

Raízen Energia S.A.

Interim financial information

as of June 30, 2021

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A free translation from Portuguese into English of independent auditor’s review report on quarterly information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS)

Independent auditor’s review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Raízen Energia 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 mentioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three-month period ended June 30, 2021, prepared under Company's Management responsibility and presented as supplementary information under 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

RAÍZEN ENERGIA S.A.

Statements of financial position as of June 30 and March 31, 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	752,801	1,346,874	2,715,987	4,042,966
Restricted cash	4	1,651,511	848,717	1,808,295	918,295
Derivative financial instruments	26	4,147,574	2,172,549	6,144,472	2,863,598
Trade accounts receivable	5	450,632	272,054	1,657,151	1,421,788
Inventories	6	1,684,293	551,414	3,141,761	1,245,439
Biological assets	7	1,448,362	999,021	1,969,532	1,353,185
Recoverable income tax and social contribution	17.a.1	16,820	73,327	23,599	80,607
Recoverable taxes	8	272,838	229,828	445,799	363,040
Other financial assets	9	-	-	37,633	37,633
Related parties	10	2,344,135	2,514,858	3,075,745	3,466,058
Dividends receivable		72,970	22,370	55,368	-
Other receivables		286,785	226,394	500,928	399,966
Total current assets		13,128,721	9,257,406	21,576,270	16,192,575
Noncurrent assets					
Derivative financial instruments	26	1,300,971	1,544,977	1,978,985	1,950,537
Other financial assets	9	110,007	107,071	231,910	226,690
Recoverable income tax and social contribution	17.a.1	249,233	249,233	281,133	281,133
Recoverable taxes	8	156,655	231,081	386,496	477,932
Related parties	10	357,116	354,658	2,497,506	2,785,501
Deferred income tax and social contribution	17.b	2,135,344	2,166,384	2,215,807	2,206,682
Judicial deposits	18	325,552	310,299	468,625	453,880
Other receivables		260,396	245,479	327,826	294,530
Investments	11	7,055,450	7,789,547	516,290	560,063
Property, plant and equipment	12	6,547,474	6,687,992	10,814,458	11,056,969
Intangible assets	13	1,445,284	1,452,003	1,799,354	1,809,493
Rights of use	15.a	5,635,699	4,446,886	6,653,943	5,233,891
Total noncurrent assets		25,579,181	25,585,610	28,172,333	27,337,301
Total assets		38,707,902	34,843,016	49,748,603	43,529,876

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of financial position as of June 30 and March 31, 2021 (In thousands of Reais – R\$)

(continued)

	Note	Individual		Consolidated	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021
Liabilities and equity					
Current liabilities					
Suppliers	14	1,455,343	977,581	4,599,312	4,253,193
Lease liabilities	15.b	894,477	789,780	1,053,295	939,454
Loans and financing	16	227,735	934,334	1,721,541	1,771,398
Derivative financial instruments	26	5,850,415	3,368,764	8,119,948	4,138,301
Payroll and related charges payable		484,370	397,590	586,871	478,168
Income tax and social contribution payable	17.a.2	-	-	144,734	153,484
Taxes payable		56,554	70,389	166,031	186,116
Dividends payable	20.b	746,683	8,252	746,683	8,252
Related parties	10	3,743,162	3,203,285	2,539,176	1,227,631
Advances from clients	5	41,979	105,246	118,644	371,266
Other liabilities		71,788	86,219	138,056	151,972
Total current liabilities		13,572,506	9,941,440	19,934,291	13,679,235
Noncurrent liabilities					
Lease liabilities	15.b	3,832,220	2,979,186	4,709,802	3,648,861
Loans and financing	16	7,920,897	8,061,879	13,515,529	14,796,627
Derivative financial instruments	26	1,685,060	1,673,181	2,148,242	1,768,300
Taxes payable		172,652	172,070	182,162	181,579
Related parties	10	4,441,098	4,558,095	1,629,303	1,380,763
Provision for legal disputes	18	421,177	436,974	543,083	571,805
Deferred income tax and social contribution	17.b	-	-	440,933	426,671
Other liabilities		191,938	195,791	175,847	166,722
Total noncurrent liabilities		18,665,042	18,077,176	23,344,901	22,941,328
Total liabilities		32,237,548	28,018,616	43,279,192	36,620,563
Equity	20				
Capital		6,516,354	6,514,134	6,516,354	6,514,134
Capital reserves		1,089,121	1,089,121	1,089,121	1,089,121
Equity adjustments		(1,915,254)	(1,783,306)	(1,915,254)	(1,783,306)
Income reserves		266,020	1,004,451	266,020	1,004,451
Retained earnings/(accumulated losses)		514,113	-	514,113	-
		6,470,354	6,824,400	6,470,354	6,824,400
Interests of non-controlling shareholders		-	-	(943)	84,913
Total equity		6,470,354	6,824,400	6,469,411	6,909,313
Total liabilities and equity		38,707,902	34,843,016	49,748,603	43,529,876

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of income

Three-month periods ended June 30

(In thousands of Reais – R\$, except earnings (loss) per share)

	Note	Individual			Consolidated
		Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/ 2021	Apr-Jun/2020
Net operating revenue	21	2,143,292	1,242,644	8,294,076	4,993,446
Cost of products sold and services provided	23	(1,220,557)	(1,027,330)	(6,970,624)	(4,512,166)
Gross income		922,735	215,314	1,323,452	481,280
Operating revenue (expenses)					
Selling	23	(227,310)	(157,981)	(269,647)	(167,875)
General and administrative	23	(129,591)	(108,288)	(190,726)	(155,330)
Other operating revenue (expenses), net	24	16,790	17,153	31,113	(26,840)
Equity accounting results	11	293,731	14,182	(7,128)	(82,759)
		(46,380)	(234,934)	(436,388)	(432,804)
Income (loss) before financial results (costs) and income tax and social contribution		876,355	(19,620)	887,064	48,476
Financial results					
Financial expenses	25	(355,202)	(403,553)	(406,766)	(461,585)
Financial income	25	37,073	38,419	97,376	90,917
Effect of foreign exchange variation	25	288,432	(108,462)	270,344	(131,890)
Net effect of derivatives	25	(230,670)	308,419	(218,556)	325,616
		(260,367)	(165,177)	(257,602)	(176,942)
Income tax (loss) before income and social contribution		615,988	(184,797)	629,462	(128,466)
Income tax and social contribution	17.a				
Current		(26,691)	-	(150,421)	(23,280)
Deferred		(75,184)	81,269	(50,784)	50,900
		(101,875)	81,269	(201,205)	27,620
Net income (loss) for the period		514,113	(103,528)	428,257	(100,846)
Attributable to:					
Company's controlling shareholders		514,113	(103,528)	514,113	(103,528)
Company's non-controlling shareholders		-	-	(85,856)	2,682
		514,113	(103,528)	428,257	(100,846)
Net earnings (loss) per common share:					
Basic and diluted	20.e			0.0710	(0.0145)

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of comprehensive income (loss) Three-month periods ended June 30 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Net income (loss) for the period	514,113	(103,528)	428,257	(100,846)
Items that are or may be reclassified to statement of income				
Net income (loss) from derivative financial instruments designated as				
Hedge accounting (Note 26.e)	(129,836)	(807,964)	(129,836)	(807,964)
Effect of foreign currency translation - CTA	(46,256)	23,444	(46,256)	23,444
Deferred taxes on adjustments (Note 17.b)	44,144	274,707	44,144	274,707
	<u>(131,948)</u>	<u>(509,813)</u>	<u>(131,948)</u>	<u>(509,813)</u>
Other components of comprehensive income (loss) for the year	<u>(131,948)</u>	<u>(509,813)</u>	<u>(131,948)</u>	<u>(509,813)</u>
Total comprehensive income (loss) for the period	<u>382,165</u>	<u>(613,341)</u>	<u>296,309</u>	<u>(610,659)</u>
Attributable to:				
Company's controlling shareholders	382,165	(613,341)	382,165	(613,341)
Company's non-controlling shareholders	-	-	(85,856)	2,682
	<u>382,165</u>	<u>(613,341)</u>	<u>296,309</u>	<u>(610,659)</u>

See explanatory notes.

RAÍZEN ENERGIA S.A.

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

	Attributable to the Parent Company's shareholders										
	Capital reserves			Equity adjustments	Income reserves			Retained earnings/(accumulated losses)	Total	Interests of non-controlling shareholders	Total equity
	Capital	Capital reserve	Special goodwill reserve		Tax incentive reserve	Legal reserve	Retained profits				
Balances at March 31, 2021	6,514,134	846,010	243,111	(1,783,306)	163,119	266,020	575,312	-	6,824,400	84,913	6,909,313
Comprehensive income (loss) for the period											
Net income (loss) for the period	-	-	-	-	-	-	-	514,113	514,113	(85,856)	428,257
Equity adjustments - Hedge accounting (Note 20.e)	-	-	-	(85,692)	-	-	-	-	(85,692)	-	(85,692)
Effect of foreign currency translation - CTA	-	-	-	(46,256)	-	-	-	-	(46,256)	-	(46,256)
	-	-	-	(131,948)	-	-	-	514,113	382,165	(85,856)	296,309
Distributions to the Company's shareholders											
Redemption and allocation of dividends to preferred shareholders (Note 20.b)	2,220	-	-	-	-	-	-	-	2,220	-	2,220
Realization of reserves (Note 20.b)	-	-	-	-	(163,119)	-	(575,312)	-	(738,431)	-	(738,431)
	2,220	-	-	-	(163,119)	-	(575,312)	-	(736,211)	-	(736,211)
Balances at June 30, 2021	6,516,354	846,010	243,111	(1,915,254)	-	266,020	-	514,113	6,470,354	(943)	6,469,411

	Attributable to the Parent Company's shareholders										
	Capital reserves			Equity adjustments	Income reserves			Accumulated losses	Total	Noncontrolling interests	Total equity
	Capital	Capital reserve	Special goodwill reserve		Tax incentive reserve	Legal reserve	Retained profits				
Balances at March 31, 2020	6,512,609	846,010	243,111	(519,411)	80,007	235,310	84,114	-	7,481,750	106,427	7,588,177
Comprehensive income (loss) for the period											
Net income (loss) for the period	-	-	-	-	-	-	-	(103,528)	(103,528)	2,682	(100,846)
Equity adjustments - Hedge accounting (Note 20.e)	-	-	-	(533,257)	-	-	-	-	(533,257)	-	(533,257)
Effect of foreign currency translation - CTA	-	-	-	23,444	-	-	-	-	23,444	-	23,444
	-	-	-	(509,813)	-	-	-	(103,528)	(613,341)	2,682	(610,659)
Balances at June 30, 2020	6,512,609	846,010	243,111	(1,029,224)	80,007	235,310	84,114	(103,528)	6,868,409	109,109	6,977,518

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of cash flows – Indirect method Three-month periods ended June 30 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Cash flows from operating activities				
Income (loss) before income tax and social contribution	615,988	(184,797)	629,462	(128,466)
Adjustments due to:				
Depreciation and amortization (Note 23.a)	700,479	427,957	940,422	597,729
Net gain arising from changes in fair value and realization of gain or loss on biological assets (Note 23.a)	(506,296)	(148,909)	(683,806)	(191,964)
Equity accounting results in subsidiaries and associates (Note 11)	(293,731)	(14,182)	7,128	82,759
Net interest, inflation adjustments and exchange variations	(208,112)	334,406	(167,917)	312,018
Changes in the fair value of liabilities financial instruments (Note 25)	30,273	174,477	28,091	181,895
(Reversal) recognition of provision for legal disputes, net	(7,395)	13,703	(13,853)	18,787
Unrealized (gains from) losses on derivative transactions	461,926	(265,562)	746,377	(119,595)
Other	15,498	(54,538)	(12,791)	15,810
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	(243,659)	(65,246)	(483,378)	1,040,039
Inventories	(679,160)	(916,816)	(1,389,255)	(1,283,563)
Restricted cash	(802,098)	(36,807)	(889,317)	(60,517)
Derivative financial instruments	154,390	(1,522,725)	159,387	(1,459,221)
Judicial deposits	(1,864)	(3,331)	(835)	(3,008)
Suppliers and advances to suppliers	363,795	200,424	120,649	(2,191,942)
Recoverable and payable taxes	47,395	(122,070)	17,450	(108,010)
Related parties	(157,901)	(348,326)	13,879	1,237,980
Payroll and related charges payable	86,780	69,181	108,703	92,429
Payments of legal disputes (Note 18)	(11,120)	(10,603)	(15,445)	(14,988)
Other assets and liabilities, net	(69,042)	55,713	(4,972)	(66,672)
Other financial assets	(366)	(236)	(366)	(135)
Payment of income tax and social contribution on net income	-	-	(118,908)	(41,481)
Net cash used in operating activities	(504,220)	(2,418,287)	(1,009,295)	(2,090,116)
Cash flows from investments activities				
Additions to investment (Note 11.b)	(18,710)	(15,244)	(18,710)	(15,244)
Additions to property, plant and equipment and intangible assets	(334,318)	(274,031)	(403,286)	(377,717)
Dividends received from subsidiaries (Note 11.d.ii)	935,553	-	-	-
Cash received upon disposal of property, plant and equipment	9,017	6,080	7,604	6,841
Additions to biological assets	(172,968)	(166,302)	(205,527)	(196,294)
Interest received on pre-export financing (PPE) - intragroup	-	-	2,648	2,862
Net cash from (used in) investing activities	418,574	(449,497)	(617,271)	(579,552)
Cash flows from financing activities				
Funding from third party loans and financing	-	1,340,450	211,114	1,360,870
Payment of principal of third party loans and financing	(694,422)	(19,903)	(716,006)	(67,623)
Payments of interest of third party loans and financing	(121,949)	(113,622)	(107,978)	(114,650)
Payment of third parties lease liabilities	(377,728)	(270,210)	(457,196)	(314,005)
Payment of third parties lease liabilities	(59,316)	(40,694)	(59,316)	(40,694)
Net redemption of financial investments linked to financing (restricted cash)	-	(27)	-	63
Payment of interest on pre-export financing taken out – intragroup	(3,215)	-	-	-
Asset management, net – intragroup	774,906	641,242	1,597,850	(63,543)
Net cash flows (used in) from financing activities	(481,724)	1,537,236	468,468	760,418

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of cash flows – Indirect method Three-month periods ended June 30 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
(Decrease) in cash and cash equivalents, net	(567,370)	(1,330,548)	(1,158,098)	(1,909,250)
Cash and cash equivalents at beginning of period	1,346,874	3,030,814	4,042,966	6,473,747
Effect of foreign exchange on cash and cash equivalents	(26,703)	81,473	(168,881)	160,645
Cash and cash equivalents at end of period	<u>752,801</u>	<u>1,781,739</u>	<u>2,715,987</u>	<u>4,725,142</u>

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

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of value added Three-month periods ended June 30 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Revenues				
Gross sales of products and services (Note 21)	2,327,385	1,352,835	8,760,878	5,293,288
Sales returns, discounts and rebates (Note 21)	(11,604)	(7,750)	(23,683)	(25,519)
Reversal (set-up) of allowance for doubtful accounts, net (Note 5)	(297)	170	1,031	178
Other operating income (expenses), net	15,111	10,589	29,413	(33,459)
	2,330,595	1,355,844	8,767,639	5,234,488
Bought-in inputs				
Cost of sales and services	(990,067)	(690,082)	(6,547,563)	(4,023,064)
Materials, energy, third-party services and other	(243,896)	(178,158)	(290,436)	(187,171)
Net gain arising from changes in fair value and realized gain or loss on biological assets (Note 23.a)	506,296	148,909	683,806	191,964
Reversal (Set-up) of provision for estimated losses on property, plant and equipment, net (Note 12)	1,679	6,564	1,700	6,619
(Set-up) reversal of provision for estimated loss on inventory obsolescence, net (Note 6)	(2,491)	2,267	(410)	3,975
	(728,479)	(710,500)	(6,152,903)	(4,007,677)
Gross value added	1,602,116	645,344	2,614,736	1,226,811
Depreciation and amortization (Note 23.a)	(700,479)	(427,957)	(940,422)	(597,729)
Net value added	901,637	217,387	1,674,314	629,082
Value added received in transfer				
Equity accounting result (Note 11)	293,731	14,182	(7,128)	(82,759)
Finance income	37,073	38,419	97,376	90,917
Foreign exchange gains	288,432	-	270,344	-
Gain on derivative transactions	-	308,419	-	325,616
	619,236	361,020	360,592	333,774
Value added to be distributed	1,520,873	578,407	2,034,906	962,856
Distribution of value added				
Personnel				
Direct compensation	159,562	92,196	242,234	155,909
Benefits	40,000	17,231	47,059	21,980
Unemployment Compensation Fund (FGTS)	13,172	5,658	15,229	7,311
	212,734	115,085	304,522	185,200
Taxes, charges and contributions				
Federal	94,438	53,328	326,690	169,649
Deferred federal taxes	75,184	(63,021)	50,784	(32,652)
State	103,890	47,333	273,500	130,252
Local	939	1,870	1,348	2,563
	274,451	39,510	652,322	269,812
Debt remuneration				
Finance costs	355,202	403,553	406,766	461,585
Foreign exchange losses	-	108,462	-	131,890
Loss on derivative transactions	230,670	-	218,556	-
Rentals and leases	19,559	15,325	24,483	17,897
	605,431	527,340	649,805	611,372

See explanatory notes.

RAÍZEN ENERGIA S.A.

Statements of value added Three-month periods ended June 30 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Equity remuneration				
Retained profits (losses)	428,257	(103,528)	514,113	(100,846)
Noncontrolling interests in retained profits	-	-	(85,856)	(2,682)
	<u>428,257</u>	<u>(103,528)</u>	<u>428,257</u>	<u>(103,528)</u>
Value added distributed	<u>1,520,873</u>	<u>578,407</u>	<u>2,034,906</u>	<u>962,856</u>

See explanatory notes.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

1. Operations

Raízen Energia S.A. (the “Company”, the “Group”, “Raízen Energia” or “RESA”) is a publicly-held corporation registered with the Brazilian Securities and Exchange Commission (“CVM”) in Category B, with head office at Avenida Brigadeiro Faria Lima, número 4.100, 11º andar, Parte V, Itaim Bibi, in the city and state of São Paulo. Until May 31, 2021, RESA was an indirect subsidiary jointly controlled by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”), incorporated on June 1, 2011. On June 1, 2021, RESA shareholders contributed 100% of their shares to Raízen S.A. “RSA” (previously named Raízen Combustíveis S.A. “RCSA”) by means of a capital increase, whereby Raízen S.A. became the holder of 100% capital of RESA, through the Group’s corporate reorganization.

The term Raízen, whenever mentioned, corresponds to the joint venture formed between Shell and Cosan, in the ethanol, sugar and energy industry.

The Company and its subsidiaries are primarily engaged in the production and sale of sugar, ethanol and energy, including abroad through subsidiaries.

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

Covid-19

As mentioned in the annual financial statements as of March 31, 2021, the Company has implemented a contingency plan with the objective of preserving the health and integrity of its employees, in addition to ensuring the safety and continuity of its operations, since its products and services are considered essential activities, as they are strategic inputs in hospitals, security, food and energy.

The financial impacts of Covid-19 are reflected in these financial statements. However, the extent to which the Covid-19 pandemic will still impact our operating income (expenses), financial situation and cash flows depends on future developments, which are highly uncertain and may not be foreseen at this reporting date.

Based on the information available until the date of issue of this interim financial information, given the increase in prices - mainly of ethanol - in Brazil and the social isolation flexibilization measures, no additional provisions for future losses as a result of Covid-19 were recorded.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

Liquidity

The Company ended the three-month period as of June 30, 2021 with consolidated cash of R\$2,715,987. Consolidated working capital (current assets less current liabilities) ended the same period with a positive balance of R\$1,641,979 and consolidated net income of R\$428,257.

As of June 30, 2021, the parent company had negative working capital of R\$443,785. An important part of current liabilities arises from the balance payable to group companies. For this reason, Management has a reasonable expectation that the Company will have sufficient resources to remain in operation for the foreseeable future.

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 financial statements as of March 31, 2021 and should be read in conjunction with such statements. The information in the explanatory notes that was not significantly changed as compared with March 31, 2021 was not repeated in full 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 financial statements as of March 31, 2021.

The interim financial information is presented in Brazilian reais (R\$), which is the Company’s functional currency. 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 this interim financial information, management made judgments and estimates and adopted assumptions that affect the Group’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 financial statements as of March 31, 2021, except for review of assumptions on biological assets. (Note 7).

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

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 quarterly information as a whole.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

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(In thousands of Reals, unless otherwise stated)

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

2.2. Basis of consolidation

As of June 30 and March 31, 2021, the consolidated financial information includes the quarterly information of RESA and its direct and indirect subsidiaries, which are as follows:

	30.06.2021		31.03.2021	
	Direct	Indirect	Direct	Indirect
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta")				
Benálcool Açúcar e Álcool Ltda. ("Benálcool")	92,29%	7,71%	92,29%	7,71%
Bioenergia Araraquara Ltda. ("Bio Araraquara")	100,00%	-	100,00%	-
Bioenergia Barra Ltda. ("Bio Barra")	-	100,00%	-	100,00%
Bioenergia Caarapó Ltda. ("Bio Caarapó")	99,99%	0,01%	99,99%	0,01%
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto")	-	100,00%	-	100,00%
Bioenergia Gasa Ltda. ("Bio Gasa")	-	100,00%	-	100,00%
Bioenergia Jataí Ltda. ("Bio Jataí")	-	100,00%	-	100,00%
Bioenergia Maracaí Ltda. ("Bio Maracaí")	-	100,00%	-	100,00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100,00%	-	100,00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100,00%	-	100,00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100,00%	-	100,00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100,00%	-	100,00%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	-	100,00%	-	100,00%
Raízen Ásia PT Ltd. ("Raízen Ásia")	99,99%	0,01%	99,99%	0,01%
Raízen Biogás SPE Ltda. ("Raízen Biogás SPE")	-	100,00%	-	100,00%
Raízen Biomassa S.A.	-	-	99,90%	0,10%
Raízen Biotecnologia S.A. ("Biotecnologia")	81,50%	-	81,50%	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	100,00%	-	100,00%	-
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")	31,48%	68,52%	31,48%	68,52%
Raízen Energy Finance Ltd. ("Raízen Energy Finance")	47,37%	52,63%	47,37%	52,63%
Raízen Fuels Finance S.A. ("Raízen Fuels")	100,00%	-	100,00%	-
Raízen GD Ltda.	100,00%	-	100,00%	-
Raízen International Universal Corp. ("RIUC")	-	100,00%	-	100,00%
Raízen North América, Inc. ("Raízen North América")	100,00%	-	100,00%	-
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu")	-	100,00%	-	100,00%
Raízen Trading Colombia S.A.S.	100,00%	-	100,00%	-
Raízen Trading LLP ("Raízen Trading")	-	100,00%	-	100,00%
Raízen Trading Netherlands BV	-	100,00%	-	100,00%
Raízen Trading SA	-	100,00%	-	100,00%
Raízen-Geo Biogás S.A. ("Biogás")	100,00%	-	100,00%	-
RWXE Participações S.A. ("RWXE")	85,00%	-	85,00%	-
RZ Agrícola Caarapó Ltda.	-	70,00%	-	70,00%
Unimodal Ltda. ("Unimodal")	100,00%	-	100,00%	-
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	53,17%	20,24%	53,17%	20,24%

RAÍZEN ENERGIA S.A.

Notes to interim financial information

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

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

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				529,415	289,365	1,574,808	1,694,002
Values awaiting foreign exchange closure				74,270	1,057,505	87,201	1,087,345
Interest earnings bank deposits	Interbank Deposit Certificates (CDI)	97.07%	82.50%	-	-	261,366	231,334
Bank Deposit Certificates (CDB) and Repurchase agreements	CDI	101.17%	98.46%	149,116	4	792,612	1,030,285
				<u>752,801</u>	<u>1,346,874</u>	<u>2,715,987</u>	<u>4,042,966</u>
Domestic (local currency)				190,984	21,815	1,137,705	1,293,004
Abroad (foreign currency) (Note 26.d)				561,817	1,325,059	1,578,282	2,749,962
				<u>752,801</u>	<u>1,346,874</u>	<u>2,715,987</u>	<u>4,042,966</u>

4. 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	CDI	100.02%	100.02%	39	39	39	39
Financial investments linked to derivative transactions (Note 26.g)	CDI	101.34%	99.88%	74,996	57,642	74,996	57,642
Margin on derivative operations (Note 26.g)	-	-	-	1,576,476	791,036	1,733,260	860,614
				<u>1,651,511</u>	<u>848,717</u>	<u>1,808,295</u>	<u>918,295</u>
Domestic (local currency)				75,035	57,682	75,035	57,681
Abroad (foreign currency) (Note 26.d)				1,576,476	791,035	1,733,260	860,614
				<u>1,651,511</u>	<u>848,717</u>	<u>1,808,295</u>	<u>918,295</u>

5. Trade accounts receivable

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Domestic	305,101	266,024	767,842	747,091
Abroad (Note 26.d)	149,557	9,759	914,589	701,661
Estimated losses on doubtful accounts	(4,026)	(3,729)	(25,280)	(26,964)
	<u>450,632</u>	<u>272,054</u>	<u>1,657,151</u>	<u>1,421,788</u>

RAÍZEN ENERGIA S.A.

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(In thousands of Reais, unless otherwise stated)

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.

Maturity of trade accounts receivable is as follows:

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Falling due	288,787	263,630	1,474,208	1,379,824
Overdue:				
Within 30 days	155,671	6,966	165,553	18,608
From 31 to 90 days	3,311	1,419	7,127	15,192
From 91 to 180 days	2,833	174	9,407	1,160
More than 180 days	4,056	3,594	26,136	33,968
	165,871	12,153	208,223	68,928
	454,658	275,783	1,682,431	1,448,752

Changes in expected credit losses on doubtful accounts are as follows:

	Individual	Consolidated
At March 31, 2021	(3,729)	(26,964)
Reversals	(297)	1,031
Effect of foreign exchange variations	-	653
At June 30, 2021	(4,026)	(25,280)

As of June 30, 2021, the Company recorded R\$ 41,979 e R\$ 118,644 in the Individual and Consolidated financial statements, respectively (R\$ 105,246 e R\$ 371,266 in the Individual and Consolidated financial statements, respectively at March 31, 2021) in current liabilities, under Advances from clients, which refer substantially to amounts received from foreign clients relating to purchase of sugar and ethanol.

6. Inventories

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Finished products:				
Sugar	684,868	144,358	896,837	235,406
Ethanol	702,025	220,977	1,851,250	759,219
Products in progress	38,882	-	52,426	-
Materials and supplies	140,104	128,096	176,134	159,879
Other	118,414	57,983	165,114	90,935
	1,684,293	551,414	3,141,761	1,245,439

As of June 30, 2021, inventories are stated net of estimated loss on obsolescence and realization, and slow-moving and/or obsolete inventories, amounting to R\$ 17,736 e R\$ 21,429, in the Individual and Consolidated financial statements, respectively (R\$ 15,245 e R\$ 21,019 in the Individual and Consolidated financial statements, respectively, at March 31, 2021). Changes in the referred to losses are shown below and were recognized in the statement of income under Costs of sales.

RAÍZEN ENERGIA S.A.

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	Individual	Consolidated
Balance at March 31, 2021	(15,245)	(21,019)
Estimated loss	(13,594)	(14,520)
Reversal / realization	11,103	14,110
Balance at June 30, 2021	(17,736)	(21,429)

7. Biological assets

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

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Estimated harvest area (hectares)	365,585	410,752	449,249	463,793
Quantity of Total Recoverable Sugar ("TRS") per hectare	9.46	9.71	9.71	9.82
Projected average TRS price per kg (R\$/kg)	1.04	0.77	1.04	0.77

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

In the three-month 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.

Changes in biological assets (sugarcane) are as follows:

	Individual	Consolidated
Balance at March 31, 2021	999,021	1,353,185
Additions to sugarcane treatments	178,884	212,794
Absorption of harvested sugarcane costs	(235,839)	(280,253)
Change in fair value	583,905	809,591
Fair value realization	(77,609)	(125,785)
Balance at June 30, 2021	1,448,362	1,969,532

RAÍZEN ENERGIA S.A.

Notes to interim financial information June 30, 2021 (In thousands of Reais, unless otherwise stated)

8. Recoverable taxes

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Federal contribution taxes on gross revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	168,263	162,999	486,286	447,511
State VAT (ICMS)	175,440	212,845	245,870	274,812
Federal VAT (IPI)	32,662	31,657	42,402	40,031
Tax Recovery Program (REFIS)	42,149	42,004	42,149	42,004
Other	10,979	11,404	15,588	36,614
	429,493	460,909	832,295	840,972
Current	(272,838)	(229,828)	(445,799)	(363,040)
Noncurrent	156,655	231,081	386,496	477,932

9. Other financial assets

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Credits from indemnity suits – refundable (Note 10.c)	110,006	107,070	110,006	107,070
Credits from indemnity suits – own	-	-	133,046	133,046
National Treasury Certificates (CTN)	-	-	26,489	24,206
Other	1	1	2	1
	110,007	107,071	269,543	264,323
Current	-	-	(37,633)	(37,633)
Noncurrent	110,007	107,071	231,910	226,690

The characteristics of other financial assets at June 30, 2021 are the same disclosed in the annual financial statements as of March 31, 2021 (Note 9). 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.

10. Related parties

a) Summary of balances with related parties

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Assets				
Assets classified by currency:				
Domestic (local currency)	2,077,737	2,384,239	1,332,582	1,494,655
Abroad (foreign currency) (Note 26.d)	623,514	485,277	4,240,669	4,756,904
	2,701,251	2,869,516	5,573,251	6,251,559
Asset management (1)				
Raízen S.A. and subsidiaries	636,982	701,439	636,982	701,439
Raízen Paraguaçu Ltda.	336,998	-	-	-
Raízen Biomassa S.A.	185,428	178,271	-	-

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(In thousands of Reals, unless otherwise stated)

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Raízen Biogás Ltda.	104,301	101,056	-	-
Raízen GD Ltda.	58,820	54,900	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	7,371	-	-	-
Bioenergia Barra Ltda.	-	188,039	-	-
Other	6	6	-	-
	<u>1,329,906</u>	<u>1,223,711</u>	<u>636,982</u>	<u>701,439</u>
Commercial and administrative transactions (2)				
Raízen S.A. and subsidiaries	46,275	71,926	1,491,955	1,714,422
Rumo Group	46,866	36,120	49,432	38,632
Cosan S.A. Indústria e Comércio	15,123	15,561	15,908	16,343
Comgás - Companhia de Gás de São Paulo	15,274	12,867	15,274	12,867
Philipinas Shell Petroleum Corp.	-	-	3,267	11,213
Shell Trading Rotterdam	-	-	14,056	-
Raízen Trading LLP	491,432	136,648	-	-
Raízen International Universal Corporation	131,288	347,881	-	-
Raízen Paraguaçu Ltda.	46,598	19,073	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	37,968	179,332	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	4,358	241,470	-	-
Unimodal Ltda.	3,617	3,617	-	-
RZ Agrícola Caarapó Ltda.	2,914	2,299	-	-
Other	30,662	24,867	11,251	11,339
	<u>872,375</u>	<u>1,091,661</u>	<u>1,601,143</u>	<u>1,804,816</u>
Financial transactions (3)				
Raízen S.A. and subsidiaries	-	-	2,785,159	3,132,354
Raízen Geo Biogás	1,522	-	-	-
	<u>1,522</u>	<u>-</u>	<u>2,785,159</u>	<u>3,132,354</u>
Framework transactions (4)				
Cosan S.A. Indústria e Comércio	496,929	553,425	549,447	612,231
Shell Brazil Holding B.V.	519	719	520	719
	<u>497,448</u>	<u>554,144</u>	<u>549,967</u>	<u>612,950</u>
	<u>2,701,251</u>	<u>2,869,516</u>	<u>5,573,251</u>	<u>6,251,559</u>
Current assets	<u>(2,344,135)</u>	<u>(2,514,858)</u>	<u>(3,075,745)</u>	<u>(3,466,058)</u>
Noncurrent assets	<u>357,116</u>	<u>354,658</u>	<u>2,497,506</u>	<u>2,785,501</u>

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(In thousands of Reais, unless otherwise stated)

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Liabilities				
Liabilities classified by currency:				
Domestic (local currency)	5,092,381	4,263,097	4,160,423	2,342,132
Abroad (foreign currency) (Note 26.d)	3,091,879	3,498,283	8,056	266,262
	<u>8,184,260</u>	<u>7,761,380</u>	<u>4,168,479</u>	<u>2,608,394</u>
Asset management (1)				
Raízen S.A. and subsidiaries	2,145,017	604,371	2,145,017	604,371
Raízen Centrooeste Açúcar e Álcool Ltda.	362,652	292,179	-	-
Bioenergia Barra Ltda. and subsidiaries	341,742	434,488	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	173,877	176,113	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	104,930	273,835	-	-
Agrícola Ponte Alta Ltda.	58,921	294,587	-	-
WX Energy Comercializadora de Energia Ltda.	55,974	95,433	-	-
Benálcool Açúcar e Álcool Ltda.	1,555	1,695	-	-
RWXE Participações S.A.	529	525	-	-
Raízen Paraguaçu Ltda.	-	166,211	-	-
RZ Agrícola Caarapó Ltda	-	5,491	-	-
	<u>3,245,197</u>	<u>2,344,928</u>	<u>2,145,017</u>	<u>604,371</u>
Commercial and administrative transactions (2)				
Rumo Group	32,018	27,722	36,324	31,978
Raízen S.A. and subsidiaries	25,238	20,196	28,468	21,036
Cosan Lubrificantes e Especialidades S.A	9,742	8,894	13,195	11,286
Shell Trading US Company	-	-	8,056	266,262
Shell Brasil Petroleo Ltda.	4,960	2,271	6,279	3,092
Cosan S.A. Indústria e Comércio	289	625	289	626
Raízen Araraquara A.A.Ltda.	36,071	147,817	-	-
Raízen Trading S.A	26,428	93,866	-	-
Raízen International Universal Corp.	5,186	7,559	-	-
Bioenergia Barra Ltda. and subsidiaries	4,210	10,115	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	3,206	226,306	-	-
Raízen Paraguaçu Ltda.	2,661	5,491	-	-
Other	13,418	16,968	7,837	17,856
	<u>163,427</u>	<u>567,830</u>	<u>100,448</u>	<u>352,136</u>
Financial transactions (3)				
Raízen Fuels Finance Limited	3,060,674	3,405,254	-	-
	<u>3,060,674</u>	<u>3,405,254</u>	<u>-</u>	<u>-</u>
Framework transactions (4)				
Cosan S.A. Indústria e Comércio	501,275	505,516	711,242	715,950
Agrícola Ponte Alta Ltda.	1,915	1,915	-	-
	<u>503,190</u>	<u>507,431</u>	<u>711,242</u>	<u>715,950</u>
Preferred shares (5)				
Cosan S.A. Indústria e Comércio	-	2,220	-	2,220
	<u>-</u>	<u>2,220</u>	<u>-</u>	<u>2,220</u>

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June 30, 2021

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	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Lease liabilities (6)				
Radar Propriedades Agrícolas S.A.	204,788	159,998	204,788	159,998
Nova Agrícola Ponte Alta S.A.	149,178	113,464	149,178	113,464
Aguassanta Agrícola S.A.	91,924	132,200	91,924	132,200
Jatobá Produtos Agrícola Ltda.	91,705	71,179	91,705	71,179
Aguassanta Desenvolvimento Imobiliário S.S	79,877	3,676	79,877	3,676
Nova Amaralina S.A. Propriedades Agrícolas	76,462	59,180	76,462	59,180
Proud Participações S.A.	74,393	57,685	74,393	57,685
Terrainvest Propriedades Agrícolas S.A.	74,385	59,440	74,385	59,440
Aguassanta Desenvolvimento Imobiliário S.A.	72,393	41,302	72,393	41,302
Agua da Ponte Alta S.A.	64,344	48,814	64,344	48,814
Seringueira Propriedades Agrícolas Ltda.	63,281	49,195	63,281	49,195
Bioinvestments Negócios e Participações S.A.	61,682	49,636	61,682	49,636
Agrobio Investimento e Participações S.A.	20,110	19,250	20,110	19,250
Terras da Ponte Alta S.A.	24,113	18,501	24,113	18,501
Other	63,137	50,197	63,137	50,197
	1,211,772	933,717	1,211,772	933,717
	8,184,260	7,761,380	4,168,479	2,608,394
Current liabilities	(3,743,162)	(3,203,285)	(2,539,176)	(1,227,631)
Noncurrent liabilities	4,441,098	4,558,095	1,629,303	1,380,763

(1) Asset management

The amounts recorded in assets and liabilities refer to funds provided to and received from the companies, respectively, as a way of managing financial resources. In relation to these transactions, the Company recorded net finance costs of R\$ 20,427 e R\$ 7,095 in the three-month period ended June 30, 2021 (R\$ 7,082 e R\$ 1,622 in the three-month period ended June 30, 2020), individual and consolidated, respectively, as a result of cash management. Remuneration and expenses relating to these agreements 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) Commercial and administrative transactions

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

RAÍZEN ENERGIA S.A.

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(3) Financial transactions

The amount recorded in assets refers to pre-export financing (“PPE”) agreements receivable from Raízen S.A., at an average effective annual interest rate of 4.20% (4.19% at March 31, 2021), as shown below:

Agreement	Currency	Principal in foreign currency	Maturity	Consolidated	
				06/30/2021	03/31/2021
PPE	Dollar (US\$)	350,000	01/20/2027	1,792,244	2,014,719
		350,000		1,792,244	2,014,719
PPE	Euro (€)	66,000	10/15/2021	399,310	447,550
PPE	Euro (€)	40,000	01/20/2022	237,792	268,418
PPE	Euro (€)	60,000	09/21/2022	355,813	401,667
		166,000		992,915	1,117,635
				2,785,159	3,132,354
			Current	(678,734)	(678,734)
			Noncurrent	2,106,425	2,453,620

The amount recorded in liabilities refers substantially to pre-export financing agreements due to Raízen Fuels, at an average effective annual interest rate of 3.72% (3.75% at March 31, 2021), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Individual	
				06/30/2021	03/31/2021
PPE (1)	Dollar (US\$)	200,000	04/30/2024	1,022,476	1,150,633
PPE	Dollar (US\$)	25,000	01/20/2027	141,160	143,909
PPE (1)	Dollar (US\$)	125,000	01/20/2027	731,044	811,072
PPE (1)	Dollar (US\$)	233,000	01/20/2027	1,165,994	1,299,640
		583,000		3,060,674	3,405,254
			Current	(48,789)	(28,304)
			Noncurrent	3,011,885	3,376,950

(1) The Company designates certain pre-export financing agreements as liability measured at fair value through profit or loss. Accordingly, referred to agreement is increased by the fair value measurement in the amount of R\$ 104,710 (R\$ 62,655 at March 31, 2021), with a positive impact on statement of income of R\$ 179,752 (negative impact of R\$ 32,592 in the three-month period ended June 30, 2020) (Note 25).

(4) Framework transactions

The amounts recorded in assets and liabilities refer to tax credits, amounts spent or payable, fully reimbursable, resulting from the establishment of Raízen.

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(5) Preferred shares

The balance of preferred shares payable, recorded in liabilities, refers to tax benefit amounts reimbursable to Cosan, when effectively used by the Company, determined by the balances of income and social contribution tax losses (“NOL”) and tax benefit on goodwill amortization (“GW”). On June 1, 2021, by means of an Annual and Special Meeting, the Company decided on the redemption and cancellation of 100% class B preferred shares.

(6) Lease liabilities

The amount recorded in liabilities refers to lease agreements relating to transactions with related parties.

	Individual and Consolidated
Balance at March 31, 2021	<u>933,717</u>
Additions of new agreements	56,975
Write-off of agreements	(57,707)
Payment of principal	(59,316)
Restatement - interest	22,767
Transfers and reclassifications	2,055
Remeasurement of agreements	<u>313,281</u>
Balance at June 30, 2021	<u>1,211,772</u>
Current	<u>(164,673)</u>
Noncurrent	<u>1,047,099</u>

b) Summary of transactions with related parties (4)

	Individual		Consolidated	
	<u>06/30/2021</u>	<u>03/31/2021</u>	<u>06/30/2021</u>	<u>03/31/2021</u>
Sales of products, net of returns				
Raízen S.A. and subsidiaries	75,136	168,695	2,318,067	1,509,000
Shell Trading US Company	-	-	14,105	6,768
Shell International Petróleo	-	-	-	139,771
Raízen International Universal Corporation	150,997	140,727	-	-
Raízen Trading S.A	920,835	143,219	-	-
Raízen Araraquara Açúcar a Álcool Ltda.	44,160	48,489	-	-
Raízen Paraguaçu Ltda.	52,288	15,130	-	-
Other	8,549	6,850	22,840	335
	<u>1,251,965</u>	<u>523,110</u>	<u>2,355,012</u>	<u>1,655,874</u>
Purchase of goods and services				
Shell Trading US Company	-	-	(936,388)	(723,173)
Raízen S.A. and subsidiaries	(196,773)	(138,890)	(232,072)	(155,225)
Rumo Group (i)	(81,611)	(43,195)	(104,250)	(53,114)
Cosan Lubrificantes e Especialidades S.A.	(9,269)	(8,234)	(12,221)	(10,930)
Shell Brasil Petróleo Ltda.	(5,402)	(5,289)	(6,828)	(6,232)
Shell Energy do Brasil Ltda.	-	-	(3,798)	-
Raízen Trading S.A	(49,983)	(198,023)	-	-

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	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Raízen Araraquara Açúcar e Álcool Ltda.	(31,750)	(43,900)	-	-
Raízen Paraguaçu Ltda.	(7,353)	(78,204)	-	-
Agroterenas S.A. (iv)	-	-	-	(109,437)
Nova América Agrícola Caarapó Ltda. (iv)	-	-	-	(43,832)
Nova América Terras Ltda.	-	-	-	(3,867)
Other	(16,462)	(12,739)	(4,428)	(6,463)
	(398,603)	(528,474)	(1,299,985)	(1,112,273)
Reimbursement of shared expenses (1)				
Raízen S.A. and subsidiaries	46,745	34,595	46,745	34,595
Congás - Companhia de Gás de São Paulo	8,072	9,026	8,072	9,026
Rumo Group (i)	7,213	8,346	7,213	8,346
Cosan Lubrificantes e Especialidades S.A.	2,156	1,883	2,156	1,883
Raízen Paraguaçu Ltda.	6,965	5,882	-	-
Bioenergia Barra Ltda. and subsidiaries	2,934	2,627	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	2,930	2,305	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	2,964	2,507	-	-
Cosan S.A. Indústria e Comércio	1,157	591	1,157	591
Other	5,634	3,822	3,318	1,782
	86,770	71,584	68,661	56,223
Finance income (costs), net (3)				
Raízen Trading S.A. and subsidiaries	(23,775)	(14,387)	-	-
Radar Group (iii)	(14,192)	(8,119)	(14,192)	(8,119)
Raízen Internacional Universal Coporation	(19,943)	6,902	-	-
Raízen S.A. and subsidiaries	(7,252)	(1,623)	(351,801)	199,641
Águas Santa Group (ii)	(4,634)	(3,798)	(4,634)	(3,798)
Janus Group	(3,328)	(2,693)	(3,328)	(2,693)
Tellus Group	(1,737)	(1,684)	(1,737)	(1,684)
Raízen Centroeste Açúcar e Álcool Ltda.	(2,303)	(831)	-	-
Bioenergia Barra Ltda and subsidiaries	(2,576)	472	-	-
Raízen Fuels Finance Limited	362,654	(109,886)	-	-
Other	(2,094)	(5,091)	-	(79)
	280,820	(140,738)	(375,692)	183,268

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

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

(iii) “Radar Group” refers to land lease transactions for the planting of sugarcane, and the main companies of this Group are the following: Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A. Nova Amaralina S.A., Terras da Ponte Alta, Nova Santa Barbara Agrícola S.A., Radar II Propriedades Agrícolas S.A., Vale da Ponte Alta S.A., Proud Participações S.A., Bioinvestments Negócios S.A. and Aguas de Ponte Alta S.A.

(iv) Agroterenas S.A. and Nova América no longer have significant influence over the Company and are therefore not classified as related parties (CPC 05 (R1)).

- (1) Expenses with shared corporate, management and operating costs reimbursed by related parties;
- (2) Expenses with land leased from related parties that are not part of Raízen Group;
- (3) This substantially refer to charges generated between referred to companies as a way of managing financial resources, due to financial management of cash and pre-export financing agreements;
- (4) Transactions with related parties are entered into on an arm's length basis, in line with those prevailing in the market or that the Company would take out with third parties.

c) Summary of balances reimbursable from/to shareholder Cosan

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Current assets				
Other receivables (i)	118,865	139,612	129,038	149,766
	<u>118,865</u>	<u>139,612</u>	<u>129,038</u>	<u>149,766</u>
Noncurrent assets				
Judicial deposits (Note 18)	159,223	146,720	275,072	262,177
Other financial assets (Note 9)	110,006	107,070	110,006	107,070
Other receivables (i)	113,181	112,114	197,126	196,937
	<u>382,410</u>	<u>365,904</u>	<u>582,204</u>	<u>566,184</u>
Total assets	<u>501,275</u>	<u>505,516</u>	<u>711,242</u>	<u>715,950</u>
Current liabilities				
Taxes payable	8,446	8,446	9,509	9,520
Other payables (ii)	131,903	190,742	149,313	213,093
	<u>140,349</u>	<u>199,188</u>	<u>158,822</u>	<u>222,613</u>
Noncurrent liabilities				
Taxes payable (ii)	172,100	171,519	181,571	180,966
Provision for contingencies (Note 18)	184,480	182,718	209,054	208,652
	<u>356,580</u>	<u>354,237</u>	<u>390,625</u>	<u>389,618</u>
Total liabilities	<u>496,929</u>	<u>553,425</u>	<u>549,447</u>	<u>612,231</u>

(i) These refer mainly to legal expenses receivable from the shareholder.

(ii) These refer mainly to tax credits to be reimbursed to the shareholder.

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(In thousands of Reals, unless otherwise stated)

d) Officers and members of the Board of Directors

Fixed and variable remuneration to key management personnel, including statutory officers and members of the Board of Directors, recognized in the statement of income for the period, is as follows:

	<u>Apr-Jun/2021</u>	<u>Apr-Jun/2020</u>
Regular remuneration	(13,750)	(14,479)
Bonuses and other variable remuneration	(16,293)	(6,271)
Total remuneration	<u>(30,043)</u>	<u>(20,750)</u>

The Company shares corporate, managerial and operational structures and costs with its related party Raízen S.A. Key management personnel and other administrative functions are mostly comprised of employees of the Company itself. As such, as of June 30, 2021, Raízen S.A. reimbursed the Company the amount of R\$ 18,415 (R\$ 12,933 in the three-month period ended June 30, 2020).

e) Other significant information involving related parties

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

RAÍZEN ENERGIA S.A.

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11. Investments

a) Individual

	Country	Business activity	Equity interest	Investments (1)		Equity accounting results	
				06/30/2021	03/31/2021	Apr-Jun/2021	Apr-Jun/2020
<u>Book value</u>							
Agrícola Ponte Alta Ltda.	Brazil	Sale of ethanol	92.29%	980,129	1,164,416	73,648	(474)
Benálcool Açúcar e Álcool Ltda.	Brazil	Holding company	100.00%	4,349	4,282	67	(1)
Centro de Tecnologia Canavieira S.A. "CTC"	Brazil	P&D	19.04%	134,742	134,753	4,879	(3,952)
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Sugar and ethanol mill	31.48%	214,270	262,776	15,759	1,843
Raízen Centroeste Açúcar e Álcool Ltda.	Brazil	Ethanol mill	47.37%	760,335	811,099	44,412	(110)
Logum Logística S.A.	Brazil	Logistics	30.00%	277,178	270,966	(10,509)	(68,275)
Raízen Araraquara Açúcar e Álcool Ltda. (3)	Brazil	Sugar and ethanol mill	99.99%	1,104,872	1,066,734	38,138	19,054
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	51,066	53,672	5,790	(116)
Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	-	-	-	20,120
Raízen and Wilmar Sugar PTE Ltd. (5)	Singapore	Sugar trading	50.00%	-	50,325	-	184
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	48,949	55,771	(19)	(2)
Raízen Paraguaçu Ltda. (3)	Brazil	Sugar and ethanol mill	100.00%	996,061	1,402,038	112,202	(18,103)
Bionergia Barra Ltda.	Brazil	Go-generation of energy	99.99%	1,333,735	1,329,344	4,391	76,874
Uniduto Logística S.A.	Brazil	Logistics	46.48%	43,454	42,574	(1,630)	(10,580)
Raízen-Geo Biogás S.A.	Brazil	Biogas plant	85.00%	21,007	19,326	1,680	(772)
Raízen Trading S.A.	Switzerland	Trading	100.00%	225,580	319,818	(59,271)	(13,969)
Raízen Biomassa S.A.	Brazil	Biomass	81.50%	(44,707)	(39,180)	(5,527)	(539)
RZ Agrícola Caarapó Ltda.	Brazil	Sugar and ethanol mill	100.00%	469,305	406,494	62,098	13,000
Subtotal				6,621,113	7,355,210	286,108	14,182
<u>Investment goodwill (4)</u>							
Benálcool Açúcar e Álcool Ltda.			100.00%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			100.00%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
CTC			19.04%	45,514	45,514	-	-
Ryballa Participações Ltda.			100.00%	5,400	5,400	-	-
Raízen Biomassa S.A.			81.50%	39,153	39,153	-	-
Subtotal				434,337	434,337	-	-
Total investment				7,055,450	7,789,547	286,108	14,182

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Provision for negative equity at subsidiaries and associates (2)

Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	(22,356)	(32,114)	7,624	-
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Other	Brazil	-		(3)	(3)	-	-
Total provision for negative equity				<u>(24,282)</u>	<u>(34,040)</u>	<u>7,624</u>	<u>-</u>
						<u>293,731</u>	<u>14,182</u>

(1) Investments measured by the equity method; (2) Classified in noncurrent liabilities, under “Other obligations”; (3) At June 30, 2021, investment balances include an allocated portion of goodwill from the merger of Curupay and acquisition of Usina Zanin, in the amounts of R\$ 75,357 and R\$ 68,731 (negative) (of R\$ 77,633 e R\$ 68,497 (negative) at March 31, 2021), respectively. Amortization of surplus values of referred to allocations, classified in the Parent Company as equity accounting results, totaled R\$ 2,276 and R\$ 234 (R\$ 2,923 and R\$287 at June 30, 2020), respectively; (4) Goodwill on acquisition of shares; (5) This investee is currently non-operation due to its closure process.

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(b) Consolidated

	Country	Business activity	Equity interest	Investments (1)		Equity accounting results	
				06/30/2021	03/31/2021	Apr-Jun/2021	Apr-Jun/2020
<u>Book value</u>							
CTC	Brazil	P&D	19.58%	138,036	138,575	5,011	(4,088)
Logum Logística S.A.	Brazil	Logistics	30.00%	277,178	270,966	(10,509)	(68,275)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	43,454	42,574	(1,630)	(10,580)
Raízen and Wilmar Sugar PTE Ltd	Singapore	Trading	50.00%	-	50,326	-	184
Subtotal				<u>458,668</u>	<u>502,441</u>	<u>(7,128)</u>	<u>(82,759)</u>
<u>Investment goodwill (2)</u>							
In Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
In CTC			19.58%	51,946	51,946	-	-
Subtotal				<u>57,622</u>	<u>57,622</u>	<u>-</u>	<u>-</u>
Total investment				<u>516,290</u>	<u>560,063</u>	<u>(7,128)</u>	<u>(82,759)</u>

(1) Investments measured by the equity accounting result method;

(2) Goodwill on acquisition of shares.

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Changes in investments in subsidiaries and associates (1):

	<u>Individual</u>	<u>Consolidated</u>
March 31, 2021	7,789,547	560,063
Equity income (loss)	286,107	(7,128)
Additions to investment (Note 11.d.i)	18,710	18,710
Dividends received (Note 11.e.ii)	(935,553)	-
Dividends declared (Note 11.d.iii)	(55,368)	(55,368)
Effect of foreign currency translation - CTA	(50,157)	-
Other	2,164	13
June 30, 2021	<u>7,055,450</u>	<u>516,290</u>

(1) Dividends when received from investments in subsidiaries are classified as cash flow from investing activities.

Changes in provision for negative equity at subsidiaries and associates:

	<u>Individual</u>
March 31, 2021	(34,040)
Equity income (loss)	7,624
Effect of foreign currency translation - CTA	2,134
June 30, 2021	<u>(24,282)</u>

c) Summarized financial information of associates, considering equity valuation adjustments, when applicable

- June 30, 2021

	<u>Logum Logística S.A. (1)/(2)</u>	<u>Uniduto Logística Ltda. (1)/(2)</u>	<u>Centro de Tecnologia Canavieira S.A. (2)/(4)</u>	<u>Iogen Energy Corporation (3)</u>	<u>Raízen and Wilmar Sugar PTE Ltd. (4)</u>
Assets	2,882,588	93,492	854,634	40,014	-
Liabilities	(1,958,660)	(4)	(149,654)	(411,191)	-
Equity	<u>923,928</u>	<u>93,488</u>	<u>704,980</u>	<u>(371,177)</u>	<u>-</u>
Period ended June 30, 2021					
Net operating revenue	183,869	-	305,469	-	-
Net income (loss)	(35,030)	(3,508)	25,592	(210)	-
Period ended June 30, 2020					
Net operating revenue	40,163	-	43,043	-	16,229
Net income (loss)	(227,584)	(22,762)	(16,177)	(879)	238

- March 31, 2021

	<u>Logum Logística S.A. (1)/(2)</u>	<u>Uniduto Logística Ltda. (1)/(2)</u>	<u>Centro de Tecnologia Canavieira S.A. (2)/(4)</u>	<u>Iogen Energy Corporation (3)</u>	<u>Raízen and Wilmar Sugar PTE Ltd. (4)</u>
Assets	2,812,110	91,605	854,443	38,596	100,651
Liabilities	(1,908,890)	(9)	(146,705)	(416,440)	-
Equity	<u>903,220</u>	<u>91,596</u>	<u>707,738</u>	<u>(377,844)</u>	<u>100,651</u>

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

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

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

(4) The fiscal year ends at March 31.

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(In thousands of Reais, unless otherwise stated)

d) Transactions conducted until June 30, 2021

i) Additions to investments

Capital increase in Logum Logística S.A. (“Logum”)

In the three-month period ended June 30, 2021, capital increases were resolved, approved and subscribed totaling R\$21,600. The amounts subscribed by the Company in these transactions totaled R\$16,200, fully paid up through checking account.

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

Capital increase in Logum Logística S.A. (“Uniduto”)

In the three-month period ended June 30, 2021, capital increases were resolved, approved and subscribed totaling R\$2,700. The amounts subscribed by the Company in these transactions totaled R\$2,510, fully paid up through checking account.

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

ii) Dividends received

Based on income for the year ended March 31, 2021, investees Agrícola Ponte Alta Ltda, Raízen Caarapó Açúcar e Álcool Ltda, Raízen Paraguaçu Ltda and Raízen Centroeste Açúcar e Álcool Ltda allocated dividends to the Company amounting to R\$ 257,935, R\$ 64,265, R\$ 518,178 and R\$ 95,175, respectively, which were received on June 25, 2021.

iii) Dividends declared

By virtue of its closure process, investee Raízen and Wilmar Sugar PTE Ltd allocated dividends to the Company amounting to R\$ 50,603, which will be approved at the next shareholders’ meetings.

Based on income for the year ended March 31, 2021, investee “CTC” allocated dividends to the Company totaling R\$4,765.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

12. Property, plant and equipment

a) Individual

	Land and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircraft, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
Cost:										
March 31, 2021	17,514	1,172,077	4,897,522	451,913	185,794	646,023	1,120,997	5,989,295	20,876	14,502,011
Additions	-	4,324	14,824	20	3	103,409	86,647	158,073	-	367,300
Write-offs	-	-	(12,152)	(6,179)	(33)	-	-	(2,826)	-	(21,190)
Transfers (1)	-	20,824	126,987	6,306	1,202	(164,997)	1,260	-	1,225	(7,193)
Estimated loss (2)	-	-	246	1,430	3	-	-	-	-	1,679
June 30, 2021	<u>17,514</u>	<u>1,197,225</u>	<u>5,027,427</u>	<u>453,490</u>	<u>186,969</u>	<u>584,435</u>	<u>1,208,904</u>	<u>6,144,542</u>	<u>22,101</u>	<u>14,842,607</u>
Accumulated depreciation:										
March 31, 2021	-	(346,932)	(2,171,420)	(266,368)	(132,960)	-	(579,973)	(4,301,403)	(14,963)	(7,814,019)
Depreciation expenses in the period	-	(10,530)	(79,744)	(9,090)	(2,419)	-	(218,243)	(173,978)	(1,134)	(495,138)
Write-offs	-	-	9,485	4,514	25	-	-	-	-	14,024
Transfers (1)	-	91	1,533	(2,191)	567	-	-	-	-	-
June 30, 2021	<u>-</u>	<u>(357,371)</u>	<u>(2,240,146)</u>	<u>(273,135)</u>	<u>(134,787)</u>	<u>-</u>	<u>(798,216)</u>	<u>(4,475,381)</u>	<u>(16,097)</u>	<u>(8,295,133)</u>
Net residual value:										
June 30, 2021	17,514	839,854	2,787,281	180,355	52,182	584,435	410,688	1,669,161	6,004	6,547,474
March 31, 2021	17,514	825,145	2,726,102	185,545	52,834	646,023	541,024	1,687,892	5,913	6,687,992

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

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

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(In thousands of Reais, unless otherwise stated)

b) Consolidated

	Land and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircraft, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
Cost:										
March 31, 2021	45,185	1,954,425	9,586,068	532,352	224,433	1,053,406	1,457,920	7,162,340	33,764	22,049,893
Additions	-	4,463	25,525	21	12	117,736	110,051	183,971	-	441,779
Write-offs	-	-	(17,996)	(5,008)	(49)	7	-	(2,826)	-	(25,872)
Transfers (1)	2,066	27,490	278,562	8,501	3,275	(333,073)	1,260	-	3,173	(8,746)
Estimated loss (2)	-	-	308	1,389	3	-	-	-	-	1,700
Other	-	-	-	-	-	-	-	-	(367)	(367)
June 30, 2021	<u>47,251</u>	<u>1,986,378</u>	<u>9,872,467</u>	<u>537,255</u>	<u>227,674</u>	<u>838,076</u>	<u>1,569,231</u>	<u>7,343,485</u>	<u>36,570</u>	<u>22,458,387</u>
Accumulated depreciation:										
March 31, 2021	-	(538,220)	(4,180,602)	(280,800)	(160,014)	-	(752,950)	(5,054,827)	(25,511)	(10,992,924)
Depreciation expenses in the period	-	(14,690)	(152,266)	(12,014)	(2,498)	-	(276,044)	(212,050)	(1,328)	(670,890)
Write-offs	-	-	14,697	5,147	41	-	-	-	-	19,885
Transfers (1)	-	(201)	2,122	(2,191)	270	-	-	-	-	-
June 30, 2021	<u>-</u>	<u>(553,111)</u>	<u>(4,316,049)</u>	<u>(289,858)</u>	<u>(162,201)</u>	<u>-</u>	<u>(1,028,994)</u>	<u>(5,266,877)</u>	<u>(26,839)</u>	<u>(11,643,929)</u>
Net residual value:										
June 30, 2021	47,251	1,433,267	5,556,418	247,397	65,473	838,076	540,237	2,076,608	9,731	10,814,458
March 31, 2021	45,185	1,416,205	5,405,466	251,552	64,419	1,053,406	704,970	2,107,513	8,253	11,056,969

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

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

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(In thousands of Reais, unless otherwise stated)

Capitalization of borrowing costs

In the three-month period ended June 30, 2021, individual and consolidated borrowing costs capitalized totaled R\$ 18,632 and R\$ 17,238 (R\$ 5,442 and R\$7,648 at June 30, 2020) respectively. The annual weighted average rates of financial charges on debt, for the individual and consolidated financial statements, used to capitalize interest on the balance of construction in progress, were 711.41% and 11.26% at June 30, 2021 (7.09% and 4.59% at June 30, 2020), respectively.

13. Intangible assets

a) Individual

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Technology	Total
Cost or valuation:						
March 31, 2021	323,053	1,639,811	18,411	26,011	185,136	2,192,422
Additions	4,102	-	-	-	-	4,102
Transfers (1)	7,193	-	-	-	-	7,193
June 30, 2021	<u>334,348</u>	<u>1,639,811</u>	<u>18,411</u>	<u>26,011</u>	<u>185,136</u>	<u>2,203,717</u>
Accumulated amortization:						
March 31, 2021	(222,036)	(368,026)	(18,078)	(22,992)	(109,287)	(740,419)
Depreciation expenses in the period	(9,484)	-	-	(646)	(7,884)	(18,014)
June 30, 2021	<u>(231,520)</u>	<u>(368,026)</u>	<u>(18,078)</u>	<u>(23,638)</u>	<u>(117,171)</u>	<u>(758,433)</u>
Net residual value:						
June 30, 2021	102,828	1,271,785	333	2,373	67,965	1,445,284
March 31, 2021	101,017	1,271,785	333	3,019	75,849	1,452,003

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

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(In thousands of Reais, unless otherwise stated)

b) Consolidated

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Contractual relationships with clients	Right of use - public concessions	Technology	Other	Total
Cost or valuation:									
March 31, 2021	345,030	1,978,730	18,411	181,516	16,196	12,541	185,136	30,364	2,767,924
Additions	4,111	-	-	-	-	-	-	-	4,111
Transfers (2)	8,746	-	-	-	-	-	-	-	8,746
Other	-	-	-	-	-	-	-	(1,641)	(1,641)
June 30, 2021	<u>357,887</u>	<u>1,978,730</u>	<u>18,411</u>	<u>181,516</u>	<u>16,196</u>	<u>12,541</u>	<u>185,136</u>	<u>28,723</u>	<u>2,779,140</u>
Accumulated amortization:									
March 31, 2021	(243,105)	(431,380)	(18,077)	(119,301)	(3,534)	(12,541)	(109,287)	(21,206)	(958,431)
Depreciation expenses in the period	(9,607)	-	-	(3,422)	(442)	-	(7,884)	-	(21,355)
June 30, 2021	<u>(252,712)</u>	<u>(431,380)</u>	<u>(18,077)</u>	<u>(122,723)</u>	<u>(3,976)</u>	<u>(12,541)</u>	<u>(117,171)</u>	<u>(21,206)</u>	<u>(979,786)</u>
Net residual value:									
June 30, 2021	105,175	1,547,350	334	58,793	12,220	-	67,965	7,517	1,799,354
March 31, 2021	101,925	1,547,350	334	62,215	12,662	-	75,849	9,158	1,809,493

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

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14. Suppliers

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Materials and services	516,758	549,923	1,968,589	2,110,912
Sugarcane	837,582	306,904	1,166,417	463,003
Suppliers - agreement	101,003	120,754	1,464,306	1,679,278
	<u>1,455,343</u>	<u>977,581</u>	<u>4,599,312</u>	<u>4,253,193</u>
Domestic (local currency)	1,454,677	977,010	2,380,827	1,741,714
Abroad (foreign currency) (Note 26.d)	666	571	2,218,485	2,511,479
	<u>1,455,343</u>	<u>977,581</u>	<u>4,599,312</u>	<u>4,253,193</u>

The characteristics of trade accounts payable are the same disclosed in the annual financial statements as of March 31, 2021 (Note 14). 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

15.a. Rights of use

As of June 30, 2021 and March 31, 2021, rights of use are presented by the following underlying assets:

a.1) Individual

	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Total
Cost or valuation:						
March 31, 2021	5,352,509	126,040	248,245	337,868	97,328	6,161,990
Additions of new agreements - non-cash effect	217,191	6	4,745	102,133	-	324,075
Write-off of agreements - non-cash effect	(89,968)	-	-	(1,808)	-	(91,776)
Remeasurement of agreements - non-cash effect (1)	1,382,454	(1,871)	(1,554)	(1,207)	-	1,377,822
June 30, 2021	<u>6,862,186</u>	<u>124,175</u>	<u>251,436</u>	<u>436,986</u>	<u>97,328</u>	<u>7,772,111</u>
Amortization:						
March 31, 2021	(1,488,583)	(24,058)	(101,927)	(88,643)	(11,893)	(1,715,104)
Additions - with impact on statement of income	(391,479)	(2,767)	(15,017)	(21,728)	(1,648)	(432,639)
(-) Write-off of agreements	11,173	-	-	158	-	11,331
June 30, 2021	<u>(1,868,889)</u>	<u>(26,825)</u>	<u>(116,944)</u>	<u>(110,213)</u>	<u>(13,541)</u>	<u>(2,136,412)</u>
Net residual value:						
June 30, 2021	4,993,297	97,350	134,492	326,773	83,787	5,635,699
March 31, 2021	3,863,926	101,982	146,318	249,225	85,435	4,446,886

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

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June 30, 2021

(In thousands of Reais, unless otherwise stated)

a.2) Consolidated

	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Total
Cost or valuation:						
March 31, 2021	6,271,052	174,798	267,568	396,235	97,324	7,206,977
Additions of new agreements - non-cash effect	235,580	6	7,459	141,803	-	384,848
Write-off of agreements - non-cash effect	(92,178)	(111)	(883)	(5,659)	-	(98,831)
Remeasurement of agreements - non-cash effect (1)	1,635,373	(3,861)	(1,931)	(1,998)	-	1,627,583
June 30, 2021	<u>8,049,827</u>	<u>170,832</u>	<u>272,213</u>	<u>530,381</u>	<u>97,324</u>	<u>9,120,577</u>
Amortization:						
March 31, 2021	(1,699,704)	(50,761)	(110,066)	(100,698)	(11,857)	(1,973,086)
Additions - with impact on statement of income	(452,668)	(7,787)	(16,834)	(27,412)	(1,648)	(506,349)
(-) Write-off of agreements	11,173	111	46	1,471	-	12,801
June 30, 2021	<u>(2,141,199)</u>	<u>(58,437)</u>	<u>(126,854)</u>	<u>(126,639)</u>	<u>(13,505)</u>	<u>(2,466,634)</u>
Net residual value:						
June 30, 2021	5,908,628	112,395	145,359	403,742	83,819	6,653,943
March 31, 2021	4,571,348	124,037	157,502	295,537	85,467	5,233,891

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

15.b. Lease liabilities

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

	Individual	Consolidated
Balance at March 31, 2021	3,768,966	4,588,315
Additions of new agreements	267,099	327,842
Write-off of agreements	(20,873)	(26,717)
Payments	(377,728)	(457,196)
Restatement - interest	85,994	105,090
Remeasurement of agreements (1)	1,064,540	1,314,337
Transfers	(61,301)	(88,574)
Balance at June 30, 2021	<u>4,726,697</u>	<u>5,763,097</u>
Current	(894,477)	(1,053,295)
Noncurrent	<u>3,832,220</u>	<u>4,709,802</u>

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

The weighted average incremental borrowing rate applied to the lease liability as of June 30, 2021 was 8.55% per year (8.49% as of March 31, 2021).

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June 30, 2021

(In thousands of Reais, unless otherwise stated)

As of June 30, 2021, maturity of lease liabilities of third parties and related parties (Note 10.a.6) in the consolidated financial statements is as follows:

Years	Present value	Future value
1 to 12 months	1,217,968	1,573,691
13 to 24 months	1,247,737	1,712,077
25 to 36 months	1,067,615	1,469,415
37 to 48 months	858,608	1,184,000
49 to 60 months	702,131	941,942
61 to 72 months	548,005	759,232
73 to 84 months	350,921	493,464
85 to 96 months	250,355	351,893
97 to 120 months	180,261	253,643
More than 121 months	551,268	771,440
Gross total	6,974,869	9,510,797
Potential right of PIS and COFINS recoverable (1)	(645,175)	(879,749)
Total, net	6,329,694	8,631,048

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

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Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

16. Loans and financing

Type	Final maturity	Index	Financial charges		Individual		Consolidated	
			Annual effective average interest rate (2)		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\$)					6,788,677	7,464,387	7,826,079	8,501,825
Denominated in US dollar and euro (Note 26.d)					1,409,620	1,584,230	7,465,049	8,123,800
					<u>8,198,297</u>	<u>9,048,617</u>	<u>15,291,128</u>	<u>16,625,625</u>
Debt type (1):								
Brazilian Development Bank (BNDES)	March/24	Long-term Interest Reference Unit (URTJLP)	4.61%	5.25%	831	3,316	1,524	4,077
BNDES	December/30	Fixed rate	3.64%	3.61%	140,240	155,044	248,718	272,276
BNDES	April/24	BNDES Monetary Unit (UMBND)	5.07%	5.07%	6,177	8,338	22,440	29,090
BNDES	December/38	Extended Consumer Price Index (IPCA)	10.64%	9.37%	65,840	65,824	145,928	145,968
Debentures	June/30	IPCA + interest	10.14%	8.88%	1,155,309	1,135,949	1,155,309	1,135,949
Working capital	October/21	FED	1.84%	-	-	-	209,109	-
PPE	August/25	US dollar (US\$) + Libor	1.33%	1.37%	1,409,620	1,584,230	1,409,620	1,584,230
Term Loan Agreement	April/24	US dollar (US\$) + Libor	1.17%	1.24%	-	-	1,022,472	1,150,629
Rural product note (CPR-F)	November/29	CDI	4.76%	3.03%	1,004,093	1,007,495	1,004,093	1,007,495
Senior Notes Due 2027 ("Senior 2027")	January/27	US Dollar (US\$)	5.30%	5.30%	-	-	3,831,057	4,271,404
Resolution No. 2471 (PESA)	April/23	General Market Price Index (IGP-M)	24.38%	18.06%	-	-	32,892	30,708
Special Program for Securitization of Agricultural Loans (PESA)	October/25	Fixed rate	3.00%	3.00%	38	38	38	38
Finame/Leases	January/25	Fixed rate	6.75%	6.62%	26,075	26,564	39,618	41,130
Finep	November/22	Fixed rate	5.00%	5.00%	-	-	46,891	55,174
Agribusiness Receivables Certificate (CRA)	July/29	CDI	4.03%	2.59%	1,276,718	1,976,142	1,744,235	2,421,980
CRA	June/30	IPCA + interest	11.06%	9.79%	3,113,356	3,085,677	3,384,394	3,357,942
Schuldschein	October/21	Fixed rate - EUR	2.88%	2.88%	-	-	399,189	447,457

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June 30, 2021

(In thousands of Reais, unless otherwise stated)

Type	Final maturity	Index	Financial charges		Individual		Consolidated	
			Annual effective average interest rate (2)		06/30/2021	03/31/2021	06/30/2021	03/31/2021
			06/30/2021	03/31/2021				
Schuldschein	September/22	European Interbank Offered Rate (Euribor)	1.64%	1.63%	-	-	593,601	670,078
					8,198,297	9,048,617	15,291,128	16,625,625

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(In thousands of Reais, unless otherwise stated)

Type	Final maturity	Index	Financial charges		Individual		Consolidated	
			Annual effective average interest rate		06/30/2021	03/31/2021	06/30/2021	03/31/2021
			(2)					
			06/30/2021	03/31/2021	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Expenses incurred with the placement of securities:								
BNDES					(1,128)	(974)	(1,606)	(1,109)
CRA					(33,175)	(35,366)	(33,175)	(35,366)
Debentures					(4,543)	(4,670)	(4,543)	(4,670)
PPE					-	-	(112)	(133)
Finem					-	(253)	-	(620)
CPR-F					(10,819)	(11,141)	(10,819)	(11,141)
Senior Notes Due 2027					-	-	(3,803)	(4,561)
					<u>(49,665)</u>	<u>(52,404)</u>	<u>(54,058)</u>	<u>(57,600)</u>
					<u>8,148,632</u>	<u>8,996,213</u>	<u>15,237,070</u>	<u>16,568,025</u>
Current					<u>(227,735)</u>	<u>(934,334)</u>	<u>(1,721,541)</u>	<u>(1,771,398)</u>
Noncurrent					<u>7,920,897</u>	<u>8,061,879</u>	<u>13,515,529</u>	<u>14,796,627</u>

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

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

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

	06/30/2021	
	Individual	Consolidated
13 to 24 months	792,506	1,514,365
25 to 36 months	578,079	1,630,251
37 to 48 months	1,042,419	1,049,534
49 to 60 months	1,075,339	1,081,687
61 to 72 months	633,186	4,378,980
73 to 84 months	1,271,862	1,278,828
85 to 96 months	1,272,298	1,279,263
More than 97 months	1,255,208	1,302,621
	<u>7,920,897</u>	<u>13,515,529</u>

a) CRA

In June 2021, the Company settled the CRA agreement referring to the 14th issue in a single series entered into in June 2015, whose principal amounted to R\$ 675,000.

Covenants

The Company and its subsidiaries are not compelled to comply with financial ratios, and are subject only to certain covenants of loan and financing agreements, such as cross-default and negative pledge. As of June 30, 2021, the Company and its subsidiaries are compliant with all covenants referring to loans, financing and debentures.

Revolving Credit Facility

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

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

Fair value

As of June 30 and March 31, 2021, the carrying amount and fair value of the loans are as follows:

Type	Classification	Amount raised, restated		Fair value (3)		Individual Finance income (costs) (2)	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun/2021	Apr-Jun/2020
		PPE	Fair value through profit or loss	1,377,503	1,568,959	1,409,620	1,584,231
CRA	Fair value through profit or loss	2,723,217	2,680,105	2,730,558	2,704,840	17,394	(95,582)
Debentures	Fair value through profit or loss	1,009,313	982,933	971,152	952,034	(19,118)	(51,638)
		<u>5,110,033</u>	<u>5,231,997</u>	<u>5,111,330</u>	<u>5,241,105</u>	<u>(210,025)</u>	<u>(141,885)</u>

RAÍZEN ENERGIA S.A.

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Type	Classification	Consolidated					
		Amount raised, restated		Fair value (3)		Finance income (costs) (2)	
		06/30/2021	03/31/2021	06/30/2021	03/31/2021	Apr-Jun/2021	Apr-Jun/2020
Senior Notes Due 2027 (1)	Fair value through profit or loss	1,955,745	2,201,188	2,038,814	2,256,683	(27,574)	(36,229)
PPE	Fair value through profit or loss	1,377,503	1,568,959	1,409,620	1,584,231	(16,845)	8,012
CRA	Fair value through profit or loss	2,984,525	2,940,458	3,001,124	2,977,105	20,048	(106,814)
Term Loan Agreement	Fair value through profit or loss	1,000,832	1,139,970	1,022,472	1,150,628	(10,982)	4,328
Debentures	Fair value through profit or loss	1,009,313	982,933	971,152	952,034	7,262	(51,638)
Loan 4131	Fair value through profit or loss	-	-	-	-	-	446
		<u>8,327,918</u>	<u>8,833,508</u>	<u>8,443,182</u>	<u>8,920,681</u>	<u>(28,091)</u>	<u>(181,895)</u>

(1) The fair value of Senior 2027 is based on the price quote on the secondary market. As of June 30, 2021, the face value is of 113.24% (111.08% at March 31, 2021).

(2) This refers to the impact of fair value on finance income (costs), as presented in Note 25.

(3) Referred to debts are increased by a fair value assessment in the amount of R\$1,297 and R\$115,264 (R\$9,108 and R\$87,173 at March 31, 2021), in the individual and consolidated financial statements, respectively.

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

17. Income tax and social contribution

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

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Income (loss) before income tax and social contribution	615,988	(184,797)	629,462	(128,466)
Income tax and social contribution taxes at nominal rate (34%)	(209,436)	62,831	(214,017)	43,678
Adjustments to calculate the effective rate:				
Rate difference between the taxable profit based on a percentage of gross sales and the taxable profit based on accounting records taxation regimes (i)	-	-	16,803	9,692
Investment grant – ICMS	-	-	2,869	530
Taxation on a worldwide basis (“TBU”) related to investments abroad	6,651	14,443	(11,199)	1,832
Equity income (loss)	99,868	4,821	(2,423)	(28,138)
Other	1,042	(826)	6,762	26
Current and deferred income and social contribution tax credits (expense)	<u>(101,875)</u>	<u>81,269</u>	<u>(201,205)</u>	<u>27,620</u>
Effective rate	16.54%	43.98%	31.96%	21.50%

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

RAÍZEN ENERGIA S.A.

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(In thousands of Reais, unless otherwise stated)

a.1) Income tax and social contribution recoverable

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Corporate Income Tax (IRPJ)	265,966	316,677	302,260	353,514
Social Contribution on Net Profit (CSLL)	87	5,883	2,472	8,226
	266,053	322,560	304,732	361,740
Current	(16,820)	(73,327)	(23,599)	(80,607)
Noncurrent	249,233	249,233	281,133	281,133

a.2) Income tax and social contribution payable

	Consolidated	
	06/30/2021	03/31/2021
IRPJ	117,773	126,782
CSLL	26,961	26,702
	144,734	153,484

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

b.1) Individual

				06/30/2021	03/31/2021
	Basis	IRPJ 25%	CSLL 9%	Total	Total
<u>Noncurrent assets (liabilities)</u>					
Tax losses					
Tax losses	4,137,388	1,034,347	-	1,034,347	1,035,151
Negative basis for social contribution	3,861,667	-	347,550	347,550	351,927
Temporary differences:					
Provisions for legal disputes	813,688	203,422	73,232	276,654	272,777
Net Exchange variation - cash basis	1,261,421	315,355	113,528	428,883	622,737
Unrealized income from (loss on) derivatives	2,201,435	550,359	198,129	748,488	453,842
Estimated loss on realization of assets	209,809	52,452	18,883	71,335	70,959
Remuneration and employee benefits	270,621	67,655	24,356	92,011	81,470
Lease liabilities	435,359	108,840	39,182	148,022	134,130
Sundry provisions and other temporary differences	360,971	90,243	32,487	122,730	90,396
Total deferred tax assets		2,422,673	847,347	3,270,020	3,113,389
Biological assets	(853,788)	(213,447)	(76,841)	(290,288)	(118,148)
Capitalized borrowing costs	(177,835)	(44,459)	(16,005)	(60,464)	(56,403)
Capital gain	(328,182)	(82,046)	(29,536)	(111,582)	(111,582)
Review of useful lives of PPE	(1,086,288)	(271,572)	(97,766)	(369,338)	(364,699)
Amortized tax goodwill	(891,188)	(222,797)	(80,207)	(303,004)	(296,173)
Total deferred tax liabilities		(834,321)	(300,355)	(1,134,676)	(947,005)
Total deferred - Assets, net		1,588,352	546,992	2,135,344	2,166,384

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b.2) Consolidated

				06/30/2021	03/31/2021
	Base	IRPJ 25%	CSLL 9%	Total	Total
Noncurrent assets (liabilities)					
Tax losses					
Tax losses	4,693,116	1,173,279	-	1,173,279	1,172,448
Negative basis for social contribution	4,417,389	-	397,565	397,565	401,354
Temporary differences:					
Provisions for legal disputes	924,356	231,089	83,192	314,281	312,261
Net exchange variation - cash basis	1,343,515	335,879	120,916	456,795	647,549
Unrealized income from (loss on) derivatives	2,126,347	531,587	191,371	722,958	364,995
Provision for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Estimated loss on realization of assets	286,835	71,709	25,815	97,524	92,029
Remuneration and employee benefits	298,506	74,626	26,866	101,492	89,397
Lease liabilities	499,421	124,855	44,948	169,803	155,647
Sundry provisions and other temporary differences	305,035	76,259	27,453	103,712	59,305
Total deferred tax assets		2,660,947	933,125	3,594,072	3,351,648
Biological assets	(1,251,338)	(312,835)	(112,620)	(425,455)	(201,270)
Capitalized borrowing costs	(292,159)	(73,040)	(26,294)	(99,334)	(92,785)
Capital gain	(328,182)	(82,046)	(29,536)	(111,582)	(111,582)
Review of useful lives of property, plant and equipment	(2,213,271)	(553,318)	(199,194)	(752,512)	(740,988)
Fair value of property, plant and equipment	(190,332)	(47,583)	(17,130)	(64,713)	(66,239)
Amortized tax goodwill	(1,075,300)	(268,825)	(96,777)	(365,602)	(358,773)
Total deferred tax liabilities		(1,337,647)	(481,551)	(1,819,198)	(1,571,637)
Total deferred taxes		1,323,300	451,574	1,774,874	1,780,011
Deferred taxes - Assets, net				2,215,807	2,206,682
Deferred taxes - Liabilities, net				(440,933)	(426,671)
Total deferred taxes				1,774,874	1,780,011

b.3) Changes in deferred taxes, net:

	Individual	Consolidated
Balance at beginning of period	2,166,384	1,780,011
Revenue in profit or loss	(75,184)	(50,784)
Deferred taxes on comprehensive income	44,144	44,144
Other	-	1,503
Balance at end of period	2,135,344	1,774,874

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

As mentioned in Note 17 to the 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.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

18. Provision for legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

As of June 30 and March 31, 2021, lawsuits are broken down as follows:

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Tax	78,808	86,306	88,217	100,007
Civil	66,204	64,811	85,406	87,161
Labor	276,165	285,857	369,460	384,637
	<u>421,177</u>	<u>436,974</u>	<u>543,083</u>	<u>571,805</u>
Non-reimbursable legal disputes (i)	236,697	254,256	334,029	363,153
Reimbursable legal disputes (ii) (Note 10.c)	184,480	182,718	209,054	208,652

In the process of incorporating Raízen, it was agreed that Cosan should reimburse the Company for the amount of legal claims with a date prior to its incorporation, and in turn, that the Company shall refund Cosan the amount of judicial deposits made at a previous reporting date. As of June 30 and March 31, 2021, the balances of judicial deposits are as follows:

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Tax	204,784	187,300	327,707	309,870
Civil	42,785	43,054	42,974	43,202
Labor	77,983	79,945	97,944	100,808
	<u>325,552</u>	<u>310,299</u>	<u>468,625</u>	<u>453,880</u>
Own judicial deposits	166,329	163,579	193,553	191,703
Refundable judicial deposits (Note 10.c)	159,223	146,720	275,072	262,177

i) Non-reimbursable lawsuits

	Individual			Total
	Tax	Civil	Labor	
March 31, 2021	11,945	12,869	229,442	254,256
Accrued in the period	24	679	13,838	14,541
Write-offs/reversals (i)	(7,669)	(2,136)	(17,345)	(27,150)
Payments	-	(2,682)	(8,438)	(11,120)
Monetary restatement (ii)	-	272	5,898	6,170
June 30, 2021	<u>4,300</u>	<u>9,002</u>	<u>223,395</u>	<u>236,697</u>

(i) This considers reversal of monetary restatement in the amount of (R\$5,214) accounted in the statement of income for the year under Finance income (costs).

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

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	Consolidated			
	Tax	Civil	Labor	Total
March 31, 2021	23,682	28,730	310,741	363,153
Accrued in the period	29	774	16,945	17,748
Write-offs/reversals (i)	(12,222)	(4,963)	(23,498)	(40,683)
Payments	-	(4,032)	(11,413)	(15,445)
Monetary restatement (ii)	252	1,018	7,986	9,256
June 30, 2021	<u>11,741</u>	<u>21,527</u>	<u>300,761</u>	<u>334,029</u>

(i) This considers reversal of monetary restatement in the amount of (R\$ 9,082) accounted in statement of income for the year under Finance income (costs).

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

ii) Reimbursable legal disputes (i)

	Individual			
	Tax	Civil	Labor	Total
March 31, 2021	74,361	51,942	56,415	182,718
Accrued in the period	9	876	1,386	2,271
Write-offs/reversals (ii)	(71)	(575)	(3,662)	(4,308)
Payments	-	(91)	(2,449)	(2,540)
Monetary restatement	209	5,050	1,080	6,339
June 30, 2021	<u>74,508</u>	<u>57,202</u>	<u>52,770</u>	<u>184,480</u>

	Consolidated			
	Tax	Civil	Labor	Total
March 31, 2021	76,325	58,431	73,896	208,652
Accrued in the period	10	876	1,404	2,290
Write-offs/reversals (iii)	(71)	(575)	(5,393)	(6,039)
Payments	-	(91)	(2,489)	(2,580)
Monetary restatement	212	5,238	1,281	6,731
June 30, 2021	<u>76,476</u>	<u>63,879</u>	<u>68,699</u>	<u>209,054</u>

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

(ii) This includes reversal of monetary restatement amounting to R\$2,984.

(iii) This includes reversal of monetary restatement amounting to R\$3,564.

iii) Total legal disputes

	Individual			
	Tax	Civil	Labor	Total
March 31, 2021	86,306	64,811	285,857	436,974
Accrued in the period	33	1,555	15,224	16,812
Write-offs/reversals	(7,740)	(2,711)	(21,007)	(31,458)
Payments	-	(2,773)	(10,887)	(13,660)
Monetary restatement	209	5,322	6,978	12,509
June 30, 2021	<u>78,808</u>	<u>66,204</u>	<u>276,165</u>	<u>421,177</u>

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	Consolidated			
	Tax	Civil	Labor	Total
March 31, 2021	100,007	87,161	384,637	571,805
Accrued in the period	39	1,650	18,349	20,038
Write-offs/reversals	(12,293)	(5,538)	(28,891)	(46,722)
Payments	-	(4,123)	(13,902)	(18,025)
Monetary restatement	464	6,256	9,267	15,987
June 30, 2021	<u>88,217</u>	<u>85,406</u>	<u>369,460</u>	<u>543,083</u>

a) Tax

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
ICMS (i)	20,367	20,322	26,929	26,636
IPI	44,768	44,554	44,768	44,554
Lawyer's fees	4,302	11,947	4,545	16,737
Other	9,371	9,483	11,975	12,080
	<u>78,808</u>	<u>86,306</u>	<u>88,217</u>	<u>100,007</u>
Non-reimbursable legal disputes	4,302	11,946	11,744	23,683
Reimbursable legal disputes	74,506	74,360	76,473	76,324

b) Civil and labor

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

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

Legal disputes 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	1,738,747	1,763,778	2,189,440	2,206,879
INSS	213,188	209,109	229,323	225,150
IPI	271,642	271,220	312,279	311,759
IRPJ and CSLL	1,476,521	1,470,125	1,765,414	1,757,114
PIS and COFINS	1,536,264	1,531,591	1,640,890	1,635,745
Offsets with IPI credit – (IN) No. 67/98	116,620	116,407	138,399	138,142
MP No. 470 – debt in installment payment	242,326	241,657	242,326	241,657
Other	278,167	276,541	376,177	374,107
	<u>5,873,475</u>	<u>5,880,428</u>	<u>6,894,248</u>	<u>6,890,553</u>
Non-reimbursable legal disputes	2,991,453	2,955,748	3,604,737	3,559,687
Reimbursable legal disputes	2,882,022	2,924,680	3,289,511	3,330,866

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(In thousands of Reais, unless otherwise stated)

b) Civil and labor

	Individual		Consolidated	
	06/30/2021	03/31/2021	06/30/2021	03/31/2021
Civil	487,621	549,614	793,742	834,519
Labor	138,658	139,844	179,387	178,626
	<u>626,279</u>	<u>689,458</u>	<u>973,129</u>	<u>1,013,145</u>
Non-reimbursable legal disputes	282,580	199,359	400,729	384,464
Reimbursable legal disputes	343,699	490,099	572,400	628,681

19. Commitments (Consolidated)

As mentioned in Note 19 to the financial statements as of March 31, 2021, the Company has purchase commitments and lease agreements. In the three-month period ended June 30, 2021, referred to commitments did not change significantly.

20. Equity

a) Capital and Capital reserve

As of June 30, 2021, capital amounts to R\$ 6,516,354. As of March 31, 2021, this amount was presented less redeemable preferred shares – financial instruments payable – amounting to R\$ 2,220 and totaling R\$ 6,514,134. As of June 1, 2021, the Company decided to redeem and cancel 100% class B preferred shares amounting to R\$ 2,220.

In referred to period, shareholders Shell and CIP Cosan Investimentos e Participações S.A. (“CIP”) contributed all their shares to Raízen S.A.

Fully subscribed and paid-in capital is represented as follows:

	Shareholders (shares in units)				Total
	Raízen S.A.	Shell	CIP Cosan Investimentos e Participações S.A. (“CIP”)	Cosan S.A.	
Common shares	-	3,621,641,599	3,621,641,599	-	7,243,283,198
Class A preferred shares	-	-	-	1	1
Class B preferred shares	-	-	-	133,242,457	133,242,457
Class D preferred shares	-	100,000	-	-	100,000
Total at March 31, 2021	<u>-</u>	<u>3,621,741,599</u>	<u>3,621,641,599</u>	<u>133,242,458</u>	<u>7,376,625,656</u>
Common shares	<u>7,243,383,197</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>7,243,383,199</u>
Total at June 30, 2021	<u>7,243,383,197</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>7,243,383,199</u>

RAÍZEN ENERGIA S.A.

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June 30, 2021

(In thousands of Reais, unless otherwise stated)

b) Dividends

At June 30, 2021									
Company	Proceeds	Year	Approval at SGM and/or Annual and Special GM	Share type and class	Impacts on equity	Without impacts on equity	Amounts payable	Receiver	Percentage
RESA	Retained earnings/(accumulated losses)	Mar/21	06/01/2021	Class B preferred shares	-	1,525	1,525	CIP	100%
RESA	Retained earnings/(accumulated losses)	Mar/21	06/01/2021	Common shares	5,001	-	5,001	Shell / CIP	50% each
RESA	Retained earnings/(accumulated losses)	Mar/21	06/01/2021	Class D preferred shares	1,726	-	1,726	Shell	100%
RESA	Income reserves	Mar/21	06/01/2021	Common shares	738,431	-	738,431	Shell / CIP	50% each
					<u>745,158</u>	<u>1,525</u>	<u>746,683</u>		

c) Equity adjustments

	03/31/2020	Comprehensive income (loss)	06/30/2020	03/31/2021	Comprehensive income (loss)	06/30/2021
Effect of foreign currency translation - CTA	160,983	23,444	184,427	202,766	(46,256)	156,510
Actuarial losses with defined benefit (DB) plans	(15,453)	-	(15,453)	(12,483)	-	(12,483)
Net loss on derivative financial instruments - Hedge accounting	(664,941)	(533,257)	(1,198,198)	(1,973,589)	(85,692)	(2,059,281)
Total	<u>(519,411)</u>	<u>(509,813)</u>	<u>(1,029,224)</u>	<u>(1,783,306)</u>	<u>(131,948)</u>	<u>(1,915,254)</u>

d) Noncontrolling interests

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

e) Earnings (loss) per share

Basic and Diluted:

	Apr-Jun/2021	Apr-Jun/2020
Numerator		
Net income (loss) for the period	514,113	(103,528)
Profit or loss available to preferred shareholders	-	(1,416)
Profit (loss) available to common shareholders	<u>514,113</u>	<u>(104,944)</u>
Denominator:		
Weighted average number of common shares outstanding (in thousands)	<u>7,243,383</u>	<u>7,243,283</u>
Basic and diluted earnings (loss) per common share (reais per share)	<u>0.0710</u>	<u>(0.0145)</u>

The Company does not have outstanding common 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

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Gross revenue from sales of products and services	2,327,385	1,352,835	8,760,878	5,293,288
Sales taxes	(172,489)	(102,441)	(443,119)	(274,323)
Returns and cancellations	(10,262)	(7,322)	(13,722)	(19,828)
Trade discounts	(1,342)	(428)	(9,961)	(5,691)
Net operating revenue	<u>2,143,292</u>	<u>1,242,644</u>	<u>8,294,076</u>	<u>4,993,446</u>

Net operating revenue is broken down as follows:

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Net sales and service revenue	2,406,065	1,239,272	8,777,384	5,026,175
Gains from (losses on) financial instruments designated as hedge accounting	(314,909)	11,572	(314,909)	11,572
Gain from (loss on) financial instruments not designated as hedge accounting	52,136	(8,200)	(168,399)	(44,301)
Net operating revenue	<u>2,143,292</u>	<u>1,242,644</u>	<u>8,294,076</u>	<u>4,993,446</u>

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 Group's strategic decisions.

Three operating segments, to wit (i) Sugar, (ii) Renewables, and (iii) Marketing and services, are presented below.

- (i) Sugar: this refers to sugar production, sale, origination and trading.
- (ii) Renewables: these refer to ethanol production, sale, origination and trading; bioenergy production and sale; electric power resale and trading; and 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).
- (iii) Marketing and services: refer to petroleum byproducts (diesel and gasoline) trading and sale.

Due to the changes made, prior period's segment information is restated as required by 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. No transfer or eliminations occurred between business segments.

	Reportable segments			Not segmented	Apr-Jun/2021
	Sugar	Renewables	Marketing and services		Total
Net operating revenue	2,989,889	2,955,137	2,349,050	-	8,294,076
Cost of sales	(2,364,464)	(2,248,852)	(2,357,308)	-	(6,970,624)
Gross profit	625,425	706,285	(8,258)	-	1,323,452
Selling expenses	(144,854)	(124,793)	-	-	(269,647)
General and administrative expenses	(102,458)	(88,268)	-	-	(190,726)
Other operating income (expenses), net	15,587	15,526	-	-	31,113
Equity accounting results	2,510	(9,638)	-	-	(7,128)
Income before finance income (costs) and income and social contribution taxes	396,210	499,112	(8,258)	-	887,064
Finance income (costs) (i)	-	-	-	(257,602)	(257,602)
Current and deferred income and social contribution taxes (i)	-	-	-	(201,205)	(201,205)
Net income (loss) for the period	396,210	499,112	(8,258)	(458,807)	428,257
Other selected information:					
Depreciation and amortization	427,356	513,066	-	-	940,422
Additions to property, plant and equipment and intangible assets	(202,046)	(201,240)	-	-	(403,286)
Net gain arising from changes in fair value and realized gain or loss on biological assets	(342,587)	(341,219)	-	-	(683,806)
					Restated
					Apr-Jun/2020
	Sugar	Renewables	Marketing and services	Not segmented	Total
Net operating revenue	1,085,078	2,617,153	1,291,215	-	4,993,446
Cost of sales	(777,658)	(2,475,078)	(1,259,430)	-	(4,512,166)
Gross profit	307,420	142,075	31,785	-	481,280
Selling expenses	(65,555)	(102,320)	-	-	(167,875)
General and administrative expenses	(60,656)	(94,674)	-	-	(155,330)
Other operating income (expenses), net	(15,300)	(11,540)	-	-	(26,840)
Equity accounting results	(2,305)	(80,454)	-	-	(82,759)
Income before finance income (costs) and income and social contribution taxes	163,604	(146,913)	31,785	-	48,476
Finance income (costs) (i)	-	-	-	(176,942)	(176,942)
Current and deferred income and social contribution taxes (i)	-	-	-	27,620	27,620
Net income (loss) for the period	163,604	(146,913)	31,785	(149,322)	(100,846)
Other selected information:					
Depreciation and amortization	175,735	421,994	-	-	597,729
Additions to property, plant and equipment and intangible assets	(215,298)	(162,419)	-	-	(377,717)
Net gain arising from changes in fair value and realized gain or loss on biological assets	(109,420)	(82,544)	-	-	(191,964)

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(i) Finance income (costs) and income taxes are not allocated to the operating segments, since such amounts are management at Group level.

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

	Consolidated	
	Apr-Jun/2021	Apr-Jun/2020
Foreign market	3,870,164	1,839,418
Domestic market	4,423,912	3,154,028
Total	8,294,076	4,993,446

Breakdown of net operating revenue by product is as follows:

	Consolidated	
	Apr-Jun/2021	Apr-Jun/2020
Sugar (i)	2,989,890	1,085,078
Ethanol	2,446,771	1,980,879
Diesel (ii)	1,932,381	1,095,069
Energy	322,892	437,988
Gasoline (ii)	416,667	196,146
Other products and services	185,475	198,286
Total	8,294,076	4,993,446

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

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

The main EAB clients in the three-month periods ended June 30 and March 31, 2021, which individually represented 5% or more of the Company's total revenues, are as follows:

Customer	Consolidated	
	Apr-Jun/2021	Apr-Jun/2021
Raízen S.A.	27.33%	41.93%
Petrobrás Distribuidora S.A.	1.97%	12.22%

Operating assets per segment

Since the 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			Not segmented	06/30/2021
	Sugar	Renewables	Marketing and services		Total
Investments (Note 11)	95,181	421,109	-	-	516,290
Property, plant and equipment (Note 12)	4,301,155	6,513,181	122	-	10,814,458
Intangible assets (Note 13)	855,791	942,208	1,355	-	1,799,354
Rights of use (Note 15.a)	3,189,331	3,463,843	769	-	6,653,943
Total assets allocated per segment	8,441,458	11,340,341	2,246	-	19,784,045
Other current and noncurrent assets (i)	-	-	-	29,964,558	29,964,558
Total assets	8,458,308	11,340,341	2,246	29,964,558	49,748,603
Total liabilities	-	-	-	(43,279,192)	(43,279,192)
Total assets, net	8,458,308	11,340,341	2,246	(13,314,634)	6,469,411

	Reportable segments			Not segmented	03/31/2021
	Sugar	Renewables	Marketing and services		Total
Investments (Note 11)	159,720	400,343	-	-	560,063
Property, plant and equipment (Note 12)	4,791,010	6,263,812	2,147	-	11,056,969
Intangible assets (Note 13)	970,130	816,720	22,643	-	1,809,493
Rights of use (Note 15.a)	2,813,670	2,402,252	17,969	-	5,233,891
Total assets allocated per segment	8,734,530	9,883,127	42,759	-	18,660,416
Other current and noncurrent assets (i)	-	-	-	24,869,460	24,869,460
Total assets	8,734,530	9,883,127	42,759	24,869,460	43,529,876
Total liabilities	-	-	-	(36,620,563)	(36,620,563)
Total assets, net	8,734,530	9,883,127	42,759	(11,751,103)	6,909,313

- (i) This refers to other current and noncurrent assets that are not segment and were included in the charts above for purposes of reconciliation to total assets.

Operating assets relating to these segments are located only in Brazil.

Geographic information

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

	Consolidated	
	Apr-Jun/2021	Apr-Jun/2020
Brazil	4,423,912	3,154,028
Europe	1,096,949	129,330
North America	1,083,740	780,308
Asia	992,546	707,072
South America (i)	672,683	221,709
Other (ii)	24,246	999
Total	8,294,076	4,993,446

(i) South America (except Brazil).

(ii) Africa and Central America.

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23. Costs and expenses by nature

Reconciliation of costs and expenses by nature

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

a) Costs and expenses by nature:

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Raw material	(692,439)	(574,231)	(3,544,346)	(2,351,709)
Purchase of fuel	(47,653)	(33,621)	(2,357,307)	(1,259,430)
Depreciation and amortization	(700,479)	(427,957)	(940,422)	(597,729)
Purchase of energy	-	-	(377,944)	(254,221)
Personnel expenses	(197,464)	(123,946)	(295,701)	(212,777)
Cutting, loading and transportation (CCT)	(193,532)	(104,307)	(260,133)	(166,729)
Maintenance materials	(66,020)	(39,163)	(84,192)	(52,572)
Outsourced labor	(46,343)	(41,878)	(58,963)	(47,946)
Change in the fair value of biological assets	583,905	134,418	809,591	193,673
Realization of the fair value of biological assets	(77,609)	14,491	(125,785)	(1,709)
Other expenses	(139,824)	(97,405)	(195,795)	(84,222)
	<u>(1,577,458)</u>	<u>(1,293,599)</u>	<u>(7,430,997)</u>	<u>(4,835,371)</u>

b) Classified as:

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Cost of goods sold and services provided	(1,220,557)	(1,027,330)	(6,970,624)	(4,512,166)
Selling	(227,310)	(157,981)	(269,647)	(167,875)
General and administrative	(129,591)	(108,288)	(190,726)	(155,330)
	<u>(1,577,458)</u>	<u>(1,293,599)</u>	<u>(7,430,997)</u>	<u>(4,835,371)</u>

24. Other operating revenue (expenses), net

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Reversal (set-up) of provision for legal disputes	14,830	(3,102)	23,719	(4,488)
Income from sale of scrap and waste	7,235	2,552	8,683	3,238
Income from subleases	2,997	172	4,225	172
Net reversal (formation) of estimated loss on property, plant and equipment (Note 12)	1,679	6,565	1,700	6,619
Income from (expenses on) sales transactions	(11,502)	15,225	(8,275)	(24,963)
Other	1,551	(4,259)	1,061	(7,418)
	<u>16,790</u>	<u>17,153</u>	<u>31,113</u>	<u>(26,840)</u>

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25. Finance results

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
<u>Finance costs</u>				
Interest	(262,204)	(224,566)	(306,805)	(274,258)
Holding losses	(75,546)	5,712	(80,926)	5,117
PIS and COFINS on finance revenue	(1,753)	(12,742)	(3,593)	(14,452)
Other	(4,058)	(2,922)	(4,589)	(3,745)
	<u>(343,561)</u>	<u>(234,518)</u>	<u>(395,913)</u>	<u>(287,338)</u>
Fair value of financial instruments payable (Notes 10 and 16)	<u>(30,273)</u>	<u>(174,477)</u>	<u>(28,091)</u>	<u>(181,895)</u>
Less: amounts capitalized on qualifying assets (Note 12)	<u>18,632</u>	<u>5,442</u>	<u>17,238</u>	<u>7,648</u>
	<u>(355,202)</u>	<u>(403,553)</u>	<u>(406,766)</u>	<u>(461,585)</u>
<u>Finance income</u>				
Interest	36,197	27,611	85,998	73,447
Holding gains	-	7,459	1,558	7,902
Yield from financial investments	876	3,349	9,820	9,568
	<u>37,073</u>	<u>38,419</u>	<u>97,376</u>	<u>90,917</u>
Exchange rate change, net (1)	<u>288,432</u>	<u>(108,462)</u>	<u>270,344</u>	<u>(131,890)</u>
Net effect of derivatives (2)	<u>(230,670)</u>	<u>308,419</u>	<u>(218,556)</u>	<u>325,616</u>
	<u>(260,367)</u>	<u>(165,177)</u>	<u>(257,602)</u>	<u>(176,942)</u>

(1) This includes net foreign exchange losses on assets and liabilities denominated in foreign currency; and

(2) This includes realized and unrealized gains (losses) on futures, options, swaps and NDFs and other derivatives.

26. Financial instruments

a) Overview

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

- Price risk
- Foreign exchange rate risk
- Interest rate risk
- Credit risk
- Liquidity risk

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

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b) Risk management structure

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

The Company and its subsidiaries are exposed to the following significant market risks: (i) fluctuations in the prices of sugar, electricity, oil by-products and ethanol; (ii) fluctuations in exchange rates; and (iii) fluctuations in interest rates. 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 or other purposes were measured at fair value through observable inputs, such as prices quoted in active markets or discounted cash flows based on market curves, and are presented below:

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	Notional		Individual Fair value		Notional		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
<u>Price risk</u>								
Commodity derivatives								
Futures and options	4,288,875	9,730,270	(2,766,263)	(1,245,924)	5,892,149	11,403,804	(2,888,127)	(1,079,384)
	4,288,875	9,730,270	(2,766,263)	(1,245,924)	5,892,149	11,403,804	(2,888,127)	(1,079,384)
<u>Foreign exchange rate risk</u>								
Foreign exchange rate derivatives								
Futures contracts	33,764	(333,291)	2,528	8,921	33,764	(333,291)	2,528	8,921
Forward contracts	11,889,605	8,573,423	556,703	(359,346)	11,889,605	8,573,423	556,703	(359,346)
FX lock	-	-	-	-	64,049	45,575	1,288	1,500
FX swaps	(2,235,585)	(2,546,238)	(170,462)	17,366	(2,235,585)	(2,546,238)	(170,462)	17,366
	9,687,784	5,693,894	388,769	(333,059)	9,751,833	5,739,469	390,057	(331,559)
<u>Interest rate risk</u>								
Interest rate swap								
	(3,613,047)	(3,613,047)	290,564	254,562	(3,827,905)	(3,827,905)	353,337	318,475
	(3,613,047)	(3,613,047)	290,564	254,562	(3,827,905)	(3,827,905)	353,337	318,475
Total			(2,086,930)	(1,324,421)			(2,144,733)	(1,092,468)
Current assets								
Noncurrent assets			4,147,574	2,172,549			6,144,472	2,863,598
Total assets			1,300,971	1,544,977			1,978,985	1,950,537
			5,448,545	3,717,526			8,123,457	4,814,135
Current liabilities								
Noncurrent liabilities			(5,850,415)	(3,368,764)			(8,119,948)	(4,138,301)
Total liabilities			(1,685,060)	(1,673,181)			(2,148,242)	(1,768,300)
			(7,535,475)	(5,041,945)			(10,268,190)	(5,906,601)

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c) Price risk

Price risk arises from the possibility of fluctuation in the market prices of products traded by the Company and its subsidiaries, mainly VHP sugar (sugar #11), refined sugar (#5 or white sugar), ethanol, electricity and oil by-products. These price fluctuations may lead to material changes in the Company's sales revenues. To mitigate this risk, the Company constantly monitors the market to anticipate price changes. The positions of derivative financial instruments used to hedge against the commodities price risk outstanding at June 30, 2021 are as follows:

							Consolidated	
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 – sugar 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 – sugar futures long position					(10,700,559) t	(16,226,867)	3,336,082	
Physical fixed	Short	ICE	Sugar#11	Jul/21 to Jun/23	901,357 t	1,708,381	9,808	
Subtotal – sugar physical fixed short position					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 long position					(90,444) t	(176,928)	(234)	
Subtotal – sugar futures					6,447,578 t	6,217,146	(2,356,128)	
Futures	Short	B3	Ethanol	Jul/21 to Nov/21	227,580 m ³	591,731	(1,415)	
Futures	Short	CME	Ethanol	Jul/21 to Mar/22	1,567,510 m ³	3,971,973	(469,205)	
Futures	Short	OTC	Ethanol	Jul/21 to Mar/22	728,985 m ³	1,046,620	(90,916)	
Options	Short	CME	Ethanol	Jul/21 to Sep/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	

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							Consolidated	
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	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	

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							Consolidated	
Price risk: commodity derivatives outstanding at June 30, 2021								
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)	
Physical fixed	Short	CHGOETHNL	Ethanol	Jul/21 to Jan/23	620,743 m ³	1,781,810	(105,373)	
Subtotal – ethanol physical fixed short position					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	
Subtotal – ethanol physical fixed long position					(650,677) m ³	(1,871,881)	33,531	
Subtotal – ethanol futures					(216,429) m ³	(651,039)	(103,796)	
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)	52,937	
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)	190,120	
Subtotal - Gasoline futures					48,840 m ³	256,100	(404,190)	
Physical fixed	Short	OTC	Energy	Jul/21 to Dec/32	18,131,262	4,301,981	(1,624,251)	
Subtotal – energy physical fixed short position					18,131,262 mwh	4,301,981	(1,624,251)	
Physical fixed	Long	OTC	Energy	Jul/21 to Dec/32	(18,131,262) mwh	(4,232,039)	1,600,238	
Subtotal – energy physical fixed long position					(18,131,262) mwh	(4,232,039)	1,600,238	
Subtotal – energy physical fixed					- mwh	69,942	(24,013)	
Net exposure of commodity derivatives at June 30, 2021						5,892,149	(2,888,127)	
Net exposure of commodity derivatives at March 31, 2021						11,403,804	(1,079,384)	

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d) Foreign exchange rate risk

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

Consolidated							
Price risk: foreign exchange derivatives outstanding at June 30, 2021							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (US\$ thousand)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial dollar	Jul/21 to Aug/21	582,000	2,911,280	(35,741)
Options	Short	B3	Foreign Exchange Options	Jul/22 to Oct/22	7,866	39,348	(1,174)
Subtotal – futures short position					589,866	2,950,628	(36,915)
Futures	Long	B3	Commercial dollar	Jul/21 to Dec/21	(575,250)	(2,877,516)	36,163
Options	Long	B3	Foreign Exchange Options	Jul/22 to Oct/22	(7,866)	(39,348)	3,280
Subtotal - futures long position					(583,116)	(2,916,864)	39,443
Forward	Short	OTC/Cetip	NDF	Jul/21 to Jan/22	2,923,183	14,622,348	700,790
Forward	Long	OTC/Cetip	NDF	Jul/21 to Jan/22	(546,308)	(2,732,743)	(144,087)
Subtotal – forward – long/short positions					2,376,875	11,889,605	556,703
Exchange swaps	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	(972,530)	(4,864,791)	957,901
Subtotal - swap					(446,920)	(2,235,585)	(170,462)
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 short position					12,804	64,049	1,288
Net exposure of foreign exchange derivatives at June 30, 2021					1,949,509	9,751,833	390,057
Net exposure of foreign exchange derivatives at March 31, 2021					1,007,402	5,739,469	(331,559)

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As of June 30 and March 31, 2021, the summary of quantitative data on the Company's currency risk accounting exposure is as follows:

	Consolidated	
	06/30/2021	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	1,578,282	315,518
Restricted cash (Note 4)	1,733,260	346,500
Foreign trade accounts receivable (Note 5)	914,589	182,837
Related parties (Note 10)	4,232,613	846,150
Suppliers (Note 14)	(2,218,485)	(443,502)
Loans and financing (Note 16)	(7,465,049)	(1,492,353)
Derivatives (Note 26.d) (i)	-	(1,949,509)
Currency exposure, net	(1,224,790)	(2,194,359)
Derivatives settled in the month following closing (ii)		95,236
Net foreign exchange exposure, as of June 30, 2021 (iii)		(2,099,123)
Net foreign exchange exposure, as of March 31, 2021 (iii)		(1,176,778)

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

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

(iii) The adjusted net currency exposure will be substantially offset in the future with highly probable product export revenues.

e) Effects of hedge accounting

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

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As of June 30 and March 31, 2021, the impacts recognized in the Company's equity and the estimated realization in the statement of income are as follows:

Financial instruments	Market	Risk	Realization period				
			2021/2022	2022/2023	Above 2023	06/30/2021	03/31/2021
Futures	OTC / ICE	Sugar#11 Sugar#5	(1,588,904)	(761,733)	(72,436)	(2,423,073)	(991,331)
Futures	B3 / NYMEX / OTC	Ethanol	(503,215)	-	-	(503,215)	(277,432)
Options	ICE	Sugar#11	(27,888)	(63,658)	-	(91,546)	(19,709)
NDF	OTC	FX	316,068	435,330	71,456	822,854	(605,923)
Swap	Debt	FX	-	-	(857,218)	(857,218)	(1,010,576)
PPE	Debt	FX	-	-	(67,924)	(67,924)	(85,316)
			(1,803,939)	(390,061)	(926,122)	(3,120,122)	(2,990,287)
(-) Deferred taxes			613,339	132,621	314,881	1,060,841	1,016,698
Effect on equity at June 30, 2021			(1,190,600)	(257,440)	(611,241)	(2,059,281)	(1,973,589)

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

	Apr-Jun/2021
Balance at beginning of period	(1,973,589)
Movements occurred in the period:	
Fair value of commodity futures designated as hedge accounting	(2,031,890)
Fair value gains on forward exchange contracts designated as hedge accounting	1,425,437
Exchange rate change on debt contracts designated as hedge accounting	170,745
Income (loss) from commodities reclassified to operating income (loss) and other	302,534
Gain from (loss on) foreign exchange forwards in net operating revenue and other operating income and expenses	3,338
Total movements occurred in the period:	(129,836)
Effect of deferred taxes on equity valuation adjustment	44,144
	(85,692)
End balance	(2,059,281)

f) Interest rate risk

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

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							Consolidated
							Price risk: interest derivatives outstanding at June 30, 2021
Derivatives	Long / Short	Market	Agreement	Maturity	Notional (US\$ thousand)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Interest rate swaps	Long	OTC	Interest rate swaps	Dec/21 to Jun/30	(765,244)	(3,827,905)	353,337
Net exposure of interest derivatives at June 30, 2021					(765,244)	(3,827,905)	353,337
Net exposure of interest derivatives at March 31, 2021					(671,881)	(3,827,905)	318,475

g) Credit risk

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

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

Guarantee margins - Derivative transactions on commodity exchanges (NYBOT, LIFFE and B3) require guarantee margins. The total consolidated margin deposited at June 30, 2021 amounts to R\$ 1,808,256 (R\$ 918,256 at March 31, 2021), of which R\$ 74,996 (R\$ 57,642 at March 31, 2021) in restricted short-term investments and R\$ 1,733,260 (R\$ 860,614 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 (Note 3) that make up the item. The distribution follows strict criteria for allocation and exposure to counterparties, which are the main local and international banks considered, in their majority, as Investment Grade by the international rating agencies.

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h) Liquidity risk

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

The table below shows the maturity of financial liabilities:

	Consolidated				
	June 30, 2021				
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing (1)	1,823,482	1,699,022	4,700,630	12,310,100	20,533,234
Suppliers (Note 14)	4,599,312	-	-	-	4,599,312
Derivative financial instruments	8,119,948	1,004,993	124,310	1,018,939	10,268,190
Related parties (1) (*)	2,463,502	-	-	582,204	3,045,706
Lease liabilities from third parties and related parties (1)	1,573,691	1,712,077	3,595,357	2,629,672	9,510,797
June 30, 2021	<u>18,579,935</u>	<u>4,416,092</u>	<u>8,420,297</u>	<u>16,540,915</u>	<u>47,957,239</u>
March 31, 2021	<u>12,736,495</u>	<u>2,880,792</u>	<u>8,807,909</u>	<u>15,847,316</u>	<u>40,272,512</u>

(1) Undiscounted contractual cash flows.

(*) Except related parties lease liabilities.

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.

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Fair value hierarchy

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

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

Financial instruments are classified as follows:

	Consolidated		
Financial instruments measured at fair value	Level 1	Level 2	Total
Financial investments (Note 3)	-	1,053,978	1,053,978
Financial investments (restricted cash) (Note 4)	-	75,035	75,035
Derivative financial instruments - assets	4,189,047	3,934,410	8,123,457
Loans and financing (Note 16)	-	(8,443,182)	(8,443,182)
Derivative financial instruments - liabilities	(7,093,978)	(3,174,212)	(10,268,190)
June 30, 2021	(2,904,931)	(6,553,971)	(9,458,902)
March 31, 2021	(1,264,511)	(7,429,336)	(8,693,847)

As of June 30 and March 31, 2021, there were no transfers between these levels to determine the fair value of financial instruments.

i) Sensitivity analysis

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

Assumptions for sensitivity analysis

The Company adopted three scenarios for its sensitivity analysis, one probable and two that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the futures market curves for sugar and the US dollar at June 30, 2021, corresponding to the balance of the derivatives' fair value on that date. Possible and remote adverse scenarios were defined considering adverse impacts of 25% and 50% on sugar and US dollar price curves, which were considered the basis for the probable scenario.

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Sensitivity analysis tables

i) Sensitivity about changes in the fair value of financial instruments

Risk factor	Impacts on profit or loss (*)					
	June 30, 2021					
	Probable Scenario	Remote scenario + (25%)	Fair value balance	Remote scenario + (50%)	Fair value balance	
Price risk						
Commodity derivatives						
Futures and options						
Purchase and sale commitments	Sugar price increase	(2,365,702)	12,556	(2,353,146)	25,112	(2,340,590)
Purchase and sale commitments	Gasoline price increase	(404,189)	(13,896)	(418,085)	(27,793)	(431,982)
Purchase and sale commitments	Energy price increase	(24,014)	27,589	3,575	55,178	31,164
Purchase and sale commitments	Ethanol price increase	(94,222)	(155,513)	(249,735)	(311,025)	(405,247)
		(2,888,127)	(129,264)	(3,017,391)	(258,528)	(3,146,655)
Currency risk						
Exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	US dollar increase	2,528	(33,581)	(31,052)	(67,162)	(64,633)
Lock exchange contracts:						
Purchase and sale commitments	US dollar increase	1,288	(11,019)	(9,730)	(22,037)	(20,749)
Forwards:						
Purchase and sale commitments	US dollar increase	556,703	(11,447,155)	(10,890,451)	(22,894,310)	(22,337,606)
FX swaps:						
Purchase and sale commitments	US dollar decrease	(170,462)	(417,523)	(587,985)	(835,046)	(1,005,508)
		390,057	(11,909,278)	(11,519,218)	(23,818,555)	(23,428,496)
Interest rate risk						
Swap, Forward and Futures contracts						
	Interest rate decrease	353,337	(18,671)	334,665	(37,342)	315,994
		353,337	(18,671)	334,665	(37,342)	315,994
Total		(2,144,733)	(12,057,213)	(14,201,944)	(24,114,425)	(26,259,157)

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

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

	Position	Scenario		
		Probable	Possible	Remote
Sugar price increase - R\$/ton	Short	1,706	2,133	2,559
Gasoline price increase - R\$/m ³	Short	2,685	3,356	4,027
Energy price increase - R\$/mwh	Short	341	426	511
Ethanol price increase - R\$/m ³	Short	2,602	3,253	3,903
R\$/US\$ exchange rate increase	Short	5.06	6.32	7.59
R\$/US\$ exchange rate decrease	Long	5.00	3.75	2.50
Interest rate decrease - % p.y.	Long	4.15	3.11	2.08

ii) 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 statement of income as foreign exchange gains (losses) are as follows:

Net foreign exchange exposure as of June 30, 2021		Effect of exchange rate changes			
		Scenarios		Scenarios	
		Possible +25%	Remote +50%	Possible -25%	Remote -50%
Cash and cash equivalents (Note 3)	1,578,282	394,571	789,141	(394,571)	(789,141)
Restricted cash (Note 4)	1,733,260	433,315	866,630	(433,315)	(866,630)
Accounts receivable from abroad (Note 5)	914,589	228,647	457,295	(228,647)	(457,295)
Related parties (Note 10)	4,232,613	1,058,153	2,116,307	(1,058,153)	(2,116,307)
Suppliers (Note 14)	(2,218,485)	(554,621)	(1,109,243)	554,621	1,109,243
Loans and financing (Note 16)	(7,465,049)	(1,866,262)	(3,732,525)	1,866,262	3,732,525
Impact on the statement of income for the period		(306,197)	(612,395)	306,197	612,395

iii) Interest rate sensitivity

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

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	June 30, 2021				
	Probable	Interest rate sensitivity			
		Possible 25%	Remote 50%	Possible -25%	Remote -50%
Interest earnings bank deposits	23,962	5,991	11,981	(5,991)	(11,981)
Interest earnings bank deposits (restricted cash)	1,726	432	863	(432)	(863)
Loans and financing	(678,597)	(169,649)	(339,299)	169,649	339,299
Additional impact in income or loss for the period	(652,909)	(163,226)	(326,455)	163,226	326,455

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

	Probable	Interest rate sensitivity			
		Possible 25%	Remote 50%	Possible -25%	Remote -50%
Accumulated CDI - % p.y.	2.27	2.84	3.41	1.70	1.14
Fixed interest of loans and financing % p.y.	6.33	7.91	9.49	4.75	3.16

j) Capital management

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

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

<u>Agency</u>	<u>Scale</u>	<u>Rating</u>	<u>Outlook</u>	<u>Date</u>
Fitch	National	AAA (bra)	Stable	05/08/2021
	Global	BBB	Stable	05/08/2021
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

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

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

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

	Consolidated	
	06/30/2021	03/31/2021
Third party capital		
Loans and financing (Note 16)	15,237,070	16,568,025
(-) Cash and cash equivalents (Note 3)	(2,715,987)	(4,042,966)
(-) Financial investments linked to financing (Note 4)	(39)	(39)
(-) National Treasury Certificates - CTN (Note 9)	(26,489)	(24,206)
(-) Intragroup pre-export financing (Note 10.a.3)	(2,785,159)	(3,132,354)
(-) Foreign exchange, interest rate swap and other derivative swaps	(182,875)	(335,841)
	<u>9,526,521</u>	<u>9,032,619</u>
Own capital		
Equity		
Attributed to controlling shareholders	6,470,354	6,824,400
Interest on non-controlling shareholders	(943)	84,913
	<u>6,469,411</u>	<u>6,909,313</u>
Total own capital and third parties	<u>15,995,932</u>	<u>15,941,932</u>
Leverage ratio	<u>60%</u>	<u>57%</u>

27. Retirement supplemental plan and other employee benefits

(a) Pension fund

Defined contribution

In the three-month period ended June 30, 2021, the contribution recognized as expense totaled R\$ 4,101 (R\$ 3,780 in the three-month period ended June 30, 2020).

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(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 28 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 supplementary information

a) Reconciliation of cash flows from financing activities

The reconciliation of cash flows from financing activities for the three-month period ended June 30, 2021 is shown below:

	Individual						
(Assets)/Liabilities	Financial investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Dividends payable	Total
Opening balance	(39)	8,996,213	3,768,966	933,717	4,528,691	8,252	18,235,800
Transactions with impact on Financial Cash Flow (“FCF”)							
Repayments of principal of loans and financing - third parties	-	(694,422)	-	-	-	-	(694,422)
Repayments of interest of loans and financing - third parties	-	(121,949)	-	-	-	-	(121,949)
Payments of lease liabilities - third parties	-	-	(377,728)	-	-	-	(377,728)
Payments of lease liabilities – related parties	-	-	-	(59,316)	-	-	(59,316)
Repayments of interest of loans and financing - related parties	-	-	-	-	(3,215)	-	(3,215)
Asset management, net - intragroup	-	-	-	-	774,906	-	774,906
	-	(816,371)	(377,728)	(59,316)	771,691	-	(481,724)
Other changes not affecting cash flows from financing activities							
Interest, monetary variation and foreign exchange differences, net	-	(64,222)	85,994	22,767	(322,197)	-	(277,658)
Fair value of financial instruments payable (Note 25)	-	30,273	-	-	-	-	30,273
Allocation of dividends (Note 20.b)	-	-	-	-	-	738,431	738,431
Additions, write-offs, remeasurement of lease liabilities and other	-	2,739	1,249,465	314,604	(2,220)	-	1,564,588
	-	(31,210)	1,335,459	337,371	(324,417)	738,431	2,055,634
Closing balance	(39)	8,148,632	4,726,697	1,211,772	4,975,965	746,683	19,809,710

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	Consolidated						
(Assets)/Liabilities	Short-term investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Dividends payable	Total
Opening balance	(39)	16,543,819	4,588,315	933,717	(3,227,202)	8,252	18,846,862
Transactions with impact on Financial Cash Flow (“FCF”)							
Loans and financing raised - third parties	-	211,114	-	-	-	-	211,114
Repayments of principal of loans and financing - third parties	-	(716,006)	-	-	-	-	(716,006)
Repayments of interest of loans and financing - third parties	-	(107,978)	-	-	-	-	(107,978)
Payments of lease liabilities - third parties	-	-	(457,196)	-	-	-	(457,196)
Payments of lease liabilities – related parties	-	-	-	(59,316)	-	-	(59,316)
Asset management, net - intragroup	-	-	-	-	1,597,850	-	1,597,850
	-	(612,870)	(457,196)	(59,316)	1,597,850	-	468,468
Other changes not affecting cash flows from financing activities							
Interest, monetary variation and foreign exchange differences, net	-	(751,442)	105,090	22,767	354,448	-	(269,137)
Fair value of financial instruments payable (Note 25)	-	28,091	-	-	-	-	28,091
Allocation of dividends (Note 20.b)	-	-	-	-	-	738,431	738,431
Additions, write-offs, remeasurement of lease liabilities and other	-	2,983	1,526,888	314,604	(2,220)	-	1,842,255
	-	(720,368)	1,631,978	337,371	352,228	738,431	2,339,640
Closing balance	(39)	15,210,581	5,763,097	1,211,772	(1,277,124)	746,683	21,654,970

(1) Stated net of CTN.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

June 30, 2021

(In thousands of Reais, unless otherwise stated)

a) Main noncash transactions

	Individual		Consolidated	
	Apr-Jun/2021	Apr-Jun/2020	Apr-Jun/2021	Apr-Jun/2020
Noncash transactions				
Depreciation of agricultural assets capitalized as biological assets (Note 7)	(5,916)	(4,811)	(7,267)	(6,306)
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 12)	(17,913)	(17,489)	(22,236)	(20,839)
Rights of use (Note 15.a)	(1,610,121)	(276,364)	(1,913,600)	(358,426)
Tax credits on property, plant and equipment, including PPE adjustment to present value	(539)	(602)	(3,130)	(1,353)
Interest capitalized on property, plant and equipment (Notes 12 and 25)	(18,632)	(5,442)	(17,238)	(7,648)
	<u>(1,653,121)</u>	<u>(304,708)</u>	<u>(1,963,471)</u>	<u>(394,572)</u>

30. Subsequent Events

(a) 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.

(b) Advances for future capital increase of RESA subsidiary

On August 6, 2021, Raízen S.A. 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 S.A. that intends to be resolved at an Extraordinary General Meeting, to be held until August 31, 2021.
