

Raízen Energia S.A.

Interim financial information as at
September 30, 2020

Contents

Independent auditor's review report on quarterly information	3
Statements of financial position	5
Statements of profit or loss	7
Statements of comprehensive income	9
Statements of changes in equity	11
Statements of cash flows - Indirect method	12
Statements of value added	13
Notes to interim financial information	17

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

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Raízen Energia S.A. (the "Company") for the quarter ended September 30, 2020, comprising the statement of financial position as of September 30, 2020 and the related statements of profit or loss and comprehensive income (loss) for the three and six-month periods then ended, and of changes in equity and of cash flows for the six-month period then ended, including explanatory information.

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

Scope of review

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

Conclusion on the individual and consolidated interim financial information

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

Other matters

Correspondent figures

The Company's individual and consolidated financial statements for the year ended March 31, 2020 and the individual and consolidated interim financial information for the period ended September 30, 2019, were audited and reviewed under the responsibility of other independent auditor, who issued reports, on June 5, 2020 and November 11, 2019, with an unmodified opinion and conclusion over the individual and consolidated financial statements and the individual and consolidated interim financial information, respectively.

Statements of value added

The above mentioned quarterly information includes the individual and consolidated statement of value added (SVA) for the six-month period ended September 30, 2020, prepared under the responsibility of Company management and, presented as supplementary information under IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of value added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, November 13, 2020.

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

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

RAÍZEN ENERGIA S.A.

Statements of financial position at September 30 and March 31, 2020

(In thousands of Reais – R\$)

	Note	Individual		Consolidated	
		09.30.2020	03.31.2020	09.30.2020	03.31.2020
Assets					
Current assets					
Cash and cash equivalents	3	694,159	3,030,814	1,799,015	6,473,747
Restricted cash	4	213,712	103,833	406,443	180,186
Derivative financial instruments	26	1,570,669	2,766,327	2,978,683	4,406,076
Trade accounts receivable	5	356,634	280,251	1,635,206	1,166,380
Inventories	6	3,261,118	599,307	5,542,606	1,327,707
Biological assets	7	753,626	690,838	1,002,925	897,315
Income and social contribution taxes recoverable	17.a.1	208,593	183,411	219,688	195,503
Taxes recoverable	8	296,724	247,656	501,122	453,635
Other financial assets	9	310,976	280,966	348,609	314,273
Transactions with related parties	10	2,527,712	2,899,513	2,377,145	3,792,096
Dividends receivable		7,573	7,640	-	-
Other receivables		218,385	169,606	415,460	231,477
Total current assets		10,419,881	11,260,162	17,226,902	19,438,395
Noncurrent assets					
Derivative financial instruments	26	1,773,829	1,484,248	2,168,462	1,812,316
Other financial assets	9	101,048	97,853	224,191	258,768
Income and social contribution taxes recoverable	17.a.1	457,827	457,827	489,727	489,727
Taxes recoverable	8	227,259	226,202	339,562	303,195
Transactions with related parties	10	369,614	338,756	3,496,770	3,152,840
Deferred income and social contribution taxes	17.b	1,664,456	986,362	1,712,117	1,137,283
Judicial deposits	18	302,070	259,129	447,175	403,704
Other receivables		246,217	229,732	294,338	258,855
Investments	11	7,032,251	6,837,722	531,642	586,202
Property, plant and equipment	12	5,903,469	6,527,442	10,003,478	10,837,504
Intangible assets	13	1,465,486	1,465,461	1,826,475	1,830,886
Right of use	15.a	3,696,259	3,769,256	4,365,777	4,390,329
Total noncurrent assets		23,239,785	22,679,990	25,899,714	25,461,609
Total assets		33,659,666	33,940,152	43,126,616	44,900,004

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of financial position at September 30 and March 31, 2020 (In thousands of Reais – R\$)

(continued)

		Individual		Consolidated	
	Note	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Liabilities and equity					
Current liabilities					
Trade accounts payable	14	1,272,098	871,874	3,855,510	6,110,835
Lease liabilities	15.b	593,135	792,423	666,932	915,059
Loans and financing	16	2,235,634	3,087,599	2,680,304	3,597,675
Derivative financial instruments	26	1,160,316	2,704,909	2,593,658	4,036,490
Wages and salaries payable		373,801	374,340	452,733	446,377
Income and social contribution taxes payable	17.a.2	-	-	105,097	53,389
Taxes payable		98,344	86,366	205,488	165,822
Dividends payable		3,017	3,017	22,516	22,516
Transactions with related parties	10	3,277,835	2,994,818	1,045,088	1,223,909
Advances from customers	5	535,119	190,002	1,758,366	210,349
Other obligations		47,295	1,028,884	65,562	1,089,715
Total current liabilities		9,596,594	12,134,232	13,451,254	17,872,136
Noncurrent liabilities					
Lease liabilities	15.b	2,662,222	2,312,109	3,313,706	2,822,603
Loans and financing	16	8,058,783	7,282,796	15,516,631	12,948,167
Derivative financial instruments	26	1,705,600	1,242,869	1,763,816	1,305,645
Taxes payable		171,296	170,080	180,785	179,541
Transactions with related parties	10	4,396,541	2,773,260	1,130,777	1,008,813
Provision for contingencies	18	435,167	391,112	562,939	512,055
Deferred income and social contribution taxes	17.b	-	-	446,288	507,814
Other obligations		148,505	151,944	151,843	155,053
Total noncurrent liabilities		17,578,114	14,324,170	23,066,785	19,439,691
Total liabilities		27,174,708	26,458,402	36,518,039	37,311,827
Equity	20				
Capital		6,512,609	6,512,609	6,512,609	6,512,609
Capital reserves		1,089,121	1,089,121	1,089,121	1,089,121
Equity adjustments		(1,428,311)	(519,411)	(1,428,311)	(519,411)
Income reserves		399,431	399,431	399,431	399,431
Accumulated losses		(87,892)	-	(87,892)	-
		6,484,958	7,481,750	6,484,958	7,481,750
Noncontrolling interests		-	-	123,619	106,427
Total equity		6,484,958	7,481,750	6,608,577	7,588,177
Total liabilities and equity		33,659,666	33,940,152	43,126,616	44,900,004

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of profit or loss

Three and six-month periods ended September 30, 2020 and 2019

(In thousands of Reais – R\$)

		Individual			
	Note	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Net operating revenue	21	2,076,863	3,319,506	1,581,871	2,982,654
Cost of sales and services	23	(1,650,482)	(2,677,812)	(1,374,072)	(2,542,074)
Gross profit		426,381	641,694	207,799	440,580
Operating income (expenses)					
Selling expenses	23	(276,370)	(434,352)	(151,294)	(291,561)
General and administrative expenses	23	(115,344)	(223,632)	(120,581)	(228,844)
Other operating income, net	24	23,426	40,581	28,115	46,369
Equity pickup	11	160,744	174,926	219,925	290,702
		(207,544)	(442,477)	(23,835)	(183,334)
Income before finance income (costs) and income and social contribution taxes		218,837	199,217	183,964	257,246
Finance income (costs)					
Finance costs	25	(295,782)	(699,335)	(281,163)	(661,340)
Finance income	25	51,169	89,588	52,318	108,649
Foreign exchange differences, net	25	(131,531)	(239,993)	(139,167)	(114,038)
Net effect of derivatives	25	42,883	351,302	146,679	184,265
		(333,261)	(498,438)	(221,333)	(482,464)
Loss before income and social contribution taxes		(114,424)	(299,221)	(37,369)	(225,218)
Income and social contribution taxes	17.a				
Deferred		130,060	211,329	88,727	163,566
		130,060	211,329	88,727	163,566
Net income (loss) for the period		15,636	(87,892)	51,358	(61,652)

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of profit or loss

Three and six-month periods ended September 30, 2020 and 2019

(In thousands of reais – R\$, except income (loss) per share)

		Consolidated			
	Note	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Net operating revenue	21	7,320,289	12,313,735	7,698,685	13,782,786
Cost of sales and services	23	(6,438,262)	(10,950,428)	(7,124,617)	(12,788,360)
Gross profit		882,027	1,363,307	574,068	994,426
Operating income (expenses)					
Selling expenses	23	(336,317)	(504,194)	(209,861)	(382,071)
General and administrative expenses	23	(164,661)	(319,990)	(166,335)	(310,028)
Other operating (expenses) income, net	24	(13,208)	(40,050)	86,986	90,223
Equity pickup	11	1,620	(81,139)	1,176	(7,771)
		(512,566)	(945,373)	(288,034)	(609,647)
Income before finance income (costs) and income and social contribution taxes		369,461	417,934	286,034	384,779
Finance income (costs)					
Finance costs	25	(359,631)	(821,216)	(323,197)	(765,134)
Finance income	25	108,065	198,982	111,257	233,567
Foreign exchange differences, net	25	(128,778)	(260,668)	(152,702)	(125,435)
Net effect of derivatives	25	27,860	353,476	173,097	223,511
		(352,484)	(529,426)	(191,545)	(433,491)
Income (loss) before income and social contribution taxes		16,977	(111,492)	94,489	(48,712)
Income and social contribution taxes	17.a				
Current		(105,288)	(128,568)	(63,201)	(76,635)
Deferred		118,459	169,360	48,337	105,596
		13,171	40,792	(14,864)	28,961
Net income (loss) for the period		30,148	(70,700)	79,625	(19,751)
Attributable to:					
Company's controlling interests		15,636	(87,892)	51,358	(61,652)
Company's noncontrolling interests		14,512	17,192	28,267	41,901
		30,148	(70,700)	79,625	(19,751)
Net earnings (loss) per common share:					
Basic and diluted	20.d	0.002	(0.012)	0.007	(0.009)

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of comprehensive income Three and six-month periods ended September 30, 2020 and 2019 (In thousands of Reais – R\$)

			Individual	
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Net income (loss) for the period	15,636	(87,892)	51,358	(61,652)
Items that are or may be reclassified to profit or loss				
Net income (loss) from derivative financial instruments designated as hedge accounting (Note 26.e)	(564,872)	(1,372,836)	(307,219)	(195,814)
Foreign currency translation effects - CTA	(26,270)	(2,828)	15,427	23,076
Deferred taxes on adjustments (Note 17.b)	192,056	466,764	104,454	66,577
	<u>(399,086)</u>	<u>(908,900)</u>	<u>(187,338)</u>	<u>(106,161)</u>
Other components of comprehensive income (loss) for the period	<u>(399,086)</u>	<u>(908,900)</u>	<u>(187,338)</u>	<u>(106,161)</u>
Total comprehensive income (loss) for the period	<u><u>(383,450)</u></u>	<u><u>(996,792)</u></u>	<u><u>(135,980)</u></u>	<u><u>(167,813)</u></u>

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of comprehensive income Three and six-month periods ended September 30, 2020 and 2019 (In thousands of Reais – R\$)

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Net income (loss) for the period	30,148	(70,700)	79,625	(19,751)
Items that are or may be reclassified to profit or loss				
Net income (loss) from derivative financial instruments designated as hedge accounting (Note 26.e)	(564,872)	(1,372,836)	(307,219)	(195,814)
Foreign currency translation effects - CTA	(26,270)	(2,828)	15,427	23,076
Deferred taxes on adjustments (Note 17.b)	192,056	466,764	104,454	66,577
	(399,086)	(908,900)	(187,338)	(106,161)
Other components of comprehensive income (loss) for the period	(399,086)	(908,900)	(187,338)	(106,161)
Total comprehensive income (loss) for the period	(368,938)	(979,600)	(107,713)	(125,912)
Attributable to:				
Company's controlling interests	(354,426)	(962,408)	(135,980)	(167,813)
Company's noncontrolling interests	(14,512)	(17,192)	28,267	41,901
	(368,938)	(979,600)	(107,713)	(125,912)

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of changes in equity Six-month periods ended September 30, 2020 and 2019 (In thousands of Reais – R\$)

Attributable to the Parent Company's shareholders										
	Capital reserves				Income reserves				Noncontrolling interests	Total equity
	Capital	Capital reserve	Special goodwill reserve	Equity adjustments	Tax incentive reserve	Legal	Retained profits	Accumulated losses		
Balances at March 31, 2020	6,512,609	846,010	243,111	(519,411)	80,007	235,310	84,114	-	106,427	7,588,177
Comprehensive income (loss) for the period										
Loss for the period	-	-	-	-	-	-	-	(87,892)	17,192	(70,700)
Equity adjustments - Hedge accounting (Note 26.e)	-	-	-	(906,072)	-	-	-	-	-	(906,072)
Foreign currency translation effects - CTA	-	-	-	(2,828)	-	-	-	-	-	(2,828)
	-	-	-	(908,900)	-	-	-	(87,892)	17,192	(979,600)
Balances at September 30, 2020	6,512,609	846,010	243,111	(1,428,311)	80,007	235,310	84,114	(87,892)	123,619	6,608,577

Attributable to the Parent Company's shareholders										
	Capital reserves				Income reserves				Noncontrolling interests	Total equity
	Capital	Capital reserve	Special goodwill reserve	Equity adjustments	Tax incentive reserve	Legal	Retained profits	Accumulated losses		
Balances at March 31, 2019	6,511,193	846,010	243,111	(228,801)	407,906	226,519	296,825	-	35,263	8,338,026
Comprehensive income (loss) for the period										
Loss for the period	-	-	-	-	-	-	-	(61,652)	41,901	(19,751)
Equity adjustments - Hedge accounting	-	-	-	(129,237)	-	-	-	-	-	(129,237)
Foreign currency translation effect - CTA	-	-	-	23,076	-	-	-	-	-	23,076
	-	-	-	(106,161)	-	-	-	(61,652)	41,901	(125,912)
Distributions to the Company's shareholders										
Payment of dividends	-	-	-	-	-	-	(296,725)	-	(7,051)	(303,776)
Realization of reserves	-	-	-	-	(407,905)	-	-	-	-	(407,905)
	-	-	-	-	(407,905)	-	(296,725)	-	(7,051)	(711,681)
Balances at September 30, 2019	6,511,193	846,010	243,111	(334,962)	1	226,519	100	(61,652)	70,113	7,500,433

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of cash flows - Indirect method Six-month periods ended September 30, 2020 and 2019 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Sept/2020	Apr-Sept/2019	Apr-Sept/2020	Apr-Sept/2019
Cash flow from operating activities				
Loss before income and social contribution taxes	(299,221)	(225,218)	(111,492)	(48,712)
Adjustments to:				
Depreciation and amortization (Note 23.a)	1,154,253	969,820	1,569,857	1,265,529
Net (gain) loss arising from changes in fair value and realized gain or loss on biological assets (Note 23.a)	(207,431)	9,307	(269,745)	19,547
Equity pickup in subsidiaries and associates (Note 11)	(174,926)	(290,702)	81,139	7,771
Interest and monetary and exchange differences, net	748,813	542,245	817,360	526,035
Fair value of financial instruments payable (Note 25)	161,104	115,711	168,172	128,868
Recognition of provision for contingencies, net	29,409	62,240	37,790	82,896
Unrealized net (gains) losses on derivative transactions	(98,273)	(252,434)	148,913	(445,473)
Other	(101,578)	(93,604)	19,544	(167,423)
Changes in assets and liabilities				
Trade accounts receivable and advances from customers	304,554	57,832	1,038,067	842,275
Inventories	(1,593,402)	(1,156,041)	(2,988,161)	(2,394,784)
Restricted cash	(108,838)	15,183	(257,457)	6,378
Derivative financial instruments	(2,466,642)	(260,950)	(2,392,019)	(225,893)
Other financial assets	1,542	(328)	38,114	17,838
Judicial deposits	(4,784)	(14,250)	(38,382)	(14,177)
Trade accounts payable and advances to suppliers	359,251	230,421	(2,465,092)	698,151
Taxes recoverable and payable	(56,227)	(20,486)	(70,082)	(99,488)
Transactions with related parties	(147,528)	(57,757)	1,322,631	(43,660)
Wages and salaries payable	(539)	11,097	6,356	14,893
Payments of contingencies (Note 18)	(19,052)	(14,171)	(25,859)	(20,215)
Other assets and liabilities, net	32,146	5,665	(73,659)	(31,566)
Payment of income and social contribution taxes on net income	-	-	(63,960)	(39,547)
Net cash (used in) from operating activities	(2,487,369)	(366,420)	(3,507,965)	79,243
Cash flow from investing activities				
Acquisitions of companies, net of acquired cash	-	(12,546)	-	(12,546)
Additions to investments	(22,382)	(20,754)	(22,382)	(20,754)
Additions to property, plant and equipment and intangible assets	(419,121)	(566,046)	(573,986)	(715,078)
Dividends received from subsidiaries	-	63,045	-	-
Cash from disposal of property, plant and equipment	22,290	9,313	20,334	9,706
Additions to biological assets	(357,435)	(387,071)	(420,474)	(432,294)
Interest received on pre-export financing - intragroup	-	-	56,681	-
Net cash used in investing activities	(776,648)	(914,059)	(939,827)	(1,170,966)
Cash flow from financing activities				
Loans and financing raised from third parties	1,340,450	990,667	2,606,070	997,894
Amortization of principal of loans and financing - third parties	(1,826,205)	(72,107)	(2,040,800)	(133,767)
Payments of interest on loans and financing - third parties	(186,143)	(162,640)	(304,315)	(240,655)
Amortization of lease liabilities - third parties	(483,956)	(394,613)	(577,707)	(438,390)
Amortization of lease liabilities - related parties	(79,910)	(69,126)	(79,910)	(69,126)
Redemption of short-term investments subject to financing (restricted cash)	72	177	32,683	9,992
Payment of dividends	-	(711,794)	-	(721,692)
Amortization of interest on pre-export financing taken out - intragroup	-	(34,569)	-	-
Asset management, net - intragroup	2,089,046	1,763,305	(21,866)	1,371,752
Net cash from (used in) financing activities	853,354	1,309,300	(385,845)	776,008
(Decrease) increase in cash and cash equivalents, net	(2,410,663)	28,821	(4,833,637)	(315,715)
Cash and cash equivalents at beginning of period	3,030,814	537,241	6,473,747	3,189,859
Foreign exchange effect on cash and cash equivalents	74,008	34,793	158,905	106,954
Cash and cash equivalents at end of period	694,159	600,855	1,799,015	2,981,098

Supplementary information on cash flow is stated in Note 29.

See accompanying notes.

RAÍZEN ENERGIA S.A.

Statements of value added Six-month periods ended September 30, 2020 and 2019 (In thousands of Reais – R\$)

	Individual		Consolidated	
	Apr-Sept/2020	Apr-Sept/2019	Apr-Sept/2020	Apr-Sept/2019
Revenues				
Gross sales of products and services	3,559,767	3,223,261	12,952,972	14,520,964
Sales returns, discounts and rebates	(13,752)	(7,539)	(44,508)	(27,098)
Recognition of allowance for expected credit losses, net	(1,116)	(859)	(2,628)	(1,538)
Other operating (expenses) income, net	33,935	46,376	(46,787)	90,046
	<u>3,578,834</u>	<u>3,261,239</u>	<u>12,859,049</u>	<u>14,582,374</u>
Materials acquired from third parties				
Cost of sales and services	(1,746,057)	(1,345,223)	(9,386,642)	(11,251,352)
Materials, power, services from suppliers and other	(475,128)	(359,513)	(541,301)	(444,696)
Net gain (loss) arising from changes in fair value and realized gain or loss on biological assets	207,431	(9,307)	269,745	(19,547)
(Recognition) reversal of estimated loss on property, plant and equipment, net (Note 12)	6,646	(7)	6,737	177
Reversal of estimated loss on inventory obsolescence, net	4,105	2,798	6,721	2,860
	<u>(2,003,003)</u>	<u>(1,711,252)</u>	<u>(9,644,740)</u>	<u>(11,712,558)</u>
Gross value added	1,575,831	1,549,987	3,214,309	2,869,816
Depreciation and amortization	(1,154,253)	(969,820)	(1,569,857)	(1,265,529)
Net value added	<u>421,578</u>	<u>580,167</u>	<u>1,644,452</u>	<u>1,604,287</u>
Value added received from transfers				
Share of profit of a subsidiary, an associate and a joint venture	174,926	290,702	(81,139)	(7,771)
Finance income	89,588	108,649	198,982	233,567
Foreign exchange gain	-	25,129	-	27,267
Gain on derivative transactions	351,302	184,265	353,476	223,511
	<u>615,816</u>	<u>608,745</u>	<u>471,319</u>	<u>476,574</u>
Value added to be distributed	<u>1,037,394</u>	<u>1,188,912</u>	<u>2,115,771</u>	<u>2,080,861</u>
Value added distributed				
Employee benefits expense				
Salaries	118,896	256,775	408,804	385,055
Benefits	17,231	61,950	71,854	71,653
Unemployment Compensation Fund (FGTS)	11,754	24,441	25,158	28,939
	<u>147,881</u>	<u>343,166</u>	<u>505,816</u>	<u>485,647</u>
Taxes and contributions				
Federal taxes	100,463	100,786	435,103	484,348
Deferred federal taxes	(211,329)	(163,566)	(169,360)	(105,596)
State taxes	120,616	126,189	295,611	310,052
Local taxes	5,876	6,562	7,474	8,361
	<u>15,626</u>	<u>69,971</u>	<u>568,828</u>	<u>697,165</u>
Debt remuneration				
Finance costs	699,335	661,340	821,216	765,134
Foreign exchange loss	239,993	139,167	260,668	152,702
Rentals and leases	22,451	36,920	47,135	41,865
	<u>961,779</u>	<u>837,427</u>	<u>1,129,019</u>	<u>959,701</u>
Equity remuneration				
Retained losses	(87,892)	(61,652)	(70,700)	(19,751)
Noncontrolling interests in retained profits	-	-	(17,192)	(41,901)
	<u>(87,892)</u>	<u>(61,652)</u>	<u>(87,892)</u>	<u>(61,652)</u>
Value added distributed	<u>1,037,394</u>	<u>1,188,912</u>	<u>2,115,771</u>	<u>2,080,861</u>

See accompanying notes.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

1. Operations

Raízen Energia S.A. (the “Company”, the “Group”, “Raízen Energia” or “RESA”) is a publicly-held corporation registered with the Brazilian Securities and Exchange Commission (“CVM”) in Category B, with head office at Avenida Brigadeiro Faria Lima, 4.100, 11th floor, Part V, Itaim Bibi, in the city and state of São Paulo. The Company is jointly controlled indirectly by Royal Dutch Shell (“Shell”) and Cosan Limited (“Cosan”) and was incorporated on June 1, 2011.

When mentioned, Raízen corresponds to the joint venture owned by Shell and Cosan that operates in the ethanol, sugar and power segment.

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

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

Covid-19

As 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.

During the six-month period ended on September 30, 2020, mainly during April and May 2020, the Company had a reduction in the quantity sold in most of its products, as well as price reductions impacts, which generated, in that period, gross profit below the last periods. The financial impacts arising from Covid-19 are reflected in these financial statements. However, the extent to which the Covid-19 pandemic may still affect the Company’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 interim financial information and significant accounting policies

2.1. Basis of preparation

This interim financial information has been prepared in accordance with Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission ("CVM") applicable to the preparation of Quarterly Information (ITR).

This interim financial information has been prepared following the basis of preparation and accounting policies that are consistent with those adopted in preparing the financial statements as 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 quarterly 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 financial statements as at March 31, 2020.

The interim financial information is presented in Brazilian real, which is the Company's functional currency. All balances have been 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 interim financial information, management used judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates. These estimates and assumptions are reviewed on a continuous basis and have not undergone material changes during the preparation of this interim financial information in relation to the financial statements as at March 31, 2020, except for the biological assets assumptions review. For more details, see accompanying note 7.

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

The presentation of the individual and consolidated Statement of Value Added (SVA) is required by the Brazilian Corporation Law and by accounting practices adopted in Brazil applicable to publicly-held corporations; however, the IFRS do not require presentation of this statement, which is considered supplementary information, without prejudice to the set of quarterly information.

This interim financial information was authorized for issue by management on November 13, 2020.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

2.2. Basis of consolidation

At September 30 and March 31, 2020, the consolidated financial information includes the quarterly information of RESA and its direct and indirect subsidiaries, which are listed below:

	09.30.2020		03.31.2020	
	Direct	Indirect	Direct	Indirect
Agrícola Ponte Alta Ltda. ("Agrícola Ponte Alta")	92.29%	7.71%	92.29%	7.71%
Benálcool Açúcar e Álcool Ltda. ("Benálcool")	100.00%	-	100.00%	-
Bioenergia Araraquara Ltda. ("Bio Araraquara")	-	100.00%	-	100.00%
Bioenergia Barra Ltda. ("Bio Barra")	99.99%	0.01%	99.99%	0.01%
Bioenergia Caarapó Ltda. ("Bio Caarapó")	-	100.00%	-	100.00%
Bioenergia Costa Pinto Ltda. ("Bio Costa Pinto")	-	100.00%	-	100.00%
Bioenergia Gasa Ltda. ("Bio Gasa")	-	100.00%	-	100.00%
Bioenergia Jataí Ltda. ("Bio Jataí")	-	100.00%	-	100.00%
Bioenergia Maracaí Ltda. ("Bio Maracaí")	-	100.00%	-	100.00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100.00%	-	100.00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100.00%	-	100.00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100.00%	-	100.00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100.00%	-	100.00%
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")	47.37%	52.63%	47.37%	52.63%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	99.99%	0.01%	99.99%	0.01%
Raízen Ásia PT Ltd. ("Raízen Ásia")	-	100.00%	-	100.00%
Raízen Biotecnologia S.A. ("Biotecnologia")	100.00%	-	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	31.48%	68.52%	31.48%	68.52%
Raízen Energy Finance Ltd. ("Raízen Energy Finance")	100.00%	-	100.00%	-
Raízen Fuels Finance S.A. ("Raízen Fuels")	100.00%	-	100.00%	-
Raízen International Universal Corp. ("RIUC")	100.00%	-	100.00%	-
Raízen North América, Inc. ("Raízen North América")	-	100.00%	-	100.00%
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu")	100.00%	-	100.00%	-
Raízen Trading LLP ("Raízen Trading")	100.00%	-	100.00%	-
São Joaquim Arrendamentos Agrícolas Ltda. ("São Joaquim")	-	100.00%	-	100.00%
Unimodal Ltda. ("Unimodal")	53.17%	20.24%	53.17%	20.24%
Raízen-Geo Biogás S.A. ("Biogás")	85.00%	-	85.00%	-
Raízen Biogás SPE Ltda. ("Raízen Biogás SPE")	99.90%	0.10%	99.90%	0.10%
RWXE Participações S.A. ("RWXE")	-	70.00%	-	70.00%
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	-	70.00%	-	70.00%
Raízen GD Ltda.	-	100.00%	-	100.00%
Raízen Biomassa S.A.	81.50%	-	81.50%	-
RZ Agrícola Caarapó Ltda.	100.00%	-	100.00%	-
Raízen Trading Colombia S.A.S.	-	100.00%	-	-

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.

RAÍZEN ENERGIA S.A.

Notes to interim financial information September 30, 2020 (In thousands of Reais, unless otherwise stated)

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

3. Cash and cash equivalents

Index	Average yield rate		Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Cash at banks and on hand			538,876	1,697,060	1,113,407	3,027,182
Foreign exchange contracts not yet closed			155,279	1,333,754	158,265	1,441,368
Investment funds	CDI	65.80%	97.27%	-	22,138	21,997
Bank Deposit Certificates ("CDB") and Repurchase agreements	CDI	98.44%	99.02%	4	505,205	1,983,200
			694,159	3,030,814	1,799,015	6,473,747
In Brazil (local currency)			33,452	112,260	582,818	2,132,840
Abroad (foreign currency) (Note 26.d)			660,707	2,918,554	1,216,197	4,340,907
			694,159	3,030,814	1,799,015	6,473,747

4. Restricted cash

		Average yield rate		Individual		Consolidated	
	Index	09.30.2020	03.31.2020	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Short-term investments subject to financing	CDI	100.02%	100.02%	39	157	39	32,346
Short-term investments subject to derivative transactions (Note 26.g)	CDI	100.32%	101.34%	52,097	20,408	52,097	20,408
Margin in derivatives transactions (Note 26.g)	-	-	-	161,576	83,268	354,307	127,432
				213,712	103,833	406,443	180,186
In Brazil (local currency)				52,136	20,566	52,136	52,754
Abroad (foreign currency) (Note 26.d)				161,576	83,267	354,307	127,432
				213,712	103,833	406,443	180,186

5. Trade accounts receivable

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
In Brazil	259,677	183,105	714,932	534,389
Abroad (Note 26.d)	102,204	101,277	950,884	659,560
Allowance for expected credit losses	(5,247)	(4,131)	(30,610)	(27,569)
	356,634	280,251	1,635,206	1,166,380

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

The aging list of trade accounts receivable is as follows:

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Falling due	351,881	267,975	1,406,796	1,098,906
Overdue:				
Within 30 days ⁽¹⁾	3,232	11,580	209,744	38,626
From 31 to 90 days	1,076	554	1,717	18,448
From 91 to 180 days	1,454	446	6,532	6,263
Above 180 days	4,238	3,827	41,027	31,706
	10,000	16,407	259,020	95,043
	<u>361,881</u>	<u>284,382</u>	<u>1,665,816</u>	<u>1,193,949</u>

(1) Increase in the 30-day range refers substantially to invoices received up to the issue of these interim statements.

Changes in allowance for expected credit losses are as follows:

	Individual	Consolidated
At March 31, 2020	(4,131)	(27,569)
Expected loss, net	(1,116)	(2,628)
Foreign exchange differences	-	(413)
At September 30, 2020	<u>(5,247)</u>	<u>(30,610)</u>

At September 30, 2020, the Company recorded R\$535,119 and R\$1,758,366 in the Individual and Consolidated interim financial information, respectively (R\$190,002 and R\$210,349 in the Individual and Consolidated interim financial information, respectively at March 31, 2020) in current liabilities, under Advances from customers, which refer substantially to amounts received from foreign customers relating to purchase of sugar and ethanol. When applicable, the balances of accounts receivable and advances from customers are presented net.

6. Inventories

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Finished products:				
Sugar	1,791,153	68,504	2,203,710	132,232
Ethanol	1,209,352	342,342	2,991,335	919,236
Work-in-process	35,850	-	47,675	-
Storeroom items and others	224,763	188,461	299,886	276,239
	<u>3,261,118</u>	<u>599,307</u>	<u>5,542,606</u>	<u>1,327,707</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

At September 30, 2020, inventories are stated net of estimated loss on obsolescence and realization, and slow-moving or obsolete inventories, amounting to R\$18,257 and R\$23,430, in the Individual and Consolidated interim financial information, respectively (R\$22,362 and R\$30,151 in the Individual and Consolidated financial statements, respectively, at March 31, 2020). Changes in the referred to losses are shown below and were recognized in the statement of profit or loss under Costs of sales and services:

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	(22,362)	(30,151)
Estimated loss	(2,455)	(2,143)
Reversal / realization	6,560	8,864
Balance at September 30, 2020	<u>(18,257)</u>	<u>(23,430)</u>

7. Biological assets

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

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

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

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09.30.2020</u>	<u>03.31.2020</u>	<u>09.30.2020</u>	<u>03.31.2020</u>
Estimated harvest area (hectare)	384,179	383,375	468,837	436,663
Number of TRS per hectare	9.66	10.26	9.84	10.38
Projected average TRS price per kg (R\$/kg)	0.72	0.61	0.72	0.61

At September 30, 2020, cash flows were discounted at 5.39% (5.30% at March 31, 2020), which is the WACC (Weighted Average Cost of Capital) of the Company.

During the period ended on September 30, 2020, the Company reviewed the assumptions used to calculate the biological asset, the main impact was the increase in the price of the average ATR, influenced by the price of ethanol, in line with what has been observed in last months as well as new dollar projections.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Changes in biological assets (sugarcane) are as follows:

	<u>Individual</u>	<u>Consolidated</u>
Balance at March 31, 2020	690,838	897,315
Additions of sugarcane tracts	366,862	434,583
Absorption of harvested sugarcane costs	(511,208)	(597,702)
Change in fair value	184,137	277,313
Fair value realization	23,294	(7,568)
Other	(297)	(1,016)
Balance at September 30, 2020	<u>753,626</u>	<u>1,002,925</u>

8. Taxes recoverable

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09.30.2020</u>	<u>03.31.2020</u>	<u>09.30.2020</u>	<u>03.31.2020</u>
Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS)	155,309	150,911	347,675	293,478
State Value-Added Tax (ICMS)	282,301	212,307	386,860	321,797
Federal Value-Added Tax (IPI)	31,122	31,545	36,164	36,472
Tax Recovery Program (REFIS)	41,811	41,510	41,811	41,510
Other	13,440	37,585	28,174	63,573
	523,983	473,858	840,684	756,830
Current	(296,724)	(247,656)	(501,122)	(453,635)
Noncurrent	<u>227,259</u>	<u>226,202</u>	<u>339,562</u>	<u>303,195</u>

9. Other financial assets

	<u>Individual</u>		<u>Consolidated</u>	
	<u>09.30.2020</u>	<u>03.31.2020</u>	<u>09.30.2020</u>	<u>03.31.2020</u>
Credits from claims for damages - refundable	101,047	97,852	101,047	97,852
Credits from claims for damages – own (1)	-	-	141,156	177,629
National Treasury Certificates - CTN (2)	310,976	280,966	330,596	297,459
Other	1	1	1	101
	412,024	378,819	572,800	573,041
Current	(310,976)	(280,966)	(348,609)	(314,273)
Noncurrent	<u>101,048</u>	<u>97,853</u>	<u>224,191</u>	<u>258,768</u>

The characteristics of other financial assets are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 9). In the period ended September 30, 2020, changes were as follows:

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

- (1) Credits arising from a final court decision favoring Raízen Araraquara, a subsidiary of the Company, relating to the lawsuit filed by Instituto do Açúcar e do Alcool ("IAA") against the Brazilian federal government, lodged by Copersucar in 1990. The lawsuit claims indemnification for the losses caused to the plants by the federal government by setting prices lower than the market prices. In the six-month period ended September 30, 2020, the Company received R\$36,473 in credits from claims for damages.
- (2) Government bonds issued by the Brazilian National Treasury, under the Special Program for Securitization of Agricultural Loans (PESA), with an original term of 20 years, with maturities until 2025, given as collateral to the financing transaction called PESA. These bonds earn the General Market Price Index (IGP-M) plus annual interest of 12%. At maturity, their amount tend to be equivalent to the principal amount of the debt payable to PESA, and can be used to settle this debt. In the six-month period ended September 30, 2020, the Company redeemed R\$19,239 to settle this debt.

10. Transactions with related parties

a) Summary of balances with related parties

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Assets				
Assets classified by currency:				
In Brazil (local currency)	2,273,382	3,123,195	1,317,697	1,780,411
Abroad (foreign currency) (Note 26.d)	623,944	115,074	4,556,218	5,164,525
	<u>2,897,326</u>	<u>3,238,269</u>	<u>5,873,915</u>	<u>6,944,936</u>
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	411,156	392,476	411,156	392,476
Bioenergia Barra Ltda.	245,425	405,006	-	-
Agrícola Ponte Alta Ltda.	194,809	-	-	-
Raízen Biomassa S.A.	137,887	43,208	-	-
Raízen Biogás Ltda.	54,933	38,161	-	-
Raízen Caarapó Açúcar e Alcool Ltda.	48,192	-	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	-	1,047,659	-	-
Other	4,190	4,338	-	-
	<u>1,096,592</u>	<u>1,930,848</u>	<u>411,156</u>	<u>392,476</u>
Commercial and administrative transactions (2)				
Raízen Combustíveis S.A. and its subsidiaries	37,498	165,692	1,492,664	2,998,452
Agroterenas S.A.	-	-	43,603	36,019
Shell Trading Rotterdam	-	-	38,758	14,745
Grupo Rumo	24,704	24,407	25,062	24,772
Cosan S.A. Indústria e Comércio	16,913	15,796	16,913	15,796
Comgás - Companhia de Gás de São Paulo	15,729	16,083	15,729	16,083
Philipinas Shell Petroleum Corp.	-	-	5,200	4,784
Raízen and Wilmar Sugar Pte. Ltd.	-	-	1,550	2,189
Raízen Trading LLP	366,616	42,961	-	-
Raízen International Universal Corporation	256,686	71,584	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	242,370	234,273	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	155,378	89,467	-	-
Raízen Paraguaçu Ltda.	27,486	18,137	-	-
Unimodal Ltda.	3,617	3,617	-	-
RZ Agrícola Caarapó Ltda.	1,314	34,463	-	-
Other	39,911	40,893	40,101	22,957
	<u>1,188,222</u>	<u>757,373</u>	<u>1,679,580</u>	<u>3,135,797</u>
Financial transactions (3)				
Raízen Combustíveis S.A. and its subsidiaries	-	-	3,106,263	2,795,958
	<u>-</u>	<u>-</u>	<u>3,106,263</u>	<u>2,795,958</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information September 30, 2020

(In thousands of Reais, unless otherwise stated)

Framework transactions (4)				
Cosan S.A. Indústria e Comércio	607,713	549,519	672,117	617,974
Nova América - Agrícola Caarapó	4,157	-	4,157	2,202
Shell Brazil Holding B.V.	642	529	642	529
	<u>612,512</u>	<u>550,048</u>	<u>676,916</u>	<u>620,705</u>
	2,897,326	3,238,269	5,873,915	6,944,936
Current assets	<u>(2,527,712)</u>	<u>(2,899,513)</u>	<u>(2,377,145)</u>	<u>(3,792,096)</u>
Noncurrent assets	<u>369,614</u>	<u>338,756</u>	<u>3,496,770</u>	<u>3,152,840</u>

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Liabilities				
Liabilities classified by currency:				
In Brazil (local currency)	4,258,518	3,873,233	2,075,673	1,876,643
Abroad (foreign currency) (Note 26.d)	<u>3,415,858</u>	<u>1,894,845</u>	<u>100,192</u>	<u>356,079</u>
	<u>7,674,376</u>	<u>5,768,078</u>	<u>2,175,865</u>	<u>2,232,722</u>

Asset management (1)

Raízen Combustíveis S.A. and its subsidiaries	438,641	441,013	438,646	441,013
Raízen Centroeste Açúcar e Alcool Ltda.	420,267	-	-	-
Bioenergia Barra Ltda. and its subsidiaries	337,745	296,017	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	300,649	252,250	-	-
Raízen Caarapó Açúcar e Alcool Ltda.	166,035	186,111	-	-
Raízen Paraguaçu Ltda.	135,203	481,541	-	-
WX Energy Comercializadora de Energia Ltda.	134,886	107,764	-	-
Benálcool Açúcar e Alcool Ltda.	1,740	1,268	-	-
RWXE Participações S.A.	519	513	-	-
Agrícola Ponte Alta Ltda.	-	126,314	-	-
	<u>1,935,685</u>	<u>1,892,791</u>	<u>438,646</u>	<u>441,013</u>

Commercial and administrative transactions (2)

Raízen International Universal Corp.	691,345	2,166	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	225,315	223,443	-	-
Agroterenas S.A.	-	-	120,416	34,217
Shell Trading US Company	-	-	100,192	356,079
Nova América Agrícola Ltda.	-	-	49,030	14,789
Grupo Rumo	32,894	27,197	37,764	31,645
Raízen Combustíveis S.A. and its subsidiaries	11,523	32,736	13,203	44,692
Propriedades Agrícola Radar and its subsidiaries	8,126	11,813	8,126	11,813
Raízen Paraguaçu Ltda.	2,543	12,825	-	-
Cosan S.A. Indústria e Comércio	2,060	5,040	2,111	5,040
Bioenergia Barra Ltda. and its subsidiaries	961	7,708	-	-
Raízen Trading LLP	-	422,017	-	-
Nova América S.A. Terras	-	-	708	622
Other	<u>103,948</u>	<u>90,368</u>	<u>30,294</u>	<u>18,031</u>
	<u>1,078,715</u>	<u>835,313</u>	<u>361,844</u>	<u>516,928</u>

Financial transactions (3)

Raízen Fuels Finance Limited	<u>3,415,114</u>	<u>1,894,845</u>	<u>-</u>	<u>-</u>
	<u>3,415,114</u>	<u>1,894,845</u>	<u>-</u>	<u>-</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Framework transactions (4)				
Cosan S.A. Indústria e Comércio	441,435	398,905	573,863	530,472
Nova América - Agrícola Caarapó	1,543	-	1,543	-
Agrícola Ponte Alta Ltda.	1,915	1,915	-	-
	<u>444,893</u>	<u>400,820</u>	<u>575,406</u>	<u>530,472</u>
Preferred shares (5)				
Cosan S.A. Indústria e Comércio	3,745	3,745	3,745	3,745
	<u>3,745</u>	<u>3,745</u>	<u>3,745</u>	<u>3,745</u>
Lease liabilities (6)				
Radar Propriedades Agrícolas S.A.	149,589	146,736	149,589	146,736
Aguassanta Agrícola S.A.	129,215	143,546	129,215	143,546
Nova Agrícola Ponte Alta S.A.	108,095	108,040	108,095	108,040
Jatobá Produtos Agrícola Ltda.	65,830	65,563	65,830	65,563
Nova Amaralina S.A. Propriedades Agrícolas	55,715	55,805	55,715	55,805
Terrainvest Propriedades Agrícolas S.A.	51,480	52,932	51,480	52,932
Seringueira Propriedades Agrícolas Ltda.	46,333	45,825	46,333	45,825
Aguapar Agrícola Ltda.	38,048	38,763	38,048	38,763
Agrobio Investimento e Participações S.A.	22,295	26,307	22,295	26,307
Terras da Ponte Alta S.A.	17,151	17,200	17,151	17,200
Bioinvestments Negócios e Participações S.A.	45,322	8,522	45,322	8,522
Proud Participações S.A.	5,348	9,846	5,348	9,846
Other	61,803	21,479	61,803	21,479
	<u>796,224</u>	<u>740,564</u>	<u>796,224</u>	<u>740,564</u>
	<u>7,674,376</u>	<u>5,768,078</u>	<u>2,175,865</u>	<u>2,232,722</u>
Current liabilities	<u>(3,277,835)</u>	<u>(2,994,818)</u>	<u>(1,045,088)</u>	<u>(1,223,909)</u>
Noncurrent liabilities	<u>4,396,541</u>	<u>2,773,260</u>	<u>1,130,777</u>	<u>1,008,813</u>

(1) Asset management

The amounts recorded in assets and liabilities refer to funds provided to and received from the companies, respectively, as a way of managing financial resources. As regards these transactions, in the six-month period ended September 30, 2020, the Company recorded net finance costs amounting to R\$13,049 and R\$1,024 (R\$ 36,033 and R\$26,320 in the six-month period ended September 30, 2019) in the Individual and Consolidated interim financial information, respectively, due to cash management.

(2) Commercial and administrative transactions

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

(3) Financial transactions

At September 30 and March 31, 2020, the amount recorded in assets refers to pre-export financing (PPE) agreements receivable from Raízen Combustíveis S.A., at an average effective annual interest rate of 4.28% (4.38% at March 31, 2020), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Consolidated	
				09.30.2020	03.31.2020
PPE	Dollar (US\$)	350,000	01/20/2027	1,994,699	1,767,773
		350,000		1,994,699	1,767,773
PPE	Euro (€)	66,000	10/15/2021	449,238	413,826
PPE	Euro (€)	40,000	01/20/2022	265,354	243,357
PPE	Euro (€)	60,000	09/21/2022	396,972	371,002
		166,000		1,111,564	1,028,185
				3,106,263	2,795,958
			Current	(34,233)	(36,534)
			Noncurrent	3,072,030	2,759,424

At September 30 and March 31, 2020, the amount recorded in liabilities refers substantially to pre-export financing agreements due to Raízen Fuels, at an average effective annual interest rate of 3.76% (3.81% at March 31, 2020), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Individual	
				09.30.2020	03.31.2020
PPE (1)	Dollar (US\$)	200,000	04/30/2024	1,139,446	1,099,825
PPE	Dollar (US\$)	25,000	01/20/2027	98,143	114,772
PPE (1)	Dollar (US\$)	125,000	01/20/2027	852,789	680,248
PPE (1)	Dollar (US\$)	233,000	01/20/2027	1,324,736	-
		583,000		3,415,114	1,894,845
			Current	(27,572)	(9,301)
			Noncurrent	3,387,542	1,885,544

- (1) The Company designates certain pre-export financing agreements as liability measured at fair value through profit or loss. Accordingly, the referred to agreement is increased by the fair value measurement in the amount of R\$4,044 (R\$65,999 at March 31, 2020), with a negative impact on profit or loss of R\$41,511 (negative impact of R\$38,694 for the six-month period ended September 30, 2019) - see Note 25.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

(4) Framework transactions

At September 30, 2020, the amounts recorded in assets and liabilities refer to tax credits, amounts spent or payable, fully reimbursable, resulting from the establishment of Raízen and also from the acquisition of RZ Agrícola Caarapó Ltda.⁽¹⁾.

(1) For additional information see Note 29.1.ii to the financial statements at March 31, 2020.

(5) Preferred shares

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

(6) Lease liabilities

At September 30 and March 31, 2020, the amount recorded in liabilities refers to lease contracts relating to transactions with related parties.

	Individual and Consolidated
Balance at March 31, 2020	<u>740,564</u>
Additions of new contracts	2,293
Payment of principal	(79,910)
Restatement - interest	32,226
Remeasurement of contracts	<u>101,051</u>
Balance at September 30, 2020	<u>796,224</u>
Current	<u>(152,819)</u>
Noncurrent	<u>643,405</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

b) Summary of transactions with related parties (4)

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Individual Apr-Sept/2019
Sales of products, net of returns				
Raízen Trading LLP	667,401	810,620	659,707	840,566
Raízen International Universal	652,613	793,340	86,359	342,036
Raízen Araraquara Açúcar e Alcool Ltda.	37,532	86,021	47,374	82,742
Raízen Combustíveis S.A. and its subsidiaries	12,223	180,918	75,875	247,015
Other	29,245	51,225	26,632	70,990
	1,399,014	1,922,124	895,947	1,583,349
Purchase of goods and services				
Raízen Combustíveis S.A. and its subsidiaries	(179,989)	(318,878)	(199,468)	(391,946)
Rumo Group (i)	(93,608)	(136,803)	(40,159)	(91,199)
Raízen Araraquara Açúcar e Alcool Ltda.	(46,715)	(90,615)	(33,936)	(83,733)
Cosan Lubrificantes e Especialidades S.A.	(3,872)	(12,106)	(5,827)	(12,966)
Shell Brasil Petróleo	(2,838)	(8,127)	(460)	(4,376)
Raízen Paraguaçu Ltda.	(1,064)	(79,269)	(5,959)	(33,820)
Raízen Trading LLP	-	(198,023)	-	(112,192)
Other	(15,913)	(28,652)	(5,503)	(19,391)
	(343,999)	(872,473)	(291,312)	(749,623)
Reimbursement of shared expenses (1)				
Raízen Combustíveis S.A. and its subsidiaries	32,656	67,251	33,597	67,613
Companhia de Gás de São Paulo	9,727	18,753	7,319	14,518
Rumo Group (i)	7,486	15,832	8,533	16,408
Raízen Paraguaçu Ltda.	6,209	12,092	6,327	12,248
Bioenergia Barra Ltda. and its subsidiaries	2,802	5,429	2,935	5,419
Raízen Centroeste Açúcar e Alcool Ltda.	2,690	5,195	2,670	5,169
Cosan Lubrificantes e Especialidades S.A.	1,848	3,731	1,644	3,420
Raízen Araraquara Açúcar e Alcool Ltda.	1,805	3,623	1,790	3,270
Other	5,640	10,541	4,138	8,340
	70,863	142,447	68,953	136,405
Finance income (costs), net (3)				
Raízen Internacional Universal	17,584	24,486	877	733
Raízen Trading LLP and subsidiaries	16,721	2,334	35,067	30,419
Raízen Combustíveis S.A. and its subsidiaries	808	(815)	(13,277)	(24,307)
Agrícola Ponte Alta Ltda.	581	(265)	(472)	(1,718)
Raízen Fuels Finance Limited	(165,049)	(274,934)	(183,101)	(176,067)
Radar Group (iii)	(8,114)	(16,233)	(7,902)	(16,192)
Aguassanta Group (ii)	(3,638)	(7,436)	(3,604)	(7,468)
Janus Group	(2,593)	(5,286)	(2,523)	(5,161)
Tellus Group	(1,575)	(3,259)	(1,750)	(3,413)
Raízen Araraquara Açúcar e Alcool Ltda.	(467)	(2,220)	(5,166)	(6,673)
Raízen Centroeste Açúcar e Alcool Ltda.	(523)	(1,354)	(7,854)	(10,771)
Bioenergia Barra Ltda. and its subsidiaries	(153)	319	5,311	10,784
Other	(1,122)	(3,615)	(227)	(2,146)
	(147,540)	(288,278)	(184,621)	(211,980)

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Sales of products, net of returns				
Raízen Combustíveis S.A. and its subsidiaries	1,662,561	3,171,561	2,717,338	5,100,035
Shell International Petróleo	210,474	350,245	21,045	21,045
Shell Trading US Company	9,658	16,426	346,020	384,046
Raízen and Wilmar Sugar Pt	-	-	-	135,834
Shell Brasil Petróleo Ltda.	-	-	-	12,251
Other	3,681	4,017	12,545	18,623
	1,886,374	3,542,249	3,096,948	5,671,834
Purchase of goods and services				
Shell International Petroleum Co Ltd	(446,666)	(446,666)	-	-
Shell Trading US Company	(270,339)	(993,512)	(1,048,459)	(1,793,915)
Agroterenas S.A.	(138,249)	(247,685)	(122,283)	(208,272)
Raízen Combustíveis S.A. and its subsidiaries	(232,531)	(387,756)	(221,909)	(436,214)
Rumo Group (i)	(107,586)	(160,700)	(55,173)	(114,691)
Nova América Agrícola Ltda.	(66,526)	(110,358)	(61,064)	(97,228)
Agroterenas S.A. Terra	(10,412)	(10,412)	(3,614)	(6,609)
Nova América Terras Ltda.	(5,050)	(8,918)	(4,696)	(6,717)
Cosan Lubrificantes e Especialidades S.A.	(4,998)	(15,927)	(7,473)	(16,903)
Shell Brasil Petróleo	(3,312)	(9,544)	(480)	(4,954)
Palermo Agrícola S.A.	(356)	(518)	(1,048)	(2,576)
Shell Energy do Brasil Ltda.	(353)	(353)	(6,051)	(11,489)
Nova América Agrícola Caarapó Ltda.	-	-	(67,958)	(105,413)
Other	(1,956)	(8,259)	(13)	(20)
	(1,288,334)	(2,400,608)	(1,600,221)	(2,805,001)
Reimbursement of shared expenses (1)				
Raízen Combustíveis S.A. and its subsidiaries	32,656	67,251	33,597	67,613
Companhia de Gás de São Paulo	9,727	18,753	7,319	14,518
Rumo Group (i)	7,486	15,832	8,533	16,408
Cosan Lubrificantes e Especialidades S.A.	1,848	3,731	1,644	3,420
Raízen Conveniências Ltda.	999	-	-	-
Cosan S.A. Indústria e Comércio	474	1,065	504	1,369
Other	1,380	4,161	1,136	2,266
	54,570	110,793	52,733	105,594
Finance income (costs), net (3)				
Raízen Combustíveis S.A. and its subsidiaries	166,532	366,173	239,649	220,779
Radar Group	(8,114)	(16,233)	(7,902)	(16,192)
Águas Santa Group	(3,638)	(7,436)	(3,604)	(7,468)
Janus Group	(2,593)	(5,286)	(2,523)	(5,161)
Tellus Group	(1,575)	(3,259)	(1,750)	(3,413)
Nova América Agrícola Caarapó Ltda.	-	-	1,584	3,141
Other	110	32	198	295
	150,722	333,991	225,652	191,981

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

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

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

(1) Expenses with shared corporate, management and operating costs reimbursed by related parties;

(2) Expenses with land leased from related parties that are not part of Raízen Group;

(3) This substantially refer to charges generated between referred to companies as a way of managing financial resources, due to financial management of cash and pre-export financing agreements.

(4) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Company would take out with third parties.

c) Summary of balances reimbursable from/to shareholder Cosan

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Current assets				
Other receivables (i)	81,133	77,880	91,781	88,350
	81,133	77,880	91,781	88,350
Noncurrent assets				
Judicial deposits (Note 18)	147,769	111,796	262,992	226,372
Other financial liabilities (Note 9)	101,047	97,852	101,047	97,852
Other receivables (i)	111,486	111,377	118,043	117,898
	360,302	321,025	482,082	442,122
Total assets	441,435	398,905	573,863	530,472
Current liabilities				
Taxes payable	8,446	8,445	9,547	9,557
Other payables (ii)	233,838	204,887	258,431	234,189
	242,284	213,332	267,978	243,746
Noncurrent liabilities				
Taxes payable (ii)	170,745	169,530	180,163	178,897
Provision for contingencies (Note 18)	194,684	166,657	223,976	195,331
	365,429	336,187	404,139	374,228
Total liabilities	607,713	549,519	672,117	617,974

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

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

d) Officers and members of the Board of Directors

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

	<u>Apr-Sept/2020</u>	<u>Apr-Sept/2019</u>
Regular compensation	(28,823)	(27,870)
Bonuses and other variable compensation	<u>(23,141)</u>	<u>(22,478)</u>
Total compensation	<u>(51,964)</u>	<u>(50,348)</u>

The Company shares corporate, managerial and operational structures and costs with its related party RCSA. Key management personnel and other administrative functions refer mostly to employees of the Company itself. At September 30, 2020, RCSA reimbursed R\$23,027 (R\$25,166 for the six-month period ended September 30, 2019) to the Company for these expenses that include key management personnel.

e) Other significant information involving related parties

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

11. Investments

a) Individual

				Investments (1)		Equity pickup	
	Country	Business activity	Equity interest	09.30.2020	03.31.2020	Apr-Sept/2020	Apr-Sept/2019
<u>Book value</u>							
Agrícola Ponte Alta Ltda.	Brazil	Sale of ethanol	92.29%	1,010,753	1,005,060	5,693	49,904
Benálcool Açúcar e Álcool Ltda.	Brazil	Holding	100.00%	4,023	4,006	17	(114)
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.04%	120,414	120,148	485	1,903
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Sugar and ethanol mill	31.48%	247,705	247,677	28	8,773
Raízen Centroeste Açúcar e Álcool Ltda.	Brazil	Ethanol mill	47.37%	738,525	733,671	4,854	22,238
Logum Logística S.A.	Brazil	Logistics	30.00%	257,943	309,550	(70,986)	(13,198)
Raízen Araraquara Açúcar e Álcool Ltda. (3)	Brazil	Sugar and ethanol mill	99.99%	965,992	924,469	41,523	(13,794)
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	93,252	86,626	(692)	6,040
Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	6,222	69,333	(29,506)	20,637
Raízen and Wilmar Sugar PTE Ltd.	Singapore	Trading of sugar	50.00%	52,250	47,924	361	5,522
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	55,220	50,898	(6)	1
Raízen Paraguaçu Ltda. (3)	Brazil	Sugar and ethanol mill	100.00%	1,165,163	1,107,202	57,962	28,268
Bionergia Barra Ltda.	Brazil	Cogeneration of power	99.99%	1,284,442	1,071,860	212,581	182,704
Uniduto Logística S.A.	Brazil	Logistics	46.48%	39,997	47,550	(11,001)	(2,052)
Raízen-Geo Biogás S.A.	Brazil	Biogas plant	85.00%	17,934	19,926	(1,993)	(2,318)
Raízen Trading LLP	United Kingdom	Trading	100.00%	174,744	216,675	(56,874)	(3,540)
Raízen Biomassa S.A.	Brazil	Biomass	81.50%	(30,345)	(26,798)	(3,548)	-
RZ Agrícola Caarapó Ltda.	Brazil	Sugar and ethanol mill	100.00%	393,680	367,608	26,028	-
Subtotal				6,597,914	6,403,385	174,926	290,974
<u>Goodwill on investment (4)</u>							
Benálcool Açúcar e Álcool Ltda.			100.00%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			100.00%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.04%	45,514	45,514	-	-
Ryballa Participações Ltda.			100.00%	5,400	5,400	-	-
Raízen Biomassa S.A.			81.50%	39,153	39,153	-	-
Subtotal				434,337	434,337	-	-
Total investment				7,032,251	6,837,722	174,926	290,974
Provision for capital deficiency in subsidiaries and associates (2)							
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Raízen-Geo Biogás S.A.	Brazil	Biogas plant	85.00%	-	-	-	(272)
Other	Brazil	-		(3)	(3)	-	-
Total provision for capital deficiency				(1,926)	(1,926)	-	(272)
						174,926	290,702

(1) Investments measured by the equity method; (2) Classified in noncurrent liabilities, under “Other obligations”; (3) At September 30, 2020, investment balances include an allocated portion of goodwill from the merger of Curupay and acquisition of Usina Zanin, in the amounts of R\$83,036 and R\$67,159 (negative) (of R\$87,371 and R\$66,196 (negative) at March 31, 2020), respectively. Amortization of the referred to allocated goodwill, classified in the individual interim financial information as equity pickup, totaled R\$4,335 and R\$962 (R\$3,383 and R\$1,777 at September 30, 2019), respectively; (4) Share acquisition premium.

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

(b) Consolidated

				Investments (1)		Equity pickup	
Country	Business activity	Equity interest		09.30.2020	03.31.2020	Apr-Sept/2020	Apr-Sept/2019
<u>Book value</u>							
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.58%	123,829	123,556	487	1,957
Logum Logística S.A.	Brazil	Logistics	30.00%	257,943	309,550	(70,986)	(13,198)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	39,998	47,550	(11,001)	(2,052)
Raízen and Wilmar Sugar PTE Ltd	Singapore	Trading	50.00%	52,250	47,924	361	5,522
Subtotal				474,020	528,580	(81,139)	(7,771)
<u>Goodwill on investment (2)</u>							
In Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
In Centro de Tecnologia Canavieira S.A.			19.58%	51,946	51,946	-	-
Subtotal				57,622	57,622	-	-
Total investment				531,642	586,202	(81,139)	(7,771)

(1) Investments measured by the equity method; (2) Share acquisition premium.

Changes in investments in subsidiaries and associates (1):

	Individual	Consolidated
Balance at March 31, 2020	6,837,722	586,202
Equity pickup	174,926	(81,139)
Additions to investment (Note 11.d.i)	22,382	22,382
Foreign currency translation effect - CTA	(2,779)	4,197
Balance at September 30, 2020	7,032,251	531,642

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

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

- At September 30, 2020

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,604,703	86,009	799,423	47,431	113,514
Liabilities	(1,744,892)	(8)	(166,996)	(437,716)	(9,013)
Equity	859,811	86,001	632,427	(390,285)	104,501
Period ended September 30, 2020					
Net operating revenue	74,737	-	117,473	-	16,225
Net income (loss)	(236,621)	(23,670)	348	(174)	554
Period ended September 30, 2019					
Net operating revenue	82,617	-	93,212	-	68,562
Net income (loss)	(44,012)	(4,415)	9,993	(1,120)	10,274

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

- At March 31, 2020

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,355,141	103,219	811,416	59,421	542,186
Liabilities	(1,323,309)	(908)	(180,386)	(536,080)	(446,339)
Equity	1,031,832	102,311	631,030	(476,659)	95,847

- (1) The fiscal year of these investees ends at December 31.
- (2) Significant influence over these companies has been defined, mainly, based on the Company’s right to elect key management personnel and to decide on their significant strategic and operational matters.
- (3) Jointly venture in which the Company holds 50% of common shares, whose fiscal year ends at August 31. The Company did not set up a provision for estimated loss on equity pickup, since it has no legal or constructive obligations to make payments relating to that company.
- (4) The fiscal year ends at March 31.

d) Transactions up to September 30, 2020

i) Additions to investment

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

In the period ended September 30, 2020, capital increases were resolved, approved and subscribed totaling R\$64,600. The amounts subscribed by the Company in these transactions totaled R\$19,380, fully paid up through a checking account.

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

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

In the period ended September 30, 2020, capital increases were resolved, approved and subscribed totaling R\$6,460. The amounts subscribed by the Company in these transactions totaled R\$3,002, fully paid up through a checking account.

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

12. Property, plant and equipment

a) Individual

	Land and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircraft, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
Cost:										
At March 31, 2020	14,915	1,111,427	4,707,085	517,546	192,867	482,894	1,082,625	5,492,567	16,098	13,618,024
Additions	-	5,606	9,109	10	259	147,446	58,869	235,484	10	456,793
Write-offs	-	(19)	(49,445)	(33,620)	(17,357)	-	-	(1,445)	-	(101,886)
Transfers (1)	2,599	40,849	108,202	11,273	7,534	(195,767)	-	-	433	(24,877)
Estimated loss (2)	-	-	4,832	886	928	-	-	-	-	6,646
At September 30, 2020	17,514	1,157,863	4,779,783	496,095	184,231	434,573	1,141,494	5,726,606	16,541	13,954,700
Accumulated depreciation:										
At March 31, 2020	-	(315,011)	(1,964,544)	(269,948)	(130,018)	-	(543,491)	(3,854,767)	(12,803)	(7,090,582)
Depreciation expense for the period	-	(19,807)	(170,532)	(22,335)	(9,966)	-	(467,324)	(349,293)	(988)	(1,040,245)
Write-offs	-	18	38,804	24,172	16,602	-	-	-	-	79,596
Transfers (1)	-	2	6,152	(6,278)	124	-	-	-	-	-
At September 30, 2020	-	(334,798)	(2,090,120)	(274,389)	(123,258)	-	(1,010,815)	(4,204,060)	(13,791)	(8,051,231)
Net residual value:										
At September 30, 2020	17,514	823,065	2,689,663	221,706	60,973	434,573	130,679	1,522,546	2,750	5,903,469
At March 31, 2020	14,915	796,416	2,742,541	247,598	62,849	482,894	539,134	1,637,800	3,295	6,527,442

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

(2) This refers to net (set up) of provision for estimated loss on property, plant and equipment recognized in profit or loss for the period under "Other operating income (expenses), net" (Note 24).

RAÍZEN ENERGIA S.A.

Notes to interim financial information September 30, 2020 (In thousands of Reais, unless otherwise stated)

b) Consolidated

	Land and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircraft, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and components	Sugarcane planting	Other	Total
Cost:										
At March 31, 2020	42,586	1,888,798	9,303,284	622,710	236,024	795,220	1,383,798	6,555,294	30,064	20,857,778
Additions	-	6,783	13,294	13	256	234,676	86,799	280,944	10	622,775
Write-offs	-	(19)	(54,416)	(32,391)	(17,364)	-	-	(2,743)	-	(106,933)
Transfers (1)	2,599	24,838	65,014	(4,962)	2,787	(238,259)	-	-	714	(147,269)
Estimated loss (2)	-	-	4,908	901	928	-	-	-	-	6,737
Other	-	-	-	-	6	-	-	-	(585)	(579)
At September 30, 2020	<u>45,185</u>	<u>1,920,400</u>	<u>9,332,084</u>	<u>586,271</u>	<u>222,637</u>	<u>791,637</u>	<u>1,470,597</u>	<u>6,833,495</u>	<u>30,203</u>	<u>21,232,509</u>
Accumulated depreciation:										
At March 31, 2020	-	(501,375)	(3,841,188)	(310,765)	(155,938)	-	(692,423)	(4,496,617)	(21,968)	(10,020,274)
Depreciation expense for the period	-	(32,612)	(319,479)	(31,048)	(11,765)	-	(600,370)	(420,806)	(2,006)	(1,418,086)
Write-offs	-	18	43,033	26,939	16,609	-	-	-	-	86,599
Transfers (1)	-	19,196	78,019	22,270	3,245	-	-	-	-	122,730
At September 30, 2020	<u>-</u>	<u>(514,773)</u>	<u>(4,039,615)</u>	<u>(292,604)</u>	<u>(147,849)</u>	<u>-</u>	<u>(1,292,793)</u>	<u>(4,917,423)</u>	<u>(23,974)</u>	<u>(11,229,031)</u>
Net residual value:										
At September 30, 2020	45,185	1,405,627	5,292,469	293,667	74,788	791,637	177,804	1,916,072	6,229	10,003,478
At March 31, 2020	42,586	1,387,423	5,462,096	311,945	80,086	795,220	691,375	2,058,677	8,096	10,837,504

(1) This refers to the transfers between classes of property, plant and equipment and of intangible assets in the amount of R\$24,850, and reclassification to trade accounts payable in the amount of R\$311.

(2) This refers to net (set up) of provision for estimated loss on property, plant and equipment recognized in profit or loss for the period under "Other operating income (expenses), net" (Note 24).

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

(3) Capitalization of borrowing costs

In the six-month period ended September 30, 2020, capitalized borrowing costs in the Individual and Consolidated interim financial information amounted to R\$14,194 and R\$18,226 (R\$14,591 and R\$18,118 at September 30, 2019), respectively. The annual weighted average rates of financial charges on debt, for the Individual and Consolidated interim financial information, used to capitalize interest on the balance of construction in progress, were 8.81% and 8.73% at September 30, 2020 (7.09% and 6.99% at September 30, 2019), respectively.

13. Intangible assets

a) Individual

	Software license	Goodwill	Sharecroppin g agreements	Sugarcane supply agreements	Technology	Total
Cost or valuation:						
At March 31, 2020	281,531	1,639,811	18,411	26,011	185,136	2,150,900
Additions	2,281	-	-	-	-	2,281
Transfers (1)	24,877	-	-	-	-	24,877
At September 30, 2020	308,689	1,639,811	18,411	26,011	185,136	2,178,058
Accumulated amortization:						
At March 31, 2020	(187,942)	(368,026)	(17,857)	(20,769)	(90,845)	(685,439)
Depreciation expense for the period	(15,943)	-	(266)	(1,667)	(9,257)	(27,133)
At September 30, 2020	(203,885)	(368,026)	(18,123)	(22,436)	(100,102)	(712,572)
Net residual value:						
At September 30, 2020	104,804	1,271,785	288	3,575	85,034	1,465,486
At March 31, 2020	93,589	1,271,785	554	5,242	94,291	1,465,461

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

b) Consolidated

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Contractual relationship s with customers	Right of use - public concessions	Technology	Other	Total
Cost or valuation:									
At March 31, 2020	303,233	1,978,730	18,411	181,516	16,196	12,541	185,136	29,183	2,724,946
Additions	2,146	-	-	-	-	-	-	-	2,146
Transfers (1)	24,850	-	-	-	-	-	-	-	24,850
Other	-	-	-	-	-	-	-	1,048	1,048
At September 30, 2020	<u>330,229</u>	<u>1,978,730</u>	<u>18,411</u>	<u>181,516</u>	<u>16,196</u>	<u>12,541</u>	<u>185,136</u>	<u>30,231</u>	<u>2,752,990</u>
Accumulated amortization:									
At March 31, 2020	(208,786)	(431,380)	(17,856)	(109,679)	(1,767)	(12,541)	(90,845)	(21,206)	(894,060)
Depreciation expense for the period	(16,062)	-	(266)	(5,987)	(883)	-	(9,257)	-	(32,455)
At September 30, 2020	<u>(224,848)</u>	<u>(431,380)</u>	<u>(18,122)</u>	<u>(115,666)</u>	<u>(2,650)</u>	<u>(12,541)</u>	<u>(100,102)</u>	<u>(21,206)</u>	<u>(926,515)</u>
Net residual value:									
At September 30, 2020	105,381	1,547,350	289	65,850	13,546	-	85,034	9,025	1,826,475
At March 31, 2020	94,447	1,547,350	555	71,837	14,429	-	94,291	7,977	1,830,886

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

14. Trade accounts payable

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Material and services	181,488	477,673	1,389,917	2,442,055
Sugarcane	1,001,786	253,428	1,250,325	304,492
Trade accounts payable - agreement	88,824	140,773	1,215,268	3,364,288
	<u>1,272,098</u>	<u>871,874</u>	<u>3,855,510</u>	<u>6,110,835</u>
In Brazil (local currency)	1,271,586	871,430	2,058,634	1,334,107
Abroad (foreign currency) (Note 26.d)	512	444	1,796,876	4,776,728
	<u>1,272,098</u>	<u>871,874</u>	<u>3,855,510</u>	<u>6,110,835</u>

The characteristics of trade accounts payable are the same as those disclosed in the annual financial statements at March 31, 2020 (Note 14). 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.

15. Leases

15.a. Right of use

At September 30 and March 31, 2020, rights of use are presented in relation to the following underlying assets:

a) Consolidated

	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Total
Cost or valuation:						
At March 31, 2020	<u>4,147,034</u>	<u>51,718</u>	<u>198,758</u>	<u>107,308</u>	<u>89,358</u>	<u>4,594,176</u>
Additions of new contracts - non-cash effect	220,565	3,260	-	83,003	-	306,828
Write-off of contracts - non-cash effect	(56,016)	(33)	-	(6,197)	-	(62,246)
Remeasurement of contracts - non-cash effect (1)	<u>347,987</u>	<u>1,459</u>	<u>149</u>	<u>1,434</u>	<u>7,972</u>	<u>359,001</u>
At September 30, 2020	<u>4,659,570</u>	<u>56,404</u>	<u>198,907</u>	<u>185,548</u>	<u>97,330</u>	<u>5,197,759</u>
Amortization:						
At March 31, 2020	<u>(714,763)</u>	<u>(12,199)</u>	<u>(51,678)</u>	<u>(40,449)</u>	<u>(5,831)</u>	<u>(824,920)</u>
Additions - with impact on P&L	<u>(607,106)</u>	<u>(6,415)</u>	<u>(28,870)</u>	<u>(30,397)</u>	<u>(3,792)</u>	<u>(676,580)</u>
At September 30, 2020	<u>(1,321,869)</u>	<u>(18,614)</u>	<u>(80,548)</u>	<u>(70,846)</u>	<u>(9,623)</u>	<u>(1,501,500)</u>
Net residual value:						
At September 30, 2020	<u>3,337,701</u>	<u>37,790</u>	<u>118,359</u>	<u>114,702</u>	<u>87,707</u>	<u>3,696,259</u>
At March 31, 2020	<u>3,432,271</u>	<u>39,519</u>	<u>147,080</u>	<u>66,859</u>	<u>83,527</u>	<u>3,769,256</u>

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

b) Consolidated

	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Total
Cost or valuation:						
At March 31, 2020	4,824,341	63,364	214,943	121,754	89,359	5,313,761
Additions of new contracts - non-cash effect	289,181	13,482	950	107,677	-	411,290
Write-off of contracts - non-cash effect	(65,667)	(265)	-	(6,197)	-	(72,129)
Remeasurement of contracts - non-cash effect (1)	408,262	1,820	1,122	2,771	7,971	421,946
At September 30, 2020	5,456,117	78,401	217,015	226,005	97,330	6,074,868
Amortization:						
At March 31, 2020	(803,747)	(17,982)	(54,003)	(41,869)	(5,831)	(923,432)
Additions - with impact on P&L	(699,553)	(12,802)	(32,436)	(37,076)	(3,792)	(785,659)
At September 30, 2020	(1,503,300)	(30,784)	(86,439)	(78,945)	(9,623)	(1,709,091)
Net residual value:						
At September 30, 2020	3,952,817	47,617	130,576	147,060	87,707	4,365,777
At March 31, 2020	4,020,594	45,382	160,940	79,885	83,528	4,390,329

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

15.b. Lease liabilities

Changes in lease liabilities for the six-month period ended September 30, 2020 are as follows:

	Individual	Consolidated
Balance at March 31, 2020	3,104,532	3,737,662
Additions of new contracts	304,561	408,943
Write-off of contracts	(65,743)	(74,366)
Payments	(483,956)	(577,707)
Restatement	128,107	154,582
Remeasurement of contracts (1)	257,922	320,779
Transfers	9,934	10,745
Balance at September 30, 2020	3,255,357	3,980,638
Current	(593,135)	(666,932)
Noncurrent	2,662,222	3,313,706

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

The weighted average incremental borrowing rate applied to lease liabilities at September 30, 2020 was 8.67% per annum.

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

At September 30, 2020, the aging list of lease liabilities of third parties and related parties (Note 10.a.6) in the Consolidated financial information is as follows:

Years	Present value	Future value
1 to 12 months	819,751	1,225,690
13 to 24 months	1,050,009	1,114,129
25 to 36 months	696,911	959,019
37 to 48 months	554,340	767,582
49 to 60 months	413,088	578,314
61 to 72 months	318,376	453,397
73 to 84 months	254,679	332,382
85 to 96 months	179,056	228,791
97 to 120 months	132,109	165,868
From 121 months onwards	358,543	492,624
Gross total	4,776,862	6,317,796
Potential right of PIS and COFINS recoverable (1)	(441,860)	(584,396)
Total, net	4,335,002	5,733,400

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

16. Loans and financing

Type	Final maturity	Index	Finance charges		Individual		Consolidated	
			Annual average effective interest rate (2)					
			09.30.2020	03.31.2020	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Debt classification per currency:								
Denominated in Brazilian Real (R\$)					8,135,688	7,739,706	9,207,605	8,875,466
Denominated in US Dollar and Euro (Nota 26.d)					2,219,487	2,660,510	9,056,021	7,703,519
					10,355,175	10,400,216	18,263,626	16,578,985
Debt type (1):								
BNDES	March/24	URTJLP	5.94%	6.19%	5,925	8,540	6,821	9,572
BNDES	December/30	Fixed rate	3.59%	3.59%	186,621	216,933	322,226	383,931
BNDES	April/24	UMBND	6.67%	6.68%	10,409	11,539	34,278	36,539
BNDES	December/38	IPCA	6.56%	7.36%	65,684	65,143	145,542	128,956
Advances on Foreign Exchange Contracts (ACC)	April/21	Fixed rate – US\$	1.90%	1.71%	655,314	880,423	655,314	880,423
Debentures	June/30	IPCA + interest	6.52%	7.06%	1,360,690	1,115,357	1,360,690	1,115,357
Working capital	-	-	-	4.41%	-	-	-	33,457
Working capital	September/20	FED	0.84%	0.83%	-	-	14,725	16,644
PPE	August/25	US Dollar (US\$) + Libor	1.55%	3.19%	1,564,172	1,780,087	1,847,811	2,062,651
Term Loan Agreement	April/24	US Dollar (US\$) + Libor	1.28%	2.95%	-	-	1,129,706	1,051,522
Agricultural Product Financial Note (CPF-R)	November/29	CDI	2.17%	4.35%	1,008,860	2,017,442	1,008,860	2,017,442
Senior Notes Due 2027 (“Senior 2027”)	January/27	US Dollar (US\$)	5.30%	5.30%	-	-	4,282,922	2,681,081
Resolution 2471 (PESA)	April/23	IGP-M	20.50%	7.53%	319,852	305,470	346,682	328,965
PESA	October/25	Fixed rate	3.00%	3.00%	46	46	46	46
Credit notes	October/20	CDI	2.03%	3.91%	84,198	84,941	84,198	84,941
Finame/Lease	January/25	Fixed rate	6.64%	6.64%	31,777	37,464	49,114	57,571
Finame/Lease	March/21	URTJLP	8.11%	8.29%	22	45	22	45
Finep	November/22	Fixed rate	5.00%	5.00%	-	-	71,716	88,278
Loan 4131	December/20	Fixed rate – US\$	4.47%	4.34%	-	-	14,735	54,778
Agribusiness Receivables Certificate (“CRA”)	July/29	CDI	1.86%	3.57%	1,979,393	1,985,954	2,424,939	2,439,894
CRA	July/30	IPCA + interest	6.99%	7.29%	3,082,212	1,890,832	3,352,470	2,150,473
Schuldschein	October/21	Fixed rate - EUR	2.88%	2.88%	-	-	448,494	382,920
Schuldschein	September/22	Euribor	1.70%	1.79%	-	-	662,315	573,499
					10,355,175	10,400,216	18,263,626	16,578,985
Expenses with placement of securities:								
BNDES					(1,165)	(1,357)	(1,465)	(2,135)
CRA					(42,624)	(15,590)	(42,624)	(15,590)
Debentures					(4,925)	(180)	(4,925)	(180)
PPE					-	-	(143)	(142)
Finep					-	-	(80)	(199)
Finem					(260)	(268)	(373)	(397)
CPR-F					(11,784)	(12,426)	(11,784)	(12,426)
Senior Notes Due 2027					-	-	(5,297)	(2,074)
					(60,758)	(29,821)	(66,691)	(33,143)
					10,294,417	10,370,395	18,196,935	16,545,842
Current					(2,235,634)	(3,087,599)	(2,680,304)	(3,597,675)
Noncurrent					8,058,783	7,282,796	15,516,631	12,948,167

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

The aging list of installments falling due in the long term, less amortization of expenses with placement of securities, is as follows:

	09.30.2020	
	Individual	Consolidate
13 to 24 months	143,382	1,793,374
25 to 36 months	1,093,360	1,438,750
37 to 48 months	1,115,018	2,265,252
49 to 60 months	729,059	735,238
61 to 72 months	675,559	681,707
73 to 84 months	954,178	5,194,382
85 to 96 months	1,208,770	1,215,734
From 97 months onwards	2,139,457	2,192,194
	8,058,783	15,516,631

a) ACC

On September, 2020, the ACC was extended to March, 2021 in the amount of R\$424,521.

b) Debentures

In June 2020, CVM granted the Company registration for its fifth (5th) Public Issue of Non-convertible Debentures through which 169,518 unsecured non-convertible debentures were issued, in a single series, with a nominal value of R\$1,000.00 (one thousand reais), totaling R\$169,518.

	Index	Principal	Receipt Date	Maturity
5 th	IPCA	169,518	06/15/2020	06/15/2030

c) Senior Notes Due 2027

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

d) PESA

In the six-month period ended September 30, 2020, the Company offset the PESA contracts amounting to R\$19,239 through redemptions of CTN (see Note 9).

e) CRA

Taken out in	Issuer	Issue	Serie	Maturity	Principal
Jun-20	True Securitizadora AS	8º	2 nd	Jun-27	352,426
Jun-20	True Securitizadora AS	8º	2 nd	Jun-30	728,056

Covenants

The Company and its subsidiaries are not compelled to comply with financial ratios, and are subject only to certain covenants of loan and financing agreements, such as cross-default and negative pledge.

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

Revolving Credit Facility

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

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

Fair value

At September 30 and March 31, 2020, the book value and fair value of loans are as follows:

Type	Classification	Amount raised, as adjusted		Fair value (3)		Individual Finance income (costs) (2)	
		09.30.2020	03.31.2020	09.30.2020	03.31.2020	09.30.2020	09.30.2019
PPE	Fair value through profit or loss	1,553,499	1,500,272	1,564,172	1,508,521	(2,424)	(26,690)
CRA	Fair value through profit or loss	1,863,667	1,851,022	1,971,295	1,883,536	(75,114)	18,455
Debentures	Fair value through profit or loss	948,985	930,273	954,182	893,415	(42,055)	-
		4,366,151	4,281,567	4,489,649	4,285,472	(119,593)	(8,235)

Type	Classification	Amount raised, as adjusted		Fair value (3)		Consolidated Finance income (costs) (2)	
		09.30.2020	03.31.2020	09.30.2020	03.31.2020	09.30.2020	09.30.2019
Senior Notes Dues 2027 (1)	Fair value through profit or loss	2,184,300	826,464	2,279,827	881,408	(40,583)	(8,967)
PPE	Fair value through profit or loss	1,837,395	1,775,400	1,847,811	1,785,136	(680)	4,563
CRA	Fair value through profit or loss	2,111,313	2,098,507	2,241,553	2,143,520	(85,225)	(94,735)
Term Loan Agreement	Fair value through profit or loss	1,128,626	1,088,770	1,139,446	1,099,825	235	(29,729)
Debentures	Fair value through profit or loss	948,985	930,273	954,182	893,415	(42,055)	-
Loan 4131	Fair value through profit or loss	14,656	56,666	14,735	56,883	136	-
		8,225,275	6,776,080	8,477,554	6,860,187	(168,172)	(128,868)

- (1) The fair value of Senior 2027 is based on the price quote on the secondary market. At September 30, 2020, the face value is 108.86% (94.99% at March 31, 2020).
- (2) Refers to the impact of fair value on finance income (costs), as presented in Note 25.
- (3) Referred to debts are increased by a fair value assessment in the amount of R\$123,498 and R\$252,279 (R\$3,905 and R\$84,107 at March 31, 2020), in the Individual and Consolidated interim financial information, 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 immaterial changes in the Company’s credit risk, which can be obtained by comparing quoted papers as shown above.

17. Income and social contribution taxes

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

	Individual	
	Jul-Sept/2020	Apr-Sept/2019
Loss before income and social contribution taxes	(114,424)	(225,218)
Income and social contribution taxes at nominal rate (34%)	38,904	76,574
Adjustments to calculate the effective rate:		
Gifts, donations, trade association dues	(448)	(544)
Taxation on a worldwide basis (“TBU”) related to investments abroad	35,940	(11,164)
Equity pickup	54,651	98,837
Other	1,013	(137)
Income and social contribution taxes (current and deferred)	130,060	163,566
Effective rate	113.66%	72.63%

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

	Consolidated			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Income (loss) before income and social contribution taxes	16,977	(111,492)	94,489	(48,712)
Income and social contribution taxes at nominal rate (34%)	(5,772)	37,907	(32,127)	16,562
Adjustments to calculate the effective rate:				
Rate difference between the taxable profit based on a percentage of gross sales and the taxable profit based on accounting records taxation regimes (i)	14,379	24,070	11,887	18,249
Taxation on a worldwide basis (“TBU”) related to investments abroad	2,598	4,430	303	(4,178)
Equity pickup	551	(27,587)	395	(2,642)
Other	1,415	1,972	4,678	970
Current and deferred income and social contribution tax credit (expense)	13,171	40,792	(14,864)	28,961
Effective rate	(77.58)	36.59%	15.73%	59.45%

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

a.1) Income and social contribution taxes recoverable

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Corporate income tax (“IRPJ”)	537,954	520,196	578,758	558,732
Social contribution tax on net profit (“CSLL”)	128,466	121,042	130,657	126,498
	666,420	641,238	709,415	685,230
Current	(208,593)	(183,411)	(219,688)	(195,503)
Noncurrent	457,827	457,827	489,727	489,727

a.2) Income and social contribution taxes payable

	Consolidated	
	09.30.2020	03.31.2020
IRPJ	84,552	44,144
CSLL	20,545	9,245
	105,097	53,389

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

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

b.1) Individual

	09.30.2020			03.31.2020
	Base	IRPJ 25%	CSLL 9%	Total
<u>Noncurrent assets (liabilities)</u>				
Tax losses				
Tax losses	4,369,388	1,092,347	-	1,092,347
Social contribution tax losses	4,142,133	-	372,792	372,792
Temporary differences:				
Provisions for contingencies	749,888	187,472	67,490	254,962
Exchange differences - cash basis	1,858,056	464,514	167,225	631,739
Estimated loss for realization of assets	138,315	34,579	12,448	47,027
Compensation and benefits to employees	124,041	31,010	11,164	42,174
Lease liabilities	307,700	76,925	27,693	104,618
Miscellaneous provisions and other temporary differences	540,921	135,230	48,683	183,913
Total deferred tax assets		2,022,077	707,495	2,729,572
Biological assets	(251,191)	(62,798)	(22,607)	(85,405)
Cost of capitalized loans	(142,571)	(35,643)	(12,831)	(48,474)
Capital gain	(339,632)	(84,908)	(30,567)	(115,475)
Unrealized income (loss) from derivatives	(564,691)	(141,173)	(50,822)	(191,995)
Review of useful lives of PP&E	(1,003,676)	(250,919)	(90,331)	(341,250)
Amortized tax goodwill	(830,932)	(207,733)	(74,784)	(282,517)
Total deferred tax liabilities		(783,174)	(281,942)	(1,065,116)
Total deferred- Assets, net		1,238,903	425,553	1,664,456

b.2) Consolidated

	09.30.2020			03.31.2020
	Base	IRPJ 25%	CSLL 9%	Total
<u>Noncurrent assets (liabilities)</u>				
Tax losses				
Tax losses	4,935,196	1,233,799	-	1,233,799
Social contribution tax losses	4,707,944	-	423,715	423,715
Temporary differences:				
Provisions for contingencies	854,153	213,538	76,874	290,412
Exchange differences - cash basis	1,966,435	491,609	176,979	668,588
Provision for goodwill write-off	166,656	41,664	14,999	56,663
Estimated loss on realization of assets	208,700	52,175	18,783	70,958
Compensation and benefits to employees	133,612	33,403	12,025	45,428
Lease liabilities	361,441	90,360	32,530	122,890
Miscellaneous provisions and other temporary differences	484,529	121,132	43,608	164,740
Total deferred tax assets		2,277,680	799,513	3,077,193
Biological assets	(420,494)	(105,124)	(37,844)	(142,968)
Cost of capitalized loans	(249,776)	(62,444)	(22,480)	(84,924)
Unrealized income (loss) from derivatives	(1,054,376)	(263,594)	(94,894)	(358,488)
Review of useful lives of PP&E	(2,041,856)	(510,464)	(183,767)	(694,231)
Fair value of property, plant and equipment	(206,385)	(51,596)	(18,575)	(70,171)
Amortized tax goodwill	(1,015,021)	(253,755)	(91,352)	(345,107)
Total deferred tax liabilities		(1,331,885)	(479,479)	(1,811,364)
Total deferred taxes		945,795	320,034	1,265,829
Deferred taxes- Assets, net				1,712,117
Deferred taxes- Liabilities, net				(446,288)
Total deferred taxes				1,265,829

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

b.3) Changes in deferred taxes, net:

	Apr-Sept/2020	
	Individual	Consolidated
Balance at beginning of period	986,362	629,469
Revenue in profit or loss	211,329	169,360
Deferred taxes on comprehensive income	466,764	466,764
Other	1	236
Balance at end of period	1,664,456	1,265,829

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

As mentioned in Note 17 to the financial statements of March 31, 2020, the Company expects to realize deferred tax assets, including IRPJ and CSLL tax loss carryforwards and temporary differences. In the six-month period ended September 30, 2020, there were no significant changes related to the expected realization of deferred income and social contribution taxes.

18. Provision for contingencies and judicial deposits

Breakdown of lawsuits assessed as probable loss

As at September 30 and March 31, 2020, the balances of the lawsuits are as follows:

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Tax	104,529	102,504	118,585	115,655
Civil	57,277	21,304	74,334	37,088
Labor	273,361	267,304	370,020	359,312
	435,167	391,112	562,939	512,055
Non-reimbursable lawsuits	240,483	224,455	338,963	316,724
Reimbursable lawsuits (Note 10.c)	194,684	166,657	223,976	195,331

In the process of incorporating Raízen, it was agreed that Cosan should reimburse the Company for the amount of legal claims with a date prior to its incorporation, and in turn, that the Company shall refund Cosan the amount of judicial deposits made at a previous reporting date. As at September 30 and March 31, 2020, the balances of judicial deposits are as follows:

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Tax	175,123	167,025	296,678	287,553
Civil	42,559	8,158	42,735	8,462
Labor	84,388	83,946	107,762	107,689
	302,070	259,129	447,175	403,704
Own judicial deposits	154,301	147,333	184,183	177,332
Refundable judicial deposits (Note 10.c)	147,769	111,796	262,992	226,372

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

i) Non-reimbursable lawsuits

				Individual
	Tax	Civil	Labor	Total
At March 31, 2020	10,743	4,203	209,509	224,455
Provisions for the period	1,220	4,490	42,344	48,054
Write-offs/reversals (i)	(19)	(1,055)	(30,772)	(31,846)
Payments	-	(526)	(18,526)	(19,052)
Monetary restatement (ii)	-	2,572	16,300	18,872
At September 30, 2020	11,944	9,684	218,855	240,483

(i) Considers reversal of monetary restatement in the amount of (R\$12,269) accounted for in profit or loss for the period under Finance income (costs).
(ii) Recorded in profit or loss for the period under Finance income (costs).

				Consolidated
	Tax	Civil	Labor	Total
At March 31, 2020	22,242	12,957	281,525	316,724
Provisions for the period	1,395	6,173	55,334	62,902
Write-offs/reversals (i)	(44)	(2,487)	(39,484)	(42,015)
Payments	-	(1,407)	(24,452)	(25,859)
Monetary restatement (ii)	294	5,477	21,440	27,211
At September 30, 2020	23,887	20,713	294,363	338,963

(i) Considers reversal of monetary restatement in the amount of (R\$15,803) accounted for in profit or loss for the period under Finance income (costs).
(ii) Recorded in profit or loss for the period under Finance income (costs).

ii) Reimbursable lawsuits (i)

				Individual
	Tax	Civil	Labor	Total
At March 31, 2020	91,761	17,101	57,795	166,657
Provisions for the period	114	16,947	3,334	20,395
Write-offs/reversals (ii)	(350)	(1,786)	(6,247)	(8,383)
Payments	-	-	(3,747)	(3,747)
Monetary restatement	1,058	15,293	3,411	19,762
At September 30, 2020	92,583	47,555	54,546	194,684

				Consolidated
	Tax	Civil	Labor	Total
At March 31, 2020	93,413	24,131	77,787	195,331
Provisions for the period	568	17,749	4,101	22,418
Write-offs/reversals (iii)	(350)	(2,806)	(6,883)	(10,039)
Payments	-	(1,000)	(4,015)	(5,015)
Monetary restatement	1,066	15,544	4,671	21,281
At September 30, 2020	94,697	53,618	75,661	223,976

(i) The change does not and will never have an effect on profit or loss due to the Company's right to reimbursement.
(ii) This includes reversal of monetary restatement amounting to R\$5,901.
(iii) This includes reversal of monetary restatement amounting to R\$7,325.

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

(i) Total lawsuits

				Individual
	Tax	Civil	Labor	Total
At March 31, 2020	102,504	21,304	267,304	391,112
Provisions for the period	1,334	21,437	45,678	68,449
Write-offs/reversals	(369)	(2,841)	(37,019)	(40,229)
Payments	-	(526)	(22,273)	(22,799)
Monetary restatement	1,060	17,903	19,671	38,634
At September 30, 2020	104,529	57,277	273,361	435,167
				Consolidated
	Tax	Civil	Labor	Total
At March 31, 2020	115,655	37,088	359,312	512,055
Provisions for the period	1,963	23,922	59,435	85,320
Write-offs/reversals	(394)	(5,293)	(46,367)	(52,054)
Payments	-	(2,407)	(28,467)	(30,874)
Monetary restatement	1,361	21,024	26,107	48,492
At September 30, 2020	118,585	74,334	370,020	562,939

a) Tax

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
State Value-Added Tax (ICMS)	36,473	35,884	42,351	41,480
Federal Value-Added Tax (IPI)	44,209	44,000	44,209	44,000
Attorneys' fees	11,946	10,744	17,385	16,034
Other	11,901	11,876	14,640	14,141
	104,529	102,504	118,585	115,655
Non-reimbursable lawsuits	11,946	10,743	23,888	22,243
Reimbursable lawsuits	92,583	91,761	94,697	93,412

b) Civil and labor

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

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

Lawsuits deemed as possible losses and, consequently, with no provision contingencies

a) Tax

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
ICMS	1,775,836	1,754,108	2,214,475	2,182,633
Social Security Tax (INSS)	194,938	197,760	207,693	211,521
IPI	270,656	268,900	312,490	310,508
IRPJ and CSLL	1,235,560	1,047,882	1,593,168	1,399,508
PIS and COFINS	1,591,182	1,640,274	1,697,919	1,745,539
Offsetting against IPI credit – Revenue Procedure (IN) No. 67/98	116,121	115,350	137,799	136,871
Provisional Executive Order (MP) No. 470 Debt installment payment	191,816	189,882	191,816	189,882
Other	264,799	224,816	368,691	335,131
	<u>5,640,908</u>	<u>5,438,972</u>	<u>6,724,051</u>	<u>6,511,593</u>
Non-reimbursable lawsuits	2,911,253	2,689,214	3,586,004	3,349,845
Reimbursable lawsuits	2,729,655	2,749,758	3,138,047	3,161,748

b) Civil and labor

	Individual		Consolidated	
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Civil	483,373	490,861	742,568	763,215
Labor	154,099	158,014	196,536	192,560
	<u>637,472</u>	<u>648,875</u>	<u>939,104</u>	<u>955,775</u>
Non-reimbursable lawsuits	250,619	218,090	344,615	325,721
Reimbursable lawsuits	386,853	430,785	594,489	630,054

19. Commitments (Consolidated)

As mentioned in Note 19 to the financial statements as at March 31, 2020, the Company is a party to purchase commitments and lease contracts. In the six-month period ended September 30, 2020, there were no significant changes related to those commitments.

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

20. Equity

a) Capital and Capital reserve

As at September 30 and March 31, 2020, capital amounts to R\$6,516,354. This item is deducted from the balance of redeemable preferred shares - financial instrument payable - amounting to R\$3,745, totaling R\$6,512,609.

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

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A(“CIP”)	Cosan S.A.	Total
Common shares	3,621,641,599	3,621,641,599	-	7,243,283,198
Class A preferred shares	-	-	1	1
Class B preferred shares	-	-	133,242,457	133,242,457
Class D preferred shares	100,000	-	-	100,000
Total as at September 30 and March 31, 2020	3,621,741,599	3,621,641,599	133,242,458	7,376,625,656

b) Equity adjustments

	03.31.2019	Comprehen sive income (loss)	09.30.2019	03.31.2020	Comprehen sive income (loss)	09.30.2020
Foreign currency translation effect - CTA	(2,475)	23,076	20,601	160,983	(2,828)	158,155
Actuarial losses with defined benefit (DB) plans	(12,526)	-	(12,526)	(15,453)	-	(15,453)
Net loss on derivative financial instruments - Hedge accounting	(213,800)	(129,237)	(343,037)	(664,941)	(906,072)	(1,571,013)
Total	(228,801)	(106,161)	(334,962)	(519,411)	(908,900)	(1,428,311)

c) Noncontrolling interests

Non-controlling interests correspond to participation of these shareholders in the proportion of 26.59% on equity of subsidiary Unimodal Ltda, 15% on equity of subsidiary Biogás, 30% on equity of subsidiary RWXE and 18.50% on equity of subsidiary Raízen Biomassa.

d) Earnings (loss) per share

Basic and Diluted:

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Numerator				
Net income (loss) for the period	15,636	(87,892)	51,358	(61,652)
Profit or loss available to preferred shareholders	(1,416)	(1,416)	-	-
Loss available to common shareholders	14,220	(89,308)	51,358	(61,652)
Denominator:				
Weighted average number of common shares outstanding (in thousands)	7,243,283	7,243,283	7,243,283	7,243,283
Basic and diluted earnings (loss) per common share (reais per share)	0.002	(0.012)	0.007	(0.009)

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

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 (loss) per share are equivalent.

Compensation to shareholders in the form of dividends are classified as financing activities on cash flow, when paid.

21. Net operating revenue

	Individual			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Gross sales of products and services	2,206,931	3,559,767	1,707,548	3,223,261
Sales taxes	(124,198)	(226,509)	(121,708)	(233,068)
Returns and cancellations	(5,318)	(12,641)	(3,760)	(6,916)
Trade discounts	(552)	(1,111)	(209)	(623)
Net operating revenue	2,076,863	3,319,506	1,581,871	2,982,654

	Consolidated			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Gross sales of products and services	7,659,683	12,952,972	8,106,015	14,520,964
Sales taxes	(320,406)	(594,729)	(389,991)	(711,080)
Returns and cancellations	(8,052)	(27,880)	(5,810)	(11,336)
Trade discounts	(10,936)	(16,628)	(11,529)	(15,762)
Net operating revenue	7,320,289	12,313,735	7,698,685	13,782,786

Operating revenue, net is broken down as follows:

	Individual			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Net sales and service revenue	2,280,928	3,520,199	1,549,307	2,919,002
Gains (losses) on financial instruments designated as hedge accounting	(170,203)	(158,631)	21,865	50,136
Gains (losses) on commodities-related financial instruments not designated as hedge accounting	(33,862)	(42,062)	10,699	13,516
Net operating revenue	2,076,863	3,319,506	1,581,871	2,982,654

	Consolidated			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Net sales and service revenue	7,481,226	12,507,400	7,581,492	13,583,539
Gains (losses) on financial instruments designated as hedge accounting	(170,203)	(158,631)	21,865	50,136
Gains (losses) on commodities-related financial instruments not designated as hedge accounting	9,266	(35,034)	95,328	149,111
Net operating revenue	7,320,289	12,313,735	7,698,685	13,782,786

22. Segment information

Raízen Energia’s management defined the ethanol, sugar and bioenergy (“EAB”) segment as the only operating segment, based on the reports used by the Company’s CEO and the Board of Directors, which are the main operational and strategic decision makers. The performance assessment goals are defined and monitored considering the EAB segment as a whole.

The EAB segment covers the production and sale of ethanol and sugar generated from the processing of sugarcane, as well as the cogeneration of power that is produced by burning sugarcane bagasse.

RAÍZEN ENERGIA S.A.

Notes to interim financial information September 30, 2020 (In thousands of Reais, unless otherwise stated)

Since the assets are also used for the production of sugar, ethanol and bioenergy, there is no separate disclosure of these assets.

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

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Foreign market	3,517,703	5,357,121	2,149,396	3,189,517
Domestic market	3,802,586	6,956,614	5,549,289	10,593,269
Total	7,320,289	12,313,735	7,698,685	13,782,786

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

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Ethanol	2,459,628	4,547,491	3,031,392	4,943,494
Diesel	1,245,756	2,340,825	1,825,319	3,562,227
Sugar	2,442,966	3,528,044	593,656	1,344,972
Energy	586,940	1,024,929	1,151,721	2,062,990
Gasoline	342,699	538,845	1,056,161	1,787,570
Other products and services	242,300	333,601	40,436	81,533
Total	7,320,289	12,313,735	7,698,685	13,782,786

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

	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Brazil	3,802,586	6,956,614	5,549,289	10,593,269
Asia	1,630,745	2,336,152	582,790	1,106,939
North America	803,282	1,585,255	832,152	679,491
South America (1)	573,927	795,636	548,146	981,334
Europe	426,933	556,263	185,538	420,375
Other (2)	82,816	83,815	770	1,378
Total	7,320,289	12,313,735	7,698,685	13,782,786

(1) South America (except Brazil).

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

The main EAB customers during the six-month periods ended September 30 and March 31, 2020, which individually represented 5% or more of the Company’s total revenues, are as follows:

Customer	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Consolidated Apr-Sept/2019
Wilmar Sugar Pte Ltd	17.81%	17.81%	-	-
Raízen Combustíveis S.A.	24.35%	46.01%	32.57%	29.60%
Petrobrás Distribuidora S.A.	2.28%	14.50%	6.73%	6.67%

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

23. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in profit or loss by function. The reconciliation of profit or loss by nature for the six-month periods ended September 30, 2020 and 2019 is detailed below:

a) Costs and expenses by nature:

			Individual	
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Depreciation and amortization	(726,294)	(1,154,253)	(516,212)	(969,820)
Raw materials	(607,699)	(1,180,162)	(451,744)	(965,391)
Personnel expenses	(209,101)	(333,047)	(185,075)	(350,204)
Cutting, loading and transportation (CCT)	(208,070)	(312,378)	(125,683)	(261,433)
Maintenance materials	(67,671)	(106,834)	(56,736)	(103,284)
Fuel purchase	(45,412)	(79,033)	(55,005)	(93,019)
Contracted labor	(57,857)	(99,735)	(44,023)	(91,747)
Change in the fair value of biological assets	49,719	184,137	(139,223)	(70,453)
Realization of the fair value of biological assets	8,803	23,294	38,005	61,146
Other expenses	(178,614)	(277,785)	(110,251)	(218,274)
	<u>(2,042,196)</u>	<u>(3,335,796)</u>	<u>(1,645,947)</u>	<u>(3,062,479)</u>

			Consolidated	
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Fuel purchase	(1,591,228)	(2,850,657)	(2,939,499)	(5,404,091)
Raw materials	(3,164,620)	(5,498,264)	(2,150,692)	(3,807,233)
Energy resale	(215,116)	(469,337)	(730,217)	(1,451,838)
Depreciation and amortization	(972,128)	(1,569,857)	(686,612)	(1,265,529)
Personnel expenses	(314,217)	(526,993)	(279,830)	(522,521)
Cutting, loading and transportation (CCT)	(289,954)	(456,684)	(193,975)	(364,191)
Maintenance materials	(94,007)	(146,579)	(76,511)	(135,537)
Contracted labor	(69,308)	(117,254)	(51,928)	(105,061)
Change in the fair value of biological assets	101,641	277,313	(124,932)	(41,646)
Realization of the fair value of biological assets	(5,925)	(7,568)	18,879	22,099
Other expenses	(324,378)	(408,732)	(285,496)	(404,911)
	<u>(6,939,240)</u>	<u>(11,774,612)</u>	<u>(7,500,813)</u>	<u>(13,480,459)</u>

b) Classified as:

	Individual			
	<u>Jul-Sept/2020</u>	<u>Apr-Sept/2019</u>	<u>Jul-Sept/2019</u>	<u>Apr-Sept/2019</u>
Cost of sales and services	(1,650,482)	(2,677,812)	(1,374,072)	(2,542,074)
Selling expenses	(276,370)	(434,352)	(151,294)	(291,561)
General and administrative expenses	<u>(115,344)</u>	<u>(223,632)</u>	<u>(120,581)</u>	<u>(228,844)</u>
	<u>(2,042,196)</u>	<u>(3,335,796)</u>	<u>(1,645,947)</u>	<u>(3,062,479)</u>

	Consolidated			
	<u>Jul-Sept/2020</u>	<u>Apr-Sept/2020</u>	<u>Jul-Sept/2019</u>	<u>Apr-Sept/2019</u>
Cost of sales and services	(6,438,262)	(10,950,428)	(7,124,617)	(12,788,360)
Selling expenses	(336,317)	(504,194)	(209,861)	(382,071)
General and administrative expenses	<u>(164,661)</u>	<u>(319,990)</u>	<u>(166,335)</u>	<u>(310,028)</u>
	<u>(6,939,240)</u>	<u>(11,774,612)</u>	<u>(7,500,813)</u>	<u>(13,480,459)</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

24. Other operating (expenses) income, net

	Individual			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Recognition of net tax credits	423	594	42,947	43,029
Gain (loss) on commercial operations	24,653	39,878	972	24,575
Income from sale of scrap and waste	2,514	5,065	2,611	5,594
Reversal (recognition) of estimated loss on property, plant and equipment, net (Note 12)	81	6,646	195	(7)
Recognition of provision for contingencies, net	(7,256)	(10,359)	(21,460)	(48,069)
Other	3,011	(1,243)	2,850	21,247
	23,426	40,581	28,115	46,369

	Consolidated			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Recognition of net tax credits	501	672	99,240	99,323
Gain (loss) on commercial operations	(10,975)	(35,938)	9,277	26,097
Income from sale of scrap and waste	3,083	6,320	3,018	6,682
Reversal of estimated loss on property, plant and equipment, net (Note 12)	120	6,737	250	177
Recognition of provision for contingencies, net	(7,950)	(12,440)	(27,317)	(62,681)
Other	2,013	(5,401)	2,518	20,625
	(13,208)	(40,050)	86,986	90,223

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

25. Finance income (costs)

	Individual			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Finance costs				
Interest	(236,248)	(460,813)	(254,365)	(490,281)
Monetary losses	(71,305)	(65,593)	(11,836)	(37,573)
PIS and COFINS on finance income	(7,301)	(20,044)	(4,277)	(7,172)
Other	(3,053)	(5,975)	(9,457)	(25,194)
	(317,907)	(552,425)	(279,935)	(560,220)
Fair value of financial instruments payable (Notes 10 and 16)	13,373	(161,104)	(8,760)	(115,711)
Less: amounts capitalized on qualified assets (Note 12)	8,752	14,194	7,532	14,591
	(295,782)	(699,335)	(281,163)	(661,340)
Finance income				
Interest	22,334	49,945	43,563	86,757
Short-term investment income	1,696	5,046	4,439	9,471
Monetary gains	27,139	34,597	4,314	12,412
Other	-	-	2	9
	51,169	89,588	52,318	108,649
Exchange differences, net ⁽¹⁾	(131,531)	(239,993)	(139,167)	(114,038)
Derivatives net effect ⁽²⁾	42,883	351,302	146,679	184,265
	(333,261)	(498,438)	(221,333)	(482,464)
	Consolidated			
	Jul-Sept/2020	Apr-Sept/2020	Jul-Sept/2019	Apr-Sept/2019
Finance costs				
Interest	(290,657)	(564,914)	(290,696)	(573,496)
Monetary losses	(76,732)	(71,615)	(14,620)	(43,403)
PIS and COFINS on finance income	(8,924)	(23,376)	(7,100)	(12,298)
Other	(7,620)	(11,365)	(8,925)	(25,187)
	(383,933)	(671,270)	(321,341)	(654,384)
Fair value of financial instruments payable (Note 16)	13,723	(168,172)	(11,925)	(128,868)
Less: amounts capitalized on qualified assets (Note 12)	10,579	18,226	10,069	18,118
	(359,631)	(821,216)	(323,197)	(765,134)
Finance income				
Interest	72,486	145,933	90,899	181,428
Short-term investment income	6,766	16,335	15,817	39,062
Monetary gains	28,812	36,713	4,539	13,066
Other	1	1	2	11
	108,065	198,982	111,257	233,567
Exchange differences, net ⁽¹⁾	(128,778)	(260,668)	(152,702)	(125,435)
Derivatives net effect ⁽²⁾	27,860	353,476	173,097	223,511
	(352,484)	(529,426)	(191,545)	(433,491)

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

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

26. Financial instruments

a) Overview

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

- price risk
- currency risk
- interest rate risk
- credit risk
- liquidity risk

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

b) Risk management structure

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

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

As at September 30 and March 31, 2020, the fair values related to transactions involving derivative financial instruments for hedging or other purposes were measured at fair value through observable inputs, such as prices quoted in active markets or discounted cash flows based on market curves, and are presented below:

RAÍZEN ENERGIA S.A.

Notes to interim financial information
September 30, 2020
(In thousands of Reais, unless otherwise stated)

	Individual		Consolidated	
	Notional amount	Fair value	Notional amount	Fair value
	09.30.2020	03.31.2020	09.30.2020	03.31.2020
Price risk				
Goods derivatives				
Futures contracts and options	7,880,830	4,739,805	456,087	1,294,503
	7,880,830	4,739,805	456,087	1,294,503
Currency risk				
Exchange rate derivatives				
Futures	(2,673,691)	280,730	9,521	(1,355)
Forwards	12,187,138	8,679,750	(145,459)	(1,227,282)
Locked-in exchange	-	-	-	286,992
Foreign exchange swap	(2,520,942)	(5,980,689)	(79,791)	132,443
	6,992,505	2,979,791	(215,729)	(1,096,194)
			6,982,986	2,558,601
			(133,305)	(1,013,341)
Interest rate risk				
Interest derivatives	(3,998,931)	(2,644,651)	238,224	104,488
	(3,998,931)	(2,644,651)	238,224	104,488
Total			478,582	302,797
Current assets			1,570,669	2,766,327
Noncurrent assets			1,773,829	1,484,248
Total assets			3,344,498	4,250,575
Current liabilities			(1,160,316)	(2,704,909)
Noncurrent liabilities			(1,705,600)	(1,242,869)
Total liabilities			(2,865,916)	(3,947,778)

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

c) Price risk

Price risk arises from the possibility of fluctuation in the market prices of products traded by the Company and its subsidiaries, mainly VHP sugar (sugar #11), refined sugar (#5 or white sugar), ethanol, electricity and oil by-products. These price oscillations may lead to material changes in the Company's sales revenues. To mitigate this risk, the Company constantly monitors the market to anticipate price changes. The positions of derivative financial instruments used to hedge against the commodities price risk outstanding at September 30, 2020 are as follows:

Consolidated							
Price risk: commodity derivatives outstanding as at September 30, 2020							
Derivatives	Long/ Short	Market	Contract	Maturity	Notional amount (units)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	ICE	Sugar#11	Oct/20 to Feb/23	13,136,027 t	20,608,766	(655,190)
Futures	Short	NYSE LIFFE	Sugar#5	Oct/20 to Nov/20	122,300 t	241,983	(4,768)
Options	Short	ICE	Sugar#11	Dec/20 to Sept/21	818,935 t	52,044	(31,782)
Options	Short	ICE	Sugar#11	Apr/21	31,294 t	7,635	(9,113)
Futures	Short	ICE	Sugar#11	Apr/21 to Feb/22	232,878 t	322,435	(61,751)
Futures	Short	ICE	Sugar#11	Oct/20 to Mar/21	70,633 t	109	(7,211)
Subtotal – sugar futures short position					14,412,067 t	21,232,972	(769,815)
Futures	Long	ICE	Sugar#11	Oct/20 to Sept/22	(8,487,049) t	(12,986,111)	844,506
Futures	Long	NYSE LIFFE	Sugar#5	Oct/20 to Nov/20	(88,900) t	(179,882)	(3,838)
Options	Long	ICE	Sugar#11	Dec/20 to Sept/22	(610,238) t	(43,313)	28,763
Futures	Long	ICE	Sugar#11	Oct/20 to Dec/20	(62,593) t	(100)	2,867
Subtotal – sugar futures long position					(9,248,780) t	(13,209,406)	872,298
Subtotal – sugar futures					5,163,287 t	8,023,566	102,483
Futures	Short	B3	Ethanol	Oct/20 to Jan/21	198,750 cbm	2,148,133	1,178
Futures	Short	CME	Ethanol	Oct/20 to Dec/21	794,455 cbm	2,295	(331,322)
Futures	Short	OTC	Ethanol	Oct/20 to Mar/21	1,313,713 cbm	1,109	(87,497)
Options	Short	CME	Ethanol	Oct/20 to Dec/20	52,000 cbm	4	1,336
Subtotal – ethanol futures short position					2,358,918 cbm	2,151,541	(416,305)
Futures	Long	B3	Ethanol	Oct/20 to Feb/21	(286,200) cbm	(3,130,156)	791
Futures	Long	CME	Ethanol	Oct/20 to Dec/21	(609,355) cbm	(1,738)	225,287
Futures	Long	OTC	Ethanol	Oct/20 to Mar/22	(1,197,107) cbm	(999)	93,234
Options	Long	CME	Ethanol	Oct/20 to Dec/20	(73,000) cbm	(5)	2,882
Subtotal – ethanol futures long position					(2,165,662) cbm	(3,132,898)	322,194

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Physical fixed	Short	CHGOETHNL	Ethanol	Oct/20 to Aug/21	355,686	cbm	698	(17,650)
Subtotal - physical fixed ethanol short position					355,686	cbm	698	(17,650)
Physical fixed	Long	CHGOETHNL	Ethanol	Oct/20 to Dec/21	(379,901)	cbm	(767)	15,508
Subtotal - physical fixed ethanol long position					(379,901)	cbm	(767)	15,508
Subtotal – ethanol futures					169,041	cbm	(981,426)	(96,253)
Futures	Short	NYMEX	Gasoline	Nov/20 to Nov/21	760,974	cbm	1,593,641	215,308
Futures	Short	NYMEX	Gasoline	Oct/20 to Feb/21	400,521	cbm	723	29,492
Futures	Short	ICE	Gasoline	Oct/20 to Dec/21	68,578	cbm	120	16,874
Futures	Short	CME	Gasoline	Oct/20 to Dec/20	143,580	cbm	1	625
Options	Short	NYMEX	Gasoline	Dec-20	89,358	cbm	20,361	(18,093)
Subtotal - Gasoline futures short position					1,463,011	cbm	1,614,846	244,206
Futures	Long	NYMEX	Gasoline	Nov/20 to Jun/21	(411,651)	cbm	(691,103)	55,237
Futures	Long	NYMEX	Gasoline	Oct/20 to Mar/21	(400,521)	cbm	(716)	(22,825)
Futures	Long	CME	Gasoline	Oct/20 to Mar/21	(289,835)	cbm	(13)	460
Futures	Long	ICE	Gasoline	Oct/20 to Dec/21	(68,370)	cbm	(121)	(18,011)
Options	Long	NYMEX	Gasoline	Nov/20 to Jun/21	(346,461)	cbm	(46,458)	56,961
Subtotal - Gasoline futures long position					(1,516,838)	cbm	(738,411)	71,822
Subtotal - Gasoline futures					(53,827)	cbm	876,435	316,028
Futures	Short	NYMEX	Heating Oil	Dec/20 to Feb/21	5,565	cbm	9,207	(694)
Subtotal Heating Oil futures short position					5,565	cbm	9,207	(694)
Futures	Long	NYMEX	Heating Oil	Dec/20 to Mar/21	(12,243)	cbm	(19,635)	2,220
Subtotal Heating Oil futures long position					(12,243)	cbm	(19,635)	2,220
Subtotal Heating Oil futures					(6,678)	cbm	(10,428)	1,526
Physical fixed	Short	OTC	Energy	Oct/20 to Dec/32	17,865,263	MWh	3,518,677	47,205
Subtotal - energy physical fixed short position					17,865,263	MWh	3,518,677	47,205
Physical fixed	Long	OTC	Energy	Oct/20 to Dec/32	(17,865,263)	MWh	(3,102,073)	249,922
Subtotal - energy physical fixed long position					(17,865,263)	MWh	(3,102,073)	249,922
Subtotal - energy physical fixed					-	MWh	416,604	297,127

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Net exposure of commodity derivatives as at September 30, 2020	8,324,751	620,911
Net exposure of commodity derivatives as at March 31, 2020	5,455,090	1,731,213

d) Currency risk

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

Consolidated							
Price risk: foreign exchange derivatives outstanding as at September 30, 2020							
Derivatives	Long/ Short	Market	Contract	Maturity	Notional amount (US\$ thousand)	Notional amount (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial Dollar	Oct/20 to Nov/20	501,250	2,827,401	(1,437)
Subtotal – futures short position					501,250	2,827,401	(1,437)
Futures	Long	B3	Commercial Dollar	Oct/20 to Nov/20	(903,500)	(5,096,372)	1,854
Options	Long	B3	Foreign Exchange Options	Nov/20 to Apr/21	(71,750)	(404,720)	9,104
Subtotal - futures long position					(975,250)	(5,501,092)	10,958
Forwards	Short	OTC/Cetip	NDF	Oct/20 to Feb/21	4,714,144	26,591,072	(428,818)
Forwards	Long	OTC/Cetip	NDF	Oct/20 to Jan/21	(2,553,572)	(14,403,934)	283,359
Subtotal - long/short forwards					2,160,572	12,187,138	(145,459)
Foreign exchange swap	Short	OTC	Foreign exchange swap	Oct/20 to Jan/27	524,274	2,957,275	(1,549,841)
Foreign exchange swap	Long	OTC	Foreign exchange swap	Dec/20 to Jan/27	(1,023,761)	(5,774,728)	1,562,443
Subtotal - swap					(499,487)	(2,817,453)	12,602
Locked-in exchange	Short	OTC	Locked-in exchange	Oct/20 to Mar/21	59,596	336,164	39,203
Locked-in exchange	Long	OTC	Locked-in exchange	Oct-20	(8,717)	(49,172)	(49,172)

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Subtotal – Locked-in Exchange short position	50,879	286,992	(9,969)
Net exposure of foreign exchange derivatives as at September 30, 2020	1,237,964	6,982,986	(133,305)
Net exposure of foreign exchange derivatives as at March 31, 2020	492,161	2,558,601	(1,013,341)

As at September 30 and March 31, 2020, the summary of quantitative data on the Company's currency risk accounting exposure is as follows:

	Consolidated	
	09.30.2020	
	R\$	US\$ (in thousands)
Cash and cash equivalents (Note 3)	1,216,197	215,611
Restricted cash (Note 4)	354,307	62,813
Foreign trade accounts receivable (Note 5)	950,884	168,576
Transactions with related parties (Note 10)	4,456,026	789,977
Trade accounts payable (Note 14)	(1,796,876)	(318,555)
Loans and financing (Note 16)	(9,056,021)	(1,605,478)
Derivatives (Note 26.d) (i)	-	(1,237,964)
Currency exposure, net	(3,875,483)	(1,925,020)
Derivatives settled in the month following closing (ii)		194,300
Net currency exposure, adjusted at September 30, 2020 (iii)		(1,730,720)
Net currency exposure, adjusted at March 31, 2020 (iii)		(639,421)

(i) Refers to the notional amount of foreign exchange derivative transactions.

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

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

e) Effects of hedge accounting

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

As at September 30 and March 31, 2020 the impacts recognized in the Company's equity and the estimated realization in profit or loss are as follows:

Financial instruments	Market	Risk	Realization period			09.30.2020	03.31.2020
			2020/21	2021/22	After 2022		
Futures	OTC / ICE	Sugar#11	296,559	(41,142)	(62,570)	192,847	862,063
Futures	B3 / NYMEX / OTC	Sugar#5	258,945	1,396	-	260,341	303,960
Options	ICE	Ethanol	34,192	(13,146)	-	21,046	135,346
NDF	OTC	Sugar#11	(1,098,629)	(567,792)	10,597	(1,655,824)	(1,311,720)
Swap	Debt	FX	-	-	(1,114,832)	(1,114,832)	(924,290)
PPE	Debt	FX	-	-	(83,901)	(83,901)	(72,847)
			(508,933)	(620,684)	(1,250,706)	(2,380,323)	(1,007,488)
(-) Deferred taxes			173,037	211,033	425,240	809,310	342,547
Effect on equity at September 30, 2020			(335,896)	(409,651)	(825,465)	(1,571,013)	(664,941)

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

	09.30.2020
Balance at beginning of period	(664,941)
Gains/(losses) for the period:	
Fair value of commodity futures designated as hedge accounting	(818,431)
Gain on foreign exchange forwards fair value designated as hedge accounting	(543,904)
Foreign exchange differences on debt contracts designated as hedge accounting	(201,589)
Gain (loss) on commodities in net operating revenue and other operating income and expenses	(14,715)
Gain (loss) on foreign exchange forwards in net operating revenue and other operating income and expenses	205,803
Total changes for the period	(1,372,836)
Effect of deferred taxes on equity adjustment	466,764
	(906,072)
Balance at September 30, 2020	(1,571,013)

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reals, unless otherwise stated)

f) Interest rate risk

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

Consolidated						
Price risk: interest rate derivatives outstanding as at September 30, 2020						
Derivatives	Long / Short	Market	Contract	Maturity	Notional amount (US\$ thousand)	Fair value (R\$ thousand)
Interest rate swap	Short	OTC	Interest rate swap			
Interest rate swap	Long	OTC	Interest rate swap	Oct/20 to May/30	(747,033)	(4,213,789)
Net exposure of interest rate derivatives as at September 30, 2020					(747,033)	(4,213,789)
Net exposure of interest derivatives as at March 31, 2020					(550,043)	(2,859,509)

g) Credit risk

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

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

Individual risk limits are determined based on internal or external ratings, according to the limits determined by the Company management. The use of credit limits is regularly monitored. No credit limit was exceeded in the period, and management does not expect any losses from default by the counterparties in an amount that is higher than the provision amount.

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Guarantee margins - Derivative transactions on commodity exchanges (NYBOT, LIFFE and B3) require guarantee margins. The total consolidated margin deposited at September 30, 2020 amounts to R\$406,404 (R\$147,840 at March 31, 2020), of which R\$52,097 (R\$20,408 at March 31, 2020) in restricted short-term investments and R\$354,307 (R\$127,432 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 (Note 3) that make up the item. The distribution follows strict criteria for allocation and exposure to counterparties, which are the main local and international banks considered, in their majority, as Investment Grade by the international rating agencies.

h) Liquidity risk

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

The table below shows the aging list of financial liabilities:

					Consolidated
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing (1)	2,797,593	1,953,763	5,235,379	12,827,478	22,814,213
Trade accounts payable (Note 14)	3,855,510	-	-	-	3,855,510
Derivative financial instruments	2,593,659	444,831	35,323	1,283,663	4,357,475
Related parties (1) (*)	899,426	-	-	485,717	1,385,143
Lease liabilities from third parties and related parties (1)	1,225,690	1,114,129	2,304,915	1,673,062	6,317,796
At September 30, 2020	11,371,878	3,512,723	7,575,617	16,269,920	38,730,137
At March 31, 2020	16,116,776	2,880,324	7,855,424	12,517,715	39,370,239

(1) Undiscounted contractual cash flows.

(*) Except for lease liabilities with related parties.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reals, unless otherwise stated)

i) Fair value

The procedures for defining, measuring and recognizing the fair value of financial liabilities are the same as those disclosed in the annual financial statements as at March 31, 2020.

Fair value hierarchy

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

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

Financial instruments are classified as follows:

Financial instruments measured at fair value	Consolidated		
	Level 1	Level 2	Total
Short-term investments (Note 3)	-	527,343	527,343
Restricted short-term investments (restricted cash) (Note 4)	-	52,136	52,136
Derivative financial instruments - assets	2,473,137	2,674,008	5,147,145
Loans and financing (Note 16)	-	(8,477,554)	(8,477,554)
Derivative financial instruments - liabilities	(2,079,954)	(2,277,521)	(4,357,475)
At September 30, 2020	393,183	(7,501,588)	(7,108,405)
At March 31, 2020	1,422,948	(5,348,927)	(3,925,979)

As at September 30 and March 31, 2020, there were no transfers between these levels to determine the fair value of financial instruments.

j) Sensitivity analysis

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

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

Assumptions for sensitivity analysis

The Company adopted three scenarios for its sensitivity analysis, one probable and two that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the futures market curves for sugar and the US dollar at September 30, 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 sugar and US dollar price curves, which were considered the basis for the probable scenario.

Sensitivity analysis tables

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

		Impact on profit or loss (*)				
		September 30, 2020				
	Risk factor	Probable Scenario	Remote scenario + (25%)	Fair value balance	Remote scenario + (50%)	Fair value balance
Price risk						
Commodity derivatives						
Futures and options						
Purchase and sale commitments	Sugar price increase	102,483	(1,520,042)	(1,417,559)	(3,040,084)	(2,937,601)
Purchase and sale commitments	Gasoline price increase	317,553	(151,138)	166,415	(302,276)	15,277
Purchase and sale commitments	Energy price increase	297,128	63,768	360,896	127,536	424,664
Purchase and sale commitments	Ethanol price increase	(96,253)	(143,143)	(239,396)	(286,286)	(382,539)
		620,911	(1,750,555)	(1,129,644)	(3,501,110)	(2,880,199)
Currency risk						
Exchange rate derivatives						
Futures:						
Purchase and sale commitments	R\$/US\$ exchange rate increase	9,521	(71,101)	(61,580)	(142,201)	(132,680)
Locked-in exchange contracts:						
Purchase and sale commitments	R\$/US\$ exchange rate increase	(9,969)	(74,240)	(84,209)	(148,481)	(158,450)
Forwards:						
Purchase and sale commitments	R\$/US\$ exchange rate increase	(145,458)	(2,767,078)	(2,912,536)	(5,534,157)	(5,679,615)
FX swaps:						
Purchase and sale commitments	R\$/US\$ exchange rate decrease	12,602	(531,709)	(519,107)	(1,063,418)	(1,050,816)
		(133,304)	(3,444,128)	(3,577,432)	(6,888,257)	(7,021,561)
Interest rate risk						
Swap, Forward and Futures contracts	Interest rate decrease	302,064	5,458	307,522	12,143	314,207
		302,064	5,458	307,522	12,143	314,207
Total		789,671	(5,189,225)	(4,399,554)	(10,377,224)	(9,587,553)

(*) Profit or loss projected for up to 12 months from September 30, 2020.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

ii) Currency exposure, net

The probable scenario considers the position at September 30, 2020. The effects of the possible and remote scenarios that would be posted to the consolidated statement of profit or loss as foreign exchange gain (loss) are as follows:

Currency exposure, net September 30, 2020	Foreign exchange difference effect			
	Scenarios			
	+25%	+50%	-25%	-50%
Cash and cash equivalents (Note 3)	1,216,197	304,049	608,099	(304,049)
Restricted cash (Note 4)	354,307	88,577	177,154	(88,577)
Foreign trade accounts receivable (Note 5)	950,884	237,721	475,442	(237,721)
Transactions with related parties (Note 10)	4,456,026	1,114,007	2,228,013	(1,114,007)
Trade accounts payable (Note 14)	(1,796,876)	(449,219)	(898,438)	449,219
Loans and financing (Note 16)	(9,056,021)	(2,264,005)	(4,528,011)	2,264,005
Impact on profit or loss for the period	(968,870)	(1,937,741)	968,870	1,937,741

iii) Interest rate sensitivity

At September 30, 2020, the probable scenario considers the weighted annual average rate (4.38%) of fixed interest on the Company's loans and financing, and for short-term investments and restricted cash, the CDI (3.54%) accumulated over the past 12 months. In both cases, simulations were performed considering an increase and decrease of 25% and 50%. The consolidated results of this sensitivity analysis are presented below:

	Probable Scenario	September 30, 2020			
		Interest rate sensitivity			
		25%	50%	-25%	-50%
Short-term investments	18,098	4,525	9,049	(4,525)	(9,049)
Restricted cash	1,868	467	934	(467)	(934)
Loans and financing	(527,846)	(131,962)	(263,923)	131,962	263,923
Additional impact on profit or loss for the period	(507,880)	(126,970)	(253,940)	126,970	253,940

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

k) Capital management

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

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

Agency	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	05/28/2020
	Global	BBB	Negative	05/28/2020
Moody's	National	Aaa.Br	Stable	06/28/2019
	Global	Ba1	Stable	06/28/2019
Standard & Poor's	National	brAAA	Stable	06/29/2020
	Global	BBB-	Stable	06/29/2020

Financial leverage ratios at September 30 and March 31, 2020 were calculated as follows:

	Consolidated	
	09.30.2020	03.31.2020
Debt		
Loans and financing (Note 16)	18,196,935	16,545,842
(-) Cash and cash equivalents (Note 3)	(1,799,015)	(6,473,747)
(-) Short-term investments subject to financing (Note 4)	(39)	(32,346)
(-) National Treasury Certificates - CTN (Note 9)	(330,596)	(297,459)
(-) Intragroup pre-export financing (Note 10.a.3)	(3,106,263)	(2,795,958)
(-) Exchange rate, interest rate and other derivative swaps	(314,666)	(373,681)
	<u>12,646,356</u>	<u>6,572,651</u>
Equity		
Equity		
Attributable to the Parent Company's controlling interests	6,484,958	7,481,750
Noncontrolling interests	123,619	106,427
	<u>6,608,577</u>	<u>7,588,177</u>
Total capital	<u>19,254,933</u>	<u>14,160,828</u>
Financial leverage ratio	<u>66%</u>	<u>46%</u>

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

27. Supplementary retirement plan and other employee benefits

(a) Pension fund

Defined contribution

In the three-month period ended September 30, 2020, the contribution amount recognized as an expense was R\$7,807 (R\$7,643 in the six-month period ended September 30, 2019).

(b) Profit sharing

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

28. Insurance

As mentioned in Note 28 to the financial statements as at March 31, 2020, the Company and its subsidiaries have an insurance and risk management program that provides coverage compatible with their assets and operations. In the six-month period ended September 30, 2020, there were no significant changes related to that insurance coverage.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

29. Supplementary cash flow information

a) Reconciliation of cash flow financing activities

The reconciliation of cash flow financing activities for the six-month period ended September 30, 2020 is as follows:

						Individual
(Assets)/Liabilities	Short-term investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Total
Opening balance	(157)	10,089,430	3,104,532	740,564	1,860,533	15,794,902
Transactions having an impact on Financial Cash Flow (“FCF”)						
Loans and financing raised from third parties	-	1,340,450	-	-	-	1,340,450
Amortizations of principal of loans and financing - third parties	-	(1,826,205)	-	-	-	(1,826,205)
Amortizations of interest on loans and financing - third parties	-	(186,143)	-	-	-	(186,143)
Amortization of lease liabilities - third parties	-	-	(483,956)	-	-	(483,956)
Amortization of lease liabilities - related parties	-	-	-	(79,910)	-	(79,910)
Short-term investments linked to financing	72	-	-	-	-	72
Asset management, net - intragroup	-	-	-	-	2,089,046	2,089,046
	72	(671,898)	(483,956)	(79,910)	2,089,046	853,354
Other changes not affecting cash flow from financing activities						
Interest, monetary and foreign exchange differences, net	46	721,872	128,107	32,226	308,373	1,190,624
Fair value of financial instruments payable (Note 25)	-	(161,104)	-	-	-	(161,104)
Addition, write-off, remeasurement of lease liabilities and others	-	5,141	506,674	103,344	-	615,159
	46	565,909	634,781	135,570	308,373	1,644,679
Closing balance	(39)	9,983,441	3,255,357	796,224	4,257,952	18,292,935

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

						Consolidated
(Assets)/Liabilities	Short-term investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities – related parties	Related parties	Total
Opening balance	(32,346)	16,248,383	3,737,662	740,564	(2,743,676)	17,950,587
Transactions having an impact on Financial Cash Flow (“FCF”)						
Loans and financing raised from third parties	-	2,606,070	-	-	-	2,606,070
Amortizations of principal of loans and financing - third parties	-	(2,040,800)	-	-	-	(2,040,800)
Amortizations of interest on loans and financing - third parties	-	(304,315)	-	-	-	(304,315)
Amortization of lease liabilities - third parties	-	-	(577,707)	-	-	(577,707)
Amortization of lease liabilities - related parties	-	-	-	(79,910)	-	(79,910)
Short-term investments linked to financing	32,683	-	-	-	-	32,683
Asset management, net - intragroup	-	-	-	-	(21,866)	(21,866)
	32,683	260,955	(577,707)	(79,910)	(21,866)	(385,845)
Other changes not affecting cash flow from financing activities						
Interest, monetary and foreign exchange differences, net	(376)	1,178,925	154,582	32,226	(309,486)	1,055,871
Fair value of financial instruments payable (Note 25)	-	168,172	-	-	-	168,172
Addition, write-off, remeasurement of lease liabilities and others	-	9,904	666,101	103,344	-	779,349
	(376)	1,357,001	820,683	135,570	(309,486)	2,003,392
Closing balance	(39)	17,866,339	3,980,638	796,224	(3,075,028)	19,568,134

(1) Stated net of CTN.

RAÍZEN ENERGIA S.A.

Notes to interim financial information

September 30, 2020

(In thousands of Reais, unless otherwise stated)

b) Main non-cash transactions

	Individual		Consolidated	
	Apr-Sept/2020	Apr-Sept/2019	Apr-Sept/2020	Apr-Sept/2019
Non-cash transactions				
Depreciation of agricultural assets capitalized as biological assets (Note 7)	(9,427)	(5,609)	(14,109)	(6,474)
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 12)	(24,957)	(24,936)	(29,932)	(28,516)
Right of use (Note 15.a)	(603,583)	(605,040)	(761,107)	(686,911)
Tax credits on property, plant and equipment, including PP&E adjustment to present value	(802)	(685)	(2,777)	(916)
Interest capitalized on property, plant and equipment (Notes 12 and 25)	(14,194)	(7,059)	(18,226)	(8,051)
	<u>(652,963)</u>	<u>(643,329)</u>	<u>(826,151)</u>	<u>(730,868)</u>
