

Raízen Combustíveis S.A.

**Interim financial information
as at December 31, 2020**

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A free translation from Portuguese into English of independent auditor's review report on interim financial 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 condensed interim financial information

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

Introduction

We have reviewed the individual and consolidated statement of financial position of Raízen Combustíveis S.A. (the "Company") as at December 31, 2020, and the individual and consolidated statements of profit or loss and comprehensive income for three and nine-month periods then ended and statements of changes in equity and of cash flows for the nine-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation of the individual and consolidated condensed interim financial information in accordance with NBC TG 21 - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the 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 individual and consolidated condensed interim financial information referred to above is not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34.

Other matters

Correspondent figures

The Company's individual and consolidated financial statements for the year ended March 31, 2020 and the individual and consolidated condensed interim financial information for the period ended December 31, 2019, were audited and reviewed under the responsibility of other independent auditor, who issued reports, on June 5, 2020 and February 14, 2020, with an unmodified opinion and conclusion over the individual and consolidated financial statements and the individual and consolidated condensed interim financial information, respectively.

São Paulo, February 11, 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 COMBUSTÍVEIS S.A.

Statements of financial position as at December 31 and March 31, 2020

In thousands of reais - R\$

		Individual		Consolidated	
	Note	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Assets					
Current assets					
Cash and cash equivalents	3	727,111	635,968	1,148,408	2,167,058
Restricted cash	4	109,718	30,884	138,146	30,884
Derivative financial instruments	24	329,866	709,719	457,793	1,208,585
Trade accounts receivable	5	1,319,764	1,128,345	1,999,651	1,783,961
Inventories	6	2,363,680	1,642,697	4,342,477	4,125,088
Income and social contribution taxes recoverable	16.b	199,982	166,769	316,222	583,191
Taxes recoverable	7	1,245,652	847,493	2,036,652	1,881,363
Dividends receivable		-	43,165	-	4,130
Related parties	8	853,603	532,874	984,799	898,192
Assets from contracts with customers	9	371,189	391,090	459,024	475,305
Other receivables		69,178	35,057	297,702	237,347
Total current assets		7,589,743	6,164,061	12,180,874	13,395,104
Noncurrent assets					
Trade accounts receivable	5	320,029	249,804	429,987	346,996
Derivative financial instruments	24	2,378,186	2,513,295	2,378,186	2,513,295
Taxes recoverable	7	505,751	340,986	971,573	664,224
Related parties	8	923,849	883,064	923,103	882,207
Income and social contribution taxes recoverable	16.b	-	-	44,900	52,070
Deferred income and social contribution taxes	16.d	-	-	184,672	136,672
Judicial deposits	17	56,325	54,759	69,508	68,049
Assets from contracts with customers	9	1,868,326	1,770,211	2,229,657	2,091,860
Other receivables		59,436	51,899	117,265	113,131
Investments	10	6,072,402	6,086,249	769,251	739,008
Property, Plant and Equipment (PPE)	11	1,521,318	1,514,757	6,158,239	6,322,518
Intangible assets	12	596,153	648,105	1,076,090	1,145,267
Right of use	14.a	161,457	200,170	512,128	709,066
Total noncurrent assets		14,463,232	14,313,299	15,864,559	15,784,363
Total assets		22,052,975	20,477,360	28,045,433	29,179,467

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of financial position as at December 31 and March 31, 2020

In thousands of reais - R\$

		Individual		Consolidated	
	Note	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	13	4,811,215	2,480,322	6,066,846	4,116,180
Lease liabilities	14.b	41,143	40,933	209,481	259,690
Loans and financing	15	399,347	1,204,829	401,545	1,736,408
Related parties	8	1,282,599	1,207,369	2,939,986	4,173,506
Derivative financial instruments	24	50,007	139,245	249,258	202,222
Wages and salaries payable		79,745	105,637	151,262	181,125
Income and social contribution taxes payable	16.c	-	-	93,037	175,705
Taxes payable		109,713	105,082	259,917	279,073
Dividends and interest on equity payable	19.b	154,989	63,258	154,989	73,026
Unearned revenues		16,150	41,159	30,254	41,159
Bonuses payable		49,268	52,811	64,253	65,755
Other obligations		225,276	319,003	373,900	677,054
Total current liabilities		7,219,452	5,759,648	10,994,728	11,980,903
Noncurrent liabilities					
Lease liabilities	14.b	36,097	64,408	279,091	414,396
Loans and financing	15	5,859,590	5,944,866	6,639,095	6,724,671
Related parties	8	2,942,249	3,211,701	2,844,814	3,122,112
Derivative financial instruments	24	12,129	-	12,129	-
Taxes payable		-	-	6,427	7,108
Provision for contingencies	17	972,975	928,361	1,025,927	1,046,828
Deferred income and social contribution taxes	16.d	504,955	501,227	1,296,596	1,395,408
Unearned revenues		-	46,860	-	46,860
Bonuses payable		162,964	106,991	203,174	134,419
Other obligations		15,558	18,768	136,707	153,208
Total noncurrent liabilities		10,506,517	10,823,182	12,443,960	13,045,010
Total liabilities		17,725,969	16,582,830	23,438,688	25,025,913
Equity	19				
Attributable to controlling interests					
Capital		1,921,843	1,921,843	1,921,843	1,921,843
Capital reserves		510,941	510,941	510,941	510,941
Equity adjustments		704,307	714,536	704,307	714,536
Income reserves		746,303	747,210	746,303	747,210
Retained earnings		443,612	-	443,612	-
		4,327,006	3,894,530	4,327,006	3,894,530
Noncontrolling interests		-	-	279,739	259,024
Total equity		4,327,006	3,894,530	4,606,745	4,153,554
Total liabilities and equity		22,052,975	20,477,360	28,045,433	29,179,467

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of profit or loss

Three and nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

					Individual
	Note	Oct-Dec/2020	Apr-Dec/2020	Oct-Dec/2019	Apr-Dec/2019
Operating revenue, net	20	19,556,147	48,401,367	20,532,460	58,686,230
Cost of sales and services	21	(18,721,304)	(46,562,238)	(19,551,439)	56,296,107)
Gross profit		834,843	1,839,129	981,021	2,390,123
Operating income (expenses)					
Selling expenses	21	(297,736)	(810,625)	(293,123)	(885,124)
General and administrative expenses	21	(95,682)	(279,879)	(89,846)	(303,810)
Other operating (expenses) income, net	22	(6,450)	128,937	1,137,377	1,508,278
Equity pickup	10	83,983	(31,942)	205,589	175,531
		(315,885)	(993,509)	959,997	494,875
Income before finance income (costs) and income and social contribution taxes		518,958	845,620	1,941,018	2,884,998
Finance income (costs)	23				
Finance costs		(100,476)	(334,647)	(90,230)	(459,304)
Finance income		58,773	131,459	14,562	130,380
Foreign exchange differences, net		654,431	(159,054)	209,648	(270,892)
Net effect of derivatives		(601,517)	288,116	(254,591)	334,616
		11,211	(74,126)	(120,611)	(265,200)
Income before income and social contribution taxes		530,169	771,494	1,820,407	2,619,798
Income and social contribution taxes	16.a				
Current		(120,859)	(218,691)	(352,141)	(669,470)
Deferred		(10,515)	2,314	(98,058)	(28,660)
		(131,374)	(216,377)	(450,199)	(698,130)
Net income for the period		398,795	555,117	1,370,208	1,921,668

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of profit or loss

Three and nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

		Consolidated			
	Note	Oct-Dec/2020	Apr-Dec/2020	Oct-Dec/2019	Apr-Dec/2019
Operating revenue, net	20	25,098,357	62,912,184	26,713,976	77,401,024
Cost of sales and services	21	(23,693,722)	(60,121,252)	(25,067,182)	(73,592,389)
Gross profit		1,404,635	2,790,932	1,646,794	3,808,635
Operating income (expenses)					
Selling expenses	21	(572,280)	(1,581,419)	(588,026)	(1,693,270)
General and administrative expenses	21	(159,846)	(451,934)	(130,182)	(448,377)
Other operating income, net	22	9,404	255,405	1,158,490	1,669,865
Equity pickup	10	(1,862)	(1,385)	4,971	4,971
		(724,584)	(1,779,333)	445,253	(466,811)
Income before finance income (costs) and income and social contribution taxes		680,051	1,011,599	2,092,047	3,341,824
Finance income (costs)	23				
Finance costs		(118,826)	(432,910)	(118,557)	(536,652)
Finance income		84,796	216,731	46,945	228,790
Foreign exchange differences, net		667,608	(308,182)	297,446	(501,088)
Net effect of derivatives		(699,187)	326,703	(379,864)	319,015
		(65,609)	(197,658)	(154,030)	(489,935)
Income before income and social contribution taxes		614,442	813,941	1,938,017	2,851,889
Income and social contribution taxes	16.a				
Current		(217,295)	(370,534)	(486,881)	(910,014)
Deferred		11,305	140,252	(63,812)	26,144
		(205,990)	(230,282)	(550,693)	(883,870)
Net income for the period		408,452	583,659	1,387,324	1,968,019
Attributable to:					
Company's controlling interests		398,795	555,117	1,370,208	1,921,668
Company's noncontrolling interests		9,657	28,542	17,116	46,351
		408,452	583,659	1,387,324	1,968,019
Earnings per common share Basic and diluted	19.d	0.24	0.33	0.82	1.16

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of comprehensive income

Three and nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

	Oct- Dec/2020	Apr- Dec/2020	Oct- Dec/2019	Individual Apr- Dec/2019
Net income for the period	398,795	555,117	1,370,208	1,921,668
Comprehensive income				
Items that will not be reclassified to P&L				
Actuarial (losses) gain, net (effect from subsidiaries)	(745)	(745)	6,557	6,557
Total items that will not be reclassified to P&L	(745)	(745)	6,557	6,557
Items that are or may be reclassified to P&L				
Net income (loss) from derivative financial instruments designated as Hedge accounting (Note 24.e)	820	(29,200)	(58,306)	(2,645)
Gain (losses) on hedge of net investment in a foreign entity	-	-	2,206	(15,071)
Deferred taxes on hedge (Note 16.d)	(279)	9,928	19,074	6,024
Foreign currency translation effect	(277,620)	9,788	(85,163)	69,803
Total items that are or may be reclassified to P&L	(277,079)	(9,484)	(122,189)	58,111
Total comprehensive income (loss) for the period	(277,824)	(10,229)	(115,632)	64,668
Comprehensive income for the period	120,971	544,888	1,254,576	1,986,336

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of comprehensive income

Three and nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

	Consolidated			
	Oct- Dec/2020	Apr- Dec/2020	Oct- Dec/2019	Apr- Dec/2019
Net income for the period	408,452	583,659	1,387,324	1,968,019
Comprehensive income				
Items that will not be reclassified to P&L				
Actuarial (losses) gain, net	(993)	(993)	6,568	6,568
Deferred taxes on actuarial gain/loss (Note 16.d)	248	248	(7)	(7)
Total items that will not be reclassified to P&L	(745)	(745)	6,561	6,561
Items that are or may be reclassified to P&L				
Net income (loss) from derivative financial instruments designated as Hedge accounting (Note 24.e)	820	(29,200)	(58,306)	(2,645)
Gain (losses) on hedge of net investment in a foreign entity	-	-	2,206	(15,071)
Deferred taxes on hedge (Note 16.d)	(279)	9,928	19,074	6,024
Foreign currency translation effect	(277,621)	9,788	(85,163)	69,803
Total items that are or may be reclassified to P&L	(277,080)	(9,484)	(122,189)	58,111
Total comprehensive income (loss) for the period	(277,825)	(10,229)	(115,628)	64,672
Comprehensive income for the period	<u>130,627</u>	<u>573,430</u>	<u>1,271,696</u>	<u>2,032,691</u>
Attributable to:				
Company's controlling interests	120,970	544,888	1,254,576	1,986,336
Company's noncontrolling interests	9,657	28,542	17,120	46,355
	<u>130,627</u>	<u>573,430</u>	<u>1,271,696</u>	<u>2,032,691</u>

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of changes in equity

Nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

	Attributable to controlling interests									
	Capital reserves				Income reserves					
	Capital	Capital reserve	Special reserve - Law No. 8200/91	Equity adjustments	Legal reserve	Retained profits	Retained earnings	Total	Noncontrolling interests	Total equity
At March 31, 2020	1,921,843	510,847	94	714,536	197,097	550,113	-	3,894,530	259,024	4,153,554
Comprehensive income for the period										
Net income for the period	-	-	-	-	-	-	555,117	555,117	28,542	583,659
Actuarial loss, net	-	-	-	(745)	-	-	-	(745)	-	(745)
Net loss on financial instruments designated as hedge accounting	-	-	-	(19,272)	-	-	-	(19,272)	-	(19,272)
Foreign currency translation effect	-	-	-	9,788	-	-	-	9,788	-	9,788
Total comprehensive income (loss) for the period (Note 19.c)	-	-	-	(10,229)	-	-	555,117	544,888	28,542	573,430
Distributions to shareholders, net										
Payment of dividends and interest on equity (IOE) (Note 19.b)	-	-	-	-	-	(907)	(112,810)	(113,717)	(7,831)	(121,548)
Other	-	-	-	-	-	-	1,305	1,305	4	1,309
Total distributions to shareholders, net	-	-	-	-	-	(907)	(111,505)	(112,412)	(7,827)	(120,239)
At December 31, 2020	1,921,843	510,847	94	704,307	197,097	549,206	443,612	4,327,006	279,739	4,606,745

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of changes in equity

Nine-month periods ended December 31, 2020 and 2019

In thousands of reais - R\$

	Attributable to controlling interests										
	Capital reserves				Income reserves						
			Special reserve - Law No. 8200/91	Equity adjustments	Legal reserve	Tax incentive reserve	Retained profits	Retained earnings	Total	Noncontrolling interests	Total equity
	Capital	Capital reserve									
At March 31, 2019	1,921,843	519,572	94	(136,311)	197,097	41,568	279,624	-	2,823,487	240,865	3,064,352
Comprehensive income for the period											
Net income for the period	-	-	-	-	-	-	-	1,921,668	1,921,668	46,351	1,968,019
Actuarial gain, net	-	-	-	6,557	-	-	-	-	6,557	4	6,561
Net loss on financial instruments designated as hedge accounting	-	-	-	(1,746)	-	-	-	-	(1,746)	-	(1,746)
Net loss on hedge of net investment in a foreign entity	-	-	-	(9,946)	-	-	-	-	(9,946)	-	(9,946)
Foreign currency translation effect	-	-	-	69,803	-	-	-	-	69,803	-	69,803
Total comprehensive income for the period (Note 19.c)	-	-	-	64,668	-	-	-	1,921,668	1,986,336	46,355	2,032,691
Distributions to shareholders, net											
Payment of dividends and Interest on Equity (IOE)	-	-	-	-	-	(41,568)	(279,624)	(1,460,803)	(1,781,995)	(13,391)	(1,795,386)
Taxation on transactions between shareholders	-	-	-	-	-	-	-	(6,446)	(6,446)	-	(6,446)
Recognition of reserves	-	(8,725)	-	-	-	-	-	-	(8,725)	(3,478)	(12,203)
Total distributions to shareholders, net	-	(8,725)	-	-	-	(41,568)	(279,624)	(1,467,249)	(1,797,166)	(16,869)	(1,814,035)
At December 31, 2019	1,921,843	510,847	94	(71,643)	197,097	-	-	454,419	3,012,657	270,351	3,283,008

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Statements of cash flows - Indirect method Nine-month periods ended December 31, 2020 and 2019 In thousands of reais - R\$

	Individual		Consolidated	
	Apr-Dec/2020	Apr-Dec/2019	Apr-Dec/2020	Apr-Dec/2019
Cash flow from operating activities				
Income before income and social contribution taxes	771,494	2,619,798	813,941	2,851,889
Adjustments to:				
Depreciation and amortization (Note 21)	158,576	152,616	741,944	603,701
Amortization of assets from contracts with customers (Notes 9 and 20)	283,876	313,933	368,306	382,170
Equity pickup (Note 10)	31,942	(175,531)	1,385	(4,971)
Gain (loss) on write-off of property, plant and equipment (Note 22)	2,669	(58,248)	(47,501)	(75,838)
Capital gain on formation of joint venture (Note 22)	-	(1,057,933)	-	(1,057,933)
Gain (loss) on retirement of carbon credits ("CBIOS") (Note 22)	117,642	-	141,771	-
Interest, monetary variation and foreign exchange differences, net	234,428	460,709	355,790	545,732
Changes in fair value of financial instruments payable (Notes 8, 15 and 23)	72,180	84,018	72,180	84,018
Gains on derivative financial instruments, net	(70,526)	(355,770)	(154,229)	(323,990)
Recognition of tax credits and other, net	(140,011)	(353,131)	(169,725)	(374,652)
Changes in fair value of inventories – fair value hedge (Notes 6 and 24.e)	(280,389)	6,055	(280,389)	6,055
Other	(89,617)	14,549	(101,360)	21,651
Changes in assets and liabilities				
Trade accounts receivable and advances from customers	149,751	216,871	208,583	195,776
Inventories	(397,784)	(760,688)	139,090	(784,653)
Acquisition of carbon credits ("CBIOS")	(118,222)	-	(142,484)	-
Restricted cash	(79,117)	15,640	(115,140)	15,175
Payment of assets from contracts with customers	(606,586)	(536,678)	(769,609)	(627,482)
Derivative financial instruments	362,828	302,701	954,166	438,159
Related parties	(410,158)	299,654	(1,784,500)	1,469,433
Trade accounts payable and advances to suppliers	2,296,999	(35,365)	1,830,094	(273,833)
Taxes recoverable and payable	(683,312)	(493,775)	(475,517)	(718,563)
Wages and salaries payable	(25,892)	(21,390)	(28,310)	(14,320)
Other assets and liabilities, net	(10,373)	6,892	(235,626)	(146,502)
Payment of income and social contribution taxes on net income	-	-	(4,678)	(19,989)
Net cash provided by operating activities	1,570,398	644,927	1,318,182	2,191,033
Cash flow from investing activities				
Additions to investment (Note 10.c)	(9,203)	-	(9,203)	-
Payment for business acquisition	-	(2,072,890)	-	(2,072,524)
Cash received upon disposal of equity interest	-	618,563	19,599	33,518
Derecognition of cash in the formation of joint venture	-	-	-	(16,226)
Additions to PPE and intangible assets (Notes 11, 12 and 26.b)	(106,650)	(162,565)	(328,070)	(591,879)
Cash from disposal of PPE	4,003	106,910	81,222	143,756
Dividends received from subsidiaries	74,856	209,465	-	-
Net cash used in investing activities	(36,994)	(1,300,517)	(236,452)	(2,503,355)
Cash flow from financing activities				
Loans and financing taken out - third parties	269,000	884,137	476,069	1,773,620
Repayment of principal of loans and financing - third parties	(1,249,809)	(3,308)	(1,972,349)	(395,728)
Interest paid on loans and financing - third parties	(132,441)	(166,626)	(184,846)	(185,110)
Amortization of lease liabilities - third parties	(20,682)	(22,477)	(252,237)	(178,728)
Amortization of lease liabilities - intragroup	(11,646)	(10,843)	-	-
Interest paid on pre-export financing - intragroup	(72,990)	(79,954)	(72,990)	(79,954)
Redemption of short-term investments subject to financing (restricted cash)	6,127	-	6,127	-
Payment of dividends and IOE	(1,640)	(1,886,307)	(23,273)	(1,911,471)
Management of intragroup funds, net and other	(269,982)	966,316	(135,304)	(235,628)
Net cash used in financing activities	(1,484,063)	(319,062)	(2,158,803)	(1,212,999)
Increase (decrease) in cash and cash equivalents	49,341	(974,652)	(1,077,073)	(1,525,321)
Cash and cash equivalents at beginning of period (Note 3)	635,968	1,585,508	2,167,058	2,818,591
Foreign exchange effect on cash and cash equivalents	41,802	29,230	58,423	9,190
Cash and cash equivalents at end of period (Note 3)	727,111	640,086	1,148,408	1,302,460

Supplementary information on cash flow is stated in Note 26.

See accompanying notes.

RAÍZEN COMBUSTÍVEIS S.A.

Notes to interim financial information

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In thousands of reais - R\$, unless otherwise stated

1. Operations

Raízen Combustíveis S.A. (the “Company”, “RCSA” or “Raízen Combustíveis”) is a privately-held corporation headquartered at Avenida Almirante Barroso, 81, 36º andar, sala 36A104, in the city and state of Rio de Janeiro, Brazil. RCSA is jointly controlled indirectly by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”).

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

The Company is primarily engaged in: (i) distribution and sale of petroleum and ethanol by-products, and of other liquid hydrocarbons and their by-products, under the brand Shell; (ii) import and export of the above-mentioned products; (iii) petroleum refining and manufacturing and sale of automotive and industrial lubricants through its Argentine subsidiaries; and (iv) holding interest in other companies.

1.1. Covid-19

As disclosed in the annual financial statements at March 31, 2020, the Company has implemented a contingency plan aimed at preserving the health and integrity of its employees, in addition to ensuring the Company’s safety and continuity, as its products and services are considered essential activities, since they are strategic inputs for hospitals and for the security, food and power segments.

In the nine-month period ended December 31, 2020, especially in April and May 2020, the Company experienced a decrease in the sales of most of its products, as well as price reduction impacts. In that period, gross profit was below compared with that recorded in the last periods. In the subsequent months, the resumption of volumes and prices charged can already be observed. The financial impacts arising from Covid-19 are reflected in the referred to financial statements. However, the extent to which the Covid-19 pandemic may still affect the Group’s operating income (loss), financial condition and cash flows will depend on future developments, which are highly uncertain and may not be predicted at the time of disclosure of this interim financial information.

2. Presentation of condensed interim financial information and significant accounting policies

2.1. Basis of preparation

The condensed interim financial information has been prepared in accordance with accounting pronouncement CPC 21 (R1) – Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB).

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This condensed interim financial information has been prepared following the basis of preparation and accounting policies consistent with those adopted in preparing the annual financial statements at March 31, 2020 and should be read in conjunction with those financial statements. The explanatory note information that did not suffer material changes compared with March 31, 2020, is not fully disclosed in this condensed interim financial information. Certain selected information has been included to explain significant events and transactions that have occurred to enable the understanding of changes in the Company's financial position and financial performance since the publication of the annual financial statements as at March 31, 2020.

This condensed interim financial information is presented in Brazilian real, which is the Company's functional currency. The functional currency of the subsidiaries in Argentina is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial information of each subsidiary included in the Company's consolidation, as well as that used as a basis for investments measured by the equity method, is prepared based on the functional currency of each entity.

In preparing this condensed interim financial information, management used judgments and estimates and adopted assumptions that affect the application of the Company's accounting policies and the amounts reported referring to assets, liabilities, revenues and expenses. Actual results may differ from these estimates. These estimates and assumptions are reviewed on a continuous basis and have not undergone material changes during the preparation of this condensed interim financial information in relation to the financial statements as at March 31, 2020.

The condensed interim financial information discloses all significant information of the interim financial information itself, and only such information, which is consistent with the information used by management to manage the Company's operations.

The issue of the interim financial information was authorized by management on February 11, 2021.

2.2. Basis of consolidation

The consolidated condensed interim financial information includes the condensed interim financial information of RCSA and its direct and indirect subsidiaries, as follows:

	12.31.2020	03.31.2020
Blueway Trading Importação e Exportação S.A. ("Blueway")	100%	100%
Deheza S.A. (1)	100%	100%
Estación Lima S.A. (1)	100%	100%
Petróleo Sabbá S.A. ("Sabbá")	80%	80%
Raízen Argentina S.A. (1)	100%	100%
Raízen Energina S.A. (1)	100%	100%
Raízen Mime Combustíveis S.A. ("Mime")	76%	76%
Raízen S.A.	100%	100%
Sabor Raíz Alimentação S.A.	69%	69%
Saturno Investimentos Imobiliários Ltda.	100%	100%

(1) Jointly called Raízen Argentina and subsidiaries, all based in Argentina.

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The subsidiaries are fully consolidated as from the control acquisition date and continue to be consolidated through the date on which such control ceases to exist. The financial statements of the subsidiaries are prepared for the same reporting 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, expenses and unrealized income (loss), are fully eliminated.

The breakdown of assets, liabilities and equity for the nine-month period ended December 31, 2020 and year ended March 31, 2020, and profit or loss of the companies in Brazil and Argentina for the nine-month periods ended December 31, 2020 and 2019, which are part of this financial information and the respective consolidated combined balances, eliminating related party transactions, are as follows:

- Statement of financial position at December 31, 2020

	December 31, 2020			
	Raízen Combustíveis and subsidiaries (1)	Raízen Argentina and subsidiaries	Eliminations and reclassifications (2)	Consolidated
Assets				
Current assets	9,376,162	2,816,583	(11,871)	12,180,874
Noncurrent assets	14,468,983	4,527,864	(3,132,288)	15,864,559
Total assets	23,845,145	7,344,447	(3,144,159)	28,045,433
Liabilities				
Current liabilities	8,729,094	2,277,509	(11,875)	10,994,728
Noncurrent liabilities	10,509,306	1,766,846	167,808	12,443,960
Total liabilities	19,238,400	4,044,355	155,933	23,438,688
Total equity	4,606,745	3,300,092	(3,300,092)	4,606,745

- Statement of financial position at March 31, 2020

	March 31, 2020			
	Raízen Combustíveis and subsidiaries (1)	Raízen Argentina and subsidiaries	Eliminations and reclassifications (2)	Consolidated
Assets				
Current assets	9,286,687	4,108,417	-	13,395,104
Noncurrent assets	14,119,049	4,846,299	(3,180,985)	15,784,363
Total assets	23,405,736	8,954,716	(3,180,985)	29,179,467
Liabilities				
Current liabilities	8,413,026	3,567,877	-	11,980,903
Noncurrent liabilities	10,839,153	2,022,081	183,776	13,045,010
Total liabilities	19,252,179	5,589,958	183,776	25,025,913
Total equity	4,153,557	3,364,758	(3,364,761)	4,153,554

RAÍZEN COMBUSTÍVEIS S.A.

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In thousands of reais - R\$, unless otherwise stated

- Statement of profit or loss for the nine-month period ended December 31, 2020

	December 31, 2020			
	Raízen Combustíveis and subsidiaries (1)	Raízen Argentina and subsidiaries (2)	Eliminations and reclassifications (2)	Consolidated
Gross revenue from sales of products and services				
Domestic market	57,757,330	10,426,014	(10,426,014)	57,757,330
Foreign market	380,083	272,498	10,426,014	11,078,595
	58,137,413	10,698,512	-	68,835,925
Taxes and deductions on sales	(2,239,599)	(3,684,142)	-	(5,923,741)
Operating revenue, net	55,897,814	7,014,370	-	62,912,184
Gross profit	2,212,041	604,575	(25,684)	2,790,932
Income before finance income (costs) and income and social contribution taxes	908,751	27,832	75,016	1,011,599
Income before income and social contribution taxes	862,851	(123,926)	75,016	813,941
Net income (loss) for the period	583,659	(75,016)	75,016	583,659
Other information:				
Depreciation and amortization (Note 21)	178,251	517,734	45,959	741,944

- Statement of profit or loss for the nine-month period ended December 31, 2019

	December 31, 2019			
	Raízen Combustíveis and subsidiaries (1)	Raízen Argentina and subsidiaries (2)	Eliminations and reclassifications (2)	Consolidated
Gross revenue from sales of products and services				
Domestic market	69,937,079	12,814,605	(12,813,805)	69,937,879
Foreign market	1,105,609	450,360	12,813,805	14,369,774
	71,042,688	13,264,965	-	84,307,653
Taxes and deductions on sales	(3,081,463)	(3,825,166)	-	(6,906,629)
Operating revenue, net	67,961,225	9,439,799	-	77,401,024
Gross profit	2,953,650	878,669	(23,684)	3,808,635
Income before finance income (costs) and income and social contribution taxes	3,056,707	289,542	(4,425)	3,341,824
Income before income and social contribution taxes	2,782,370	73,944	(4,425)	2,851,889
Net income for the period	1,968,019	4,425	(4,425)	1,968,019
Other information:				
Depreciation and amortization (Note 21)	154,973	405,175	43,553	603,701

- (1) Companies located in Brazil.
- (2) Substantially represented by eliminations and reclassifications of fair value balances in accordance with Raízen Argentina's purchase price allocation report, and amortization and depreciation of identified gains. Additionally, revenues from Argentina were reclassified to foreign market in the Consolidated financial information.

RAÍZEN COMBUSTÍVEIS S.A.

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3. Cash and cash equivalents

	Index/rate	Weighted average yield		Individual		Consolidated	
		12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Cash at banks and on hand				99,894	595,045	287,912	1,298,499
Short-term investments:							
Investment funds	CDI	69.7%	98.1%	1,021	1,008	2,014	25,554
Bank Deposit Certificates (CDB), repurchase agreements and other	CDI	98.6%	99.9%	626,196	39,915	858,482	843,005
Total short-term investments				627,217	40,923	860,496	868,559
				727,111	635,968	1,148,408	2,167,058
In Brazil (local currency)				704,495	123,439	729,753	977,999
Abroad (foreign currency) (Note 24.d)				22,616	512,529	418,655	1,189,059
				727,111	635,968	1,148,408	2,167,058

4. Restricted cash

	Index/rate	Weighted average yield		Individual		Consolidated	
		12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Short-term investments subject to financing	CDI	100.0%	100.0%	12,477	18,114	12,477	18,114
Short-term investments subject to derivative transactions (Note 24.g)	CDI	100.4%	101.0%	14,210	12,770	14,210	12,770
Margin in derivatives transactions (Note 24.d)				83,031	-	111,459	-
				109,718	30,884	138,146	30,884
In Brazil (local currency)				26,687	30,884	26,687	30,884
Abroad (foreign currency) (Note 24.d)				83,031	-	111,459	-
				109,718	30,884	138,146	30,884

RAÍZEN COMBUSTÍVEIS S.A.

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5. Trade accounts receivable

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
In Brazil (local currency)	1,304,215	1,115,058	1,588,023	1,429,552
Abroad (foreign currency) (Note 24.d)	822	936	359,765	347,725
Other accounts receivable (i)	434,279	361,128	598,931	477,520
Allowance for expected credit losses	(99,523)	(98,973)	(117,081)	(123,840)
	<u>1,639,793</u>	<u>1,378,149</u>	<u>2,429,638</u>	<u>2,130,957</u>
Current	<u>(1,319,764)</u>	<u>(1,128,345)</u>	<u>(1,999,651)</u>	<u>(1,783,961)</u>
Noncurrent	<u>320,029</u>	<u>249,804</u>	<u>429,987</u>	<u>346,996</u>

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

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

The aging list of trade accounts receivable is as follows:

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Falling due	1,348,437	1,042,869	1,998,520	1,605,755
Overdue:				
Within 30 days	31,455	89,325	74,750	184,840
From 31 to 90 days	27,357	46,102	38,584	56,430
From 91 to 180 days	35,968	43,293	45,342	50,444
Over 180 days	<u>296,099</u>	<u>255,533</u>	<u>389,523</u>	<u>357,328</u>
	<u>1,739,316</u>	<u>1,477,122</u>	<u>2,546,719</u>	<u>2,254,797</u>

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

The allowance for expected credit losses was calculated based on credit risk analysis, which comprise the history of loss, the customers individual situation, the situation of the economic group to which they belong, security interest for debts and assessment of legal advisors.

The allowance for expected credit losses is considered sufficient by management to cover losses on receivables, if any. Changes in this allowance are as follows:

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	Individual	Consolidate
At March 31, 2020	(98,973)	(123,840)
(Reversal of) allowance for expected credit losses, net	(550)	6,036
Foreign currency translation effect and other	-	723
At December 31, 2020	(99,523)	(117,081)

6. Inventories

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Finished products:				
Diesel (2)	1,060,676	473,034	1,630,580	1,164,523
Gasoline (2)	939,774	767,073	1,288,514	1,327,047
Ethanol	209,177	190,791	216,139	197,514
Jet fuel (Jet A-1) (2)	103,247	129,079	127,309	170,112
Other petroleum by-products (1)	15,250	11,612	211,134	206,585
Petroleum (crude oil)	-	-	344,617	411,534
Work-in-process	-	-	210,581	266,703
Storeroom items and other	35,556	71,108	313,603	381,070
	<u>2,363,680</u>	<u>1,642,697</u>	<u>4,342,477</u>	<u>4,125,088</u>

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

(2) RCSA designates at fair value the inventory and highly probable purchases of oil by-products with linked derivatives. Risk management (Note 24.e) is primarily intended for recognizing inventory at a floating price, as RCSA's sales revenue will be upon sale of products to its customers. At December 31, 2020, such inventories include fair value measurement, at hierarchy level 2, as follows:

	Book value		Fair value		Individual Profit or loss	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	12.31.2019
Finished products:						
Diesel	1,019,797	588,415	1,060,676	473,034	156,260	9,252
Gasoline	906,904	848,855	939,774	767,073	114,652	(15,307)
Jet (i)	93,770	-	103,247	-	9,477	-
	<u>2,020,471</u>	<u>1,437,270</u>	<u>2,103,697</u>	<u>1,240,107</u>	<u>280,389</u>	<u>(6,055)</u>
	Book value		Fair value		Consolidated Profit or loss	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	12.31.2019
Finished products:						
Diesel	1,589,701	1,279,904	1,630,580	1,164,523	156,260	9,252
Gasoline	1,255,644	1,408,829	1,288,514	1,327,047	114,652	(15,307)
Jet (i)	117,832	-	127,309	-	9,477	-
	<u>2,963,177</u>	<u>2,688,733</u>	<u>3,046,403</u>	<u>2,491,570</u>	<u>280,389</u>	<u>(6,055)</u>

(i) As of April 1, 2020, the Company designates Jet inventory as fair value hedge.

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At December 31, 2020, estimated losses on realization and on slow-moving and/or obsolete inventory were deducted from inventories, by R\$152 and R\$3,791 (R\$42,854 and R\$93,827 at March 31, 2020), Individual and Consolidated, respectively. Changes in referred to losses, as shown below, were recognized in the statement of profit or loss under Cost of sales and services:

	<u>Individual</u>	<u>Consolidate</u>
At March 31, 2020	(42,854)	(93,827)
Estimated loss	(261)	(282)
Reversal and write-off (1)	42,963	92,189
Foreign currency translation effect	-	(1,871)
At December 31, 2020	<u>(152)</u>	<u>(3,791)</u>

- (1) In the nine-month period ended December 31, 2020, the reversal of referred to estimated losses is due to the increase in fuel prices and to the measures to ease Covid-19-related social distancing restrictions from June 2020.

7. Taxes recoverable

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
State Value-Added Tax (ICMS)	744,177	657,771	1,134,125	979,730
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	1,024,606	552,458	1,434,557	861,616
Value Added Tax (VAT)	-	-	393,330	653,262
Other	6,345	2,192	74,995	79,977
Estimated loss on realization of taxes	(23,725)	(23,942)	(28,782)	(28,998)
	<u>1,751,403</u>	<u>1,188,479</u>	<u>3,008,225</u>	<u>2,545,587</u>
Current	<u>(1,245,652)</u>	<u>(847,493)</u>	<u>(2,036,652)</u>	<u>(1,881,363)</u>
Noncurrent	<u>505,751</u>	<u>340,986</u>	<u>971,573</u>	<u>664,224</u>

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8. Related parties

(a) Summary of balances with related parties

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Assets				
Classification of assets by currency:				
In Brazil (local currency)	1,725,860	1,309,964	1,827,990	1,588,280
Abroad (foreign currency)	51,592	105,974	79,912	192,119
	<u>1,777,452</u>	<u>1,415,938</u>	<u>1,907,902</u>	<u>1,780,399</u>
Asset management (1)				
Raízen Energia S.A. and its subsidiaries	345,584	72,345	618,441	441,013
	<u>345,584</u>	<u>72,345</u>	<u>618,441</u>	<u>441,013</u>
Commercial and administrative transactions (3)				
Rumo Group	118,486	86,426	119,528	87,727
Agricopel Group	1,009	3,342	25,564	19,045
Raízen Energia S.A. and its subsidiaries	9,110	44,081	9,106	44,693
Shell Group	51,592	105,974	79,912	192,119
Raízen Mime Combustíveis S.A.	100,304	77,459	-	-
Petróleo Sabbá S.A.	95,148	35,573	-	-
Other	8,855	6,829	5,004	9,192
	<u>384,504</u>	<u>359,684</u>	<u>239,114</u>	<u>352,776</u>
Framework agreement (4)				
Shell Brazil Holding B.V.	954,080	894,621	954,080	894,621
Shell Brasil Petróleo Ltda.	69,040	63,607	69,040	63,607
Cosan S.A.	18,105	19,542	18,105	19,542
Other	-	-	9,122	8,840
	<u>1,041,225</u>	<u>977,770</u>	<u>1,050,347</u>	<u>986,610</u>
Preferred shares (5)				
Raízen Mime Combustíveis S.A.	6,139	6,139	-	-
	<u>6,139</u>	<u>6,139</u>	<u>-</u>	<u>-</u>
	<u>1,777,452</u>	<u>1,415,938</u>	<u>1,907,902</u>	<u>1,780,399</u>
Current assets	<u>(853,603)</u>	<u>(532,874)</u>	<u>(984,799)</u>	<u>(898,192)</u>
Noncurrent assets	<u>923,849</u>	<u>883,064</u>	<u>923,103</u>	<u>882,207</u>

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	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Liabilities				
Classification of liabilities by currency:				
In Brazil (local currency)	918,634	1,243,027	1,136,852	1,387,027
Abroad (foreign currency)	3,306,214	3,176,043	4,647,948	5,908,591
	<u>4,224,848</u>	<u>4,419,070</u>	<u>5,784,800</u>	<u>7,295,618</u>
Asset management (1)				
Raízen Energia S.A. and its subsidiaries	-	-	430,733	392,476
	-	-	430,733	392,476
Financial transactions (2)				
Raízen Fuels Finance S.A. ("Raízen Fuels")	3,288,083	3,116,405	3,288,083	3,116,405
Cosan S.A.	644	2,851	644	2,851
Other	758	3,359	765	3,368
	<u>3,289,485</u>	<u>3,122,615</u>	<u>3,289,492</u>	<u>3,122,624</u>
Commercial and administrative transactions (3)				
Raízen Energia S.A. and its subsidiaries	161,802	240,116	1,297,753	2,998,446
Rumo Group	9,233	8,634	9,494	8,753
Petróleo Sabbá S.A.	28,590	23,275	-	-
Raízen Mime Combustíveis S.A.	32,505	42,069	-	-
Raízen Argentina	6,051	6,050	-	-
Blueway Trading Importação e Exportação S.A.	189,451	480,958	-	-
Shell Group	381	1,690	208,446	385,187
Other	4,388	11,856	150,393	11,853
	<u>432,401</u>	<u>814,648</u>	<u>1,666,086</u>	<u>3,404,239</u>
Framework agreement (4)				
Shell Brasil Petróleo Ltda.	152,411	137,239	152,441	137,269
Shell Brazil Holding B.V.	62,359	58,802	62,359	58,922
Other	15,434	13,556	15,643	13,759
	<u>230,204</u>	<u>209,597</u>	<u>230,443</u>	<u>209,950</u>
Preferred shares (5)				
Shell Brazil Holding B.V.	168,046	166,329	168,046	166,329
	<u>168,046</u>	<u>166,329</u>	<u>168,046</u>	<u>166,329</u>
			-	
Lease liabilities (6)				
Saturno Investimentos Imobiliários Ltda.	104,712	105,881	-	-
	<u>104,712</u>	<u>105,881</u>	<u>-</u>	<u>-</u>
	<u>4,224,848</u>	<u>4,419,070</u>	<u>5,784,800</u>	<u>7,295,618</u>
Current liabilities	<u>(1,282,599)</u>	<u>(1,207,369)</u>	<u>(2,939,986)</u>	<u>(4,173,506)</u>
Noncurrent liabilities	<u>2,942,249</u>	<u>3,211,701</u>	<u>2,844,814</u>	<u>3,122,112</u>

RAÍZEN COMBUSTÍVEIS S.A.

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(1) Asset management

The amounts recorded in assets and liabilities refer to funds made available and received from RESA, respectively, as a way of managing financial resources. Regarding these operations, in the nine-month period ended December 31, 2020, the Company recorded net finance costs amounting to R\$1,855 and R\$2,465 (net finance income of R\$15,171 and R\$37,184 at December 31, 2019) in the Individual and Consolidated condensed interim financial information, respectively, due to cash management.

(2) Financial operations

At December 31 and March 31, 2020, the amount recorded in liabilities, in the Individual and Consolidated interim financial information, refer primarily to pre-export financing agreements payable to Raízen Fuels, as follows:

Agreement	Currency	Principal in foreign currency	Maturity	12.31.2020	03.31.2020
Pre-export Financing	US\$	350,000	01/20/2027	2,199,627	2,123,725
		350,000		2,199,627	2,123,725
Pre-export Financing	€	66,000	10/15/2021	433,317	398,966
Pre-export Financing	€	40,000	01/20/2022	259,988	235,759
Pre-export Financing	€	60,000	09/21/2022	395,151	357,955
		166,000		1,088,456	992,680
				3,288,083	3,116,405
Current				(477,357)	(25,836)
Noncurrent				2,810,726	3,090,569

At December 31, 2020, the average effective annual interest rate of referred to agreements is 4.28% (4.51% at March 31, 2020).

Fair value

Type	Classification	Amount raised, restated		Fair value (1)		Individual and Consolidated Finance income (costs)	
		12.31.2020	03.31.2020	12.31.2020	03.31.2020	Apr-Dec/20	Apr-Dec/19
Pre-export	Fair value through P&L	2,924,215	2,795,957	3,288,083	3,116,405	(43,420)	(52,187)
		2,924,215	2,795,957	3,288,083	3,116,405	(43,420)	(52,187)

- (1) At December 31 and March 31, 2020, includes fair value measurement balance amounting to R\$ 363,868 and R\$ 320,448, respectively.

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(3) Commercial and administrative operations

At December 31 and March 31, 2020, the amounts recorded in assets refer to transactions involving sale of products such as gasoline, diesel and Jet.

At December 31 and March 31, 2020, the amounts recorded in liabilities refer to commercial operations involving provision of services and purchase of products such as ethanol, diesel, gasoline, road and rail freight, storage, as well as debit notes relating to reimbursement of shared expenses.

(4) Framework agreement

The amounts recorded in assets and liabilities refer to recoverable or refundable balances of RCSA's shareholders as they relate to the period prior to the organization of Raízen.

(5) Preferred shares

At December 31 and March 31, 2020, these refer to preferred shares receivable from Mime in connection with gains on certain divestments.

Preferred shares payable refer substantially to tax credits arising from overpayment by Shell of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL), in 2010 and 2011, to be reimbursed to Shell as RCSA uses such credits.

(6) Lease liabilities

At December 31, 2020, changes in RCSA's lease liabilities are as follows:

At March 31, 2020	105,881
Payments	(11,646)
Interest	6,248
Remeasurements	4,229
	<hr/>
At December 31, 2020	104,712
	<hr/>
Current	(7,271)
	<hr/>
Noncurrent	97,441
	<hr/>

RAÍZEN COMBUSTÍVEIS S.A.

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In thousands of reais - R\$, unless otherwise stated

(b) Transactions with related parties (8)

	Individual			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Sale of products				
Rumo Group (4)	307,082	874,075	322,138	957,871
Shell Group (7)	140,461	334,495	298,242	897,689
Agricopel Group (5)	34,490	85,866	24,586	71,319
Raízen Energia S.A. and its subsidiaries	123,510	495,952	137,366	572,357
Petróleo Sabbá S.A.	617,758	1,034,150	150,439	357,271
Raízen Mime Combustíveis S.A.	415,124	1,041,658	380,593	1,075,977
Other	11,949	46,332	23,831	70,386
	<u>1,650,374</u>	<u>3,912,528</u>	<u>1,337,195</u>	<u>4,002,870</u>
Purchase of goods and services				
Raízen Energia S.A. and its subsidiaries (6)	(283,046)	(687,711)	(352,976)	(768,718)
Rumo Group (4)	(44,226)	(114,027)	(42,354)	(135,152)
Agricopel Group (5)	(10,945)	(36,739)	(10,276)	(37,674)
Blueway Trading Importação e Exportação S.A. (6)	(814,041)	(3,515,990)	(2,152,589)	(7,058,597)
Petróleo Sabbá S.A. (6)	(184,830)	(586,532)	(202,660)	(908,445)
Raízen Mime Combustíveis S.A. (6)	(157,000)	(254,158)	(110,543)	(443,954)
Other	(2,164)	(7,760)	(5,334)	(17,549)
	<u>(1,496,252)</u>	<u>(5,202,917)</u>	<u>(2,876,732)</u>	<u>(9,370,089)</u>
Finance income (costs) (1)				
Raízen Energia S.A. and its subsidiaries	197,624	(231,303)	80,216	(240,567)
Shell Aviation Limited	(2,749)	1,911	(2,171)	2,758
B. V. Dordtsche Petroleum Maatschappij ("DPM") and Shell Overseas Investments B.V. ("SOI")	-	-	(26,669)	(78,235)
Other	2,190	(2,601)	(7,044)	342
	<u>197,065</u>	<u>(231,993)</u>	<u>44,332</u>	<u>(315,702)</u>
Service revenues and other (2)				
Petróleo Sabbá S.A.	1,874	5,386	2,094	6,262
Raízen Mime Combustíveis S.A.	1,558	2,871	1,595	4,977
Shell Aviation Limited	155	1,688	3,095	3,280
Raízen Energia S.A. and its subsidiaries	284	970	555	1,773
Other	3,639	6,814	1,709	3,842
	<u>7,510</u>	<u>17,729</u>	<u>9,048</u>	<u>20,134</u>
Services expenses (3)				
Raízen Energia S.A. and its subsidiaries	(35,951)	(95,603)	(27,030)	(85,634)
Shell Brasil Petróleo Ltda.	(4,343)	(14,259)	(4,614)	(14,969)
Shell International Petroleum	-	-	(1,391)	(4,074)
Shell Aviation Limited	-	(295)	(393)	(1,883)
Shell Brazil Holding B.V.	(10)	(2,071)	-	-
Other	(105)	(459)	(939)	(3,163)
	<u>(40,409)</u>	<u>(112,687)</u>	<u>(34,367)</u>	<u>(109,723)</u>

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	Consolidated			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Sale of products				
Rumo Group (4)	307,912	877,583	323,564	962,421
Shell Group (7)	247,107	445,627	381,919	1,274,371
Agricopel Group (5)	219,705	545,699	226,006	637,655
Raízen Energia S.A. and its subsidiaries	123,510	510,580	137,366	572,356
Other	27,250	77,282	18,795	59,642
	925,484	2,456,771	1,087,650	3,506,445
Purchase of goods and services				
Raízen Energia S.A. and its subsidiaries (6)	(1,226,488)	(4,398,050)	(2,544,736)	(7,644,771)
Shell Group (8)	(37,055)	(102,840)	(76,641)	(628,299)
Rumo Group (4)	(45,886)	(117,889)	(43,516)	(139,590)
Agricopel Group (5)	(19,129)	(74,737)	(20,495)	(72,690)
Other	(8,519)	(44,055)	(15,745)	(56,558)
	(1,337,077)	(4,737,571)	(2,701,133)	(8,541,908)
Finance income (costs) (1)				
Raízen Energia S.A. and its subsidiaries	263,859	(346,982)	167,914	(265,015)
DPM and SOI	-	-	(26,669)	(78,235)
Shell Aviation Limited	(2,749)	1,911	(2,171)	2,758
Other	3,952	5,287	(6,799)	745
	265,062	(339,784)	132,275	(339,747)
Service revenues and other (2)				
Agricopel Group	372	456	836	2,320
Shell Aviation Limited	155	1,688	3,095	3,280
Raízen Energia S.A. and its subsidiaries	284	970	555	1,773
Other	495	896	1,541	3,319
	1,306	4,010	6,027	10,692
Services expenses (3)				
Raízen Energia S.A. and its subsidiaries	(39,227)	(106,478)	(30,549)	(98,162)
Shell Brasil Petróleo Ltda.	(4,343)	(14,259)	(4,614)	(14,969)
Shell International Petroleum	-	-	(1,391)	(4,075)
Other	(115)	(2,825)	(397)	(1,887)
	(43,685)	(123,562)	(36,951)	(119,093)

- (1) Finance income (costs) correspond to: (i) interest and exchange difference on pre-export financing taken out from Raízen Fuels, a subsidiary of RESA, (ii) profit or loss arising from the asset management agreement between the companies, (iii) interest and foreign exchange differences on the balance payable to SOI and DPM for the acquisition of Raízen Argentina; and (iv) commercial foreign exchange difference.
- (2) These refer to: (i) commission on sales of lubricants to Shell and (ii) expenses on sharing of corporate, management and operating costs reimbursed by its subsidiaries.
- (3) These refer to: (i) expenses on sharing of corporate, management and operating costs with RESA and (ii) expenses on technical support, maintenance of the billing and collection process, commissions on the sale of Jet and seconded to Shell.
- (4) "Rumo Group" refers to the railway and port operations represented by the following companies: Rumo S.A., Elevações Portuárias S.A., Logisport Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., Rumo Malha Central S.A., Portofer Transporte Ferroviário Ltda., ALL Armazéns Gerais Ltda. and Brado Logística S.A.
- (5) "Agricopel Group" refers to sales of fuel, represented mainly by the following companies: Agricopel Comércio de Derivados de Petróleo Ltda., Posto Agricopel Ltda., Agricopel Diesel Paraná Ltda. and Blue Adm Administração de Bens Ltda. a related party through FIX Investimentos Ltda., which is a noncontrolling shareholder of Mime.
- (6) Purchases made by the Company from subsidiaries Blueway, Sabbá, Mime and from Agrícola Ponte Alta Ltda. and Raízen Trading LLP, RESA's subsidiaries, are represented mainly by import of ethanol and by-products in the foreign market.
- (7) "Shell Group" refers mainly to the commercial operations conducted by Shell Aviation Limited and Shell Trading US Company.
- (8) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or under which the Company would take out with third parties.

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(c) Officers and members of the Board of Directors

Fixed and variable compensation to key management personnel of Raízen Group, including statutory officers and members of the Board of Directors, recognized in profit or loss for the nine-month periods ended December 31, 2020 and 2019, is as follows:

	Apr-Dec/20	Apr-Dec/19
Regular compensation	(43,949)	(42,541)
Bonuses and other variable compensation	(31,535)	(31,045)
Total compensation	<u>(75,484)</u>	<u>(73,586)</u>

The Company shares the corporate, managerial and operational structures and costs with its related party RESA. Key management personnel comprise mainly RESA's employees and the costs are transferred to the Company through a debit note. In the nine-month period ended December 31, 2020, the Company reimbursed RESA the amount of R\$35,473 (R\$33,678 at December 31, 2019) for these expenses that encompass the key management personnel.

(d) Other significant information involving related parties

Guarantees

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

Revolving Credit Facility

Raízen Combustíveis has a credit facility agreement totaling US\$700,000 thousand, which was not used until the closing date of this interim financial information, as follows:

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

On February 5, 2021, Cosan and Shell as controlling shareholders of Raízen Group, signed a Subscription Agreement, stipulating the procedures and circumstances in which Raízen Group may notify its controlling shareholders (Cosan and Shell), requesting a contribution via capital increase in amount of US\$ 700,000 thousand, total amount for both shareholders. In accordance with the terms of the Subscription Agreement, if Raízen Group reaches certain financial leverage ratios, a meeting of the board of directors must be convened to determine the total amount of the capital contribution that will be required. It is important to note that Raízen Group is classified as Investment Grade, supported by robust capital discipline.

9. **Assets from contracts with customers**

Assets from contracts with customers correspond to the bonuses granted to RCSA customers and are subject to deadlines and performance obligations, particularly the use of the quantities provided for in supply contracts. As the contractual conditions are met, bonuses are amortized and recognized in the statement of profit or loss, under Operating revenue, net (Note 20).

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	Individual	Consolidated
Balances at March 31, 2020	2,161,301	2,567,165
Additions	362,090	490,421
Amortization:	(283,876)	(368,306)
Foreign currency translation effect	-	(599)
Balances at December 31, 2020	2,239,515	2,688,681
Current	(371,189)	(459,024)
Noncurrent	1,868,326	2,229,657

10. Investments

(a) Individual

Book value				Investments		Equity pickup	
	Country	Business activity	Equity interest	12.31.2020	03.31.2020	Apr-Dec/20	Apr-Dec/19
<u>Subsidiaries</u>							
Raízen Argentina and subsidiaries	Argentina	Fuel refining and sale	100.00%	3,300,092	3,364,765	(75,021)	4,425
Petróleo Sabbá S.A.	Brazil	Sale of fuel	80.00%	906,612	826,026	83,094	137,584
Raízen Mime Combustíveis S.A.	Brazil	Sale of fuel	76.00%	158,143	156,662	24,298	28,494
Blueway Trading Importação e Exportação S.A.	Brazil	Import and export	99.99%	178,345	212,459	(34,114)	(20,511)
Sabor Raiz Alimentação S.A.	Brazil	Food stuff	69.35%	326	322	4	13
Saturno Investimentos Imobiliário Ltda.	Brazil	Real estate investments	99.99%	210,609	205,187	19,948	27,517
				4,754,127	4,765,421	18,209	177,522
<u>Joint controlled subsidiary</u>							
Rede Integrada de Lojas de Conveniências e Proximidade S.A. ("JV Rede") (ii)	Brazil	Convenience and proximity stores	50.00%	209,351	194,413	10,809	43,546
<u>Associates</u>							
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	22,259	8,548	(39)	-
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	840	180	(145)	-
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	7,689	2,433	(138)	-
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	9,725	2,329	(153)	-
				40,513	13,490	(475)	-
				5,003,991	4,973,324	28,543	221,068
<u>Surplus value of assets, net attributable to subsidiaries and jointly controlled subsidiary</u>							
Raízen Argentina and subsidiaries (i)				325,737	356,744	(46,978)	(43,547)
Raízen Mime Combustíveis S.A.				5,936	7,922	(1,986)	(1,990)
JV Rede				514,840	526,361	(11,521)	-
				846,513	891,027	(60,485)	(45,537)
<u>Goodwill on investments</u>							
Raízen Argentina and subsidiaries				221,898	221,898	-	-
				221,898	221,898	-	-
Total investments				6,072,402	6,086,249	(31,942)	175,531

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- (i) The referred to gains are stated net of deferred tax liability effects amounting R\$167,808 (R\$183,777 at March 31, 2020). In the nine-month period ended December 31, 2020, the impact of these taxes on realization of gains totaled R\$15,969 (R\$14,809 at December 31, 2019) and was recognized in profit or loss for the period under “Deferred income and social contribution taxes”.
- (ii) The equity pickup for the nine-month period ended December 31, 2019 was substantially calculated based on the 99.99% equity interest held by RCSA until the formation of the joint venture on November 1, 2019, when 50% started to be considered.

(b) Consolidated

				Investments		Equity pickup	
	Country	Business activity	Equity interest	12.31.2020	03.31.2020	Apr-Dec/20	Apr-Dec/19
<u>Book value</u>							
Joint controlled subsidiary							
JV Rede	Brazil	Convenience and proximity stores	50.00%	209,351	194,413	10,809	4,971
Associates							
Termap S.A.	Argentina	Sea terminal	3.50%	356	360	-	-
Latitude Logística Portuária S.A.	Brazil	Port operation	50.00%	4,191	4,384	(198)	-
Navegantes Logística Portuária S.A.	Brazil	Port operation	33.33%	22,259	8,548	(39)	-
Nordeste Logística I S.A.	Brazil	Port operation	33.33%	840	180	(145)	-
Nordeste Logística II S.A.	Brazil	Port operation	33.33%	7,689	2,433	(138)	-
Nordeste Logística III S.A.	Brazil	Port operation	33.33%	9,725	2,329	(153)	-
				45,060	18,234	(673)	-
<u>Surplus value of assets, net attributable to subsidiaries and jointly controlled subsidiary</u>							
JV Rede				514,840	526,361	(11,521)	-
Total investments				769,251	739,008	(1,385)	4,971

(c) Changes in investments

	Individual	Consolidated
At March 31, 2020	6,086,249	739,008
Equity pickup	(31,942)	(1,385)
Addition to investment (ii)	27,497	27,497
Declared dividends, net of reversal (i)	(35,039)	4,130
Foreign currency translation effect and other	25,637	1
At December 31, 2020	6,072,402	769,251

- (i) Dividends and Interest on Equity when received from investments in subsidiaries (individual financial statements), in associates and joint ventures are classified as cash flow from investment activities.
- (ii) In the nine-month period ended December 31, 2020, capital increases of companies comprising the port exploration business were deliberated, approved and subscribed, amounting to R\$27,497, through transfers of grants (intangible asset) and cash, in the amounts of R\$18,294 and R\$9,203, respectively. There were no changes in the percentage of interest held in the capital of these companies, since all shareholders made capital contributions proportionally to their previously held interest.

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(d) Information selected from joint venture

The table below summarizes the financial information of joint venture Rede based on its financial statements, adjusted at fair value on the date the joint venture was organized and by differences in accounting policies, where applicable. The table also reconciles the summarized financial information with the book value of RCSA's equity interest held in JV Rede.

	<u>12.31.2020</u>	<u>03.31.2020</u>
Current assets	431,863	417,264
Noncurrent assets	66,363	17,650
Current liabilities	(43,617)	(42,889)
Noncurrent liabilities	(32,755)	(1,431)
Consolidated equity	421,854	390,594
Attributed to controlling interests	(3,152)	(1,769)
Attributed to joint controlling interests	418,702	388,825
RCSA's interest	50.00%	50.00%
Interest held in equity	209,351	194,413
Surplus values and revaluation at fair value	532,762	532,762
Accumulated amortization of surplus values	(17,922)	(6,401)
Surplus values and revaluation, net	514,840	526,361
Book value of equity interest held	<u>724,191</u>	<u>720,774</u>
	<u>Apr-Dec/20</u>	<u>Apr-Dec/19</u>
Operating revenue, net	82,540	96,683
Net income for the consolidated period	23,001	52,588
Attributed to controlling interests	(1,383)	(1,656)
Attributed to joint controlling interests	21,618	50,932
RCSA's interest	50.00%	50.00%
Equity pickup (1)	<u>10,809</u>	<u>43,546</u>

(1) Equity interest of 99.99% considered in the equity pickup calculation until October 31, 2019.

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11. Property, Plant and Equipment (PPE)

	Individual						
	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture, fixtures and IT equipment	Construction in progress	Other
Cost or valuation:							
At March 31, 2020	356,124	373,621	1,139,233	118,283	20,823	243,211	17,049
Additions	-	-	-	-	130	83,824	-
Write-offs	(1,850)	(2,614)	(18,716)	(841)	(426)	-	-
Reversal of expected loss, net	-	-	902	-	1	-	-
Transfers (1)	-	21,062	63,148	10,924	5,430	(103,314)	-
At December 31, 2020	354,274	392,069	1,184,567	128,366	25,958	223,721	17,049
Accumulated depreciation:							
At March 31, 2020	-	(55,588)	(599,582)	(71,236)	(13,442)	-	(13,739)
Depreciation in the period	-	(6,323)	(51,730)	(6,394)	(3,804)	-	(623)
Write-offs	-	1,559	15,020	831	365	-	-
At December 31, 2020	-	(60,352)	(636,292)	(76,799)	(16,881)	-	(14,362)
Net residual value:							
At December 31, 2020	354,274	331,717	548,275	51,567	9,077	223,721	2,687
At March 31, 2020	356,124	318,033	539,651	47,047	7,381	243,211	3,310

(1) Net transfers amounting to R\$ 2,750 refer to: (i) transfer to software cost, under Intangible assets, in the amount of R\$ 3,315; and, (ii) amounts transferred from Trade accounts receivable, in the amount of R\$ 565.

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	Consolidated							
	Land	Buildings and improvements	Machinery, equipment and facilities	Vehicles	Furniture, fixtures and IT equipment	Construction in progress	Other	Total
Cost or valuation:								
At March 31, 2020	1,153,551	1,295,459	4,501,108	135,758	58,830	714,452	16,990	7,876,148
Additions	-	-	-	-	1,016	296,572	22,345	319,933
Write-offs	(6,993)	(20,093)	(39,606)	(1,772)	(2,170)	-	-	(70,634)
Reversal of expected loss, net	-	-	947	-	(1)	-	-	946
Transfers (1)	-	67,809	128,274	12,554	5,165	(219,994)	(8,421)	(14,613)
Foreign currency translation effect and other	(151)	(576)	(1,778)	(88)	(54)	(4,254)	(501)	(7,402)
At December 31, 2020	1,146,407	1,342,599	4,588,945	146,452	62,786	786,776	30,413	8,104,378
Accumulated depreciation:								
At March 31, 2020	-	(159,617)	(1,284,734)	(66,741)	(28,480)	-	(14,058)	(1,553,630)
Depreciation in the period	-	(49,148)	(370,438)	(10,223)	(7,385)	-	(624)	(437,818)
Write-offs	-	8,707	24,878	1,610	1,718	-	-	36,913
Transfers (1)	-	(4,500)	(24)	-	1,397	-	-	(3,127)
Foreign currency translation effect and other	-	1,433	9,859	146	85	-	-	11,523
At December 31, 2020	-	(203,125)	(1,620,459)	(75,208)	(32,665)	-	(14,682)	(1,946,139)
Net residual value:								
At December 31, 2020	1,146,407	1,139,474	2,968,486	71,244	30,121	786,776	15,731	6,158,239
At March 31, 2020	1,153,551	1,135,842	3,216,374	69,017	30,350	714,452	2,932	6,322,518

- (1) Net transfers amounting to R\$ 3,076 refer to: (i) transfer to software cost, under Intangible assets, in the amount of R\$ 3,641; (ii) amounts transferred from Trade accounts receivable, in the amount of R\$ 565; and (iii) amounts transferred to Other obligations, substantially corresponding to the reduction in the provision for removal of tanks, in the amount of R\$ 14,664.

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12. Intangible assets

					Individual
	Software license	Goodwill	Trademarks	Granting rights and other	Total
Cost or valuation:					
At March 31, 2020	343,128	439,585	532,078	18,645	1,333,436
Additions	21,440	-	-	-	21,440
Capital contribution (Note 10.c)	-	-	-	(18,294)	(18,294)
Transfers (1)	3,315	-	-	-	3,315
At December 31, 2020	367,883	439,585	532,078	351	1,339,897
Accumulated amortization:					
At March 31, 2020	(210,130)	-	(475,201)	-	(685,331)
Amortization for the period	(19,035)	-	(39,378)	-	(58,413)
At December 31, 2020	(229,165)	-	(514,579)	-	(743,744)
Net residual value:					
At December 31, 2020	138,718	439,585	17,499	351	596,153
At March 31, 2020	132,998	439,585	56,877	18,645	648,105

(1) These refer to amounts transferred from Property, plant and equipment.

	Consolidated					
	Software license	Goodwill	Trademarks	Contractual relations with customers	Granting rights and other	Total
Cost or valuation:						
At March 31, 2020	356,754	661,483	532,348	268,569	44,655	1,863,809
Additions	22,335	-	-	-	-	22,335
Capital contribution (Note 10.c)	-	-	-	-	(18,294)	(18,294)
Transfers (1)	5,038	-	-	-	-	5,038
Foreign currency translation effect	(20)	-	-	-	-	(20)
At December 31, 2020	384,107	661,483	532,348	268,569	26,361	1,872,868
Accumulated amortization:						
At March 31, 2020	(212,303)	-	(475,452)	(30,722)	(65)	(718,542)
Amortization for the period	(21,431)	-	(39,378)	(15,353)	(754)	(76,916)
Transfers (1)	(1,397)	-	-	-	-	(1,397)
Foreign currency translation effect	77	-	-	-	-	77
At December 31, 2020	(235,054)	-	(514,830)	(46,075)	(819)	(796,778)
Net residual value:						
At December 31, 2020	149,053	661,483	17,518	222,494	25,542	1,076,090
At March 31, 2020	144,451	661,483	56,896	237,847	44,590	1,145,267

(1) These refer to amounts transferred from Property, plant and equipment.

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13. Trade accounts payable

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Trade accounts payable - agreement	3,759,157	2,267,143	4,033,990	2,473,521
Suppliers of oil and its by-products	492,685	60,776	1,090,779	1,029,535
Suppliers of ethanol	393,176	68,741	413,253	116,730
Suppliers of materials and services	166,197	83,662	528,824	496,394
	<u>4,811,215</u>	<u>2,480,322</u>	<u>6,066,846</u>	<u>4,116,180</u>
In Brazil (local currency)	4,810,772	2,476,683	5,202,732	2,753,435
Abroad (foreign currency) (Note 24.d)	443	3,639	864,114	1,362,745
	<u>4,811,215</u>	<u>2,480,322</u>	<u>6,066,846</u>	<u>4,116,180</u>

The characteristics of trade accounts payable are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 13). There were no changes in the procedures for recognition, measurement and accounting records, nor significant changes in the credit risk of counterparties involved in the balances.

14. Leases

(a) Right of use

At December 31, 2020, rights of use are presented by the following underlying assets:

	Individual			
	Properties	Vehicles	Machinery and equipment	Total
Cost or valuation:				
At March 31, 2020	218,013	22,557	495	241,065
Additions	3,726	-	-	3,726
Write-offs	(22,236)	(438)	-	(22,674)
Remeasurements	9,667	1,173	-	10,840
At December 31, 2020	209,170	23,292	495	232,957
Accumulated amortization:				
At March 31, 2020	(36,340)	(4,438)	(117)	(40,895)
Amortization for the period	(28,023)	(3,177)	(89)	(31,289)
Write-offs	684	-	-	684
At December 31, 2020	(63,679)	(7,615)	(206)	(71,500)
Net residual value:				
At December 31, 2020	145,491	15,677	289	161,457
At March 31, 2020	181,673	18,119	378	200,170

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					Consolidated
	Land	Properties	Vehicles and ships	Machinery and equipment	Total
Cost or valuation:					
At March 31, 2020	233,466	209,314	546,211	493	989,484
Additions	-	44,668	1,178	589	46,435
Write-offs	-	(33,842)	(950)	-	(34,792)
Remeasurements	(2,186)	5,438	1,365	-	4,617
Foreign currency translation effect and other	(49)	74	(264)	(45)	(284)
At December 31, 2020	231,231	225,652	547,540	1,037	1,005,460
Accumulated amortization:					
At March 31, 2020	(24,073)	(81,316)	(174,912)	(117)	(280,418)
Write-offs	-	7,721	47	-	7,768
Amortization for the period	(15,382)	(70,958)	(140,708)	(162)	(227,210)
Foreign currency translation effect	492	1,365	4,668	3	6,528
At December 31, 2020	(38,963)	(143,188)	(310,905)	(276)	(493,332)
Net residual value:					
At December 31, 2020	192,268	82,464	236,635	761	512,128
At March 31, 2020	209,393	127,998	371,299	376	709,066

(b) Lease liabilities

At December 31, 2020, lease liabilities are as follows:

	Individual	Consolidated
At March 31, 2020	105,341	674,086
Additions	3,726	46,371
Write-offs	(22,746)	(27,778)
Payments	(20,682)	(252,237)
Interest	4,990	39,125
Remeasurements	6,611	4,646
Foreign currency translation effect	-	4,359
At December 31, 2020	77,240	488,572
In Brazil (local currency)	77,240	101,498
Abroad (foreign currency) (Note 24.d)	-	387,074
	77,240	488,572
Current	(41,143)	(209,481)
Noncurrent	36,097	279,091

The weighted average incremental borrowing rate applied to lease liabilities at December 31, 2020 was 7.9% (7.5% at March 31, 2020).

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At December 31, 2020, the aging list of consolidated lease liabilities is as follows:

Periods:	Present value	Future value
1 to 12 months	209,481	224,517
13 to 24 months	100,216	127,899
25 to 36 months	47,628	64,023
37 to 48 months	25,277	37,881
49 to 60 months	14,512	24,777
61 to 72 months	13,516	22,872
73 to 84 months	6,693	14,373
85 to 96 months	6,042	12,727
97 to 120 months	5,332	11,408
From 121 months onwards	59,875	115,514
Gross total	488,572	655,991

15. Loans and financing

Type	Final maturity	Index/rate	Average annual effective interest rate (1)		Individual		Consolidated	
			12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Debt classification per currency:								
Denominated in Brazilian Real (R\$)					757,720	748,712	757,720	748,712
Denominated in US Dollar (US\$) (Note 24.d)					5,501,249	6,401,077	6,282,952	7,712,461
					6,258,969	7,149,789	7,040,672	8,461,173
Debt type (2):								
BND	December/21	URTJLP	5.6%	6.8%	165	964	165	964
BND	December/20	Fixed rate	-	6.0%	-	75	-	75
BND	July/21	UMBND	4.9%	6.5%	369	1,145	369	1,145
Agribusiness Receivables Certificate ("CRA")	December/23	CDI	1.8%	3.5%	501,889	507,293	501,889	507,294
CRA	December/24	IPCA	9.3%	7.8%	255,297	239,235	255,297	239,235
Pre-export Financing	October/25	US Dollar (US\$) + Libor	2.0%	3.0%	5,501,249	6,401,077	6,282,952	7,712,460
					6,258,969	7,149,789	7,040,672	8,461,173
Expenses with placement of securities:								
BND					(32)	(94)	(32)	(94)
					6,258,937	7,149,695	7,040,640	8,461,079
Current					(399,347)	(1,204,829)	(401,545)	(1,736,408)
Noncurrent					5,859,590	5,944,866	6,639,095	6,724,671

- (1) The effective annual interest rate corresponds to the contract fee plus Libor (London InterBank Offered Rate), URTJLP, UMBND, IPCA and CDI, where applicable. Payments of interest on loans and financing are classified as cash flow from financing activities.
- (2) Loans and financing from BND are guaranteed, as appropriate, by assets, property, plant and equipment items and/or collateral signatures by RESA.

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At December 31, 2020, the installments due in the long term, less amortization of expenses with placement of securities, have the following maturity schedule:

	Individual	Consolidated
13 to 24 months	1,036,618	1,036,618
25 to 36 months	2,342,056	2,342,056
37 to 48 months	1,531,375	2,310,880
49 to 60 months	949,541	949,541
	<u>5,859,590</u>	<u>6,639,095</u>

Working capital

On April 17, 2020, Raízen Argentina took out a new loan amounting to R\$206,735, equivalent to AR\$2,600,000 thousand, fully paid in July 2020.

Pre-export Financing

On June 2, 2020, RCSA took out a new loan amounting to R\$ 269,000, equivalent to US\$50,000 thousand, maturing in June 2022.

Covenants

The Company and its subsidiaries are not subject to compliance with financial ratios, being subject only to certain restrictive clauses in the loan and financing agreements, such as cross-default and negative pledge.

Fair value

Type	Classification	Amount raised, restated		Fair value (1)		Consolidated	
						Finance income (costs)	
		12.31.2020	03.31.2020	12.31.2020	03.31.2020	12.31.2020	12.31.2019
Pre-export Financing	Fair value through P&L	5,437,586	7,493,703	5,501,249	7,539,732	(17,634)	(14,859)
CRA	Fair value through P&L	230,488	225,552	255,297	239,235	(11,126)	(16,972)
		<u>5,668,074</u>	<u>7,719,255</u>	<u>5,756,546</u>	<u>7,778,967</u>	<u>(28,760)</u>	<u>(31,831)</u>

- (1) Includes a fair value assessment balance at December 31 and March 31, 2020, amounting to R\$88,472 and R\$59,712, respectively.

Other loans and financing have no quoted value, but the fair value substantially approximates their book value, due to exposure to variable interest rates and the irrelevant variation of the Company's credit risk.

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(b) Income and social contribution taxes recoverable (current and noncurrent):

	<u>Individual</u>		<u>Consolidated</u>	
	<u>12.31.2020</u>	<u>03.31.2020</u>	<u>12.31.2020</u>	<u>03.31.2020</u>
Corporate Income Tax (IRPJ)	132,234	105,320	208,585	197,734
Social Contribution Tax on Net Profit (CSLL)	67,748	61,449	98,709	102,623
Entity's tax credits abroad (1)	-	-	53,828	334,904
	<u>199,982</u>	<u>166,769</u>	<u>361,122</u>	<u>635,261</u>
Current assets	(199,982)	(166,769)	(316,222)	(583,191)
Noncurrent assets	-	-	44,900	52,070

- (1) Corresponds to Argentinean federal taxes paid in advance on net revenue and credits generated on imports to be offset against exports and/or other federal taxes.

(c) Income and social contribution taxes payable (current):

	<u>Consolidated</u>	
	<u>12.31.2020</u>	<u>03.31.2020</u>
Corporate Income Tax (IRPJ)	18,233	6,580
Social Contribution Tax on Net Profit (CSLL)	6,183	2,323
Tax debt of a foreign entity (1)	68,621	166,802
	<u>93,037</u>	<u>175,705</u>

- (1) This refer to Argentinean federal taxes payable on income.

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

Assets/(liabilities)	Individual				Consolidated			
	12.31.2020		03.31.2020		12.31.2020		03.31.2020	
	Base	IRPJ 25%	CSLL 9%	Total	Base	IRPJ 25%	CSLL 9%	Total
Income tax losses	-	-	-	-	475,008	118,752	-	118,752
Tax losses of foreign entities	-	-	-	-	33,632	8,408	-	8,408
Social contribution tax losses	-	-	-	-	475,011	-	42,751	42,751
Temporary differences:								
Fair value of financial liabilities	452,338	113,086	40,711	153,795	452,341	113,088	40,711	153,796
Compensation and benefits to employees	77,838	19,460	7,005	26,465	79,982	19,996	7,198	27,194
Lease liability and right of use	18,274	4,569	1,645	6,213	12,285	3,071	1,106	4,177
Foreign exchange differences	2,250,329	562,582	202,530	765,112	2,247,082	561,771	202,237	764,008
Fair value of inventories	-	-	-	-	-	-	-	-
Provisions and other temporary differences	462,018	115,505	41,582	157,086	690,603	172,651	62,153	234,805
Total deferred tax assets	815,202	293,473	1,108,671	1,238,306	997,737	356,156	1,353,891	1,588,614
Amortized tax goodwill	(940,094)	(235,024)	(84,608)	(319,632)	(940,094)	(235,024)	(84,608)	(319,632)
Fair value of inventories	(83,227)	(20,807)	(7,490)	(28,297)	(83,227)	(20,807)	(7,490)	(28,297)
Fair value of PPE items, intangible assets and others	(149,553)	(37,388)	(13,460)	(50,848)	(693,300)	(173,325)	(62,397)	(235,722)
ICMS tax reimbursement	(148,068)	(37,017)	(13,326)	(50,343)	(262,124)	(65,531)	(23,591)	(89,122)
Revaluation of property, plant and equipment	-	-	-	-	(1,876,109)	(469,027)	(168,850)	(637,877)
Review of useful lives of PPE	(122,403)	(30,601)	(11,016)	(41,617)	(137,726)	(34,432)	(12,395)	(46,827)
Capitalized borrowing costs	(13,557)	(3,389)	(1,220)	(4,610)	(13,565)	(3,391)	(1,221)	(4,612)
Fair value upon joint venture formation	(514,840)	(128,710)	(46,336)	(175,046)	(514,840)	(128,710)	(46,336)	(175,046)
Unrealized income (loss) from derivatives	(2,589,394)	(647,349)	(233,045)	(880,394)	(2,533,221)	(633,305)	(227,990)	(861,295)
Contractual relations with customers	(184,821)	(46,205)	(16,634)	(62,839)	(198,191)	(49,548)	(17,837)	(67,385)
Total deferred tax liabilities	(1,186,490)	(427,135)	(1,613,626)	(1,739,533)	(1,813,100)	(652,715)	(2,465,815)	(2,847,350)
Total deferred taxes	(371,288)	(133,662)	(504,955)	(501,227)	(815,363)	(296,559)	(1,111,924)	(1,258,736)
Deferred taxes- Assets, net				-				184,672
Deferred taxes- Liabilities, net				(504,955)				(1,296,596)
Total deferred taxes				(504,955)				(1,111,924)

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Changes in deferred taxes, net:

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	(501,227)	(1,258,736)
Credit in P&L	2,314	140,252
Deferred taxes on comprehensive income	9,928	10,176
Foreign currency translation effect and other	<u>(15,970)</u>	<u>(3,616)</u>
Balance at December 31, 2020	<u>(504,955)</u>	<u>(1,111,924)</u>

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

As mentioned in Note 16.e to the annual financial statements as at March 31, 2020, the Company expects to realize deferred tax assets, including IRPJ and CSLL tax loss carryforwards and temporary differences. In the nine-month period ended December 31, 2020, there were no significant changes related to the expected realization of deferred income and social contribution taxes.

17. Contingencies and judicial deposits

Composition of lawsuits assessed as probable loss

In the Company's organization process, it was agreed that Shell shall reimburse the Company for the amount of claims with a base date prior to its establishment. At December 31 and March 31, 2020, the balance of reimbursable and non-reimbursable lawsuits are as follows:

	<u>Individual</u>		<u>Consolidated</u>	
	<u>12.31.2020</u>	<u>03.31.2020</u>	<u>12.31.2020</u>	<u>03.31.2020</u>
Tax	747,915	724,721	755,961	735,001
Civil	172,776	158,323	183,007	216,108
Labor	29,139	28,737	38,557	39,185
Environmental	<u>23,145</u>	<u>16,580</u>	<u>48,402</u>	<u>56,534</u>
	<u>972,975</u>	<u>928,361</u>	<u>1,025,927</u>	<u>1,046,828</u>
Non-reimbursable lawsuits	49,561	47,669	99,638	111,650
Reimbursable lawsuits	<u>923,414</u>	<u>880,692</u>	<u>926,289</u>	<u>935,178</u>
	<u>972,975</u>	<u>928,361</u>	<u>1,025,927</u>	<u>1,046,828</u>

In the Company's organization process, it was also agreed that the Company shall refund Shell for the amount of judicial deposits made on a reporting date prior to the establishment of Raízen. At December 31 and March 31, 2020, the balances of refundable deposits and non-refundable deposits are as follows:

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	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Tax	26,346	26,036	27,340	27,015
Civil	14,980	15,302	26,760	26,814
Labor	14,999	13,421	15,408	14,220
	<u>56,325</u>	<u>54,759</u>	<u>69,508</u>	<u>68,049</u>
Own judicial deposits	37,091	36,219	49,514	48,708
Refundable judicial deposits	19,234	18,540	19,994	19,341
	<u>56,325</u>	<u>54,759</u>	<u>69,508</u>	<u>68,049</u>

(i) Non-reimbursable lawsuits

	Individual			
	Tax	Civil	Labor	Environmental
At March 31, 2020	29,890	1,212	15,672	895
Provisioned in the period (a)	2,071	71	3,636	584
Write-offs/reversals (a)	(1,773)	(325)	(3,517)	-
Payments	-	(5)	(285)	(511)
Monetary restatement (b)	136	234	1,576	-
At December 31, 2020	<u>30,324</u>	<u>1,187</u>	<u>17,082</u>	<u>968</u>

	Consolidated			
	Tax	Civil	Labor	Environmental
At March 31, 2020	37,153	8,142	25,875	40,480
Provisioned in the period (a)	3,358	4,359	6,942	1,182
Write-offs/reversals (a)	(5,230)	(1,637)	(5,470)	(12,722)
Payments	(37)	(130)	(1,022)	(3,169)
Monetary and exchange adjustments (b)	2,440	(908)	(81)	-
Foreign currency translation effect and other	686	82	(20)	(635)
At December 31, 2020	<u>38,370</u>	<u>9,908</u>	<u>26,224</u>	<u>25,136</u>

(a) Recognized in the statement of profit or loss for the period under Sales taxes and General and administrative expenses, except for the monetary restatement reversals, if any, recognized in Finance income (costs).

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

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(ii) Reimbursable lawsuits (1)

	Individual			
	Tax	Civil	Labor	Environmental
	Total			
At March 31, 2020	694,832	157,112	13,064	15,684
Provisions for the period	10,396	2,850	2,675	9,673
Write-offs/reversals	(39,325)	(3,383)	(2,487)	(1,024)
Payments	-	-	(1,896)	(2,156)
Monetary restatement	51,688	15,010	701	-
At December 31, 2020	717,591	171,589	12,057	22,177
	Consolidated			
	Tax	Civil	Labor	Environmental
	Total			
At March 31, 2020	697,126	207,967	13,317	16,768
Provisions for the period	10,396	2,953	2,675	9,673
Write-offs/reversals	(39,386)	(52,862)	(2,486)	(1,024)
Payments	-	(964)	(1,896)	(2,151)
Monetary and exchange adjustments	49,455	15,092	723	-
Foreign currency translation effect and other	-	913	-	-
At December 31, 2020	717,591	173,099	12,333	23,266

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

(iii) Total lawsuits

	Individual			
	Tax	Civil	Labor	Environmental
	Total			
At March 31, 2020	724,722	158,324	28,736	16,579
Provisions for the period	12,467	2,921	6,311	10,257
Write-offs/reversals	(41,098)	(3,708)	(6,004)	(1,024)
Payments	-	(5)	(2,181)	(2,667)
Monetary restatement	51,824	15,244	2,277	-
At December 31, 2020	747,915	172,776	29,139	23,145

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	Consolidated			
	Tax	Civil	Labor	Environmental
At March 31, 2020	734,279	216,109	39,192	57,248
Provisions for the period	13,754	7,312	9,617	10,885
Write-offs/reversals	(44,616)	(54,499)	(7,956)	(13,746)
Payments	(37)	(1,094)	(2,918)	(5,320)
Monetary and exchange adjustments	51,895	14,184	642	-
Foreign currency translation effect and other	686	995	(20)	(635)
At December 31, 2020	755,961	183,007	38,557	48,402

(a) Tax

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Federal Value-Added Tax (IPI)	87,516	86,896	87,516	86,896
IRPJ and CSLL	79,110	78,283	79,110	78,283
Attorneys' fees	8,190	47,299	14,377	57,205
PIS and COFINS	58,611	58,247	58,611	58,247
State Value-Added Tax (ICMS)	510,974	450,323	511,125	450,498
Other	3,514	3,673	4,504	3,872
	747,915	724,721	755,243	735,001
Non-reimbursable lawsuits	30,324	29,889	37,652	37,875
Reimbursable lawsuits	717,591	694,832	717,591	697,126
	747,915	724,721	755,243	735,001

(b) Civil, tax and environmental claims

The major claims are related to: (a) remediating environmental damage caused by fuel leakage; and (b) contractual, real estate and credit recovery discussions, the last of which discussing contractual violations, possession of Company properties and recovery of amounts not paid by customers.

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.

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

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Lawsuits deemed as possible losses and, consequently, with no provision for lawsuits

(a) **Tax**

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
State Value-Added Tax (ICMS)	2,388,862	2,485,975	2,622,480	2,686,730
IRPJ and CSLL	1,940,535	1,994,794	2,110,045	2,162,120
PIS and COFINS	4,184,242	4,217,641	4,587,867	4,452,604
Other	612,116	546,661	942,186	761,043
	<u>9,125,755</u>	<u>9,245,071</u>	<u>10,262,578</u>	<u>10,062,497</u>
Non-reimbursable lawsuits	4,215,809	4,117,011	5,217,255	4,796,416
Reimbursable lawsuits	4,909,946	5,128,060	5,045,323	5,266,081
	<u>9,125,755</u>	<u>9,245,071</u>	<u>10,262,578</u>	<u>10,062,497</u>

(b) **Civil, tax and environmental claims**

	Individual		Consolidated	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Civil	538,128	500,308	561,342	524,963
Labor	65,005	93,466	106,879	97,878
Environmental	2,451	2,830	24,678	24,418
	<u>605,584</u>	<u>596,604</u>	<u>692,899</u>	<u>647,259</u>
Non-reimbursable lawsuits	126,880	126,805	207,984	147,380
Reimbursable lawsuits	478,704	469,799	484,915	499,879
	<u>605,584</u>	<u>596,604</u>	<u>692,899</u>	<u>647,259</u>

Contingent assets

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

18. **Commitments (Consolidated)**

As mentioned in Note 18 to the annual financial statements as at March 31, 2020, the Company and its subsidiaries have commitments relating to diesel sales, purchases of fuel and oil products, and storage and transportation service agreements. In the nine-month period ended December 31, 2020, there were no significant changes related to those commitments.

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19. Equity

(a) Capital and capital reserve

At December 31 and March 31, 2020, the Company's fully subscribed and paid-in capital is R\$1,921,843, represented as follows:

	Shareholders (shares in units)		
	Shell	Cosan Investimentos e Participações S.A. ("CIP") (1)	Total
Common Shares	830,709,236	830,709,236	1,661,418,472
Class A preferred shares	1	-	1
Class D preferred shares	100,000	-	100,000
Class E preferred shares	81,897,057	-	81,897,057
Total at December 31 and March 31, 2020	912,706,294	830,709,236	1,743,415,530

(1) In June 2014, Cosan S.A. contributed all its common shares issued by RCSA to CIP.

(b) Changes in dividends and IOE (current) (i)

	Individual			Consolidated		
	Dividends	IOE	Total	Dividends	IOE	Total
Balance at March 31, 2020	729	62,529	63,258	10,497	62,529	73,026
Dividends from prior years	907	-	907	12,767	-	12,767
IOE, net of Withholding Income Tax (IRRF)	-	92,460	92,460	-	92,460	92,460
Payments	(1,640)	-	(1,640)	(23,273)	-	(23,273)
Other	4	-	4	9	-	9
Balance at December 31, 2020	-	154,989	154,989	-	154,989	154,989

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

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(c) Equity adjustments

	03.31.2020	Comprehensive income (loss)	12.31.2020
Actuarial gain on defined benefit plan, net	4,742	(745)	3,997
Gain (loss) on financial instruments designated as hedge accounting	18,548	(19,272)	(724)
Gain (loss) on hedge of net investment in a foreign entity	(45,741)	-	(45,741)
Foreign currency translation effect - CTA	736,987	9,788	746,775
Attributable to controlling interests	714,536	(10,229)	704,307
	03.31.2019	Comprehensive income (loss)	12.31.2019
Actuarial gain (loss) on defined benefit plan, net	(13)	6,561	6,548
Gain (loss) on financial instruments designated as hedge accounting	(664)	(1,746)	(2,410)
Gain (loss) on hedge of net investment in a foreign entity	(35,795)	(9,946)	(45,741)
Foreign currency translation effect - CTA	(99,843)	69,803	(30,040)
	(136,315)	64,672	(71,643)
Attributable to:			
Controlling interests	(136,311)	64,668	(71,643)
Noncontrolling interests	(4)	4	-

(d) Earnings per share

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

The table below presents information on profit or loss and shares used to calculate basic and diluted earnings per share for the three-month periods ended December 31, 2020 and 2019 (in thousands, except for earnings per share):

Basic and diluted

	Oct-Dec/2020	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Numerator				
Net income for the period attributable to controlling interests	398,795	555,117	1,370,208	1,921,668
Denominator				
Weighted average number of common shares (in thousands)	1,661,418	1,661,418	1,661,418	1,661,418
Basic and diluted earnings per common share (reais per share)	<u>0.24</u>	<u>0.33</u>	<u>0.82</u>	<u>1.16</u>

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

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Gross revenue is broken down as follows:

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

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	Consolidated			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Diesel	11,914,967	31,930,845	12,045,103	35,048,883
Gasoline	9,950,719	23,318,616	9,602,823	27,832,755
Ethanol	2,139,262	4,993,042	2,573,204	6,840,359
Jet	383,216	941,475	1,750,168	5,037,916
Other	710,193	1,728,206	742,678	2,641,111
	<u>25,098,357</u>	<u>62,912,184</u>	<u>26,713,976</u>	<u>77,401,024</u>

21. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in P&L by function. The reconciliation of the Company's profit or loss by nature for the nine-month periods ended December 31, 2020 and 2019 is as follows:

	Individual			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Fuel for resale and pickup and transfer costs	(18,721,304)	(46,562,238)	(19,551,439)	(56,296,107)
Personnel expenses	(115,198)	(342,048)	(119,862)	(360,443)
Depreciation and amortization	(54,666)	(158,576)	(50,281)	(152,616)
Freight	(77,869)	(224,612)	(85,082)	(255,228)
Selling expenses	(51,753)	(100,199)	(34,256)	(125,174)
Hired labor	(22,091)	(63,427)	(22,798)	(70,149)
Logistic expenses	(45,351)	(131,024)	(42,877)	(121,384)
Other	(26,490)	(70,618)	(27,813)	(103,940)
	<u>(19,114,722)</u>	<u>(47,652,742)</u>	<u>(19,934,408)</u>	<u>(57,485,041)</u>

	Consolidated			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Fuel for resale and pickup and transfer costs	(23,532,469)	(59,645,444)	(24,944,043)	(73,243,514)
Personnel expenses	(197,573)	(569,236)	(177,368)	(534,239)
Depreciation and amortization	(251,756)	(741,944)	(224,147)	(603,701)
Freight	(144,391)	(395,505)	(153,759)	(430,068)
Selling expenses	(89,404)	(200,473)	(64,636)	(242,516)
Hired labor	(54,896)	(148,467)	(46,221)	(146,077)
Logistic expenses	(79,664)	(249,686)	(90,082)	(254,143)
Other	(75,695)	(203,850)	(85,134)	(279,778)
	<u>(24,425,848)</u>	<u>(62,154,605)</u>	<u>(25,785,390)</u>	<u>(75,734,036)</u>

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Classified as:

	Individual			
	Oct-Dec/20	Apr-Dec/20	Apr-Dec/19	Apr-Dec/19
Cost of sales and services rendered	(18,721,304)	(46,562,238)	(19,551,439)	(56,296,107)
Selling expenses	(297,736)	(810,625)	(293,123)	(885,124)
General and administrative expenses	(95,682)	(279,879)	(89,846)	(303,810)
	<u>(19,114,722)</u>	<u>(47,652,742)</u>	<u>(19,934,408)</u>	<u>(57,485,041)</u>

	Consolidated			
	Oct-Dec/20	Apr-Dec/20	Apr-Dec/19	Apr-Dec/19
Cost of sales and services	(23,693,722)	(60,121,252)	(25,067,182)	(73,592,389)
Selling expenses	(572,280)	(1,581,419)	(588,026)	(1,693,270)
General and administrative expenses	(159,846)	(451,934)	(130,182)	(448,377)
	<u>(24,425,848)</u>	<u>(62,154,605)</u>	<u>(25,785,390)</u>	<u>(75,734,036)</u>

22. Other operating (expenses) income, net

	Individual			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Recognition of previously unused tax credits and other, net (1)	29,235	141,070	40,485	306,638
Capital gain on formation of joint venture, net (3)	-	-	1,052,677	1,052,677
(Loss) gain on write-off of PPE	285	(2,669)	7,902	58,248
Revenues from rents and leases	15,263	42,215	22,418	63,415
Royalty income	1,685	4,319	1,765	5,792
Commissions on sales of lubricants, cards and means of payment	46,260	54,636	4,952	13,400
Gain (loss) on retirement of carbon credits ("CBIOS") (2)	(97,311)	(117,642)	-	-
Other income (expenses), net	<u>(1,867)</u>	<u>7,008</u>	<u>7,178</u>	<u>8,108</u>
	<u>(6,450)</u>	<u>128,937</u>	<u>1,137,377</u>	<u>1,508,278</u>

	Consolidated			
	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Apr-Dec/19
Recognition of previously unused tax credits and other, net (1)	27,670	169,725	40,795	327,381
Capital gain on formation of joint venture, net (3)	-	-	1,052,677	1,052,677
Gain on write-off of property, plant and equipment	13,467	47,501	15,115	75,838
Revenues from rents and leases	19,836	63,117	37,334	104,567
Royalty income	1,746	12,319	11,754	52,554
Merchandising	2,517	2,621	10,126	51,465
Commissions on sales of lubricants, cards and means of payment	47,114	57,247	5,871	15,833
Gain (loss) on retirement of carbon credits ("CBIOS") (2)	(117,238)	(141,771)	-	-
Other income (expenses), net	<u>14,292</u>	<u>44,646</u>	<u>(15,182)</u>	<u>(10,450)</u>
	<u>9,404</u>	<u>255,405</u>	<u>1,158,490</u>	<u>1,669,865</u>

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- (1) This refers to the tax recovery of tax credits related mainly to PIS, COFINS and ICMS arising from the Company's ordinary activities.
- (2) In the nine-month period ended December 31, 2020, RCSA and its subsidiaries acquired 3,197,859 carbon credits ("CBIOS"), in the consolidated amount of R\$141,771, related to the legal obligations adopted by Brazil's National Biofuels Policy - RenovaBio (set forth by Law No. 13576/2017, with additional regulation set forth by Decree No. 9888/2019 and Government Directive No. 419 of November 20, 2019, of the Ministry of Mines and Energy) to achieve the carbon reduction goals of the industry for 2020. The goals established are effective until December of each year and are published by Brazil's National Petroleum Agency ("ANP").
- (3) This refers to the gain generated in the formation of joint venture Rede that took place in the quarter ended December 31, 2019, which comprised gains related to the dilution of equity interest, disposal of shares and the fair value in the formation of referred to joint venture, deducted by expenses associated with the transaction.

23. Finance income (costs)

	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Individual Apr-Dec/19
<u>Finance costs</u>				
Interest	(65,392)	(237,378)	(104,267)	(342,664)
PIS and COFINS on finance income	(3,086)	(9,016)	(2,902)	(9,833)
Monetary variation losses	(6,217)	(7,509)	(2,332)	(5,729)
Other	(3,455)	(8,624)	(6,682)	(17,296)
	<u>(78,150)</u>	<u>(262,527)</u>	<u>(116,183)</u>	<u>(375,522)</u>
Fair value of financial instruments (Notes 8.a.2 e and 15)	(22,334)	(72,180)	25,897	(84,018)
Amounts capitalized on qualified assets (Note 11)	8	60	56	236
	<u>(100,476)</u>	<u>(334,647)</u>	<u>(90,230)</u>	<u>(459,304)</u>
<u>Finance income</u>				
Interest	57,572	126,850	1,708	75,965
Short-term investment yield	1,194	4,576	12,827	54,210
Monetary variation gains and other	7	33	27	205
	<u>58,773</u>	<u>131,459</u>	<u>14,562</u>	<u>130,380</u>
<u>Foreign exchange differences, net</u>	<u>654,431</u>	<u>(159,054)</u>	<u>209,648</u>	<u>(270,892)</u>
<u>Net effect of derivatives</u>	<u>(601,517)</u>	<u>288,116</u>	<u>(254,591)</u>	<u>334,616</u>
	<u>11,211</u>	<u>(74,126)</u>	<u>(120,611)</u>	<u>(265,200)</u>

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	Oct-Dec/20	Apr-Dec/20	Oct-Dec/19	Consolidated Apr-Dec/19
<u>Finance costs</u>				
Interest	(80,048)	(322,880)	(129,689)	(410,966)
PIS and COFINS on finance income	(3,603)	(11,125)	(3,950)	(12,862)
Monetary variation losses	(6,216)	(7,509)	(2,332)	(5,729)
Other	(6,633)	(19,276)	(8,539)	(23,313)
	<u>(96,500)</u>	<u>(360,790)</u>	<u>(144,510)</u>	<u>(452,870)</u>
Fair value of financial instruments (Notes 8.a.2 e and 15)	(22,334)	(72,180)	25,897	(84,018)
Amounts capitalized on qualified assets (Note 11)	8	60	56	236
	<u>(118,826)</u>	<u>(432,910)</u>	<u>(118,557)</u>	<u>(536,652)</u>
<u>Finance income</u>				
Interest	74,834	179,377	24,332	140,297
Short-term investment yield	9,870	37,032	22,541	88,046
Monetary variation gains and other	92	322	72	447
	<u>84,796</u>	<u>216,731</u>	<u>46,945</u>	<u>228,790</u>
<u>Foreign exchange differences, net</u>	<u>667,608</u>	<u>(308,182)</u>	<u>297,446</u>	<u>(501,088)</u>
<u>Net effect of derivatives</u>	<u>(699,187)</u>	<u>326,703</u>	<u>(379,864)</u>	<u>319,015</u>
	<u>(65,609)</u>	<u>(197,658)</u>	<u>(154,030)</u>	<u>(489,935)</u>

24. Financial instruments

(a) Overview

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

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

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

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(b) Risk management structure

The Company has specific treasury and trading policies that define how risk management should be carried out, never operating with derivatives which are beyond the notional total of underlying asset or liability. To monitor activities and ensure compliance with policies, the Company has the following main committees: (i) Risk Committee that meets weekly to analyze the behavior of the foreign exchange market and deliberate on hedging positions and pricing strategy for exports and imports of products, so as to reduce the adverse effects of changes in exchange rate and prices of commodities; and (ii) Ethanol and by-products Committee that meets monthly to assess the risks associated with the sale of ethanol and by-products and to adapt to the limits defined in the risk policies.

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

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

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	Individual		Consolidated	
	Notional amount		Fair value	
	12.31.2020	03.31.2020	12.31.2020	03.31.2020
Price risk				
Commodity derivatives				
Futures contracts	768,599	642,310	(28,860)	174,117
	768,599	642,310	(28,860)	174,117
Exchange rate risk				
Exchange rate derivatives				
Futures contracts	31,180	(98,775)	99	382
Foreign exchange forward	61,841	(1,384,934)	(8,746)	51,193
Exchange swap	(8,438,045)	(9,284,878)	2,630,565	2,821,504
	(8,345,024)	(10,768,587)	2,621,918	2,873,079
Interest rate risk				
Interest rate swap	(204,024)	(204,024)	52,858	36,573
	(204,024)	(204,024)	52,858	36,573
Total			2,645,916	3,083,769
Current assets			329,866	709,719
Noncurrent assets			2,378,186	2,513,295
Total assets			2,708,053	3,223,014
Current liabilities			(50,007)	(139,245)
Noncurrent liabilities			(12,129)	-
Total liabilities			(62,136)	(139,245)
Total			2,645,916	3,083,769

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(c) Price risk (Consolidated)

This risk arises from the possibility of oscillations in the market prices of products sold and produced by the Company and its subsidiaries, especially oil (heating oil), gasoline and ethanol. These price oscillations may lead to material changes in sales revenues and costs. To mitigate this risk, the Company constantly monitors the market to anticipate price changes. The positions of derivative financial instruments used to hedge against the commodities price risk outstanding at December 31, 2020 are as follows:

Price risk: commodity derivatives outstanding at December 31, 2020								
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional amount (units)		Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	NYMEX	Heating Oil	Jan/21 to Jun/21	361,884	cbm	719,284	(13,156)
Futures	Short	NYMEX	Gasoline	Jan/21 to May/21	203,361	cbm	379,417	(15,060)
Futures	Short	NYMEX	Jet	Mar/21	40,068	cbm	29,581	(7,411)
Subtotal - futures short position					605,313	cbm	1,128,281	(35,626)
Futures	Long	NYMEX	Heating Oil	Jan/21 to Jun/21	(106,053)		(197,150)	2,179
Futures	Long	NYMEX	Gasoline	Jan/21 to May/21	(86,337)		(162,532)	4,588
Subtotal - futures long position					(192,390)	cbm	(359,682)	6,766
Subtotal - futures					412,923	cbm	768,599	(28,860)
Net exposure of commodity derivatives as at December 31, 2020					412,923		768,599	(28,860)
Net exposure of commodity derivatives as at March 31, 2020							642,310	174,117

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(d) Exchange rate risk (Consolidated)

This derives from the possibility of oscillations in exchange rates used by the Company for exports, imports, debt flows and other assets and liabilities in foreign currency. The Company uses derivatives to manage cash flow risks arising from these transactions denominated in US dollars, net of other foreign currency denominated cash flows. The derivatives positions used to hedge against the exchange rate risk are as follows:

Exchange rate risk: foreign exchange derivatives outstanding as at December 31, 2020							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional (US\$)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial Dollar	Jan/21 to Feb/21	71,000	368,966	(144)
Subtotal - futures short position					71,000	368,966	(144)
Futures	Long	B3	Commercial Dollar	Jan-21	(65,000)	(337,786)	243
Subtotal - futures long position					(65,000)	(337,786)	243
Subtotal - futures					6,000	31,180	99
Forward	Short	OTC/Cetip	Non-Deliverable Forwards (NDF)	Jan/21 to Apr/21	543,600	2,824,926	114,962
Subtotal - forward sold					543,600	2,824,926	114,962
Forward	Long	OTC/Cetip	NDF	Jan/21 to May/21	(648,300)	(3,369,021)	(195,032)
Subtotal - forward purchased					(648,300)	(3,369,021)	(195,032)
Subtotal - forward					(104,700)	(544,095)	(80,070)
Exchange swap	Long	OTC	Exchange swap	Oct/21 to Jan/27	(1,623,731)	(8,438,045)	2,630,565
Subtotal - foreign exchange swap purchased					(1,623,731)	(8,438,045)	2,630,565
Net exposure of foreign exchange derivatives at December 31, 2020					(1,722,431)	(8,950,960)	2,550,591
Net exposure of foreign exchange derivatives at March 31, 2020					(2,429,600)	(12,630,762)	3,308,968

At December 31, 2020, the consolidated summary of quantitative data on the Company's net exposure, considering the parity of all currencies to US\$, is presented below:

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In thousands of reais - R\$, unless otherwise stated

	12.31.2020	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	418,655	80,562
Restricted cash (Note 4)	111,459	21,448
Foreign trade accounts receivable (Note 5)	359,765	69,230
Transactions with related parties (Note 8.a)	(4,568,036)	(879,026)
Trade accounts payable (Note 13)	(864,114)	(166,281)
Loans and financing (Note 15)	(6,282,952)	(1,209,024)
Lease liabilities (Note 14.b)	(387,074)	(74,485)
Derivative financial instruments (Note 24.d) (1)		1,722,431
Currency exposure, net		(435,145)
Derivatives settled in the month following closing (2)		(470,000)
Net currency exposure, adjusted at December 31, 2020 (3)		(905,145)
Net foreign exchange exposure, adjusted at March 31, 2020		(561,530)

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

(2) Maturity in January 2021, which was settled by reference to PTAX of the last day of the closing month.

(3) The adjusted net foreign exchange exposure will be substantially offset in the future with highly probable product export revenues and/or product import costs.

(e) Effects of hedge accounting

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

At December 31, 2020, the impacts recognized in the Company's equity and the estimated realization in P&L are as follows:

Derivatives	Market	Risk	Realization period	12.31.2020	03.31.2020
			2020/2021		
Forward	OTC / ICE	Foreign exchange	(1,095)	(1,095)	28,106
			(1,095)	(1,095)	28,106
(-) Deferred taxes			371	371	(9,557)
Effect on equity			(724)	(724)	18,549

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

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Cash flow hedge

	<u>12.31.2020</u>
Balance at beginning of period	18,548
Changes for the period:	
Fair value of commodity futures designated as hedge accounting	(1,832)
Fair value of foreign exchange forward designated as hedge accounting	33,617
Gains (losses) on commodities/foreign exchange reclassified to costs of sales and services and other operating income, net	(60,985)
Total changes for the year (before deferred taxes)	(29,200)
Effect of deferred taxes on equity adjustments	9,928
	(19,272)
Balance at end of period	(724)

Fair value hedge

As mentioned in Note 6, fair value hedge of inventories is intended to minimize any type of mismatch in profit or loss, marking to market both derivatives and inventories at fair value, with changes in MTM recognized under Cost of sales and services, and with such MTM having a positive impact for the nine-month period ended December 31, 2020 of R\$280,389 (negative impact of R\$6,055 at December 31, 2019). In the statement of financial position as at December 31, 2020, the balance of the fair value measurement of inventories is increased by R\$83,226 (decreased by R\$197,163 at March 31, 2020).

(f) Interest rate risk (Consolidated)

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

Interest rate risk: Interest derivatives outstanding as at December 31, 2020							
Derivatives	Long/ Short	Market	Agreement	Maturity	Notional amount (units)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Interest rate swap	Long	OTC	Interest rate swap	Dec/24	(39,260)	(204,024)	52,858
Total - interest Swap					(39,260)	(204,024)	52,858
Net exposure of foreign exchange derivatives at December 31, 2020						(204,024)	52,858
Net exposure of interest derivatives as at March 31, 2020						(204,024)	36,573

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(g) Credit risk (Consolidated)

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

Credit risk is managed by specific rules for 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 established based on internal or external ratings, according to the limits determined by Company management. The use of credit limits is regularly monitored. No credit limits were exceeded during the reporting 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 NYMEX futures 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 (Restricted Cash, Note 4) - Derivative transactions on commodity exchanges (NYMEX and B3) require guarantee margins. The consolidated margin deposited at December 31, 2020 amounts to R\$125,669 (R\$12,770 at March 31, 2020), of which R\$14,210 (R\$12,770 at March 31, 2020) in restricted short-term investments and R\$111,459 (R\$0 at March 31, 2020) in derivative transaction margin.

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

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

(h) Liquidity risk (Consolidated)

Liquidity risk is that in which the Company may encounter difficulties in honoring the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's 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.

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

The table below states the main financial liabilities contracted by maturity:

	12.31.2020				03.31.2020
	1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing (1)	409,066	1,075,812	6,006,916	-	7,491,794
Trade accounts payable (Note 13)	6,066,846	-	-	-	6,066,846
Lease liabilities (Note 14.b)	224,517	127,899	126,681	176,894	655,991
Derivative financial instruments (Note 24.b)	249,258	-	12,129	-	261,387
Related parties (1)	2,959,809	670,424	-	3,290,692	6,920,925
	<u>9,909,496</u>	<u>1,874,135</u>	<u>6,145,726</u>	<u>3,467,586</u>	<u>21,396,943</u>
					<u>22,977,481</u>

(1) Undiscounted contractual cash flows.

(i) Fair value

The procedures for measuring and recognizing the fair value of financial assets and liabilities are the same as those disclosed in the annual financial statements as at March 31, 2020 (Note 24.i).

Fair value hierarchy

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

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

Financial instruments measured at fair value	Level 1	Level 2	Total
Short-term investments (Note 3)	-	860,496	860,496
Derivative financial assets (Note 24.b)	10,276	2,825,703	2,835,979
Loans and financing (Note 15)	-	(5,756,546)	(5,756,546)
Derivative financial assets (Note 24.b)	(39,037)	(222,353)	(261,387)
Transactions with related parties (Note 8.a.3)	-	(3,288,083)	(3,288,083)
Total at December 31, 2020	<u>(28,761)</u>	<u>(5,580,783)</u>	<u>(5,609,541)</u>
Total at March 31, 2020	<u>174,499</u>	<u>(6,681,654)</u>	<u>(6,507,155)</u>

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(j) Sensitivity analysis (Consolidated)

The sensitivity analysis of the financial instruments' fair value, according to the types of risk considered significant by the Company, is presented below.

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 oil and gasoline and for the US dollar at December 31, 2020, 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 US dollar curves, which were calculated based on the probable scenario.

Sensitivity analysis tables

(1) Changes in fair value of derivative financial instruments

		Impact on profit or loss (*)				
	Risk factor	Probable Scenario	Possible scenario +25%	Fair value balance	Remote scenario +50%	Fair value balance
<u>Price risk</u>						
Commodity derivatives						
Futures contracts:						
Purchase and sale commitments	Diesel and gasoline price increase	(28,860)	(199,365)	(228,225)	(398,730)	(427,590)
		(28,860)	(199,365)	(228,225)	(398,730)	(427,590)
<u>Exchange rate risk</u>						
Exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	99	7,770	7,869	15,539	15,638
Forward and Locked-in exchange contracts:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	(64,919)	(48,505)	(113,424)	(97,010)	(161,929)
Purchase and sale commitments	AR\$/US\$ exchange rate fall	(15,151)	(106,582)	(121,733)	(213,164)	(228,315)
FX swaps:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	2,630,562	(2,221,750)	408,812	(4,443,501)	(1,812,938)
		2,550,591	(2,369,067)	181,524	(4,738,136)	(2,187,544)
<u>Interest rate risk</u>						
Interest swap:						
Purchase and sale commitments	Interest rate decrease	52,858	(273)	52,585	(545)	52,313
		52,858	(273)	52,585	(545)	52,313
Total		<u>2,574,589</u>	<u>(2,568,705)</u>	<u>5,884</u>	<u>(5,137,411)</u>	<u>(2,562,822)</u>

(*) Result projected to occur in up to 12 months from December 31, 2020.

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(2) Foreign exchange exposure, net

The probable scenario considers the position at December 31, 2020. The effects of the possible and remote scenarios that would be posted to the consolidated statement of profit or loss as foreign exchange differences are as follows:

Net foreign exchange exposure at December 31, 2020	Asset/liability balances	Foreign exchange difference effect			
		Possible scenario +25%	Remote scenario +50%	Possible scenario -25%	Remote scenario -50%
Cash and cash equivalents (Note 3)	418,655	104,664	209,328	(104,664)	(209,328)
Restricted cash (Note 4)	111,459	27,865	55,730	(27,865)	(55,730)
Foreign trade accounts receivable (Note 5)	359,765	89,941	179,883	(89,941)	(179,883)
Transactions with related parties (Note 8.a)	(4,568,036)	(1,142,009)	(2,284,018)	1,142,009	2,284,018
Trade accounts payable (Note 13)	(864,114)	(216,029)	(432,057)	216,029	432,057
Lease liabilities (Note 14.b)	(387,074)	(96,769)	(193,537)	96,769	193,537
Loans and financing (Note 15)	(6,282,952)	(1,570,738)	(3,141,476)	1,570,738	3,141,476
Impact on P&L for the period		(2,803,075)	(5,606,147)	2,803,075	5,606,147

(3) Interest rate sensitivity

At December 31, 2020, the probable scenario considers the weighted average floating interest rate of 1.87% p.a. on loans and financing, and for short-term investments and restricted cash, the CDI accumulated over the past 12 months of 2.76%. 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:

	Interest rate sensitivity				
	Probable Scenario	Possible scenario +25%	Possible scenario +50%	Remote scenario -25%	Remote scenario -50%
Short-term investments	23,377	5,844	11,689	(5,844)	(11,689)
Restricted short-term investments (restricted cash)	739	185	370	(185)	(370)
Loans and financing	(131,866)	(32,967)	(65,933)	32,967	65,933
Additional impact on profit or loss for the period	(107,750)	(26,938)	(53,874)	26,938	53,874

(k) Capital management

The Company's objective when managing its capital structure is to ensure the continuity of its operations and finance investment opportunities, maintaining a healthy credit profile and offering an adequate return to its shareholders.

Raízen Group, to which the Company belongs, has a relationship with the main local and international rating agencies, as shown below:

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

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

The Company's net debt is calculated as the total of loans and financing with the market and intragroup pre-export financing, net of cash and cash equivalents, investments and securities held as collateral for debt items and derivative financial instruments taken out to hedge indebtedness.

Financial leverage ratios at December 31 and March 31, 2020 were calculated as follows:

	12.31.2020	03.31.2020
Debt		
Loans and financing (Note 15)	7,040,640	8,461,079
Intragroup pre-export financing (Note 8.a.2)	3,288,083	3,116,405
(-) Cash and cash equivalents (Note 3)	(1,148,408)	(2,167,058)
(-) Short-term investments subject to financing (Note 4)	(12,477)	(18,114)
(-) Exchange rate, interest rate and other derivative swaps (Note 24.b)	(2,683,423)	(2,996,253)
	<u>6,484,415</u>	<u>6,396,059</u>
Equity		
Equity		
Attributable to shareholders of Parent Company	4,327,006	3,894,531
Noncontrolling interests	<u>279,739</u>	<u>259,028</u>
	<u>4,606,745</u>	<u>4,153,559</u>
Total equity and debt	<u>11,091,160</u>	<u>10,549,618</u>
Financial leverage ratio	58.46%	60.63%

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25. Supplementary private pension plan

(a) Pension fund

Defined contribution

In the nine-month period ended December 31, 2020, the contribution amount recognized as an expense was R\$4,360 (R\$4,558 at December 31, 2019).

Pension and healthcare plan of Raízen Argentina

Raízen Argentina granted pension plans to non-union employees with defined and non-financed benefit. These plans are effective, but closed to new participants since the end of 2014. The healthcare coverage of retired employees is an inherited and frozen benefit, whose cost is equally apportioned between the Company and the former employees.

(b) Profit sharing

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

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In thousands of reais - R\$, unless otherwise stated

26. Supplementary cash flow information

(a) Reconciliation of changes in equity with cash flows from financing activities (FCF)

						Individual
(Assets)/Liabilities	Short-term investments subject to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and IOE payable	Total
Balance at March 31, 2020	(18,114)	105,341	7,149,695	3,317,977	63,258	10,618,157
Transactions having an impact on Financial Cash Flow (FCF):						
Loans and financing taken out, net	-	-	269,000	-	-	269,000
Repayments of principal	-	-	(1,249,809)	-	-	(1,249,809)
Interest paid	-	-	(132,441)	(72,990)	-	(205,431)
Repayments of lease liabilities	-	(20,682)	-	(11,646)	-	(32,328)
Payment of dividends and IOE, including remuneration of preferred shares	-	-	-	-	(1,640)	(1,640)
Redemption	6,127	-	-	-	-	6,127
Asset management and other	-	-	-	(269,982)	-	(269,982)
	6,127	(20,682)	(1,113,250)	(354,618)	(1,640)	(1,484,063)
Other non-FCF changes:						
Interest, monetary variation and foreign exchange	(290)	4,990	193,732	208,468	-	406,900
Change in fair value of financial instruments	-	-	28,760	43,420	-	72,180
Dividends and Interest on Equity (IOE)	-	-	-	-	109,683	109,683
Addition, write-off and remeasurement	-	(12,409)	-	-	-	(12,409)
Other	(200)	-	-	1,717	(16,312)	(14,795)
	(490)	(7,419)	222,492	253,605	93,371	561,559
Balance at December 31, 2020	(12,477)	77,240	6,258,937	3,216,964	154,989	9,695,653

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						Consolidated
(Assets)/Liabilities	Short-term investments subject to financing	Lease liabilities	Loans and financing	Related parties (1)	Dividends and IOE payable	Total
Balance at March 31, 2020	(18,114)	674,086	8,461,079	3,241,119	73,024	12,431,194
Transactions having an impact on Financial Cash Flow (FCF)						
Loans and financing taken out, net	-	-	476,069	-	-	476,069
Repayments of principal	-	-	(1,972,349)	-	-	(1,972,349)
Interest paid	-	-	(184,846)	(72,990)	-	(257,836)
Repayments of lease liabilities	-	(252,237)	-	-	-	(252,237)
Payment of dividends and IOE, including remuneration of preferred shares	-	-	-	-	(23,273)	(23,273)
Redemption	6,127	-	-	-	-	6,127
Asset management and other	-	-	-	(135,304)	-	(135,304)
	6,127	(252,237)	(1,681,126)	(208,294)	(23,273)	(2,158,803)
Other non-FCF changes:						
Interest, monetary variation and foreign exchange	(290)	39,123	220,100	191,861	-	450,794
Change in fair value of financial instruments	-	-	28,760	43,420	-	72,180
Dividends and Interest on Equity (IOE)	-	-	-	-	121,543	121,543
Addition, write-off and remeasurement	-	23,270	-	-	-	23,270
Foreign currency translation effect and other	(200)	4,330	11,843	1,717	(16,305)	1,385
	(490)	66,723	260,687	236,998	105,238	669,156
Balance at December 31, 2020	(12,477)	488,572	7,040,640	3,269,823	154,989	10,941,547

(1) Comprised of balances of asset management, financial operations and preferred shares (Note 8.a).

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(b) Non-cash investing transactions

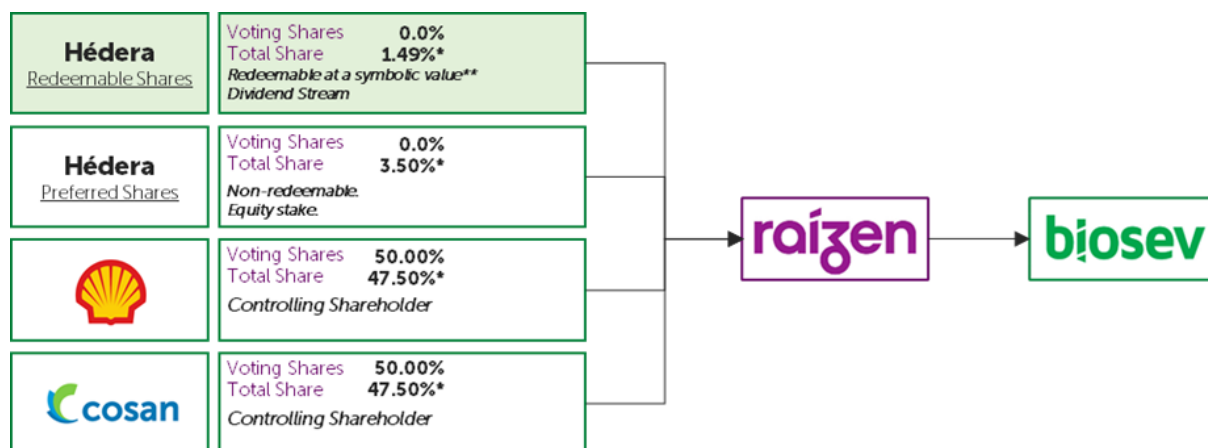
	Individual		Consolidated	
	Apr-Dec/2020	Apr-Dec/2019	Apr-Dec/2020	Apr-Dec/2019
Installments receivable due to sale of shares and formation of a joint venture	47,409	366,703	109,250	366,703
Interest capitalized on property, plant and equipment (Note 23)	(60)	(236)	(60)	(236)
Right of use	(7,424)	2,924	30,273	(209,411)
Other	1,316	3,381	(14,138)	3,576
	<u>41,241</u>	<u>372,772</u>	<u>125,325</u>	<u>160,632</u>

27. Events after the reporting period

Biosev S.A. acquisition by Raízen Group

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

The acquisition involves an exchange of shares, with the issue of 3.5% of non-redeemable preferred shares without voting rights, 1.4999% of preferred shares redeemable at symbolic value and without voting rights, all issued by the companies of Raízen Group, and a cash payment in amount of R\$ 3,600,000. Thus, the shareholding structure after the acquisition of Biosev will be as follows:



* The stock participation percentages represented in this structure chart are mathematically rounded.

** After the redemption of the (Temporary) Shares, participation in the total capital of Shell and Cosan will increase respectively to 48.25%.

The acquisition is subject to the satisfaction of certain conditions established in the acquisition agreement. Among others, the main conditions are: (i) Biosev should conduct a restructuring of its current financial indebtedness; (ii) Biosev should conduct a corporate restructuring that will lead Biosev to no longer have its shares traded on the stock exchange; and (iii) Approval of the Transaction by the Administrative Council for Economic Defense - CADE.

* * *