, plant and equipment**

Property, plant and equipment items, including sugarcane planting, are measured at historical acquisition or construction cost, less accumulated depreciation and 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.

Expected expenses with removal of fuel storage tanks are estimated and recorded as part of the cost of property, plant and equipment, matched against the provision that will support such expenses, in current and noncurrent liabilities, depending on the term of the obligation.

Subsidiaries RESA and Biosev carry out the main scheduled maintenance activities at their industrial units on an annual basis (off-season period). This normally takes place between January and March, with the aim of inspecting and replacing components. The principal annual maintenance costs include costs for labor, materials, outside services and overhead allocated during the off-season. These costs are classified as parts and components that are frequently replaced, in property, plant and equipment, and are fully amortized in the following harvest.

The cost of an equipment item that must be replaced annually is accounted for as a component of the equipment cost and depreciated over the next crop year. Periodic maintenance costs are expensed when incurred as the replaced components do not improve production capacity or introduce improvements to equipment. Land is not depreciated.

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Other repairs and maintenance are recognized in income over the period in which they are incurred. The cost of any renovation that increases the useful life must be activated and included in the asset's carrying amount if it is probable that future economic benefits after the renovation will exceed the initially assessed performance standard for the existing asset and these benefits will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing the sales amounts with the carrying amount and are recognized in Other operating revenue, net in the statement of income.

Land is not depreciated. As of March 31, 2022 and 2021, the depreciation was calculated based on the estimated useful life of each asset. The weighted average annual depreciation rates are as follows:

<u>Class of property, plant and equipment</u>	<u>2022</u>	<u>2021</u>
Buildings and improvements	3%	3%
Machinery, equipment and facilities	5%	5%
Vehicles, vessels and aircraft	8%	7%
Sugarcane planting	20%	-
Furniture, fixtures and IT equipment	15%	15%

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

#### k) Leases

With the adoption of IFRS 16 (CPC 06 (R2)) - Leases, in 2019 the Company started to recognize a right-of-use asset and a lease liability 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 Raízen 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 years ended March 31, 2022 and 2021, the discount rates applied in accordance with the contractual term were as follows:

<u>Contractual terms (years)</u>	<u>Nominal</u>		<u>Actual</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
1 year	13.3%	3.1%	5.6%	-0.5%
2 years	13.0%	4.5%	5.6%	0.7%
3 years	12.5%	5.6%	5.6%	1.5%
4 years	12.3%	6.3%	5.6%	2.1%
5 years	12.3%	6.8%	5.6%	2.5%
6 years	12.3%	7.2%	5.7%	2.9%
7 years	12.4%	7.6%	5.7%	3.1%
8 years	12.5%	7.8%	5.7%	3.3%
9 years	12.5%	8.0%	5.8%	3.5%
More than 10 years	13.3%	8.1%	5.6%	3.6%

The lease term is equivalent to the minimum non-cancellable period 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.

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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.

#### **I) Intangible assets**

##### **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, measured by the expected future profitability. Goodwill on acquisitions of subsidiaries is disclosed under Investments and Intangible assets, in the individual and consolidated financial statements, respectively.

Goodwill generated from acquisitions of Brazilian entities is recorded at cost and goodwill resulting from the acquisition of an entity abroad (with a functional currency different from the Parent Company) is converted by the closing rate. 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.

##### **Intangible assets with defined useful life**

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

As of March 31, 2022 and 2021, the annual weighted average amortization rates are as follows:

<b>Class of intangible asset</b>	<b>Annual average rate</b>	
	<b>2022</b>	<b>2021</b>
Software license (1)	20%	20%
Brands (2)	8%	10%
Contractual relations with clients (3)	7%	7%
Sharecropping agreements	9%	-
Sugarcane supply agreements	10%	-
Technology and others	10%	10%

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

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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#### **(1) Software license**

Licenses acquired for computer programs are capitalized and amortized over their estimated useful life by the Company. Software maintenance costs are expensed as incurred. Expenses directly associated with software, controlled by RSA, which are likely to generate economic benefits greater than costs for more than one year, are recognized as intangible assets.

#### **(2) Brands**

It corresponded to the right of use of the Shell's brand, contributed in the formation of Raízen by shareholder Shell, recognized at historical cost, which was in force until May 2021 and was renewed on the same date, and also the brand "Barcos & Rodados" as from the acquisition of Barcos & Rodados S.A. by the Company on November 1, 2021 (Note 30.b.).

On May 20, 2021, the Company renewed the License to use the "Shell" Brand with Shell Brands International AG. With this renewal, the Company maintains the right of use of the "Shell" Brand, in the fuel distribution and related activities sector in Brazil, for a minimum period of 13 (thirteen) years, which can be renewed in certain cases, subject to compliance with certain conditions set out in the contract.

The brands are amortized on a straight-line basis over the term of the contract, in the case of the Shell brand, and for a period of 6 (six) years in the brand Barcos & Rodados corresponding to the acquisition. For further details, see Note 12.

#### **(3) Contractual relations with clients**

It corresponds to the intangible asset with a defined useful life acquired in the business combination of Raízen Argentina and recognized at fair value on the acquisition date. Amortization is calculated using the straight-line method over the expected life of the contractual relation with the client.

#### **m) Impairment of non-financial assets**

The Company and its subsidiaries assess if there are indications of impairment 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 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 the statement of income.

#### **n) 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.

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#### **o) 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 profit or loss 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 the statement of income.

#### **p) Share-based payment**

The Company approved the constitution of the “Restricted Share Grant Program – New VLP” granted on March 29, 2022. At this same moment, the Company’s eligible employees benefited from the plan through the share grant instrument.

The share-based equity settled payment plan is measured based on the fair value on the date the shares are granted and recognized as personnel expenses, with a corresponding increase in equity, over the period in which the employees unconditionally become entitled to the benefits.

The amount recognized as an expense is adjusted to reflect the number of shares for which the service conditions and non-market vesting conditions are expected to be met, so that the amount ultimately recognized as an expense is based on the number of shares that do meet the related service conditions and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no modification for differences between expected and actual benefits.

When the terms of an equity-settled transaction are modified (for example, by plan modifications), the recognized minimum expense is the fair value at the date of grant, provided that the original vesting conditions are met. An additional expense, measured at the modification date, is recognized for any modification that increases the fair value of share-based payments or that otherwise benefits employees. When a grant is canceled by the entity or counterparty, any remaining element of the grant's fair value is immediately recognized as an expense in the statement of income.

The fair value of the amount payable to employees in relation to the share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities during the period in which employees unconditionally acquire the right to payment. The liability is remeasured at each reporting date and at the settlement date, based on the fair value of the share appreciation rights. Any changes in the fair value of the corresponding liabilities are recognized in the statement of income as personnel expenses.

For further details see Note 21.

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#### **q) Treasury shares**

Treasury shares represent shares that are bought back by the company and are available for specific and limited purposes. For accounting purposes, the Company holds the necessary shares to meet future share-based payment plans to employees and the volume is treated as treasury shares.

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

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

Current and deferred income tax and 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 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 tax and social contribution related to income tax 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.

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

#### **s) 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.

Distribution of profits to shareholders is made in the form of dividends and/or interest on own capital based on the limits defined in the Company's bylaws and the laws in force. They are classified as cash flow from financing activities, when paid.

Until March 31, 2021, preferred shares are segregated into liability and equity components based on the contractual terms, if any.



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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 D and E preferred shares entitle the shareholder Shell to the receipt of fixed annual dividends.

#### **t) Business combinations and goodwill**

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 the statement of income as incurred. Identifiable assets acquired and 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 the statement of income for the year as a bargain purchase.

#### **u) Environmental issues**

The Company minimizes the risks associated with environmental issues through operating procedures and controls and investments in pollution control systems and equipment. The Company records a provision for loss on environmental expenses, under Other obligations, to the extent that it is necessary to carry out environmental remediation of the damage caused.

#### **v) Segment reporting**

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.

## **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 on April 1, 2021:

- Amendments to IFRS 9/CPC 48, IAS 39/CPC 38 and IFRS 7/CPC 40 - 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 above amendments did not have material impacts for the Company.

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

The following amendments to standards have been issued by the IASB but are not yet effective for the year ended March 31, 2022. Although encouraged by the IASB, early adoption of the standards in Brazil is not permitted by the CPC:

- **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 the 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.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

- **Amendments to IAS 1 - Classification of liabilities as current or noncurrent:** In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, equivalent to CPC 26, to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and also that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Amendments are effective for periods beginning on or after January 1, 2023, and should be applied retroactively, for the Company, as from April 1, 2023.
- **Amendments to IAS 8 - Definition of accounting estimates:** In February 2021, IASB issued amendments to IAS 8 (equivalent to CPC 23), in which it introduces the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also explain how entities use measurement techniques and inputs to develop accounting estimates. Amendments are effective for periods beginning on or after January 1, 2023, for the Company, as from April 1, 2023.
- **Amendment to IAS 1 and IFRS Practice Statement 2 - Presentation of Financial Statements:** In February 2021, the IASB issued amendments to IAS 1 (equivalent to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are effective for periods beginning on or after January 1, 2023 and, for the Company, as from April 1, 2023.

No material impacts are expected for the Company from the amendments mentioned above. There are no other IFRS/CPC standards or IFRIC/ICPC interpretations not yet effective that could have a significant impact on the Company's financial statements.

### 3. Cash and cash equivalents

	Index	Consolidated weighted average yield		Individual		Consolidated	
		2022	2021	2022	2021	2022	2021
Bank, cash and others				152,080	250,299	4,182,878	485,400
Short-term investments:							
Investment funds (1)	CDI	123.4%	67.3%	3,451	1,024	106,871	2,108
CDB (Bank deposit certificate) and commitments (2)	CDI	98.0%	99.1%	422,473	1,736,831	3,944,819	2,117,271
Total short-term investments				425,924	1,737,855	4,051,690	2,119,379
Total cash and cash equivalents				578,004	1,988,154	8,234,568	2,604,779
Domestic (local currency)				459,610	1,839,290	4,281,058	1,862,843
Abroad (foreign currency) (Note 27.d)				118,394	148,864	3,953,510	741,936
				578,004	1,988,154	8,234,568	2,604,779

- (1) These refer 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.
- (2) Refer to fixed income investments in first-class financial institutions, with daily yield and liquidity.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### 4. Securities and restricted cash

##### (a) Securities

	Index	Consolidated weighted average yield		Individual		Consolidated	
		2022	2021	2022	2021	2022	2021
Financial treasury bill ("LFT") (1)	SELIC	100%	-	-	-	87,529	-
				-	-	87,529	-

##### (b) Restricted cash

	Index	Consolidated weighted average yield		Individual		Consolidated	
		2022	2021	2022	2021	2022	2021
Financial investments linked to financing	CDI	99.1%	-	-	-	67	-
Financial investments linked to derivative operations (Note 27.g) (1)	CDI	99.1%	100.4%	24,512	42,020	100,821	42,020
Margin deposits in derivative transactions (Note 27.g) (2)				301,543	66,929	2,178,744	104,868
				326,055	108,949	2,279,632	146,888
Domestic (local currency)				24,512	42,020	100,888	42,020
Abroad (foreign currency) (Note 27.d)				301,543	66,929	2,178,744	104,868
				326,055	108,949	2,279,632	146,888

(1) It corresponds to financial investments in CDB and government securities abroad, carried out with top-tier banks, pledged as collateral for derivative instrument transactions.

(2) Margin deposits in derivative transactions refer to margin calls at a commodity exchange and are exposed to the dollar fluctuation in derivative transactions.

#### 5. Trade accounts receivable and advances from clients

##### (a) Trade accounts receivable

	Individual		Consolidated	
	2022	2021	2022	2021
Domestic (local currency)	2,473,947	1,539,865	3,920,718	1,825,123
Abroad (foreign currency) (Note 27.d)	2,568	610	2,529,851	584,503
Other accounts receivable (i)	265,770	383,409	366,267	533,429
Allowance for expected credit losses	(133,568)	(110,917)	(178,998)	(131,701)
	2,608,717	1,812,967	6,637,838	2,811,354
Current	(2,338,361)	(1,542,374)	(6,271,015)	(2,438,789)
Non-current	270,356	270,593	366,823	372,565

(i) Other accounts receivable substantially refer to installments of overdue debts and sales of real estate properties, with the main purpose of implementing or modernizing gas stations, through security interest, guarantees and collaterals.

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### Notes from management to the financial statements as of March 31, 2022

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The Company does not have 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:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Falling due	2,327,776	1,520,719	6,123,548	2,391,713
Overdue:				
Within 30 days	38,987	35,509	145,487	77,537
From 31 to 90 days	35,725	35,193	59,327	41,405
From 91 to 180 days	33,070	16,659	59,367	25,325
Over 180 days	306,727	315,804	429,107	407,075
	<u>2,742,285</u>	<u>1,923,884</u>	<u>6,816,836</u>	<u>2,943,055</u>

For long-overdue notes with no allowance for expected credit losses, the Company has security interest, such as mortgages and letters of credit.

The allowance for expected credit losses was calculated based on 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 for the years ended March 31, 2022 and 2021 are as follows:

	<b>Individual</b>	<b>Consolidated</b>
As of March 31, 2020	(98,973)	(123,840)
Provision for expected credit losses	(55,307)	(72,690)
Reversal and write-off	43,363	64,132
Effect of foreign currency translation	-	697
As of March 31, 2021	<u>(110,917)</u>	<u>(131,701)</u>
Provision contributed through corporate reorganization	-	(26,143)
Business combination (Note 30)	-	(10,746)
Provision for expected credit losses	(74,707)	(104,403)
Reversal and write-off	52,056	92,255
Effect of foreign currency translation and others	-	1,740
As of March 31, 2022	<u>(133,568)</u>	<u>(178,998)</u>

#### (b) Advances from clients

As of March 31, 2022, the Company had R\$ 54,398 and R\$ 4,796,239 in the Individual and Consolidated financial statements, respectively (R\$ 28,755 and R\$ 99,772 in the Individual and Consolidated financial statements, respectively in 2021) recorded in current liabilities, under Advances from clients, which refer substantially to amounts received from clients abroad for the purchase of sugar and ethanol and performance of commodities export.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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#### 6. Inventories

	Individual		Consolidated	
	2022	2021	2022	2021
Finished products:				
Sugar	-	-	686,022	-
Diesel (2)	1,246,900	661,165	2,846,277	1,314,231
Gasoline (2)	1,266,737	758,903	2,011,989	1,409,901
Ethanol	206,373	369,587	2,359,159	381,054
Jet fuel (Jet A-1)	190,247	119,931	234,516	170,354
Petroleum by-products (1)	31,214	11,934	280,940	216,021
Oil (crude oil)	-	-	418,453	269,342
Products in process	-	-	344,331	257,528
Warehouse and others	42,048	76,596	750,258	384,646
	<u>2,983,519</u>	<u>1,998,116</u>	<u>9,931,945</u>	<u>4,403,077</u>

(1) Refers substantially to inventories of fuel oil, lubricants and asphalt.

(2) Raízen designates at fair value the inventories and highly probable purchases of oil by-products with pegged derivatives. The main risk management objective (Note 27.e) is that inventories be recognized at a floating price, as will occur with Raízen's sales revenue when the products are sold to its clients. As of March 31, 2022, such inventories include fair value measurement, level 2 hierarchy, as follows:

	Cost value		Fair value		Individual Income (loss)	
	2022	2021	2022	2021	2022	2021
Finished products:						
Diesel	1,251,259	644,964	1,246,900	661,165	(20,560)	131,581
Gasoline	1,270,474	727,324	1,266,737	758,903	(35,316)	113,361
	<u>2,521,733</u>	<u>1,372,288</u>	<u>2,513,637</u>	<u>1,420,068</u>	<u>(55,876)</u>	<u>244,942</u>
	Cost value		Fair value		Consolidated Income (loss)	
	2022	2021	2022	2021	2022	2021
Finished products:						
Diesel	2,850,636	1,298,030	2,846,277	1,314,231	(20,560)	131,581
Gasoline	2,015,726	1,378,322	2,011,989	1,409,901	(35,316)	113,361
	<u>4,866,362</u>	<u>2,676,352</u>	<u>4,858,266</u>	<u>2,724,132</u>	<u>(55,876)</u>	<u>244,942</u>

As of March 31, 2022, inventories are stated net of estimated loss with realization, and slow-moving and/or obsolete inventories, amounting to R\$ 222 and R\$ 73,902 (R\$ 20,606 and R\$ 21,690 in 2021), Individual and Consolidated, respectively. Changes in the referred to losses for the years ended March 31, 2022 and 2021 are shown below and were recognized in the statement of income under Costs of products sold and services provided:

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### Notes from management to the financial statements as of March 31, 2022

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	<u>Individual</u>	<u>Consolidated</u>
As of March 31, 2020	<u>(42,854)</u>	<u>(93,827)</u>
Estimated loss	(20,768)	(20,810)
Reversal and write-off	43,016	94,987
Effect of foreign currency translation and others	<u>-</u>	<u>(2,040)</u>
As of March 31, 2021	<u>(20,606)</u>	<u>(21,690)</u>
Loss contributed through corporate reorganization	-	(22,539)
Business combination	-	(11,689)
Estimated loss	(252)	(57,891)
Reversal and write-off	20,636	38,366
Effect of foreign currency translation and others	<u>-</u>	<u>1,541</u>
As of March 31, 2022	<u>(222)</u>	<u>(73,902)</u>

## 7. Biological assets

Raízen's biological assets comprise unharvested cane cultivated in sugarcane crops, which will be used as a raw material source in the production of sugar, ethanol and bioenergy upon harvesting. The fair value measurement method is the cash flow discounted to present value. The valuation model considers the present value of expected cash flows to be generated, including projections of up to two years, considering the estimates of the effective date for cutting the unharvested cane.

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

As of March 31, 2022, the following significant assumptions were used in determining the consolidated fair value:

Estimated harvest area (hectares)	650,598
Number of total recoverable sugar ("ATR") per hectare	10.27
Projected average ATR price per kg (R\$/kg)	1.28

As of March 31, 2022, cash flows were discounted at 7.68%, which is the WACC (Weighted Average Cost of Capital) of Raízen.

In the year ended March 31, 2022, 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.

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### Notes from management to the financial statements as of March 31, 2022

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Consolidated changes in biological assets (sugarcane) are as follows:

As of March 31, 2021	-
Net assets contributed through corporate reorganization (Note 11.c)	1,288,025
Business combination (Note 30.a)	844,329
Additions to sugarcane treatments	1,198,604
Absorption of harvested sugarcane costs	(791,525)
Change in fair value	1,707,418
Fair value realization	(332,894)
As of March 31, 2022	3,913,957

The estimated fair value could increase (decrease) if:

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

## 8. Recoverable taxes

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
PIS and COFINS (ii)	1,961,219	1,066,908	2,933,464	1,486,050
ICMS (i)	918,962	828,321	1,908,241	1,201,349
IVA (iii)	-	-	381,173	384,101
Others	6,441	6,405	222,377	85,047
Estimated loss on realization of taxes (iv)	(23,497)	(23,725)	(28,324)	(28,781)
	<u>2,863,125</u>	<u>1,877,909</u>	<u>5,416,931</u>	<u>3,127,766</u>
Current	<u>(1,595,810)</u>	<u>(1,391,625)</u>	<u>(3,325,080)</u>	<u>(2,177,355)</u>
Non-current	<u>1,267,315</u>	<u>486,284</u>	<u>2,091,851</u>	<u>950,411</u>

### (i) ICMS

It arises from interstate operations for the distribution of oil by-products, in which the tax burden of the receiving state is lower than that retained by the supplier, according to Agreement No. 110/07. The reimbursement takes place through formalization of a process with the Brazilian States, whereby after the request is approved, the payment is made by the substitute taxpayer, in this case the refinery, by means of a credit in a bank checking account.



## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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To use ICMS credit balances, the Company is internally reviewing certain activities, in particular the logistics of operations with changes in supply hubs. In addition, there are requests for special regimes from certain state tax authorities, requests for authorization to transfer balances between branches in the same state and analysis of credit sales to third parties.

The ICMS recoverable balance presented in these financial statements reflects the amount that the Company expects to realize, less the provision for loss on credits, for which management has no expectation to realize them.

#### **(ii) ICMS on the PIS and COFINS tax bases**

On March 15, 2017, the Federal Supreme Court of Brazil (“STF”) completed the judgment of Appeal No. 574.706 and, under general resonance, established the thesis that the ICMS does not make up the PIS and COFINS tax base, since this amount does not represent the Company’s revenue/billing. In other words, taxpayers have the right to exclude the ICMS amount recorded in the invoice from the PIS and COFINS tax base.

In 2018, the Company recognized credits referring to periods after March 2017, based on the decision handed down on that date by the STF. In addition, the amounts recognized, referring to prior periods, for the group companies that have been awarded favorable final decisions on the referred matter, that is, a res judicata decision, were calculated based on the accounting and tax systems, considering the ICMS amount recorded in invoices. The accuracy of amounts was tested by crosschecking the information with the relevant accessory obligations.

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 base. In the years ended March 31, 2022 and 2021, Raízen concluded that the legal certainty necessary for the recognition of said tax credits in the consolidated amount of R\$ 37,880 and R\$ 22,772, respectively, under Recoverable taxes, arising from certain res judicata decisions handed down on lawsuits for the entire period after 5 years of the date of distribution of the lawsuits in court and, in the case of decisions not yet final, credits after October 2, 2017, prospectively, according to the conclusion of the leading case, granting the appeal to taxpayers.

On May 13, 2021, the STF concluded the judgment on the modulation of the effects of the decision that excluded the ICMS from the PIS and COFINS tax base (Appeal No. 574.706) and confirmed that the ICMS to be considered is that recorded in the invoice, and not the ICMS amount paid. Accordingly, Raízen recognized consolidated credits of R\$ 163,435 under Recoverable taxes, for the period from April 2011 to December 2014.

#### **(iii) IVA**

This refers to the federal tax applicable in Argentina and Paraguay on commercial transactions with clients and suppliers, whose triggering event, determination and payment takes place on a monthly basis.

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#### (iv) Estimated loss on realization of taxes

Changes in estimated loss on realization of taxes are as follows:

	Individual	Consolidated
As of March 31, 2020	(23,942)	(28,998)
Reversal of provision for expected loss, net	217	217
As of March 31, 2021	(23,725)	(28,781)
Reversal of provision for expected loss, net	228	457
As of March 31, 2022	(23,497)	(28,324)

## 9. Related parties

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

	Individual		Consolidated	
	2022	2021	2022	2021
<b>Assets</b>				
<b>Assets classified by currency:</b>				
Domestic (local currency)	1,502,102	1,467,007	1,832,077	1,844,055
Abroad (foreign currency) (Note 27.d)	164,098	84,362	253,561	134,772
	<u>1,666,200</u>	<u>1,551,369</u>	<u>2,085,638</u>	<u>1,978,827</u>
<b>Asset management (1)</b>				
Raízen Energia S.A. and its subsidiaries	-	-	-	604,370
	-	-	-	604,370
<b>(3) Financial transactions (2)</b>				
Others	-	-	3,300	-
	-	-	3,300	-
<b>Commercial and administrative transactions (3)</b>				
Rumo Group	296,509	160,413	339,443	161,823
Agricopel Group	5,128	4,198	53,125	29,344
Raízen Energia S.A. and its subsidiaries	53,965	21,020	-	21,036
Biosev S.A. and its subsidiaries	17,727	-	-	-
Shell Group	134,547	84,362	250,908	134,772
Raízen Mime Combustíveis S.A.	153,035	138,099	-	-
Petróleo Sabbá S.A.	198,285	114,725	-	-
Others	39,081	15,735	41,745	10,016
	<u>898,277</u>	<u>538,552</u>	<u>685,221</u>	<u>356,991</u>
<b>Framework agreement (4)</b>				
Raízen Energia S.A. and its subsidiaries	-	-	-	-
Shell Brazil Holding B.V.	651,482	921,935	652,165	921,935
Shell Brasil Petróleo Ltda.	100,897	71,861	100,897	71,861
Cosan S.A.	11,833	14,353	635,200	14,353
Others	-	-	8,855	9,317
	<u>764,212</u>	<u>1,008,149</u>	<u>1,397,117</u>	<u>1,017,466</u>
<b>Preferred shares (5)</b>				
Raízen Mime Combustíveis S.A.	3,711	4,668	-	-
	<u>3,711</u>	<u>4,668</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,666,200</u>	<u>1,551,369</u>	<u>2,085,638</u>	<u>1,978,827</u>
Current	<u>(984,683)</u>	<u>(664,212)</u>	<u>(975,556)</u>	<u>(1,095,381)</u>
Non-current	<u>681,517</u>	<u>887,157</u>	<u>1,110,082</u>	<u>883,446</u>

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

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	Individual		Consolidated	
	2022	2021	2022	2021
<b>Liabilities</b>				
<b>Liabilities classified by currency:</b>				
Domestic (local currency)	3,068,935	981,618	2,438,410	1,220,209
Abroad (foreign currency) (Note 27.d)	3,981,313	3,444,768	2,579,290	5,560,121
	<u>7,050,248</u>	<u>4,426,386</u>	<u>5,017,700</u>	<u>6,780,330</u>
<b>Asset management (1)</b>				
Raízen Energia S.A. and its subsidiaries	1,815,681	63,079	-	701,439
	<u>1,815,681</u>	<u>63,079</u>	<u>-</u>	<u>701,439</u>
<b>Financial transactions (2)</b>				
Raízen Fuels Finance S.A. ("Raízen Fuels")	2,097,508	3,423,635	-	3,423,635
Others	-	4,250	1,855	4,258
	<u>2,097,508</u>	<u>3,427,885</u>	<u>1,855</u>	<u>3,427,893</u>
<b>Commercial and administrative transactions (3)</b>				
Raízen Energia S.A. and its subsidiaries	84,651	93,329	-	1,714,422
Rumo Group	16,101	10,837	64,058	11,342
Petróleo Sabbá S.A.	66,941	44,915	-	-
Raízen Mime Combustíveis S.A.	15,977	34,098	-	-
Biosev S.A. and its subsidiaries	62,290	-	-	-
Raízen Argentina S.A.	10,803	8,113	-	-
Blueway Trading Importação e Exportação S.A.	496,349	215,706	-	-
Shell Group	1,872,434	7,358	2,567,919	511,027
Others	11,352	10,137	42,042	10,405
	<u>2,636,898</u>	<u>424,493</u>	<u>2,674,019</u>	<u>2,247,196</u>
<b>Framework agreement (4)</b>				
Shell Brasil Petróleo Ltda.	154,283	156,108	154,313	156,138
Shell Brazil Holding B.V.	51,135	62,380	51,135	62,380
Cosan S.A.	45	1,883	665,435	1,883
Others	12,448	14,753	12,656	14,955
	<u>217,911</u>	<u>235,124</u>	<u>883,539</u>	<u>235,356</u>
<b>Preferred shares and others (5)</b>				
Shell Brazil Holding B.V.	173,497	168,446	173,497	168,446
	<u>173,497</u>	<u>168,446</u>	<u>173,497</u>	<u>168,446</u>
<b>Corporate restructuring (6)</b>				
Uniduto Logística S.A.	-	-	1,095	-
Logum Logística S.A.	-	-	7,070	-
	<u>-</u>	<u>-</u>	<u>8,165</u>	<u>-</u>
<b>Lease liabilities (Note 15.b) (7)</b>				
Saturno Investimentos Imobiliários Ltda.	108,753	107,359	-	-
Radar Propriedades Agrícolas S.A.	-	-	245,595	-
Aguassanta Desenvolvimento Imobiliário S.A.	-	-	157,340	-
Nova Agrícola Ponte Alta S.A.	-	-	153,959	-
Aguassanta Agrícola S.A.	-	-	107,124	-
Jatobá Propriedades Agrícolas Ltda.	-	-	95,899	-
Nova Amaralina S.A. Propriedades Agrícolas	-	-	79,189	-
Proud Participações S.A.	-	-	74,872	-
Terrainvest Propriedades Agrícolas S.A.	-	-	75,539	-
Águas da Ponte Alta S.A.	-	-	67,653	-
Bioinvestments Negócios e Participações S.A.	-	-	71,654	-
Seringueira Propriedades Agrícolas Ltda.	-	-	61,148	-
Others	-	-	86,653	-
	<u>108,753</u>	<u>107,359</u>	<u>1,276,625</u>	<u>-</u>
<b>Total liabilities</b>	<u>7,050,248</u>	<u>4,426,386</u>	<u>5,017,700</u>	<u>6,780,330</u>
<b>Current</b>	<u>(3,517,885)</u>	<u>(1,616,225)</u>	<u>(1,746,606)</u>	<u>(4,069,152)</u>
<b>Non-current</b>	<u>3,532,363</u>	<u>2,810,161</u>	<u>3,271,094</u>	<u>2,711,178</u>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (1) Asset management

The amounts recorded in assets and liabilities refer to funds provided and received as a way of managing funds. Regarding these transactions, in the year ended March 31, 2022 the Company recorded net financial income of R\$ 22,317 and R\$ 2,153 (net financial income of R\$ 3,012 and R\$ 2,782 in 2021), Individual and Consolidated, respectively, as a result of the financial management of cash, under the terms of the asset management contract.

The remuneration and expenses related to this contract are calculated by applying effective interest determined by the Interbank Deposit Certificate (CDI) market rate on the outstanding monthly balances of the asset management, with maturities agreed between the parties that do not exceed 12 months.

#### (2) Financial transactions

As of March 31, 2022 and 2021, the amount recorded in liabilities in the Individual statements refers mostly to PPEs agreements payable to the indirect subsidiary Raízen Fuels, as shown below:

Agreement	Currency	Principal in foreign currency	Maturity	Index	2022	2021
PPE	US\$	350,000	01/20/2027	-	1,778,576	2,286,459
		350,000			1,778,576	2,286,459
PPE (a)	€	66,000	10/15/2021	-	-	454,239
PPE (b)	€	40,000	01/20/2022	Euribor	-	271,363
PPE	€	60,000	09/21/2022	Euribor	318,932	411,574
		166,000			318,932	1,137,176
					2,097,508	3,423,635
			Current		(336,116)	(746,446)
			Non-current		1,761,392	2,677,189

- (a) On October 14, 2021, the Company made the payment of this agreement in the amounts of R\$422,894 and R\$12,324, principal and interest, respectively.
- (b) On January 19, 2022, the Company made the payment of this agreement in the amounts of R\$ 253,096 and R\$ 942, principal and interest, respectively.

As of March 31, 2022, the average effective annual interest rate of these agreements is 4.80% (4.27% in 2021).

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### Fair value

Type	Classification	Amount raised, updated		Fair value (1)		Individual Financial income (expenses)	
		2022	2021	2022	2021	2022	2021
PPE	Fair value through profit or loss	1,990,941	3,132,353	2,097,508	3,423,635	184,715	29,166
		<b>1,990,941</b>	<b>3,132,353</b>	<b>2,097,508</b>	<b>3,423,635</b>	<b>184,715</b>	<b>29,166</b>

- (1) As of March 31, 2022 and 2021, this includes balance of fair value measurement, in the amount of R\$ 106,567 and R\$ 291,282, respectively.

#### (3) Commercial and administrative transactions

The amounts recorded in assets refer to reimbursement of administrative expenses, commercial transactions for the sale of products, such as gasoline, diesel, jet, ethanol and sugar, among other materials, as well as advances for acquisition of sugarcane and cargo handling at ports.

The amounts recorded in liabilities refer to commercial transactions for the purchase of products and provision of services such as: ethanol, diesel, gasoline, road and rail freight, storage, sugar, sugarcane, advances from clients for sugar exports, and granting of licenses for use of the Shell brand (Note 13).

#### (4) Framework agreement

The asset and liability amounts refer to balances rechargeable or refundable from shareholders of Raízen as they are related to the period prior to the establishment of Raízen.

#### (5) Preferred shares and others

The balance stated in the parent company as of March 31, 2022 and 2021 refers to credits of preferred shares receivable from the subsidiary Raízen Mime related to the gain from certain divestments made by the same.

The balance in the consolidated statements arises substantially from tax benefits to be reimbursed to Shell and Cosan, when effectively used by Raízen, determined as a result of the income tax and social contribution tax loss balances and tax benefit on amortization of goodwill from years prior to the establishment of Raízen.

At the Ordinary General Meeting held on July 30, 2021, the shareholders of Raízen Mime approved the allocation of class B preferred dividends to the Company, in the amount of R\$ 1,471, fully received on August 30, 2021.

On March 31, 2022, class B preferred dividends were allocated to the Company, in the amount of R\$ 957, which will be submitted to the approval at the Meeting.

#### (6) Corporate restructuring

The amount recorded in liabilities refers to the capital to be contributed to associates until on December, 2022.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (7) Lease liabilities

Changes in lease liabilities in the years ended March 31, 2022 and 2021 are as follows:

	Individual	Consolidated
As of March 31, 2020	105,881	-
Payments	(16,010)	-
Interest	8,597	-
Remeasurements	8,891	-
As of March 31, 2021	107,359	-
Net assets contributed through corporate reorganization	-	1,214,333
Additions	-	39,176
Write-offs	-	(21,779)
Payments	(18,194)	(200,608)
Interest	9,426	87,135
Remeasurements	10,162	158,368
As of March 31, 2022	108,753	1,276,625
Current	(10,091)	(209,953)
Non-current	98,662	1,066,672

#### (b) Transactions with related parties (8)

	Individual		Consolidated	
	2022	2021	2022	2021
<b>Sale of products</b>				
Rumo Group (4)	1,754,837	1,182,218	1,763,028	1,186,537
Shell Group (7)	1,408,872	557,420	2,918,726	696,177
Agricopel Group (5)	229,416	128,984	1,451,163	780,365
Raízen Energia S.A. and its subsidiaries	770,261	545,730	143,610	560,359
Petróleo Sabbá S.A.	4,498,138	1,771,259	-	-
Raízen Mime Combustíveis S.A.	3,246,611	1,590,680	-	-
Others	128,897	2,875	275,141	59,498
	12,037,032	5,779,166	6,551,668	3,282,936
<b>Purchase of goods and services</b>				
Raízen Energia S.A. and its subsidiaries (6)	(1,992,302)	(1,331,612)	(1,729,349)	(6,497,076)
Shell Group (7)	(6,479)	(828)	(3,566,685)	(152,571)
Rumo Group (4)	(178,663)	(144,770)	(535,496)	(150,045)
Agricopel Group (5)	(71,934)	(42,637)	(125,281)	(84,683)
Blueway Trading Importação e Exportação S.A. (6)	(6,525,467)	(4,260,095)	-	-
Petróleo Sabbá S.A. (6)	(1,462,568)	(816,280)	-	-
Raízen Mime Combustíveis S.A.	(352,774)	(459,536)	-	-
Others	(570,129)	(10,002)	(80,202)	(52,261)
	(11,160,316)	(7,065,760)	(6,037,013)	(6,936,636)
<b>Financial income (expenses) (1)</b>				
Raízen Energia S.A. and its subsidiaries	510,672	(414,314)	315,642	(604,950)
Shell Aviation Limited	(20,259)	7,419	(20,259)	7,419
Shell Brands International AG	(118,357)	(4)	(118,357)	(4)
Others	16,469	(8,373)	(68,504)	2,437
	388,525	(415,272)	108,522	(595,098)
<b>Revenues from services and others (2)</b>				
Petróleo Sabbá S.A.	11,413	7,330	-	-
Raízen Argentina S.A.	18,834	10,195	-	-
Raízen Mime Combustíveis S.A.	6,829	4,275	-	-
Shell Aviation Limited	305	1,688	305	1,688
Shell Brazil Holding B.V.	12,530	513	12,530	1,374
Barcos & Rodados S.A.	1,708	-	-	-
Comgás - Companhia de Gás de São Paulo	-	-	21,967	-
Compass Comercialização S.A.	-	-	296	-
Rumo Group	-	-	26,562	-
Shell Brasil Petróleo Ltda.	9,213	-	9,214	-

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	Individual		Consolidated	
	2022	2021	2022	2021
Cosan Lubrificantes e Especialidades S.A.	-	-	8,453	-
Others	3,374	2,377	15,626	1,836
	64,206	26,378	94,953	4,898
<b>Service expenses (3)</b>				
Raízen Energia S.A. and its subsidiaries	(165,230)	(136,524)	(30,312)	(152,624)
Shell Brands International AG	(100,500)	-	(221,180)	-
Shell Brasil Petróleo Ltda.	(6,431)	(17,917)	(6,431)	(17,917)
Shell International Petroleum	(6,811)	(1,660)	(11,175)	(6,954)
Others	(5,599)	(2,963)	(4,971)	(2,963)
	(284,571)	(159,064)	(274,069)	(180,458)

- (1) Financial income (expenses), net correspond mostly to: (i) interest and exchange differences of PPEs, raised with the indirect subsidiary Raízen Fuels; (ii) gains (losses) from the asset management contract entered into between the companies; (iii) interest on accounts payable to Shell for brand licensing; and (iv) commercial exchange differences.
- (2) These refer to: (i) lubricant sales commissions to Shell; and (ii) expenses with the sharing of corporate, management and operating costs.
- (3) These refer to: (i) expenses with the sharing of corporate, management and operating costs with RESA; and (ii) expenses with technical support, maintenance of the billing and collection process, commissions on the sale of jet fuel and seconded to Shell.
- (4) "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., Portofer Transporte Ferroviário Ltda., ALL Armazéns Gerias Ltda., Terminal São Simão S.A., América Latina Logística Intermodal S.A. and Brado Logística S.A.
- (5) "Agricopel Group" refers mostly to the fuel trade operations represented by the companies Agricopel Comércio de Derivados de Petróleo Ltda., Posto Agricopel Ltda., Agricopel Diesel Paraná Ltda., and Blue Adm Administração de Bens Ltda., whose relationship takes place through FIX Investimentos Ltda., which is the noncontrolling shareholder of Raízen Mime.
- (6) The Company's purchase transactions with the subsidiaries Blueway, Sabbá, Agrícola Ponte Ltda., e Raízen Trading LLP are substantially represented by those originating from imports of ethanol and by-products in the foreign market.
- (7) "Shell Group" refers mainly to the commercial transactions conducted by Shell Aviation Limited, Shell Overseas Investments B.V., Shell Trading Rotterdam, Shell Companhia Argentina and Shell Trading US Company, and granting of the license to use the Shell brand by Shell Brands International AG.
- (8) 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) Directors and members of the Board of Directors

Fixed and variable compensation to key management personnel of Raízen and its subsidiaries, including statutory officers and members of the Board of Directors, recognized in profit or loss for the years ended March 31, 2022 and 2021, is as follows:

	2022	2021
Regular compensation	(74,766)	(58,074)
Bonuses and other variable compensation	(84,802)	(41,973)
Share-based payment (Note 21)	(24,540)	-
Total compensation	<u>(184,108)</u>	<u>(100,047)</u>

The Company shares the corporate, management and operating costs and structures of its subsidiary RESA. Key management personnel include mostly RESA employees, and the costs are transferred to the Company through the issue of debt note. In the months (April and May 2021), the Company recognized in the consolidated statement of income the amount of R\$ 11,897 (R\$ 52,636 in 2021) regarding expenses with key management personnel. As from June 1, 2021, with the corporate reorganization (Note 1), these expenses are now fully eliminated in the consolidation.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (d) Other significant information involving related parties

##### **Guarantees**

Considering that Raízen operates a centralized corporate treasury area, the Company is the guarantor of certain debts of its subsidiary RESA.

##### ***Revolving Credit Facility***

On December 22, 2021, the Company replaced the revolving credit facility, in the amount of US\$700,000 thousand, held with its shareholders Shell and Cosan, for a revolving credit facility contracted with a syndicate of banks in the same amount. The details of this operation are described in Note 16.

#### **10. Assets from contracts with clients**

	<u>Individual</u>	<u>Consolidated</u>
As of March 31, 2020	<u>2,161,301</u>	<u>2,567,165</u>
Additions	493,643	656,713
Amortization	(384,876)	(502,468)
Effect of foreign currency translation	<u>-</u>	<u>9,087</u>
As of March 31, 2021	<u>2,270,068</u>	<u>2,730,497</u>
Business combination (Note 29.b)	-	285,291
Additions	515,292	724,290
Amortization	(434,281)	(579,822)
Effect of foreign currency translation	<u>-</u>	<u>(73,663)</u>
As of March 31, 2022	<u>2,351,079</u>	<u>3,086,593</u>
Current	<u>(420,514)</u>	<u>(555,612)</u>
Non-current	<u>1,930,565</u>	<u>2,530,981</u>



# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

### 11. Investments

#### (a) Individual

Book value				Investments		Equity accounting result	
	Country	Business activity	Equity interest	2022	2021	2022	2021
Subsidiaries							
Raízen Argentina and subsidiaries	Argentina	Fuel trade and refining	100.00%	3,254,752	3,714,269	194,066	16,486
Raízen Energia S.A.	Brazil	Production of sugar, power and ethanol	100.00%	13,530,784	-	1,168,492	-
Biosev S.A.	Brazil	Production of sugar, power and ethanol	100.00%	7,105,946	-	947,557	-
Barcos & Rodados S.A.	Paraguay	Fuel trade	50.00%	143,973	-	24,283	-
Petróleo Sabbá S.A.	Brazil	Fuel trade	80.00%	1,126,936	915,504	290,879	121,463
Raízen Mime Combustíveis S.A.	Brazil	Fuel trade	76.00%	206,961	163,615	104,756	39,798
Blueway Trading Importação e Exportação S.A.	Brazil	Import and export	99.99%	1,193,071	149,515	293,790	(62,944)
Sabor Raiz Alimentação S.A.	Brazil	Meal	69.35%	250	326	(76)	5
Saturno Investimentos Imobiliário Ltda.	Brazil	Real estate investments	99.99%	209,665	214,759	16,943	24,320
				26,772,338	5,157,988	3,040,690	139,128
Joint venture							
Rede Integrada de Lojas de Conveniência e Proximidade S.A. ("Grupo Nós")	Brazil	Convenience and proximity stores	50.00%	190,499	202,593	(11,946)	7,715
Associates							
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	21,689	21,080	(3,090)	(1,218)
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	4,266	787	2,145	(197)
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	13,639	7,637	(899)	(190)
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	11,750	9,663	320	(216)
				51,344	39,167	(1,524)	(1,821)
				27,014,181	5,399,748	3,027,220	145,022
Appreciation of assets, net attributed to subsidiaries and joint ventures							
Raízen Argentina and subsidiaries (i)				351,957	509,229	(124,491)	(62,949)
Biosev S.A.				61,064	-	(61,978)	-
Barcos & Rodados S.A.				65,062	-	4,619	-
Raízen Mime Combustíveis S.A.				2,636	5,268	(2,632)	(2,654)
Nós Group				495,639	511,000	(15,361)	(15,361)
				976,359	1,025,497	(199,843)	(80,964)
Investment goodwill							
Raízen Argentina and subsidiaries (i)				262,292	300,132	-	-
Barcos & Rodados S.A. (i)				334,525	-	-	-
Biosev S.A. (Note 30)				757,487	-	-	-
				1,354,304	300,132	-	-
Total investment				29,344,844	6,725,377	2,827,377	64,058

- (i) As of March 31, 2022, said appreciation and goodwill are stated net of deferred tax liabilities, in the amount of R\$ 214,188 (R\$ 302,632 in 2021). In the year ended March 31, 2022, the impact of these taxes on realization of appreciation totaled R\$ 61,830 (R\$ 21,403 in 2021) and was recognized in profit or loss for the year under Deferred income tax and social contribution.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

### (b) Consolidated

	Country	Business	Equity interest	2022	Investments 2021	Share of profit (loss) of investees 2022	2021
<u>Book value</u>							
<u>Joint venture</u>							
Nós Group	Brazil	Convenience and proximity stores	50.00%	190,499	202,593	(11,946)	7,715
CGB Caruaru Energia Ltda.	Brazil	Energy	50.00%	3,506	-	-	-
J.F Energia S.A.	Brazil	Energy	50.00%	2,352	-	-	-
Rio Power Participações S.A.	Brazil	Energy	57.89%	9,388	-	-	-
				205,745	202,593	(11,946)	7,715
<u>Associates</u>							
Termap S.A.	Argentina	Sea terminal	3.50%	323	390	-	-
Latitude Logística Portuária S.A.	Brazil	Port operation	50.00%	10,190	4,078	1,111	(311)
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	21,689	21,080	(3,090)	(1,218)
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	4,266	787	2,145	(197)
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	13,639	7,637	(899)	(190)
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	11,750	9,663	320	(216)
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.58%	169,220	-	24,054	-
Logum Logística S.A.	Brazil	Logistics	30.00%	312,059	-	(51,304)	-
Uniduto Logística S.A.	Brazil	Logistics	46.48%	48,338	-	(8,080)	-
Gera Soluções e Tecnologia S.A.	Brazil	Energy	30.00%	3,939	-	-	-
				595,413	43,635	(35,743)	(2,132)
<u>Appreciation of assets, net attributed to joint venture</u>							
Nós Group				495,639	511,000	(15,361)	(15,361)
				495,639	511,000	(15,361)	(15,361)
<u>Goodwill on investment</u>							
Uniduto Logística S.A.				5,676	-	-	-
Centro de Tecnologia Canavieira S.A.				51,946	-	-	-
				57,622	-	-	-
<u>Total investments</u>							
				1,354,419	757,228	(63,050)	(9,778)

### (c) Changes in investments

	Individual	Consolidated
As of March 31, 2020	6,086,249	739,008
Equity accounting result	64,058	(9,778)
Additions	27,497	27,497
Dividends	(82,557)	466
Effect of foreign currency translation and others	630,130	35
As of March 31, 2021	6,725,377	757,228
Additions (1)	6,013,700	114,846
Contribution of investment in RESA by shareholders Shell and Cosan (4)	5,727,866	517,929
Business combination (Note 30)(2)	6,392,903	28,509
Goodwill arising from business combination (Note 30) (*) (2)	1,133,652	-
Equity accounting result	2,827,377	(63,050)
Share of equity of investees (3)	1,486,391	-
Effect of redemption of preferred shares at subsidiary (Note 20.a)	2,220	-
Effect of transaction between shareholders at subsidiary (Note 20.a)	(7,423)	-
Dividends	(174,237)	(1,767)
Effect of foreign currency translation and others	(782,982)	724
As of March 31, 2022	29,344,844	1,354,419

(\*) Reclassified to Intangible assets, in the consolidated statements.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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- (1) In May 2021, the Company made capital contributions in cash to associates Nordeste Logística II S.A. and Nordeste Logística III S.A. in the respective amounts of R\$6,400 and R\$600.

On July 15, 2021, the Company paid up, through a current account, a capital increase in the associate Navegantes Logística Portuária S.A., in the amount of R\$3,700.

At the Special General Meetings held on August 6 and 31, 2021, capital contributions were made by the Company in cash at the subsidiaries Blueway and RESA, in the respective amounts of R\$750,000 and R\$5,250,000.

In the year ended March 2022, capital increases were resolved, approved and subscribed by subsidiary RESA at the indirect associates Uniduto Logística S.A. and Logum S.A. in the respective amounts of R\$ 12,903 and R\$ 83,243.

In February 2022, capital contributions were made by the Company in cash at the associates Nordeste Logística I S.A., Nordeste Logística II S.A. and Nordeste Logística III S.A. in the respective amounts of R\$ 1,333, R\$ 500 and R\$ 1,167.

In March 2022, the Company approved a capital increase in the affiliate Latitude Logística Portuária S.A. in the amount of R\$ 5,000, through the payment of 25% of grant credits.

- (2) On August 10, 2021, the acquisition of the totality of the shares issued by Biosev by the Company was completed, for R\$6,929,180 (Note 30.a.). Additionally, on November 1, 2021, the acquisition of 50% of the equity interest in the capital of B&R by the Company was completed, for the net present value of R\$ 597,375 (Note 30.b).
- (3) Refers to gains (losses) from financial instruments designated as hedge accounting, net of deferred taxes, foreign currency translation effects, and actuarial revaluation effects recognized in the comprehensive income of Raízen's subsidiaries.
- (4) As mentioned in Note 1, at the Ordinary and Special Meeting held on June 1, 2021, the shareholders Shell and Cosan contributed to the Company the totality of the shares held in RESA, corresponding to 7,243,283,197 common shares and 100,001 preferred shares, equivalent to 100% of the capital, for the amount of R\$5,727,866, already deducting equity variations in the amount of R\$248,090, related to net assets contributed between the base date of the independent appraisal report and the aforementioned General and Special Meeting.

The consolidated net assets of RESA contributed by the shareholders to the Company are shown below:

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

<b>Account</b>	<b>Balance</b>
Cash and cash equivalents	2,636,055
Restricted cash	1,770,440
Derivative financial instruments - assets	7,228,593
Trade accounts receivable	1,849,584
Inventories	2,395,789
Advances to suppliers	588,145
Dividends receivable	54,466
Biological assets (Note 7)	1,288,025
Recoverable income tax and social contribution	341,382
Recoverable taxes	818,714
Deferred income and social contribution tax assets – net assets (Note 17)	2,054,100
Related parties – net assets	2,571,372
Judicial deposits	468,343
Investments (Note 11)	517,929
Property, plant and equipment (Note 12)	11,003,796
Intangible assets (Note 13)	1,802,920
Right of use (Note 15.a)	6,727,692
Suppliers	(5,169,692)
Lease liabilities (Note 15.b)	(5,757,038)
Loans and financing (Note 16)	(16,036,178)
Derivative financial instruments - liabilities	(9,158,205)
Payroll and related charges payable	(563,668)
Dividends payable	(746,686)
Income tax and social contribution payable	(307,992)
Taxes payable	(145,496)
Provision for legal disputes (Note 18)	(547,389)
Other current and non-current assets, net	70,319
Consolidated net assets of Raízen Energia	5,755,320
Attributable to non-controlling shareholders	(27,454)
Attributable to controlling shareholders	<u>5,727,866</u>
Capital increase according to Ordinary and Special Meeting held on June 1, 2021	5,975,956
Changes in contributed net assets (1)	<u>(248,090)</u>
Consolidated net assets contributed	<u>5,727,866</u>

(1) Equity variations occurred between the valuation base date, March 31, 2021, and the date of the effective contribution of RESA's consolidated net assets made by the shareholders Shell and Cosan, on June 1, 2021, in the amount of R\$ 248,090, were absorbed by the Company, as a contra entry to Capital reserve, in equity.

#### (d) **Selected information on joint venture**

The table below summarizes the financial information of the Nós Group, based on the financial statements, adjusted by the recognition of fair value adjustments on the date of establishment of the joint venture and by differences in accounting policies, when applicable. The table also reconciles the summarized financial information at the carrying amount of the interest held by Raízen in the joint venture.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	2022	2021
Current assets	311,040	414,452
Non-current assets	333,963	117,080
Current liabilities	(112,571)	(75,506)
Non-current liabilities	(145,525)	(47,418)
Consolidated equity	386,907	408,608
Attributable to non-controlling shareholders	(5,909)	(3,423)
Attributable to controlling shareholders	380,998	405,185
Equity interest of Raízen	50.00%	50.00%
Share of equity	190,499	202,593
Appreciation and remeasurement at fair value	532,762	532,762
Accumulated amortization of appreciation	(37,120)	(21,762)
Appreciation and remeasurement, net	495,639	511,000
Carrying amount of the equity interest	686,138	713,593
	2022	2021
Net operating revenue	261,910	114,100
Consolidated net income (loss) for the year	(21,611)	17,100
Attributable to non-controlling shareholders	(2,280)	(1,671)
Attributable to controlling shareholders	(23,891)	15,429
Equity interest of Raízen	50.00%	50.00%
Equity accounting result	(11,946)	7,715

#### (e) Selected information on associates

The table below summarizes the financial information of the Company's main associates.

	2022				
	Assets	Liabilities	Equity	Operating revenue	Income/(loss)
Latitude Logística Portuária S.A.	73,106	52,726	20,380	8,757	2,222
Navegantes Logística Portuária S.A.	171,917	106,843	65,074	-	(9,271)
Nordeste Logística I S.A.	69,870	57,073	12,797	16,381	6,436
Nordeste Logística II S.A.	55,456	14,535	40,921	3,135	(2,697)
Nordeste Logística III S.A.	74,913	39,659	35,254	10,222	960
Centro de Tecnologia Canavieira S.A.	910,117	98,557	811,560	367,427	132,145
Logum Logística S.A.	3,226,669	2,269,038	957,631	177,416	(196,396)
Uniduto Logística S.A.	106,378	2,371	104,007	-	(19,663)
Iogen Energy Corporation (1)	38,596	416,440	(377,844)	-	(1,406)

- (1) Joint venture in which the subsidiary RESA holds 50% interest in common shares, whose fiscal year ends at August 31. The subsidiary RESA did not set up a provision for estimated loss on investment since it has no legal or constructive obligations to make payments on account of that company.

	2021				
	Assets	Liabilities	Equity	Operating revenue (1)	Income/(loss)
Latitude Logística Portuária S.A.	48,274	40,118	8,156	-	(622)
Navegantes Logística Portuária S.A.	190,794	127,548	63,246	-	(3,654)
Nordeste Logística I S.A.	6,900	4,539	2,361	-	(591)
Nordeste Logística II S.A.	36,443	13,529	22,914	-	(570)
Nordeste Logística III S.A.	51,896	22,904	28,992	-	(648)

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

### 12. Property, plant and equipment

								Individual
	Land	Buildings and improvements	Machinery, equipment, and facilities	Vehicles	Furniture, fixtures, and IT equipment	Construction in progress	Others	Total
Cost and valuation:								
As of March 31, 2020	356,124	373,621	1,139,233	118,283	20,823	243,211	17,049	2,268,344
Additions	-	-	92	-	130	116,641	-	116,863
Write-offs	(1,850)	(4,930)	(59,047)	(2,531)	(573)	14	-	(68,917)
Reversal of estimated loss, net (Note 25)	-	-	2,776	-	1	-	-	2,777
Transfers	506	38,436	81,685	11,370	7,186	(153,265)	-	(14,082)
As of March 31, 2021	354,780	407,127	1,164,739	127,122	27,567	206,601	17,049	2,304,985
Additions	-	291	-	1	11	209,132	-	209,435
Write-offs	(12,041)	(4,348)	(11,400)	(520)	(184)	-	(12)	(28,505)
Estimated loss, net (Note 25)	1	(2,568)	(1,062)	-	(143)	(61)	-	(3,833)
Transfers (1)	3,608	41,615	68,743	3,066	4,648	(130,896)	-	(9,216)
As of March 31, 2022	346,348	442,117	1,221,020	129,669	31,899	284,776	17,037	2,472,866
Accumulated depreciation:								
As of March 31, 2020	-	(55,588)	(599,582)	(71,236)	(13,442)	-	(13,739)	(753,587)
Depreciation in the year	-	(8,913)	(73,387)	(8,435)	(4,614)	-	(831)	(96,180)
Write-offs	-	3,169	38,360	2,283	472	-	-	44,284
As of March 31, 2021	-	(61,332)	(634,609)	(77,388)	(17,584)	-	(14,570)	(805,483)
Depreciation in the year	-	(13,050)	(74,157)	(7,624)	(4,452)	-	(1,112)	(100,395)
Write-offs	-	2,171	11,559	480	154	-	10	14,374
Transfers (1)	-	(304)	325	4	(25)	-	-	-
As of March 31, 2022	-	(72,515)	(696,882)	(84,528)	(21,907)	-	(15,672)	(891,504)
Net residual value								
As of March 31, 2022	346,348	369,602	524,138	45,141	9,992	284,776	1,365	1,581,362
As of March 31, 2021	354,780	345,795	530,130	49,734	9,983	206,601	2,479	1,499,502

(1) Refers to amounts transferred to: (i) Cost of software, in intangible assets, in the amount of R\$ 8,999; and (ii) Trade accounts receivable, in the amount of R\$ 217.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	Consolidated									
	Land and rural properties	Buildings and improvements	Machinery, equipment, and facilities	Aircraft, vessels and vehicles	Furniture, fixtures, and IT equipment	Construction in progress	Sugarcane planting	Frequently replaced parts and components	Others	Total
Cost or valuation:										
As of March 31, 2020	1,153,551	1,295,459	4,501,108	135,758	58,830	714,452	-	-	16,990	7,876,148
Additions	-	1,891	1,471	112	4,281	486,223	-	-	19,902	513,880
Write-offs	(22,141)	(24,664)	(82,977)	(3,463)	(2,934)	14	-	-	-	(136,165)
Reversal of provision for estimated loss, net	-	-	2,821	-	(1)	-	-	-	-	2,820
Transfers	3,094	105,241	187,644	13,076	8,200	(366,119)	-	-	(8,421)	(57,285)
Effect of foreign currency translation and others	94,643	102,369	397,664	2,177	3,080	51,683	-	-	1,765	653,381
As of March 31, 2021	1,229,147	1,480,296	5,007,731	147,660	71,456	886,253	-	-	30,236	8,852,779
Net assets contributed through corporate reorganization (Note 11)	45,186	1,997,343	9,794,613	567,031	229,847	957,433	7,159,787	1,560,173	36,597	22,348,010
Business combination (Note 30)	93,598	446,489	2,020,194	18,929	12,527	80,774	495,869	111,895	5,601	3,285,876
Additions	24	18,857	123,401	2,956	7,395	2,617,467	906,822	1,400,229	16,533	5,093,684
Write-offs	(16,267)	(9,415)	(149,648)	(44,945)	(3,664)	(17,400)	(24,170)	-	(12)	(265,521)
Reversal of estimated loss, net (Note 25)	(2,809)	(25,617)	(20,125)	10,020	(315)	17,378	-	-	-	(21,468)
Transfers (1)	8,405	289,140	1,076,446	12,516	45,671	(1,531,254)	-	(753,028)	(4,790)	(856,894)
Effect of foreign currency translation and others	(149,982)	(184,035)	(794,461)	(8,405)	(10,516)	(184,613)	-	-	(14,971)	(1,346,983)
As of March 31, 2022	1,207,302	4,013,058	17,058,151	705,762	352,401	2,826,038	8,538,308	2,319,269	69,194	37,089,483
Accumulated depreciation:										
As of March 31, 2020	-	(159,617)	(1,284,734)	(66,741)	(28,480)	-	-	-	(14,058)	(1,553,630)
Depreciation in the year	-	(66,281)	(491,171)	(13,483)	(16,031)	-	-	-	(831)	(587,797)
Write-offs	-	11,160	49,212	3,063	2,313	-	-	-	-	65,748
Transfers	-	(4,647)	136	-	1,382	-	-	-	-	(3,129)
Effect of foreign currency translation and others	-	(14,158)	(89,369)	-	(801)	-	-	-	-	(104,328)
As of March 31, 2021	-	(233,543)	(1,815,926)	(77,161)	(41,617)	-	-	-	(14,889)	(2,183,136)
Net assets contributed through corporate reorganization (Note 11)	-	(566,239)	(4,330,178)	(315,309)	(163,427)	-	(5,039,227)	(903,459)	(26,375)	(11,344,214)
Business combination (Note 29)	-	4,723	(3,641)	(37)	(197)	-	-	-	-	848
Depreciation in the year	-	(147,800)	(1,142,647)	(54,051)	(37,048)	-	(524,562)	(791,131)	(10,609)	(2,707,848)
Write-offs	-	4,030	117,405	37,393	2,107	-	-	-	12	160,947
Transfers (1)	-	(125)	7,987	(2,356)	(741)	-	-	753,025	100	757,890
Effect of foreign currency translation and others	-	73,703	406,657	5,171	5,250	-	-	-	101	490,882
As of March 31, 2022	-	(865,251)	(6,760,343)	(406,350)	(235,673)	-	(5,563,789)	(941,565)	(51,660)	(14,824,631)
Net residual value:										
As of March 31, 2022	1,207,302	3,147,807	10,297,808	299,412	116,728	2,826,038	2,974,519	1,377,704	17,534	22,264,852
As of March 31, 2021	1,229,147	1,246,753	3,191,805	70,499	29,839	886,253	-	-	15,347	6,669,643

(1) Refers to amounts transferred to: (i) Cost of software, in intangible assets, in the amount of R\$91,956; (ii) Trade accounts receivable, in the amount of R\$7,048.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### Construction in progress

The balances of construction in progress refer mainly to: (i) construction of second generation ethanol plant (E2G); (ii) expansion of the bioenergy park (Barra Mansa 1 Project – Paraguaçu); (iii) construction of solar energy generation and distribution plants; (iv) irrigation implementation and expansion projects; (v) improvements in irrigation systems (economizers); (vi) construction and expansion of biogas plants; (vii) construction of solar energy plants; (viii) investments in industrial maintenance and improvement, agricultural automation, in addition to Safety, Health and Environment and administrative investments; (ix) projects for the construction of new fuel distribution terminals and expansion, modernization and improvement of existing terminals; (x) investment in service stations under the Shell banner, such as replacement of fuel pumps, environmental adaptation, image revitalization, renovation and revitalization of the service station's convenience store, purchase and installation of furniture and equipment for the service station's convenience store; (xi) investments in large clients (B2B), such as acquisition and installation of equipment, installation of gas stations in these large consumer clients; and (xii) expansion, modernization and improvement of airports, such as the acquisition of supply vehicles, expansion of fire hydrant networks and supply points. During the year ended March 31, 2022, several projects of this nature were completed, totaling R\$1,531,254 (R\$366,119 in 2021).

#### Capitalization of borrowing costs

In the year ended March 31, 2022, consolidated borrowing costs at Raízen totaled R\$ 71,200 (R\$ 67 in 2021). As of March 31, 2022, the weighted average annual rates of financial charges for certain debts were 6.36% (8.73% in 2021).

### 13. Intangible assets

	Individual			
	Software license	Goodwill	Brands	Granting rights and others
				Total
Cost or valuation:				
As of March 31, 2020	343,128	439,585	532,078	18,645
Additions	30,135	-	-	-
Capital contribution	-	-	-	(18,294)
Transfers	12,364	-	-	-
As of March 31, 2021	385,627	439,585	532,078	351
Additions (1)	104,816	-	1,722,993	-
Transfers (2)	8,999	-	-	-
As of March 31, 2022	499,442	439,585	2,255,071	351
Accumulated amortization:				
As of March 31, 2020	(210,130)	-	(475,201)	-
Amortization in the year	(26,959)	-	(52,504)	-
As of March 31, 2021	(237,089)	-	(527,705)	-
Amortization in the year	(37,364)	-	(118,505)	-
As of March 31, 2022	(274,453)	-	(646,210)	-
Net residual value:				
As of March 31, 2022	224,989	439,585	1,608,861	351
As of March 31, 2021	148,538	439,585	4,373	351



## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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- (1) On May 20, 2021, Raízen signed the renewal of the license agreement for use of the Shell brand with Shell Brands International AG, for a minimum term of 13 (thirteen) years, renewable in certain cases, subject to the compliance with certain conditions established in the agreement.
- (2) These refer to amounts transferred from the Property, plant and equipment account.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	Consolidated									
	Software license	Goodwill	Brands	Contractual relationships with clients	Granting rights and other	Sharecropping agreements	Sugarcane supply agreements	Right of use - public concessions	Technology	Total
Cost or valuation:										
As of March 31, 2020	356,754	661,483	532,348	268,569	44,655	-	-	-	-	1,863,809
Additions	31,073	-	-	-	-	-	-	-	-	31,073
Capital contribution	-	-	-	-	(18,294)	-	-	-	-	(18,294)
Transfers	45,429	-	-	-	-	-	-	-	-	45,429
Effect of foreign currency translation and others	2,230	118,536	-	143,466	-	-	-	-	-	264,232
As of March 31, 2021	435,486	780,019	532,348	412,035	26,361	-	-	-	-	2,186,249
Net assets contributed through corporate reorganization (Note 11)	354,445	1,978,731	-	16,196	29,276	18,122	181,516	12,542	185,136	2,775,964
Business combination (Note 30)	8,844	1,297,156	60,746	-	-	-	-	1,470	-	1,368,216
Additions (1)	131,968	-	1,722,993	-	28,769	-	-	-	-	1, 883,730
Write-offs due to sale	-	-	-	-	(5,000)	-	-	-	-	(5,000)
Transfers (2)	97,053	-	-	-	-	-	-	-	-	97,053
Effect of foreign currency translation and others	(11,384)	(120,424)	(10,189)	(67,962)	(1,170)	-	-	-	-	(211,129)
As of March 31, 2022	1,016,412	3,935,482	2,305,898	360,269	78,236	18,122	181,516	14,012	185,136	8,095,083
Accumulated amortization:										
As of March 31, 2020	(212,303)	-	(475,452)	(30,722)	(65)	-	-	-	-	(718,542)
Amortization in the year	(30,716)	-	(52,504)	(20,471)	(1,155)	-	-	-	-	(104,846)
Transfers	(1,397)	-	-	-	-	-	-	-	-	(1,397)
Effect of foreign currency translation and others	(643)	-	-	(15,603)	-	-	-	-	-	(16,246)
As of March 31, 2021	(245,059)	-	(527,956)	(66,796)	(1,220)	-	-	-	-	(841,031)
Net assets contributed through corporate reorganization (Note 11)	(250,270)	(431,380)	-	(3,828)	(21,204)	(18,078)	(121,198)	(12,542)	(114,544)	(973,044)
Amortization in the year	(88,089)	-	(122,496)	(42,617)	(401)	-	(8,475)	-	(13,273)	(275,351)
Transfers (1)	(5,097)	-	-	-	-	-	-	-	-	(5,097)
Effect of foreign currency translation and others	4,744	-	480	15,075	-	-	-	-	-	20,299
As of March 31, 2022	(583,771)	(431,380)	(649,972)	(98,166)	(22,825)	(18,078)	(129,673)	(12,542)	(127,817)	(2,074,224)
Net residual value:										
As of March 31, 2022	432,641	3,504,102	1,655,926	262,103	55,411	44	51,843	1,470	57,319	6,020,859
As of March 31, 2021	190,427	780,019	4,392	345,239	25,141	-	-	-	-	1,345,218

(1) As of May 20, 2021, Raízen signed the renewal of the license agreement for use of the Shell brand with Shell Brands International AG, for a minimum term of thirteen (13) years, renewable in certain cases, subject to the compliance with certain conditions established in the agreement.

(2) These refer to amounts transferred from the Property, plant and equipment account.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### Goodwill

This refers to goodwill paid for expected future profitability. As of March 31, 2022 and 2021, the balance of goodwill is as follows:

	2022	2021
On business combination of Cosan Combustíveis Lubrificantes S.A.	348,103	348,103
In the acquisition of Latina	70,432	70,432
On acquisition of Raízen Argentina (1)	283,101	340,434
On acquisition of Biosev (Note 30.a)	757,487	-
On acquisition of B&R (Note 30.b) (1)	313,075	-
On acquisition of Costa Rica Canavieira Ltda.	57,169	-
On acquisition of Cerrado Açúcar e Alcool S.A.	24,660	-
On acquisition of RESA (formerly Cosan S.A. Açúcar e Alcool)	558	-
On acquisition of Univalem S.A. Açúcar e Alcool	5,018	-
On acquisition of Usina Açucareira Bom Retiro S.A.	81,575	-
On acquisition of Usina Benálcool	149,247	-
On acquisition of Usina Santa Luíza	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	-
On acquisition of Destivale Group	42,494	-
On acquisition of Mundial Group	87,435	-
On establishment of FBA – Franco Brasileira S.A. Açúcar e Alcool	4,407	-
On merger of Curupay S.A. Participações	109,841	-
On payment of capital at Mundial	14,800	-
On acquisition of Usinas Santa Cândida e Paraíso	431,272	-
On acquisition of RWXE	8,430	-
On acquisition of Ryballa	5,400	-
On acquisition of Gera Next Participações (Note 30.c)	163,504	-
Others	21,050	21,050
	<u>3,504,102</u>	<u>780,019</u>

(1) As of March 31, 2022, the goodwill generated by the acquisition of Raízen Argentina and B&R, includes the balance of the foreign currency translation effect in the amount of R\$61,202 and less R\$63,090 (R\$118,536 and R\$ zero in 2021), respectively.

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

Raízen tests the recoverable amount of goodwill at least annually.

Management 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 (CGU) determined by management based on the budgets that consider the assumptions related to the CGUs using information available in the market and prior performance.

The Company's discounted cash flows were prepared for a 5-year period and carried at perpetuity without considering the actual growth rate, based on past performance and expected market development. Cash flows arising from the continued use of related assets are adjusted for specific risks and use the post-tax discount rate, calculated at 6.91% per year (5.39% in 2021).

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### Notes from management to the financial statements as of March 31, 2022

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Significant assumptions used by the Company were: prices based on the market expectation, estimated growth rates for the business sector and extrapolations of growth rates based on the Brazilian and Argentina Gross Domestic Product (GDP). The entire future cash flow was discounted at rates that reflect specific risks related to the relevant assets in each cash-generating unit.

The discounted cash flows of subsidiaries RESA and Biosev were prepared for a period of 25 years, in accordance with a reasonable time to recover the assets related to the activities of their 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 6.91 % per year.

The main assumptions used for subsidiaries RESA and Biosev were expected price of sales of commodities over the long term, productivity in agricultural areas, performance of Total Recoverable Sugar ("TRS"), 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 impairment tests, no significant losses were recognized in the years ended March 31, 2022 and 2021. The determination of the recoverability of assets depends on certain key assumptions as described above, which are influenced by the market, technological and economic conditions prevailing when such test is carried out and, therefore, it is not possible to determine whether impairment losses will occur in the future and, in the event, they occur, if they will be material.

#### 14. Suppliers and advances to suppliers

##### (a) Suppliers

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Suppliers - agreement (i)	6,393,207	4,762,285	9,483,222	4,955,105
Suppliers of materials and services (ii)	194,394	159,006	5,767,281	641,457
Sugarcane suppliers (iii)	-	-	882,975	-
Oil products suppliers (iv)	1,321,980	312,838	2,046,248	893,039
Ethanol suppliers (iv)	773,761	142,711	879,788	168,379
	<u>8,683,342</u>	<u>5,376,840</u>	<u>19,059,514</u>	<u>6,657,980</u>
Domestic (local currency)	8,661,726	5,376,668	11,873,453	5,646,523
Abroad (foreign currency) (Note 27.d)	21,616	172	7,186,061	1,011,457
	<u>8,683,342</u>	<u>5,376,840</u>	<u>19,059,514</u>	<u>6,657,980</u>

- (i) 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 or not to anticipate the receivables and the financial institutions decide whether or not to acquire said credits, without interference from Raízen. 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.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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- (ii) Balance payable to suppliers of materials and services refers to acquisitions of machinery and equipment for the distribution bases and own reseller gas stations, as well as various services contracted.
- (iii) The sugarcane harvest period, which usually takes place between April and December of each year, generally has a direct impact on the balance with sugarcane suppliers and the respective cutting, loading and transportation services.
- (iv) The balances payable to suppliers of oil products and ethanol refer to installment purchases made by RCSA and subsidiaries.

#### (b) Advances to suppliers

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Performance (1)	-	-	3,383,055	-
Sugarcane (2)	-	-	691,247	-
Materials and services	2,825	6,939	332,165	33,052
	<u>2,825</u>	<u>6,939</u>	<u>4,406,467</u>	<u>33,052</u>
Domestic (local currency)	2,825	6,939	4,318,161	33,052
Abroad (foreign currency)	-	-	88,306	-
	<u>2,825</u>	<u>6,939</u>	<u>4,406,467</u>	<u>33,052</u>
Current	<u>(2,825)</u>	<u>(6,939)</u>	<u>(4,215,961)</u>	<u>(33,052)</u>
Non-current	<u>-</u>	<u>-</u>	<u>190,506</u>	<u>-</u>

- (1) These refer to advances on commodity export performance, backed by US dollars, related to the purchase of goods for future delivery, specifically for export purposes.
- (2) These refer to advances made to sugarcane suppliers that are restated monthly according to the conditions and indices specifically agreed in the contracts.

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### Notes from management to the financial statements as of March 31, 2022

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#### 15. Leases

##### (a) Rights of use

As of March 31, 2022 and 2021, rights of use are presented by the following underlying assets:

				Individual
	Properties	Vehicles	Machinery and equipment	Total
Cost or valuation:				
As of March 31, 2020	218,013	22,557	495	241,065
Additions	6,371	-	-	6,371
Write-offs	(22,236)	(438)	-	(22,674)
Remeasurements	19,776	1,108	-	20,884
As of March 31, 2021	221,924	23,227	495	245,646
Additions	86,831	109	-	86,940
Write-offs	(4,005)	-	-	(4,005)
Remeasurements	30,013	709	-	30,722
As of March 31, 2022	334,763	24,045	495	359,303
Accumulated amortization:				
As of March 31, 2020	(36,340)	(4,438)	(117)	(40,895)
Amortization in the year	(37,252)	(4,383)	(118)	(41,753)
Write-offs	682	-	-	682
As of March 31, 2021	(72,910)	(8,821)	(235)	(81,966)
Amortization in the year	(44,687)	(4,162)	(118)	(48,967)
Write-offs	426	-	-	426
As of March 31, 2022	(117,171)	(12,983)	(353)	(130,507)
Net residual value:				
As of March 31, 2022	217,592	11,062	142	228,796
As of March 31, 2021	149,014	14,406	260	163,680

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## Notes from management to the financial statements as of March 31, 2022

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							Consolidated
	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Furniture, fixtures and IT equipment	Total
Cost or valuation:							
As of March 31, 2020	233,466	209,314	546,211	493	-	-	989,484
Additions	-	65,182	1,178	589	-	-	66,949
Write-offs	-	(33,842)	(950)	-	-	-	(34,792)
Remeasurements	(520)	10,875	1,300	-	-	-	11,655
Effect of foreign currency translation and others	22,335	10,330	49,948	8	-	-	82,621
As of March 31, 2021	255,281	261,859	597,687	1,090	-	-	1,115,917
Net assets contributed through corporate reorganization (Note 11)	7,917,099	166,496	269,291	533,870	97,324	5,021	8,989,101
Business combination (Note 30)	2,685,755	143	3,563	251,227	-	-	2,940,688
Additions	1,040,867	94,808	157,441	97,763	-	-	1,390,879
Write-offs	(315,255)	(4,396)	(48,082)	(22,869)	-	-	(390,602)
Remeasurements (1)	1,539,924	107,907	39,666	1,064	30,810	-	1,719,371
Transfers	-	5,013	(85)	-	-	-	4,928
Effect of foreign currency translation and others	(48,334)	(32,491)	(108,377)	(325)	-	-	(189,527)
As of March 31, 2022	13,075,337	599,339	911,104	861,820	128,134	5,021	15,580,755
Accumulated amortization:							
As of March 31, 2020	(24,073)	(81,316)	(174,912)	(117)	-	-	(280,418)
Amortization in the year	(20,182)	(109,209)	(165,274)	(267)	-	-	(294,932)
Write-offs	-	7,721	47	-	-	-	7,768
Effect of foreign currency translation and others	(3,462)	(7,790)	(25,342)	(5)	-	-	(36,599)
As of March 31, 2021	(47,717)	(190,594)	(365,481)	(389)	-	-	(604,181)
Net assets contributed through corporate reorganization (Note 11)	(1,954,345)	(54,839)	(121,375)	(117,228)	(12,719)	(903)	(2,261,409)
Amortization in the year	(1,690,149)	(137,000)	(210,318)	(147,738)	(5,679)	-	(2,190,884)
Write-offs	107,639	624	38,217	2,514	-	38	149,032
Transfers	-	(5,013)	-	-	-	-	(5,013)
Effect of foreign currency translation and others	8,950	25,224	77,070	91	-	-	111,335
As of March 31, 2022	(3,575,622)	(361,598)	(581,887)	(262,750)	(18,398)	(865)	(4,801,120)
Net residual value:							
As of March 31, 2022	9,499,715	237,741	329,217	599,070	109,736	4,156	10,779,635
As of March 31, 2021	207,564	71,265	232,206	701	-	-	511,736

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

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We present below the weighted average amortization rates by class of right of use as of March 31, 2022 and 2021:

Class	2022	2021
Land	18	21
Properties	34	25
Aircraft and vehicles	22	26
Machinery and equipment	17	24
Manufacturing facilities	6	-

#### (b) Lease liabilities

As of March 31, 2022 and 2021, changes in lease liabilities are as follows:

	Individual	Consolidated
As of March 31, 2020	105,341	674,086
Additions	6,371	66,885
Write-offs	(22,746)	(27,778)
Payments	(29,184)	(329,250)
Interest	6,237	50,649
Remeasurements	11,983	11,683
Effect of foreign currency translation	-	40,604
As of March 31, 2021	78,002	486,879
Net assets contributed through corporate reorganization (Note 11)	-	5,757,038
Business combination (Note 30)	-	3,140,666
Additions	86,940	1,468,459
Write-offs	(3,730)	(224,939)
Payments	(43,906)	(2,179,271)
Interest	8,927	655,225
Transfers	-	(64,327)
Remeasurements (1)	20,561	1,448,099
Effect of foreign currency translation	-	(63,125)
As of March 31, 2022	146,794	10,424,704
Domestic (local currency)	146,794	10,108,155
Abroad (foreign currency) (Note 27.d)	-	316,549
	146,794	10,424,704
Current	(51,603)	(2,417,813)
Non-current	95,191	8,006,891

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

The weighted average incremental rate applied to the Company's lease liabilities as of March 31, 2022 was 9.3% per year (8.3% as of March 31, 2021).

As of March 31, 2022, the maturity of lease liabilities of third parties and consolidated related parties (Note 9.a) is as follows:



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### Notes from management to the financial statements as of March 31, 2022

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<b>Maturity</b>	<b>Present value</b>	<b>Future value</b>
1 to 12 months	2,627,766	3,307,439
13 to 24 months	2,244,885	2,836,107
25 to 36 months	1,787,046	2,313,977
37 to 48 months	1,423,907	1,862,415
49 to 60 months	1,122,168	1,468,650
61 to 72 months	693,087	953,369
73 to 84 months	459,205	658,603
85 to 96 months	333,755	488,189
97 to 120 months	298,251	474,030
More than 121 months	711,259	1,039,741
Gross amount	11,701,329	15,402,520
Potential right of PIS and COFINS recoverable(1)	1,053,091	1,380,142
Net value	12,754,420	16,782,662

- (1) This refers to the potential right of PIS/COFINS credits on payments of lease calculated based on the theoretical rate of 9.25%, applicable in Brazil. The purpose of this disclosure is to comply with Circular Letter CVM/SNC/SEP No. 02/2019 and is only an estimate. Therefore, these credits are not those that could effectively be used by Raízen and its subsidiaries located in Brazil 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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## Notes from management to the financial statements as of March 31, 2022

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### 16. Loans and financing

Purpose	Final maturity	Index	Annual effective average interest		Individual		Consolidated	
			rate (1)					
			2022	2021	2022	2021	2022	2021
Debt classification per currency:								
Denominated in Brazilian real (R\$)					775,094	754,407	8,667,568	754,407
Denominated in US dollar (US\$)					6,561,154	5,974,221	13,657,246	6,830,787
(Note 27.d)					7,336,248	6,728,628	22,324,814	7,585,194
Debt type (2):								
PPE	Oct/25	US\$ + <i>Libor</i>	2.10%	1.90%	5,032,365	5,974,221	7,283,197	6,830,787
PPE	Dec/26	Fixed rate	2.56%	-	1,338,946	-	1,338,946	-
<i>Senior Notes Due 2027</i>	Jan/27	US\$	5.30%	-	-	-	3,565,225	-
Agribusiness Receivables Certificate (“CRA”)	Jun/30	IPCA	10.35%	9.80%	259,825	249,924	3,721,611	249,924
CRA	Jul/29	CDI	11.29%	2.60%	515,269	504,211	2,297,306	504,211
BNDES	Mar/24	URTJLP	6.08%	4.40%	-	63	982	63
BNDES	Dec/30	Fixed rate	3.66%	-	-	-	176,269	-
BNDES	Apr/24	UMBND	5.04%	4.90%	-	209	14,315	209
BNDES	Dec/38	IPCA	11.72%	-	-	-	160,546	-
Advances on Exchange Contracts (“ACC”)	Apr/22	Fixed rate	1.21%	-	189,843	-	189,843	-
Debentures	Jun/30	IPCA+interest	11.26%	-	-	-	1,170,895	-
<i>Term Loan Agreement</i>	Apr/24	US\$ + <i>Libor</i>	2.00%	-	-	-	957,484	-
Rural financial product note (“CPF-R”)	Nov/29	CDI	13.42%	-	-	-	1,037,064	-
<i>Schuldschein</i>	Sept/22	<i>Euribor</i>	1.82%	-	-	-	318,931	-
Study and Project Financing Institution (“Finep”)	Nov/22	Fixed rate	5.00%	-	-	-	22,069	-
Machinery and Equipment Financing (Finame)/Lease	Jan/25	Fixed rate	6.70%	-	-	-	27,358	-
Resolution No. 2471 (PESA)	Apr/23	IGP-M	16.51%	-	-	-	35,226	-
Resolution No. 2471 (PESA)	Oct/25	Fixed rate	3.00%	-	-	-	30	-
Working capital and others	Feb/22	Fixed rate	2.84%	-	-	-	7,517	-
					7,336,248	6,728,628	22,324,814	7,585,194
Expenses incurred with the placement of the securities:								
CRA					-	-	(25,316)	-
CPR-F					-	-	(9,855)	-
<i>Senior Notes Due 2027</i>					-	-	(3,099)	-
BNDES					-	(27)	(1,653)	(27)
PPE					(9,923)	-	(10,015)	-
					(9,923)	(27)	(49,938)	(27)
					7,326,325	6,728,601	22,274,876	7,585,167
Current								
					(213,604)	(439,464)	(1,565,260)	(441,435)
Non-current								
					7,112,721	6,289,137	20,709,616	7,143,732

- (1) The annual effective interest rate corresponds to the contract fee plus Libor (London InterBank Offered Rate), Euribor (European Interbank Offered Rate), URTJLP, IGP-M, UMBND, IPCA and CDI, where applicable.

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### Notes from management to the financial statements as of March 31, 2022

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- (2) Loans and financing are generally guaranteed by promissory notes from Raízen. In certain cases, they also have security interest, such as: i) credit rights arising from energy trading contracts (BNDES); ii) CTN and land mortgage (PESA); iii) property, plant and equipment; and iv) chattel mortgage of financed assets (Finame/PESA).

Payments of interest on loans and financing are classified as cash flow from financing activities.

As of March, 31, 2022, overdue installments in the long term, less amortization of expenses with placement, is as follows:

<u>Maturity</u>	<u>Individual</u>	<u>Consolidated</u>
13 to 24 months	1,638,545	3,829,607
25 to 36 months	3,202,885	5,469,121
37 to 48 months	712,607	1,794,342
49 to 60 months	1,558,684	5,215,538
61 to 72 months	-	1,448,734
73 to 84 months	-	1,364,906
85 to 96 months	-	1,168,764
More than 97 months	-	418,604
	<u>7,112,721</u>	<u>20,709,616</u>

Raízen's main loans and financing are detailed below:

#### (a) Pre-export financing and Committed Back-up Credit Facility

Between 2015 to 2022, Raízen entered into pre-export financing agreements with various financial institutions for financing for future export of products, including the withdrawal from credit facilities held by the Company with a syndicate of international banks. These contracts have maturity date until 2026.

#### Fundraising in the year ended March 31, 2022

	<u>Company</u>	<u>Date</u>	<u>Amount raised</u>	<u>Equivalent amount in US\$</u>	<u>Consolidated Maturity (paid or/and payable)</u>
Debt type:					
PPE	Raízen S.A.	Jun/21	225,161	44,000	Mar/22
PPE	Raízen Argentina	Apr/21	66,935	12,000	Jan/22
PPE	Raízen Argentina	May/21	15,868	3,000	Feb/22
PPE	Raízen Argentina	Jun/21	10,071	2,000	Mar/22
PPE	Raízen S.A.	Jul/21	1,988,464	380,000	Feb/25
PPE	Raízen Argentina	Jul/21	5,150	1,000	Apr/22
PPE	Raízen Argentina	Aug/21	5,256	1,000	May/22
PPE	Raízen Argentina	Aug/21	33,702	6,394	Mar/26
PPE	Raízen Argentina	Oct/21	16,644	3,000	Mar/26
PPE	Raízen S.A.	Nov/21	1,675,230	300,000	Nov/26
PPE	Raízen Argentina	Dec/21	28,252	5,000	Mar/26
PPE	Raízen Argentina	Jan/22	57,248	10,350	Oct/22
PPE	Raízen Argentina	Feb/22	32,212	6,200	Oct/22
PPE	Raízen Argentina	Mar/22	55,492	11,150	Nov/22
			<u>4,215,685</u>	<u>785,094</u>	

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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#### (b) Agribusiness Receivables Certificate (CRA)

As of March 31, 2022, the agreements payable are as follows:

Taken out on	Company	Issuer	Issue	Series	Maturity	Principal
May/16	RESA	RB Capital Companhia de Securitização	1st	3rd	May/22	465,706
May/16	RESA	RB Capital Companhia de Securitização	1st	4th	May/23	209,294
May/17	RESA	RB Capital Companhia de Securitização	1st	6th	Apr/23	738,814
May/17	RESA	RB Capital Companhia de Securitização	1st	7th	Apr/24	230,877
Dec/17	Raízen S.A.	RB Capital Companhia de Securitização	1st	1st	Dec/23	501,489
Dec/17	Raízen S.A.	RB Capital Companhia de Securitização	1st	12th	Dec/24	204,024
Mar/19	RESA	RB Capital Companhia de Securitização	6th	1st	Mar/25	300,000
Mar/19	RESA	RB Capital Companhia de Securitização	6th	2nd	Mar/26	600,000
Jul/19	RESA	True Securitizadora S.A.	6th	1st	Jul/29	228,190
Jul/19	RESA	True Securitizadora S.A.	6th	2nd	Jul/29	787,658
Jun/20	RESA	True Securitizadora S.A.	8th	2nd	Jun/27	352,426
Jun/20	RESA	True Securitizadora S.A.	8th	2nd	Jun/30	728,056
						5,346,534

The funds raised were used in the activities carried out by Raízen, 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.

#### (c) Senior Notes Due 2027

On July 7, 2020, indirect subsidiary Raízen Fuels issued Senior Notes in the international market, totaling the principal amount of US\$ 225,000 thousand, with payment of half-yearly interest in July each year and principal in 2027.

As of March 31, 2022, Senior Notes payable are as follows:

Taken out on	Issuer	Maturity	US\$
Jan/17	Capital market	Jan/27	500,000
Jul/20	Capital market	Jan/27	225,000
			725,000

#### (d) Schuldschein

As of March 31, 2022, the agreements payable by subsidiary RESA are as follows:

Taken out on	Bank	Annual average effective interest rate (1)	Maturity	Amount	
				R\$	€
Sept/15	Citibank, N.A., London branch	1.99% p.y + Euro €	Sept/22	264,164	60,000

#### (e) Debentures

In November 2019, the Brazilian SEC ("CVM") granted to subsidiary RESA registration for its fourth (4th) 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.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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In June 2020, the CVM granted subsidiary RESA registration for its fifth (5th) 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.

	<u>Index</u>	<u>Principal</u>	<u>Receipt date</u>	<u>Maturity</u>
4th series	IPCA	900,000	11/28/2019	11/16/2029
5th series	IPCA	169,518	06/15/2020	06/15/2030
		1,069,518		

#### (f) BNDES

These refer to funds raised by Raízen intended to finance cogeneration, investments in fuel terminals, and greenfield and brownfield projects for renovation and implementation of new sugarcane fields (Prorenova) and construction of the mill for production of E2G.

#### (g) PESA – Resolution No. 2471

In the period from 1998 to 2000, subsidiary RESA renegotiated its debts related to financing for agricultural costing with various financial institutions, reducing the 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.

#### (h) 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, guaranteed by chattel mortgage of the financed items.

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

The ACCs were signed with financial institutions and were settled through exports made during this fiscal year.

### Borrowings in the year ended March 31, 2022

Debt type:	Company	Date	Amount raised	Consolidated	
				Amount equivalent in US\$	Maturity (paid or/and payable)
ACC	Raízen S.A.	Jun/21	919,596	180,000	Mar/22
ACC	Raízen S.A.	Jun/21	229,899	45,000	Apr/22
ACC	Raízen S.A.	Jun/21	205,260	40,000	Dec/21
ACC	Raízen S.A.	Jul/21	520,089	85,000	Mar/22
			1,874,844	350,000	

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (j) Covenants

The Company is not subject to compliance with financial ratios, but to certain covenants in the loan and financing agreements, such as cross-default and negative pledge, which have been met in accordance with contractual requirements. As of March 31, 2022, the Company is in compliance with all covenants referring to loans, financing and debentures.

#### (k) Fair value

As of March 31, 2022 and 2021, the carrying amount and fair value of the loans are as follows:

Type	Amount raised, updated		Fair value (1)		Individual Financial income (expenses)	
	2022	2021	2022	2021	2022	2021
Export prepayments	4,604,704	5,962,783	4,570,184	5,974,221	45,958	34,591
Certificate of Agribusiness Receivables (CRA)	264,241	238,714	259,825	249,924	15,626	2,473
	<u>4,868,945</u>	<u>6,201,497</u>	<u>4,830,009</u>	<u>6,224,145</u>	<u>61,584</u>	<u>37,064</u>

- (1) Includes a fair value assessment balance as of March 31, 2002 and 2021, amounting to R\$38,936 and R\$22,648, respectively.

Type	Amount raised, restated		Fair value (1)		Consolidated Financial income (expenses)	
	2022	2021	2022	2021	2022	2021
Export prepayments	5,909,877	5,962,783	5,908,687	5,974,221	29,461	34,591
Certificate of Agribusiness Receivables (CRA)	3,437,400	238,714	3,300,027	249,924	187,474	2,473
Term Loan Agreement	948,244	-	957,484	-	102,557	-
Senior Notes Due 2027	3,499,793	-	3,565,225	-	170,354	-
Schuldschein	315,524	-	318,931	-	16,135	-
Debentures	1,291,025	-	1,170,895	-	86,726	-
	<u>15,401,863</u>	<u>6,201,497</u>	<u>15,221,249</u>	<u>6,224,145</u>	<u>592,707</u>	<u>37,064</u>

- (1) Includes a fair value assessment balance as of March 31, 2022 and 2021, amounting to R\$162,816 and R\$22,648, respectively.

Other loans and financing have no quoted value and the fair value substantially approximates their carrying amount, due to exposure to variable interest rates and the immaterial changes in the Raízen's credit risk.

#### Other information

##### Revolving Credit Facility

As described in Note 9.d, on December 22, 2021, indirect subsidiary Raízen Fuels took out a new revolving credit facility, in the total amount of US\$700,000 thousand, from a syndicate of banks. As of March 31, 2022, the revolving credit facilities taken out by the Company and not used until the closing date of these financial statements are as follows:

Beneficiary	Institution	Amount in US\$	Maturity
Raízen Fuels	Syndicate of banks	300,000	Apr/2024
Raízen Fuels	Syndicate of banks	<u>700,000</u>	Dec/2026
		<u>1,000,000</u>	

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### 17. Income tax and social contribution

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

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Income before income tax and social contribution</b>	2,950,800	1,364,158	4,201,852	1,505,327
Income tax and social contribution at nominal rate (34%)	(1,003,272)	(463,814)	(1,428,630)	(511,811)
<b>Adjustments to calculate the effective rate:</b>				
Tax overpayment - Selic (1)	22,177	-	79,093	-
Change in rate of foreign company (2)	-	-	(195,038)	(12,773)
Unrecognized deferred taxes	-	-	86,562	-
Effect of foreign exchange variations on assets and liabilities abroad	-	-	154,389	(24,232)
Interest on own capital	154,524	50,055	154,524	50,055
Difference between deemed income and taxable income rates	-	-	48,714	-
Equity accounting result, except amortization of surplus value	1,028,360	48,405	59,468	1,908
Others	(3,571)	(2,318)	88,629	30,870
<b>Income tax and social contribution expenses</b>	<b>198,218</b>	<b>(367,672)</b>	<b>(952,289)</b>	<b>(465,983)</b>
<b>Effective rate</b>	<b>-6.7%</b>	<b>27.0%</b>	<b>22.7%</b>	<b>31.0%</b>

- (1) On September 24, 2021, the Federal Supreme Court of Brazil ("STF"), upon ruling Appeal No. 1063187 that has not yet become final and unappealable, recognized the unconstitutionality of the IRPJ and CSLL on the Selic-based adjustment (arrears interest and monetary restatement) levied on tax overpayments. The Company and its subsidiaries are parties to ongoing individual lawsuits, which have not yet become final and unappealable, claiming the definitive exclusion of this tax levy. Considering the legal grounds contained in the appeal to the STF, the Company reassessed the likelihood of success, considering that it is probable that the tax treatment will be accepted. Accordingly, it recognized in the statement of income for the year ended March 31, 2022 income from IRPJ and CSLL, in accordance with the provisions of ICPC 22 – Uncertainty over income tax treatments (equivalent to IFRIC 23).

- (2) This refers to the change in Argentine tax legislation, enacted in June 2021, which changed the income tax rate from 25% to 35%.

##### (b) Recoverable income tax and social contribution (current and non-current):

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
IRPJ	282,819	130,656	516,493	207,392
CSLL	70,118	67,986	120,476	97,464
Tax credits of entities abroad	-	-	40,703	6,000
	<b>352,937</b>	<b>198,642</b>	<b>677,672</b>	<b>310,856</b>
Current assets	<b>(352,937)</b>	<b>(198,642)</b>	<b>(605,854)</b>	<b>(265,956)</b>
Non-current assets	<b>-</b>	<b>-</b>	<b>71,818</b>	<b>44,900</b>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

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(c) **Income tax and social contribution payable (current):**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
IRPJ	118,613	996
CSLL	37,558	335
Tax debts of entities abroad	4,495	80,094
	<u>160,666</u>	<u>81,425</u>



# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

### (d) Deferred income tax and social contribution - assets and liabilities:

	Individual				Consolidated											
	2022				2021				2022				2021			
Assets/(liabilities)	Base	IRPJ 25%	CSLL 9%	Total	Total	Base	IRPJ 25%	CSLL 9%	Total	Total	Base	IRPJ 25%	CSLL 9%	Total	Total	
Tax losses	368,296	92,074	-	92,074	-	9,849,260	2,462,315	-	2,462,315	116,932						
Tax losses of foreign entities	-	-	-	-	-	24,760	6,190	-	6,190	11,057						
Negative basis for social contribution	369,333	-	33,240	33,240	-	9,293,389	-	836,405	836,405	42,096						
Temporary differences:																
Unrealized income (loss) from derivatives	214,406	53,601	19,297	72,898	-	1,569,226	392,307	141,230	533,537	-						
Exchange variations	304,147	76,037	27,373	103,410	1,015,836	1,448,609	362,152	130,375	492,527	1,039,613						
Lease liability and right of use	22,332	5,583	2,010	7,593	6,566	1,174,900	293,725	105,741	399,466	3,943						
Remuneration and employees benefits	169,929	42,482	15,294	57,776	34,959	570,879	142,720	51,379	194,099	35,983						
Tax overpayment – Selic	60,791	15,198	5,471	20,669	-	208,456	52,114	18,761	70,875	-						
Share-based payment	42,306	10,576	3,808	14,384	-	42,306	10,576	3,808	14,384	-						
Fair value of financial liabilities	67,629	16,907	6,087	22,994	106,738	-	-	-	-	106,738						
Fair value of inventories	8,097	2,024	729	2,753	-	8,097	2,024	729	2,753	-						
Provisions and other temporary differences	611,729	152,932	55,056	207,988	183,265	2,292,406	573,104	206,314	779,418	292,051						
Total deferred tax assets		467,414	168,365	635,779	1,347,364		4,297,227	1,494,742	5,791,969	1,648,413						
Effect on depreciation rates variations of PPE	(268,547)	(67,137)	(24,169)	(91,306)	(43,901)	(3,039,603)	(759,901)	(273,564)	(1,033,465)	(49,743)						
Unrealized income (loss) from derivatives	-	-	-	-	(1,077,165)	-	-	-	-	(1,071,823)						
Fair value of inventories	-	-	-	-	(16,245)	-	-	-	-	(16,245)						
Fair value of financial liabilities	-	-	-	-	-	(168,209)	(42,052)	(15,139)	(57,191)	-						
Biological assets	-	-	-	-	-	(2,358,191)	(589,548)	(212,237)	(801,785)	-						
Amortized tax goodwill	(940,094)	(235,024)	(84,608)	(319,632)	(319,632)	(2,317,447)	(579,362)	(208,570)	(787,932)	(319,632)						
Revaluation of property, plant and equipment	-	-	-	-	-	(1,550,674)	(387,668)	(139,561)	(527,229)	(666,642)						
Fair value of property, plant and equipment items, intangible assets and others	(143,597)	(35,899)	(12,924)	(48,823)	(50,788)	(1,062,318)	(265,579)	(95,609)	(361,188)	(370,466)						
Fair value in the formation of the joint venture	(495,638)	(123,910)	(44,607)	(168,517)	(173,740)	(495,638)	(123,910)	(44,607)	(168,517)	(173,740)						
Capitalized borrowing costs	421	105	38	143	(3,495)	(313,206)	(78,301)	(28,189)	(106,490)	(3,497)						
Refund of ICMS	(187,018)	(46,754)	(16,832)	(63,586)	(51,998)	(291,094)	(72,774)	(26,198)	(98,972)	(86,835)						
Contractual relationships with clients	(168,715)	(42,179)	(15,184)	(57,363)	(61,744)	(175,144)	(43,786)	(15,763)	(59,549)	(65,817)						
Total deferred tax liabilities		(550,798)	(198,286)	(749,084)	(1,798,708)		(2,942,881)	(1,059,437)	(4,002,318)	(2,824,440)						
Total deferred taxes		(83,384)	(29,921)	(113,305)	(451,344)		1,354,346	435,305	1,789,651	(1,176,027)						
Deferred taxes - Assets, net				-	-				3,163,593	194,791						
Deferred taxes - Liabilities, net				(113,305)	(451,344)				(1,373,942)	(1,370,818)						
Total deferred taxes				(113,305)	(451,344)				1,789,651	(1,176,027)						

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### Changes in deferred taxes, net:

	<u>Individual</u>	<u>Consolidated</u>
Balance as of March 31, 2020	<u>(501,227)</u>	<u>(1,258,736)</u>
Credit in income (loss)	61,020	269,451
Deferred taxes on other comprehensive income	10,264	10,512
Effect of foreign currency translation and others	<u>(21,401)</u>	<u>(197,254)</u>
Balance as of March 31, 2021	<u>(451,344)</u>	<u>(1,176,027)</u>
Net assets contributed through corporate reorganization (Note 11)	-	2,054,100
Business combination (Note 30)	-	1,113,368
Credit on share issue costs (Note 20.a)	56,504	56,504
Credit in P&L	341,188	386,362
Deferred taxes on other comprehensive income	2,177	(817,507)
Effect of foreign currency translation and others	<u>(61,830)</u>	<u>172,851</u>
Balance as of March 31, 2022	<u>(113,305)</u>	<u>1,789,651</u>

#### (e) **Realization of deferred income tax and social contribution:**

In assessing the ability to recover deferred taxes, management takes into consideration projections of future taxable profit and changes in temporary differences. Deferred tax assets are recognized only when it is probable that they will be used in the future. There is no expiration date for the use of the income tax 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, 2022, Raízen expects to realize deferred tax assets in certain entities, including income tax and social contribution tax loss carryforwards and temporary differences, as follows:

<u>Years</u>	<u>Individual</u>	<u>Consolidated</u>
2023	357,799	877,330
2024	6,080	727,944
2025	132,797	745,439
2026	9,346	779,816
From 2026 onwards	<u>129,757</u>	<u>2,661,440</u>
<b>Total</b>	<u>635,779</u>	<u>5,791,969</u>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### 18. Legal disputes and judicial deposits

##### Breakdown of legal disputes considered as probable loss

In the process of forming Raízen, it was agreed that Shell and Cosan should reimburse Raízen for the amount of the lawsuits with a base date prior to their formation. As of March 31, 2022 and 2021, the balances of the claims to be reimbursed and the non-reimbursable claims are as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Tax	428,765	708,102	608,725	716,870
Civil	225,253	178,855	463,364	200,898
Labor	35,565	27,947	672,124	37,503
Environmental	35,123	22,953	91,740	48,736
	<u>724,706</u>	<u>937,857</u>	<u>1,835,953</u>	<u>1,004,007</u>
Non-reimbursable legal disputes	54,082	49,461	913,218	113,735
Reimbursable legal disputes	670,624	888,396	922,735	890,272
	<u>724,706</u>	<u>937,857</u>	<u>1,835,953</u>	<u>1,004,007</u>

Also, in the process of forming Raízen, it was agreed that the Company should reimburse Shell and Cosan for the amount of deposits in court made on the base date before the formation of Raízen. As of March 31, 2022 and 2021, the balances of refundable and non-refundable deposits are as follows:

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Tax	26,385	26,442	469,245	27,439
Civil	14,612	14,951	79,734	26,772
Labor	10,835	13,136	174,481	13,535
	<u>51,832</u>	<u>54,529</u>	<u>723,460</u>	<u>67,746</u>
Own judicial deposits	32,497	35,381	356,426	47,836
Refundable judicial deposits	19,335	19,148	367,034	19,910
	<u>51,832</u>	<u>54,529</u>	<u>723,460</u>	<u>67,746</u>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (i) Non-reimbursable legal disputes

	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Individual Total</b>
As of March 31, 2021	31,473	1,143	15,673	1,172	49,461
Provisioned for the year (a)	2,895	8,701	10,123	-	21,719
Reversals and write-offs (a)	(10,234)	(3,044)	(5,084)	-	(18,362)
Payments	(798)	-	(1,808)	(215)	(2,821)
Monetary adjustment (b)	25	336	3,724	-	4,085
As of March 31, 2022	23,361	7,136	22,628	957	54,082

  

	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Consolidated Total</b>
As of March 31, 2021	40,242	21,594	24,945	26,954	113,735
Provision contributed through corporate reorganization	11,631	18,201	304,335	3,100	337,267
Business combination (Note 30)	92,634	31,693	227,076	12,022	363,425
Provisioned for the year (a)	7,971	81,799	150,555	5,756	246,081
Reversals and write-offs (a)	(17,483)	(26,794)	(131,020)	(2,947)	(178,244)
Payments	(1,483)	(2,327)	(29,055)	(983)	(33,848)
Monetary and foreign exchange adjustments (b)	2,623	32,086	43,260	1,749	79,718
Effect of foreign currency translation	(376)	(8,357)	(1,645)	(4,538)	(14,916)
As of March 31, 2022	135,759	147,895	588,451	41,113	913,218

(a) Recognized in the statement of income for the year under Sales taxes, General and administrative expenses and Other operating income, net, except for the monetary adjustment reversals, recognized under Financial income (expenses).

(b) Recorded in the statement of income for the year under Financial income (expenses).

#### (ii) Reimbursable legal disputes (1)

	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Individual Total</b>
As of March 31, 2021	676,629	177,712	12,274	21,781	888,396
Provisioned for the year	1,094	40,684	2,936	15,794	60,508
Reversals and write-offs	(1,964)	(31,681)	(110)	(440)	(34,195)
Payments	(286,257)	-	(2,473)	(2,968)	(291,698)
Monetary adjustment	15,903	31,402	308	-	47,613
As of March 31, 2022	405,405	218,117	12,935	34,167	670,624

  

	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>	<b>Consolidated Total</b>
As of March 31, 2021	676,628	179,304	12,558	21,782	890,272
Provision contributed through corporate reorganization	76,528	49,500	70,384	13,710	210,122
Provisioned for the year	8,662	84,753	9,190	17,424	120,029
Reversals and write-offs	(20,301)	(45,830)	(10,422)	(1,173)	(77,726)
Payments	(286,257)	(2,598)	(7,011)	(3,045)	(298,911)
Monetary and foreign exchange adjustments	17,704	50,341	8,975	1,929	78,949
As of March 31, 2022	472,964	315,470	83,674	50,627	922,735

(1) The movement does not have and will never have an effect on the result, due to the Company's right to reimbursement.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (iii) Total legal disputes

	<b>Individual</b>			
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>
As of March 31, 2021	708,102	178,855	27,947	22,953
Provisioned for the year	3,989	49,385	13,059	15,794
Reversals and write-offs	(12,198)	(34,725)	(5,194)	(440)
Payments	(287,055)	-	(4,281)	(3,184)
Monetary adjustment	15,927	31,738	4,034	-
As of March 31, 2022	428,765	225,253	35,565	35,123
	<b>Consolidated</b>			
	<b>Tax</b>	<b>Civil</b>	<b>Labor</b>	<b>Environmental</b>
As of March 31, 2021	716,870	200,898	37,503	48,736
Provision contributed through corporate reorganization (Note 11)	88,159	67,701	374,719	16,810
Business combination (Note 30)	92,634	31,693	227,076	12,022
Provisioned for the year	16,633	166,552	159,745	23,180
Reversals and write-offs	(37,784)	(72,624)	(141,442)	(4,120)
Payments	(287,740)	(4,925)	(36,066)	(4,028)
Monetary and foreign exchange adjustments	20,327	82,427	52,235	3,678
Effect of foreign currency translation	(374)	(8,358)	(1,646)	(4,538)
As of March 31, 2022	608,725	463,364	672,124	91,740

#### (a) Tax

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
ICMS (i)	235,911	469,874	264,709	470,015
IPI (ii)	81,943	87,679	135,614	87,679
PIS and COFINS (iii)	17,672	58,693	21,355	58,693
Income Tax and Social Contribution (IRPJ and CSLL)(iv)	87,604	79,277	88,175	79,277
Other (v)	5,635	12,579	98,872	21,206
	428,765	708,102	608,725	716,870
Non-reimbursable legal disputes	23,362	31,474	135,759	40,242
Reimbursable legal disputes	405,403	676,628	472,966	676,628
	428,765	708,102	608,725	716,870

#### (i) ICMS

The amount recorded as a provision for ICMS credits is represented by: a) tax assessments received that, despite being defended, are assessed as probable loss by the Company's legal advisors; (b) use of finance credits and charges in matters on which understanding of the Company's management and tax advisors differ from tax authorities' interpretations; (c) questioning of the breach of accessory obligation (CAT Ordinance) in the period from January 2001 to December 2004, related to the methodology for calculating ICMS credits in the state of São Paulo, in the restated amount of R\$ 121,896 (R\$ 119,326 in 2021).

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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In the year ended March 31, 2022, payments were made in the consolidated amount of R\$287,313, mainly related to ICMS debts, prior to the formation of Raízen due to the enrollment in the Minas Gerais State amnesty program. Therefore, the tax contingencies were paid and reimbursed by Shell to the Company, with a consequent reduction in the balances of related parties due to from contractual transactions with shareholders.

#### **(ii) IPI**

The amount recorded as a provision for IPI credits is represented by: (a) tax assessment notice received referring to imported goods and other notices; (b) offset of credits deriving from inputs used in exempt shipment; and (c) IPI *Seletividade*, a matter recently judged by the Federal Supreme Court of Brazil (“STF”), under General Resonance (RE No. 592145, matter 080) unfavorably to the taxpayer.

#### **(iii) PIS and COFINS**

The amount recorded as a provision for PIS and COFINS credits is represented by: (a) contribution from 1997 to 1999 referring to merger of company; and (b) IPI credits used to offset PIS and COFINS deriving from inputs used in exempt shipments.

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

These refer to interlocutory decisions related to different offsets carried out by PER/DCOMP (E-Requests for Federal Tax Recovery, Refund or Offset) related to IPI credits used to offset IRPJ and CSLL. Said offset stopped being approved because a tax assessment notice was issued to stop recognition of credits based on the fact that, in the period from January 2008 to September 2010: (a) RCSA did not record and pay IPI owed at the rate of 8% on certain transactions classified in TIPI (table of IPI levy); and (b) RCSA did not reverse IPI credits referring to inputs used in the industrialization of certain products classified in TIPI, considering that shipment of such products is not taxed.

In the first item, the dispute occurs due to difference about classification of products as oil by-products and, in the second item, it occurs because authorities do not recognize the right to maintain IPI credits on shipment transactions that are exempt or not taxed.

#### **(v) CIDE**

The Company provisioned CIDE on services rendered in oil and natural gas exploration and production activities carried out before the formation of Raízen, whose balance as of March 31, 2022 totals R\$476,060 (R\$392,098 in 2021). The amounts due were deposited in court, in the same amount, reason why there will be no financial disbursement by the Company. Accordingly, both balances are presented on a net basis in these financial statements.

#### **(b) Civil, labor, and environmental**

Raízen is a party to several civil lawsuits related to: (i) property and pain and suffering damages; (ii) contractual disputes; (iii) public civil actions to refrain from burning sugarcane straw; (iv) executions of an environmental nature; (v) remediating environmental damage caused by fuel leakage; and (vi) contractual, real estate and credit recovery discussions, including discussions of contractual violations, possession of Group properties and recovery of amounts not paid by clients.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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Raízen is also a party 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.

The main environmental claims are related to environmental remediation work to be carried out at filling stations, distribution bases, airports and client distribution centers, which comprise removal of contaminated material, treatment of the area, laboratory analysis and post-remediation monitoring.

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

#### (a) Tax

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
ICMS (1)	2,577,980	2,548,664	6,436,674	2,785,760
IRPJ and CSLL (2)	1,637,520	1,945,688	3,913,090	2,115,626
PIS and COFINS (2)	4,520,078	4,197,579	7,115,541	4,602,673
INSS (3)	-	-	232,596	-
IPI (4)	34,232	33,784	394,184	33,784
Offsets with IPI credit (IN) No. 67/98 (5)	-	-	140,239	-
MP No. 470 - Debt in installment payment (6)	-	-	243,688	-
ISS (7)	255,231	214,733	255,393	214,733
Others	320,032	377,677	1,610,158	739,760
	<u>9,345,073</u>	<u>9,318,125</u>	<u>20,341,563</u>	<u>10,492,336</u>
Non-reimbursable legal disputes	4,911,844	4,488,743	12,492,413	5,526,333
Reimbursable legal disputes	4,433,229	4,829,382	7,849,150	4,966,003
	<u>9,345,073</u>	<u>9,318,125</u>	<u>20,341,563</u>	<u>10,492,336</u>

#### (1) ICMS

Refers substantially to: (i) portion related to fine of the tax assessment notice served due to the alleged nonpayment of ICMS and noncompliance with accessory obligation, in an operation involving sharecropping 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 assessment 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; (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) ICMS credits not reversed; (vii) lack of full reversal of ICMS-ST credits for ICMS tax substitution (ICMS-ST); (viii) noncompliance with accessory obligations; (ix) ICMS-ST requirement in interstate sales to industrial clients; (x) undue use of credits from Controls for ICMS tax Credits on permanent assets ("CIAP"); (xi) inventory difference; (xii) alleged undue use of credits related to ICMS-ST on diesel in the capacity of final consumer; (xiii) matching credit allegedly unduly taken; and (xiv) tax credits related to freight (transport services) allegedly unduly used since the subsequent operation is exempt or not taxed.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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#### **(2) IRPJ, CSLL, PIS, COFINS and IOF**

Main legal disputes refer to: (a) tax assessment notices on credit offsetting arising from the Semi-Annual PIS regime and offsets of federal taxes not approved by the Brazilian IRS (RFB), for which Raízen has been challenging these collections at the proper levels; and (b) tax assessment notices for the collection of IRPJ and CSLL for the years 2011, 2012, 2013 and 2014, derived from the exclusion of income from amortization of goodwill on investments evaluated under equity. This goodwill was contributed by Cosan Lubrificantes e Especialidades S.A., formerly named Cosan Combustíveis e Lubrificantes S.A., to Company. Raízen presented an objection requesting full cancellation of the tax assessment notice issued; (c) disallowances of PIS and COFINS credits, in the non-cumulative system, provided for in Law No. 10637/2002 and Law No. 10833/2003. 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; (d) requests for reimbursement of PIS and COFINS in connection with offsetting proceedings. After presentation of the Protest Letter in March 2013, the DRJ (Judgment Office) determined the write-off of ongoing proceedings, so that PIS and COFINS credit rights referring to certain quarters from 2008 to 2009 are recalculated; (e) in the year ended March 31, 2020, the Brazilian IRS considered as "non-declared" the requests for reimbursement and/or offsetting of non-cumulative PIS and COFINS credits with different origins (Law No. 10637/02 and Law No. 10833/03) for the periods from 2014 to 2016, based on the argument that the credits are linked to a lawsuit that challenges the exclusion of ICMS from the PIS and COFINS tax base. Because the understanding of the tax authorities is mistaken, Raízen continues with the administrative discussion. (f) tax assessment notices related to the unconstitutionality of expansion of PIS and COFINS tax base brought by Law No. 9718/98, in which STF considered as unconstitutional; (g) tax assessment notices filed by the Brazilian IRS for the collection of IRPJ and CSLL from prior years relating to offsets of tax losses, deductibility of amortization expenses of certain goodwill and taxation of differences of revaluations of assets comprising property, plant and equipment; (h) lawsuit in 2018, related to the disallowance of goodwill based on expected future profitability, deducted from the IRPJ and CSLL tax base of subsidiary RESA for calendar years 2013 to 2016, in the amount of R\$ 470,800. The defense was presented considering that the amortization of goodwill occurred under the terms of the applicable legislation (article 386 of RIR/99 and articles 7 and 8 of Law No. 9532/97); and (i) PIS and COFINS difference determined because of CIDE offset. For tax authorities, such deduction could only have been made in the event of payment.

#### **(3) INSS**

Possible legal disputes related to INSS involve mainly: (i) revision of the legal disputes linked to MPS/SRP Revenue Procedure No. 03/2005, from 2005 to 2011, which are now assessed as remote loss due to the probable recognition of laches term. MPS/SRP Revenue Procedure 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.



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### Notes from management to the financial statements as of March 31, 2022

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#### (4) 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 Raízen's legal advisors.

#### (5) Offsets with IPI credit – IN 67/98

RFB Regulatory Instruction No. 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, subsidiary RESA, for the years in which payment was made, pleaded to offset amounts against other taxes due. However, the Federal Revenue Service dismissed requests for refund as well as an offset. Thus, subsidiary RESA administratively appealed against the dismissal.

After notification of payment of debts object of an offset in view of the changes introduced by IN SRF No. 210/02, subsidiary RESA filed a writ of mandamus with an injunction request to suspend the enforceability of offset taxes, with the aim of preventing the Public Administration from executing these debts. The injunction was granted by the competent court.

#### (6) MP 470 – Installment payment of debts

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

#### (7) ISS

This refers to the collection of ISS by the cities in the state of Espírito Santo, on services rendered in sea waters (in the BC-10 block), as those cities understand that those services would have been provided within their territory and, therefore, the ISS should have been paid to those cities in that state.

##### (b) Civil, labor, and environmental

	Individual		Consolidated	
	2022	2021	2022	2021
Civil (i)	558,468	449,576	1,540,894	496,456
Labor	41,387	64,641	351,950	96,304
Environmental	1,755	3,195	201,000	26,025
	<u>601,610</u>	<u>517,412</u>	<u>2,093,844</u>	<u>618,785</u>
Non-reimbursable legal disputes	99,352	129,116	1,039,410	223,947
Reimbursable legal disputes	502,258	388,296	1,054,434	394,838
	<u>601,610</u>	<u>517,412</u>	<u>2,093,844</u>	<u>618,785</u>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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- (i) These legal disputes substantially refer to: (a) change in risk assessment in administrative proceeding before CADE filed against Shell; (b) reparation for emergent damages; (c) loss of profits; (d) compensation for pain and suffering damages; and (e) attorney's fees.

#### Contingent assets

Raízen, through its direct subsidiary Blueway, is involved in tax claims for damages related to the right to exclude the ICMS from the PIS and COFINS tax base, the realization of which is not virtually certain yet and, therefore, represent contingent assets not recognized in this consolidated financial information. Accordingly, it is not yet possible to estimate the possible future financial effects of these claims.

## 19. Commitments (Consolidated)

The Company has fuel purchase agreements with third parties in order to secure part of its future trading, also has contracts for rail transportation, road, and ferry services, with the purpose of transporting fuel from the supply bases to the reseller stations, whose amount to be paid is determined according to the price agreed in the contract.

Raízen has stockpiling service contracts for fuels with third parties, in accordance with the logistics and storage objectives in certain regions.

As of June 1, 2021, through its subsidiary RESA, and through the acquisition of Biosev on August 10, 2021, Raízen has commitments to purchase sugarcane, fuel and industrial equipment, electric power and steam, lease and sharecropping agreements, sugar storage, transportation and handling services.

Subsidiaries RESA and Biosev have various purchase commitments for sugarcane with third parties in order to guarantee part of its production in subsequent harvests. The amount of sugarcane to be acquired is calculated based on the estimated amount to be milled per area based on their expected productivity where sugarcane plantations are located. The amount to be paid by subsidiaries RESA and Biosev is determined at the end of each crop year, according to the price published by the CONSECANA (Council of Sugarcane, Sugar and Ethanol Producers in the São Paulo State – Brazil).

Raízen entered into agreements with the Rumo Group for the transportation and handling of sugar for exports.

As of March 31, 2022, the volumes related to purchase commitments and service agreements by crop are as follows:

Years	Sugarcane (in tons)	Fuel (in cubic meters)	Transportation (in cubic meters)	Storage (in cubic meters)	Transportation and handling of sugar (in tons)
2023	67,414,899	1,826,185	4,126,119	7,046,143	9,738,812
2024	62,604,801	-	1,325,907	3,088,252	-
2025	53,542,282	-	954,309	2,202,256	-
2026	45,532,702	-	954,309	1,835,608	-
From 2027 onwards	104,176,924	-	954,309	1,897,177	-
Total contracted volume	333,271,608	1,826,185	8,314,953	16,069,436	9,738,812
Total estimated payments (nominal value)	46,956,326	9,028,877	391,175	665,786	318,877

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### Notes from management to the financial statements as of March 31, 2022

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## 20. Equity

### (a) Capital and capital reserve

As of March 31, 2022, the Company's fully subscribed and paid-in capital amounts to R\$6,859,670 (R\$1,921,843 in 2021) and is represented as follows:

					2022	
	Common shares	%	Preferred shares	%	Total	%
Shell	4,496,786,292	50.0%	55,810,825	4.1%	4,552,597,117	44.0%
Cosan	4,496,786,292	50.0%	55,810,825	4.1%	4,552,597,117	44.0%
Treasury shares	-	-	6,907,800	0.5%	6,907,800	0.1%
Others	-	-	1,240,407,450	91.3%	1,240,407,450	11.9%
Total shares (book-entry and no-par-value shares)	8,993,572,584	100%	1,358,936,900	100%	10,352,509,484	100%
					2021	
	Common shares	%	Preferred shares	%	Total	%
Shell	830,709,236	50.0%	81,997,058	100%	912,706,294	52.4%
Cosan	830,709,236	50.0%	-	0.0%	830,709,236	47.6%
Total shares (book-entry and no-par-value shares)	1,661,418,472	100%	81,997,058	100%	1,743,415,530	100%

As described in Notes 1 and 11, at the Annual and Special General Meeting (ASGM) held on June 1, 2021, shareholders Shell and Cosan resolved and approved the Company's capital increase, in the amount of R\$5,727,866, the amounts of which allocated to capital and capital reserve were R\$1,078,157 and R\$4,649,709, respectively. The referred to capital increase was made through subscription and payment of 7,332,154,111 new common registered book-entry and no-par-value shares. As a result of this operation, the Company's subscribed and paid-in capital was changed to R\$3,000,000, represented by 8,993,572,584 registered common no-par-value shares.

In this same ASGM held on June 1, 2021, shareholders Shell and Cosan resolved and approved the conversion of the single Class A preferred share and of the 100,000 Class D preferred shares issued by the Company into 1 common share of the Company. The conversion of these preferred shares did not give shareholders the right to withdraw. At that same ASGM, the repurchase of all 81,897,057 Class E preferred shares issued by the Company was ratified, with their cancellation without reduction of the capital, observing the limit of the balance of profits and reserves available, except for the legal reserve, under the terms of the share purchase and sale agreement entered into by and between the Company and the shareholder of the referred to shares.

On June 1, 2021, the former shareholders of subsidiary RESA resolved and approved the redemption and cancellation of all class B preferred shares amounting to R\$2,220, and under Capital reserves, matched against the Investments account.

On July 1, 2021, indirect subsidiary Bio Barra acquired 30% equity interest in RWXE Participações S.A. ("RWXE"), for the amount of R\$ 5,000. As a result of this acquisition, Bio Barra now holds 100% of the RWXE capital. This transaction between shareholders generated an impact on the Company's equity in the amount of R\$7,423, marched against the Investments account.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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At the SGM held on July 12, 2021, shareholders Shell and Cosan resolved and approved the increase in the Company's capital by R\$130,135, increasing it from R\$3,000,000 to R\$3,130,135, with bonus in preferred shares, through capitalization of part of the capital reserve balance, with issue of 121,621,650 preferred, book-entry and no-par-value shares, attributed in the proportion of 50% to each shareholder.

Also, within the scope of Raízen's IPO, 121,621,650 preferred shares were over-allocated, in the amount of R\$900,000, as resolved at the SGM held on July 12, 2021, for the purposes of stabilization activities, no impact on equity.

As mentioned in Note 1, on August 3, 2021, Raízen's Board of Directors announced the pricing per preferred share of its initial public offering at R\$7.40. Therefore, from August 5, 2021, the trading process of these preferred shares on B3 began, under ticker name "RAIZ4". The IPO comprised the issue of 810,811,000 preferred shares of the Company, in the amount of R\$6,000,000, as part of the base offering, of which R\$3,000,000 was allocated to the Capital account and R\$3,000,000 to the Capital reserve account. In addition, on September 3, 2021, the Company issued 95,901,350 new supplementary preferred shares, in the total amount of R\$709,670, which was fully allocated to the Capital account.

On account of the IPO, the Company incurred share issue costs amounting to R\$166,188 (R\$109,684 net of taxes), related to commissions to structuring banks, lawyers, auditors, fees and others. These costs were recorded in equity.

On August 10, 2021, the Board of Directors of Raízen resolved on the ratification of the exercise of subscription warrants issued by the Company on June 1, 2021, on behalf of Hédéra, in the process of acquiring Biosev (Note 30.a), with the issue of 330,602,900 preferred, book-entry and no-par value shares, equivalent to a 3.2% equity interest in Raízen's capital, at the total issue price of R\$2,423,944, adjusted to market value by the amount of R\$76,663, totaling R\$2,347,281, equivalent to the unit value of R\$7.10 per share, of which R\$19,864 and R\$2,327,417 were allocated to the Capital and Capital reserve accounts, respectively.

#### **(b) Dividends and interest on own capital**

In accordance with the Company's Articles of Incorporation and Brazilian Corporation Law, the amounts of the dividends for the years ended March 31, 2022 and 2021 were determined as follows:

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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	2022	2021
Net income for the year	3,149,018	996,486
(-) Offset of losses, first-time adoption of IFRS and other	-	(2,729)
Dividends to Class D preferred shareholders	-	(1,726)
(-) Effect of tax incentives on subsidiaries (Note 20.d)	(375,803)	-
Ordinary dividend distribution calculation basis	2,773,215	992,031
Common and preferred shares		
Minimum mandatory dividend - 1% (1)	(27,732)	(9,920)
(-) Interest on own capital	(741,682)	(147,219)
Total provisioned dividends in the Parent Company	-	(1,726)
Remaining dividends and interest on own capital	(244,121)	(187,665)
Total provisioned dividends and interest on own capital in the Parent Company	(244,121)	(189,391)
Dividends payable to non-controlling shareholders	(25,541)	(10,535)
Total provisioned dividends and interest on own capital in the Consolidated	(269,662)	(199,926)

- (1) In the years ended March 31, 2022 and 2021, interest on own capital totaled R\$741,682 and R\$147,219, respectively. Accordingly, there are no mandatory minimum common dividends provisioned since these repayments, related to income determined in referred to fiscal years, were higher than those determined on the percentage defined in the Articles of Incorporation.

Changes in dividends and interest on own capital payable are as follows:

	Individual			Consolidated		
	Dividends	Interest on own capital	Total	Dividends	Interest on own capital	Total
As of March 31, 2020	729	62,529	63,258	10,497	62,529	73,026
Prior years' dividends	907	-	907	12,767	-	12,767
Dividends for the year	-	-	-	10,535	-	10,535
Exclusive dividends	1,726	-	1,726	1,726	-	1,726
Interest on own capital, net of Withholding Income Tax (IRRF)	-	125,136	125,136	-	125,136	125,136
Payments	(1,640)	-	(1,640)	(23,273)	-	(23,273)
Others	4	-	4	9	-	9
As of March 31, 2021	1,726	187,665	189,391	12,261	187,665	199,926
Dividends contributed through corporate reorganization (Note 11.c)	-	-	-	746,686	-	746,686
Prior years' dividends	1,394,018	-	1,394,018	1,407,732	-	1,407,732
Dividends for the year	-	-	-	25,541	-	25,541
Interest on own capital, net of Withholding Income Tax (IRRF)	-	631,603	631,603	-	631,603	631,603
Payments	(1,395,744)	(575,147)	(1,970,891)	(2,165,854)	(575,147)	(2,741,001)
Others	-	-	-	(825)	-	(825)
As of March 31, 2022	-	244,121	244,121	25,541	244,121	269,662

The remuneration to shareholders in the form of dividends and/or interest on own capital is classified as cash flow from financing activities, when paid.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (c) **Equity valuation adjustments**

##### (i) **Income from financial instruments designated as hedge accounting**

This refers to changes in the fair value arising from cash flow hedge of fuel imports.

##### (ii) **Income (loss) from net investment hedge abroad**

These refer to the effective portion with the foreign exchange differences of the hedge of the Company's net investments in a foreign entity.

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

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

##### (iv) **Effect of foreign currency translation**

Cumulative translation adjustments with foreign exchange differences resulting from the translation of the financial statements of foreign operations.

##### (v) **Changes in equity valuation adjustments**

	2021	Consolidated comprehensive income	2022
Actuarial gain with defined benefit plan, net	3,997	1,718	5,715
Income (losses) on financial instruments designated as hedge accounting	(1,374)	1,585,206	1,583,832
Income (loss) on hedge of net investment in a foreign entity	(45,741)	-	(45,741)
Effect of foreign currency translation	1,345,546	(950,313)	395,233
	<u>1,302,428</u>	<u>636,611</u>	<u>1,939,039</u>
Attributable to controlling shareholders	1,302,428	576,107	1,878,535
Attributable to non-controlling shareholders	-	60,504	60,504
	2020	Consolidated comprehensive income	2021
Actuarial gain with defined benefit plan, net	4,742	(745)	3,997
Income (loss) on financial instruments designated as hedge accounting	18,549	(19,923)	(1,374)
Income (loss) on hedge of net investment in a foreign entity	(45,741)	-	(45,741)
Effect of foreign currency translation	736,986	608,560	1,345,546
	<u>714,536</u>	<u>587,892</u>	<u>1,302,428</u>
Attributable to controlling shareholders	714,536	587,892	1,302,428

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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#### (d) Income reserve

##### (i) Tax incentive reserve

		<u>Impact on the Company</u>	
	<u>Tax benefit</u>	<u>2022</u>	<u>2021</u>
Federal Government	Sale of diesel (1)	212,722	-
Goiás	Program for the Industrial Development of Goiás (2)	106,489	-
Mato Grosso do Sul	Agreement No. 331/2008 (3)	56,592	-
		<u>375,803</u>	<u>-</u>

(1) Refers to the economic grant given by the federal government in diesel sales operations of direct subsidiary Blueway.

(2) Refers to the Goiás state incentive program “Produzir”, which finances part of the ICMS payment.

(3) Refers to the tax benefit on sugar industrial processing operations in the state of Mato Grosso do Sul, equivalent to 67% of the ICMS debt balance and the matching credit of ethanol.

##### (ii) Legal reserve

As of March 31, 2022 and 2021, as established in Brazilian Corporation Law, the Company did not allocate 5% of net income to the Legal reserve, due to the fact that the total balance of the legal and capital reserves has exceeded 30% of the capital amount.

##### (iii) Profit retention reserve

This refers to the remaining balance of the Company’s net income for the year, after allocations for set-up of the legal reserve and provision for mandatory minimum dividends, which was allocated to Profit retention reserve until its final allocation is approved at the Annual General Meeting. The Company’s Articles of Incorporation 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 capital amount.

##### (e) Treasury shares

On January 6, 2022, B3 approved the Company’s request to reduce the minimum percentage of outstanding shares, which currently is 12% of Raízen’s shares (“free float”).

Upon this approval, on the same date, the Raízen’s Board of Directors approved a share buyback program for up to 40,000,000 preferred shares, equivalent to 0.39% of the total shares and 3.21% of the total outstanding shares of the Company. The deadline for carrying out this operation is 18 months, ending on July 7, 2023.

The purpose of this program is to meet obligations that may arise from the Company’s share-based compensation plans and maximize the generation of value for shareholders through efficient capital management. The repurchased shares may be, at management’s discretion, later delivered to the beneficiaries of share-based compensation programs, cancelled, sold or held in treasury.

In addition, on January 18, 2022, B3 authorized the reduction of the minimum percentage of the outstanding shares, from 12% to a limit of up to 10% of free float of Raízen’s shares, which may be repurchased by the Company itself or by controlling shareholders.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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In return for B3's authorization, for a momentary reduction of the minimum percentage of outstanding shares, Raízen maintains the commitment to reach, until December 31, 2022, a minimum percentage of 15% of the outstanding shares as well as to continue with the contracted market maker service until such percentage is reached.

	<u>Number</u>	<u>Average cost per share</u>	<u>Historical value</u>	<u>Market value</u>
March 31, 2021	-	-	-	-
Repurchase	6,907,800	5.80	40,082	48,562
March 31, 2022	<u>6,907,800</u>	<u>5.80</u>	<u>40,082</u>	<u>48,562</u>

#### (f) Earnings per share

##### Basic

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of all classes of shares issued in the period, excluding treasury shares.

	<u>2022</u>	<u>2021</u>
<b>Numerator</b>		
Net income for the year	3,149,018	996,486
Profit available to preferred shareholders	-	(1,726)
Profit available to preferred shareholders	3,149,018	994,760
<b>Denominator</b>		
Weighted average number of common shares outstanding (in thousands)	<u>8,698,655</u>	<u>1,661,418</u>
<b>Basic and diluted earnings per share (reais per share)</b>	<u>0.36</u>	<u>0.60</u>

##### Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding shares, considering that the conversion of all shares would cause dilution.

	<u>2022</u>	<u>2021</u>
<b>Numerator</b>		
Net income for the year	3,149,018	996,486
Profit available to preferred shareholders	-	(1,726)
Profit available to preferred shareholders	3,149,018	994,760
<b>Denominator</b>		
Weighted average number of common shares outstanding (in thousands)	<u>8,708,575</u>	<u>1,661,418</u>
<b>Basic and diluted earnings per share (reais per share)</b>	<u>0.36</u>	<u>0.60</u>



## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

## 21. Share-based payment

The Company offers restricted share plans linked to: (i) non-interruption of the relationship between the executive and the Company (vesting period); and (ii) achievement of performance conditions.

The fair value of grants related to the period the participant remains in the Company during the vesting period (restricted share unit - RSU) was determined based on the market value of the Company's shares in B3.

With regard to the portion of the plan that is linked to the performance conditions (performance share unit – PSU), the fair value is measured based on the Monte Carlo method considering market conditions.

The following table presents a summary of the actions granted to the Company's managers:

Program	Lot	Grant date	Maturity	Market value of shares	Balance of shares granted
Incentive IPO (RSU)	1	07/12/2021	07/01/2022	7.57	3,109
Incentive IPO (PSU)	2	07/12/2021	07/01/2023	7.95	1,607
Incentive IPO (PSU)	3	07/12/2021	07/01/2024	8.10	2,712
Incentive IPO (PSU)	4	07/12/2021	07/01/2025	8.13	2,038
Incentive IPO (PSU)	5	07/12/2021	07/01/2026	8.26	1,985
New VLP (PSU)	1	03/29/2022	03/29/2025	8.19	48
Program Transition - 16'17	-	11/04/2021	07/01/2022	6.75	20,131
Program Transition - 17'18	-	11/04/2021	07/01/2023	6.75	10,674
					<u>42,304</u>

The fair value of the PSU option plans is measured based on the Monte Carlo method. The fair value is multiplied by the TSR and the share values of other companies, which are considered market performance conditions. The restricted shares plan considers the following assumptions:

- (i) The expectation of volatility, peer alternatives were sought, due to Raízen's low closing history. The Company used Cosan's volatility history, based on the proximity between the sectors in which it operates and the fact that the shareholder Cosan holds a relevant stake in Raízen's capital stock, which indicates that Raízen's business implicitly represents part of Cosan's volatility, using the standard deviation model of daily returns for the aforementioned calculation;
- (ii) Since the grant agreement adjusts the participant's gain in relation to the distribution of dividends during the vesting period, no adjustments were required in the amount of the assets granted resulting from the distribution of dividends.
- (iii) The weighted average risk-free interest rate used was the curve of pre-DI interest rate in Reais (DI estimate) observed in the open market;
- (iv) The fee for withdrawal before vesting, which affects the provision for plan costs, was estimated by the Company at 10.81%.
- (v) There are no clauses related to share lockup.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

## 22. Net operating revenue

The breakdown of the Company's gross revenue is as follows:

		Individual		Consolidated
	2022	2021	2022	2021
Domestic market	122,627,192	71,179,896	160,851,877	81,433,493
Foreign market	1,433,474	623,656	46,948,992	16,565,934
Gross revenue from sales of products and services	124,060,666	71,803,552	207,800,869	97,999,427
Gains (losses) on financial instruments designated as hedge accounting	-	-	(1,083,604)	-
Gains (losses) on commodities-related financial instruments not designated as hedge accounting	-	-	(1,372,869)	-
Returns and cancellations	(520,749)	(314,603)	(655,245)	(339,601)
Sales taxes	(2,539,036)	(1,756,301)	(12,154,003)	(7,196,061)
Trade discounts and others	(485,138)	(395,706)	(685,452)	(545,986)
Amortization of assets from contracts with clients (Note 10)	(434,281)	(384,876)	(579,822)	(502,468)
Net operating revenue	120,081,462	68,952,066	191,269,874	89,415,311

## 23. Segment information

Segment information reporting is stated consistently with internal reports provided by key operational decision makers. The key operational decision makers, responsible for the allocation of funds and for the assessment of performance of operating segments are the Company's Chief Executive Officers and the Board of Directors, also responsible for the Company's strategic decision making.

In 2021, the Company reorganized to focus its operations as an integrated company of energy from renewable and fossil sources. In this context, the key operational decision makers started to consider the perspective of business activities, resulting in 3 (three) operating segments: (i) Marketing and services; (ii) Sugar; and (iii) Renewable.

- (i) **Marketing and services:** refer to the trading and sale activities of fossil and renewable fuels, through a franchised network of service stations under the Shell brand in all the national territory and Latin America, operating in Argentina and, as of November 1, 2021, in Paraguay (Note 30.b).
- (ii) **Sugar:** this refers to sugar production, sale, origination and trading activities.
- (iii) **Renewables:** this refers to: (a) ethanol production, sale, origination and trading activities; (b) production and sale of bioenergy; (c) resale and trading of electric power; and (d) production and sale of other renewable products (solar energy and biogas). These business activities were aggregated into a single segment, as their products and services come from renewable sources, use similar technologies and present synergies in their production and distribution process. The combination of these activities results in the portfolio of clean energy and retirement of carbon credits offered by the Company. The performance of these business activities is assessed on an integrated basis by the decision makers through operating income (loss).

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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#### **Operating results by segment**

The performance of the segments is evaluated based on the operating income (loss) and this information is prepared based on items directly attributable to the segment, as well as those that can be allocated on a reasonable basis. In the years ended March 31, 2022 and 2021, operating income by segment is as follows:

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	March 31, 2022								
	Reportable segments								
	Marketing and services						Reconciliation		
	Brazil	Latin America	Total	Sugar	Renewables	Total segmented	Eliminations (ii)	Not segmented	Consolidated
Net operating revenue	144,819,299	19,054,342	163,873,641	16,269,674	22,293,296	202,436,611	(11,166,737)	-	191,269,874
Costs of sales and services provided	(140,612,937)	(17,197,561)	(157,810,498)	(14,512,893)	(18,390,181)	(190,713,572)	11,142,710	-	(179,570,862)
Gross profit	4,206,362	1,856,781	6,063,143	1,756,781	3,903,115	11,723,039	(24,027)	-	11,699,012
Selling expenses	(1,751,381)	(1,062,957)	(2,814,338)	(685,094)	(530,007)	(4,029,439)	1,208	-	(4,028,231)
General and administrative expenses	(528,698)	(329,541)	(858,239)	(591,148)	(510,237)	(1,959,624)	-	-	(1,959,624)
Other operating income, net	382,523	135,636	518,159	2,272	3,033	523,464	(1,208)	-	522,256
Equity accounting result	(27,625)	-	(27,625)	12,152	(47,577)	(63,050)	-	-	(63,050)
Income before financial income and income tax and social contribution	2,281,181	599,919	2,881,100	494,963	2,818,327	6,194,390	(24,027)	-	6,170,363
Financial income (i)	-	-	-	-	-	-	-	(1,968,511)	(1,968,511)
Income tax and social contribution (i)	-	-	-	-	-	-	-	(952,289)	(952,289)
Net income for the year	2,281,181	599,919	2,881,100	494,963	2,818,327	6,194,390	(24,027)	(2,920,800)	3,249,563
Other selected information:									
Depreciation and amortization	(337,938)	(828,997)	(1,166,935)	(2,510,443)	(2,691,815)	(6,369,193)	(275)	-	(6,369,468)
Amortization of assets from contracts with clients	(512,411)	(67,411)	(579,822)	-	-	(579,822)	-	-	(579,822)
Net gain arising from changes in fair value and realization of surplus or loss on biological assets	-	-	-	691,451	683,073	1,374,524	-	-	1,374,524
Additions to property, plant and equipment and intangible assets	407,298	1,033,352	1,440,650	1,849,919	1,779,642	5,070,211	-	-	5,070,211

(i) Information on financial income and income tax and social contribution (current and deferred) was not disclosed by segment due to the non-use by management of the referred to data in a segmented manner, as they are managed and analyzed on a consolidated basis in the operation.

(ii) Eliminations refer to possible intersegment operations.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	Reportable segments						Reconciliation		March 31, 2021
	Marketing and services			Sugar	Renewables	Total segmented	Eliminations		Consolidated
	Brazil	Latin America	Total				(ii)	Not segmented	
Net operating revenue	78,859,180	10,556,131	89,415,311	-	-	89,415,311	-	-	89,415,311
Costs of sales and services provided	(75,612,711)	(9,437,129)	(85,049,840)	-	-	(85,049,840)	(34,126)	-	(85,083,966)
Gross profit	3,246,469	1,119,002	4,365,471	-	-	4,365,471	(34,126)	-	4,331,345
Selling expenses	(1,357,637)	(787,690)	(2,145,327)	-	-	(2,145,327)	(26,967)	-	(2,172,294)
General and administrative expenses	(447,652)	(197,452)	(645,104)	-	-	(645,104)	6	-	(645,098)
Other operating income, net	233,654	137,794	371,448	-	-	371,448	(1,861)	-	369,587
Equity accounting result	(56,235)	-	(56,235)	-	-	(56,235)	46,457	-	(9,778)
Income before financial income and income tax and social contribution	1,618,599	271,654	1,890,253	-	-	1,890,253	(16,491)	-	1,873,762
Financial income (i)	-	-	-	-	-	-	-	(368,435)	(368,435)
Income tax and social contribution(i)	-	-	-	-	-	-	-	(465,983)	(465,983)
Net income for the year	1,618,599	271,654	1,890,253	-	-	1,890,253	(16,491)	(834,418)	1,039,344
Other selected information:	-	-	-	-	-	-	-	-	-
Depreciation and amortization	(244,494)	(682,002)	(926,496)	-	-	(926,496)	(61,079)	-	(987,575)
Amortization of assets from contracts with clients	(459,397)	(43,071)	(502,468)	-	-	(502,468)	-	-	(502,468)
Additions to property, plant and equipment and intangible assets	208,899	321,081	529,980	-	-	529,980	-	-	529,980

- (i) Information on financial income and income tax and social contribution (current and deferred) was not disclosed by segment due to the non-use by management of the referred to data in a segmented manner, as they are managed and analyzed on a consolidated basis in the operation.
- (ii) Eliminations refer to possible intersegment operations.

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

The Company monitors Operating revenue, net in the local and foreign markets by product, as follows:

	2022	2021
Domestic market	154,463,375	72,849,377
Foreign market	47,973,236	16,565,934
Eliminations	(11,166,737)	-
Net operating revenue	191,269,874	89,415,311
Reportable segments		
Marketing and services - Brazil		
Diesel	78,363,233	40,823,623
Gasoline	52,718,721	29,041,444
Ethanol	10,544,272	7,432,107
Jet	2,647,415	1,258,180
Fuel oil	303,529	152,504
Others	242,129	151,322
	144,819,299	78,859,180
Marketing and services - Argentina		
Diesel	6,917,404	4,444,219
Gasoline	6,349,058	3,556,424
Jet	579,218	257,995
Fuel oil	1,585,343	1,037,767
Lubricants	961,383	540,076
Others	1,708,245	719,650
	18,100,651	10,556,131
Marketing and services - Paraguay		
Diesel	548,794	-
Gasoline	401,778	-
Ethanol	3,119	-
	953,691	-
Sugar	16,269,674	-
Renewables		
Ethanol	16,650,738	-
Energy	4,003,235	-
Others	1,639,323	-
	22,293,296	-
Eliminations	(11,166,737)	-
Consolidated	191,269,874	89,415,311

Geographically, consolidated operating revenues, net are presented as follows:

	2022	2021
Brazil	154,463,374	78,243,983
Argentina	17,666,806	10,247,656
Paraguay	972,786	1,751
Latin America, except for Brazil, Argentina and Paraguay	3,631,544	40,787
North America	8,831,167	244,461
Asia	5,644,252	-
Europe	8,234,346	-
Others	2,992,336	636,673
	202,436,611	89,415,311
Eliminations	(11,166,737)	-
	191,269,874	89,415,311

### Main clients

No specific clients or group represented 10% or more of consolidated net operating revenue in the reported years.

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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#### **Operating assets by segment**

The assets of the marketing and services segment are geographically allocated, comprising Brazil, Argentina and Paraguay.

In addition, considering that part of the assets of subsidiaries RESA and Biosev is also used for the production of sugar and renewables, Raízen segregated these assets by segment through the corresponding cost center in which they are allocated and/or apportionment criteria, which take into consideration the production of each product in relation to its total production.

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

	March 31, 2022									
	Reportable segments									
	Marketing and services							Reconciliation		
	Brazil	Argentina	Paraguay	Total	Sugar	Renewables	Total segmented	Eliminations (ii)	Not segmented	Consolidated
Investments	747,673	324	-	747,997	112,160	494,262	1,354,419	-	-	1,354,419
Property, plant and equipment	2,045,973	4,383,451	19,645	6,449,069	6,831,657	8,984,126	22,264,852	-	-	22,264,852
Intangible assets	2,321,351	570,235	360,257	3,251,843	1,280,248	1,488,768	6,020,859	-	-	6,020,859
Right of use	136,663	327,966	-	464,629	5,095,282	5,219,724	10,779,635	-	-	10,779,635
Total assets allocated by segment	5,251,660	5,281,976	379,902	10,913,538	13,319,347	16,186,880	40,419,765	-	-	40,419,765
Other current and non-current assets	-	-	-	-	-	-	-	-	59,924,579	59,924,579
Total assets	5,251,660	5,281,976	379,902	10,913,538	13,319,347	16,186,880	40,419,765	-	59,924,579	100,344,344
Total liabilities	-	-	-	-	-	-	-	-	(78,085,434)	(78,085,436)
Total net assets	5,251,660	5,281,976	379,902	10,913,538	13,319,347	16,186,880	40,419,765	-	(18,160,855)	22,258,908
									March 31, 2021	
	Reportable segments									
	Marketing and services							Reconciliation		
	Brazil	Argentina	Paraguay	Total	Sugar	Renewables	Total segmented	Not segmented	Consolidated	
Investments	756,838	390	-	757,228	-	-	757,228	-	757,228	
Property, plant and equipment	1,916,951	4,752,692	-	6,669,643	-	-	6,669,643	-	6,669,643	
Intangible assets	618,487	726,731	-	1,345,218	-	-	1,345,218	-	1,345,218	
Right of use	81,424	430,312	-	511,736	-	-	511,736	-	511,736	
Total assets allocated by segment	3,373,700	5,910,125	-	9,283,825	-	-	9,283,825	-	9,283,825	
Other current and non-current assets	-	-	-	-	-	-	-	22,108,328	22,108,328	
Total assets	3,373,700	5,910,125	-	9,283,825	-	-	9,283,825	22,108,328	31,392,153	
Total liabilities	-	-	-	-	-	-	-	(25,782,311)	(25,782,311)	
Total net assets	3,373,700	5,910,125	-	9,283,825	-	-	9,283,825	(3,673,983)	5,609,842	



## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

## 24. Costs and expenses by nature

### Reconciliation of costs and expenses by nature

Costs and expenses are shown in the statement of income by function. The reconciliation of the Company's statement of income by nature for the years ended March 31, 2022 and 2021 is as follows:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Fuel for resale, raw material, costs of collections and transfers	(117,098,691)	(66,287,857)	(172,465,566)	(84,457,864)
Freight	(388,507)	(298,545)	(710,312)	(541,895)
Depreciation and amortization	(305,231)	(217,397)	(6,369,468)	(987,575)
Personnel expenses	(653,444)	(474,486)	(2,774,000)	(803,298)
Cutting, loading and transportation	-	-	(1,103,746)	-
Realization of the fair value of biological assets (Note 7)	-	-	(332,894)	-
Change in the fair value of biological assets (Note 7)	-	-	1,707,418	-
Selling expenses	(165,766)	(105,850)	(677,134)	(254,185)
Hired labor	(85,667)	(93,781)	(580,983)	(212,470)
Logistic expenses	(260,345)	(183,644)	(350,343)	(325,994)
Others	(154,630)	(122,675)	(1,901,689)	(318,077)
	<u>(119,112,281)</u>	<u>(67,784,235)</u>	<u>(185,558,717)</u>	<u>(87,901,358)</u>

### Classified as:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Cost of sales and services	(117,098,691)	(66,287,858)	(179,570,862)	(85,083,966)
Selling expenses	(1,506,099)	(1,092,257)	(4,028,231)	(2,172,294)
General and administrative expenses	(507,491)	(404,120)	(1,959,624)	(645,098)
	<u>(119,112,281)</u>	<u>(67,784,235)</u>	<u>(185,558,717)</u>	<u>(87,901,358)</u>

## 25. Other operating revenue, net

	<u>Individual</u>		<u>Consolidated</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Recognition of tax credits and other, net (1)	208,644	191,062	332,905	219,723
Income (expenses) from sales transactions (2)	1,114	10,773	5,636	12,116
Gain (loss) on retirement of carbon credits ("CBIO") (3)	(201,636)	(149,250)	(110,378)	(180,007)
Gain (loss) on the disposal of property, plant and equipment	(11,198)	15,408	(18,378)	67,698
Investment grant – ICMS	-	-	106,489	-
Revenues from rent and leases	44,756	55,358	39,614	81,211
Merchandising	-	-	16,136	12,403
Revenue from sale of scrap and waste	-	-	24,389	-
Royalty income	6,753	6,062	18,439	14,144
Commissions on sales of lubricants, cards and means of payment	6,748	59,786	9,514	63,307
Revenue from convenience products	-	-	47,547	24,382
Reversal of estimated loss on property, plant and equipment, net	(3,833)	2,777	(21,468)	2,822
Other revenues (expenses), net	50,548	20,893	71,811	51,788
	<u>101,896</u>	<u>212,869</u>	<u>522,256</u>	<u>369,587</u>

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

- (1) Substantially refer to: (i) Tax credits related to the favorable decision handed down by the Federal Supreme Court of Brazil (STF), on May 13, 2021, in favor of the exclusion of ICMS from the PIS and COFINS tax base. The Company and its subsidiaries have legal disputes, for which a final and unappealable decision had not yet been handed down until the issue date of this consolidated financial information. The Company recognized in assets consolidated credits amounting to R\$201,315 under Taxes recoverable, referring to the periods from April 2011 to December 2014 and from January 2011 to March 2017 (final and unappealable decision in favor of Biosev); and (ii) Tax credits related to the favorable decision handed down by the STF, in October 2016, in favor of the refund of the overstated matching ICMS amounts withheld under the Tax Substitution Regime (ICMS-ST), compared to the price practiced in the sale to the final consumer. The Company recognized consolidated credits in the amount of R\$126,476, under Taxes recoverable in current assets, referring to the period from October 2016 to June 2021.
- (2) Refers mostly to income (expenses) from washout of certain commercial contracts, within the scope of the execution of the Company's commercial strategy in the ordinary course of business.
- (3) This refers to the acquisition cost of carbon credits ("CBIOS"), related to the legal obligations adopted by Brazil's National Biofuels Policy - RenovaBio (set forth by Law No. 13576/2017, with additional regulation set forth by Decree No. 9888/2019 and Government Directive No. 419 of November 20, 2019, of the Ministry of Mines and Energy) to achieve the carbon reduction goals of the industry. The goals established are effective until December of each year and are published by Brazil's National Petroleum Agency ("ANP").

## 26. Financial results

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b><u>Financial expenses</u></b>				
Interest	(497,080)	(304,026)	(1,879,776)	(409,385)
PIS and COFINS on financial income	(10,995)	(11,249)	(43,332)	(13,800)
Monetary variation losses	(25,765)	(13,084)	(463,701)	(13,084)
Others	(25,641)	(11,577)	(90,053)	(23,625)
	<u>(559,481)</u>	<u>(339,936)</u>	<u>(2,476,862)</u>	<u>(459,894)</u>
Fair value of financial instruments (Notes 9.a.2 and 16)	246,299	66,230	592,707	66,230
Amounts capitalized on qualifying assets	3	67	71,200	67
	<u>(313,179)</u>	<u>(273,639)</u>	<u>(1,812,955)</u>	<u>(393,597)</u>
<b><u>Financial income</u></b>				
Interest	164,781	164,819	287,030	231,741
Yields from financial investments	49,562	8,290	284,684	76,206
Monetary variation gains and others	474	440	3,759	1,208
	<u>214,817</u>	<u>173,549</u>	<u>575,473</u>	<u>309,155</u>
<b><u>Exchange rate change, net</u></b>	<u>1,646,553</u>	<u>(891,812)</u>	<u>1,855,631</u>	<u>(1,202,630)</u>
<b><u>Net effect of the derivatives</u></b>	<u>(2,495,845)</u>	<u>911,302</u>	<u>(2,586,660)</u>	<u>918,637</u>
	<u>(947,654)</u>	<u>(80,600)</u>	<u>(1,968,511)</u>	<u>(368,435)</u>

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

**In thousands of -Reais - R\$, unless otherwise indicated**

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## **27. 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:

- Interest rate risk
- Price risk
- Exchange rate risk
- Credit risk
- Liquidity risk.

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

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

The Company has specific treasury and trading policies that define how risk management should be carried out, never operating with derivatives which are beyond the notional total of underlying asset or liability. 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; and (ii) Ethanol and by-products Committee that meets monthly to assess the risks associated with the sale of ethanol and by-products and to adapt to the limits defined in the risk policies.

The Company and its subsidiaries are exposed to the following significant market risks: (i) ethanol, oil and its by-products price volatility; (ii) sugar and electric power price volatility; (iii) exchange rate volatility; and (iv) interest rate volatility. The financial instruments for hedging purposes are taken out by analyzing the risk exposure to which management seeks coverage.

As of March 31, 2022 and 2021, the fair values related to transactions involving derivative financial instruments for hedging purposes were measured through observable factors, such as prices quoted in active markets or discounted cash flows based on market curves and are presented below:

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	Notional amount		Individual Fair value		Notional amount		Consolidated Fair value	
	2022	2021	2022	2021	2022	2021	2022	2021
Price risk								
Commodity derivatives								
Futures contracts	550,760	627,905	(213,492)	(24,258)	14,156,943	627,905	(1,930,960)	(24,258)
	550,760	627,905	(213,492)	(24,258)	14,156,943	627,905	(1,930,960)	(24,258)
Foreign exchange rate risk								
Foreign exchange rate derivatives								
Futures contracts	180,036	239,286	681	4,614	(113,708)	239,286	102	4,614
Forward contracts	(6,663,596)	673,991	(515,747)	(3,831)	7,313,582	(314,207)	473,517	(39,137)
FX lock	-	-	-	-	996,082	-	63,014	-
FX swap	(6,569,262)	(9,250,885)	526,087	3,218,554	(8,938,162)	(9,250,885)	117,394	3,218,554
	(13,052,822)	(8,337,608)	11,021	3,219,337	(742,206)	(9,325,806)	654,027	3,184,031
Interest rate risk								
Interest rate swap	(204,024)	(204,024)	51,516	46,811	(4,206,248)	(204,024)	315,973	46,811
	(204,024)	(204,024)	51,516	46,811	(4,206,248)	(204,024)	315,973	46,811
Total			(150,955)	3,241,890			(960,960)	3,206,584
Current assets			154,842	502,485			5,409,266	592,165
Non-current assets			976,060	2,788,965			2,082,299	2,788,965
Total assets			1,130,902	3,291,450			7,491,565	3,381,130
Current liabilities			(830,748)	(49,560)			(7,174,053)	(174,546)
Non-current liabilities			(451,109)	-			(1,278,472)	-
Total liabilities			(1,281,857)	(49,560)			(8,452,525)	(174,546)
Total			(150,955)	3,241,890			(960,960)	3,206,584

### (c) Price risk (Consolidated)

This arises from the possibility of fluctuating market prices for products traded, mainly VHP sugar, refined and white sugar, diesel (heating oil), gasoline, ethanol, electric power and crude oil. These price oscillations may lead to material changes in sales revenues and costs. To mitigate this risk, the Company constantly monitors the market to anticipate price changes.

Price risk: commodity derivatives outstanding at March 31, 2022								
Derivatives	Long/ Short	Market	Contract	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)	
Futures	Short	ICE	Sugar#11	Apr/22 to Sept/24	15,013,778 t	22,093,811	(3,098,939)	
Futures	Short	NYSE LIFFE	Sugar#5	Apr/22 to Nov/22	381,100 t	898,180	(43,376)	
Futures	Short	OTC	Sugar#11	Apr/22 to Feb/24	2,116,784 t	3,399,636	(981,085)	
Options	Short	ICE	Sugar#11	Apr/22 to Apr/23	760,410 t	(1,205,569)	(131,594)	
Options	Short	OTC	Sugar#11 OTC	Apr/23 to Sep/23	492,783 t	(1,244,614)	(53,530)	
Subtotal – sugar futures short position					18,764,855 t	23,941,444	(4,308,524)	
Futures	Long	ICE	Sugar#11	Apr /22 to Feb/24	(10,066,699) t	(18,212,940)	1,896,429	
Futures	Long	NYSE LIFFE	Sugar#5	Apr/22 to Sep/22	(98,150) t	(235,042)	(1,268)	
Options	Long	ICE	Sugar#11	Apr /22 to Apr/23	(735,009) t	1,027,828	117,609	
Options	Long	OTC	Sugar#11 OTC	Apr /23 to Sep/23	(492,783) t	955,192	52,189	
Subtotal – sugar futures long position					(11,392,641) t	(16,464,962)	2,064,959	
Physical fixed	Short	ICE	Sugar#11	Apr /22 to Nov/25	3,345,208 t	6,600,755	70,888	
Physical fixed	Long	ICE	Sugar#11	Apr /22 to Dez/23	(1,179,970) t	(2,284,415)	25,200	
Subtotal - sugar physical fixed					2,165,238 t	4,316,340	96,088	
Subtotal – sugar futures					9,537,452 t	11,792,822	(2,147,477)	
Futures	Short	B3	Ethanol	Apr /22 to Mar/23	200,160 cbm	644,716	5,156	
Futures	Short	CME	Ethanol	Apr /22 to Mar/23	1,635,147 cbm	2,550,869	(323,346)	
Futures	Short	ICE	Ethanol	Apr /22 to Mar/23	(142,500) cbm	(604,868)	(76,785)	
Subtotal – ethanol futures short position					1,692,807 cbm	2,590,717	(394,975)	
Futures	Long	B3	Ethanol	Apr /22 to Feb/23	(126,120) cbm	(404,677)	(4,894)	
Futures	Long	CME	Ethanol	Apr /22 to Mar/23	(1,562,922) cbm	(1,609,298)	254,153	
Futures	Long	ICE	Ethanol	Apr /22 to Mar/23	74,000 cbm	311,508	33,297	
Subtotal – ethanol futures long position					(1,615,042) cbm	(1,702,467)	282,556	

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						Price risk: commodity derivatives outstanding at March 31, 2022		
Derivatives	Long/ Short	Market	Contract	Maturity	Notional (units)		Notional (R\$ thousand)	Fair value (R\$ thousand)
Physical fixed	Short	CHGOETHNL	Ethanol	Apr /22 to Dec/30	2,375,992	cbm	8,584,861	(16,073)
Physical fixed	Long	CHGOETHNL	Ethanol	Apr /22 to Dec/30	(2,608,564)	cbm	(9,015,286)	16,495
Subtotal - physical fixed ethanol					(232,572)	cbm	(430,425)	422
Subtotal – ethanol futures					(154,807)	cbm	457,825	(111,997)
Futures	Short	NYMEX	Gasoline	Apr/22	58,353	cbm	236,281	4,882
Options	Short	NYMEX	Gasoline	May/22	47,700	cbm	(142,525)	(3,582)
Subtotal - Gasoline futures short position					106,053	cbm	93,756	1,300
Futures	Long	NYMEX	Gasoline	Jan/22 to Mar/22	(35,457)	cbm	(147,454)	(6,341)
Options	Long	NYMEX	Gasoline	May/22	(55,650)	cbm	163,036	3,761
Subtotal - Gasoline futures long position					(91,107)	cbm	15,582	(2,580)
Subtotal - Gasoline futures					14,946	cbm	109,338	(1,280)
Futures	Short	NYMEX	Heating Oil	Apr/22 to Dec/22	2,619,199	cbm	6,052,887	(428,930)
Options	Short	NYMEX	Heating Oil	Jul/-22	66,780	cbm	(154,219)	(9,830)
Subtotal Heating Oil futures - short-position					2,685,979	cbm	5,898,668	(438,760)
Futures	Long	NYMEX	Heating Oil	Apr/22 to Dec/22	(2,420,706)	cbm	(5,356,409)	320,487
Options	Long	NYMEX	Heating Oil	Jul/-22	(66,780)	cbm	150,383	9,830
Subtotal Heating Oil futures - long position					(2,487,486)	cbm	(5,206,026)	330,317
Physical fixed	Short	NYMEX	Heating Oil	Apr/22 to Dec/22	782,041	cbm	(2,821,331)	(63,458)
Physical fixed	Long	NYMEX	Heating Oil	Apr/22 to Dec/22	(662,207)	cbm	3,163,937	82,895
Subtotal - physical fixed gasoline					119,834	cbm	342,606	19,437
Subtotal - Heating Oil futures					318,327	cbm	1,035,248	(89,006)
Physical fixed	Short	CCEE/OTC	Energy	Apr/22 to Dec/41	25,385,015	MWh	5,852,211	825,819
Physical fixed	Long	CCEE/OTC	Energy	Apr/22 to Dec/41	(25,385,289)	MWh	(5,191,786)	(402,371)
Subtotal - energy physical fixed					(274)	MWh	660,425	423,448
Futures	Short	OTC	Stock Index	Apr/22	880	un	101,285	(4,648)
Subtotal - Stock Index					880	un	101,285	(4,648)
Net exposure of commodity derivatives as of March 31, 2022							14,156,943	(1,930,960)
Net exposure of commodity derivatives as of March 31, 2021							627,905	(24,258)

#### (d) Foreign exchange rate risk (Consolidated)

This derives from the possibility of fluctuations in exchange rates used for revenue from exports, imports, debt flows and other assets and liabilities in foreign currency. The Company uses derivative operations to manage cash flow risks denominated in US dollars, net of other cash and cash equivalent flows.

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Exchange rate risk: foreign exchange derivatives outstanding as of March 31, 2022							
Derivatives	Long/ Short	Market	Contract	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial dollar	Apr/22 to May/22	695,750	3,296,323	23,145
Futures	Long	B3	Commercial dollar	Apr/22 to May/22	(719,750)	(3,410,031)	(23,043)
Subtotal - futures					(24,000)	(113,708)	102
Forward	Short	OTC	NDF	Apr/25 to Mar/25	3,564,439	16,887,598	1,736,814
Forward	Long	OTC	NDF	Apr/22 to Apr/23	(2,020,773)	(9,574,016)	(1,263,297)
Subtotal - forward					1,543,666	7,313,582	473,517
Exchange swap	Short	OTC	Exchange swap	Oct/25 to Jan/27	400,000	1,895,120	(594,553)
Exchange swap	Long	OTC	Exchange swap	Sep/22 to Jan/27	(2,286,564)	(10,833,282)	711,947
Subtotal - foreign exchange swap					(1,886,564)	(8,938,162)	117,394
Locked-in exchange	Short	OTC	Locked-in exchange	Apr/22 to Mar/25	87,832	416,130	49,390
Locked-in exchange	Long	OTC	Locked-in exchange	Apr/22 to Dec/22	122,410	579,952	13,624
Subtotal - Locked-in exchange					210,242	996,082	63,014
Net exposure of foreign exchange derivatives as of March 31, 2022					(156,656)	(742,206)	654,027
Net exposure of foreign exchange derivatives as of March 31, 2021					(1,636,881)	(9,325,806)	3,184,031

As of March 31, 2022, the consolidated summary of quantitative data on the Company's net exposure, considering the parity of all currencies to US\$, is presented below:

	2022	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	3,953,510	834,461
Restricted cash (Note 4.b)	2,178,744	459,864
Trade accounts receivable abroad (Note 5.a)	2,529,851	533,972
Advances to suppliers (Note 14.b) (1)	3,471,361	732,695
Related parties (Note 9.a)	(2,325,729)	(490,888)
Advances from clients	(4,277,571)	(902,861)
Suppliers (Note 14.a)	(7,186,061)	(1,516,751)
Loans and financing (Note 16)	(13,657,246)	(2,882,613)
Lease liabilities (Note 15.b)	(316,549)	(66,813)
Other liabilities (2)	(359,478)	(75,874)
Derivative financial instruments (Note 27.d) (3)		156,656
Currency exposure, net		(3,218,152)
Derivatives settled in the month following closing (4)		78,943
Net currency exposure, adjusted as of March 31, 2022 (5)		(3,139,209)
Net foreign exchange exposure, adjusted as of March 31, 2021		(382,315)

- (1) This includes balance of advances on Performance, whose operations with suppliers are equivalent to exports.  
(2) Consideration payable for the acquisition of B&R.  
(3) This refers to the notional amount of foreign exchange derivative transactions.  
(4) Maturity in April 2022, whose settlement was given by PTAX on the last closing day of the month, quoted at R\$4.74.  
(5) The adjusted net foreign exchange exposure will be substantially offset by probable future revenues of export products and/or import products.

#### (e) Hedge accounting effect

Raízen formally designates its operations subject to hedge accounting for the purpose of hedging cash flows. The main hedges designated are sugar revenue, ethanol revenue, as applicable, cost of by-products import and foreign currency debt.

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### Notes from management to the financial statements as of March 31, 2022

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Impacts recognized in the Company's equity and the estimated realization in the statement of income are as follows:

Derivatives	Market	Risk	2021/2022	2022/2023	Realization years From 2023 onwards	2022	2021
Futures	OTC / ICE	Sugar#11	1,756,616	(1,106,301)	(113,969)	536,346	-
Futures	B3 / NYMEX / OTC	Ethanol	446,097	2,885	-	448,982	-
Futures	NYMEX	Heating Oil	-	-	-	-	(889)
Options	ICE	Sugar#11	27,888	10,509	(15,683)	22,714	-
Forward	OTC / ICE	Exchange	(38,790)	741,084	475,162	1,177,456	(1,192)
Swap	Debt	Exchange	-	-	201,889	201,889	-
PPE	Debt	Exchange	-	-	12,360	12,360	-
			2,191,811	(351,823)	559,759	2,399,747	(2,081)
(-) Deferred taxes			(745,216)	119,620	(190,318)	(815,915)	707
Effect on equity			1,446,595	(232,203)	369,441	1,583,832	(1,374)

Changes in consolidated balances in other comprehensive income for the year are as follows:

#### Cash flow hedge

	2022	2021
Balance at beginning of year	(1,374)	18,549
Movements occurred in the year:		
Fair value of commodity futures designated as hedge accounting	(1,652,801)	(911)
Fair value on forward exchange contracts designated as hedge accounting	1,446,942	15,452
Income (loss) from commodities/foreign exchange reclassified to gross margin and other operating income, net	2,661,732	(44,728)
Realization of gain/(loss) on forward exchange contracts in gross margin	(54,045)	-
Total movements occurred during the year (before deferred taxes)	2,401,828	(30,187)
Effect of deferred taxes on equity valuation adjustments	(816,622)	10,264
	1,585,206	(19,923)
Balance at end of year	1,583,832	(1,374)

#### Fair value hedge

Raízen designates at fair value the inventories and highly probable purchases of oil by-products with pegged derivatives. Risk management is primarily intended for recognizing inventory at a floating price, as Raízen's sales revenue will be upon sale of products to its clients. Hedge accounting aims to minimize any type of mismatching in the statement of income for the year, causing both the derivatives and the inventory to be recorded at fair value, with the change being recognized under Cost of products sold and services rendered, whose positive impact was R\$55,876 as of March 31, 2022 (positive impact of R\$244,942 in 2021). As of March 31, 2022, in the statement of financial position, the fair value measurement balance of inventories is decreased by R\$8,097 (increased by R\$47,779 in 2021).

#### (f) Interest rate risk (Consolidated)

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:

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Interest rate risk: Interest derivatives outstanding as of March 31, 2022							
Derivatives	Long/ Short	Market	Contract	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Interest rate swap	Long	OTC	Interest rate swap	May/23 to Jun/30	(887,806)	(4,206,248)	315,973
Total interest swap					(887,806)	(4,206,248)	315,973
Net exposure of interest derivatives as of March 31, 2022						(4,206,248)	315,973
Net exposure of interest derivatives as of March 31, 2021						(204,024)	46,811

#### (g) Credit risk (Consolidated)

A substantial part of the Company's and its subsidiaries sales is made to a select group of highly qualified counterparties.

Credit risk is managed by specific rules for client acceptance, credit analysis and establishment of exposure limits per client, 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 established based on internal or external ratings, according to the limits determined by Company management. The use of credit limits is regularly monitored. No credit limit was exceeded in 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 – ICE US and NYMEX, Chicago - CBOT, Chicago - CME and London - LIFFE commodity futures and options markets, as well as in the over-the-counter (OTC) market with selected counterparties. Also, 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.

**Guarantee margins** (Restricted Cash, Note 4.b) - Derivative transactions on commodity exchanges (ICE US, NYMEX and B3) require guarantee margins. The total consolidated margin deposited as of March 31, 2022, amounts to R\$ 2,279,565 (R\$ 146,888 in 2021), of which R\$ 100,821 (R\$ 42,020 in 2021) in restricted short-term investments and R\$ 2,178,744 (R\$ 104,868 as of March 31, 2021) in margin on derivative transactions.

The Company's derivative transactions in 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 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 (Consolidated)

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 liquidity management approach is to ensure, as much as possible, that there will always be sufficient liquidity to meet its obligations upon maturity, under normal or stress conditions, without experiencing unacceptable losses or damaging its reputation.



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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 states the main financial liabilities contracted by maturity:

	2022				2021
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing	1,660,194	4,308,231	15,797,716	6,706,929	28,473,070
Suppliers (Note 14)	19,059,514	-	-	-	19,059,514
Lease liabilities (Note 15.b)	3,307,439	2,836,107	5,645,042	3,613,932	15,402,520
Derivative financial instruments (Note 27.b)	7,174,053	421,927	815,036	41,509	8,452,525
Related parties (1)	1,543,141	198,874	637,404	3,582,293	5,961,712
Other liabilities (2)	85,280	85,280	255,842	-	426,402
	<u>32,829,621</u>	<u>7,850,419</u>	<u>23,151,040</u>	<u>13,944,663</u>	<u>77,775,743</u>
					<u>23,179,259</u>

(1) Except lease liabilities with related parties.

(2) Consideration payable for the acquisition of B&R, equivalent to US\$ 90,000 thousand.

#### (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 fair value of cash and cash equivalents, trade accounts receivable, suppliers, related parties and other short-term obligations approximates the respective carrying amount. The fair value of long-term assets and liabilities does not differ significantly from their carrying amount.

The fair value of loans and financing is close to the carrying amount since they are subject to variable interest rates (Note 16).

Derivatives measured by valuation techniques with observable market data refer mostly to swaps and forward contracts. The most frequently applied valuation techniques include forwards and swap pricing models, using present value calculation. 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 consolidated financial instruments are classified into the following categories:

	2022			2021		
	Amortized cost	Fair value through profit or loss	Total	Amortized cost	Fair value through profit or loss	Total
<b>Financial assets</b>						
Cash and cash equivalents (Note 3)	4,182,878	-	4,182,878	485,401	-	485,401
Short-term investments (Note 3)	-	4,051,690	4,051,690	-	2,119,379	2,119,379
Securities (Note 4.a)	-	87,529	87,529	-	-	-
Restricted cash (Note 4.b)	2,178,744	100,888	2,279,632	104,868	42,020	146,888
Trade accounts receivable (Note 5)	6,637,838	-	6,637,838	2,811,354	-	2,811,354
Derivative financial instruments (Note 27.b)	-	7,491,565	7,491,565	-	3,381,130	3,381,130
Related parties (Note 9)	2,085,638	-	2,085,638	1,978,827	-	1,978,827
<b>Total net assets</b>	<u>15,085,098</u>	<u>11,731,672</u>	<u>26,816,770</u>	<u>5,380,450</u>	<u>5,542,529</u>	<u>10,922,979</u>
<b>Financial liabilities</b>						
Loans and financing (Note 16)	(7,053,700)	(15,221,249)	(22,274,949)	(1,361,022)	(6,224,145)	(7,585,167)
Derivative financial instruments (Note 27.b)	-	(8,452,525)	(8,452,525)	-	(174,546)	(174,546)
Suppliers (Note 14.a)	(19,059,514)	-	(19,059,514)	(6,657,980)	-	(6,657,980)
Other liabilities	(359,478)	-	(359,478)	-	-	-
Related parties (Note 9)	(5,017,700)	-	(5,017,700)	(3,691,652)	(3,088,678)	(6,780,330)
<b>Total current liabilities</b>	<u>(31,490,392)</u>	<u>(23,673,774)</u>	<u>(55,164,166)</u>	<u>(11,710,654)</u>	<u>(9,487,369)</u>	<u>(21,198,023)</u>

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#### Fair value hierarchy

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

- 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; and
- Level 3: techniques using inputs that have a significant effect on the fair value recorded that are not based on observable market data.

<u>Financial instruments measured at fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Short-term investments (Note 3)	-	4,051,690	4,051,690
Securities (Note 4.a.b)	-	87,529	87,529
Short-term investments - restricted cash (Note 4.b)	-	100,888	100,888
Derivative financial assets (Note 27.b)	4,355,759	3,135,806	7,491,565
Loans and financing (Note 16)	-	(15,221,249)	(15,221,249)
Derivative financial liabilities (Note 27.b)	(6,706,198)	(1,746,327)	(8,452,525)
Total as of March 31, 2022	<u>(2,350,439)</u>	<u>(9,591,663)</u>	<u>(11,942,102)</u>
Total as of March 31, 2021	<u>(19,642)</u>	<u>(4,302,178)</u>	<u>(4,321,820)</u>

#### (j) Sensitivity analysis (Consolidated)

Raízen adopted three scenarios for its sensitivity analysis, one probable and two (possible and remote) that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the commodities futures market curves for sugar, oil (heating oil), ethanol and the US dollar and Euro on March 31, 2022, 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 product price curves and US dollar, which were calculated based on the probable scenario.

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## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

### Sensitivity analysis table

#### (1) Changes in fair value of derivative financial instruments

		Impact on profit or loss (*)				
		Probable scenario	Possible scenario +25%	Fair value balance	Remote scenario +50%	Fair value balance
<u>Price risk</u>						
Commodity derivatives						
Futures contracts:						
Purchase and sale commitments	Sugar price increase	(2,147,477)	(3,346,957)	(5,494,434)	(6,693,914)	(8,841,391)
Purchase and sale commitments	Gasoline price increase	123,206	(69,612)	53,594	(139,224)	(16,018)
Purchase and sale commitments	Ethanol price decrease	(111,997)	(357,920)	(469,917)	(715,840)	(827,837)
Purchase and sale commitments	Oil derivative price increase	(213,492)	(192,022)	(405,514)	(384,044)	(597,536)
Purchase and sale commitments	Energy price decrease	423,448	(105,362)	318,086	(210,724)	212,724
Purchase and sale commitments	Ibovespa index increase	(4,648)	(26,483)	(31,131)	(52,966)	(57,614)
		(1,930,960)	(4,098,356)	(6,029,316)	(8,196,712)	(10,127,672)
<u>Currency risk</u>						
Exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	US\$/R\$ exchange rate increase	102	119,771	119,873	239,542	239,644
Forward and Locked-in exchange contracts:		-	-	-	-	-
Purchase and sale commitments	US\$/R\$ exchange rate increase	510,095	(3,916,011)	(3,405,916)	(7,832,022)	(7,321,927)
Purchase and sale commitments	EUR/US\$ exchange rate increase	27,706	(284,569)	(256,863)	(569,138)	(541,432)
Purchase and sale commitments	US\$/AR\$ exchange rate decrease	(1,270)	(6,648)	(7,918)	(13,296)	(14,566)
FX swaps:						
Purchase and sale commitments	US\$/R\$ exchange rate decrease	117,394	(2,794,038)	(2,676,644)	(5,588,076)	(5,470,682)
		654,027	(6,881,495)	(6,227,468)	(13,762,990)	(13,108,963)
<u>Interest rate risk</u>						
Interest swap:						
Purchase and sale commitments	Interest rate decrease	315,973	13,607	329,580	27,214	343,187
		315,973	13,607	329,580	27,214	343,187
<b>Total</b>		<b>(960,960)</b>	<b>(10,966,244)</b>	<b>(11,927,204)</b>	<b>(21,932,488)</b>	<b>(22,893,448)</b>

(\*) Result projected to occur in up to 12 months from March 31, 2022.

As of March 31, 2022, the commodity and foreign exchange futures curves used in the sensitivity analysis were as follows:

			Scenarios		
Position			Probable Scenario	Possible scenario	Remote scenario
Sugar price increase	R\$/ton	Short	2,023	2,529	3,035
Gasoline price increase	R\$/m³	Short	4,168	52,101	6,253
Ethanol price decrease	R\$/m³	Long	3,345	2,508	1,672
Oil derivative price increase	R\$/m³	Short	3,166	3,958	4,749
Electric power price decrease	R\$/mwh	Long	218	163	109
Ibovespa index increase	Price /un.	Short	115,462	144,328	173,193
Exchange rate increase	US\$/R\$	Short	5.20	6.50	7.80
Exchange rate increase	EUR/US\$	Short	1.12	1.40	1.68
Exchange rate decrease	US\$/AR\$	Long	115.35	86.51	57.68
Exchange rate decrease	US\$/R\$	Long	5.25	3.94	2.63
Interest rate decrease	(%) per year	Long	11.65	8.74	5.82

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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#### (2) Foreign exchange exposure, net

The probable scenario considers the position as of March 31, 2022. The effects of the possible and remote scenarios that would be posted to the consolidated statement of income as foreign exchange gains (losses) are as follows:

Net foreign exchange exposure as of March 31, 2022	Asset/liability balances	Effects of exchange rate changes			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario - 50%
Cash and cash equivalents (Note 3)	3,953,510	988,378	1,976,755	(988,378)	(1,976,755)
Restricted cash (Note 4.b)	2,178,744	544,686	1,089,372	(544,686)	(1,089,372)
Accounts receivable from abroad (Note 5.a)	2,529,851	632,463	1,264,926	(632,463)	(1,264,926)
Advances to suppliers (Note 14.b)	3,471,361	867,840	1,735,681	(867,840)	(1,735,681)
Related parties (Note 9.a.a)	(2,325,729)	(581,432)	(1,162,865)	581,432	1,162,865
Suppliers (Note 14.a)	(7,186,061)	(1,796,515)	(3,593,031)	1,796,515	3,593,031
Advances from clients (Note 5.b)	(4,277,571)	(1,069,393)	(2,138,786)	1,069,393	2,138,786
Lease liabilities (Note 15.b)	(316,549)	(79,137)	(158,275)	79,137	158,275
Other liabilities (1)	(359,478)	(89,870)	(179,739)	89,870	179,739
Loans and financing (Note 16)	(13,657,246)	(3,414,310)	(6,828,619)	3,414,310	6,828,619
Impact on statement of income for the year		(3,997,290)	(7,994,581)	3,997,290	7,994,581

- (1) Consideration payable for the acquisition of B&R.

As of March 31, 2022, the rates used in the mentioned sensitivity analysis were as follows:

	R\$/US\$
Probable, statement of financial position balance	4.74
Possible scenario +25%	5.92
Remote scenario +50%	7.11
Possible scenario -25%	3.55
Remote scenario - 50%	2.37

#### (3) Sensitivity in interest rates

As of March 31, 2022, the probable scenario considers the weighted average annual floating interest rate on loans and financing, and for short-term investments, securities and restricted cash, basically, 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:

	Probable scenario	Interest rate sensitivity			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Short-term investments	258,537	64,634	129,269	(64,634)	(129,269)
Securities	5,659	1,415	2,830	(1,415)	(2,830)
Restricted short-term investments (restricted cash)	6,464	1,616	3,232	(1,616)	(3,232)
Loans and financing	(1,307,841)	(326,960)	(653,921)	326,960	653,921
Additional impact on income for the year	(1,037,181)	(259,295)	(518,590)	259,295	518,590

As of March 31, 2022, the rates used in the sensitivity analysis were as follows:

	Probable Scenario	Scenarios			
		Possible scenario 25%	Remote scenario 50%	Possible scenario -25%	Remote scenario -50%
CDI accumulated - % p.y.	6.38%	7.98%	9.58%	4.79%	3.19%
Post-fixed interest rate on loans and financing - % p.y.	6.36%	7.95%	9.54%	4.77%	3.18%

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

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#### (k) Capital management

The Company's objective when managing its capital structure is to ensure the continuity of its operations and finance investment opportunities, maintaining a healthy credit profile and offering an adequate return to its shareholders.

Raízen has a relationship with the main local and international rating agencies, as shown below:

<u>Agency</u>	<u>Scale</u>	<u>Rating</u>	<u>Outlook</u>	<u>Date</u>
<i>Fitch</i>	National	AAA (bra)	Stable	08/05/2021
	Global	BBB	Stable	08/05/2021
<i>Moody's</i>	National	Aaa.Br	Stable	12/09/2020
	Global	Baa3	Stable	12/09/2020
<i>Standard &amp; Poor's</i>	National	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

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

Raízen's net debt is calculated as the total of loans and financing with the market, net of cash and cash equivalents, investments and trade notes held as collateral for debt items and derivative financial instruments taken out to hedge the indebtedness.

Financial leverage ratios as of March 31, 2022 and 2021 were calculated as follows:

	<u>2022</u>	<u>2021</u>
Third party capital		
Loans and financing (Note 16)	22,274,876	7,585,167
Intragroup pre-export financing	-	3,423,635
(-) Cash and cash equivalents (Note 3)	(8,234,568)	(2,604,779)
(-) Securities (Note 4.a)	(87,529)	-
(-) Financial investments linked to financing (Note 4.b)	(67)	-
(-) National Treasury Certificates - CTN	(31,126)	-
(-) Foreign exchange and interest rate swaps and other derivatives (Note 27.b)	(94,207)	(3,265,365)
	<u>13,827,379</u>	<u>5,138,658</u>
Own capital		
Equity		
Attributable to Company's shareholders	21,648,413	5,326,327
Interest of non-controlling shareholders	610,495	283,515
	<u>22,258,908</u>	<u>5,609,842</u>
Total own capital and third parties	<u>36,086,287</u>	<u>10,748,500</u>
Leverage ratio	38.32%	47.81%

## **RAÍZEN S.A.**

### **Notes from management to the financial statements as of March 31, 2022**

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## **28. Retirement supplementation plan**

### **(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, 2022, the contribution recognized as an expense totaled R\$21,314 (R\$5,774 in 2021).

Subsidiary Biosev offers its employees a defined contribution Private Pension Plan. The pension plan is optionally accessible to all employees and managing officers.

The subsidiary Biosev's expense with the private pension plan totaled R\$742 in the period from August 10, 2021 to March 31, 2022. Due to the plan's characteristics and design, Biosev does not have any future obligation arising from post-employment or actuarial benefits.

#### **Pension and healthcare plan of subsidiary Raízen Argentina**

Raízen Argentina granted pension plans to non-union employees with defined and non-financed benefit. These plans are effective but closed to new participants since the end of 2014. The healthcare coverage of retired employees is an inherited and frozen benefit, whose cost is equally apportioned between the Company and the former employees.

### **(b) Profit sharing**

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

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## 29. Insurance

The Company has an insurance and risk management program that provides coverage and protection compatible with its assets and operation.

The insurance coverage taken out is based on a careful study of risks and losses carried out by local insurance advisors, and the types of insurance taken out are considered sufficient by management to cover claims, if any, considering the nature of the activities of the Company and its subsidiaries, which are described below:

Insurance type	Coverage	Insured amount
Operational risks	Fire, lightning, explosion, among others	1,652,599
General civil liability (1)	Third-party claims	395,200
Equipment and improvements	Machinery and equipment	296,937
		<u>2,344,736</u>

- (1) Includes the amounts of US\$10,000 thousand and US\$1,000 thousand, equivalent to R\$47,738 and R\$4,738, referring to coverage taken out exclusively for Raízen Argentina and Barcos & Rodados respectively.

Includes the amount of CHF 15,000 thousand, equivalent to R\$77,154 referring to the coverage taken out exclusively for Raízen Trading.

## 30. Business combination

### (a) Acquisition of Biosev S.A. ("Biosev") by Raízen S.A.

On August 10, 2021, after completion of the conditions precedent, the acquisition of all shares issued by Biosev by the Company was carried out, and the Company paid in cash the amount provided for in the acquisition agreement entered into on February 8, 2021, of R\$ 4,581,899, which provided post-closing adjustments set out in the acquisition contract. The agreement provided for certain post-closing price adjustments, which are currently under discussion between the Company and the sellers.

Also as part of the aforementioned transaction, Hédéra exercised the subscription warrants, with a counterpart contribution to Raízen of all Biosev shares held by it, in the amount of R\$2,423,944, issued at the time of the Company's Annual General Meeting held on June 1, 2021, becoming the holder of 330,602,900 preferred shares issued by the Company, representing 3.2% of its capital, which was adjusted to market value by the amount of R\$76,663, totaling R\$2,347,281, equivalent to the unit value of R\$7.10 per share on the acquisition date.

Biosev's main activities are the production, processing and sale of rural and agricultural products, mainly sugarcane and its derivatives, generation and sale of energy and derivatives from energy cogeneration.

This business combination is in line with the Company's strategy of leading the transition of the energy matrix with its own technology, through the expansion of milling capacity and increasing the share of renewable products in its portfolio.

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### Notes from management to the financial statements as of March 31, 2022

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The Company identified the initial assets acquired and liabilities assumed, as well as the classification of such assets, based on the economic, political and operational conditions of Biosev, existing on the acquisition date.

The preliminary fair value of assets acquired and liabilities assumed on the acquisition date of Biosev is presented below. The effects are preliminary, since on date of this disclosure the purchase price allocation procedures are still in progress.

The difference between the amount of the consideration transferred and the net assets at fair value resulted in the recognition of a preliminary goodwill for expected future profitability. The goodwill allocation will be finalized after completion of the purchase price allocation procedures and final issuance of the valuation report to be issued by an independent specialized company.

Accounts	Balance
Cash and cash equivalents	287,400
Restricted cash	16,040
Derivative financial instruments - assets	280,873
Trade accounts receivable (v)	355,026
Inventories	1,379,221
Advances to suppliers	3,015,331
Biological assets (Nota 7) (i)	844,329
Recoverable income tax and social contribution	54,379
Recoverable taxes	192,535
Deferred income and social contribution tax assets, net (Note 17) (ii)/(iii)	1,186,205
Judicial deposits	176,632
Investments (Note 11) (i)	9,324
Property, plant and equipment (Note 12)	3,177,226
Intangible assets (Note 13) (ii)	8,844
Right of use (Note 15.a)	2,936,175
Suppliers (iv)	(1,372,940)
Lease liabilities (Note 15.b)	(3,133,772)
Derivative financial instruments - liabilities (i)	(291,211)
Payroll and related charges payable	(111,726)
Related parties - liabilities, net	(479,676)
Advances from clients	(2,166,964)
Income tax and social contribution payable	(28,325)
Taxes payable	(96,174)
Provision for legal disputes (Note 18) (iv)	(363,425)
Others, net	296,366
Consolidated net assets of Biosev	6,171,693
(+) Consideration paid in cash	4,581,899
(+) Subscription warrants	2,347,281
Total consideration	6,929,180
Preliminary goodwill generated in business combination	757,487

The valuation techniques used to measure the preliminary fair value 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. In the preliminary allocation, the fair value of property, plant and equipment items on the acquisition date amounted to R\$3,022,727, which represented surplus value of R\$154,499 to be depreciated based on assets' useful lives of approximately 4 years.

(\*) In the final allocation, on the referred to surplus values, deferred tax liabilities were recorded in the amount of R\$52,530.



## **RAÍZEN S.A.**

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- (i) In addition to the surplus value of property, plant and equipment, certain assets and liabilities identified on the acquisition date, presented above, include the effects of convergence of Raízen's accounting practices and corrections of errors in the opening statement of financial position identified within the measurement period.
- (ii) Refers to the effects of deferred tax assets on the adjustments related to the convergence of the accounting practices and recording of present obligations, in the amount of R\$521,034, as well as the recognition of deferred income tax and social contribution credits on tax losses of the acquiree not recorded in prior periods, amounting to R\$1,131,029. The Company, based on the expected taxable results of the acquiree, recognized such tax credits on the acquisition date, as an identifiable asset in the business combination;
- (iii) On the acquisition date, the Company identified and recorded present obligations resulting from past events to the acquisition date, which were not recognized in the opening statement of financial position, mainly related to: (a) tax, civil and labor claims that previously referred to contingent liabilities or were assessed as probable loss and not recognized until the closing date of the transaction, in the fair value of R\$65,953; and (b) royalties and other accounts payable in the fair value of R\$28,008 referring to periods prior to the closing date of the transaction and not provisioned in the opening statement of financial position of the acquiree; and
- (iv) Biosev's accounts receivable balance, on the acquisition date, is composed of gross contractual amounts due of R\$355,968, of which R\$942 are estimated to be non-recoverable on the acquisition date. Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

Biosev' net operating revenue and net income for the year ended March 31, 2022, considered from the acquisition date, amounted to R\$7,151,039 and R\$952,699, respectively. The disclosure of results for the year ended March 31, 2022, as if the acquisition date were the beginning of the current fiscal year, is impracticable, given the limitation of segregation of the business acquired before the mentioned carve-out process that resulted in the determination of Biosev's net assets.

#### **(b) Acquisition by Raízen S.A. of a fuel distribution network in Paraguay from B&R**

On November 1, the Company concluded the acquisition of a 50% equity interest in B&R, a company based in Paraguay, for the net present value of R\$599,097, equivalent to US\$105,922 thousand, of which R\$180,656 (US\$31,941 thousand) were paid on the transaction closing date and R\$418,441 (US\$73,981 thousand) will be paid in five annual installments, with final maturity in 2026, subject to adjustments as provided for in the acquisition agreement entered into on August 10, 2021.

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Pursuant to the shareholders' agreement, signed on the acquisition date, Raízen may appoint the executive board, will appoint a substantial part of the management members with power to make decisions about the relevant activities and still have the right to preferential dividends, depending on the financial performance of the business. For these reasons, Raízen obtained control over the acquiree and started to consolidate the financial statements of B&R from the acquisition date.

Also on that date, the Company entered into a contract regulating the right to use the Shell brand for B&R and a Shareholders' Agreement that regulates the parties' relations as shareholders of B&R.

B&R is the leader in the fuel distribution market in Paraguay, with a network of 340 fuel resale stations. With the acquisition and sublicense of the right to use the Shell brand to B&R, these stations will progressively operate under the Shell brand.

This business combination is in line with the Company's strategy to complement the operations platform of the Marketing and services segment in South America.

The preliminary fair value of assets acquired and liabilities assumed on the acquisition date of B&R is presented below. The effects are preliminary, since on date of this disclosure the purchase price allocation procedures are still in progress, substantially related to the inspection of the property, plant and equipment, among other analysis.

The difference between the consideration paid and the net assets at fair value resulted in the recognition of a preliminary goodwill based on expected future profitability. The goodwill allocation will be finalized after completion of the purchase price allocation procedures.

<b>Accounts</b>	<b>Balance</b>
Cash and cash equivalents	80,198
Trade accounts receivable (i)	163,564
Inventories	110,407
Advances to suppliers	8,166
Recoverable income tax and social contribution	15,708
Recoverable taxes	3,457
Assets from contracts with clients (Note 10)	285,291
Property, plant and equipment (Note 12)	25,409
Intangible assets (Note 13)	60,746
Suppliers	(225,704)
Deferred income tax and social contribution - liabilities (Note 17)	(72,445)
Payroll and related charges payable	(2,165)
Others, net	(10,213)
Consolidated net assets of B&R	442,419
Equity interest of Raízen	50%
Share of equity	221,210
(+) Consideration paid in cash	180,656
(+) Consideration payable	509,040
(-) Present value adjustment of considerations payable	(92,321)
Total consideration	597,375
Preliminary goodwill generated in business combination	376,165

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

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### Notes from management to the financial statements as of March 31, 2022

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Assets acquired	Valuation technique
Property, plant and equipment (**)	Market comparison technique: The valuation model considers quoted market prices for similar items, where available. In the preliminary allocation, the fair value of the land on the acquisition date totaled R\$8,308, which represented surplus value of R\$6,703.
Assets from contracts with clients (*) / (**)	Right of exclusivity/ <i>Primas</i> : Multi-period excess earning method ("MPEEM") technique. This model estimates fair value based on business unit's future cash flow discounts. Cash flows considered the income from the activities of the <i>Primas</i> and the corresponding expenses in the period of 7 years. In the preliminary allocation, the fair value of the raw materials totaled R\$285,291, resulting in a surplus value of R\$225,439, to be amortized on a straight-line basis over the referred term.
Intangible assets (*) / (**)	B&R Brand: Royalty Relief Method. For brand valuation, the income approach was used ("income approach") under the mentioned method, due to the possibility of attributing the cash flow generated directly to the identified asset, using as assumptions the average percentage of royalties paid by a company in the same sector of 0.5%, deducted by an income tax rate of 23.5%. In the preliminary allocation, the fair value of the brand totaled R\$ 60,746, fully recognized as surplus value to be amortized on a straight-line basis over a period of 6 years.
Suppliers (*) / (**)	Diesel supply contract: Income approach – With or Without method. Valuation of onerous diesel supply contract, with prices higher than those practiced by the market. The useful life considered in the valuation is 1 year, considering the period estimated by Management for regularization. In the preliminary allocation, the fair value of this liability totaled R\$65,764, fully recognized as a loss.

(\*) Assets and liabilities identified by the appraisers when applying the acquisition method.

(\*\*) In the preliminary allocation, on the mentioned surplus value and losses, deferred tax liabilities were recorded in the amount of R\$77,222.

- (i) B&R's accounts receivable balance, on the acquisition date, is composed of gross contractual amounts due of R\$173,368, of which R\$9,804 are estimated to be non-recoverable on the acquisition date. Other assets acquired and liabilities assumed were analyzed and the respective accounting balances reflect the respective fair values.

The final purchase price allocation of B&R depends on assessments and other studies not yet completed and on the final issue of the appraisal report to be issued by an independent specialized company.

The expected goodwill preliminarily estimated (after completion of the final purchase price allocation) is attributable to supply synergies and the profitability of the acquired business. Goodwill recognized is not expected to be deductible for income tax.

Additionally, the Company recognized the interest of non-controlling shareholders through the proportional interest (50.0%) in the net assets acquired, including the preliminary allocation of goodwill. The fair value attributed to non-controlling shareholders is R\$ 221,210.

B&R's net operating revenue and net income for the year ended March 31, 2022, considered since the acquisition date, were R\$966,385 and R\$48,567, respectively. If the consolidation of subsidiary B&R had taken place since April 1, 2021, the Raízen's consolidated statement of income for the year ended March 31, 2022 would present consolidated net revenue of R\$192,476,089 and consolidated net income of R\$3,209,738.

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#### (c) Acquisition and formation Gera Group

On January 5, 2022, RESA through its subsidiary Biobarra Energia Ltda., concluded the acquisition and the formation of the Gera Group. The transaction amount was R\$ 257,695, of which R\$ 190,143 was paid on the transaction closing date and R\$ 31,124 will be settled as specified in the contract. The contract also provided for certain post-closing price adjustments, which are currently opened to future discussion between the Company and the sellers.

This acquisition supplements Raízen's product and service platform in the renewables segment, reinforcing its leading position in the process for transition and retirement of carbon credits of the global energy matrix, by increasing the offer of cleaner, renewable and sustainable energy.

RESA aims to expand its portfolio through this investment, with a share in the local distributed generation market, and accelerate the growth of the renewable energy segment, aggregating new solutions, as Hydroelectric Power Generation Stations (CGH) and biogas from urban waste.

The preliminary fair value of assets acquired, and liabilities assumed on the acquisition date is presented below. These effects are preliminary, since on the date of this disclosure the procedures for the allocation of the purchase price are still in progress, substantially related to the inspection of the fixed assets acquired, among other analyses.

The difference between the amount paid and the net assets at fair value resulted in the recognition of a goodwill based on expected future profitability. The preliminary goodwill allocation will be finalized after completion of the purchase price allocation procedures.

Captions	Balance
Cash and cash equivalents	53,493
Trade accounts receivable	8,168
Related parties – assets	3,060
Recoverable income tax and social contribution	438
Recoverable taxes	319
Right of use (Note 15.a)	4,513
Investments (Note 11.b)	19,185
Property, plant and equipment (Note 12.b)	72,604
Intangible assets (Note 13.b)	1,470
Suppliers	(6,498)
Related parties - liabilities	(1,865)
Lease liabilities (Note 15.b)	(6,894)
Income tax and social contribution payable	(272)
Payroll and related charges payable	(43)
Taxes payable	(932)
Deferred income tax and social contribution – liabilities, net (Note 17.b.3)	(392)
Other assets (liabilities), net	(391)
Net assets	145,963
(-) Interest of non-controlling shareholders	(51,772)
(+) Consideration paid	226,571
(+) Consideration payable	31,124
Total consideration	257,695
Preliminary goodwill generated in business combination	163,504

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## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

The subsidiary Gera Next Participações S.A., with the subsidiaries acquired, presented net operating revenue and net income for the year ended March 31, 2022, considered since the acquisition date, of R\$ 2,794 and R\$ 1,367, respectively. If the consolidation of the subsidiary had taken place since April 1, 2021, there would not have been significant changes in the consolidated net operating revenue and consolidated net income for the year ended March 31, 2022, since they do not present material net operating revenues and income.

## 31. Cash flow supplementary information

### (a) Reconciliation of changes in equity with cash flows from financing activities ("FCF")

(Assets)/Liabilities						Individual
	Financial investments linked to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and interest on own capital payable	Total
Balance as of March 31, 2021	-	78,002	6,728,601	3,765,934	189,391	10,761,928
Transactions with impact on FCF:						
Proceeds from loans and financing, net	-	-	5,744,543	-	-	5,744,543
Amortization of principal	-	-	(3,968,815)	(675,990)	-	(4,644,805)
Interest amortization	-	-	(141,519)	(122,667)	-	(264,186)
Amortization of lease liabilities	-	(43,906)	-	(18,194)	-	(62,100)
Payment of dividends and interest on own capital, including share-based payment	-	-	-	-	(1,970,891)	(1,970,891)
Redemption	1,009	-	-	-	-	1,009
Asset management and others	-	-	-	1,726,035	-	1,726,035
	1,009	(43,906)	1,634,209	909,184	(1,970,891)	529,605
Other movements that do not affect the FCF:						
Net interest, inflation adjustments and exchange rate changes	(1,009)	8,927	(974,900)	(310,178)	-	(1,277,160)
Change in financial instruments fair value	-	-	(61,585)	(184,714)	-	(246,299)
Dividends and interest on own capital	-	-	-	-	2,093,282	2,093,282
Addition, write-off and remeasurement	-	103,771	-	10,162	-	113,933
Others	-	-	-	5,051	(67,661)	(62,610)
	(1,009)	112,698	(1,036,485)	(479,679)	2,025,621	621,146
Balance as of March 31, 2022	-	146,794	7,326,325	4,195,439	244,121	11,912,679

  

(Assets)/Liabilities						Individual
	Financial investments linked to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and interest on own capital payable	Total
Balance as of March 31, 2020	(18,114)	105,341	7,149,695	3,317,977	63,258	10,618,157
Transactions with impact on FCF:						
Loans and financing taken out, net	-	-	269,000	-	-	269,000
Amortization of principal	-	-	(1,250,098)	-	-	(1,250,098)
Interest amortization	-	-	(152,830)	(125,160)	-	(277,990)
Amortization of lease liabilities	-	(29,184)	-	(16,010)	-	(45,194)
Payment of dividends and interest on own capital, including share-based payment	-	-	-	-	(1,640)	(1,640)
Redemption	19,292	-	-	-	-	19,292
Asset management and others	-	-	-	142,695	-	142,695
	19,292	(29,184)	(1,133,928)	1,525	(1,640)	(1,143,935)
Other movements that do not affect the FCF:						
Net interest, inflation adjustments and exchange rate changes	(1,448)	6,237	749,898	473,481	-	1,228,168
Change in financial instruments fair value	-	-	(37,064)	(29,166)	-	(66,230)
Dividends and interest on own capital	-	-	-	-	149,852	149,852
Addition, write-off and remeasurement	-	(4,392)	-	-	-	(4,392)
Others	270	-	-	2,117	(22,079)	(19,692)
	(1,178)	1,845	712,834	446,432	127,773	1,287,706
Balance as of March 31, 2021	-	78,002	6,728,601	3,765,934	189,391	10,761,928

# RAÍZEN S.A.

## Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

(Assets)/Liabilities						Consolidated
	Financial investments linked to financing	Lease liabilities	Loans and financing (2)	Lease liabilities – related parties	Related parties (1)	Dividends and interest on own capital payable Total
Balance as of March 31, 2021	-	486,879	7,585,167	-	3,693,400	11,965,372
Transactions with impact on FCF						
Loans and financing taken out, net	-	-	7,248,633	-	-	7,248,633
Amortization of principal	-	-	(6,775,276)	-	-	(6,775,276)
Interest amortization	-	-	(720,202)	-	(982)	(721,184)
Amortization of lease liabilities	-	(2,179,271)	-	(200,608)	-	(2,379,879)
Payment of dividends and interest on own capital, including share-based payment	-	-	-	-	(2,741,001)	(2,741,001)
Redemption of preferred shares	1,009	-	-	-	-	1,009
Asset management and others	-	-	-	-	(701,340)	(701,340)
	1,009	(2,179,271)	(246,845)	(200,608)	(702,322)	(6,069,038)
Other movements that do not affect the FCF						
Net assets contributed through corporate reorganization	(39)	5,757,038	16,010,120	1,214,333	2,220	23,730,358
Business combination	-	3,140,666	-	-	-	3,140,666
Net interest, inflation adjustments and exchange rate changes	(1,009)	655,225	(583,527)	87,135	(190,617)	(32,793)
Change in financial instruments fair value	-	-	(571,235)	-	(21,472)	(592,707)
Redemption of preferred shares	-	-	-	-	(2,220)	(2,220)
Dividends and interest on own capital	-	-	-	-	-	2,064,876
Transfers	-	(64,327)	-	-	-	(64,327)
Write-off due to consolidation	-	-	269,807	-	(2,600,968)	(2,331,161)
Addition, write-off and remeasurement	-	2,691,619	-	175,765	-	2,867,384
Effect of foreign currency translation and others	(28)	(63,125)	(219,664)	-	(2,669)	(286,311)
	(1,076)	12,117,096	14,905,501	1,477,233	(2,815,726)	28,493,765
Balance as of March 31, 2022	(67)	10,424,704	22,243,823	1,276,625	175,352	34,390,099

  

(Assets)/Liabilities						Consolidated
	Financial investments linked to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and interest on own capital payable	Total
Balance as of March 31, 2020	(18,114)	674,086	8,461,079	3,241,119	73,024	12,431,194
Transactions with impact on FCF						
Loans and financing taken out, net	-	-	476,069	-	-	476,069
Amortization of principal	-	-	(1,972,986)	-	-	(1,972,986)
Interest amortization	-	-	(208,032)	(125,160)	-	(333,192)
Amortization of lease liabilities	-	(329,250)	-	-	-	(329,250)
Payment of dividends and interest on own capital, including share-based payment	-	-	-	-	(23,273)	(23,273)
Redemption	19,292	-	-	-	-	19,292
Asset management and others	-	-	-	152,648	-	152,648
	19,292	(329,250)	(1,704,949)	27,488	(23,273)	(2,010,692)
Other movements that do not affect the FCF						
Net interest, inflation adjustments and exchange rate changes	(1,448)	50,651	779,062	451,842	-	1,280,107
Change in financial instruments fair value	-	-	(37,064)	(29,166)	-	(66,230)
Dividends and interest on own capital	-	-	-	-	172,248	172,248
Addition, write-off and remeasurement	-	50,821	-	-	-	50,821
Effect of foreign currency translation and others	270	40,571	87,039	2,117	(22,073)	107,924
	(1,178)	142,043	829,037	424,793	150,175	1,544,870
Balance as of March 31, 2021	-	486,879	7,585,167	3,693,400	199,926	11,965,372

- (1) Comprised of balances of asset management, financial transactions and preferred shares. See Note 9.a.
- (2) This is presented net of the National Treasury Certificate (“CTN”).

## RAÍZEN S.A.

### Notes from management to the financial statements as of March 31, 2022

In thousands of -Reais - R\$, unless otherwise indicated

#### (b) Transactions not involving cash

	Individual		Consolidated	
	2022	2021	2022	2021
Capital increase with RESA's equity interest (Note 11)	(5,727,866)	-	-	-
Consideration for the purchase of Biosev with issue of Raízen's shares (Note 30.a)	(2,347,281)	-	-	-
Consideration payable for the acquisition of businesses (Note 30)	(359,478)	-	(390,602)	-
Installments receivable for the sale of Raízen Gas and the formation of a joint venture	50,493	48,043	87,024	113,206
Depreciation of agricultural assets capitalized as biological assets (Note 7)	-	-	(26,272)	-
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 12)	-	-	(104,603)	-
Capital contributions to be made in associates (Note 9.a.)	-	-	(8,165)	-
Additions to intangible assets (Shell brand)	(1,722,993)	-	(1,722,993)	-
Interest capitalized in property, plant and equipment (Note 26)	(3)	(67)	(71,200)	(67)
Right of use	(114,083)	(5,263)	(2,790,403)	(97,602)
Others	1,380	1,256	(8,407)	(14,906)
	(10,219,831)	43,969	(5,035,621)	631

## 32. Subsequent events

### a) Conclusion and issue of Sustainability-Linked Debentures

On April 20, 2022, Raízen's concluded its first issue of Sustainability-Linked Debentures (SLD) linked to the ESG targets. The issue raised R\$ 1,196,685 with cost indexed to IPCA + 5.9%, and final maturity in March 2032. The inflow of funds into the Company's cash occurred on April 13, 2022.

The proceeds from this issue will be used in investments in line with Raízen's expansion plan, by offering cleaner, renewable and sustainable energy, reinforcing its leading position in the process for transition and retirement of carbon credits from the global energy matrix.

### b) Conclusion of the acquisition of lubricant business from Shell Brasil Petróleo Ltda.

On May 1, 2022, the concluded the total acquisition of lubricant business from Shell Brasil Petróleo Ltda., through subsidiary Blueway was concluded and in the closing of the transaction a total of R\$ 726,451 was paid for the acquisition. The contract provides certain price adjustments that will be defined within to 90 days from the closing date.

The lubricant business is now part of Raízen's portfolio, which includes the lubricant plant located in Ilha do Governador (Rio de Janeiro), the base oil terminal in Campos Elíseos, Duque de Caxias (Rio de Janeiro), the Shell Marine division of lubricants and the business of supply and distribution of Shell lubricants in Brazil.

The conclusion of this Transaction will allow Raízen with the opportunity of increasing its supply of premium products to more than fifty thousand industrial and commercial clients and more than fifty million customers to whom we provide services in our network every year.

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