

Raízen S.A.

(formerly Raízen Combustíveis S.A.)

**Interim financial information
as of June 30, 2021.**

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Independent auditor's review report on quarterly information

To the
Board of Directors, Shareholders and Management of
Raízen S.A. (former Raízen Combustíveis S.A.)

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Raízen S.A. (the "Company") for the quarter ended on June 30, 2021, comprising the statement of financial position as of June 30, 2021 and the related statements of income, comprehensive income (loss), changes in equity and of cash flows for the three month period then ended, including explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).



Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three-month period ended June 30, 2021, prepared under the responsibility of Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of value added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, August 12, 2021.

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

A free translation from Portuguese into English of Review of Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Accounting Standard IAS 34 – Interim Financial Reporting issued by the International Accounting Standards Board - IASB

RAÍZEN S.A.

Statements of financial position

June 30, 2021

In thousands of Reais – R\$

	Note	Individual		Consolidated	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021
Assets					
Current assets					
Cash and cash equivalents	3	1,809,494	1,988,154	4,802,559	2,604,779
Marketable securities	4.a	-	-	378,762	-
Restricted cash	4.b	233,308	108,949	2,146,090	146,888
Derivative financial instruments	26	405,436	502,485	6,330,557	592,165
Trade accounts receivable	5	1,652,154	1,542,374	4,188,834	2,438,789
Inventories	6	2,705,239	1,998,116	8,245,355	4,403,077
Biological assets	7	-	-	1,969,532	-
Recoverable income tax and social contribution	17.b	203,860	198,642	293,257	265,956
Recoverable taxes	8	1,479,171	1,391,625	2,643,730	2,177,355
Dividends receivable		44,859	44,859	59,033	3,664
Related parties	9.a	2,424,027	664,212	812,277	1,095,381
Assets from contracts with clients	10	388,285	381,381	483,678	475,045
Other receivables		158,200	49,345	895,684	235,170
Total current assets		11,504,033	8,870,142	33,249,348	14,438,269
Noncurrent assets					
Trade accounts receivable	5	291,827	270,593	392,013	372,565
Derivative financial instruments	26	1,923,472	2,788,965	2,774,147	2,788,965
Recoverable taxes	8	650,219	486,284	1,502,570	950,411
Related parties	9.a	885,946	887,157	1,273,315	883,446
Assets from contracts with clients	10	1,883,084	1,888,687	2,237,904	2,255,452
Recoverable income tax and social contribution	17.b	-	-	326,033	44,900
Deferred income tax and social contribution	17.d	-	-	2,385,903	194,791
Judicial deposits	18	54,682	54,529	537,102	67,746
Other receivables		9,736	58,977	606,077	111,783
Investments	11	12,714,579	6,725,377	1,274,990	757,228
Property, plant and equipment	12	1,483,336	1,499,502	16,878,438	6,669,643
Intangible assets	13	2,302,133	592,847	4,745,514	1,345,218
Rights of use	15.a	162,068	163,680	7,101,203	511,736
Total noncurrent assets		22,361,082	15,416,598	42,035,209	16,953,884
Total assets		33,865,115	24,286,740	75,284,557	31,392,153

See accompanying notes.

RAÍZEN S.A.**Statements of financial position****June 30, 2021**

In thousands of Reais – R\$

	<u>Note</u>	<u>Individual</u>		<u>Consolidated</u>	
		<u>06/30/2021</u>	<u>03/31/2021</u>	<u>06/30/2021</u>	<u>03/31/2021</u>
Liabilities					
Current liabilities					
Suppliers	14	6,368,864	5,376,840	12,301,205	6,657,980
Lease liabilities	15.b	34,004	33,065	1,249,561	210,785
Loans and financing	16	2,058,143	439,464	3,873,229	441,435
Related parties	9.a	1,881,748	1,616,225	1,412,209	4,069,152
Derivative financial instruments	26	270,224	49,560	8,248,353	174,546
Payroll and related charges payable		102,345	86,596	787,055	177,753
Income and social contribution taxes payable	17.c	-	-	270,887	81,425
Taxes payable		118,202	110,620	569,130	353,370
Dividends and interest on own capital payable	20.b	1,308,131	189,391	2,066,254	199,926
Deferred income		-	6,527	49,711	6,599
Bonuses payable		55,769	54,000	70,045	68,167
Other liabilities		318,169	272,170	686,876	469,684
Total current liabilities		<u>12,515,599</u>	<u>8,234,458</u>	<u>31,584,515</u>	<u>12,910,822</u>
Noncurrent liabilities					
Lease liabilities	15.b	45,401	44,937	4,953,110	276,094
Loans and financing	16	5,429,959	6,289,137	19,976,386	7,143,732
Related parties	9.a	4,140,328	2,810,161	3,286,064	2,711,178
Derivative financial instruments	26	3,258	-	1,023,191	-
Taxes payable		-	-	188,162	6,209
Provision for legal disputes	18	930,572	937,857	1,529,176	1,004,007
Deferred income tax and social contribution	17.d	437,669	451,344	1,758,783	1,370,818
Bonuses payable		183,422	169,397	216,095	200,527
Other liabilities		26,613	23,122	326,043	158,924
Total noncurrent liabilities		<u>11,197,222</u>	<u>10,725,955</u>	<u>33,257,010</u>	<u>12,871,489</u>
Total liabilities		<u>23,712,821</u>	<u>18,960,413</u>	<u>64,841,525</u>	<u>25,782,311</u>
Equity					
20					
Attributed to controlling shareholders					
Capital		3,000,000	1,921,843	3,000,000	1,921,843
Capital reserves		5,162,870	510,941	5,162,870	510,941
Equity adjustments		1,050,275	1,302,428	1,050,275	1,302,428
Income reserves		197,097	1,591,115	197,097	1,591,115
Retained earnings		742,052	-	742,052	-
		10,152,294	5,326,327	10,152,294	5,326,327
Interests of non-controlling shareholders		<u>-</u>	<u>-</u>	<u>290,738</u>	<u>283,515</u>
Total equity		<u>10,152,294</u>	<u>5,326,327</u>	<u>10,443,032</u>	<u>5,609,842</u>
Total liabilities and equity		<u>33,865,115</u>	<u>24,286,740</u>	<u>75,284,557</u>	<u>31,392,153</u>

See accompanying notes.

RAÍZEN S.A.

Statements of income Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

	Note	Individual		Consolidated	
		Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Net operating revenue	21	24,960,774	11,827,893	34,046,663	15,558,332
Cost of products sold and services provided	23	<u>(24,263,696)</u>	<u>(11,548,972)</u>	<u>(31,700,240)</u>	<u>(15,421,526)</u>
Gross income		<u>697,078</u>	<u>278,921</u>	<u>2,346,423</u>	<u>136,806</u>
Operating revenue (expenses)					
Selling expenses	23	(305,326)	(249,675)	(707,038)	(491,208)
General and administrative	23	(107,305)	(95,139)	(236,272)	(146,398)
Other operating revenue, net	24	150,294	26,122	157,990	77,522
Equity accounting result	11	<u>486,354</u>	<u>(283,784)</u>	<u>(6,981)</u>	<u>519</u>
		<u>224,017</u>	<u>(602,476)</u>	<u>(792,301)</u>	<u>(559,565)</u>
Income (loss) before finance results and income tax and social contribution		<u>921,095</u>	<u>(323,555)</u>	<u>1,554,122</u>	<u>(422,759)</u>
Financial	25				
Financial expense		(145,999)	(95,411)	(308,462)	(143,747)
Financial income		53,597	30,461	91,655	49,698
Net foreign exchange variation		1,090,976	(489,410)	1,268,274	(606,743)
Net effect of derivatives		<u>(1,021,142)</u>	<u>495,139</u>	<u>(1,226,111)</u>	<u>639,838</u>
		<u>(22,568)</u>	<u>(59,221)</u>	<u>(174,644)</u>	<u>(60,954)</u>
Income (loss) before income tax and social contribution		<u>898,527</u>	<u>(382,776)</u>	<u>1,379,478</u>	<u>(483,713)</u>
Income tax and social contribution	17.a				
Current		(133,596)	(2,302)	(395,473)	(26,651)
Deferred		<u>35,617</u>	<u>52,227</u>	<u>(203,688)</u>	<u>177,174</u>
		<u>(97,979)</u>	<u>49,925</u>	<u>(599,161)</u>	<u>150,523</u>
Net income (loss) for the period		<u>800,548</u>	<u>(332,851)</u>	<u>780,317</u>	<u>(333,190)</u>
Attributable to:					
Controlling shareholders		800,548	(332,851)	800,548	(332,851)
Noncontrolling shareholders		<u>-</u>	<u>-</u>	<u>(20,231)</u>	<u>(339)</u>
		<u>800,548</u>	<u>(332,851)</u>	<u>780,317</u>	<u>(333,190)</u>
Earnings (loss) per share (basic and diluted)	20.d			<u>0.20</u>	<u>(0.20)</u>

See accompanying notes.

RAÍZEN S.A.

Statements of comprehensive income Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Net income (loss) for the period	800,548	(332,851)	780,317	(333,190)
Items that are or may be reclassified to statements of income or loss				
Equity accounting results on other comprehensive income (loss)	292,077	-	-	-
Income (loss) from derivative financial instruments designated as hedge accounting	4,025	(16,504)	469,114	(16,504)
Deferred taxes on adjustments	(1,369)	5,611	(159,499)	5,611
Effect of foreign currency translation	(546,886)	179,964	(561,768)	179,964
Total comprehensive income (loss) for the period (Note 20.c)	(252,153)	169,071	(252,153)	169,071
Comprehensive income (loss) for the period	548,395	(163,780)	528,164	(164,119)
Attributable to:				
Controlling shareholders	548,395	(163,780)	548,395	(163,780)
Noncontrolling shareholders	-	-	(20,231)	(339)
	548,395	(163,780)	528,164	(164,119)

See accompanying notes.

RAÍZEN S.A.

Statements of changes in equity Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

	Attributable to controlling interests									
	Capital reserves			Income reserves				Total	Interest of non-controlling shareholders	Total equity
	Capital	Capital reserve	Special reserve – Law No. 8200/91	Equity adjustments	Legal reserve	Retained profits	Retained earnings/(accumulated losses)			
At 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 (loss) for the period										
Net income for the period	-	-	-	-	-	-	800,548	800,548	(20,231)	780,317
Equity accounting results from investees	-	-	-	292,077	-	-	-	292,077	-	292,077
Net gain from financial instruments designated as hedge accounting	-	-	-	2,656	-	-	-	2,656	-	2,656
Effect of foreign currency translation	-	-	-	(546,886)	-	-	-	(546,886)	-	(546,886)
Total comprehensive income (loss) for the period	-	-	-	(252,153)	-	-	800,548	548,395	(20,231)	528,164
Capital contributions from (amounts paid to) shareholders, net										
Capital increase (Note 20.a)	1,078,157	4,649,709	-	-	-	-	-	5,727,866	27,454	5,755,320
Dividends and interest on own capital (Note 20.b)	-	-	-	-	-	(1,394,018)	(58,496)	(1,452,514)	-	(1,452,514)
Effect of redemption of preferred shares on subsidiary	-	2,220	-	-	-	-	-	2,220	-	2,220
Total capital contributions from (amounts paid to) shareholders, net	1,078,157	4,651,929	-	-	-	(1,394,018)	(58,496)	4,277,572	27,454	4,305,026
At June 30, 2021	3,000,000	5,162,776	94	1,050,275	197,097	-	742,052	10,152,294	290,738	10,443,032

See accompanying notes.

RAÍZEN S.A.

Statements of changes in equity (Continued) Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

(Continued)

	Attributable to controlling interests										
	Capital reserves				Income reserves			Retained earnings/(ac- cumulated losses)	Total	Interest of non- controlling shareholders	Total equity
	Capital	Capital reserve	Special reserve – Law No. 8200/91	Equity adjustments	Legal reserve	Retained profits					
At 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 (loss) for the period											
Loss for the period	-	-	-	-	-	-	(332,851)	(332,851)	(339)	(333,190)	
Net loss on financial instruments designated as hedge accounting	-	-	-	(10,893)	-	-	-	(10,893)	-	(10,893)	
Effect of foreign currency translation	-	-	-	179,964	-	-	-	179,964	-	179,964	
Total comprehensive income (loss) for the period	-	-	-	169,071	-	-	(332,851)	(163,780)	(339)	(164,119)	
Amounts paid to shareholders, net											
Dividends and interest on own capital	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)	
Total amounts paid to shareholders, net	-	-	-	-	-	-	(37,000)	(37,000)	-	(37,000)	
At June 30, 2020	1,921,843	510,847	94	883,607	197,097	550,113	(369,851)	3,693,750	258,685	3,952,435	

See accompanying notes.

RAÍZEN S.A.

Statements of cash flows – Indirect method Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Cash flows from operating activities				
Income (loss) before income tax and social contribution	898,527	(382,776)	1,379,478	(483,713)
Adjustments due to:				
Depreciation and amortization (Note 23)	63,448	51,247	730,021	245,699
Amortization of assets from contract with clients (Notes 10 and 21)	102,118	87,855	131,603	111,681
Net gain arising from changes in fair value and realized gain or loss on biological assets	-	-	(717,564)	-
Equity accounting result (Note 11)	(486,354)	283,784	6,981	(519)
Loss on (gain from) property, plant and equipment written off (Note 24)	398	1,686	255	(5,451)
Income from retirement of decarbonization credits (“CBIO”) (Note 24)	32,253	-	38,898	-
Net interest, inflation adjustments and exchange variation	(1,055,335)	522,653	(1,191,809)	707,075
Changes in fair value of financial instruments (Note 25)	57,947	(856)	75,521	(856)
Net gain from (loss on) derivative financial instruments	1,147,394	(374,711)	1,495,067	(526,736)
Recognition of net tax and other credits (Note 24)	(158,323)	(19)	(158,279)	(21,247)
Changes in fair value of inventories (Note 6)	(75,587)	(311,199)	(75,587)	(311,199)
Other	(341)	(45,454)	(1,197)	(41,979)
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	147,761	16,649	297,517	146,623
Inventories	(631,535)	165,152	(1,413,289)	807,528
Acquisition of CBIO	(27,976)	-	(37,511)	-
Restricted cash	(125,184)	(327,009)	(235,804)	(333,750)
Assets from contract with clients	(171,596)	(199,174)	(220,289)	(245,836)
Derivative financial instruments	55,422	275,420	425,614	848,439
Related parties	239,274	(341,803)	136,476	(1,683,734)
Suppliers and advances to suppliers	966,548	794,890	458,316	(118,716)
Recoverable and payable taxes	(228,836)	(218,019)	(173,616)	44,585
Payroll and related charges payable	15,749	23,676	57,574	25,699
Other assets and liabilities, net	(176,480)	(57,448)	(172,033)	(133,518)
Payment of income tax and social contribution on net income	-	-	(128,150)	(2,199)
Net cash from (used in) operating activities	589,292	(35,456)	708,193	(972,124)
Cash flows from investment activities				
Investments in marketable securities, net	-	-	(378,762)	-
Additions to equity interests (Note 11)	(7,000)	-	(7,000)	-
Additions to biological assets (Note 7 and 29.b)	-	-	(83,512)	-
Additions to property, plant and equipment and intangible assets (Notes 12, 13 and 29.b)	(23,085)	(38,368)	(255,891)	(110,538)
Cash contributed through corporate reorganization (Note 11)	-	-	2,636,055	-
Cash received on disposal of equity interests	-	-	10,574	14,456
Cash received upon disposal of property, plant and equipment	132	349	5,425	8,290
Net cash from (used in) investing activities	(29,953)	(38,019)	1,926,889	(87,792)
Cash flows from financing activities				
Funding from third-party loans and financing	1,579,916	269,000	1,875,548	475,735
Payments of principal of third-party loans and financing	(131,079)	(561)	(818,993)	(289,993)
Payments of interest on third-party loans and financing	(27,526)	(57,666)	(83,511)	(86,279)
Payment of third-party lease liabilities	(9,221)	(7,377)	(198,239)	(89,049)
Payment of intragroup lease liabilities	(4,428)	(4,070)	(19,894)	-
Payment of intragroup interest on pre-export financing (“PPE”) contracts items	(2,648)	(2,862)	(981)	(2,862)
Management of intragroup funds, net and other	(1,782,900)	(292,930)	(705,050)	63,544
Short-term investments linked to financing (restricted cash)	(19,188)	-	(19,188)	-
Payment of dividends and interest on own capital (Note 20.b)	(325,000)	-	(325,000)	-
Net cash from (used in) financing activities	(722,074)	(96,466)	(295,308)	71,096
Increase (decrease) in cash and cash equivalents, net	(162,735)	(169,941)	2,339,774	(988,820)
Cash and cash equivalents at beginning of period (Note 3)	1,988,154	635,968	2,604,779	2,167,058
Effect of foreign exchange rate change on cash and cash equivalents	(15,925)	29,520	(141,994)	60,588
Cash and cash equivalents at end of the period (Note 3)	1,809,494	495,547	4,802,559	1,238,826

Supplementary information to the cash flows is shown in Note 29.

See accompanying notes.

RAÍZEN S.A.

Statements of value added Three-month periods ended June 30, 2021 and 2020 In thousands of Reais – R\$

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Revenues				
Gross sales of products and services	25,878,564	12,326,490	36,875,822	17,085,637
Sales returns and cancellations, discounts and rebates	(201,943)	(144,853)	(267,144)	(203,286)
Amortization of contract with clients	(102,118)	(87,855)	(131,603)	(111,681)
Reversal (set-up) of allowance for doubtful accounts, net	(5,147)	561	(4,710)	(3,439)
Other operating revenue, net	132,916	7,596	132,682	41,404
	25,702,272	12,101,939	36,605,047	16,808,635
Bought-in inputs				
Cost of sales	(24,359,767)	(11,903,008)	(31,642,186)	(15,666,071)
Changes in fair value of inventories – fair value hedge	75,587	311,199	75,587	311,199
Materials, energy, third-party services and other	(232,126)	(208,657)	(516,458)	(392,419)
Net gain arising from changes in fair value and realized gain or loss on biological assets	-	-	717,564	-
Other	20,870	43,404	23,563	92,470
	(24,495,436)	(11,757,062)	(31,341,930)	(15,654,821)
Gross value added	1,206,836	344,877	5,263,116	1,153,814
Depreciation and amortization	(63,448)	(51,247)	(730,021)	(245,699)
Net value added	1,143,388	293,630	4,533,095	908,115
Value added received in transfer				
Equity accounting results	486,354	(283,784)	(6,981)	519
Finance income	53,597	30,461	91,655	49,698
Foreign exchange gains	1,090,976	-	1,268,274	-
Gain on derivative transactions	-	495,139	-	639,838
Other value received in transfer	16,992	17,961	23,362	35,512
	1,647,919	259,777	1,376,310	725,567
Value added to be distributed	2,791,307	553,407	5,909,405	1,633,682
Distribution of value added				
Personnel				
Direct compensation	77,608	59,368	497,788	125,394
Benefits	14,677	11,125	38,066	12,967
Unemployment Compensation Fund (FGTS)	3,742	3,531	8,752	3,851
	96,027	74,024	544,606	142,212
Taxes, charges and contributions				
Federal and foreign	239,610	78,830	2,213,292	1,045,223
State	522,839	200,229	632,297	205,515
Local	759	581	2,000	606
Deferred taxes	(35,617)	(52,227)	202,321	(177,174)
	727,591	227,413	3,049,910	1,074,170
Debt remuneration				
Finance costs	145,999	95,411	308,462	143,747
Foreign exchange losses	-	489,410	-	606,743
Loss on derivative transactions	1,021,142	-	1,226,111	-
	1,167,141	584,821	1,534,573	750,490
Equity remuneration				
Dividends and interest on own capital	58,496	37,000	58,496	37,000
Retained profits (loss) for the period	742,052	(369,851)	742,052	(369,851)
Noncontrolling interests	-	-	(20,231)	(339)
	800,548	(332,851)	780,317	(333,190)
Value added distributed	2,791,307	553,407	5,909,405	1,633,682

See accompanying notes.

RAÍZEN S.A.

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1. Operations

Raízen S.A. (the “Company” or “Raízen”), formerly Raízen Combustíveis S.A., is a publicly-held company enrolled in the Brazilian Securities and Exchange Commission (“CVM”) in Category A, whose registration request was granted on May 28, 2021. The Company’s main office is located at Avenida Almirante Barroso, nº 81, 36º andar, sala 32B109, Rio de Janeiro, state of Rio de Janeiro (RJ), Brazil. The Company is a subsidiary indirectly and jointly controlled by Royal Dutch Shell (“Shell”) and Cosan S.A. (“Cosan”).

In the Special General Meeting (SGM) held on June 2, 2021, the Company’s shareholders approved the change in corporate name to Raízen S.A.

The Company is mainly engaged in (i) distributing and marketing ethanol and oil, fuels and other fluid hydrocarbons and their byproducts, (ii) sale of natural gas and act as a sales representative for the sale of lubricants in fuel stations, (iii) operations relating to convenience and proximity stores; (iv) research and industrial and commercial use of new power sources; (v) development and licensing of global-scale technology relating to sugar and ethanol production; (vi) import and export of aforementioned products; (vii) by means of its Argentine subsidiaries, activities relating to oil processing, and manufacture and sale of automotive and industrial lubricants; (viii) production, trading and sale of sugar, ethanol and pellets, through subsidiary Raízen Energia S.A. (“RESA”), as well as co-generation of power by means of sugarcane bagasse and through the power trading business, and (ix) holding interests in other companies.

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

Major transactions in the quarter ended June 30, 2021 were as follows:

- **Corporate reorganization through capital increase in Raízen S.A. using 100% of Raízen Energia S.A. shares**

In the Annual and Special Meeting (ASM) held on June 1, 2021, Shell and Cosan shareholders approved the increase in Company capital amounting to R\$ 5,975,956, by means of 100% interests held by the shareholders in RESA, upon issue 7,332,154,111 new common shares. As a result of this operation, RESA became a wholly-owned subsidiary of the Company.

The net assets contributed by the shareholders were recorded at book value, since the Company continues to be jointly controlled by referred to shareholders. The net consolidated assets of RESA, contributed by shareholders in the Company, are presented in Note 11.

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On referred to date, the Company filed a request with CVM for public offer of preferred shares issued by the Company and the Company's registration as issuer on B3 S.A. – Brasil, Bolsa, Balcão ("B3"), the Company's adhesion to the listing segment named corporate governance Level 2 and request for the Company's share trading admission on B3.

- **Acquisition of Shell's lubricant business in Brazil by Raízen**

Since 2011, the Company has been acting as an exclusive agent for the sale of Shell-branded lubricants, based on the agreement entered into for 10 years between Raízen and Shell.

On June 7, 2021, upon end of this agency agreement, Raízen and Shell negotiated an increase in the scope of the relationship held so far, with acquisition of Shell's entire lubricant business in Brazil by Raízen, for R\$ 750,000 thousand.

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

This operation is subject to approval by the Brazilian Antitrust Agency (CADE) and compliance with other covenants usual for this type of operation.

- **Renewal of licensing agreement for use of Shell brand**

On May 20, 2021, Raízen and Shell Brands International AG ("SBI") entered into a new licensing agreement. Upon this renewal, the Company maintains the right to use Shell brand, in the Brazilian segment of fuel distribution and related activities, for a minimum period of 13 (thirteen) years, which may be renewed as long as certain contractual conditions are fulfilled. The details of this operation are described in Note 13.

- **Agreement for acquisition of Biosev S.A. ("Biosev")**

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

The acquisition involves an exchange of shares, with issue of 3.5000% preferred shares with no voting rights issued by Raízen (which, at the conclusion of the acquisition, became approximately 3,22% given the dilution caused by the IPO (See Note 30.b), and the amount of R\$ 3,600,000 paid in cash.

On March 18, 2021, the Brazilian Antitrust Council (CADE) definitively approved, without restrictions, the merger referring to the Raízen Group's transaction with Biosev, after the 15-day period elapsed since its publication in the Federal Official Gazette, on March 2, 2021. As a result, the condition precedent related to CADE's approval was obtained.

The acquisition is concluded as of August 10, 2021, considering the conclusion of the conditions established in the agreement. See Note 30.a.

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1.1. Covid-19

As disclosed in the annual financial statements as of March 31, 2021, the Company and its subsidiaries continue monitoring the evolution of Covid-19, its impacts on the business, on significant accounting estimates and judgments, and on other balances that may give rise to uncertainties and have impacts on the financial statements. The most significant assessments and the main effects of the Covid-19 pandemic on the results of operations are as follows:

(i) Going concern assumption

The Company's interim financial information was prepared and is disclosed considering the going concern assumption regarding its key activities.

(ii) Impairment of nonfinancial assets and tax credits

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

(iii) Estimated losses on doubtful accounts

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

(iv) Net realizable value of inventories

The Company uses the estimated sales price in the ordinary course of business, net of selling expenses, as net realizable value assumption. As such, the price decrease, mainly of ethanol in Brazil and petroleum products in Argentina affected by the decrease in consumption caused by social isolation, resulted in a consolidated provision for impairment of inventories amounting to R\$ 21,566 at June 30, 2021 (R\$ 21,690 at March 31, 2021)

(v) Liquidity

For the period ended June 30, 2021, Raízen recorded consolidated cash of R\$ 4,802,559, consolidated working capital (current assets less current liabilities) of R\$ 1,664,833, and consolidated net income of R\$ 780,317.

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As of June 30, 2021, subsidiary Raízen S.A. recorded negative working capital amounting to R\$ 1,011,566 (positive working capital of R\$ 635,684 at March 31, 2021). A significant portion of current liabilities derives from balances payable to Group companies and shareholders, including dividends and interest on own capital, amounting to R\$ 3,189,879 (R\$ 1,805,616 at March 31, 2021). For this reason, management reasonably expects that the Company will have sufficient funds to continue as a going concern in the foreseeable future, mainly the ones originated in the initial public offer of Company shares (Note 30.b).

(vi) Capex

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

(vii) Leases

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

(viii) Contractual commitments

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

2. Presentation of interim financial information and significant accounting practices

2.1. Basis of preparation

This interim financial information was prepared in accordance with Accounting Pronouncement CPC 21 (R1) – Interim Financial Statements and International Accounting Standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented consistently with the rules issued by the Brazilian SEC (“CVM”), applicable to the preparation of Quarterly Information – ITR.

This interim financial information was prepared under the same preparation base and consistently with the accounting policies adopted in the preparation of the annual financial statements as of March 31, 2021 and should be read in conjunction with such statements, except for the accounting policies presented in Note 2.3. The information in the explanatory notes that was not significantly changed as compared with March 31, 2021 was not repeated in this interim financial information. Certain selected information was included to explain significant events and transactions and enable the understanding of changes in the Company's financial position and operating performance as from publication of the annual financial statements as of March 31, 2021.

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The interim financial information is presented in Brazilian reais (R\$), which is the Company's functional currency. The functional currency of subsidiaries operating in the international economic environment is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial information of each subsidiary included in the Company's consolidation, as well as information used as a basis for investments measured by the equity method, is prepared based on the functional currency of each entity.

In preparing the interim financial information, management made judgments and estimates and adopted assumptions that affect the Company's accounting policies applied and the amounts disclosed referring to assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed from time to time and were not changed upon preparation of this interim financial information as compared with the annual financial statements as of March 31, 2021.

The presentation of individual and consolidated Statement of Value Added (SVA) is required by Brazilian corporation law and the accounting practices adopted in Brazil applicable to publicly-held companies. Such statement is not required for IFRS purposes and is considered supplementary information, without prejudice to referred to financial information as a whole.

The interim financial information evidence all significant information that is consistent with the information used to manage the Company's operations.

Issue of this interim financial information was authorized by management on August 12, 2021.

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Notes to interim financial information

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2.2. Basis of consolidation

The consolidated interim financial information includes the Raízen financial statements and its subsidiaries and of the exclusive investment funds. Direct and indirect subsidiaries, and investment funds are as follows:

	06/30/2021		03/31/2021	
	Direct	Indirect	Direct	Indirect
Blueway Trading Importação e Exportação S.A. ("Blueway")	100%	-	100%	-
Petróleo Sabbá S.A. ("Sabbá")	80%	-	80%	-
Raízen Argentina S.A. ("RASA") (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. ("Mime")	76%	-	76%	-
Raízen Serviços e Participações S.A. (formerly named Raízen S.A.)	100%	-	100%	-
Sabor Raíz Alimentação S.A. ("Sabor Raíz")	69%	-	69%	-
Saturno Investimentos Imobiliários Ltda. ("Saturno")	100%	-	100%	-
Raízen Energia S.A. ("RESA") (2)	100%	-	-	-
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta") (2)	-	100%	-	-
Benálcool Açúcar e Álcool Ltda. ("Benálcool") (2)	-	100%	-	-
Bioenergia Araraquara Ltda. ("Bio Araraquara") (2)	-	100%	-	-
Bioenergia Barra Ltda. ("Bio Barra") (2)	-	100%	-	-
Bioenergia Caarapó Ltda. ("Bio Caarapó") (2)	-	100%	-	-
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto") (2)	-	100%	-	-
Bioenergia Gasa Ltda. ("Bio Gasa") (2)	-	100%	-	-
Bioenergia Jataí Ltda. ("Bio Jataí") (2)	-	100%	-	-
Bioenergia Maracá Ltda. ("Bio Maracá") (2)	-	100%	-	-
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100%	-	-
Bioenergia Serra Ltda. ("Bio Serra") (2)	-	100%	-	-
Bioenergia Tarumã Ltda. ("Bio Tarumã") (2)	-	100%	-	-
Bioenergia Univalem Ltda. ("Bio Univalem") (2)	-	100%	-	-
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara") (2)	-	100%	-	-
Raízen Ásia PT Ltd. ("Raízen Ásia") (2)	-	100%	-	-
Raízen Biomassa S.A. (2)	-	82%	-	-
Raízen Biotecnologia S.A. ("Biotecnologia") (2)	-	100%	-	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó") (2)	-	100%	-	-
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste") (2)	-	100%	-	-
Raízen Energy Finance Ltd. ("Raízen Energy Finance") (2)	-	100%	-	-
Raízen Fuels Finance S.A. ("Raízen Fuels") (2)	-	100%	-	-
Raízen GD Ltda. (2)	-	100%	-	-
Raízen International Universal Corp. ("RIUC") (2)	-	100%	-	-
Raízen North América, Inc. ("Raízen North América") (2)	-	100%	-	-
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu") (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. ("Biogás") (2)	-	85%	-	-
RWxE Participações S.A. ("RWXE") (2)	-	70%	-	-
RZ Agrícola Caarapó Ltda. (2)	-	100%	-	-
Unimodal Ltda. ("Unimodal") (2)	-	73%	-	-
WX Energy Comercializadora de Energia Ltda. ("WX Energy") (2)	-	70%	-	-

(1) Jointly referred to as Raízen Argentina and subsidiaries, all of which located in Argentina;

(2) Jointly referred to as Raízen Energia and subsidiaries; the shares were contributed to Raízen on June 1, 2021 by the shareholders Shell and Cosan.

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Exclusive investment funds ("FI")	Ownership interest	
	06/30/2021	03/31/2021
FI - Private Fixed-Income Credit - RJ – Banco Santander S.A.	100%	100%
FI - Private Fixed-Income Credit - RAÍZEN I – Banco BNP PARIBAS BRASIL S.A.	100%	100%

2.3. Description of significant accounting policies

The accounting policies applied in this interim financial information are the same as those used in the Company's individual and consolidated financial statements for the year ended March 31, 2021, due to the corporate reorganization (Note 1), the following main accounting practices are applicable in this set of interim financial information.

(a) Revenue recognition

Subsidiary RESA's revenue from the sale of cogeneration of power is recorded based on the power available on the network and at rates specified under the terms of the supply agreements or the market price in force, as applicable. The power volume delivered to the buyer is computed on a monthly basis. Clients obtain control over electric power as from the moment when they use this power. Due to the flow of billing of certain agreements, the electric power produced and sold through auction is initially recorded as deferred revenue, recognized in statement of income for the year only when available for use by clients.

Power trading operations are performed in active markets and, for accounting measurement purposes, meet the definition of financial instruments at fair value. RESA recognizes revenue when power is delivered to the customer for fair value of the consideration. Additionally, unrealized net gains from marked to market – difference between contracted and market prices – of net contracted operations outstanding at the interim reporting date are recognized as revenue.

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(b) Inventories

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

(c) Biological assets

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

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

Changes in fair values between the periods, as well as their amortization, are allocated to profit or loss under Cost of sales.

3. Cash and cash equivalents

	Index	Average yield rate		Individual		Consolidated	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Funds in banks and in cash				183,947	250,299	2,071,786	485,400
Interest earning bank deposits:							
	Interbank Deposit Certificates						
Investment funds (1)	(CDI)	100.8%	67.3%	123,564	1,024	7,245	2,108
Bank Deposit Certificates (CDB) and repurchase agreements (2)	CDI	100.7%	99.1%	1,501,983	1,736,831	2,723,528	2,117,271
				<u>1,625,547</u>	<u>1,737,855</u>	<u>2,730,773</u>	<u>2,119,379</u>
				<u>1,809,494</u>	<u>1,988,154</u>	<u>4,802,559</u>	<u>2,604,779</u>
Domestic (local currency)				1,702,153	1,839,290	3,183,336	1,862,843
Abroad (foreign currency) (Note 26.d)				107,341	148,864	1,619,223	741,936
				<u>1,809,494</u>	<u>1,988,154</u>	<u>4,802,559</u>	<u>2,604,779</u>

(1) These correspond to investments in fixed income funds managed by first-tier financial institutions, which are managed by shares, at the sole discretion of the Company, with daily yield and liquidity.

(2) Investments in fixed income funds carried out with top-tier banking institutions with daily yield and liquidity.

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4. Marketable securities and restricted cash

(a) Marketable securities

	Index	Average yield rate		Consolidated	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021
Financial treasury bills (LFT)	Central Bank Benchmark Rate (Selic)	100.0%	-	378,762	-
				378,762	-

(b) Restricted cash

	Index	Average yield rate		Individual		Consolidated	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Financial investments linked to financing (1)	CDI	99.4%	-	19,273	-	19,313	-
Financial investments linked to derivative operations (Note 26.g) (2)	CDI	99.4%	100.40%	3,921	42,020	78,917	42,020
Margin on derivative operations (Note 26.g) (3)				210,114	66,929	2,047,860	104,868
				233,308	108,949	2,146,090	146,888
Domestic (local currency)				28,561	42,020	103,598	42,020
Abroad (foreign currency) (Note 26.d)				204,747	66,929	2,042,492	104,868
				233,308	108,949	2,146,090	146,888

- (1) These correspond to financial investments in LFT (Financial Treasury Bills), carried out with top-tier banks, held as a result of financing with the Brazilian Development Bank (“BNDES”), the redemption of which is subject to payment of certain installments of said financing.
- (2) These correspond to financial investments in CDB, carried out with first-tier banks, granted as guarantee in derivative instrument transactions.
- (3) Margin deposits in derivative transactions refer to margin calls in stock exchanges and were exposed to the US dollar rate fluctuation in derivative instrument transactions.

5. Trade accounts receivable

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Domestic (local currency)	1,708,315	1,539,865	2,776,741	1,825,123
Abroad (foreign currency) (Note 26.d)	471	610	1,462,461	584,503
Other accounts receivable (i)	351,259	383,409	503,145	533,429
Allowance for doubtful accounts	(116,064)	(110,917)	(161,500)	(131,701)
	1,943,981	1,812,967	4,580,847	2,811,354
Current	(1,652,154)	(1,542,374)	(4,188,834)	(2,438,789)
Noncurrent	291,827	270,593	392,013	372,565

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- (i) Other trade accounts receivable substantially refer to overdue debts paid in installments and real properties sold, aimed at implementing or refurbishing fuel stations, by means of security interest, guarantees and collateral signatures.

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

The maturity of trade accounts receivable is as follows:

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Falling due	1,628,117	1,520,719	3,944,762	2,391,713
Overdue:				
Within 30 days	45,422	35,509	259,553	77,537
From 31 to 90 days	41,508	35,193	57,258	41,405
From 91 to 180 days	30,119	16,659	45,312	25,325
More than 180 days	314,879	315,804	435,462	407,075
	<u>2,060,045</u>	<u>1,923,884</u>	<u>4,742,347</u>	<u>2,943,055</u>

For notes overdue for a long time subject to no allowance for doubtful accounts, the Company recorded security interests such as mortgages and letters of credit.

The allowance for expected credit losses was calculated based on the credit risk analysis, which includes the history of losses, the individual situation of clients, the situation of the economic group to which the clients belong, the security interest for debts and, where applicable, the assessment of legal advisors.

The allowance for expected credit losses is considered sufficient by management to cover any losses on receivables. Changes in this allowance for the three-month periods ended June 30, 2021 and 2020 are as follows:

	Individual	Consolidated
At March 31, 2021	<u>(110,917)</u>	<u>(131,701)</u>
Provision constituted through the corporate reorganization	-	(26,143)
Allowance for doubtful accounts	(12,072)	(15,971)
Reversal of allowance for expected credits losses	6,925	11,261
Effect of foreign currency translation and other	-	1,054
At June 30, 2021	<u>(116,064)</u>	<u>(161,500)</u>
	Individual	Consolidated
At March 31, 2020	<u>(98,973)</u>	<u>(123,840)</u>
Allowance for doubtful accounts	(9,193)	(16,577)
Reversal of allowance for expected credits losses	9,754	13,138
Effect of foreign currency translation	-	(525)
At June 30, 2020	<u>(98,412)</u>	<u>(127,804)</u>

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6. Inventories

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Finished products:				
Sugar	-	-	897,613	-
Diesel (2)	1,118,987	661,165	1,849,188	1,314,231
Gasoline (2)	1,061,405	758,903	1,634,608	1,409,901
Ethanol	346,687	369,587	2,210,217	381,054
Aviation fuel (Jet A-1)	99,799	119,931	125,083	170,354
Other oil byproducts (1)	25,397	11,934	222,856	216,021
Crude oil	-	-	251,740	269,342
Products in progress	-	-	395,164	257,528
Warehouse and others	52,964	76,596	658,886	384,646
	<u>2,705,239</u>	<u>1,998,116</u>	<u>8,245,355</u>	<u>4,403,077</u>

- (1) This substantially refers to fuel oil, lubricant and asphalt inventories.
- (2) Raízen designates inventories and highly likely purchases of oil byproducts linked to derivatives at fair value. Risk management (Note 26.e) is mainly aimed at recognizing inventories at floating prices, in the same manner as Raízen sales revenue will be recognized when the products are sold to clients. As of June 30, 2021, referred to inventories include measurement at fair value, level 2 hierarchy, as follows:

	Cost value		Fair value		Individual Income (loss)	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun/21	Apr-Jun/20
	Finished goods:					
Diesel	1,032,578	644,964	1,118,987	661,165	70,208	181,151
Gasoline	1,024,447	727,324	1,061,405	758,903	5,379	124,860
Jet	-	-	-	-	-	5,188
	<u>2,057,025</u>	<u>1,372,288</u>	<u>2,180,392</u>	<u>1,420,068</u>	<u>75,587</u>	<u>311,199</u>

	Cost value		Fair value		Consolidated Income (loss)	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun/21	Apr-Jun/20
	Finished goods:					
Diesel	1,762,779	1,298,030	1,849,188	1,314,231	70,208	181,151
Gasoline	1,597,650	1,378,322	1,634,608	1,409,901	5,379	124,860
Jet	-	-	-	-	-	5,188
	<u>3,360,429</u>	<u>2,676,352</u>	<u>3,483,796</u>	<u>2,724,132</u>	<u>75,587</u>	<u>311,199</u>

As of June 30, 2021, inventories are deducted of estimated realization losses and slow-moving and/or obsolete items, amounting to R\$ 122 and R\$ 21,566 (R\$ 20,606 and R\$ 21,690 at March 31, 2021), Individual and Consolidated, respectively. Changes in referred to losses for the three-month periods ended June 30, 2021 and 2020 were recognized in the statement of income under Cost of sales, as follows:

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	<u>Individual</u>	<u>Consolidated</u>
March 31, 2021	(20,606)	(21,690)
Losses constituted through the corporate reorganization	-	(22,539)
Estimated loss	(33)	(1,529)
Reversals and write-offs	20,517	24,192
June 30, 2021	<u>(122)</u>	<u>(21,566)</u>
	Individual	Consolidated
March 31, 2020	<u>(42,854)</u>	<u>(93,827)</u>
Estimated loss	(60)	(60)
Reversals and write-offs	42,897	91,919
Effect of foreign currency translation	-	(2,640)
At June 30, 2020	<u>(17)</u>	<u>(4,608)</u>

7. Biological assets

Raízen's biological assets comprise unharvested cane cultivated in sugarcane crops, which will be used as a source of raw material in the production of sugar, ethanol and bioenergy upon harvesting. Fair value is measured under the discounted cash flow method at present value. The valuation method considers present value of cash flows expected to be generated, including projections of up to two years and using the estimated effective cut dates of 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.

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

	<u>06/30/2021</u>
Estimated harvest area (hectares)	449,249
Quantity of Total Recoverable Sugar ("TRS") per hectare	9.71
Projected average TRS price per kg (R\$/kg)	1.04

As of June 30, 2021, cash flows were discounted at 5.32% (5.32% at March 31, 2021), which is the WACC (Weighted Average Cost of Capital) of subsidiary RESA.

In the period ended June 30, 2021, the Company reviewed the assumptions used to calculate biological assets, the main impact of which was the increase in average TRS price, influenced by the price of ethanol, and also by the price of VHP sugar, in line with what has been observed in recent months as well as new US dollar price projections.

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Changes in biological assets (sugarcane) are as follows:

	<u>Consolidated</u>
March 31, 2021	-
Net assets constituted through the corporate reorganization (Note 11)	1,288,025
Additions to sugarcane treatments	86,523
Absorption of harvested sugarcane costs	(122,580)
Change in fair value	810,933
Fair value realization	(93,369)
June 30, 2021	<u>1,969,532</u>

8. Recoverable taxes

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>03/31/2021</u>	<u>06/30/2021</u>	<u>03/31/2021</u>
Federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	1,321,671	1,066,908	2,231,110	1,486,050
State VAT (ICMS)	824,810	828,321	1,469,237	1,201,349
Value Added Tax	-	-	298,787	384,101
Federal VAT (IPI)	1,308	1,308	43,710	1,308
Other	5,098	5,097	131,780	83,739
Estimated loss on tax realization	(23,497)	(23,725)	(28,324)	(28,781)
	<u>2,129,390</u>	<u>1,877,909</u>	<u>4,146,300</u>	<u>3,127,766</u>
Current	(1,479,171)	(1,391,625)	(2,643,730)	(2,177,355)
Noncurrent	650,219	486,284	1,502,570	950,411

Changes in referred to loss are as follows:

	<u>Individual</u>	<u>Consolidated</u>
March 31, 2021	(23,725)	(28,781)
Reversal of estimated loss, net	228	457
June 30, 2021	<u>(23,497)</u>	<u>(28,324)</u>
	<u>Individual</u>	<u>Consolidated</u>
March 31, 2020	(23,942)	(28,998)
Reversal of estimated loss, net	-	-
June 30, 2020	<u>(23,942)</u>	<u>(28,998)</u>

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9. Related parties

(a) Summary of balances with related parties

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Assets				
Asset classification per currency:				
Domestic (local currency)	3,167,344	1,467,007	1,873,102	1,843,629
Abroad (foreign currency)	142,629	84,362	212,490	135,198
	<u>3,309,973</u>	<u>1,551,369</u>	<u>2,085,592</u>	<u>1,978,827</u>
Asset management (1)				
Raízen Energia S.A. and subsidiaries	1,726,076	-	-	604,370
	<u>1,726,076</u>	<u>-</u>	<u>-</u>	<u>604,370</u>
Commercial and administrative transactions (3)				
Petróleo Sabbá S.A.	169,365	114,725	-	-
Rumo Group	164,956	160,413	215,703	161,823
Shell Group	130,123	84,362	265,898	134,772
Raízen Mime Combustíveis S.A.	100,515	138,099	-	-
Raízen Energia S.A. and subsidiaries	28,468	21,020	-	21,036
Agricopel Group	4,242	4,198	31,066	29,344
Other	19,352	15,735	51,317	10,016
	<u>617,021</u>	<u>538,552</u>	<u>563,984</u>	<u>356,991</u>
Framework agreements (4)				
Shell Brazil Holding B.V.	876,999	921,935	877,518	921,935
Shell Brasil Petróleo Ltda.	76,765	71,861	76,765	71,861
Cosan S.A.	8,444	14,353	557,891	14,353
Other	-	-	9,434	9,317
	<u>962,208</u>	<u>1,008,149</u>	<u>1,521,608</u>	<u>1,017,466</u>
Preferred shares (5)				
Raízen Mime Combustíveis S.A.	4,668	4,668	-	-
	<u>4,668</u>	<u>4,668</u>	<u>-</u>	<u>-</u>
	<u>3,309,973</u>	<u>1,551,369</u>	<u>2,085,592</u>	<u>1,978,827</u>
Current assets	<u>(2,424,027)</u>	<u>(664,212)</u>	<u>(812,277)</u>	<u>(1,095,381)</u>
Noncurrent assets	<u>885,946</u>	<u>887,157</u>	<u>1,273,315</u>	<u>883,446</u>

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	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Liabilities				
Liability classification per currency:				
Domestic (local currency)	1,196,924	981,618	2,403,924	1,220,209
Abroad (foreign currency)	4,825,152	3,444,768	2,294,349	5,560,121
	6,022,076	4,426,386	4,698,273	6,780,330
Asset management (1)				
Raízen Energia S.A. and subsidiaries	-	63,079	-	701,439
	-	63,079	-	701,439
Financial transactions (2)				
Raízen Fuels Finance S.A. ("Raízen Fuels")	3,071,789	3,423,635	-	3,423,635
Cosan S.A.	620	1,953	620	1,953
Other	729	2,297	738	2,305
	3,073,138	3,427,885	1,358	3,427,893
Commercial and administrative transactions (3)				
Shell Group	1,741,358	7,358	2,289,351	511,027
Blueway Trading Importação e Exportação S.A.	454,461	215,706	-	-
Petróleo Sabbá S.A.	133,300	44,915	-	-
Raízen Energia S.A. and subsidiaries	60,613	93,329	-	1,714,422
Raízen Mime Combustíveis S.A.	19,265	34,098	-	-
Rumo Group	18,360	10,837	55,028	11,342
Raízen Argentina S.A.	6,989	8,113	-	-
Other	5,147	10,137	25,148	10,405
	2,439,493	424,493	2,369,527	2,247,196
Framework agreements (4)				
Shell Brasil Petróleo Ltda.	157,606	156,108	157,636	156,138
Shell Brazil Holding B.V.	62,503	62,380	62,503	62,380
Cosan S.A.	1,883	1,883	713,125	1,883
Other	13,084	14,753	13,287	14,955
	235,076	235,124	946,551	235,356
Preferred shares (5)				
Shell Brazil Holding B.V.	169,064	168,446	169,064	168,446
	169,064	168,446	169,064	168,446
Lease liabilities (Note 15.b) (6)				
Saturno Investimentos Imobiliários Ltda.	105,305	107,359	-	-
Radar Propriedades Agrícolas S.A.	-	-	204,788	-
Nova Agrícola Ponte Alta S.A.	-	-	149,178	-
Aguassanta Agrícola S.A.	-	-	91,924	-
Jatobá Propriedades Agrícolas Ltda.	-	-	91,705	-
Aguassanta Desenvolvimento Imobiliário S.S	-	-	79,877	-
Nova Amaralina S/A Propriedades Agrícolas	-	-	76,462	-
Terrainvest Propriedades Agrícolas S.A.	-	-	74,385	-
Proud Participações S.A.	-	-	74,393	-
Aguapar Agrícola Ltda.	-	-	72,393	-
Águas da Ponte Alta S.A.	-	-	64,344	-
Seringueira Propriedades Agrícolas Ltda.	-	-	63,281	-
Bioinvestments Negócios e Participações S.A.	-	-	61,682	-
Other	-	-	107,361	-
	105,305	107,359	1,211,773	-
	6,022,076	4,426,386	4,698,273	6,780,330
Current liabilities	(1,881,748)	(1,616,225)	(1,412,209)	(4,069,152)
Noncurrent liabilities	4,140,328	2,810,161	3,286,064	2,711,178

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(1) Asset management

The amounts recorded in assets and liabilities refer to funds provided to and received from the companies as a way of managing financial resources. On these operations, the Company recorded, in the three-month period ended June 30, 2021, net finance income amounting to R\$ 9,155 and R\$ 2,153 (finance costs amounting to R\$ 488 and finance income amounting to R\$ 1,622 at June 30, 2020), Individual and Consolidated, respectively, by function of the financial management of cash, under the terms of the asset management agreement.

Remuneration and expenses relating to this agreement are calculated subject to real interest at market rate (CDI) on the outstanding monthly balances of fund management, whose maturity agreed by the parties does not exceed 12 months.

(2) Financial transactions

As of June 30, 2021, the amount recorded in the parent company's liabilities refers mostly to PPE agreements payable to indirect subsidiary Raízen Fuels, as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Index	06/30/2021	03/31/2021
PPE	US\$	350,000	01/20/2027	-	2,063,614	2,286,459
		350,000			2,063,614	2,286,459
PPE	€	66,000	10/15/2021	-	403,107	454,239
PPE	€	40,000	01/20/2022	<i>Euribor</i>	240,159	271,363
PPE	€	60,000	09/21/2022	<i>Euribor</i>	364,909	411,574
		166,000			1,008,175	1,137,176
					3,071,789	3,423,635
		Current			(684,898)	(746,446)
		Noncurrent			2,386,891	2,677,189

As of June 30, 2021, the effective annual average interest rate of referred to agreements is of 4.28% (4.27% at March 31, 2021).

Fair value

Type	Classification	Amount raised, restated		Fair value (1)		Individual Finance income (costs)	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun/21	Apr-Jun/20
PPE	Fair value through profit or loss	2,785,159	3,132,353	3,071,789	3,423,635	4,652	(37,906)
		2,785,159	3,132,353	3,071,789	3,423,635	4,652	(37,906)

(1) As of June 30 and March 31, 2021, this includes fair value measurement amounting to R\$ 286,630 and R\$ 291,282, respectively.

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(3) Commercial and administrative transactions

The amounts recorded in assets refers to transactions for the sale of goods, such as gasoline, diesel, ethanol, sugar, and other materials, as well as advances for acquisition of sugarcane and cargo handling at ports.

The amounts recorded in liabilities refer to: (i) transactions for the purchase of goods and provision of services, such as ethanol, diesel, gasoline, road and railroad freight, storage, sugar, cane and advances from clients for sugar export and (ii) right of use from Shell brand.

(4) Framework agreements

The amounts recorded in assets and liabilities refer to balances recoverable from or refundable to Raízen shareholders, since such amounts refer to the period prior to Raízen formation.

(5) Preferred shares

The balances presented in the individual financial statements at June 30 and March 31, 2021 refer to preferred share receivables from Mime relating to proceeds from certain divestitures.

The balance presented in the consolidated financial statements substantially derives from tax benefits to be reimbursed to Shell and Cosan when effectively used by Raízen, which were calculated based on income and social contribution tax losses (“NOL”) and tax benefit on goodwill amortization (“GW”) granted in years prior to Raízen formation. These amounts will be paid through exclusive dividends and/or capital decrease to holders of preferred shares of classes B and E (financial instrument payable).

(6) Lease liabilities

As of June 30, 2021 and 2020, changes in lease liabilities are as follows:

	<u>Individual</u>	<u>Consolidated</u>
At March 31, 2021	107,359	-
Net assets constituted through the corporate reorganization (Note 11)	-	1,214,333
Payments	(4,428)	(19,894)
Interest	2,374	8,429
Remeasurements	-	8,905
At June 30, 2021	<u>105,305</u>	<u>1,211,773</u>
Current	<u>(8,622)</u>	<u>(164,673)</u>
Noncurrent	<u>96,683</u>	<u>1,047,100</u>
	<u>Individual</u>	<u>Consolidated</u>
At March 31, 2020	105,881	-
Payments	(4,070)	-
Interest	2,343	-
At June 30, 2020	<u>104,154</u>	<u>-</u>
Current	<u>(16,287)</u>	<u>-</u>
Noncurrent	<u>87,867</u>	<u>-</u>

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(b) Transactions with related parties (8)

	Individual		Consolidated	
	Apr.-Jun/21	Apr.-Jun/20	Apr.-Jun/21	Apr.-Jun/20
Sale of products				
Rumo Group (4)	412,577	249,275	414,330	250,514
Shell Group (7)	267,257	77,832	394,659	77,832
Agricopel Group (5)	48,027	24,375	296,491	146,756
Raízen Energia S.A. and subsidiaries	231,724	154,981	143,610	154,981
Petróleo Sabbá S.A.	878,184	166,104	-	-
Raízen Mime Combustíveis S.A.	615,415	283,301	-	-
Other	989	8,353	24,183	19,664
	<u>2,454,173</u>	<u>964,221</u>	<u>1,273,273</u>	<u>649,747</u>
Purchase of goods and services				
Blueway Trading Importação e Exportação S.A. (6)	(1,449,388)	(1,610,545)	-	-
Petróleo Sabbá S.A. (6)	(519,696)	(132,433)	-	-
Raízen Mime Combustíveis S.A.	(194,327)	(42,287)	-	-
Raízen Energia S.A. and subsidiaries (6)	(176,758)	(231,253)	(1,729,349)	(1,509,000)
Rumo Group (4)	(42,150)	(25,344)	(93,805)	(26,135)
Agricopel Group (5)	(13,259)	(12,161)	(24,499)	(34,515)
Shell Group (7)	(398)	-	(243,661)	(34,403)
Other	(2,087)	(2,867)	(16,059)	(17,029)
	<u>(2,398,063)</u>	<u>(2,056,890)</u>	<u>(2,107,373)</u>	<u>(1,621,082)</u>
Finance income (costs) (1)				
Raízen Energia S.A. and subsidiaries	363,426	(237,509)	315,642	(398,476)
Saturno Investimentos Imobiliários Ltda.	(2,374)	(2,342)	-	-
Shell Aviation Limited	(9,508)	3,598	(9,508)	3,598
Shell Brands International AG	(11,482)	(4)	(11,482)	(4)
Other	5,044	2,055	(3,693)	2,660
	<u>345,106</u>	<u>(234,202)</u>	<u>290,959</u>	<u>(392,222)</u>
Revenue from services and other (2)				
Shell Brazil Holding B.V.	11,837	-	11,837	-
Comgás – Companhia de Gás de São Paulo	-	-	2,673	-
Grupo Rumo	-	-	1,874	-
Petróleo Sabbá S.A.	2,404	1,482	-	-
Raízen Mime Combustíveis S.A.	1,952	618	-	-
Raízen Energia S.A. and subsidiaries	349	243	183	243
Agricopel Group	146	-	167	32
Other	3,327	323	2,147	35
	<u>20,015</u>	<u>2,666</u>	<u>18,881</u>	<u>310</u>
Service expenses (3)				
Raízen Energia S.A. and subsidiaries	(43,131)	(30,780)	(30,312)	(34,595)
Saturno Investimentos Imobiliários Ltda.	-	-	(26,871)	-
Shell Brasil Petróleo Ltda.	(1,636)	(5,536)	(1,636)	(5,536)
Shell International Petroleum	-	-	(1,102)	-
Shell Aviation Limited	(317)	(295)	(317)	(295)
Shell Brazil Holding B.V.	-	(1,894)	-	(1,894)
Other	(736)	(250)	256	(4)
	<u>(45,820)</u>	<u>(38,755)</u>	<u>(59,982)</u>	<u>(42,324)</u>

- (1) Net finance income (costs) mainly correspond to (i) interest and exchange differences of PPE items, obtained from subsidiary Raízen Fuels; (ii) profit or loss from intercompany fund management agreements; and (iii) commercial exchange differences.
- (2) These refer to (i) commission from lubricants sold to Shell; and (ii) expenses with sharing of corporate, management and operating costs recovered from subsidiaries.
- (3) These refer to (i) expenses with sharing of corporate, management and operating costs with RESA; and (ii) expenses with technical support billing and collection process maintenance, commissions upon sale of Jet and secondees working with 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 Gerais Ltda. Terminal São Simão S.A. and Brado Logística S.A.
- (5) “Agricopel Group” mainly refers to fuel sale transactions represented by the following companies: Agricopel Comércio de Derivados de Petróleo Ltda. Posto Agricopel Ltda. Agricopel Diesel Paraná Ltda. and Blue Adm Administração de Bens Ltda. whose relationship occurs through FIX Investimentos Ltda., which is Mime’s noncontrolling shareholder.

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- (6) The purchase transactions between the Company and subsidiaries Blueway, Sabbá, Mime, Agrícola Ponte Alta Ltda. and Raízen Trading LLP are substantially represented by transactions arising from imports of ethanol and its byproducts in the foreign market.
- (7) “Shell Group” mainly refers to commercial operations performed by Shell Aviation Limited and Shell Trading US Company and right of use of the Shell brand.
- (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) Officers and members of the Board of Directors

Fixed and variable remuneration to Raízen key management personnel, including statutory officers and members of the Board of Directors, recognized in profit or loss for the three-month period ended June 30, 2021 and 2020, is as follows:

	<u>Apr-Jun/21</u>	<u>Apr-Jun/20</u>
Regular remuneration	(13,750)	(14,479)
Bonuses and other variable remuneration	<u>(16,293)</u>	<u>(6,271)</u>
Total remuneration	<u><u>(30,043)</u></u>	<u><u>(20,750)</u></u>

The Company shares corporate, management and operational structures and costs with its subsidiary RESA. Key management personnel are mostly comprised of RESA employees and costs are transferred to the Company through issue of debit notes. In the two-month period (April and May 2021), the Company recorded in the statement of income for the consolidated period the amount of R\$ 11,897 (R\$ 12,933 at June 30, 2020) for these expenses with management key personnel. On June 1, 2021, within the corporate reorganization (Note 1) these expenses began to be eliminated.

(d) Other significant information involving related parties

Guarantees

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

Revolving Credit Facility

The Company has a loan facility amounting to US\$ 700,000 thousand, which had not been used until the end of this interim financial information, as follows:

<u>Beneficiary</u>	<u>Institution</u>	<u>in US\$</u>	<u>Maturity</u>
Raízen S.A.	Shell Finance (Netherlands) B.V. and Cosan S.A.	700,000	May/2025

On February 5, 2021, Cosan and Shell, as joint controlling shareholders of Raízen, entered into an Underwriting Agreement, stipulating the procedures and circumstances under which Raízen may notify its shareholders and request a contribution via capital increase of up to US\$ 700,000 thousand, total amount for both shareholders. The terms of this Underwriting Agreement establish that, if Raízen achieves certain financial leverage ratios, a meeting of the Board of Directors must be held to determine the total capital increase that will be necessary. Worth mentioning, Raízen is classified as Investment Grade, supported by robust capital discipline.

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Indirect subsidiary Raízen Fuels has a loan facility amounting to US\$ 300,000 thousand, which had not been used until the end of this interim financial information, as follows:

<u>Beneficiary</u>	<u>Institution</u>	<u>in US\$</u>	<u>Maturity</u>
Raízen Fuels	Syndicate of banks	300,000	April 2024

10. Assets from contracts with clients

	<u>Individual</u>	<u>Consolidated</u>
March 31, 2021	<u>2,270,068</u>	<u>2,730,497</u>
Additions	103,419	137,681
Amortization	(102,118)	(131,603)
Effect foreign currency translation	-	(14,993)
Balances at June 30, 2021	<u>2,271,369</u>	<u>2,721,582</u>
Current	<u>(388,285)</u>	<u>(483,678)</u>
Noncurrent	<u>1,883,084</u>	<u>2,237,904</u>
	<u>Individual</u>	<u>Consolidated</u>
March 31, 2020	<u>2,161,301</u>	<u>2,567,165</u>
Additions	153,266	176,858
Amortization	(87,855)	(111,681)
Effect foreign currency translation	-	3,712
Balances at June 30, 2020	<u>2,226,712</u>	<u>2,636,054</u>
Current	<u>(385,866)</u>	<u>(471,964)</u>
Noncurrent	<u>1,840,846</u>	<u>2,164,090</u>

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11. Investments

(a) Individual

Book value	Country	Business activity	Equity interest	Investments		Equity accounting results	
				06/30/2021	03/31/2021	Apr-Jun/21	Apr-Jun/20
Subsidiaries							
Raízen Argentina and subsidiaries	Argentina	Fuel trade and processing	100.00%	3,243,504	3,714,269	(9,483)	(275,201)
Raízen Energia S.A.	Brazil	Sugar, power and ethanol production	100.00%	6,468,111	-	445,948	-
Petróleo Sabbá S.A.	Brazil	Fuel trade	80.00%	936,474	915,504	20,970	(8,284)
Raízen Mime Combustíveis S.A.	Brazil	Fuel trade	76.00%	173,708	163,615	10,093	5,791
Blueway Trading Importação e Exportação S.A.	Brazil	Import and export	99.99%	232,741	149,515	83,226	1,291
Sabor Raiz Alimentação S.A.	Brazil	Food	69.35%	328	326	2	2
Saturno Investimentos Imobiliário Ltda.	Brazil	Real-estate investments	99.99%	216,959	214,759	2,201	8,200
				11,271,825	5,157,988	552,957	(268,201)
Jointly-controlled subsidiary							
Rede Integrada de Lojas de Conveniência e Proximidade S.A. ("Rede")	Brazil	Convenience and proximity stores	50.00%	202,150	202,593	(442)	4,359
Affiliates							
Navegantes Logística Portuária S.A.	Brazil	Port activities	33.33%	20,297	21,080	(783)	-
Nordeste Logística I S.A.	Brazil	Port activities	33.33%	636	787	(151)	-
Nordeste Logística II S.A.	Brazil	Port activities	33.33%	13,885	7,637	(153)	-
Nordeste Logística III S.A.	Brazil	Port activities	33.33%	10,200	9,663	(62)	-
				45,018	39,167	(1,149)	-
				11,518,993	5,399,748	551,366	(263,842)
Appreciation of assets, net attributed to subsidiaries and jointly-controlled subsidiary							
Raízen Argentina and subsidiaries (i)				411,098	509,229	(60,512)	(15,432)
Raízen Mime Combustíveis S.A.				4,608	5,268	(660)	(670)
Rede Integrada de Lojas de Conveniência e Proximidade S.A.				507,160	511,000	(3,840)	(3,840)
				922,866	1,025,497	(65,012)	(19,942)
Investments goodwill							
Raízen Argentina and subsidiaries				272,720	300,132	-	-
Total investments				12,714,579	6,725,377	486,354	(283,784)

- (i) As of June 30, 2021, referred to appreciation amounts and goodwill were reduced by the effect of deferred tax liabilities amounting to R\$ 237,958 (R\$ 302,632 at March 31, 2021). In the three-month period ended June 30, 2021, the impact of these taxes on realization of appreciation amounted to R\$ 20,574 (R\$ 5,248 at June 30, 2020), recorded in profit or loss for the year under deferred income and social contribution taxes.

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(b) Consolidated

Carrying amount	Country	Business activity	Equity interest	Consolidated		Equity accounting results	
				06/30/2021	03/31/2021	Apr-Jun/21	Apr-Jun/20
Jointly-controlled subsidiary							
Rede Integrada de Lojas de Conveniência e Proximidade S.A.	Brazil	Convenience and proximity stores	50.00%	202,150	202,593	(442)	4,359
Affiliates							
Termap S.A.	Argentina	Port terminal	3.50%	376	390	(14)	-
Latitude Logística Portuária S.A.	Brazil	Port activities	50.00%	3,980	4,078	(97)	-
Navegantes Logística Portuária S.A.	Brazil	Port activities	33.33%	20,297	21,080	(783)	-
Nordeste Logística I S.A.	Brazil	Port activities	33.33%	636	787	(151)	-
Nordeste Logística II S.A.	Brazil	Port activities	33.33%	13,885	7,637	(153)	-
Nordeste Logística III S.A.	Brazil	Port activities	33.33%	10,200	9,663	(62)	-
Centro de Tecnologia Canaveira S.A.	Brazil	P&D	19.58%	138,563	-	1,750	-
Logum Logística S.A.	Brazil	Logistics	30.00%	277,178	-	(2,739)	-
Uniduto Logística S.A.	Brazil	Logistics	46.48%	42,943	-	(450)	-
				508,058	43,635	(2,699)	-
Appreciation of assets, net attributed to jointly-controlled subsidiary							
Rede Integrada de Lojas de Conveniência e Proximidade S.A.				507,160	511,000	(3,840)	(3,840)
Goodwill on investment							
Uniduto Logística S.A.				5,676	-	-	-
Centro de Tecnologia Canaveira S.A.				51,946	-	-	-
				57,622	-	-	-
Total investments				1,274,990	757,228	(6,981)	519

(c) Changes in investments

	Individual	Consolidated
March 31, 2021	6,725,377	757,228
Capital increase	5,727,866	517,929
Equity income (loss)	486,354	(6,981)
Equity accounting results from investees (2)	292,077	-
Effect of redemption of preferred shares on subsidiary (Note 20.a)	2,220	-
Additions (1)	7,000	7,000
Effect of foreign currency translation and other	(526,315)	(186)
June 30, 2021	12,714,579	1,274,990
	Individual	Consolidated
March 31, 2020	6,086,249	739,008
Equity income (loss)	(283,784)	519
Effect of foreign currency translation and other	185,211	19
June 30, 2020	5,987,676	739,546

(1) In May 2021, capital was contributed to affiliates Nordeste Logística II S.A. and Nordeste Logística III S.A. amounting to R\$ 6,400 and R\$ 600, respectively.

(2) Refers to hedge accounting operations, net of deferred taxes and effects of foreign currency translation recognized on the statement of compressive income of the subsidiary RESA.

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Investment contribution in RESA by shareholders Shell and Cosan

As mentioned in Note 1, at the ASM held on June 1, 2021, shareholders Shell and Cosan contributed all their RESA shares to the Company, corresponding to 7,243,283,197 common shares and 100,001 preferred shares, equivalent to 100% of capital, for R\$ 5,727,866, less equity variations, amounting to R\$ 248,090, in relation to the net assets contributed from the base date of the independent appraisal report and referred to ASM.

Net consolidated assets contributed by the shareholders to the Company are as follows:

Heading	Balance
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	55,368
Biological assets (Note 7)	1,288,025
Recoverable income tax and social contribution	341,382
Recoverable Taxes	818,714
Deferred income tax and social contribution assets, net (Note 17)	2,054,100
Related parties – assets, net	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
Rights 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	(747,588)
Income and social contribution taxes payable	(307,992)
Taxes payable	(145,496)
Provision for legal disputes (Note 18)	(547,389)
Other current and noncurrent assets, net	70,319
Consolidated net assets of Raízen Energia	5,755,320
Attributed to noncontrolling interests	(27,454)
Attributed to controlling interests	5,727,866
Capital increase as per ASM of June 1, 2021	5,975,956
Changes in net assets contributed (1)	(248,090)
Consolidated net assets contributed	5,727,866

- (1) Equity variations from the base date of the valuation, at March 31, 2021, and effective contribution date of RESA consolidated assets contributed by Shell and Cosan, on June 1, 2021, amounting to R\$ 248,090, were absorbed by the Company and matched against Capital reserve, in equity.

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(d) Selected information of joint subsidiary Rede

Financial information of joint subsidiary Rede based on its financial statements, adjusted for the fair value recorded at the joint venture date and for the differences in accounting policies, where applicable, is presented below. This summarized financial information is also reconciled to the carrying amount of interests held by Raízen in JV Rede.

	<u>06/30/2021</u>	<u>03/31/2021</u>
Current assets	391,175	414,452
Noncurrent assets	141,622	117,080
Current liabilities	(64,938)	(75,506)
Noncurrent liabilities	(59,702)	(47,418)
Consolidated equity	408,157	408,608
Attributed to noncontrolling interests	(3,856)	(3,423)
Attributed to controlling interests – joint venture	404,301	405,185
Raízen interests	50.00%	50.00%
Interests in equity	202,150	202,593
Appreciation and remeasurement at fair value	532,762	532,762
Accumulated amortization of appreciation	(25,602)	(21,762)
Appreciation and revaluation, net	507,160	511,000
Carrying amount of interests	709,310	713,593
	<u>Apr-Jun/21</u>	<u>Apr-Jun/20</u>
Net operating revenue	43,332	23,413
Net income (loss) for the consolidated period	(451)	9,039
Attributed to noncontrolling interests	(433)	(321)
Attributed to controlling interests – joint venture	(884)	8,718
Raízen interests	50.00%	50.00%
Equity accounting results	(442)	4,359

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12. Property, plant and equipment

	Individual							
	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture, fixtures and IT equipment	Construction in progress	Other	Total
Costs and valuation:								
March 31, 2021	354,780	407,127	1,164,739	127,122	27,567	206,601	17,049	2,304,985
Additions	-	-	(261)	-	-	15,084	-	14,823
Write-offs	-	(2,127)	(4,007)	(406)	(132)	-	-	(6,672)
Reversal of estimated loss, net (Note 24)	-	-	159	-	-	-	-	159
Transfers (1)	342	4,056	13,425	75	499	(24,253)	-	(5,856)
June 30, 2021	355,122	409,056	1,174,055	126,791	27,934	197,432	17,049	2,307,439
Accumulated depreciation:								
March 31, 2021	-	(61,332)	(634,609)	(77,388)	(17,584)	-	(14,570)	(805,483)
Depreciation in the period	-	(2,637)	(18,575)	(2,065)	(1,267)	-	(220)	(24,764)
Write-offs	-	1,021	4,645	372	106	-	-	6,144
Transfers (1)	-	2	18	-	(20)	-	-	-
June 30, 2021	-	(62,946)	(648,521)	(79,081)	(18,765)	-	(14,790)	(824,103)
Net residual value								
June 30, 2021	355,122	346,110	525,534	47,710	9,169	197,432	2,259	1,483,336
March 31, 2021	354,780	345,795	530,130	49,734	9,983	206,601	2,479	1,499,502

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	Individual							
	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture, fixtures and IT equipment	Construction in progress	Other	Total
Costs and valuation:								
March 31, 2020	356,124	373,621	1,139,233	118,283	20,823	243,211	17,049	2,268,344
Additions	-	-	95	-	130	31,017	-	31,242
Write-offs	-	(761)	(8,414)	(58)	(249)	-	-	(9,482)
Reversal of estimated loss, net (Note 24)	-	-	566	-	-	-	-	566
Transfers	-	1,104	18,104	124	749	(20,065)	-	16
June 30, 2020	356,124	373,964	1,149,584	118,349	21,453	254,163	17,049	2,290,686
Accumulated depreciation:								
March 31, 2020	-	(55,588)	(599,582)	(71,236)	(13,442)	-	(13,739)	(753,587)
Depreciation in the period	-	(2,028)	(16,829)	(2,064)	(1,170)	-	(207)	(22,298)
Write-offs	-	606	6,581	58	202	-	-	7,447
June 30, 2020	-	(57,010)	(609,830)	(73,242)	(14,410)	-	(13,946)	(768,438)
Net residual value								
June 30, 2020	356,124	316,954	539,754	45,107	7,043	254,163	3,103	1,522,248
March 31, 2020	356,124	318,033	539,651	47,047	7,381	243,211	3,310	1,514,757

(1) This refers to amounts transferred to Intangible assets (software).

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	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	Other	Total
Cost or valuation:										
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 constituted through the 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
Additions	-	1,712	17,204	9	225	178,475	44,376	7,362	2,686	252,049
Write-offs	-	(3,140)	(12,678)	(4,164)	(132)	-	(2,781)	-	-	(22,895)
Reversal of estimated loss, net (Note 24)	-	-	382	1,103	3	-	-	-	-	1,488
Transfers	2,407	11,586	188,193	894	1,984	(212,781)	-	630	105	(6,982)
Effect of foreign currency translation	(108,993)	(124,553)	(559,388)	(5,794)	(6,605)	(82,821)	-	-	(9,206)	(897,360)
June 30, 2021	1,167,747	3,363,244	14,436,057	706,739	296,778	1,726,559	7,201,382	1,568,165	60,418	30,527,089
Accumulated depreciation:										
March 31, 2021	-	(233,543)	(1,815,926)	(77,161)	(41,617)	-	-	-	(14,889)	(2,183,136)
Net assets constituted through the corporate reorganization (Note 11)	-	(566,239)	(4,330,178)	(315,309)	(163,427)	-	(5,039,227)	(903,459)	(26,375)	(11,344,214)
Depreciation in the period	-	(23,318)	(213,232)	(8,023)	(4,420)	-	(85,480)	(124,473)	(698)	(459,644)
Write-offs	-	2,035	12,014	3,060	106	-	-	-	-	17,215
Transfers	-	(130)	603	(435)	(284)	-	-	-	-	(246)
Effect of foreign currency translation	-	47,278	266,985	3,433	3,678	-	-	-	-	321,374
June 30, 2021	-	(773,917)	(6,079,734)	(394,435)	(205,964)	-	(5,124,707)	(1,027,932)	(41,962)	(13,648,651)
Net residual value:										
June 30, 2021	1,167,747	2,589,327	8,356,323	312,304	90,814	1,726,559	2,076,675	540,233	18,456	16,878,438
March 31, 2021	1,229,147	1,246,753	3,191,805	70,499	29,839	886,253	-	-	15,347	6,669,643

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	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	Other	Total
Cost or valuation:										
March 31, 2020	1,153,551	1,295,459	4,501,108	135,758	58,830	714,452	-	-	16,990	7,876,148
Additions	-	-	432	-	213	90,627	-	-	12,274	103,546
Write-offs	(1,742)	(1,939)	(13,488)	(58)	(621)	-	-	-	-	(17,848)
Reversal of estimated loss, net (Note 24)	-	-	611	-	-	-	-	-	-	611
Transfers	-	10,213	25,118	527	431	(25,094)	-	-	(8,418)	2,777
Effect of foreign currency translation and other	37,400	40,016	153,698	849	1,088	16,317	-	-	368	249,736
June 30, 2020	1,189,209	1,343,749	4,667,479	137,076	59,941	796,302	-	-	21,214	8,214,970
Accumulated depreciation:										
March 31, 2020	-	(159,617)	(1,284,734)	(66,741)	(28,480)	-	-	-	(14,058)	(1,553,630)
Depreciation in the period	-	(15,956)	(122,715)	(3,209)	(2,371)	-	-	-	(208)	(144,459)
Write-offs	-	1,909	12,450	58	592	-	-	-	-	15,009
Transfers	-	(4,477)	(48)	-	1,397	-	-	-	-	(3,128)
Effect of foreign currency translation	-	(4,318)	(26,021)	93	(216)	-	-	-	-	(30,462)
June 30, 2020	-	(182,459)	(1,421,068)	(69,799)	(29,078)	-	-	-	(14,266)	(1,716,670)
Net residual value:										
June 30, 2020	1,189,209	1,161,290	3,246,411	67,277	30,863	796,302	-	-	6,948	6,498,300
March 31, 2020	1,153,551	1,135,842	3,216,374	69,017	30,350	714,452	-	-	2,932	6,322,518

(1) This refers to amounts transferred to Intangible assets (software).

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13. Intangible assets

	Software license	Goodwill	Brands	Grant rights and other	Individual Total
Cost or valuation:					
March 31, 2021	385,627	439,585	532,078	351	1,357,641
Additions (1)	8,001	-	1,722,993	-	1,730,994
Transfers (2)	5,856	-	-	-	5,856
June 30, 2021	399,484	439,585	2,255,071	351	3,094,491
Accumulated amortization:					
March 31, 2021	(237,089)	-	(527,705)	-	(764,794)
Amortization in the period	(8,461)	-	(19,103)	-	(27,564)
June 30, 2021	(245,550)	-	(546,808)	-	(792,358)
Net residual value:					
June 30, 2021	153,934	439,585	1,708,263	351	2,302,133
March 31, 2021	148,538	439,585	4,373	351	592,847

(1) As mentioned on Note 1, Raízen and Shell Brands International AG renewed the agreement referring to use license of the “Shell” brand for a minimum period of 13 (thirteen) years, which may be renewed as long as certain contractual conditions are fulfilled.

(2) These refer to amounts transferred from property, plant and equipment.

	Software license	Goodwill	Brands	Grant rights and other	Individual Total
Cost or valuation:					
March 31, 2020	343,128	439,585	532,078	18,645	1,333,436
Additions	7,351	-	-	-	7,351
Transfers	(16)	-	-	-	(16)
June 30, 2020	350,463	439,585	532,078	18,645	1,340,771
Accumulated amortization:					
March 31, 2020	(210,130)	-	(475,201)	-	(685,331)
Amortization in the period	(5,321)	-	(13,126)	-	(18,447)
June 30, 2020	(215,451)	-	(488,327)	-	(703,778)
Net residual value:					
June 30, 2020	135,012	439,585	43,751	18,645	636,993
March 31, 2020	132,998	439,585	56,877	18,645	648,105

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	Consolidated									
	Software license	Goodwill	Brands	Contractual relationships with clients	Grant rights and other	Sharecropping agreements	Sugarcane supply agreements	Right of use - public concessions	Technology	Total
Cost or valuation:										
March 31, 2021	435,486	780,019	532,348	412,035	26,361	-	-	-	-	2,186,249
Net assets constituted through the corporate reorganization (Note 11)	354,444	1,978,729	-	16,196	29,276	18,122	181,516	12,542	185,138	2,775,963
Additions (1)	11,148	-	1,722,993	-	-	-	-	-	-	1,734,141
Transfers (2)	7,228	-	-	-	-	-	-	-	-	7,228
Effect of foreign currency translation and other	(7,692)	(41,535)	-	(50,270)	(544)	-	-	-	-	(100,041)
June 30, 2021	800,614	2,717,213	2,255,341	377,961	55,093	18,122	181,516	12,542	185,138	6,603,540
Accumulated amortization:										
March 31, 2021	(245,059)	-	(527,956)	(66,796)	(1,220)	-	-	-	-	(841,031)
Net assets constituted through the corporate reorganization (Note 11)	(250,269)	(431,380)	-	(3,828)	(21,204)	(18,078)	(121,198)	(12,542)	(114,544)	(973,043)
Amortization in the period	(14,194)	-	(19,102)	(19,188)	(400)	-	(1,240)	-	(2,628)	(56,752)
Effect of foreign currency translation and other	2,809	-	-	9,991	-	-	-	-	-	12,800
June 30, 2021	(506,713)	(431,380)	(547,058)	(79,821)	(22,824)	(18,078)	(122,438)	(12,542)	(117,172)	(1,858,026)
Net residual value:										
June 30, 2021	293,901	2,285,833	1,708,283	298,140	32,269	44	59,078	-	67,966	4,745,514
March 31, 2021	190,427	780,019	4,392	345,239	25,141	-	-	-	-	1,345,218

- (1) As mentioned on Note 1, Raízen and Shell Brands International AG renewed the agreement referring to use license of the “Shell” brand for a minimum period of 13 (thirteen) years, which may be renewed as long as certain contractual conditions are fulfilled.
- (2) These refer to amounts transferred from property, plant and equipment.

	Consolidated									
	Software license	Goodwill	Brands	Contractual relationships with customers	Grant rights and other	Sharecropping agreements	Sugarcane supply agreements	Right of use - public concessions	Technology	Total
Cost or valuation:										
At March 31, 2020	356,754	661,483	532,348	268,569	44,655	-	-	-	-	1,863,809
Additions	7,527	-	-	-	-	-	-	-	-	7,527
Transfers	1,748	-	-	-	-	-	-	-	-	1,748
Foreign currency translation effect and other	779	-	-	-	-	-	-	-	-	779
At June 30, 2020	366,808	661,483	532,348	268,569	44,655	-	-	-	-	1,873,863
Amortization:										
At March 31, 2020	(212,303)	-	(475,452)	(30,722)	(65)	-	-	-	-	(718,542)
Amortization in the period	(6,092)	-	(13,126)	(5,118)	(49)	-	-	-	-	(24,385)
Transfers	(1,397)	-	-	-	-	-	-	-	-	(1,397)
Foreign currency translation effect and other	(198)	-	-	-	-	-	-	-	-	(198)
At June 30, 2020	(219,990)	-	(488,578)	(35,840)	(114)	-	-	-	-	(744,522)
Net residual value:										
At June 30, 2020	146,818	661,483	43,770	232,729	44,541	-	-	-	-	1,129,341
At March 31, 2020	144,451	661,483	56,896	237,847	44,590	-	-	-	-	1,145,267

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14. Suppliers

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Suppliers agreements	5,277,334	4,762,285	6,996,680	4,955,105
Materials and services	155,395	159,006	2,321,931	641,457
Sugarcane	-	-	1,166,417	-
Oil and oil byproducts	358,265	312,838	1,221,461	893,039
Ethanol	577,870	142,711	594,716	168,379
	<u>6,368,864</u>	<u>5,376,840</u>	<u>12,301,205</u>	<u>6,657,980</u>
Domestic (local currency)	6,366,796	5,376,668	9,138,480	5,646,523
Abroad (foreign currency) (Note 26.d)	2,068	172	3,162,725	1,011,457
	<u>6,368,864</u>	<u>5,376,840</u>	<u>12,301,205</u>	<u>6,657,980</u>

The characteristics of trade accounts payable are the same disclosed in the annual financial statements as of March 31, 2021 (Note 13). The procedures for recognition, measurement and accounting records did not change, and credit risk of the counterparties involved in the balances did not change significantly.

15. Leases

(a) Rights of use

At June 30, 2021, rights of use are presented by the following underlying assets:

				Individual
	Properties	Vehicles	Machinery and equipment	Total
Cost or valuation:				
March 31, 2021	<u>221,924</u>	<u>23,227</u>	<u>495</u>	<u>245,646</u>
Additions	-	109	-	109
Write-offs	(3,781)	-	-	(3,781)
Remeasurements	<u>12,358</u>	<u>472</u>	<u>-</u>	<u>12,830</u>
June 30, 2021	<u>230,501</u>	<u>23,808</u>	<u>495</u>	<u>254,804</u>
Accumulated amortization:				
March 31, 2021	<u>(72,910)</u>	<u>(8,821)</u>	<u>(235)</u>	<u>(81,966)</u>
Amortization in the period	(9,931)	(1,161)	(28)	(11,120)
Write-offs	350	-	-	350
June 30, 2021	<u>(82,491)</u>	<u>(9,982)</u>	<u>(263)</u>	<u>(92,736)</u>
Net residual value:				
June 30, 2021	<u>148,010</u>	<u>13,826</u>	<u>232</u>	<u>162,068</u>
March 31, 2021	<u>149,014</u>	<u>14,406</u>	<u>260</u>	<u>163,680</u>

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	Properties	Vehicles	Machinery and equipment	Individual Total
Cost or valuation:				
March 31, 2020	218,013	22,557	495	241,065
Additions	2,722	-	-	2,722
Write-offs	(945)	-	-	(945)
Remeasurements	59	(293)	-	(234)
June 30, 2020	219,849	22,264	495	242,608
Accumulated amortization:				
March 31, 2020	(36,340)	(4,438)	(117)	(40,895)
Amortization in the period	(9,451)	(1,021)	(30)	(10,502)
June 30, 2020	(45,791)	(5,459)	(147)	(51,397)
Net residual value:				
June 30, 2020	174,058	16,805	348	191,211
March 31, 2020	181,673	18,119	378	200,170

	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Furniture, fixtures and IT equipment	Consolidated Total
Cost or valuation:							
March 31, 2021	255,281	261,859	597,687	1,090	-	-	1,115,917
Net assets constituted through the corporate reorganization (Note 11)	7,917,099	166,496	269,291	533,870	97,324	5,059	8,989,139
Additions	90,916	6,458	39,190	483	-	-	137,047
Write-offs	(15,761)	(3,928)	-	(3,851)	-	-	(23,540)
Remeasurements (1)	60,903	15,903	2,970	(121)	-	-	79,655
Effect of foreign currency translation	(27,168)	(18,764)	(71,819)	(72)	-	-	(117,823)
Other	(10,466)	-	-	-	-	-	(10,466)
June 30, 2021	8,270,804	428,024	837,319	531,399	97,324	5,059	10,169,929
Accumulated amortization:							
March 31, 2021	(47,717)	(190,594)	(365,481)	(389)	-	-	(604,181)
Net assets constituted through the corporate reorganization (Note 11)	(1,954,345)	(54,839)	(121,375)	(117,228)	(12,719)	(941)	(2,261,447)
Amortization in the period	(194,963)	(28,429)	(38,612)	(10,824)	(824)	-	(273,652)
Write-offs	3,357	461	-	1,312	-	-	5,130
Effect of foreign currency translation effect	5,228	15,126	45,047	23	-	-	65,424
June 30, 2021	(2,188,440)	(258,275)	(480,421)	(127,106)	(13,543)	(941)	(3,068,726)
Net residual value:							
June 30, 2021	6,082,364	169,749	356,898	404,293	83,781	4,118	7,101,203
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.

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	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Furniture, fixtures and IT equipment	Consolidated Total
Cost or valuation:							
March 31, 2020	233,466	209,314	546,211	493	-	-	989,484
Additions	-	11,732	-	-	-	-	11,732
Write-offs	-	(12,448)	-	-	-	-	(12,448)
Remeasurements	(1,242)	59	(385)	-	-	-	(1,568)
Effect of foreign currency translation	12,418	3,369	27,784	-	-	-	43,571
June 30, 2020	244,642	212,026	573,610	493	-	-	1,030,771
Accumulated amortization:							
March 31, 2020	(24,073)	(81,316)	(174,912)	(117)	-	-	(280,418)
Amortization in the period	(5,981)	(24,062)	(46,783)	(29)	-	-	(76,855)
Write-offs	-	7,025	-	-	-	-	7,025
Effect of foreign currency translation	(1,443)	(2,728)	(10,138)	-	-	-	(14,309)
June 30, 2020	(31,497)	(101,081)	(231,833)	(146)	-	-	(364,557)
Net residual value:							
June 30, 2020	213,145	110,945	341,777	347	-	-	666,214
March 31, 2020	209,393	127,998	371,299	376	-	-	709,066

(b) Lease liabilities

Changes in lease liabilities in the three-month periods ended June 30, 2021 and 2020 are as follows:

	Individual	Consolidated
March 31, 2021	78,002	486,879
Net assets constituted through the corporate reorganization (Note 11)	-	5,757,038
Additions	109	137,046
Write-offs	(3,573)	(18,566)
Payments	(9,221)	(198,239)
Interest	1,258	50,370
Transfers	-	(34,805)
Remeasurements (1)	12,830	70,740
Effect of foreign currency translation	-	(47,792)
June 30, 2021	79,405	6,202,671
Domestic (local currency)	79,405	5,857,538
Abroad (foreign currency) (Note 26.d)	-	345,133
	79,405	6,202,671
Current	(34,004)	(1,249,561)
Noncurrent	45,401	4,953,110

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

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	<u>Individual</u>	<u>Consolidated</u>
March 31, 2020	105,341	674,086
Additions	2,722	11,732
Write-offs	(991)	(5,466)
Payments	(7,377)	(89,049)
Interest	1,835	13,430
Remeasurements	(234)	(1,568)
Effect of foreign currency translation	-	26,916
June 30, 2020	<u>101,296</u>	<u>630,081</u>
Domestic (local currency)	101,296	135,955
Abroad (foreign currency) (Note 26.d)	-	494,126
	<u>101,296</u>	<u>630,081</u>
Current	(43,406)	(257,276)
Noncurrent	<u>57,890</u>	<u>372,805</u>

The weighted average incremental borrowing rate applied to lease liabilities as of June 30, 2021 was 8.6% per year (8.3% at March 31, 2021).

As of June 30, 2021, maturity of lease liabilities of third parties and related parties (Note 9.a) is as follows:

<u>Years</u>	<u>Present value</u>	<u>Future value</u>
1 to 12 months	1,414,234	1,804,658
13 to 24 months	1,328,695	1,819,771
25 to 36 months	1,116,476	1,537,257
37 to 48 months	871,649	1,211,090
49 to 60 months	715,577	967,268
61 to 72 months	556,508	778,291
73 to 84 months	357,387	506,360
85 to 96 months	256,235	363,881
97 to 120 months	189,162	272,588
More than 121 months	<u>608,521</u>	<u>873,840</u>
Gross amount	<u>7,414,444</u>	<u>10,135,004</u>
Potential right to PIS and COFINS recoverable (1)	<u>(653,911)</u>	<u>(891,048)</u>
Net amount	<u>6,760,533</u>	<u>9,243,956</u>

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

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16. Loans and financing

Type	Final maturity	Index	Effective annual average interest rate (1)		Individual		Consolidated	
			06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Debt classification per currency:								
Denominated in Brazilian real (R\$)					757,318	754,407	8,583,806	754,407
Denominated in US dollar (Note 26.d)					6,730,800	5,974,221	15,319,883	6,830,787
					7,488,118	6,728,628	23,903,689	7,585,194
Debt type (2):								
Pre-export financing contracts (PPE)	October/25	US\$ + Libor	1.70%	1.90%	5,184,363	5,974,221	7,431,391	6,830,787
PPE	March/22	Fixed rate	0.90%	-	220,223	-	220,223	-
Senior Notes Due 2027	January/27	US\$	5.30%	-	-	-	4,102,427	-
Agribusiness Receivables Certificate (CRA)	July/30	IPCA	11.06%	9.80%	254,935	249,924	3,639,330	249,924
CRA	July/29	CDI	4.03%	2.60%	502,297	504,211	2,246,533	504,211
Banco Nacional de Desenvolvimento Social ("BNDES")	March/24	URTJLP	4.61%	4.40%	42	63	1,566	63
BNDES	December/30	Fixed rate	3.64%	-	-	-	248,718	-
BNDES	April/24	UMBND	5.06%	4.90%	45	209	22,484	209
BNDES	December/38	IPCA	10.64%	-	-	-	145,928	-
Advances on foreign exchange contracts (ACC)	March/22	Fixed rate	0.84%	-	1,326,213	-	1,326,213	-
Debentures	June/30	IPCA + Interest	10.14%	-	-	-	1,155,309	-
Term Loan Agreement	2024	US dollar (US\$) + Libor	1.17%	-	-	-	1,022,472	-
Rural financial product note (CPF-R)	2029	CDI	4.76%	-	-	-	1,004,093	-
Schuldschein	September/22	Euribor	1.64%	-	-	-	608,860	-
Schuldschein	October/21	Fixed rate - €	2.88%	-	-	-	399,189	-
Finep	November/22	Fixed rate	5.00%	-	-	-	46,891	-
Finame/Leases	January/25	Fixed rate	6.75%	-	-	-	39,618	-
Resolution No. 2471 (PESA)	April/23	IGP-M	24.38%	-	-	-	32,893	-
Resolution No. 2471 (PESA)	October/25	Fixed rate	3.00%	-	-	-	38	-
Working capital and other	December/21	FED	1.84%	-	-	-	209,513	-
					7,488,118	6,728,628	23,903,689	7,585,194
Expenses with placement of securities:								
CRA					-	-	(33,175)	-
CPR-F					-	-	(10,819)	-
Debentures					-	-	(4,543)	-
Senior Notes Due 2027					-	-	(3,803)	-
BNDES					(16)	(27)	(1,622)	(27)
PPE					-	-	(112)	-
					(16)	(27)	(54,074)	(27)
					7,488,102	6,728,601	23,849,615	7,585,167
Current					(2,058,143)	(439,464)	(3,873,229)	(441,435)
Noncurrent					5,429,959	6,289,137	19,976,386	7,143,732

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- (1) Effective annual interest rate corresponds to contract rate plus London InterBank Offered Rate (Libor), European Interbank Offered Rate (Euribor), Long-term Interest Reference Unit (URTJLP), General Market Price Index (IGP-M), BNDES Monetary Unit (UMBND), Extended Consumer Price Index (IPCA) and Interbank Deposit Certificates (CDI), where applicable.

Loans and financing are generally guaranteed by promissory notes from Raízen. In certain cases, loans and financing also have security interest, such as i) receivables arising from energy trading contracts (BNDES); ii) National Treasury Certificates (CTN) and land mortgage (PESA); iii) property, plant and equipment; and iv) lien of financed assets (Finame).

As of June 30, 2021, maturity of installments falling due in the long term, less borrowing costs, is as follows:

	<u>Individual</u>	<u>Consolidated</u>
13 to 24 months	2,002,149	3,525,608
25 to 36 months	1,398,305	3,028,556
37 to 48 months	1,756,906	3,556,770
49 to 60 months	272,599	1,354,287
61 to 72 months	-	4,650,350
73 to 84 months	-	1,278,828
85 to 96 months	-	1,279,263
More than 97 months	-	1,302,724
	<u>5,429,959</u>	<u>19,976,386</u>

Funds raised in the three-month period ended June 30, 2021

	<u>Company</u>	<u>Date</u>	<u>Amount raised</u>	<u>Equivalent-US\$</u>	<u>Maturity</u>
Debt type:					
Advances on Exchange					
Contracts (ACC)	Raízen S.A.	Jun/21	1,149,495	225,000	Mar/22
ACC	Raízen S.A.	Jun/21	205,260	40,000	Dec/21
PPE	Raízen S.A.	Jun/21	225,161	44,000	Mar/22
PPE	Raízen Argentina	Apr/21	66,935	12,000	Jan/22
PPE		May/2			
	Raízen Argentina	1	15,868	3,000	Feb/22
PPE	Raízen Argentina	Jun/21	10,071	2,000	Mar/22
Working capital and other	Raízen Trading and Argentina	Jun/21	202,758	40,266	Oct/21
			<u>1,875,548</u>	<u>366,266</u>	

Covenants

The Company is not compelled to comply with financial ratios, and is subject only to certain covenants included in loan and financing agreements, such as cross-default and negative pledge, which have been fulfilled in accordance with the agreement requirements. As of June 30, 2021, Raízen is compliant with all covenants referring to loans, financing and debentures.

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Fair value

Type	Amount raised, restated		Fair value (1)		Individual Finance income (costs)	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun 2021	Apr-Jun 2020
	PPE	5,108,241	5,962,783	5,184,364	5,974,221	(64,685)
CRA	245,812	238,714	254,936	249,924	2,086	(12,375)
	<u>5,354,053</u>	<u>6,201,497</u>	<u>5,439,300</u>	<u>6,224,145</u>	<u>(62,599)</u>	<u>38,762</u>

- (1) As of June 30 and March 31, 2021, this includes fair value measurement amounting to R\$ 85,247 and R\$ 22,648, respectively.

Type	Amount raised, restated		Fair value (1)		Consolidated Finance income (costs)	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun 2021	Apr-Jun 2020
	PPE	6,485,744	5,962,783	6,593,984	5,974,221	(79,969)
CRA	3,230,338	238,714	3,256,533	249,924	23,905	(12,375)
Term Loan Agreement	1,000,832	-	1,022,472	-	(19,393)	-
Senior Notes Due 2027	3,747,988	-	4,102,427	-	(9,103)	-
Schuldschein	992,789	-	1,008,049	-	4,282	-
Debentures	1,009,313	-	971,152	-	4,757	-
	<u>16,467,004</u>	<u>6,201,497</u>	<u>16,954,617</u>	<u>6,224,145</u>	<u>(75,521)</u>	<u>38,762</u>

- (1) As of June 30 and March 31, 2021, this includes fair value measurement amounting to R\$ 487,613 and R\$ 22,648, respectively.

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

17. Income tax and social contribution

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

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Income (loss) before income tax and social contribution	898,527	(382,776)	1,379,478	(483,713)
Income tax and social contribution at nominal rate (34%)	(305,499)	130,144	(469,023)	164,462
Adjustments to calculate the effective rate:				
Rate change in foreign company (1)	-	-	(195,038)	-
Foreign exchange differences on assets and liabilities	-	-	31,689	(4,415)
Interest on own capital	19,889	12,580	19,889	12,580
Rate difference between taxable profit based on a percentage of gross sales and taxable profit based on accounting records taxation regimes	-	-	7,646	-
Rate differences between countries	-	-	3,801	(15,151)
Equity income	187,240	(89,934)	(1,506)	1,495
Other	391	(2,865)	3,381	(8,448)
Income tax and social contribution expenses	<u>(97,979)</u>	<u>49,925</u>	<u>(599,161)</u>	<u>150,523</u>
Effective rate	10.9%	13.0%	43.4%	31.1%

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

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(b) **Recoverable income tax and social contribution (current and noncurrent):**

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>03/31/2021</u>	<u>06/30/2021</u>	<u>03/31/2021</u>
Corporate Income Tax (IRPJ)	135,692	130,656	501,666	207,392
Social Contribution on Net Profit (CSLL)	68,168	67,986	111,161	97,464
Tax credits of entity abroad	-	-	6,463	6,000
	<u>203,860</u>	<u>198,642</u>	<u>619,290</u>	<u>310,856</u>
Current assets	<u>(203,860)</u>	<u>(198,642)</u>	<u>(293,257)</u>	<u>(265,956)</u>
Noncurrent assets	<u>-</u>	<u>-</u>	<u>326,033</u>	<u>44,900</u>

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

	<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>03/31/2021</u>
IRPJ	130,228	996
CSLL	30,868	335
Tax debts of entity abroad	109,791	80,094
	<u>270,887</u>	<u>81,425</u>

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

Assets (liabilities)	06/30/2021				Individual		06/30/2021				Consolidated	
	Basis	IRPJ 25%	CSLL 9%	Total	03/31/2021	Total	Basis	IRPJ 25%	CSLL 9%	Total	03/31/2021	Total
Income tax losses	-	-	-	-	-	-	5,138,000	1,284,500	-	1,284,500	-	116,932
Income tax losses of foreign entity	-	-	-	-	-	-	60,772	15,193	-	15,193	-	11,057
Social contribution tax losses	-	-	-	-	-	-	4,862,278	-	437,605	437,605	-	42,096
Temporary differences:												
Remuneration and benefits to employees	117,568	29,392	10,581	39,973	34,959	34,959	419,856	104,964	37,787	142,751	35,983	35,983
Fair value of financial liabilities	371,874	92,968	33,469	126,437	106,738	106,738	362,553	90,638	32,630	123,268	106,738	106,738
Lease liabilities and rights of use	20,706	5,176	1,864	7,040	6,566	6,566	511,597	127,899	46,044	173,943	3,943	3,943
Net exchange rate variation	1,848,153	462,038	166,334	628,372	1,015,836	1,015,836	3,166,403	791,601	284,976	1,076,577	1,039,613	1,039,613
Provisions and other temporary differences	588,097	147,024	52,929	199,953	183,265	183,265	2,298,800	574,700	206,892	781,592	292,051	292,051
Total deferred tax assets		736,598	265,178	1,001,775	1,347,364	1,347,364		2,989,495	1,045,934	4,035,429		1,648,413
Amortized tax goodwill	(940,094)	(235,024)	(84,608)	(319,632)	(319,632)	(319,632)	(2,015,394)	(503,849)	(181,385)	(685,234)	(319,632)	(319,632)
Biological assets	-	-	-	-	-	-	(1,251,338)	(312,835)	(112,620)	(425,455)	-	-
Fair value of inventories	(123,367)	(30,842)	(11,103)	(41,945)	(16,245)	(16,245)	(123,368)	(30,842)	(11,103)	(41,945)	(16,245)	(16,245)
Fair value of property, plant and equipment, intangible assets and other	(147,371)	(36,843)	(13,263)	(50,106)	(50,788)	(50,788)	(950,674)	(237,668)	(85,561)	(323,229)	(370,466)	(370,466)
Refund of ICMS	(144,256)	(36,064)	(12,983)	(49,047)	(51,998)	(51,998)	(239,156)	(59,789)	(21,524)	(81,313)	(86,835)	(86,835)
Revaluation of property, plant and equipment	-	-	-	-	-	-	(2,215,571)	(553,893)	(199,401)	(753,294)	(666,642)	(666,642)
Review of useful lives of property, plant and equipment	(197,841)	(49,460)	(17,806)	(67,266)	(43,901)	(43,901)	(2,437,571)	(609,393)	(219,381)	(828,774)	(49,743)	(49,743)
Capitalized borrowing costs	(7,532)	(1,883)	(678)	(2,561)	(3,495)	(3,495)	(299,694)	(74,924)	(26,972)	(101,896)	(3,497)	(3,497)
Fair value in joint venture formation	(507,159)	(126,790)	(45,644)	(172,434)	(173,740)	(173,740)	(507,159)	(126,790)	(45,644)	(172,434)	(173,740)	(173,740)
Result unrealized with derivatives	(1,987,659)	(496,915)	(178,889)	(675,804)	(1,077,165)	(1,077,165)	204,456	51,114	18,401	69,515	(1,071,823)	(1,071,823)
Contractual relationships with clients	(178,379)	(44,595)	(16,054)	(60,649)	(61,744)	(61,744)	(188,971)	(47,243)	(17,007)	(64,250)	(65,817)	(65,817)
Total deferred tax liabilities		(1,058,416)	(381,028)	(1,439,444)	(1,798,708)	(1,798,708)		(2,506,113)	(902,197)	(3,408,309)		(2,824,440)
Total deferred taxes		(321,818)	(115,851)	(437,669)	(451,344)	(451,344)		483,382	143,737	627,120		(1,176,027)
Deferred taxes - Assets, net				-	-	-				2,385,903		194,791
Deferred taxes - Liabilities, net				(437,669)	(451,344)	(451,344)				(1,758,783)		(1,370,818)

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Changes in deferred taxes, net:

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2021	(451,344)	(1,176,027)
Net assets constituted through the corporate reorganization (Note 11)	-	2,054,100
Credits (debts) in profit or loss	35,617	(203,688)
Deferred taxes on other comprehensive income (loss)	(1,369)	(159,499)
Foreign currency translation effect and other	(20,573)	112,234
Balance at June 30, 2021	<u>(437,669)</u>	<u>627,120</u>
	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	(501,227)	(1,258,736)
Credits in profit or loss	52,227	177,174
Deferred taxes on other comprehensive income (loss)	5,611	5,611
Foreign currency translation effect and other	(5,245)	(34,987)
Balance at June 30, 2020	<u>(448,634)</u>	<u>(1,110,938)</u>

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

As mentioned in Note 16.e to the annual financial statements as of March 31, 2021, the Company expects that deferred tax assets, including income and social contribution tax loss carryforwards and temporary differences, will be realized. In the three-month period ended June 30, 2021, the expected realization of deferred income and social contribution taxes did not change significantly.

18. Legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

In the process of incorporating Raízen, it was agreed that Shell and Cosan should reimburse Raízen for the amount of legal claims with a date prior to its incorporation. As of June 30 and March 31, 2021, the balance of claims to be reimbursed and claims not reimbursable is as follows:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>06/30/2021</u>	<u>03/31/2021</u>	<u>06/30/2021</u>	<u>03/31/2021</u>
Tax	702,825	708,102	793,765	716,870
Civil	173,291	178,855	262,146	200,898
Labor	31,020	27,947	410,012	37,503
Environmental	23,436	22,953	63,253	48,736
	<u>930,572</u>	<u>937,857</u>	<u>1,529,176</u>	<u>1,004,007</u>
Non-reimbursable legal disputes	42,269	49,461	429,857	113,735
Reimbursable legal disputes	888,303	888,396	1,099,319	890,272
	<u>930,572</u>	<u>937,857</u>	<u>1,529,176</u>	<u>1,004,007</u>

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As part of Raízen formation process, the Company agreed to refund Shell and Cosan of the amount of judicial deposits made on a date prior to Raízen incorporation. As of June 30 and March 31, 2021, reimbursable and non-reimbursable deposits are as follows:

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Tax	26,465	26,442	355,174	27,439
Civil	15,159	14,951	70,307	26,772
Labor	13,058	13,136	111,621	13,535
	<u>54,682</u>	<u>54,529</u>	<u>537,102</u>	<u>67,746</u>
Own judicial deposits	35,426	35,381	200,313	47,836
Refundable judicial deposits	19,256	19,148	336,789	19,910
	<u>54,682</u>	<u>54,529</u>	<u>537,102</u>	<u>67,746</u>

(i) Non-reimbursable legal disputes

	Individual				Total
	Tax	Civil	Labor	Environmen tal	
March 31, 2021	31,473	1,143	15,673	1,172	49,461
Accrued in the period (a)	450	81	509	-	1,040
Write-offs/reversals (a)	(7,980)	(93)	(370)	-	(8,443)
Payments	-	-	(247)	(19)	(266)
Monetary restatement (b)	14	42	421	-	477
June 30, 2021	<u>23,957</u>	<u>1,173</u>	<u>15,986</u>	<u>1,153</u>	<u>42,269</u>
	Consolidated				Total
	Tax	Civil	Labor	Environmen tal	
March 31, 2021	40,242	21,594	24,945	26,954	113,735
Provisions constituted through the corporate reorganization (Note 11)	11,631	18,201	304,335	3,100	337,267
Accrued in the period (a)	622	1,601	8,767	347	11,337
Write-offs/reversals (a)	(13,754)	(225)	(9,461)	(55)	(23,495)
Payments	(88)	-	(4,288)	(19)	(4,395)
Monetary and exchange adjustments (b)	47	(470)	2,754	17	2,348
Effect of Foreign currency translation	(283)	(2,443)	(1,057)	(3,157)	(6,940)
June 30, 2021	<u>38,417</u>	<u>38,258</u>	<u>325,995</u>	<u>27,187</u>	<u>429,857</u>

(a) Recorded in profit or loss for the period under Sales taxes, General and administrative expenses and Other operating expenses, except for reversals of monetary restatement, which are recorded in Finance income/(costs).

(b) Recorded in profit or loss for the period under Finance income/(costs).

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(ii) Reimbursable lawsuits (1)

					Individual
	Tax	Civil	Labor	Environme ntal	Total
March 31, 2021	676,629	177,712	12,274	21,781	888,396
Accrued in the period	386	948	2,426	2,039	5,799
Write-offs/reversals	(1,810)	(26,888)	-	(254)	(28,952)
Payments	-	-	-	(1,282)	(1,282)
Monetary restatement	3,664	20,345	333	-	24,342
June 30, 2021	<u>678,869</u>	<u>172,117</u>	<u>15,033</u>	<u>22,284</u>	<u>888,303</u>
					Consolidated
	Tax	Civil	Labor	Environme ntal	Total
March 31, 2021	676,628	179,304	12,558	21,782	890,272
Provisions constituted through the corporate reorganization (Note 11)	76,528	49,500	70,384	13,710	210,122
Accrued in the period	386	980	2,782	2,039	6,187
Write-offs/reversals	(1,874)	(26,987)	(1,837)	(254)	(30,952)
Payments	-	(66)	(683)	(1,282)	(2,031)
Monetary and exchange adjustments	3,673	21,149	821	78	25,721
June 30, 2021	<u>755,341</u>	<u>223,880</u>	<u>84,025</u>	<u>36,073</u>	<u>1,099,319</u>

(1) The change does not and will never have an effect on profit or loss due to the Company's right to reimbursement.

(iii) Total legal disputes

					Individual
	Tax	Civil	Labor	Environmen tal	Total
March 31, 2021	708,102	178,855	27,947	22,953	937,857
Accrued in the period	836	1,029	2,935	2,039	6,839
Write-offs/reversals	(9,790)	(26,981)	(370)	(254)	(37,395)
Payments	-	-	(247)	(1,302)	(1,549)
Monetary restatement	3,677	20,388	755	-	24,820
June 30, 2021	<u>702,825</u>	<u>173,291</u>	<u>31,020</u>	<u>23,436</u>	<u>930,572</u>
					Consolidated
	Tax	Civil	Labor	Environmen tal	Total
March 31, 2021	716,870	200,898	37,503	48,736	1,004,007
Provisions constituted through the corporate reorganization (Note 11)	88,159	67,701	374,719	16,810	547,389
Accrued in the period	1,008	2,581	11,549	2,386	17,524
Write-offs/reversals	(15,628)	(27,212)	(11,298)	(309)	(54,447)
Payments	(88)	(66)	(4,971)	(1,301)	(6,426)
Monetary and exchange adjustments	3,720	20,679	3,575	95	28,069
Effect of foreign currency translation	(276)	(2,435)	(1,065)	(3,164)	(6,940)
June 30, 2021	<u>793,765</u>	<u>262,146</u>	<u>410,012</u>	<u>63,253</u>	<u>1,529,176</u>

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(a) Tax

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
IPI	88,015	87,679	132,782	87,679
IRPJ and CSLL	79,535	79,277	80,437	79,277
Lawyer's fees	1,134	8,923	6,211	15,211
PIS and COFINS	58,808	58,693	59,063	58,693
ICMS	471,551	469,874	498,572	470,015
Social Contribution Tax for Intervention in the Economic Order (CIDE) and other	3,782	3,656	16,700	5,995
	<u>702,825</u>	<u>708,102</u>	<u>793,765</u>	<u>716,870</u>
Non-reimbursable legal disputes	23,957	31,474	38,423	40,242
Reimbursable legal disputes	<u>678,868</u>	<u>676,628</u>	<u>755,342</u>	<u>676,628</u>
	<u>702,825</u>	<u>708,102</u>	<u>793,765</u>	<u>716,870</u>

(b) Civil, labor and environmental

The Company is party to several civil lawsuits related to (i) indemnity for property damage and pain and suffering; (ii) contractual disputes; (iii) civil class actions for release from burning sugarcane straw; (iv) executions of an environmental nature; (v) repair of environmental damage caused by fuel leaks; and (vi) contractual, real property and credit recovery discussions, including discussions on contractual breaches, possession of the Group's real properties and recovery of clients unpaid amounts.

The Company is also 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 in payroll such as confederative association dues, union dues and other.

Major environment-related claims refer to environment remediation work to be performed in supply stations, distribution bases, airports and customer distribution centers, and include removal of hazardous material, area treatment, laboratory analyses and post-remediation monitoring.

Law suits deemed as possible losses and, consequently, with no provision for contingencies

(a) Tax

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
ICMS	2,580,853	2,548,664	5,019,415	2,785,760
IRPJ and CSLL	1,636,118	1,945,688	3,588,376	2,115,626
PIS and COFINS	4,217,007	4,197,579	6,265,257	4,602,673
Other	634,922	626,194	2,276,228	988,277
	<u>9,068,900</u>	<u>9,318,125</u>	<u>17,149,276</u>	<u>10,492,336</u>
Non-reimbursable legal disputes	4,527,558	4,488,743	9,176,726	5,526,333
Reimbursable legal disputes	<u>4,541,342</u>	<u>4,829,382</u>	<u>7,972,550</u>	<u>4,966,003</u>
	<u>9,068,900</u>	<u>9,318,125</u>	<u>17,149,276</u>	<u>10,492,336</u>

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(b) Civil, labor and environmental

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Civil	462,154	449,576	1,303,993	496,456
Labor	45,738	64,641	266,968	96,304
Environmental	12,025	3,195	34,969	26,025
	<u>519,917</u>	<u>517,412</u>	<u>1,605,930</u>	<u>618,785</u>
Non-reimbursable legal disputes	136,331	129,116	643,069	223,947
Reimbursable legal disputes	383,586	388,296	962,861	394,838
	<u>519,917</u>	<u>517,412</u>	<u>1,605,930</u>	<u>618,785</u>

Contingent assets

By means of subsidiary Blueway, Raízen has tax claims referring to the right to exclude State VAT (ICMS) from the PIS and COFINS base, whose realization is not virtually certain yet and, as such, represent contingent assets not recorded in the annual financial statements. Estimating the potential financial impacts of referred to claims is therefore unfeasible.

19. Commitments (Consolidated)

As mentioned in Note 18 to the annual financial statements as of March 31, 2021, the Company and its subsidiaries have commitments relating to sales of diesel and purchases of fuels and oil inputs, as well as storage and transport service agreements. In the three-month period ended June 30, 2021, referred to commitments did not change significantly.

As from June 1, 2021, by means of subsidiary RESA, Raízen has commitments relating to sales, purchases of sugarcane, fuels and industrial equipment, electric and steam power, lease and sharecropping agreements, and sugar storage, transportation and handling services.

20. Equity

(a) Capital and capital reserves

As of June 30, 2021, fully subscribed and paid-in capital amounts to R\$ 3,000,000 (R\$ 1,921,843 at March 31, 2021) and is represented as follows:

	Shareholders (shares in units)		
	Shell	Cosan	Total
Common shares	<u>4,496,786,292</u>	<u>4,496,786,292</u>	<u>8,993,572,584</u>
Total at June 30, 2021	<u>4,496,786,292</u>	<u>4,496,786,292</u>	<u>8,993,572,584</u>
Total at March 31, 2021	<u>912,706,294</u>	<u>830,709,236</u>	<u>1,743,415,530</u>

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As mentioned in Notes 1 and 11, at the ASM held on June 1, 2021, shareholders Shell and Cosan approved the increase in Company capital amounting to R\$ 5,727,866. The amount allocated to capital and capital reserve was of R\$ 1,078,157 and R\$ 4,649,709, respectively, by means of subscription and payment of 7,332,154,111 new common registered shares with no par value. As result of this operation, the Company's subscribed and paid-in capital amounts to R\$ 3,000,000, divided into 8,993,572,584 common registered shares with no par value.

Additionally, in referred to ASM held on June 1, 2021, Shell and Cosan approved the conversion of the Class A preferred share and 100,000 Class D preferred shares issued by the Company into one common share of the Company. Referred to preferred share conversion does not confer dissenters' rights upon the shareholders. In this ASM, the shareholders ratified the repurchase and cancellation of all 81,897,057 Class E preferred shares issued by the Company, with no capital decrease, in compliance with the limit of income and reserves available, except the legal reserve, under the terms of the agreement for sale and purchase of shares entered into by the Company and the shareholder that owns such shares.

On June 1, 2021, the former shareholders of subsidiary RESA approved the redemption and cancellation of 100% class B preferred shares amounting to R\$ 2,220, whose impact was recognized in Company equity under Capital reserves, matched against Investments.

(b) Changes in dividends and Interest on own capital (1)

	Individual			Consolidated		
	Dividends	IOE	Total	Dividends	IOE	Total
March 31, 2021	1,726	187,665	189,391	12,261	187,665	199,926
Net assets constituted through the corporate reorganization (Note 11)	-	-	-	747,588	-	747,588
Prior years' dividends	1,394,018	-	1,394,018	1,394,018	-	1,394,018
Interest on own capital, net of Withholding Income Tax (IRRF) Payments	(137,335)	49,722	49,722	(137,335)	49,722	49,722
June 30, 2021	1,258,409	49,722	1,308,131	2,016,532	49,722	2,066,254
	Individual			Consolidated		
	Dividends	IOE	Total	Dividends	IOE	Total
March 31, 2020	729	62,529	63,258	10,497	62,529	73,026
Interest on own capital, net of Withholding Income Tax (IRRF)	-	31,450	31,450	-	31,450	31,450
June 30, 2020	729	93,979	94,708	10,497	93,979	104,476

(1) Amounts paid to shareholders as dividends and/or interest on equity are classified as cash from financing activities, upon payment.

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(c) Equity valuation adjustments

	<u>03/31/2021</u>	<u>Consolidated comprehensive income (loss)</u>	<u>06/30/2021</u>
Actuarial gain in defined benefit plan, net	3,997	-	3,997
Gains from (losses on) financial instruments designated as hedge accounting	(1,374)	309,615	308,241
Gains from (losses on) investment hedge, net in foreign entity	(45,741)	-	(45,741)
Effect of foreign currency translation	<u>1,345,546</u>	<u>(561,768)</u>	<u>783,778</u>
	<u>1,302,428</u>	<u>(252,153)</u>	<u>1,050,275</u>
Attributed to:			
Controlling interests	1,302,428	(252,153)	1,050,275
Noncontrolling interests	-	-	-

	<u>03/31/2020</u>	<u>Consolidated comprehensive income (loss)</u>	<u>06/30/2020</u>
Actuarial gain in defined benefit plan, net	4,742	-	4,742
Gains from (losses on) financial instruments designated as hedge accounting	18,548	(10,893)	7,655
Gains from (losses on) investment hedge, net in foreign entity	(45,741)	-	(45,741)
Effect of Foreign currency translation	<u>736,987</u>	<u>179,964</u>	<u>916,951</u>
	<u>714,536</u>	<u>169,071</u>	<u>883,607</u>
Attributed to:			
Controlling shareholders	714,536	169,071	883,607
Noncontrolling shareholders	-	-	-

(d) Earnings (loss) per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the Company shareholders by the weighted average number of shares issued in the period.

The table below presents information on profit or loss and shares used to calculate basic and diluted earnings per share for the nine-month periods ended June 30, 2021 and 2020 (in thousands or reais, except for earnings (loss) per share):

Basic and diluted

	<u>Apr-Jun/21</u>	<u>Apr-Jun/20</u>
Numerator		
Net income (loss) for the period	800,548	(332,851)
Denominator:		
Weighted average number of shares (in thousands)	<u>4,078,612</u>	<u>1,661,418</u>
Basic and diluted earnings (loss) per share (reais per share)	<u>0.20</u>	<u>(0.20)</u>

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

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21. Net operating revenue

Breakdown of gross revenue is as follows:

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Domestic market	25,606,389	12,238,442	29,712,121	14,258,638
Foreign market	272,175	88,048	7,394,560	2,826,999
Gross revenue from sales of products and services	25,878,564	12,326,490	37,106,681	17,085,637
Gains from (losses on) financial instruments designated as hedge accounting	-	-	46,147	-
Gains from (losses on) commodities not designated as hedge accounting	-	-	(277,006)	-
Returns and cancellations	(87,659)	(74,896)	(102,410)	(117,704)
Taxes on sales	(613,729)	(265,889)	(2,430,412)	(1,212,338)
Commercial discounts and other	(114,284)	(69,957)	(164,734)	(85,582)
Amortization of exclusive supply rights (Note 10)	(102,118)	(87,855)	(131,603)	(111,681)
Operating revenue, net	24,960,774	11,827,893	34,046,663	15,558,332

22. Segment information

Information per operating segment is presented consistently with the internal report provided to the main operating decision makers. The main operating decision makers, in charge of allocating funds and assessing performance of the operating segments, are the Company's CEO and Board of Directors, who are also responsible for making the Company's strategic decisions.

At the year of 2021, the Company reorganized to direct the focus of its operations as an integrated company engaged in energy from fossils and renewable sources. In this context, the main operating decision makers revalued the business perspectives, which resulted in three operating segments: (i) Marketing and services; (ii) Sugar; and (iii) Renewables.

- (i) **Marketing and services:** these refer to negotiation and sale of fossil and renewable fuels, by means of a franchised network of Shell-branded service stations in all Brazilian territory and in Argentina.
- (ii) **Sugar:** this refers to sugar production, sale, origination and trading.
- (iii) **Renewables:** these refer to (a) ethanol production, sale, origination and trading; (b) bioenergy production and sale; (c) electric power resale and trading; and (d) production and sale of other renewable products (solar energy and biogas). These business activities were aggregated into a single segment, since their products and services originate from renewable sources, use similar technologies, and their production and distribution process present synergy. The combination of these activities results in the clean energy and decarbonization portfolio offered by the Company. Performance of these business activities is assessed in an integrated manner by the decision makers based on operating income (loss).

Due to the changes made, as well as the corporate reorganization that determined the control of RESA by the Company, mentioned in Note 1, the information by segment of the comparative period, related to the three months ended June 30, 2020, is being restated as required by the CPC 22/IFRS 8.

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Operating income (loss) per segment

Segment performance is assessed based on operating income (loss) and this information is prepared based on items that may be directly attributed to the segment, as well as items that may be reasonably allocated. In the quarter ended June 30, 2021 and 2020, operating income (loss) per segment is as follows:

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	Reportable segments					Reconciliation			June 30, 2021
	Marketing and services			Sugar	Renewables	Total segmented	Eliminations (ii)	Not segmented	Consolidated
	Brazil	Argentina	Total						
Net operating revenue	28,497,266	3,857,996	32,355,262	1,107,142	1,253,575	34,715,979	(669,316)	-	34,046,663
Cost of sales	(27,602,032)	(3,337,177)	(30,939,209)	(706,499)	(724,141)	(32,369,849)	669,609	-	(31,700,240)
Gross profit	895,234	520,819	1,416,053	400,643	529,434	2,346,130	293	-	2,346,423
Selling expenses	(368,505)	(236,599)	(605,104)	(54,840)	(47,244)	(707,188)	150	-	(707,038)
General and administrative expenses	(113,447)	(55,761)	(169,208)	(36,026)	(31,038)	(236,272)	-	-	(236,271)
Other operating income (expenses), net	143,034	18,497	161,531	(1,602)	(1,595)	158,334	(344)	-	157,990
Equity accounting results	(5,385)	-	(5,385)	875	(2,471)	(6,981)	-	-	(6,981)
Income before financial result and income tax and social contribution	550,931	246,956	797,887	309,050	447,087	1,554,023	99	-	1,554,123
Financial results (i)	-	-	-	-	-	-	-	(174,644)	(174,644)
Income tax and social contribution (i)	-	-	-	-	-	-	-	(599,161)	(599,161)
Net income (loss) for the period	550,931	246,956	797,887	309,050	447,087	1,554,023	99	(773,805)	780,318
Other selected information:									
Depreciation and amortization	(73,263)	(217,217)	(290,480)	(217,267)	(222,002)	(729,749)	(272)	-	(730,021)
Amortization of exclusive supply rights	(122,438)	(9,165)	(131,603)	-	-	(131,603)	-	-	(131,603)
Additions to property, plant and equipment and intangible assets	32,871	129,134	162,005	47,037	46,849	255,891	-	-	255,891
Gains arising from changes in fair value and realized gains from or losses on biological assets, net	-	-	-	359,500	358,064	717,564	-	-	717,564

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	Reportable segments					Reconciliation			June 30, 2020
	Marketing and services			Sugar	Renewables	Total segmented	Eliminations (ii)	Not segmented	Consolidated
	Brazil	Argentina	Total						
Net operating revenue	13,767,218	1,791,114	15,558,332	-	-	15,558,332	-	-	15,558,332
Cost of sales	(13,430,028)	(1,982,825)	(15,412,853)	-	-	(15,412,853)	(8,673)	-	(15,421,526)
Gross profit (loss)	337,190	(191,711)	145,479	-	-	145,479	(8,673)	-	136,806
Selling expenses	(319,029)	(165,421)	(484,450)	-	-	(484,450)	(6,758)	-	(491,208)
General and administrative expenses	(105,012)	(41,386)	(146,398)	-	-	(146,398)	-	-	(146,398)
Other operating income (expenses), net	53,335	24,187	77,522	-	-	77,522	-	-	77,522
Equity accounting results	519	-	519	-	-	519	-	-	519
Income (loss) before finance income (costs) and income tax and social contribution	(32,997)	(374,331)	(407,328)	-	-	(407,328)	(15,431)	-	(422,759)
Finance income (costs) (i)	-	-	-	-	-	-	-	(60,954)	(60,954)
Income tax and social contribution (i)	-	-	-	-	-	-	-	150,523	150,523
Net income (loss) for the period	(32,997)	(374,331)	(407,328)	-	-	(407,328)	(15,431)	89,569	(333,190)
Other selected information:									
Depreciation and amortization	(57,446)	(172,818)	(230,264)	-	-	(230,264)	(15,435)	-	(245,699)
Amortization of exclusive supply rights	(104,572)	(7,109)	(111,681)	-	-	(111,681)	-	-	(111,681)
Additions to property, plant and equipment and intangible assets	54,929	55,609	110,538	-	-	110,538	-	-	110,538

(i) Information on finance income (costs) and current and deferred income and social contribution taxes was not disclosed per segment since, rather than using referred to data in a segmented manner, management analyzed such data in a consolidated manner in Company operations.

(ii) Eliminations correspond to intersegment operations.

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The Company monitors net operating revenue obtained from the sale of its products in the domestic and foreign markets, as follows:

	<u>Apr-Jun/21</u>	<u>Apr-Jun/20</u>
Domestic market	29,175,278	12,731,333
Foreign market	<u>5,540,701</u>	<u>2,826,999</u>
Eliminations	<u>(669,316)</u>	<u>-</u>
Net operating revenue	<u>34,046,663</u>	<u>15,558,332</u>
Reportable segments		
Marketing and services - Brazil		
Diesel	15,130,122	7,377,981
Gasoline	10,097,637	5,028,459
Ethanol	2,704,021	1,094,327
Jet	466,664	207,054
Fuel oil	48,307	25,368
Other	<u>50,515</u>	<u>34,029</u>
	<u>28,497,266</u>	<u>13,767,218</u>
Marketing and services - Argentina		
Diesel	1,625,028	932,941
Gasoline	1,227,486	496,154
Jet	88,623	29,674
Fuel oil	305,796	140,840
Lubricants	201,030	85,921
Other	<u>410,033</u>	<u>105,584</u>
	<u>3,857,996</u>	<u>1,791,114</u>
Sugar	1,107,142	-
Renewables	1,253,575	-
Ethanol	1,062,101	-
Energy	123,122	-
Other	<u>68,352</u>	<u>-</u>
	<u>2,360,717</u>	<u>-</u>
Eliminations	<u>(669,316)</u>	<u>-</u>
Consolidated	<u>34,046,663</u>	<u>15,558,332</u>

Geographically, consolidated net operating revenues are as follows:

	<u>Apr-Jun/21</u>	<u>Apr-Jun/20</u>
Brazil	29,159,084	16,833,687
Argentina	3,750,801	1,820,577
South American, except Brazil and Argentina	12,428	142,713
North America	769,615	816,134
Other	<u>1,024,051</u>	<u>938,667</u>
	<u>34,715,979</u>	<u>20,551,778</u>
Eliminations	<u>(669,316)</u>	<u>(4,993,446)</u>
	<u>34,046,663</u>	<u>15,558,332</u>

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

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Operating assets per segment

Marketing and service assets are allocated geographically, between Brazil and Argentina.

Additionally, since subsidiary RESA's assets are partly used for both sugar production and renewables, the Company segregated these assets per segment based on the corresponding cost centers in which the assets are allocated and/or apportionment criteria that take into consideration the production of each item in relation to total production.

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	Reportable segments						Reconciliation		June 30, 2021
	Marketing and services					Total segmented	Eliminations (ii)	Not segmented	Consolidated
	Brazil	Argentina	Total	Sugar	Renewables				
Investments	758,308	343	758,651	95,181	421,158	1,274,990	-	-	1,274,990
Property, plant and equipment	1,905,368	4,158,733	6,064,101	4,301,155	6,513,182	16,878,438	-	-	16,878,438
Intangible assets	2,328,660	618,855	2,947,515	855,791	942,208	4,745,514	-	-	4,745,514
Rights of use	80,914	367,115	448,029	3,189,331	3,463,843	7,101,203	-	-	7,101,203
Total assets allocated per segment	5,073,250	5,145,046	10,218,296	8,441,458	11,340,391	30,000,145	-	-	30,000,145
Other current and noncurrent assets	-	-	-	-	-	-	-	45,284,412	45,284,412
Total assets	5,073,250	5,145,046	10,218,296	8,441,458	11,340,391	30,000,145	-	45,284,412	75,284,557
Total liabilities	-	-	-	-	-	-	-	(64,841,525)	(64,841,525)
Total assets, net	5,073,250	5,145,046	10,218,296	8,441,458	11,340,391	30,000,145	-	(19,557,113)	10,443,032

	Reportable segments						Reconciliation		March 31, 2021
	Marketing and services					Total segmented	Eliminations (ii)	Not segmented	Consolidated
	Brazil	Argentina	Total	Sugar	Renewables				
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
Rights of use	81,424	430,312	511,736	-	-	511,736	-	-	511,736
Total assets allocated per segment	3,373,700	5,910,125	9,283,825	-	-	9,283,825	-	-	9,283,825
Other current and noncurrent 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 assets, net	3,373,700	5,910,125	9,283,825	-	-	9,283,825	-	(3,673,983)	5,609,842

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23. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in statement of income by function. Reconciliation of Company results per nature for the three-month periods ended June 30, 2021 and 2020 is as follows:

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Fuel of resale, raw material, costs of collection and transfers	(24,263,696)	(11,548,972)	(31,646,035)	(15,263,059)
Changes in fair value of biological assets (Note 7)	-	-	810,933	-
Realization of fair value of biological assets (Note 7)	-	-	(93,369)	-
Depreciation and amortization	(63,448)	(51,247)	(730,021)	(245,699)
Personnel expenses	(136,971)	(106,115)	(338,728)	(176,583)
Freight	(80,855)	(69,316)	(144,842)	(115,588)
Cutting, loading and transportation	-	-	(115,962)	-
Commercial expenses	(35,216)	(23,662)	(98,711)	(51,980)
Logistics expenses	(52,852)	(47,386)	(71,405)	(87,923)
Outsourced labor	(14,798)	(22,913)	(67,197)	(51,658)
Other	(28,491)	(24,175)	(148,213)	(66,642)
	<u>(24,676,327)</u>	<u>(11,893,786)</u>	<u>(32,643,550)</u>	<u>(16,059,132)</u>

Classified as:

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Cost of products sold and services provided	(24,263,696)	(11,548,972)	(31,700,240)	(15,421,526)
Selling expenses	(305,326)	(249,675)	(707,038)	(491,208)
General and administrative expenses	(107,305)	(95,139)	(236,272)	(146,398)
	<u>(24,676,327)</u>	<u>(11,893,786)</u>	<u>(32,643,550)</u>	<u>(16,059,132)</u>

24. Other operating revenue, net

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Recognition of net tax and other credits (1)	158,323	19	158,279	21,247
Revenues from rentals and leases	11,029	12,760	10,981	25,453
Income from (expenses on) sales transactions (2)	-	11,313	5,869	11,313
Commissions on sales of lubricants, cards and payment means	4,457	4,056	5,311	4,912
Revenue from royalties	1,746	1,020	3,736	1,087
Profit or Loss from CBIO retirement (3)	(32,253)	-	(38,898)	-
Gains from (losses on) property, plant and equipment written off	(398)	(1,686)	(255)	5,451
Reversal of estimated loss on property, plant and equipment, net	159	566	1,488	611
Other income (expenses). net	7,231	(1,926)	11,479	7,448
	<u>150,294</u>	<u>26,122</u>	<u>157,990</u>	<u>77,522</u>

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- (1) Refers substantially to tax credits related to a favorable decision of the Federal Supreme Court (STF), on May 13, 2021, in favor of the exclusion of ICMS from the PIS and COFINS calculation basis. The Company and its subsidiaries have discussions in the judicial sphere, which have not had a final decision until the date of issuance of this interim financial information. The Company recognized consolidated credits in the amount of R\$ 162,314, under Taxes recoverable, in non-current assets, referring to the period from April 2011 to December 2014.
- (2) This refers mostly to income (expenses) on washout of certain commercial agreements, within the scope of the Company's commercial strategy in the ordinary course of business.
- (3) This corresponds to cost of acquisition of CBIO credits, referring to the legal obligations adopted by Brazil's Biofuel Policy – RenovaBio (instituted by Law No. 13576/2017, and regulated by Decree No. 9888/2019 and Ruling No. 419, of November 20, 2019, of Brazil's Ministry of Mines and Energy), for achieving the sector's decarbonization goals for 2022. The established goals are in effect until December every year and are published by the Brazilian National Agency for Petroleum, Natural Gas and Biofuels (ANP).

25. Finance results

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
<u>Finance costs</u>				
Interest	(79,155)	(92,153)	(190,442)	(137,894)
PIS and COFINS on finance revenue	(2,562)	(2,381)	(3,855)	(3,071)
Holding losses	(4,236)	917	(39,185)	917
Other	(2,101)	(2,681)	(5,786)	(4,586)
	<u>(88,054)</u>	<u>(96,298)</u>	<u>(239,268)</u>	<u>(144,634)</u>
Fair value of financial instruments (Notes 16 and 9.a.2)	(57,947)	856	(75,521)	856
Amounts capitalized on qualifying assets	2	31	6,327	31
	<u>(145,999)</u>	<u>(95,411)</u>	<u>(308,462)</u>	<u>(143,747)</u>
<u>Finance income</u>				
Interest	44,816	29,698	51,547	43,718
Yield from financial investments	8,712	737	39,516	5,821
Holding gains and other	69	26	592	159
	<u>53,597</u>	<u>30,461</u>	<u>91,655</u>	<u>49,698</u>
<u>Exchange rate change, net</u>	<u>1,090,976</u>	<u>(489,410)</u>	<u>1,268,274</u>	<u>(606,743)</u>
<u>Net effect of the derivatives</u>	<u>(1,021,142)</u>	<u>495,139</u>	<u>(1,226,111)</u>	<u>639,838</u>
	<u>(22,568)</u>	<u>(59,221)</u>	<u>(174,644)</u>	<u>(60,954)</u>

26. Financial instruments

(a) Overview

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

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

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

(b) Risk management structure

The Company adopts specific trading and treasury policies, which define risk management guidelines, and does not operate with derivatives other than the notional total of underlying assets or liabilities. To monitor activities and ensure compliance with policies, the Company has the following main committees: (i) Risk Committee, which meets weekly to analyze the behavior of the commodities (sugar and oil by-products) and foreign exchange markets and decide on hedging positions and pricing strategy for exports or imports of products, so as to reduce the adverse effects of changes in commodities' prices and exchange rates; and (ii) Ethanol and ethanol byproducts Committee, which meet monthly to assess the risk relating to sale of ethanol and its byproducts, and to adjust the limits defined in risk policies.

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

As of June 30 and March 31, 2021, the fair values related to transactions involving derivative financial instruments for hedging purposes were measured through observable inputs, such as prices quoted in active markets or discounted cash flows based on market curves, and are presented below:

	<i>Notional</i>		Individual Fair value		<i>Notional</i>		Consolidated Fair value	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Price risk								
Commodity derivatives								
Futures contracts	940,169	627,905	(141,254)	(24,258)	6,832,318	627,905	(3,029,382)	(24,258)
	940,169	627,905	(141,254)	(24,258)	6,832,317	627,905	(3,029,382)	(24,258)
Foreign exchange rate risk								
Exchange rate derivatives								
Futures contracts	(73,783)	239,286	736	4,614	(40,019)	239,286	3,264	4,614
Foreign exchange forward	(1,095,500)	673,991	999	(3,831)	9,768,769	(314,207)	480,171	(39,137)
FX lock	-	-	-	-	64,049	-	1,288	-
FX swaps	(8,087,107)	(9,250,885)	2,144,350	3,218,554	(10,322,692)	(9,250,885)	1,973,888	3,218,554
	(9,256,390)	(8,337,608)	2,146,085	3,219,337	(529,893)	(9,325,806)	2,458,611	3,184,031
Interest rate risk								
Interest rate swaps	(204,024)	(204,024)	50,595	46,811	(4,031,929)	(204,024)	403,931	46,811
	(204,024)	(204,024)	50,595	46,811	(4,031,929)	(204,024)	403,931	46,811
Total			2,055,426	3,241,890			(166,840)	3,206,584
Current assets			405,436	502,485			6,330,557	592,165
Noncurrent assets			1,923,472	2,788,965			2,774,147	2,788,965
Total assets			2,328,908	3,291,450			9,104,704	3,381,130
Current liabilities			(270,224)	(49,560)			(8,248,353)	(174,546)
Noncurrent liabilities			(3,258)	-			(1,023,191)	-
Total liabilities			(273,482)	(49,560)			(9,271,544)	(174,546)
Total			2,055,426	3,241,890			(166,840)	3,206,584

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(c) Price risk (Consolidated)

This derives from the possibility that market prices of products sold will change, especially VHP sugar, refined and white sugar, diesel (heating oil), gasoline, ethanol, electric energy and crude oil. These price fluctuations may lead to material changes in the sales revenues and costs. To mitigate this risk, the Company constantly monitors the market to anticipate price changes.

Price risk: commodity derivatives outstanding at June 30, 2021							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	ICE	Sugar#11	Jul/21 to Sep/23	12,032,893 t	19,193,383	(3,905,836)
Futures	Short	NYSE LIFFE	Sugar#5	Jul/21 to Sep/21	272,500 t	583,379	(47,311)
Futures	Short	OTC	Sugar#11	Sep/21 to Feb/22	3,325,017 t	1,105,850	(1,640,505)
Options	Short	ICE	Sugar#11	Sep/21	706,814 t	29,948	(108,132)
Subtotal – futures short position					16,337,224 t	20,912,560	(5,701,784)
Futures	Long	ICE	Sugar#11	Jul/21 to Sep/23	(9,791,745) t	(15,682,792)	3,248,132
Futures	Long	NYSE LIFFE	Sugar#5	Jul/21 to Nov/21	(202,000) t	(455,638)	7,183
Options	Long	ICE	Sugar#11	Sep/21 to Sep/23	(706,814) t	(88,437)	80,767
Subtotal - futures long position					(10,700,559) m ³	(16,226,867)	3,336,082
Subtotal - futures					5,636,665 m ³	4,685,693	(2,365,702)
Futures	Short	B3	Ethanol	Apr/21 to Nov/21	227,580 m ³	591,731	(1,415)
Futures	Short	CME	Ethanol	Apr/21 to Mar/22	1,567,510 m ³	3,971,973	(469,205)
Futures	Short	OTC	Ethanol	Apr/21 to Mar/22	728,985 m ³	1,046,620	(90,916)
Options	Short	CME	Ethanol	Apr/21 to Jun/21	166,155 m ³	10,379	(4,433)
Subtotal – ethanol futures short position					2,690,230 m ³	5,620,703	(565,969)
Futures	Long	B3	Ethanol	Jul/21 to Feb/22	(404,910) m ³	(1,101,048)	3,062
Futures	Long	CME	Ethanol	Jul/21 to Sep/22	(1,576,410) m ³	(4,049,803)	374,964
Futures	Long	OTC	Ethanol	Jul/21 to Jun/22	(687,115) m ³	(1,007,387)	135,551
Options	Long	CME	Ethanol	Jul/21 to Sep/21	(208,290) m ³	(23,433)	20,438
Subtotal – ethanol futures long position					(2,876,725) m ³	(6,181,671)	534,015
Physical fixed	Short	ICE	Sugar#11	Jul/21 to Jun/23	901,357 t	1,708,381	9,808
Physical fixed	Long	ICE	Sugar#11	Jul/21 to Mar/22	(90,444) t	(176,928)	(234)
Subtotal – sugar physical fixed					810,913 m ³	1,531,453	9,574
Physical fixed	Short	CHGOETHNL	Ethanol	Jul/21 to Jan/23	620,743 m ³	1,781,810	(105,373)
Physical fixed	Long	CHGOETHNL	Ethanol	Jul/21 to Jan/23	(650,677) m ³	(1,871,881)	33,531
Sub-total – ethanol physical fixed					(29,934) m ³	(90,071)	(71,842)
Futures	Short	NYMEX	Gasoline	Jul/21 to Mar/22	353,298 m ³	762,750	(212,799)
Futures	Short	ICE	Gasoline	Jul/21 to Dec/22	181,825 m ³	356,997	(72,940)
Futures	Short	CME	Gasoline	Jul/21 to Aug/21	79,500 m ³	207,876	(15,794)
Options	Short	ICE	Gasoline	Jul/21 to Dec/21	1,105,845 m ³	86,248	(50,527)
Options	Short	NYMEX	Gasoline	Nov/21	438,840 m ³	66,288	(242,250)
Subtotal - Gasoline futures short position					2,159,308 m ³	1,480,159	(594,310)
Futures	Long	NYMEX	Gasoline	Jul/21 to Mar/22	(156,933) m ³	(402,783)	32,391
Futures	Long	CME	Gasoline	Jul/21 to Aug/21	(63,600) m ³	(175,695)	3,262
Futures	Long	ICE	Gasoline	Jul/21 to Dec/22	(206,125) m ³	(446,240)	68,545
Options	Long	ICE	Gasoline	Jul/21 to Dec/21	(978,645) m ³	(86,948)	52,936
Options	Long	NYMEX	Gasoline	Nov/21 to Mar/22	(705,165) m ³	(112,393)	32,985
Subtotal - Gasoline futures long position					(2,110,468) m ³	(1,224,059)	190,119
Subtotal - Gasoline futures					643,324	1,136,514	(498,413)
Futures	Short	NYMEX	Heating Oil	Jul/21 to Dec/21	1,439,415 m ³	3,718,529	(171,886)
Futures	Short	NYMEX	Gasoline	Jul/21	199,704 m ³	559,645	(25,295)
Futures	Short	BMF	Ethanol	Jul/21	2,250 m ³	4,830	3
Subtotal - Gasoline futures long position					1,641,369	4,283,004	(197,178)

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Price risk: commodity derivatives outstanding at June 30, 2021							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Long	NYMEX	Heating Oil	Jul/21 to Dec/21	(1,125,549) m ³	(2,954,867)	46,474
Futures	Long	NYMEX	Gasoline	Jul/21	(133,083) m ³	(378,911)	8,686
Futures	Long	NYMEX	Jet	Jul/21	(795) m ³	(1,888)	67
Options	Long	NYMEX	Ethanol	Nov/21	(7,950) m ³	(7,170)	697
Subtotal – Heating oil futures long position					(1,267,377)	(3,342,836)	55,924
Subtotal – Heating oil futures					373,992	940,168	(141,254)
Physical fixed	Short	CCEE/OTC	Energy	Jul/21 to Dec/32	18,131,262 m ³	4,301,981	(1,624,251)
Physical fixed	Long	CCEE/OTC	Energy	Jul/21 to Dec/32	(18,131,262) m ³	(4,232,039)	1,600,238
Sub-total – Energy physical fixed					- m ³	69,942	(24,013)
Net exposure of commodity derivatives at June 30, 2021					6,653,981	6,832,317	(3,029,382)
Net exposure of commodity derivatives at March 31, 2021					-	627,905	(24,258)

(d) Currency risk (Consolidated)

Currency risk derives from the possibility of fluctuations in exchange rates used for revenue from export, import, debt flows and other assets and liabilities in foreign currency. The Company uses derivatives to manage cash flow risks denominated in US dollars, net of other cash flows and cash equivalents.

Currency risk: foreign exchange derivatives outstanding at June 30, 2021							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial dollar Foreign Exchange	Jul/21 to Aug/21	758,500	3,794,168	(45,175)
Options	Short	B3	Options	Jul/22 to Oct/22	7,866	39,348	(1,174)
Subtotal – futures short position					766,366	3,833,516	(46,349)
Futures	Long	B3	Commercial dollar	Jul/21 to Dec/21	(766,500)	(3,834,187)	46,333
Options	Long	B3	Commercial dollar	Apr/21 to Oct/22	(7,866)	(39,348)	3,280
Subtotal - futures long position					(774,366)	(3,873,535)	49,613
Subtotal - futures					(8,000)	(40,019)	3,264
Forward	Short	OTC/Cetip	NDF	Jul/21 to Jan/22	3,339,491	16,704,805	828,316
Forward	Long	OTC/Cetip	NDF	Jul/21 to Jan/22	(1,386,597)	(6,936,036)	(348,145)
Subtotal - Locked-in exchange					1,952,894	9,768,769	480,171
<i>Exchange swaps</i>	Short	OTC	Exchange swaps	Oct/21 to Jan/27	525,610	2,629,206	(1,128,363)
Exchange swaps	Long	OTC	Exchange swaps	Oct/21 to Jan/27	(2,589,240)	(12,951,898)	3,102,251
Subtotal – foreign exchange swap – long position					(2,063,630)	(10,322,692)	1,973,888
Locked-in exchange	Short	OTC	Locked-in exchange	Jul/21 to Sep/21	18,491	92,496	1,625
Locked-in exchange	Long	OTC	Locked-in exchange	Sep/21	(5,687)	(28,447)	(337)
Subtotal - Locked-in exchange					12,804	64,049	1,288
Net exposure of foreign exchange derivatives at June 30, 2021					(105,932)	(529,893)	2,458,611
Net exposure of foreign exchange derivatives at March 31, 2021					(1,636,881)	(9,325,806)	3,184,031

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As of June 30, 2021, the consolidated summary of quantitative data on the Company's net exposure, considering parity of all currencies with US\$, is as follows:

	06/30/2021	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	1,619,223	323,702
Restricted cash (Note 4.b)	2,042,492	408,319
Suppliers - foreign (Note 5)	1,462,461	292,364
Related parties (Note 9.a)	(2,081,859)	(416,189)
Trade accounts payable (Note 14)	(3,162,725)	(632,267)
Loans and financing (Note 16)	(15,319,883)	(3,062,629)
Lease liabilities (Note 15.b)	(345,133)	(68,996)
Derivative financial instruments (Note 26.d) (1)		105,932
Net foreign exchange exposure, adjusted at June 30, 2021 (2)		<u>(3,049,764)</u>
Net foreign exchange exposure, adjusted at March 31, 2021		<u>(382,315)</u>

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

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

(e) Hedge accounting effect

Raízen formally designates its operations subject to hedge accounting for cash flow protection purposes. Main designated hedges are sugar revenues, ethanol revenues, as applicable, byproduct import costs and debts in foreign currency.

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

Derivative	Market	Risk	Realization year				
			2021/2022	2022/2023	Above 2023	06/30/2021	03/31/2021
Futures	OTC / ICE	<i>Sugar#11</i>	134,346	(111,118)	(15,145)	8,083	-
Futures	B3 / NYMEX / OTC	Ethanol	(57,118)	-	-	(57,118)	-
Futures	NYMEX	Heating Oil	-	-	-	-	(889)
Options	ICE	<i>Sugar#11</i>	-	(1,518)	-	(1,518)	-
Forward	OTC	Exchange	286,631	156,275	34,050	476,956	(1,192)
Swap	Debt	Exchange	-	-	34,879	34,879	-
PPE	Debt	Exchange	-	-	5,750	5,750	-
			<u>363,859</u>	<u>43,639</u>	<u>59,534</u>	<u>467,032</u>	<u>(2,081)</u>
(-) Deferred taxes			<u>(123,712)</u>	<u>(14,837)</u>	<u>(20,242)</u>	<u>(158,791)</u>	<u>707</u>
Effect on equity			<u>240,147</u>	<u>28,802</u>	<u>39,292</u>	<u>308,241</u>	<u>(1,374)</u>

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Derivative	Market	Risk	Realization period		
			2020/2021	06/30/2020	03/31/2020
Forward	OTC / ICE	Exchange	11,602	11,602	28,106
			11,602	11,602	28,106
(-) Deferred taxes			(3,947)	(3,947)	(9,558)
Effect on equity			7,655	7,655	18,548

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

Cash flow hedge

	06/30/2021	06/30/2020
Beginning balance	(1,374)	18,548
Movements occurred in the period:		
Fair value of commodity futures designated as hedge accounting	(217,774)	-
Fair value loss on forward exchange contracts designated as hedge accounting	567,297	20,336
Income (loss) from commodities reclassified to costs of products sold and services rendered and other operating revenue, net	168,110	(36,840)
Realization of gains / (losses) arising from exchange futures in net operating income	(48,519)	-
Total movements occurred in the period (before deferred taxes)	469,114	(16,504)
Effect of deferred taxes on equity valuation adjustments	(159,499)	5,611
	309,615	(10,893)
Balance at end of period	308,241	7,655

Fair value hedge

Raízen designates inventories and highly likely purchases of oil byproducts linked to derivatives at fair value. Risk management is mainly aimed at recognizing inventories at floating prices, in the same manner as Raízen sales revenue will be recognized when the products are sold to clients. Hedge accounting aims at minimizing any type of mismatching in profit or loss for the year, marking the derivatives as well as inventories at fair value. Changes in marking are recorded under Cost of sales and had a positive impact in the three-month period ended June 30, 2021 amounting to R\$ 75,587 (positive R\$ 311,199 at June 30, 2020). In the statement of financial position at June 30, 2021, measurement of inventories at fair value increased by de R\$ 123,368 (R\$ 47,780 at March 31, 2021).

(f) Interest rate risk (Consolidated)

The Company monitors fluctuations in floating interest rates related to certain debts, especially those linked to Libor and, when necessary, uses derivative instruments to manage 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 at June 30, 2021							
<u>Derivatives</u>	<u>Long/ Short</u>	<u>Market</u>	<u>Agreement</u>	<u>Maturity</u>	<u>Notional (units)</u>	<u>Notional (R\$ thousand)</u>	<u>Fair value (R\$ thousand)</u>
Interest rate swaps	Long	OTC	Interest rate swaps	Dec/21 to Jun/30	(806,031)	(4,031,929)	403,931
Total interest rate swaps					(806,031)	(4,031,929)	403,931
Net exposure of interest derivatives at June 30, 2021						(4,031,929)	403,931
Net exposure of interest derivatives at March 31, 2021						(204,024)	46,811

(g) **Credit risk (Consolidated)**

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

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

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

Guarantee margins (Restricted cash, Note 4.b) - Derivative transactions on commodity exchanges (NYBOT, NYMEX, LIFFE and B3) require guarantee margins. The total consolidated margin deposited at June 30, 2021 amounts to R\$ 2,146,090 (R\$ 146,888 at March 31, 2021), of which R\$ 78,917 (R\$ 42,020 at March 31, 2021) in restricted short-term investments and R\$ 2,047,860 (R\$ 104,868 at March 31, 2021) in derivative transaction margin.

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

Credit risk on cash and cash equivalents is mitigated through the conservative distribution of investment funds and CDBs 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.

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(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 other financial assets. The Company's approach to liquidity risk management is to ensure, as much as possible, that there is always sufficient liquidity to meet obligations upon their maturity, under normal and stress conditions, without causing unacceptable losses or with the risk of damaging the Company's reputation.

As part of the liquidity management process, management prepares business plans and monitors their execution, discussing the positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.

Maturity of major financial liabilities contracted is as follows:

					06/30/2021	03/31/2021
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total	Total
Loans and financing (1)	4,049,848	3,854,474	9,405,845	11,512,918	28,823,085	8,053,180
Suppliers (Note 14)	12,301,205	-	-	-	12,301,205	6,657,980
Lease liabilities (Note 15.b)	1,804,658	1,819,771	3,715,615	2,794,960	10,135,004	669,985
Derivative financial instruments (Note 26.b)	8,248,352	802,997	130,824	89,371	9,271,544	174,546
Related parties (1 and 2)	1,253,787	140,461	490,129	3,234,739	5,119,116	7,623,568
	<u>27,657,850</u>	<u>6,617,703</u>	<u>13,742,413</u>	<u>17,631,988</u>	<u>65,649,954</u>	<u>23,179,259</u>

- (1) Undiscounted contractual cash flows.
- (2) Except for lease liabilities with related parties.

(i) Fair value

The procedures for measuring and recognizing fair value of financial assets and liabilities remain the same as disclosed in the annual financial statements as of March 31, 2021 (Note 25.i).

Fair value hierarchy

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

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

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Financial instruments measured at fair value	Level 1	Level 2	Level 3	Total
Interest earning bank deposits (Note 3)	-	2,730,773	-	2,730,773
Marketable securities (Note 4.a)	-	378,762	-	378,762
Short-term investment – restricted cash (Note 4.b)	-	98,230	-	98,230
Derivative financial assets (Note 26.b)	4,274,170	4,830,534	-	9,104,704
Loans and financing (Note 16)	-	(16,954,617)	-	(16,954,617)
Derivative financial liabilities (Note 26.b)	(7,319,622)	(1,951,922)	-	(9,271,544)
Total at June 30, 2021	(3,045,452)	(10,868,240)	-	(13,913,692)
Total at March 31, 2021	(19,642)	(4,302,178)	-	(4,321,817)

(j) Sensitivity analysis (Consolidated)

The Group adopted three scenarios for its sensitivity analysis, i.e. a probable scenario and another two (possible and remote) scenarios that may have adverse effects on fair value of the Group's financial instruments. The probable scenario was defined based on the futures market curves for commodities, sugar, diesel (heating oil), ethanol and the US dollar at June 30, 2021, corresponding to the balance of the derivatives' fair value on the dates mentioned. Possible and remote adverse scenarios were defined considering impacts of 25% and 50% on the product and US dollar price curves, which were calculated based on the probable scenario.

Sensitivity analysis tables

(1) Changes in fair value of derivative financial instruments

Risk factor	Probable Scenario	Possible scenario +25%	Fair value balance	Remote scenario +50%	Impacts on profit or loss (*)	
					Fair value balance	
<u>Price risk</u>						
Commodity derivatives						
Futures contracts:						
Purchase and sale commitments	Sugar price increase	(2,365,703)	12,556	(2,353,147)	25,112	(2,340,591)
Purchase and sale commitments	Gasoline price increase	(404,189)	(13,896)	(418,085)	(27,793)	(431,982)
Purchase and sale commitments	Ethanol price increase	(94,222)	(155,513)	(249,735)	(311,025)	(405,247)
Purchase and sale commitments	Diesel and gasoline price increase	(141,254)	(223,821)	(365,075)	(447,641)	(588,895)
Purchase and sale commitments	Energy price increase	(24,014)	27,589	3,575	55,177	31,164
		(3,029,382)	(353,085)	(3,382,467)	(706,170)	(3,735,552)
<u>Currency risk</u>						
Exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	RS/US\$ exchange rate decrease	3,264	(52,016)	(48,752)	(104,034)	(100,770)
Forward contracts and locked-in exchange:						
Purchase and sale commitments	RS/US\$ exchange rate decrease	493,227	(11,830,706)	(11,337,479)	(23,661,413)	(23,168,186)
Purchase and sale commitments	ARS/US\$ exchange rate decrease	(11,768)	(45,359)	(57,127)	(90,718)	(102,486)
FX swaps:						
Purchase and sale commitments	RS/US\$ exchange rate decrease	1,973,888	(2,503,674)	(529,786)	(5,007,347)	(3,033,460)
		2,458,611	(14,431,755)	(11,973,144)	(28,863,512)	(26,404,901)
<u>Interest rate risk</u>						
Interest rate swaps:						
Purchase and sale commitments	Write-off in interest rate	403,932	(19,759)	384,173	(39,518)	364,414
		403,932	(19,759)	384,173	(39,518)	364,414
Total		<u>(166,839)</u>	<u>(14,804,599)</u>	<u>(14,971,438)</u>	<u>(29,609,200)</u>	<u>(29,776,039)</u>

(*) Result projected to occur in up to 12 months from June 30, 2021.

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As of June 30, 2021, the commodity and foreign exchange futures curves used in aforementioned sensitivity analysis were as follows:

		Position	Scenarios		
			Probable	Possible	Remote
Sugar price increase	R\$/ton	Short	1,706	2,133	2,559
Gasoline price increase	R\$/m ³	Short	2,627	3,284	3,940
Ethanol price increase	R\$/m ³	Long	2,602	3,253	3,903
Diesel price increase	R\$/m ³	Short	2,123	2,654	3,184
Energy price increase	R\$/mwh	Short	340.75	425.94	511.13
R\$/US\$ exchange rate increase	R\$/US\$	Short	5.00	6.25	7.50
ARS/US\$ exchange rate decrease	ARS/US\$	Long	106.84	133.55	160.26
R\$/US\$ exchange rate decrease	R\$/US\$	Long	5.00	3.75	2.50
Interest rate decrease	% p.y.	Long	4.15	3.11	2.08

(2) Currency exposure, net

The probable scenario considers the position at June 30, 2021. Effects of the possible and remote scenarios that would be posted to the consolidated combined profit or loss as foreign exchange gains (losses) are as follows:

Net currency exposure at June 30, 2021	Statement of financial position	Effect of exchange rate changes			
		Possible scenario +25%	Remote scenario +50%	Possible scenario +25%	Remote scenario 50%
Cash and cash equivalents (Note 3)	1,619,223	404,806	809,612	(404,806)	(809,612)
Restricted cash (Note 4.b)	2,042,492	510,623	1,021,246	(510,623)	(1,021,246)
Accounts receivable from abroad entities (Note 5)	1,462,461	365,615	731,231	(365,615)	(731,231)
Related parties (Note 9.a)	(2,081,859)	(520,465)	(1,040,930)	520,465	1,040,930
Suppliers (Note 14)	(3,162,725)	(790,681)	(1,581,363)	790,681	1,581,363
Lease liabilities (Note 15.b)	(345,133)	(86,283)	(172,567)	86,283	172,567
Loans and financing (Note 16)	(15,319,883)	(3,829,971)	(7,659,942)	3,829,971	7,659,942
Impact on statement of income for the period		(3,946,356)	(7,892,713)	3,946,356	7,892,713

As of June 30, 2021, the rates used in aforementioned sensitivity analysis were as follows:

	R\$/US\$
Possible scenario +25%	5.00
Remote scenario +50%	6.25
Possible scenario -25%	3.75
Remote scenario -50%	2.50

(3) Interest rate sensitivity

As of June 30, 2021, the probable scenario considers CDI accumulated over the past 12 months the weighted annual average rate of fixed interest on loans and financing, and for short-term investments, marketable securities and restricted cash. In both cases, simulations were performed with an increase and decrease of 25% and 50%. The consolidated combined results of this sensitivity analysis are presented below:

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	Interest rate sensitivity				
	Probable Scenario	Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Interest earnings bank deposits	52,766	13,191	26,383	(13,191)	(26,383)
Marketable securities	8,610	2,152	4,305	(2,152)	(4,305)
Interest earnings bank deposits (restricted cash)	2,219	555	1,110	(555)	(1,110)
Loans and financing	(1,052,305)	(263,076)	(526,152)	263,076	526,152
Additional impact in income (loss) for the period	(988,710)	(247,178)	(494,354)	247,178	494,354

As of June 30, 2021, the rates used in sensitivity analysis were as follows:

	Scenarios				
	Probable	Possible +25%	Remote +50%	Possible -25%	Remote -50%
Accumulated CDI - % p.y.	2.29%	2.86%	3.43%	1.72%	1.14%
Fixed interest of loans and financing - % p.y.	4.87%	6.08%	7.30%	3.65%	2.43%

(k) Capital management

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

Raízen maintains relationships with the main local and international rating agencies, as shown below:

Agency	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	08/05/2021
	Global	BBB	Stable	08/05/2021
Moody's	National	Aaa.Br	Stable	12/09/2020
	Global	Baa3	Stable	12/09/2020
Standard & Poor's	National	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

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

Debt capital, which comprises Raízen's net debt, is calculated based on total loans and financing in the market, less cash and cash equivalents, investments and trade notes held as collateral for debt items and derivative financial instruments taken out to hedge against indebtedness.

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Financial leverage ratios at June 30 and March 31, 2021 were calculated as follows:

	<u>06/30/2021</u>	<u>03/31/2021</u>
Debt capital		
Loans and financing (Note 16)	23,849,615	7,585,167
Intragroup PPE	-	3,423,635
(-) Cash and cash equivalents (Note 3)	(4,802,559)	(2,604,779)
(-) Marketable securities (Note 4.a)	(378,762)	-
(-) Financial investments linked to financing (Note 4.b)	(19,313)	-
(-) National treasure certificate – CTN	(26,489)	-
(-) Foreign exchange and interest rate swaps and other derivatives (Note 26.b)	(2,377,819)	(3,265,365)
	<u>16,244,673</u>	<u>5,138,658</u>
Own capital		
Equity		
Attributed to shareholders of Parent Company	10,152,294	5,326,327
Interests of non-controlling shareholders	290,738	283,515
	<u>10,443,032</u>	<u>5,609,842</u>
Total own capital	<u>26,687,705</u>	<u>10,748,500</u>
Leverage ratio	60.87%	47.81%

27. Supplementary retirement plan

(a) Pension fund

Defined contribution

In the three-month period ended June 30, 2021, the contribution recognized as expense totaled R\$ 2,800 (R\$ 1,470 at June 30, 2020).

Pension and health plan of Raízen Argentina

Raízen Argentina granted pension plans to non-union employees with defined and non-financed benefits. This plan is 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 of employees. The Company recognizes a provision when it is contractually bound or when there is a past practice that has created a constructive obligation.

28. Insurance

As mentioned in Note 27 to the annual financial statements as of March 31, 2021, the Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with their assets and operations. In the three-month period ended June 30, 2021, referred to insurance coverage did not change significantly.

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29. Cash flow information

(a) Reconciliation of changes in equity with cash flows from financing activities (“CFF”)

(Assets)/Liabilities						Individual
	Financial investments linked to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and IOE payable	Total
Balance as of March 31, 2021	-	78,002	6,728,601	3,765,934	189,391	10,761,928
Transactions with impact in CFF						
Loans and financing raised, net	-	-	1,579,916	-	-	1,579,916
Amortization of principal	-	-	(131,079)	-	-	(131,079)
Interest amortization	-	-	(27,526)	(2,648)	-	(30,174)
Amortization of lease liabilities	-	(9,221)	-	(4,428)	-	(13,649)
Payment of dividends and interest on own capital, including preferred shares' yield	-	-	-	-	(325,000)	(325,000)
Investments	(19,188)	-	-	-	-	(19,188)
Management of funds and other	-	-	-	(1,782,900)	-	(1,782,900)
	(19,188)	(9,221)	1,421,311	(1,789,976)	(325,000)	(722,074)
Other changes that do not affect CFF						
Interest, monetary variation and foreign exchange differences, net	(85)	1,258	(724,407)	(350,493)	-	(1,073,727)
Changes in fair value of financial instruments	-	-	62,597	(4,650)	-	57,947
Dividends and interest on own capital	-	-	-	-	1,452,514	1,452,514
Additions, write-offs and remeasurement	-	9,366	-	-	-	9,366
Other	-	-	-	616	(8,774)	(8,158)
	(85)	10,624	(661,810)	(354,527)	1,443,740	437,942
Balances at June 30, 2021	(19,273)	79,405	7,488,102	1,621,431	1,308,131	10,477,796

(Assets)/Liabilities						Individual
	Lease liabilities	Loans and financing	Related parties (1)	Dividends and IOE payable	Total	
Balance at March 31, 2020	105,341	7,149,695	3,317,977	63,258	10,636,271	
Transactions with impact in CFF:						
Loans and financing raised	-	269,000	-	-	269,000	
Amortization of principal	-	(561)	-	-	(561)	
Interest amortization	-	(57,666)	(2,862)	-	(60,528)	
Amortization of lease liabilities	(7,377)	-	(4,070)	-	(11,447)	
Management of funds and other	-	-	(292,930)	-	(292,930)	
	(7,377)	210,773	(299,862)	-	(96,466)	
Other changes that do not affect CFF:						
Interest, monetary variation and foreign exchange differences, net	1,835	393,630	203,853	-	599,318	
Changes in fair value of financial instruments	-	(38,762)	37,906	-	(856)	
Dividends and interest on own capital	-	-	-	37,000	37,000	
Additions, write-offs and remeasurement	1,497	-	-	-	1,497	
Other	-	-	781	(5,550)	(4,769)	
	3,332	354,868	242,540	31,450	632,190	
Balance at June 30, 2020	101,296	7,715,336	3,260,655	94,708	11,171,995	

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(Assets)/Liabilities	Consolidated						Total
	Financial investments linked to financing	Lease liabilities	Loans and financing (2)	Lease liabilities – related parties	Related parties (1)	Dividends and IOE payable	
Balance as of March 31, 2021	-	486,879	7,585,167	-	3,693,400	199,926	11,965,372
Transactions with impact in CFF:							
Loans and financing raised, net	-	-	1,875,548	-	-	-	1,875,548
Amortization of principal	-	-	(818,993)	-	-	-	(818,993)
Interest amortization	-	-	(83,511)	-	(981)	-	(84,492)
Amortization of lease liabilities	-	(198,239)	-	(19,894)	-	-	(218,133)
Payment of dividends and interest on own capital, including preferred shares' yield	-	-	-	-	-	(325,000)	(325,000)
Investments	(19,188)	-	-	-	-	-	(19,188)
Management of funds and other	-	-	-	-	(705,050)	-	(705,050)
	(19,188)	(198,239)	973,044	(19,894)	(706,031)	(325,000)	(295,308)
Other changes that do not affect CFF:							
Net assets constituted through the corporate reorganization (Note 11)	(39)	5,757,038	16,010,120	1,214,333	2,220	747,588	23,731,260
Interest, monetary variation and foreign exchange differences, net	(86)	50,370	(999,648)	8,429	(195,126)	-	(1,136,061)
Changes in fair value of financial instruments	-	-	96,992	-	(21,471)	-	75,521
Redemption of preferred shares	-	-	-	-	(2,220)	-	(2,220)
Dividends and interest on own capital	-	-	-	-	-	1,452,514	1,452,514
Write-off due to consolidation	-	-	269,807	-	(2,600,968)	-	(2,331,161)
Transfers	-	(34,805)	-	-	-	-	34,805
Additions, write-offs and remeasurement	-	189,220	-	8,905	-	-	198,125
Foreign currency translation effect and other	-	(47,792)	(112,356)	-	618	(8,774)	(168,304)
	(125)	5,914,031	15,264,915	1,231,667	(2,816,947)	2,191,328	21,784,869
Balance at June 30, 2021	(19,313)	6,202,671	23,823,126	1,211,773	170,422	2,066,254	33,454,933

(Assets)/Liabilities	Consolidated				
	Lease liabilities	Loans and financing	Related parties (1)	Dividends and IOE payable	Total
Balance at March 31, 2020	674,086	8,461,079	3,241,119	73,024	12,449,308
Transactions with impact in CFF:					
Loans and financing raised	-	475,735	-	-	475,735
Amortization of principal	-	(289,993)	-	-	(289,993)
Interest amortization	-	(86,279)	(2,862)	-	(89,141)
Amortization of lease liabilities	(89,049)	-	-	-	(89,049)
Management of funds and other	-	-	63,544	-	63,544
	(89,049)	99,463	60,682	-	71,096
Other changes that do not affect CFF:					
Interest, monetary variation and foreign exchange differences, net	13,430	414,177	194,193	-	621,800
Changes in fair value of financial instruments	-	(38,762)	37,906	-	(856)
Dividends and interest on own capital	-	-	-	37,000	37,000
Additions, write-offs and remeasurement	4,698	-	-	-	4,698
Foreign currency translation effect and other	26,916	65,271	781	(5,550)	87,418
	45,044	440,686	232,880	31,450	750,060
Balance at June 30, 2020	630,081	9,001,228	3,534,681	104,474	13,270,464

(1) These are comprised of fund management, financial transaction and preferred share balances (Note 9.a).

(2) Net from financial investments (“CTN”).

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(b) Transactions not involving cash

	Individual		Consolidated	
	Apr-Jun/21	Apr-Jun/20	Apr-Jun/21	Apr-Jun/20
Capital increase with equity interest in Raízen Energia S.A. (Note 11)	(5,727,866)	-	(1,722,993)	-
Additions to intangible assets (Shell brand)	(1,722,993)	-	(1,722,993)	-
Installments receivable from sale of Raízen Gas and formation of joint venture	48,667	46,117	103,256	113,001
Depreciation of agricultural assets capitalized as biological assets (Note 7)	-	-	(3,011)	-
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 13)	-	-	(6,021)	-
Interest capitalized on property, plant and equipment (Notes 25)	(2)	(31)	(6,327)	(31)
Rights of use	(9,508)	(1,543)	(135,427)	(34,003)
Other	263	(194)	5,042	(504)
	<u>(7,411,439)</u>	<u>44,349</u>	<u>(1,765,481)</u>	<u>78,463</u>

30. Events after the reporting period

(a) Acquisition of Biosev S.A. by Raízen S.A.

On August 10, 2021, the acquisition of all shares issued by Biosev was concluded by the Company, and the Company paid the amount described in the acquisition agreement signed on February 8, 2021, which provides that price adjustments will be defined within 90 days after closing. This payment was used, in turn, to pay part of Biosev's financial debts, and the remaining balance of such debts being paid with funds arising from a new financing contracted by Hédera. Also, as part of this transaction, Hédera exercised the subscription bonus issued at the Company's general meeting held on June 1, 2021, becoming the holder of 330,602,900 preferred shares issued by the Company, representing approximately 3.22% of its capital.

Biosev S.A. whose main activities are the production, processing and sale of rural and agricultural products, mainly sugarcane and its derivatives, generation and sale of energy and by-products from energy cogeneration.

This business combination is in line with the Company's strategy of leading the transformation of the energy matrix with its own technology, by expanding the crushing capacity and increasing the share of renewable products in our portfolio.

(b) Initial Public Offer

On August 3, 2021, Raízen's Board of Directors announced the pricing fixation per preferred share of its initial public offering at R\$7.40. Thus, as of August 5, 2021, the process of trading these preferred shares on B3 began under the ticker name "RAIZ4". At the present date, the initial public offering is 810,811,000 preferred shares of the Company, in the amount of R\$ 6,000,000, as part of the base offering and, also, 121,621,650 preferred shares, in the amount of R\$ 900,000 were over-allocated, for purposes of stabilization activities.

(c) Capital increase of Raízen S.A.

On July 12, 2021, in a Special Annual Meeting, the Company's capital increase by R\$ 130,135 was approved, which increased capital from R\$ 3,000,000 to R\$ 3,130,135, with bonuses in preferred shares, through the capitalization of the equity reserves.

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(d) Capital increase of Blueway subsidiary

On August 06, 2021, in a Extraordinary General Meeting, the Company approved the capital increase in the Blueway subsidiary in the amount of R\$ 750,000, which was subscribed and paid-in, on this date, in Brazilian currency.

(e) Advances for future capital increase of RESA subsidiary

On August 6, 2021, Raízen conclude through advances for future capital increase a contribution in the amount of 5,250,000 to RESA, without interest or any other form of remuneration. The parties agreed that this instrument must be used for the payment of common, registered shares,

without nominal amount, to be subscribed by Raízen in a future capital increase in RESA that intends to be resolved at an Extraordinary General Meeting, to be held until August 31, 2021.

(f) Agreement for the acquisition of Barcos & Rodados S.A. (“B&R”)

On August 10, 2021, RESA entered into a share purchase agreement for the acquisition of 50% of B&R, a company headquartered in Paraguay, for the total amount of US\$ 130,000 thousand, of which US\$40,000 thousand will be paid on the closing date (subject to the usual adjustments for this type of transaction) and US\$ 90,000 thousand will be paid in 5 (five) annual installments. On the closing date, a shareholders' agreement will also be signed, in which RESA will have the right to appoint the executive board and the majority of the members of the company's board of directors, and will also be entitled to a preferential dividend, depending on B&R's financial performance.

B&R is the leader in the fuel distribution market in Paraguay, with a network of 350 fuel resale stations. As part of the transaction, Raízen S.A. will sublicense the right to use the Shell brand to B&R, whose service stations will progressively operate under the Shell brand.

The closing of the transaction is subject to compliance with the usual suspensive conditions for this type of transaction, including, but not limited to, the segregation of certain B&R assets.

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