

# Raízen Energia S.A.

**Individual and consolidated financial  
statements as of March 31, 2023, and  
Independent Auditor's Report**

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## **Raízen Energia S.A.**

### **Management Report**

In compliance with legal and statutory provisions, Raízen Energia S.A. submits for the appreciation of its shareholders the Management Report and the corresponding Financial Statements, followed by the Independent Auditor's Report, related to the year ended March 31, 2023, expressed on a consolidated basis and in Reais, following the accounting practices adopted in Brazil and international financial reporting standards (IFRS). The Company also provides a detailed version of the Financial Statements and its earnings report on its website: [ri.raizen.com.br](http://ri.raizen.com.br).

## Message from the CEO

Over the past 12 years, we have strengthened an integrated platform, a vector of solutions dedicated to promoting a positive impact on everyone who joins us. Our results are and will always reflect attitudes and decisions based on the principle that sustainability and profitability go hand in hand and succeed together.

The 2022/23 crop year was intense and challenging but fundamental to our history, with significant advances in our purpose of redefining the future of energy. We maintained our focus on operational excellence with a robust balance sheet, which sustains our business expansion cycle. The harvest was marked by new records, both in global sales and Adjusted EBITDA, with consistent execution before the challenges faced this year. Our capital structure appears to be solid, with prudent liquidity levels, average debt term, and leverage. We follow our accelerated plan to deliver what we've committed to and go further. We are very well positioned to keep providing the energy necessary to help people achieve the most in their daily activities and business operations.

As per the agro-industrial operations, we continue to make significant progress on the path to improve Agricultural Productivity, which is essential for increasing the efficiency and scale of our operations. We also remain focused on expanding our participation in the value chain. Our Ethanol and Sugar have increasingly reached different destinations, maximizing profitability. This year, we also created the world's first 100% traceable (Non-GMO) sugar chain.

In the Renewables sector, we remain firm in the planning presented to the market, giving strong traction to expanding the second-generation ethanol ("E2G") production operation. The E2G represents a competitive solution for reducing our customers' carbon footprint and is recognized globally as a high-value-added product. This year, we hit the mark of

more than 30 million liters of production, an absolute record. We currently have, in addition to the plant in operation in Piracicaba, three more under construction and another five to be built to meet the backlog of contracted demand, which already totals over 4 million m<sup>3</sup> in long-term contracts with customers around the world, which is equivalent to a contracted turnover of EUR 4.3 billion.

In the Biogas sector, we already have one of the largest plants in the world, converting waste from our production into clean power. We created a franchise in Power, an avenue of growth with customer base aggregation and competitive differentials that will deliver 100% clean energy to our customers. Raizen Power is already among the five largest power retailers in terms of volume in the country, with more than 24.000 customers and 52 renewable energy generation plants in operation.

We also continue to evolve in diversity and inclusion, significantly increasing women's participation at all leadership levels. We still have much work to do on this front, and our leaders are committed to making it happen. We further increased the maturity of our ESG policies and set more ambitious goals toward compliance with the 2030 Agenda.

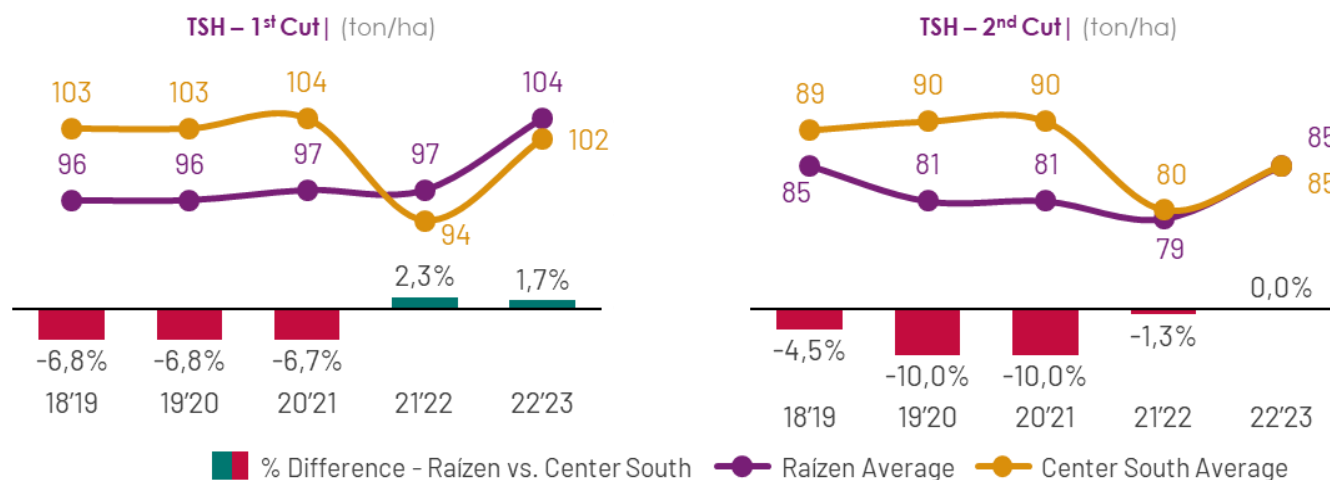
Our unwavering purpose of redefining the future of energy unites us and sets us in the right direction to build a better future. We have an intense agenda ahead, full of opportunities, and we are focused on continuing this journey of promoting and accelerating an efficient energy transition, creating and offering alternatives that facilitate the decarbonization process for our customers. Let's go together!

**Ricardo Mussa**  
**Raizen CEO**

## Results

**Agroindustrial Highlights** – Dry weather in the last two years resulted in lower sugarcane availability this year (crushing volume compared to an initial projection of 80 million tons). As a result, agricultural productivity was lower than in the last crop year, leading to a drop in product availability. In addition to the adverse weather conditions, we intensified the sugarcane replanting reducing the harvest area through the journey to recover agricultural productivity.

**Journey of Agricultural Productivity Recovery | TSH Own Sugarcane vs. Center-South Average** – We continue to receive the benefits of our journey, as evident from the first and second cut sugarcane numbers. These results show that Raízen's productivity will gradually reach industry's average levels, recovering productivity from the third cut onwards and generating significant scale improvement, with higher dilution of costs in the coming years.



Source: CTC – Centro de Tecnologia Canaveira

**Cost of Goods Sold (COGS)** – Unit cash cost in sugar equivalent increased in the quarter and crop year due to: (i) the effect of lower dilution of fixed costs due to lower crushing volume and consequently sugarcane availability; (ii) inflationary effects on the production inputs, especially diesel and labor; and (iii) greater number of days this crop year. Raízen partially mitigated agroindustrial costs by improving efficiency supported by: (i) integrated management of the supply chain; (ii) high and sustained industrial productivity ratio (RiT/Stab of 88.8%); and (iii) the expansion of Raízen's Excellence Program (SER+ Project), which is already running at 23 of the 30 Bioenergy Parks currently operational, and is optimizing processes, reducing waste, strengthening the culture of safety and performance increase (approximately R\$ 58 million).

**Investments** – Were affected by the inflationary effect on the prices of agricultural inputs, steel, diesel and labor, which impacted the unit values for planting, land treatment and industrial maintenance costs. In addition, investments in planting and land treatment remain high with over 107,000 hectares of planted area in the crop year, accelerating our journey to recover productivity, which is expected to improve continuously based on the results of the first cuts in the last two years.

Investments in operational improvements increased considering the crop year due to inflation on equipment prices and the intensification of Health, Safety and Environmental initiatives.

Investments in growth were focused on the construction of three E2G plants. Other projects include investments to increase Company's capacity to generate 100% renewable energy (especially solar power), construction of second Biogas plant, as well as projects to agricultural irrigation and improvement and expansion of the sugar business (production and storage capacity), demonstrated under heading "Other".

## ► Renewables | Ethanol value expansion and new growth avenue: Power

### Ethanol

The main highlight was our effective sales strategy for industrial ethanol and fuel to global clients with differentiated pricing underpinning volume growth. Throughout the quarter and crop year, ethanol atypically was less competitive than gasoline due to tax changes on fuels in Brazil. As a result, domestic sales of hydrous ethanol ended 2022'23 crop year in line with 2021'22 volume, while anhydrous sales set a new record contributing to raising the average price.

Currently, 80% of the ethanol produced by Raízen is entitled to some premium compared to hydrous ethanol sold in Brazil being destined for industrial purposes (bioplastics, cosmetics, beverage industry, among others) or as fuel, with differentiated pricing and low carbon premiums. Our strategy resulted in a change in **Raízen's average selling price<sup>1</sup>**, which was 30% higher than reference in the local market (ESALQ base).

We proudly strengthened our operational capacity and achieved record production of **Second Generation Ethanol (E2G)**, totaling 30,000 cbm produced in the crop year (+64% vs. 2021'22). Our efficient technology and production processes corroborate our vision of market expansion, with the announcement of eight new plants to be built by 2027, following the sharp increase in global demand for certified biofuels with high sustainability standards. Raízen is already a global benchmark in the E2G market with a backlog of long-term agreements totaling approximately 4.3 million m<sup>3</sup>.

### Power

We continued to expand our operations in Brazil's Power segment, positioning Raízen as the fifth largest power player in Brazil according to the Electricity Trading Chamber, with over 24,000 clients connected through integrated and customized solutions for each consumer profile currently operating 52 renewable energy generation plants.

Due to the increase in hydropower generation as a result of high inflows into the Paraná River basin, the rainy season helped maintain reservoir levels favoring hydropower generation and system's storage level. Consequently, the better power supply conditions led to a continuous reduction in the short-term average price (Differences Settlement Price – PLD) in all Brazilian submarkets. Raízen's positioning of selling energy via auctions partially mitigated the effects on average prices over the year.

The strong growth in **own volume sold** in 4Q 22'23 mainly reflects the investments in clean energy generation, especially solar. We increased the volume commercialized in the quarter in order to maximize the returns from the operation through higher market share, adding intelligence and scale to Raízen's operations. The lower availability of biomass affected the generation of bioenergy and sales volume of own power. The highlight was the 81% increase in the sales volume of solar power and other sources through distributed generation.

**Net Revenue** – Decreased in Q4 22'23 mainly reflecting lower ethanol volume and offset by higher average price. In the crop year the growth in Ethanol sales revenue driven by higher sales volume and better global prices offset the lower power sales revenue.

**Cost of Goods Sold (COGS)** – Lower sales volume of own ethanol reflecting the drop in COGS in the quarter. For the crop year COGS growth mainly reflects lower production, which adversely affected the dilution of fixed costs, and higher prices of inputs in general, as mentioned previously.

**Selling, general and administrative expenses (SG&A)** – Growth that reflects the higher ethanol exports, in line with the sales strategy for the crop, inflation on selling and logistic expenses and variable compensation provisions concentrated in the Q4.

**Adjusted EBITDA** – EBITDA growth in both the quarter and the crop year reflects the higher average selling price of ethanol, supported by our diversified portfolio of biofuel for different uses and applications. In the crop year, the

higher EBITDA reflected the increase in sales volume at higher ethanol prices and advances in the Power business agenda, which were partially offset by inflationary pressures on costs.

### ► Sugar | Effective strategy in a favorable price cycle

Precision and sense of opportunity were the hallmarks of our Sugar business. The effectiveness of our strategy of direct sales to the final destination (100% of own sugar volume and 60% of total volume) drove the expansion of our operations across the sugar value chain, with better prices amid a more positive scenario for the commodity. Sugar prices in the global market have been reaching new levels of equilibrium to meet growing demand and sugar supply limitations.

Sale of own sugar volumes in 2022'23 crop year was similar to that in 2021'22, despite lower sugarcane availability. However, sales volume more than doubled, increasing returns and our participation in the global trade flow. Moreover, our inventory carryover was lower this crop year, due to lower sugarcane availability and the price cycle.

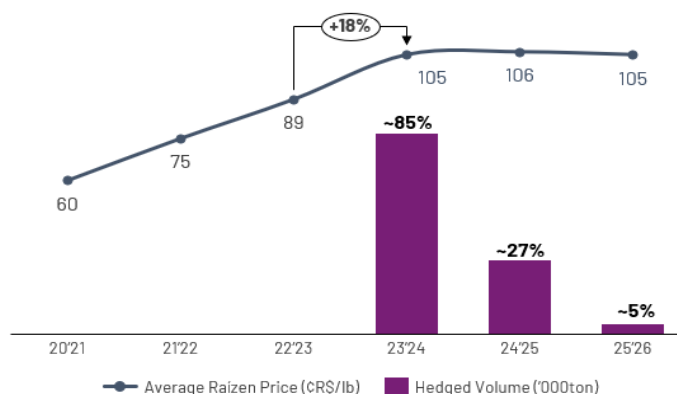
**Net revenue** - Performance was driven by the sharp increase in sugar sales volume, in line with the strategy of differentiating and expanding Raízen's participation in the value chain and capturing higher prices.

**Cost of Goods Sold (COGS)** - Greater than Q4 and previous year mainly due to higher sugar volumes sold and the pressures from lower production and sale of own sugar, which adversely affected the dilution of fixed costs, as mentioned previously.

**Selling, general and administrative expenses (SG&A)** - Selling expenses increased in the crop year reflecting higher volumes of own products and expenses with logistics and sugar freight directly to destination, in line with Company's strategy. Growth in general and administrative expenses in the quarter was due to higher expenditures on variable compensation. Decline in the crop year reflects efficiencies captured and synergies resulting from the combination of Biosev's operations.

**Adjusted EBITDA** - Higher sugar prices combined with higher traded volume and higher sales directly to destination, which mitigated the pressure from higher costs on margins, considering lower crushing volume and product availability.

**Sugar Hedge** - The table below presents the sugar volumes and prices hedged, in USD translated into BRL, on March 31:



Summary of Sugar Hedge Operations	2022'23	2023'24	VAR.% vs. 2022'23	2024'25	VAR.% vs. 2022'23	2025'26	VAR.% vs. 2022'23
Volume (000' ton)	-	2,928	-	1,077	-	151	-
Average price (¢BRL/lb) *	89	105	18%	106	19%	105	18%
Average price (BRL/ton) *	1,949	2,313	18%	2,334	19%	2,310	18%

\*Includes polarization premium.

### Commitment with sustainability

Raízen integrates environmental, social, economic and governance (ESG) aspects to generate and share value with our stakeholders, as it guarantees our business's continuity, competitiveness and responsibility.

Our materiality strategy allows the management to engage with the stakeholders actively. It is a process that will enable us to identify the most pertaining topics in our business and concerning our interested parties based on the actual and potential impacts caused by our activities, whether positive or negative. This process resulted in identifying eight priority topics: Climate Changes and Emissions Management, Water Management, Agricultural Management and Biodiversity, Sustainable Procurement, Human Rights and Well-Being, Ethics and Governance, Relationship with Neighboring Communities, and Diversity and Inclusion. We have developed and updated our Strategic Sustainability Plan since the 2018/2019 harvest. The goals and long-term actions have been set according to the priorities mentioned. Thankfully, we had a leap in maturity concerning the management and governance of our ESG Agenda:

- Reduce the ethanol carbon footprint by 20%;
- Increase renewable energy production by 80%;
- Reach and maintain 80% of the Adjusted EBITDA from Renewable Businesses;
- Reduce the carbon intensity in the use of the products to be sold by 10%;
- Reduce the water impounding from external sources by 15% (during the milling period);
- Increase the power generation per harvested area by 15%;
- Ensure the traceability of 100% of the volume of crushed sugarcane (own and third-party) and zero illegal deforestation;
- Reach and maintain all the operating units certified with an internationally accredited standard;
- Ensure that 100% of the sugarcane sources are certified with an internationally accredited sustainability standard; Monitor 100% of those suppliers essential according to the ESG Agenda;
- Promote improvements to defend human rights throughout our operations and supply chain;
- Actively influence our counterparties concerning Raízen's Ethics & Compliance values;
- Promote educational actions through the Fundação Raízen's programs in 100% of the territories the company is operating;
- Until 2025, have at least 30% of women in leadership positions.

Despite the focus of Raízen's strategy on environmental, social and governance aspects, we are also paying attention to our economic performance. The development of the whole process has also been supported by market indexes and ratings, such as the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index of the Stock Exchange of São Paulo (ISE-B3), the MSCI ESG Scores, Sustainalytics, among others. These indexes and ratings help us identify good practices and ensure our performance steadily increases. Following the best international practices of rendering accounts, in July 2022, we released our 11th Annual Sustainability Report, prepared according to the standards set by the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB), the metrics from the World Economic Forum (WEF) and the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

In 2022, we remained the leader in the CDP Climate Change list, with an A- rating, consolidating our journey of successive achievements in climate issues. Raízen also joined, for the first time, the B3's Corporate Sustainability Index, highlighting its leadership position concerning ESG topics among the group of companies listed.

### Our human capital

We are a team with employees in Brazil, Paraguay and Argentina, united by a strong culture, based on ethics, respect, safety, innovation and, above all, the purpose of redefining the future of energy.



Raízen monitors the achievements of this team using a People agenda – it is our way of preparing our employees to develop Raízen's future strategies based on the most relevant topics of the moment. The methodology to develop our employees is constantly evolving. We have created collective learning journeys and activities to approach those skills and individual development programs based on coaching and mentoring sessions and select texts and courses. Universidade Raízen, comprised of five schools strategically attentive to the market challenges we face, is another solution we have to develop our teams. The Líder Lab is our Leadership development hub – a learning ecosystem to prepare attentive and innovative leaders, fully developed, to help Raízen face future challenges. We seek to develop five key competencies: talent development, strategic mindset, risk management, technological mindset and self-awareness.

Diversity & Inclusion is also part of our strategic agenda and one of our culture's pillars. Every year we have made achievements in this area. Raízen has approached this topic in a structured manner since 2017. The company understands that diverse teams are more innovative and achieve the best results and that diversity retains more talent and engages more people. Besides our public commitment to have at least 30% of women in senior management positions, the company has developed several projects to promote a more inclusive environment for everyone, such as providing qualifications to all employees, mentorship programs for women, affirmative job opportunities for minority groups, and holding a Diversity and Inclusion Census. Raízen has developed these works along with the "Transformadores" groups, teams focused on promoting social change and that are organized in four different approaches: Gender, Ethnic-Racial, LGBTQIAP+ and People with Disabilities. The Diversity and Inclusion Committee is informed about the progress every two months.

Another priority topic in the Company's agenda is Safety. We are fully committed to ensuring a "zero accident" rate, which is essential to our organizational culture and the performance of our businesses. We follow guidelines and procedures throughout our operations to ensure the safety of our work environments and our employees' physical and mental integrity. Our Health, Safety, Environment and Sustainability (SSMA) Policy sets the rules and provides the content that the SSMA and/or Sustainability Committees leaders may use to conduct any awareness and training activities. Our Integrated Operations Management System (SIGO) monitors our operations – whether in Brazil, Paraguay, Argentina or any other Brazilian or international office. The SIGO comprises nine elements, encompassing the health and safety of our employees, the assignment of duties and the systemic control of indicators concerning the topic. Raízen developed SIGO according to international standards and practices beyond any regulatory requirements. The Senior Management also monitors the qualitative indicators, such as the number of incidents resulting in long-term serious or permanent injuries and fatalities per million hours worked (Serious Injury and Fatality – SIF), the number of incidents resulting in leave per million hours worked (Lost Time Injury Frequency – LTIF), and the number of incidents reported per million of hours worked (Total Recordable Case Frequency – TRCF).

We remain focused on expanding the Raízen Excellence System (SER+ Program), already implemented in 23 of 30 Bioenergy Parks currently in operation. This system has improved the processes, reduced waste and strengthened our safety culture. We have achieved the best results in our history using this system! Implementing the system required more than 200 thousand hours of training attended by more than 30 thousand employees from the Industrial and Agricultural areas. In the end, more than 1.8 thousand operational procedures and 550 troubleshooting projects (A3/PDCA) were developed. SER+ promoted a massive cultural transformation in the teams, reducing waste and improving performance, something we notice in the production of our Bioenergy Parks.

We have made relevant progress in Social Performance. In 2022/2023, we remain focused on improving the implementation of Territory Relationship Plans (PRTs), which guide social action in the territory and are based on qualified consultation with our internal and external stakeholders and on secondary gathering of socioeconomic indicators; and on the development and application of innovative Social Technologies in the territories. In a journey to improve our governance on this subject, we mapped more than 60 processes in the Social Performance area and reviewed our Policy and Procedures, which helped make our work even more solid.

At Fundação Raízen, we trained 3,438 young people throughout the year 2022 through the Ativa Juventude Program, and reached a total of 45 municipalities throughout Brazil, in line with the 2030 commitment of "Promoting educational initiatives in 100% of the Raízen territories through Raízen Foundation programs."

During the 2022/2023 crop year, a program to train educators was also started to help expand Ativa Juventude into other territories where we operate. A contract signed with Brazil's National Bank for Economic and Social Development (BNDES) was also announced for a program that will benefit 405 public schools in 90 Brazilian municipalities from 2023, indirectly impacting more than 30,000 students. R\$ 34 million were invested in the period, reaching more than 920,000 people directly and indirectly.

## **Corporate Governance**

Our relationship with the stakeholders is based on the principles of transparency, and equity, quality of accountability and corporate responsibility.

To ensure the transparency of management and business, we implemented an information disclosure policy, in order to guarantee that data for the market is presented in a broad, transparent, homogeneous and consistent manner.

We maintain robust internal control procedures, having objectively adapted them according to the guidance set out by our Corporate Governance principles. In line with the best governance practices, we have committees implemented to support the monitoring and deliberations of our Board of Directors, such as the Audit Committee, Finance Committee, Compensation Committee and Corporate Social Responsibility Committee.

## **Relevant Events**

### *Debentures Issue*

In April, we settled our first issue of Sustainability-Linked Debentures (SLD) linked to ESG targets (expansion of the Bonsucro certification to 94% and increased participation of women in leadership positions from 19% to 30% by 2026).

### *Annual and Extraordinary Shareholders Meeting*

In July, we held the Company's Annual and Extraordinary Shareholders Meeting (AGOE), which approved, among other things, the financial statements for fiscal year 2022 and the election of the Company's Audit Board.

## **Relationship with the External Auditors**

The policy of our company and of our subsidiaries in contracting services not related to external auditing with independent auditors is based on principles that preserve their independence. These principles consist, in accordance with internationally accepted standards, of: (a) that the auditor must not audit his own work; (b) that the auditor must not perform a management role for its client, and (c) that the auditor must not legally represent the interests of its clients.

In compliance with CVM Instruction 381/03, we inform that during the fiscal year, Ernst & Young Auditores Independentes S/S Ltda. exclusively provided auditing services for the individual and consolidated Financial Statements for the fiscal year ended March 31, 2023, and Pistrelli, Henry Martin y Asociados S.R.L. ("EY Argentina") provided certain limited insurance services to Raízen Argentina S.A.U. We understand that these services do not constitute a conflict of interest, loss of independence or objectivity of our independent auditors.

## **Acknowledgement**

Raízen's Management would like to thank its shareholders, customers, suppliers and financial institutions for their cooperation and trust, in particular, our employees for their dedication and effort. For details on the analysis of the results for the 2022'23 crop season, please go to Raízen's website: [www.raizen.com.br](http://www.raizen.com.br).



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

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## **Independent auditor's report on individual and consolidated financial statements**

To the  
Management and Shareholders of  
**Raízen Energia S.A.**

### **Opinion**

We have audited the individual and consolidated financial statements of Raízen Energia S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as of March 31, 2023, and the statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as of March 31, 2023, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by the Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the “Auditor’s responsibilities for the audit of the individual and consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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

As mentioned in Notes 2.3 (c) (v) and 27 to the individual and consolidated financial statements, the Company has strategies in place to hedge its future cash flows from the impact of significant variables, such as fluctuations in exchange rates, interest rates and price volatility in the commodities market. These strategies consist of entering into specific derivative financial instruments for each type of risk (futures, swap, forward, among others). Some of these financial instruments are designated as hedged items underlying a specific documented risk, for the purpose of recognizing at the same time the result of the impacts of the instrument (derivative and non-derivative) and the item, which is known as “hedge accounting”.

This matter was considered significant for our audit due to the complexity of the estimates and the high degree of judgment involved in measuring the fair value of financial instruments, including derivatives, as well as in determining a hedge relationship and its effectiveness, and the significant impacts on the financial statements that changes in the assumptions adopted for measuring financial instruments and hedge designations may generate.

How our audit addressed this matter:

Our audit procedures included, among others, understanding and analysis of the models adopted by the Company for assessing the valuation of financial instruments, including derivatives and designation of hedge accounting; obtain external confirmation from financial institutions; involving experts in financial instruments to assess the adequacy of the supporting documentation of hedge relationships, as well as the reasonableness of the main assumptions used to calculate the fair value of derivative financial instruments, using information on recent market transactions, the discount rate and credit risk of the Company and its counterparties; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2023.

Based on the results of the audit procedures performed for the valuation of financial instruments, including derivatives and the designation of hedge accounting, which are consistent with Company’s assessment, we considered that the criteria and assumptions used to determine the valuation of financial instruments, including derivatives and designation of hedge accounting adopted by the Company, as well as the respective disclosures in Notes 2.3 (c) (v) e 27, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

- *Fair value measurement of biological assets*

As mentioned in Notes 2.3 (h) and 7 to the individual and consolidated financial statements, the fair value measurement of biological assets is based on valuation techniques supported by an unobservable and liquid market, with assumptions that consider internal and external inputs, mainly related to the expected productivity, projected average prices for Total Recoverable Sugar (“ATR”), and cash flow discount rates.

Adjustments to the assumptions applied in the calculation of biological assets can potentially have significant impacts on the individual and consolidated financial statements in “biological assets” under current assets and in “cost of products sold” in the statement of income for the year.

Due to the inherent risks in the subjectivity of certain assumptions that require the Company to exercise judgment and that may have a significant impact on measuring the fair value of biological assets and, consequently, on the individual and consolidated financial statements as a whole, this was considered a key audit matter.

How our audit addressed this matter:

Our audit procedures included, among others, understanding and analysis of the model adopted for estimating the biological assets’ fair value; involving valuation experts to assist us in the analysis and review of the adequacy of the key assumptions applied to determine the fair value of biological assets, including the productivity of sugarcane fields, the planted areas and the discount rate; comparison of the productivity assumptions with available internal and external historical information; sensitivity analysis of the significant assumptions applied; assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements as of March 31, 2023.

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

## **Other matters**

### *Statements of value added*

The individual and consolidated statements of value added (SVA) for year ended March 31, 2023, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company’s financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the

criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the overall individual and consolidated financial statements.

### **Other information accompanying the individual and consolidated financial statements and the auditor's report**

Management is responsible for such other information, which comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

### **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the scope and timing of the planned audit procedures and significant audit findings, including deficiencies in internal control that we may have identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, May 12, 2023.

ERNST & YOUNG  
Auditores Independentes S/S Ltda.  
CRC SP-034519/O

Original report in Portuguese signed by  
Uilian Dias Castro de Oliveira  
Accountant CRC SP-223185/O



# RAÍZEN ENERGIA S.A.

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

		Individual		Consolidated	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	3	3,681,794	3,898,696	7,885,893	7,305,940
Restricted cash	4	597,016	1,584,236	1,162,679	1,917,365
Derivative financial instruments	27	2,762,722	3,283,753	6,437,437	5,993,342
Trade accounts receivable	5.a	333,680	356,600	4,154,719	2,561,278
Inventories	6	770,415	986,465	2,777,066	3,041,355
Biological assets	7	2,387,195	1,840,826	4,140,465	2,422,331
Recoverable income tax and social contribution	18.a.1	132,180	139,789	210,810	146,087
Recoverable taxes	8	289,919	397,991	934,119	687,802
Other financial assets	9	37,633	-	105,683	37,633
Related parties	11	12,048,154	5,565,410	11,219,192	5,009,226
Dividends receivable		10,657	9,657	407	476
Other receivables		257,313	124,743	509,192	344,189
Total current assets		23,308,678	18,188,166	39,537,662	29,467,024
Non-current assets					
Derivative financial instruments	27	1,079,928	1,237,546	2,428,219	1,737,958
Other financial assets	9	44,716	6,903	108,191	106,304
Securities	10	48,824	-	167,778	-
Recoverable income tax and social contribution	18.a.1	-	-	4,202	-
Recoverable taxes	8	135,602	81,924	257,100	224,502
Trade accounts receivable	5	2,579	-	133,667	8,500
Related parties	11	343,930	402,907	2,393,799	2,321,973
Deferred income tax and social contribution	18.b	2,372,070	1,933,066	3,450,544	2,004,274
Judicial deposits	19	349,291	348,772	649,709	491,911
Other receivables		467,958	285,613	536,004	328,858
Investments	12	15,048,750	8,234,961	681,210	595,861
Property, plant and equipment	13	10,992,233	7,535,349	19,446,489	12,067,996
Intangible assets	14	1,607,014	1,491,206	2,779,217	2,008,913
Right of use	16.a	6,627,859	6,141,266	9,609,755	7,211,524
Total non-current assets		39,120,754	27,699,513	42,645,884	29,108,574
Total assets		62,429,432	45,887,679	82,183,546	58,575,598

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

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

(Continued)

	Note	Individual		Consolidated	
		2023	2022	2023	2022
Liabilities					
Current liabilities					
Suppliers	15	1,893,471	1,003,022	9,378,688	7,529,094
Lease liabilities	16.b	1,469,821	1,114,671	2,411,402	1,327,258
Loans and financing	17	1,255,175	215,763	1,677,472	1,139,072
Derivative financial instruments	27	3,483,111	4,554,348	6,210,173	7,143,420
Payroll and related charges payable		712,609	532,784	950,698	688,882
Income tax and social contribution payable	18.a.2	-	-	34,093	122,323
Taxes payable		90,081	166,755	146,078	274,150
Dividends payable	21.b	4,025	10,219	4,025	10,219
Related parties	11	4,065,058	5,983,270	1,262,744	2,616,003
Advances from clients	5.b	171,540	62,130	2,023,933	1,280,940
Other liabilities		664,345	120,206	1,676,267	304,135
Total current liabilities		13,809,236	13,763,168	25,775,573	22,435,496
Non-current liabilities					
Lease liabilities	16.b	4,844,728	4,301,557	7,762,157	5,208,338
Loans and financing	17	14,538,377	7,950,182	19,230,963	12,783,139
Derivative financial instruments	27	1,540,323	1,358,685	2,152,307	1,456,591
Taxes payable		187,445	176,853	197,446	186,532
Related parties	11	3,988,452	4,057,909	1,447,427	1,611,471
Provision for legal disputes	19	593,052	521,939	1,037,310	642,197
Deferred income tax and social contribution	18.b	-	-	624,159	475,700
Advances from clients	5.b	359,925		1,393,073	
Other liabilities		421,618	213,548	390,885	180,280
Total non-current liabilities		26,473,920	18,580,673	34,235,727	22,544,248
Total liabilities		40,283,156	32,343,841	60,011,300	44,979,744
Equity	21				
Capital		19,531,609	11,766,354	19,531,609	11,766,354
Capital reserves		1,005,306	1,081,700	1,005,306	1,081,700
Equity adjustments		(559,197)	(807,485)	(559,197)	(807,485)
Income reserves		2,168,558	1,503,269	2,168,558	1,503,269
		22,146,276	13,543,838	22,146,276	13,543,838
Interest of non-controlling shareholders		-	-	25,970	52,016
Total equity		22,146,276	13,543,838	22,172,246	13,595,854
Total liabilities and equity		62,429,432	45,887,679	82,183,546	58,575,598

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of income

Years ended March 31

In thousands of Reais – R\$, except Earnings per share

	Note	Individual		Consolidated	
		2023	2022	2023	2022
Net operating revenue	22	14,066,812	9,709,293	78,449,827	50,371,140
Cost of products sold and services provided	24	(12,225,083)	(8,498,365)	(73,736,957)	(45,840,952)
Gross profit		1,841,729	1,210,928	4,712,870	4,530,188
Operating revenue (expenses)					
Selling	24	(1,339,437)	(997,921)	(1,214,122)	(1,223,324)
General and administrative	24	(809,225)	(650,088)	(1,272,564)	(997,174)
Other operating revenue, net	25	40,164	141,988	185,569	48,769
Equity accounting result	12	1,868,402	1,983,268	(56,113)	(42,184)
		(240,096)	477,247	(2,357,230)	(2,213,913)
Income before financial results and income tax and social contribution		1,601,633	1,688,175	2,355,640	2,316,275
Financial results					
Financial expenses	26	(2,519,478)	(1,372,593)	(2,628,169)	(1,583,308)
Financial income	26	1,798,832	354,598	1,701,581	454,265
Net exchange variation	26	(55,805)	408,649	(82,781)	362,914
Net effect of derivatives	26	(644,996)	(63,131)	(626,201)	(18,133)
		(1,421,447)	(672,477)	(1,635,570)	(784,262)
Income before income tax and social contribution		180,186	1,015,698	720,070	1,532,013
Income tax and social contribution	18.a				
Current		(164,554)	(107,291)	(337,361)	(692,680)
Deferred		653,695	339,059	262,086	318,703
		489,141	231,768	(75,275)	(373,977)
Net income for the year		669,327	1,247,466	644,795	1,158,036
Attributable to:					
Company's controlling shareholders		669,327	1,247,466	669,327	1,247,466
Company's non-controlling shareholders		-	-	(24,532)	(89,430)
		669,327	1,247,466	644,795	1,158,036
Net earnings per common share:					
Basic and diluted	21.f			0.040	0.117

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

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

	Individual		Consolidated	
	2023	2022	2023	2022
Net income for the year	669,327	1,247,466	644,795	1,158,036
<b>Comprehensive income</b>				
<b>Items that will not be reclassified to statement of income</b>				
Equity adjustment - Actuarial losses	3,893	4,519	3,893	4,519
Equity adjustment - Actuarial losses (effect from subsidiaries)	(1,058)	868	(1,058)	868
Deferred taxes on adjustments (Note 18.b)	(1,324)	(1,536)	(1,324)	(1,536)
	1,511	3,851	1,511	3,851
<b>Items that are or may be reclassified to statement of income</b>				
Income from designated derivative financial instruments and others as hedge accounting (Note 27.e)	317,152	1,678,944	317,152	1,678,944
Effect of foreign currency translation - CTA	32,757	(136,133)	32,757	(136,133)
Hedge accounting (effect from subsidiaries)	11,515	-	11,515	-
Deferred taxes on adjustments (Note 18.b)	(111,747)	(570,841)	(111,747)	(570,841)
Other liabilities	(4,394)	-	(4,394)	-
Deferred taxes on other liabilities (Note 18.b)	1,494	-	1,494	-
	246,777	971,970	246,777	971,970
Other components of the comprehensive income for the year	248,288	975,821	248,288	975,821
Total comprehensive income for the year	917,615	2,223,287	893,083	2,133,857
Attributable to:				
Company's controlling shareholders	917,615	2,223,287	917,615	2,223,287
Company's non-controlling shareholders	-	-	(24,532)	(89,430)
	917,615	2,223,287	893,083	2,133,857

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

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

	Attributable to controlling shareholder										
	Capital reserves				Income reserves					Interest of non-controlling shareholders	
	Capital	Capital reserve	Special goodwill reserve	Equity adjustments	Tax incentive reserve	Legal reserve	Retained profits	Retained earnings	Total		Total equity
As of March 31, 2021	6,514,134	846,010	243,111	(1,783,306)	163,119	266,020	575,312	-	6,824,400	84,913	6,909,313
Comprehensive income for the year											
Net income (loss) for the year	-	-	-	-	-	-	-	1,247,466	1,247,466	(89,430)	1,158,036
Equity adjustments - Hedge accounting (Note 27.f)	-	-	-	1,108,103	-	-	-	-	1,108,103	-	1,108,103
Equity adjustment - Actuarial liabilities	-	-	-	3,851	-	-	-	-	3,851	-	3,851
Effect of foreign currency translation - CTA	-	-	-	(136,133)	-	-	-	-	(136,133)	-	(136,133)
	-	-	-	975,821	-	-	-	1,247,466	2,223,287	(89,430)	2,133,857
Distributions to the Company's shareholders											
Business combination (Note 30.d)	-	-	-	-	-	-	-	-	-	51,772	51,772
Capital increase	5,250,000	-	-	-	-	-	-	-	5,250,000	2,340	5,252,340
Redemption and allocation of dividends to holders of preferred shares (Note 21.a)	2,220	-	-	-	-	-	-	-	2,220	-	2,220
Set up of tax incentive reserve of subsidiaries (Note 21.d.ii)	-	-	-	-	163,081	-	-	(163,081)	-	-	-
Impact of purchase of equity interest in subsidiary (Note 21.a)	-	(7,421)	-	-	-	-	-	-	(7,421)	2,421	(5,000)
Set up of reserves (Note 21.b)	-	-	-	-	-	62,373	1,011,793	(1,074,166)	-	-	-
Mandatory minimum dividends (Note 21.b)	-	-	-	-	-	-	-	(10,219)	(10,219)	-	(10,219)
Reserves realized (Note 21.d)	-	-	-	-	(163,119)	-	(575,310)	-	(738,429)	-	(738,429)
	5,252,220	(7,421)	-	-	(38)	62,373	436,483	(1,247,466)	4,496,151	56,533	4,552,684
As of March 31, 2022	11,766,354	838,589	243,111	(807,485)	163,081	328,393	1,011,795	-	13,543,838	52,016	13,595,854
Comprehensive income for the year											
Net income (loss) for the year	-	-	-	-	-	-	-	669,327	669,327	(24,532)	644,795
Equity adjustments - Hedge accounting (Note 26.f)	-	-	-	216,920	-	-	-	-	216,920	-	216,920
Equity adjustment - Actuarial liabilities	-	-	-	1,511	-	-	-	-	1,511	-	1,511
Equity adjustments - Others	-	-	-	(2,900)	-	-	-	-	(2,900)	-	(2,900)
Effect of foreign currency translation - CTA	-	-	-	32,757	-	-	-	-	32,757	-	32,757
	-	-	-	248,288	-	-	-	669,327	917,615	(24,532)	893,083
Distributions to the Company's shareholders											
Purchase of equity interest in subsidiary (Note 21.a)	-	(961)	-	-	-	-	-	-	(961)	961	-
Corporate reorganization (Note 12.d.i)	7,765,255	(73,203)	-	-	-	-	-	-	7,692,052	-	7,692,052
Impact of purchase of equity interest in subsidiary (Note 21.a)	-	(2,230)	-	-	-	-	-	-	(2,230)	(2,493)	(4,723)
Set up of tax incentive reserve of subsidiaries (Note 21.d.ii)	-	-	-	-	233,407	-	-	-	233,407	-	233,407
Set up of reserves (Note 21.b)	-	-	-	-	-	33,467	398,415	(665,289)	(233,407)	-	(233,407)
Mandatory minimum dividends (Note 21.b)	-	-	-	-	-	-	-	(4,025)	(4,025)	-	(4,025)
Others	-	-	-	-	-	-	-	(13)	(13)	18	5
	7,765,255	(76,394)	-	-	233,407	33,467	398,415	(669,327)	7,684,823	(1,514)	7,683,309
As of March 31, 2023	19,531,609	762,195	243,111	(559,197)	396,488	361,860	1,410,210	-	22,146,276	25,970	22,172,246

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of cash flows – Indirect method Years ended March 31 In thousands of Reais – R\$

	Individual		Consolidated	
	2023	2022	2023	2022
Cash flows from operating activities				
Income before income tax and social contribution	180,186	1,015,698	720,070	1,532,013
Adjustments:				
Depreciation and amortization (Note 24.a)	4,441,876	3,330,042	6,114,483	4,300,702
Net loss (gain) from change in the fair value and realization of gain or loss of biological assets fair value (Note 24.a)	165,916	(705,270)	(355,582)	(901,417)
Equity accounting results in subsidiaries and associates (Note 12)	(1,868,402)	(1,983,268)	56,113	42,184
Net interest, inflation adjustments and exchange variation	1,529,712	964,794	1,735,419	1,251,617
Fair value of financial instruments payable (Note 26)	(398,524)	(320,968)	(396,339)	(335,889)
Set up of provision for legal disputes, net	88,662	52,091	124,756	53,677
Unrealized loss on derivative transactions	1,936,564	2,865,285	788,274	2,538,170
Revenue from investment grant – ICMS	(163,686)	-	(340,593)	(163,081)
Others	(38,789)	(153,798)	(197,792)	(5,282)
Changes in assets and liabilities				
Trade accounts receivable, net of advances	538,857	32,929	748,856	(231,058)
Inventories	155,500	(216,426)	1,190,943	(1,570,084)
Restricted cash	999,574	(729,216)	768,635	(992,851)
Derivative financial instruments	(1,284,496)	(1,143,014)	(416,959)	(1,102,682)
Judicial deposits	(1,580)	(22,365)	13,440	(19,698)
Suppliers, net of advances	631,019	(45,890)	997,955	3,098,453
Recoverable and payable taxes	(21,429)	188,948	57,145	223,208
Related parties	(409,717)	(319,918)	652,666	485,137
Payroll and related charges payable	150,445	135,194	124,081	210,672
Payments of legal disputes (Note 19)	(53,508)	(28,997)	(114,965)	(40,079)
Other assets and liabilities, net	79,168	(19,972)	98,768	133,281
Payment of income tax and social contribution	(57,493)	-	(332,249)	(458,878)
Net cash generated by operating activities	6,599,855	2,895,879	12,037,125	8,048,115
Cash flows from investing activities				
Interests held in subsidiaries; net of cash acquired (Note 21.a)	-	-	(5,121)	(5,000)
Cash obtained in business combination (Note 12.d.i)	-	-	132,395	-
Cash obtained in merger (Notes 30.a and 30.b)	85,877	-	-	-
Business acquisition (Note 30.d)	-	-	(36,192)	(173,078)
Additions to investments (Note 12.d.ii and 12.e.i)	(75,842)	(986,797)	(95,094)	(106,691)
Additions to property, plant and equipment and intangible assets	(4,331,649)	(2,291,999)	(6,596,847)	(2,959,424)
Dividends received from subsidiaries (Notes 12.d.iii, 12.d.iv and 12.e.ii)	38,062	2,383,682	7,007	51,505
Cash received on disposal of property, plant, and equipment	43,175	63,044	58,140	75,370
Additions to biological assets	(1,162,272)	(763,402)	(1,569,146)	(923,074)
Investments in securities	(50,000)	-	(163,937)	-
Interest received on intragroup pre-export financing	-	-	107,261	122,667
Cash received on disposal of investment, net	-	-	39,651	-
Net cash used in investing activities	(5,452,649)	(1,595,472)	(8,121,883)	(3,917,725)
Cash flows from financing activities				
Payment of capital	-	5,250,000	-	5,250,000
Funding from third-party loans and financing	10,303,325	-	10,514,025	244,124
Amortizations of principal of third-party loans and financing	(3,305,500)	(832,177)	(4,368,709)	(1,844,525)
Payment of interest on third-party loans and financing	(976,172)	(364,943)	(1,277,746)	(620,101)
Amortizations of third-party lease liabilities (Note 16.b)	(1,567,858)	(1,341,706)	(2,095,902)	(1,657,322)
Amortizations of intragroup lease liabilities (Note 11)	(281,622)	(240,030)	(281,622)	(240,030)
Net redemption of financial investments linked to financing (restricted cash)	-	(103)	-	(19)
Payments of dividends (Note 21.b)	(10,219)	(746,681)	(10,219)	(746,681)
Principal payments of captured PPEs – intra-group	(6,511)	(42,730)	-	-
Payment of interest on intragroup pre-export financing obtained	(147,673)	(66,388)	-	-
Principal receipts from PPEs granted –intra-group	-	-	312,464	-
Proceeds from loans – intragroup	-	-	(229,814)	(262,713)
Asset management, net – intragroup	(5,463,861)	(287,433)	(6,037,478)	(382,023)
Net cash (used in) generated by financing activities	(1,456,091)	1,327,809	(3,475,001)	(259,290)
(Decrease)increase in cash and cash equivalents, net	(308,885)	2,628,216	440,241	3,871,100
Cash and cash equivalents at beginning of year	3,898,696	1,346,874	7,305,940	4,042,966
Effect of exchange rate change on cash and cash equivalents	91,983	(76,394)	139,712	(608,126)
Cash and cash equivalents at end of year	3,681,794	3,898,696	7,885,893	7,305,940

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

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

## Statements of value added

Years ended March 31

In thousands of Reais – R\$

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenues				
Gross sales of products and services (Note 22)	14,956,453	10,630,000	80,297,272	52,842,392
Sales returns, discounts and rebates (Note 22)	(151,286)	(76,997)	(91,797)	(138,744)
Reversal (set up) of allowance for expected credit losses (Note 5)	(1,902)	292	(2,575)	3,659
Other operating revenue, net	36,529	131,622	174,805	37,861
	14,839,794	10,684,917	80,377,705	52,745,168
Inputs acquired from third parties				
Cost of products sold and services provided	(6,364,758)	(4,920,630)	(66,168,824)	(41,163,360)
Materials, energy, third-party services and others	(1,535,418)	(1,081,979)	(1,457,732)	(1,329,398)
Net loss (gain) from change in the fair value and realization of gain or loss of biological assets fair value (Note 24.a)	(165,916)	705,270	355,582	901,417
Net reversal of estimated loss on property, plant and equipment (Note 13)	3,635	10,366	10,764	10,908
Net set up of provision for estimated loss on inventory obsolescence (Note 6)	(29,158)	(7,540)	(28,201)	(7,164)
	(8,091,615)	(5,294,513)	(67,288,411)	(41,587,597)
Gross value added	6,748,179	5,390,404	13,089,294	11,157,571
Depreciation and amortization (Note 24)	(4,441,876)	(3,330,041)	(6,114,483)	(4,300,702)
Net value added produced	2,306,303	2,060,363	6,974,811	6,856,869
Value added received in transfers				
Equity accounting result (Note 12)	1,868,402	1,983,268	(56,113)	(42,184)
Financial income	1,798,832	354,598	1,701,581	454,265
Foreign exchange gains	352,465	563,205	303,637	498,635
Gains on derivative transactions	57,056	274,665	64,164	297,523
	4,076,755	3,175,736	2,013,269	1,208,239
Value added to distribute	6,383,058	5,236,099	8,988,080	8,065,108
Distribution of value added				
Personnel				
Direct compensation	1,146,627	975,535	1,922,179	1,481,812
Benefits	436,452	327,554	558,928	394,146
Unemployment Compensation Fund (FGTS)	143,050	100,632	177,248	120,751
	1,726,129	1,403,721	2,658,355	1,996,709
Taxes, fees and contributions				
Federal	403,380	456,158	999,664	1,697,985
Deferred taxes	(653,695)	(339,059)	(262,086)	(318,703)
State	495,230	490,145	1,096,189	1,346,658
Municipal	8,311	6,728	12,094	8,150
	253,226	613,972	1,845,861	2,734,090
Remuneration of third-party capital				
Financial expenses	2,519,478	1,372,593	2,628,169	1,583,308
Foreign exchange losses	408,270	154,556	386,418	135,721
Loss on derivative transactions	702,052	337,796	690,365	315,656
Rentals and leases	104,576	105,995	134,117	141,588
	3,734,376	1,970,940	3,839,069	2,176,273
Equity remuneration				
Dividends	4,025	10,219	4,025	10,219
Retained earnings	665,302	1,237,247	665,302	1,237,247
Interest of non-controlling shareholders in retained earnings	-	-	(24,532)	(89,430)
	669,327	1,247,466	644,795	1,158,036
Value added distributed	6,383,058	5,236,099	8,988,080	8,065,108

See the accompanying notes to the individual and consolidated financial statements.

# RAÍZEN ENERGIA S.A.

## Notes from management to the financial statements

as of March 31, 2023

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

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### 1. Operations

Raízen Energia S.A. (the "Company", the "Group", "Raízen Energia" or "RESA") is a publicly held company registered in the Brazilian Securities and Exchange Commission ("CVM") in Category B, with head office at Avenida Brigadeiro Faria Lima, número 4.100, 11º andar, Parte V, Itaim Bibi, in São Paulo / SP. The Company is controlled by Raízen S.A. ("RSA"), which holds 100% of the Company's share capital.

The Company and its subsidiaries are primarily engaged in: (i) production, trading and sale of sugar, ethanol and bioenergy; (ii) cogeneration, trading and sale of energy; (iii) development of technology on a global scale relating to the production of sugar, ethanol and new energy sources; (iv) development of projects for the generation of electric energy from renewable sources; and (v) equity interest in other companies.

The planting of sugarcane (main source of raw material to produce sugar, ethanol and bioenergy) requires a period from 12 to 18 months for maturation and the harvest period usually begins between the months of April and May every year and ends, in general, between the months of November and December, period in which sugar and ethanol production also takes place. The sale of production takes place throughout the year and is not subject to changes due to seasonality, only changes in the regular market conditions of supply and demand. Due to its production cycle, the Company's fiscal year begins on April 1 and ends on March 31 of each year.

The main transactions in the year ended March 31, 2023, were:

**Corporate reorganization through capital increase with all shares of Raízen Centro-Sul S.A. (formerly Biosev S.A.) and its subsidiaries Raízen Centro-Sul Paulista S.A. (formerly Biosev Bioenergia S.A.), Raízen Centro-Sul Comercializadora S.A. (formerly Biosev Comercializadora S.A.) and Biosev Bioenergia International S.A.**

At the Extraordinary General Meeting ("EGM") held on October 1, 2022, a capital increase in the Company by R\$ 7,765,255 was approved, fully subscribed and paid up by the parent RSA through the contribution of 7,467,760,106 common shares of Raízen Centro-Sul S.A. ("Raízen Centro-Sul"). As a result of this transaction, Raízen Centro-Sul became directly controlled by the Company and indirectly by RSA. This reorganization consolidates in the Company all investments in assets of the "Renewables" and "Sugar" segments of RSA, with the main objectives of optimizing the management of assets related to the production of sugar, ethanol and energy of the economic group, resulting in a better organization of processes and reports involving the mentioned activities, including, but not limited to, the management of operational and financial managerial data, future funding and communications with the market. For further details see Notes 12.d.i and 21.a.



## **RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements**  
**as of March 31, 2023**  
In thousands of Reais - R\$, unless otherwise indicated

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## **2. Presentation of the financial statements and significant accounting policies**

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

The individual and consolidated financial statements were prepared in accordance with accounting practices adopted in Brazil, which comprise the Brazilian Corporation Law, the rules issued by the Brazilian Securities and Exchange Commission ("CVM"), and the pronouncements issued by the Accounting Pronouncements Committee ("CPC"), which are in conformity with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and evidence all relevant information specific to the financial statements, which is consistent with that used for management of the Company.

The consolidated financial statements, which comprise the statements of financial position, of income, of comprehensive income, of cash flows, of changes in equity and of value added, as well as the corresponding explanatory notes for the year ended March 31, 2023, contained in these individual and consolidated financial statements are not comparable with the respective annual individual and consolidated financial statements as of March 31, 2022, substantially due to the corporate reorganization through a capital increase with all the shares of Raizen Centro-Sul on October 1, 2022, carried out by the parent company RSA, through the contribution of 7,467,760,106 common shares - according to Note 21.a.

The issue of these financial statements was approved by management on May 12, 2023.

#### **a) Basis of measurement**

The individual and consolidated financial statements were prepared on a historical cost basis, except, when applicable, for the valuation of certain assets and liabilities, such as inventories, biological assets, related parties, financial instruments (including derivative instruments), and loans and financing, which are measured at fair value.

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

These individual and consolidated financial statements are presented in Brazilian reais, which is also the Company's functional currency. The functional currency of subsidiaries operating in the international economic environment is the U.S. dollar. All balances were rounded to the nearest thousand, unless otherwise stated. The financial statements of each subsidiary included in the Company's consolidation, as well as those used as a basis for investments measured by the equity method, are prepared based on the functional currency of each entity. For subsidiaries based abroad, their assets and liabilities were converted into Reais at the exchange rate at the end of the year and the results were calculated at the average monthly rate during the year. The translation effects are stated in equity from these subsidiaries.

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements as of March 31, 2023**

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

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#### **c) Statements of Value Added**

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

The purpose of the DVA is to present information regarding the wealth created by the Company and the way in which such wealth was distributed.

#### **d) Significant accounting judgments, estimates and assumptions**

The preparation of the Company's individual and consolidated financial statements requires that management makes judgments and estimates and adopt assumptions that affect the amounts disclosed referring to revenues, expenses, assets and liabilities as of the financial statements reporting date.

These estimates and assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the year in which the estimates are revised and in any subsequent years affected.

If there is a significant change in the facts and circumstances on which the assumptions and estimates are based, the statement of income and the financial position of the Company and its subsidiaries could be significantly impacted.

Significant accounting estimates and assumptions are as follows:

- **Income tax, social contribution, and other taxes payable**

The Company is subject to income tax and social contribution in all countries in which it operates. Accordingly, a significant judgment is required to determine the provision for these taxes.

In certain transactions, the final determination of the tax is uncertain. The Company also recognizes provisions to cover certain situations in which it is probable that additional tax amounts will be due. When the result of these matters is different from the amounts initially estimated and recorded, these differences affect current and deferred tax assets and liabilities and income or comprehensive income for the year in which the definitive amount is determined. For further details, see Note 18.

- **Deferred income tax and social contribution**

Deferred income tax and social contribution assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which losses can be used in the future. Additionally, the Company recognizes deferred taxes based on temporary

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements as of March 31, 2023**

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

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differences determined from the tax base and the carrying amount of certain assets and liabilities, using the rates in force. Management's significant professional judgment is required to determine the deferred income tax and social contribution tax assets to be recognized based on reasonable timing and future taxable profit level, jointly with future tax planning strategies. For further details, see Note 18.

- **Biological assets**

Biological assets are measured at fair value on each statement of financial position date and the effects of changes in fair value between periods are allocated directly to the cost of products sold. For further details, see Note 7.

- **Property, plant and equipment and intangible assets, including goodwill**

The accounting treatment of property, plant and equipment and intangible assets includes making estimates to determine the useful life for depreciation and amortization purposes, in addition to the fair value on the acquisition date, especially regarding assets acquired in business combinations.

The Company annually assesses the impairment indicators of goodwill and intangible assets with indefinite useful lives. Property, plant and equipment and intangible assets with finite lives, subject to depreciation and amortization, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

Determination of the recoverable amount of the cash-generating unit to which goodwill was attributed also includes the use of estimates and requires significant judgment by management. For further details, see Notes 12, 13 and 14.

- **Provision for legal disputes**

The Company and its subsidiaries recognize the provision for tax, civil, labor and environmental disputes. Determination of the likelihood of loss includes determination of evidence available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of internal and external attorneys. Such provisions are reviewed and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions. For further details, see Note 19.

- **Fair value of financial instruments**

When the fair value of financial assets and liabilities presented in the statement of financial position may not be obtained from active markets, it is determined using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted in the market, whenever possible. However, when this is not possible, a certain level of

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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judgment is required to establish the fair value. Judgment includes considerations of the inputs used, such as liquidity risk, credit risk and volatility. Changes in the assumptions relating to these factors could affect the reported fair value of financial instruments. For further details, see Note 27.

#### • Lease liabilities

Management exercises significant judgment in determining the assumptions used to measure lease liabilities, such as determining the term of the various lease agreements, discount rates, the agreements that are within the scope of the standard, and the impacts of any changes in the assumptions associated with the judgments and estimates adopted by the Company and its subsidiaries. For further details, see Note 16.

## 2.2. Basis of consolidation

The consolidated financial statements include information on Raízen Energia and its subsidiaries years ended March 31, 2022, and 2021. Direct and indirect subsidiaries are listed below:

	31.03.2023		31.03.2022	
	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")	100.00%	-	100.00%	-
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 Maracá Ltda. ("Bio Maracá")	-	100.00%	-	100.00%
Bioenergia Rafard Ltda. ("Bio Rafard")	-	100.00%	-	100.00%
Bioenergia Serra Ltda. ("Bio Serra")	-	100.00%	-	100.00%
Bioenergia Tarumã Ltda. ("Bio Tarumã")	-	100.00%	-	100.00%
Bioenergia Univalem Ltda. ("Bio Univalem")	-	100.00%	-	100.00%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")(i)	-	-	100.00%	-
Raízen Ásia PT Ltd. ("Raízen Ásia")	-	100.00%	-	100.00%
Raízen Biomassa S.A.	81.50%	-	81.50%	-
Raízen Biotecnologia S.A. ("Biotecnologia")	100.00%	-	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda. ("Raízen Caarapó")	100.00%	-	41.24%	58.76%
Raízen Centroeste Açúcar e Álcool Ltda. ("Raízen Centroeste")(i)	-	-	100.00%	-
Raízen Energy Finance Ltd. ("Raízen Energy Finance")(iv)	-	-	100.00%	-
Raízen Fuels Finance S.A. ("Raízen Fuels")	100.00%	-	100.00%	-
Raízen GD Ltda.	-	100.00%	-	100.00%
Raízen International Universal Corp. ("RIUC")	100.00%	-	100.00%	-
Raízen North América, Inc. ("Raízen North América")	-	100.00%	-	100.00%
Raízen Paraguaçu Ltda. ("Raízen Paraguaçu")(ii)	-	-	100.00%	-
Raízen Trading Colombia S.A.S.	-	100.00%	-	100.00%

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

	31.03.2023		31.03.2022	
	Direct	Indirect	Direct	Indirect
Raízen Trading LLP ("Raízen Trading")	-	100.00%	-	100.00%
Raízen Trading Netherlands BV	-	100.00%	-	100.00%
Raízen Trading S.A.	100.00%	-	100.00%	-
Raízen-Geo Biogás S.A. ("Biogás")	85.00%	-	85.00%	-
Raízen-Geo Biogás Barra Ltda.	-	100.00%	-	-
Raízen-Geo Biogás Univalem Ltda.	-	100.00%	-	-
Raízen Comercializadora de Gás Ltda.	100.00%	-	-	-
RWXE Participações S.A. ("RWXE")	-	100.00%	-	100.00%
RZ Agrícola Caarapó Ltda.	100.00%	-	100.00%	-
Unimodal Ltda. ("Unimodal")(iii)	-	-	53.17%	20.24%
WX Energy Comercializadora de Energia Ltda. ("WX Energy")	-	100.00%	-	100.00%
Raízen-Geo Biogás Paraguaçu Ltda	-	100.00%	-	100.00%
Raízen-Geo Biogás Rafard Ltda.	-	100.00%	-	100.00%
Raízen-Geo Biogás Costa Pinto Ltda.	-	100.00%	-	100.00%
Gera Next Participações S.A.	-	100.00%	-	100.00%
Gera Energia Rio S.A.	-	100.00%	-	100.00%
GERA Serviços de O&M Ltda.	-	100.00%	-	100.00%
Bio Gera Energia S.A.	-	100.00%	-	100.00%
Bio Gera Locações de Máquinas e Equipamentos Industriais Ltda.	-	100.00%	-	100.00%
Bio Gera Consultoria em Engenharia Elétrica Ltda.	-	100.00%	-	100.00%
CGB Santos Energia Ltda.	-	100.00%	-	100.00%
Gera Microgeração Solar Ltda.	-	100.00%	-	100.00%
CGS Piancó Ltda.	-	100.00%	-	100.00%
Raízen Gera Desenvolvedora S.A.	-	51.00%	-	51.00%
Raízen Centro-Sul S.A.	100.00%	-	-	-
Raízen Centro-Sul Paulista S.A.	-	100.00%	-	-
Raízen Centro-Sul Comercializadora S.A.	-	100.00%	-	-
Biosev Bioenergia International S.A.	-	100.00%	-	-

(i) On May 2, 2022, these subsidiaries were merged into Raízen Energia. For further details see Notes 30.a and 30.b.

(ii) On May 2, 2022, Raízen Paraguaçu was merged into Raízen Caarapó. For additional information see Note 30.c.

(iii) On July 25, 2022, Unimodal Ltda. discontinued its activities.

(iv) On August 11, 2022, Raízen Energy Finance discontinued its activities.

Investments in 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 on the same reporting date as Raízen, except for Gera Next Participações S.A. and its subsidiaries ("Grupo Gera") (Note 2.3.g). Accounting policies are used consistently and, when necessary, adjustments are made to align accounting policies with those adopted by the Company.

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

## **RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements**  
**as of March 31, 2023**  
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### **2.3. Summary of significant accounting policies**

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

#### **a) Revenue recognition**

Revenues from sale of products, including the resale of products on the foreign market (by the subsidiaries Raízen Trading LLP and Raízen International Universal Corporation), are recognized on the delivery to the client. Delivery is considered to be the moment when the client accepts the products and the risks and benefits from the ownership are transferred. Revenue is recognized at this time as long as revenue and costs can be reliably measured, receipt of the consideration is likely and there is no continuous involvement of management with the products. Sales prices are established based on purchase orders or contracts.

Service revenues are recognized when the valuation can be measured reliably, when it is probable that the economic benefits associated with the transaction will flow to the entity, when the stage of completion of the transaction at the end of the period can be determined and measured reliably as well as the amount related to costs.

Revenue from the sale of cogeneration of power is recorded based on the power available on the network and at rates specified under the terms of the supply agreements or the market price in force, as applicable. The calculation of the volume of energy delivered to the buyer occurs monthly. Clients gain control of electricity from the moment they consume it. Due to the flow of billing of certain agreements, the electric power produced and sold through auction is initially recorded as anticipated revenue, recognized in the statement of income for the year only when available for use by clients.

Energy operations are traded on an active market, and, for accounting purposes, they meet the definition of financial instruments at fair value. The Company recognizes revenue when the energy is delivered to the client at the fair value of the consideration. In addition, unrealized net gains resulting from mark-to-market – difference between contracted and market prices – from open net contracted operations on the date of the financial statements are recognized as revenue.

Revenue is stated net of taxes (Federal VAT ("IPI"), State VAT ("ICMS"), Contribution Tax on Gross Revenue for Social Integration Program ("PIS"), Contribution Tax on Gross Revenue for Social Security Financing ("COFINS"), Social Security Tax ("INSS"), among others, returns, rebates and discounts, as well as eliminations of sales between group companies, in the case of consolidated financial statements.

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

**as of March 31, 2023**

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

Foreign currency transactions are initially recognized by the Company's entities at the functional currency rate in effect on the transaction date or on the valuation dates, when the items are remeasured.

Monetary assets and liabilities denominated in foreign currency are translated into reais using the exchange rate in effect on the date of the respective statement of financial position, and foreign exchange gains and losses resulting from settlement of these transactions and from translation using the exchange rates at the year-end are recognized in the statement of income under "Financial results", except when qualified as hedge accounting and, therefore, recognized in equity under "Equity adjustments".

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the initial transaction date. Nonmonetary items measured at fair value in a foreign currency, if any, are translated using the exchange rates prevailing on the date when the fair value was determined.

#### **c) Financial instruments - initial recognition and subsequent measurement**

##### **(i) Financial assets**

###### **Measurement**

Upon initial recognition, a financial asset is classified as measured: (i) at amortized cost; (ii) at fair value through other comprehensive income; or (iii) at fair value through profit or loss. Reclassification between classes occurs when there is a change in the business model for the management of financial assets and liabilities.

A financial asset is measured at amortized cost if it meets both of the following conditions: (i) it is held at business model whose objective is to hold financial assets in order to collect contractual cash flows; and (ii) its contractual terms give rise, on specific dates, to cash flows that are related to the payment of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions: (i) the objective is both the receipt of contractual cash flows and the sale of financial assets; and (ii) the contractual terms give rise, at specified dates, to cash flows that are Solely Payment of Principal and Interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or at fair value through other comprehensive income, as described above, are classified as at fair value through profit or loss. Financial assets held for trading or managed with performance assessed based on fair value are measured at fair value through profit or loss.

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

**as of March 31, 2023**

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#### **Business model evaluation**

The Company conducts an assessment of the business model applied in the management of its financial assets to obtain the contractual cash flows. The information considered includes: (i) the policies and objectives set for the portfolio, that is, identifying whether management's strategy focuses on obtaining contractual interest income, maintaining a certain interest rate profile, the correspondence between the duration of financial assets and the duration of related liabilities or expected cash outflows, or the realization of cash flows through the sale of assets; (ii) how the portfolio's performance is assessed and reported to the Company management; (iii) the risks that affect the performance of the business model (and the financial asset held in that business model) and the way those risks are managed; (iv) how the business executives are compensated - for example, if the compensation is based on the fair value of the assets managed or on the contractual cash flows obtained; and (v) the frequency, volume and timing of sales of financial assets in previous years, the reasons for such sales and expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, in a manner consistent with the continuous recognition of the Company's assets.

#### **Evaluation whether contractual cash flows are solely payments of principal and interest**

The Company considers the contractual terms of the instrument to assess whether the contractual cash flows are solely payments of principal and interest.

This includes the analysis of a contractual term that could change the timing or the value of the contractual cash flows so that it would not meet this condition. When making this analysis, the Company considers: (i) contingent events that change the amount or timing of cash flows; (ii) terms that can adjust the contractual rate, including variable rates; (iii) prepayment and extension of the term; and (iv) the terms that limit the Company's access to cash flows from specific assets (for example, based on the performance of an asset).

For purposes of assessment of contractual cash flows, "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is substantially defined as a consideration for the time value of money and the credit risk associated with the principal outstanding over a given period of time and the other basic risks and costs of borrowing (for example, liquidity risk and administrative costs), as well as a profit margin.

#### **Impairment of financial assets**

For the evaluation and measurement of the allowance for expected credit losses, an expected loss matrix is adopted as a practical expedient that considers the grouping of clients with similar default characteristics, sales channel and rating (client risk rating, measured internally).

The Company applies the expected credit loss model to financial assets measured at amortized cost, contract assets and debt instruments measured at fair value through other comprehensive income.



## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

**as of March 31, 2023**

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

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

Interest payments on loans and financing are classified as cash flow from financing activities.

#### **(iii) Offset of financial instruments - net presentation**

Financial assets and liabilities are presented net in the statement of financial position if, and only if, there is an enforceable legal right and executable to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

#### **(iv) Derecognition (write-off)**

A financial asset is derecognized when: (i) the rights to receive cash flows from the asset expire; and (ii) the Company transfers its rights to receive cash flows from the asset or assumes an obligation to fully pay the cash flows received to a third party under a "pass-through" agreement.

The effective transfer of the rights to receive cash flows from an asset is achieved when: (a) the Company transfers substantially all the risks and rewards of the asset, or (b) the Company neither transfers nor retains substantially all the risks and rewards relating to the asset, but transfers control thereover.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales. For these cases, the recognition of the transferred asset is carried out to the extent of the Company's continuous involvement with these instruments.

A financial liability is written off when the obligation under the liability is extinguished, which means when the obligation specified in the contract is settled, canceled or expires. When an existing financial liability is replaced by another from the same lender in substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective book values is recognized in the statement of income.

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

##### **Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as currency forward contracts, commodity forward contracts, options and swaps to hedge against the risk of changes in exchange rates and commodity prices. These financial instruments are initially recognized at fair value on the date when the instrument is executed and are subsequently also revalued at fair

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

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value. Derivatives are stated as financial assets when the instrument's fair value is positive and as financial liabilities when negative.

Any gains or losses resulting from changes in the fair value of derivatives not designated as hedge accounting during the year are recognized directly in profit or loss, in the case of instruments related to operating transactions, in operating accounts (for example: revenue, cost, expenses) and, in the case of instruments related to financial operations, as financial income (expenses). For instruments designated as cash flow hedge, gains and losses arising from changes in the fair value of derivatives are recognized directly in equity, under "Equity adjustments".

#### **Hedge accounting**

The following classifications apply for hedge accounting purposes: (i) fair value hedge: hedging against exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, as well as the component of any of these items that is attributable to a specific risk and may affect profit or loss. (ii) cash flow hedge: hedging against changes in cash flows that are attributable to a specific risk associated with a recognized asset or liability or a highly probable forecast transaction that may affect profit or loss; or (iii) net investment hedge in a foreign operation in a foreign operating unit.

Upon designation, the Company formally classifies and documents the hedge relationship. The documentation substantially includes: (i) identification of the hedging instrument; (ii) the hedged item or hedged transaction; (iii) the nature of the hedged risk; (iv) statement confirming that the transaction is within management's policies and practices; (v) statement confirming the correlation of the hedging instrument for the purpose of offsetting the exposure to the change in the fair value of the hedged item or cash flows related to the hedged risk; (vi) the highly probable nature of the forecast hedged transaction as well as the forecast periods of transfer of gains or losses arising from hedging instruments from equity to profit or loss; (vii) the management's risk management objective and strategy; (viii) criteria for assessing the effect of credit risk on the hedging relationship, and (ix) metrics for determining effectiveness, as well as any sources of ineffectiveness (including those related to overhedging relationships).

The Company has formal designations for hedge accounting for the following structures:

#### **Cash flow hedge**

The effective portion of the gain or loss of the hedging instrument is recognized directly in equity, under "Equity adjustments", while the ineffective portion is recognized immediately in profit or loss for the year.

The amounts recorded in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, for example, when the hedged income or expense is

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements as of March 31, 2023**

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

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recognized or when a forecast sale occurs. When the hedged item is the cost of a nonfinancial asset or liability, the amounts recorded in equity are transferred to the initial carrying amount of such asset or liability. If occurrence of the expected transaction or firm commitment is no longer expected, the amounts previously recognized in equity are transferred to profit or loss. If the hedging instrument expires or is sold, terminated, or exercised without replacement or rollover, or if its classification as hedge is revoked, gains or losses previously recognized in comprehensive income remain in equity until the forecast transaction or firm commitment affects profit or loss.

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

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

The Company designates certain debts mainly related to certain pre-export financing ("PPEs"), Agribusiness Receivables Certificate ("CRA"), Debentures and Senior Notes Due 2027 as liabilities measured at fair value through profit or loss, to eliminate or significantly reduce inconsistencies in measurement that would otherwise result in the recognition of gains and losses on the loans and derivatives on different bases. As a result, fluctuations in the fair value of loans are recognized under financial income (expenses), as fair value of financial instruments payable, classified in the Financial expenses group.

#### **d) Decarbonization credits ("CBIO")**

The Company is a biofuels producer and has certified Bioparks for the bookkeeping of decarbonization credit - CBIOs, defined by the RenovaBio program (National Biofuels Policy, instituted by Law no. 13,576/2017). Considering that carbon credit is an asset that must be converted into cash through a transaction carried out by B3, the Company classifies the carbon credits carried as a financial asset measured at fair value through profit or loss. They are recognized under Other receivables, in current assets, considering the average price of the last trading day in the active market, against operating income. When they are sold, they are taken to income, impacting the "Net Operating revenue".

#### **e) Inventories**

In general, inventories are valued at the average cost of acquisition or formation of finished products, net of recoverable taxes, except for certain products that are measured at fair value based on observable market prices, if and when available, not exceeding net realizable value.

The costs of finished products and work in process comprise raw materials, direct labor, other direct costs, respective direct production expenses (based on normal operating capacity) and non-recoverable taxes, which are related to the processes necessary to put the products in conditions of sale.

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

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Loss allowances, such as: (i) adjustments to net realizable value, (ii) impaired items; and (iii) slow-moving and/or obsolete inventories are recorded when necessary. Normal production losses are part of the production cost for the respective period, while other losses, if any, are recognized directly in profit or loss for the year, without transiting through inventories, under the line item "Cost of goods sold, and services provided".

#### **f) Related parties**

Raízen and its subsidiaries have a fully integrated management of the cash flow, the main instruments used for cash management are described below:

- **Funds Management Contract ("GRF") - operation used between companies domiciled in Brazil**

RESA, which centralizes Raízen's corporate activities, is responsible for cash management, based on the mentioned contract.

Such transactions are presented in the statement of cash flows, on a net basis, under cash flows from financing activities.

- **PPE contracts - transaction carried out between companies domiciled in Brazil and abroad**

In certain situations, the Raízen's subsidiaries domiciled abroad raise funds in the international financial market and subsequently transfer them to Raízen companies domiciled in Brazil, in the form of PPE contracts. These contracts are formalized pegged to exported volumes of products sufficient to settle the contracts.

Such transactions are presented under cash flows from investing activities when granted (outflow of funds) and under cash flows from financing activities when received (inflow of funds).

Operational and financial transactions with related parties are carried out on an arm's length basis, in line with those prevailing in the market or with conditions the Company would contract with third parties.

#### **g) Investment in subsidiaries (individual financial statements) and associates**

Investments in entities over which the Company has significant influence or shared control are accounted for using the equity method, initially recorded in the statement of financial position at cost, plus changes after the acquisition of equity interest.

The statement of income reflects the share of the profit or loss from subsidiaries' operations based on the equity method. When a change is directly recorded in equity of the subsidiary or associate, the Company recognizes its portion in the variations occurred and discloses this fact in the statement of changes in equity.

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### **Notes from management to the financial statements as of March 31, 2023**

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After application of the equity method, the Company establishes whether an additional impairment loss on its investment should be recorded. The Company establishes, at each statement of financial position date, whether there is objective evidence that the investment is impaired. If that is the case, the Company calculates the impairment amount as the difference between the recoverable amount and the carrying amount of the subsidiary and associate and records this amount in the statement of income.

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

In relation to the Grupo Gera, including its associates and joint ventures, the equity method is measured based on the latest available information, whose date difference does not exceed two months, and does not have a material effect in relation to the consolidated result and, if had any significant event occurred by March 31, 2023, such effect would be adjusted in these financial statements.

Dividends received from investments in subsidiaries (individual financial statements) and associates are classified as cash flow from investing activities.

#### **h) Biological assets**

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

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

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

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

Property, plant and equipment items, including sugarcane plantation, are measured at historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenses directly attributable to the acquisition of an asset. The cost of assets built by the Company and its subsidiaries includes materials and direct labor, and any other cost to bring the asset to the location and condition necessary for it to operate as intended by management, borrowing costs on qualifying assets, and non-recoverable taxes. Borrowing costs related to funds raised for construction in progress are capitalized upon completion of these projects.

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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The Company and its subsidiaries carry out the main scheduled maintenance activities at their bioenergy parks on an annual basis (off-season). This normally takes place between January and March, with the aim of inspecting and replacing components.

The key annual maintenance costs include labor costs, materials, external services and overheads allocated during the off-season period. These costs are classified as parts and components that are frequently replaced, in property, plant and equipment, and are fully amortized in the following harvest.

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

Land is not depreciated.

The depreciation of such assets was calculated based on the estimated useful life of each asset. As of March 31, 2023, and 2022, the weighted average annual depreciation rates are as follows:

Class	2023
Buildings and improvements	2%
Machinery, equipment, and facilities	5%
Furniture and fixtures	9%
IT equipment	22%
Vehicles, vessels, and aircraft	8%
Sugarcane planting	20%

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

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

#### j) Leases

The Company started to recognize a right-of-use asset and a lease liability at the lease commencement date.

Lease liabilities, including those whose underlying assets are of low value, are measured at the present value of lease payments without reflecting projected future inflation, which take into account recoverable taxes (PIS and COFINS), as well as non-cancellable terms and extension options when reasonably certain.

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### Notes from management to the financial statements as of March 31, 2023

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Payment flows are discounted at the nominal incremental rate on certain Raízen loans and financing, as interest rates implicit in lease agreements with third parties typically cannot be readily determined.

In the years ended March 31, 2023, and 2022, the discount rates applied in accordance with the contractual term were as follows:

Contractual terms (years)	Rates			
	2023		2022	
	Nominal	Actual	Nominal	Actual
1 year	13.76%	7.53%	13.31%	5.56%
2 years	14.95%	7.89%	12.96%	5.59%
3 years	15.65%	8.10%	12.46%	5.64%
4 years	16.14%	8.25%	12.31%	5.62%
5 years	16.53%	8.36%	12.31%	5.64%
6 years	16.84%	8.46%	12.34%	5.68%
7 years	17.10%	8.54%	12.42%	5.71%
8 years	17.33%	8.61%	12.46%	5.74%
9 years	17.54%	8.67%	12.49%	5.77%
More than 10 years	17.72%	8.73%	12.51%	5.82%

The right-of-use asset is initially measured at cost, comprising the value of the initial measurement of the lease liability and, when applicable, adjusted for any lease payments made in advance, initial direct costs incurred, cost estimates for dismantling and removal, and incentives received.

The right-of-use asset is subsequently depreciated using the same depreciation method applied to similar property, plant and equipment items and, if applicable, will also be reduced by impairment losses.

The Company remeasures the lease liability if there is a change in the lease term or if there is a change in future lease payments resulting from a change in the index or rate used to determine these payments, and the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

The Company applies the short-term lease recognition exemption to its short-term leases contracts that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Payments associated with short-term, indefinite-term leases without fixed payments are recognized as an expense over the term of the contract.

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements

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#### k) Intangible assets

- **Goodwill**

Goodwill is the positive difference between the amount paid for the acquisition of a business and the net fair value of the assets and liabilities of the acquiree, measured by the expected future profitability. Goodwill on acquisitions of subsidiaries is disclosed under Investments and Intangible assets, in the individual and consolidated financial statements, respectively.

Goodwill is recorded at cost, less any impairment losses, when applicable, subjected to testing at least annually. For impairment test purposes, goodwill acquired in a business combination is, as of acquisition date, allocated to each cash generating unit of the Company expected to benefit from the business combination, regardless of other assets or liabilities of the acquiree being attributed to these units.

- **Intangible assets with defined useful life**

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

As of March 31, 2023, and 2022, the annual weighted average amortization rates are as follows:

<b><u>Class</u></b>	<b><u>Annual average rate</u></b>
Software license (1)	16%
Sharecropping agreements (2)	9%
Sugarcane supply agreements (2)	10%
Technology (3)	10%
Operating authorization (4)	3%

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

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

(2) These classes of intangible classes were acquired in a business combination and were recognized at fair value on the acquisition date. They have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the contractual relation with the supplier and the client.

(3) Refers to technologies developed by Iogen Corp. to produce second-generation ethanol ("E2G"), represented by contractual rights including, among others, exclusivity to the Company for the sale of these rights in the territories in which it operates.



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(4) Corresponds to the right to use the license for the generation and distribution of energy in the Brazilian market, through 15 generating plants, acquired by indirect subsidiary Bioenergia Barra Ltda. in the business combination of the acquisition and formation of Grupo Gera (Note 30.d), recognized at fair value on the acquisition date. They have a defined useful life and are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the operations that is valid until 2052.

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

The Company and its subsidiaries assess if there are indications of impairment of an asset on an annual basis. If indications are identified, the Company estimates the asset's recoverable amount. The recoverable amount of an asset item is the higher of: (a) its fair value less costs that would be incurred to sell it; and (b) its value in use. When necessary, the value in use is usually determined based on the discounted cash flow resulting from the continuous use of the asset until the end of its useful life.

Regardless of the existence of indications of impairment, goodwill and intangible assets with an indefinite useful life, if any, are tested for impairment annually.

When the carrying amount of an asset exceeds its recoverable amount, the loss is recognized as an operating expense in the statement of income.

#### **m) Provisions**

Provisions are recognized when: (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is likely that an outflow of funds will be required to settle the obligation; and (iii) amounts may be reliably estimated.

#### **n) Provision for legal disputes and contingent assets**

The Company recognizes provisions for losses on legal and administrative proceedings in cases where the technical assessments of its legal advisors and Management's judgments consider future cash disbursements to be probable and the other conditions for recognizing a provision are met.

Contingent liabilities with probable likelihood of loss that cannot have their value measured and those with possible likelihood of loss are disclosed in notes, considering the best information available up to the disclosure date.

Contingent assets are not recognized but are disclosed in notes when the inflow of economic benefits is considered probable, and the amounts are material. If the inflow of economic benefits is practically certain, which, in general, considers the final and unappealable court decision, and whose value can be reliably measured, the related asset ceases to be a contingent asset and its recognition is adequate.

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#### **o) Employee benefits**

The Company and its subsidiaries have defined benefit and contribution supplementary pension plans, for which studies and actuarial calculations are prepared annually by an independent professional, which are reviewed by Management.

For the defined contribution, the expense is recognized in profit or loss when it occurs, while, for the defined benefit, the Company recognizes a liability based on a methodology that considers a series of factors that are determined by actuarial calculations, which use certain assumptions to determine the cost (or revenue) for the pension plan.

Actuarial gains or losses arising from adjustments and changes in actuarial assumptions are recorded directly in equity as other comprehensive income, when incurred.

Past service costs are immediately recognized in the statement of income.

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

As a beneficiary of the products and services provided, the Company measures the products or services received as share-based equity-settled transaction, considering its rights and obligations, as well as the nature of the premiums granted.

The obligations to liquidation together with the parent company are recognized considering the fair value of the assets granted, number of assets granted, vesting period, in addition to the Company's expectation as to the portion of assets that will be delivered (deducting the estimated turnover from the amount granted) and the expectation that targets will be achieved when there are non-market performance conditions.

This cost is recognized in employee benefit expenses together with the corresponding increase in liabilities, over the period of the service provided and, when applicable, upon the fulfillment of the performance conditions. For further information, see Note 28.c.

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

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

Current and deferred income tax and social contribution are determined based on the tax legislation enacted or substantially enacted at the date of the statement of financial position in the countries where the Company entities operate and generate taxable profit. Management regularly assesses the positions assumed in the income tax calculations with respect to situations in which applicable tax regulations give rise to different interpretations, and records provisions, when appropriate, based on estimated amounts payable to tax authorities.

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Income tax is calculated on taxable profit at a rate of 15%, plus surtax of 10% on profit exceeding R\$ 240 over 12 months, whereas social contribution tax is calculated at a rate of 9% on taxable profit, both recognized on an accrual basis. In other words, the Company is subject to a theoretical combined tax rate equivalent to 34%.

Deferred income tax and social contribution related to income tax and social contribution tax losses and temporary differences are stated net in the statement of financial position when there is a legal right and the intention to offset them when calculating current taxes, related to the same legal entity and the same tax authority.

Accordingly, deferred tax assets and liabilities in different entities or different countries are usually presented separately, and not on a net basis. Deferred taxes are calculated based on the rates established upon their realization and are reviewed annually.

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

#### **r) Capital and remuneration to shareholders**

Capital is represented by common and preferred shares. Incremental expenses directly attributable to the issue of shares, when incurred, are presented as a deduction from equity, as additional capital contribution, net of tax effects.

The only class A preferred share, as well as each common share, entitles to one vote in resolutions at the Company's general meetings, as well as fixed annual dividends of R\$ 0.01 (one cent).

Non-voting class D preferred shares entitle the shareholder Shell to the receipt of fixed annual dividends. Such classes of preferred shares D were fully converted into common shares and/or repurchased as per the Annual and Extraordinary General Meeting ("AEGM") held on June 1, 2021.

Remuneration to shareholders is made in the form of dividends based on the limits defined in the Company's Bylaws and current laws and are classified as cash flow from financing activities, when paid.

#### **s) Business combinations**

The Company adopts the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities assumed, and any equity instruments issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, where applicable. Acquisition-related costs are recorded in the statement of income as incurred. Identifiable assets acquired; liabilities (including contingent) assumed in a business combination are initially measured at fair value on the acquisition date.

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The Company recognizes the noncontrolling interest in the acquiree, both for its fair value and for the proportional portion of the noncontrolling interest in the fair value of the acquiree's net assets. Measurement of the noncontrolling interest is determined for each acquisition made.

The excess of the consideration transferred and of the fair value on the date of acquisition of any previous equity interest in the acquiree in relation to the fair value of the Company's interest in the net identifiable assets acquired is recorded as goodwill. When applicable, in acquisitions in which the Company attributes fair value to noncontrolling interests, the determination of goodwill also includes the value of any noncontrolling interest in the acquiree, and goodwill is determined considering the interest of the Company and of noncontrolling interests. When the consideration transferred is less than the fair value of the net assets of the acquiree, the difference is recognized directly in the statement of income for the year as a bargain purchase.

#### t) Segment information

An operating segment is a component of the Company that carries out business activities from which revenues may be obtained and expenses incurred, including revenues and expenses related to transactions with other Company components. All operating income of the operating segments is frequently reviewed by the Company's CEO and by the Board of Directors for purposes of decisions concerning funds to be allocated to the segment and performance evaluation, and for which individual financial information is available.

#### 2.4. Impacts of the new CPC/IFRS and ICPC/IFRIC on the financial statements

The following amendments were adopted for the first time by Raízen for the year beginning on April 1, 2022:

- **Amendments to IAS 37/CPC 25 – Provisions, Contingent Liabilities and Contingent Assets:** In May 2020, the IASB issued this amendment to clarify that, for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes the incremental costs of fulfilling such contract and an allocation of other costs directly related to its fulfillment.
- **Amendments to IAS 16/CPC 27 – Property, Plant and Equipment:** In May 2020, the IASB issued an amendment that prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds of the sale of items produced while the asset is being prepared for its intended use. Such proceeds and related costs must be recognized in the statement of income for the year.
- **Amendments to IFRS 3/CPC 15 – Business Combinations** Issued in May 2020, the amendments replace a reference to a previous version of the conceptual framework with a reference to the current version.
- **Annual improvements – 2018-2020 cycle:** In May 2020, the IASB issued the following amendments as part of the annual improvement process:

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- i) **IFRS 9/CPC 48 – Financial Instruments:** clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- ii) **IFRS 16/CPC 06 – Leases:** amendment to example 13 in order to exclude the example of lessor payments related to leasehold improvements.
- iii) **IFRS 1/CPC 37 First Time Adoption of International Financial Reporting Standards:** Simplifies the application of said standard by a subsidiary that adopts IFRS for the first time after its parent company, with respect to measurement of cumulative translation differences.
- iv) **IAS 41/CPC 29 – Agriculture:** Removes the requirement to exclude taxes on profit from cash flow estimates when measuring the fair value of biological assets and agricultural produce, thus aligning the fair value measurement requirements in IAS 41 with those of other IFRS standards.

The aforementioned amendments and improvements did not have material impacts for the Company.

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

The following amendments to standards have been issued by the IASB but are not yet effective for the year ended March 31, 2023. Although encouraged by the IASB, early adoption of the standards in Brazil is not permitted by the CPC:

- **Amendments to IAS 1 – Classification of liabilities as current or non-current (equivalent to revision 20 of the Brazilian Accounting Pronouncements Committee):** In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, equivalent to CPC 26, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement, that a right to defer must exist at the end of the reporting period, that classification is unaffected by the likelihood that an entity will exercise its deferral right, and also that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Amendments are effective for periods beginning on or after January 1, 2023, and should be applied retroactively, as regards the Company, as from April 1, 2023.
- **Amendments to IAS 8 – Definition of accounting estimates (equivalent to revision 20 of the Brazilian Accounting Pronouncements Committee):** In February 2021, the IASB issued amendments to IAS 8 (equivalent to CPC 23), in which it introduces the definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also explain how entities use measurement techniques and inputs to develop accounting estimates. The effective date of application of this amendment is January 1, 2023, and, in the case of the Company, April 1, 2023.

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- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies (equivalent to revision 20 of the Brazilian Accounting Pronouncements Committee):** In February 2021, the IASB issued amendments to IAS 1 (equivalent to CPC 26 (R1)) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The effective date of application of this amendment is January 1, 2023, and, in the case of the Company, April 1, 2023.
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (equivalent to revision 20 of the Brazilian Accounting Pronouncements Committee):** In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognized for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The Company is currently reviewing the accounting policy disclosures to confirm whether they are consistent with the required amendments. However, no material impacts are expected for the Company from the amendments mentioned above.

There are no other IFRS/CPC standards or IFRIC/ICPC interpretations not yet effective that could have a significant impact on the Company's financial statements.

### 3. Cash and cash equivalents

	Index	Individual		Consolidated			
		2023	2022	2023	2022	2023	2022
Cash on hand and in banks and others (1)				363,905	272,364	4,567,184	3,677,410
Financial investments in Bank deposit certificate ("CDB"), commitments and others (2)	CDI	101.2%	103.63%	3,317,889	3,626,332	3,318,709	3,628,530
				<u>3,681,794</u>	<u>3,898,696</u>	<u>7,885,893</u>	<u>7,305,940</u>
Domestic (local currency)				3,274,328	3,650,085	3,333,308	3,689,291
Abroad (foreign currency) (Note 27.d)				407,466	248,611	4,552,585	3,616,649
				<u>3,681,794</u>	<u>3,898,696</u>	<u>7,885,893</u>	<u>7,305,940</u>

- These refer basically to receiving foreign currency funds from overseas clients, for which obtaining foreign exchange from financial institutions was not yet concluded until the statement of financial position date, and to foreign funds held for payment of debts related to export performance.
- Correspond substantially to fixed-income investments in first-class financial institutions, with daily yields and liquidity.

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#### 4. Restricted cash

	Index	Average yield rate			Individual		Consolidated
		2023	2022	2023	2022	2023	2022
Financial investments linked to financing	CDI	100.00%	100.02%	71	66	1,651	66
Financial investments linked to derivative operations (Note 27.g)(1)	CDI	100.68%	101.34%	25,019	76,310	25,019	76,310
Margin on derivative operations (Note 27.g)(2)	-		-	571,926	1,507,860	1,136,009	1,840,989
				597,016	1,584,236	1,162,679	1,917,365
Domestic (local currency)				24,796	76,376	26,377	76,376
Abroad (foreign currency) (Note 27.d)				572,220	1,507,860	1,136,302	1,840,989
				597,016	1,584,236	1,162,679	1,917,365

- (1) Refers to financial investments in CDB carried out with top-tier banks, pledged as collateral for derivative instrument transactions.
- (2) Margin deposits in derivative transactions refer to margin calls at a commodity exchange and are exposed to the dollar and commodities fluctuation in derivative transactions.

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

##### (a) Trade accounts receivable

	Individual		Consolidated	
	2023	2022	2023	2022
Domestic	342,404	336,535	1,013,099	916,413
Abroad (Note 27.d)	16,582	23,502	3,112,619	1,675,983
Other accounts receivable (i)	-	-	189,441	-
Allowance for expected credit losses	(22,727)	(3,437)	(26,773)	(22,618)
	336,259	356,600	4,288,386	2,569,778
Current	(333,680)	(356,600)	(4,154,719)	(2,561,278)
Non-current	2,579	-	133,667	8,500

- (i) Other receivables refer to property sales, occurred during the year ended on March 31, 2023, with the corporate reorganization, as mentioned in Note 12.d.i. These securities yield IPCA variation, with annual installment payments and final maturity in 2026.

The Company does not have notes given as collateral. The maximum exposure to credit risk at the statement of financial position date is the carrying amount of each class of trade accounts receivable.

The maturity of trade accounts receivable is as follows:

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### Notes from management to the financial statements as of March 31, 2023

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	Individual		Consolidated	
	2023	2022	2023	2022
Falling due	328,589	352,850	4,218,693	2,556,628
Overdue:				
Within 30 days	10,467	3,656	66,430	15,984
From 31 to 90 days	1,663	368	9,000	2,482
From 91 to 180 days	1,498	124	2,471	849
Over 180 days	16,769	3,039	18,565	16,453
	30,397	7,187	96,466	35,768
	358,986	360,037	4,315,159	2,592,396

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

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

The allowance for expected credit losses is considered sufficient by management to cover any losses on receivables. Changes in this allowance for the years ended March 31, 2023, and 2022 are as follows:

	Individual	Consolidated
As of March 31, 2021	(3,729)	(26,964)
Reversal (allowance for expected credit losses), net	292	3,659
Effect of foreign currency translation	-	687
As of March 31, 2022	(3,437)	(22,618)
Allowance for expected credit losses, net	(1,902)	(2,575)
Mergers (Notes 30.a and 30.b)	(17,388)	-
Corporate reorganization (Note 12.d.i)	-	(1,576)
Effect of foreign currency translation	-	(4)
As of March 31, 2023	(22,727)	(26,773)

### (b) Advances from clients

	Individual		Consolidated	
	2023	2022	2023	2022
Domestic	531,454	61,521	1,923,083	376,629
Abroad (Note 27.d)	11	609	1,493,923	904,311
	531,465	62,130	3,417,006	1,280,940
Current	(171,540)	(62,130)	(2,023,933)	(1,280,940)
Non-current	359,925	-	1,393,073	-

As of March 31, 2023, the Company had the amounts of R\$ 531,465 and R\$ 3,417,006, in the Individual and Consolidated, respectively (R\$ 62,130 and R\$ 1,280,940 in 2022). During the year



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### Notes from management to the financial statements as of March 31, 2023

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

ended on March 31, 2023, advances from clients refer mainly to receipts from domestic and foreign customers for the acquisition of sugar, ethanol and energy, with final maturity up to 2032.

## 6. Inventories

	Individual		Consolidated	
	2023	2022	2023	2022
Finished products:				
Sugar	133,125	490,279	484,995	658,935
Ethanol	210,388	245,145	875,540	1,022,002
Diesel	-	-	723,174	1,025,617
Warehouse	175,645	140,061	289,007	177,605
Industrial and agricultural inputs	230,001	108,758	327,390	131,096
Others	21,256	2,222	76,960	26,100
	<u>770,415</u>	<u>986,465</u>	<u>2,777,066</u>	<u>3,041,355</u>

As of March 31, 2023, inventories are stated net of estimated loss with realization and slow-moving and/or obsolete inventories, amounting to R\$ 54,901 and R\$ 69,733 in the Individual and Consolidated financial statements, respectively (R\$ 22,785 and R\$ 28,183 in the Individual and Consolidated financial statements, respectively, in 2022). Changes in the referred to losses are shown below and were recognized in the statement of income under Costs of products sold and services provided:

	Individual	Consolidated
As of March 31, 2021	(15,245)	(21,019)
Estimated loss	(28,163)	(34,695)
Reversal / realization	20,623	27,531
As of March 31, 2022	(22,785)	(28,183)
Estimated loss	(50,890)	(74,315)
Reversal / realization	21,732	46,114
Mergers (Notes 30.a and 30.b)	(2,958)	-
Corporate reorganization (Note 12.d.i)	-	(13,349)
As of March 31, 2023	<u>(54,901)</u>	<u>(69,733)</u>

The reversal of estimated net loss of R\$ 21,732 and R\$ 46,114, Individual and Consolidated, respectively, for the year ended March 31, 2023, refers to the write-offs of inventories provisioned due to items sold or consumed.

## 7. Biological assets

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

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

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### Notes from management to the financial statements as of March 31, 2023

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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.

The main assumptions used in determining the fair value, determined by level 3 of the fair value hierarchy, were:

	Individual		Consolidated	
	2023	2022	2023	2022
Estimated harvest area (hectares)	401,753	365,253	629,290	457,252
Number of total recoverable sugar ("ATR") per hectare	10.96	9.87	11.28	9.92
Projected average ATR price per kg (R\$/kg)	1.23	1.28	1.23	1.28
Annual discount rate (based on Weighted Average Capital Cost - WACC of Raizen)	8.62%	7.68%	8.62%	7.68%

During the year ended March 31, 2023, the Company reviewed the assumptions used to calculate the biological asset, the main impacts of which were: (i) increase in agricultural costs; and (ii) decrease in average ATR price, influenced by the prices of ethanol, and of Very High Polarization ("VHP") sugar, in line with what has been observed in recent months, as well as new dollar projections.

Changes in biological assets (sugarcane) are as follows:

	Individual	Consolidated
<b>As of March 31, 2021</b>	999,021	1,353,185
Additions to sugarcane treatments	788,266	953,602
Absorption of harvested sugarcane costs	(651,731)	(785,873)
Change in fair value, net of realization	705,270	901,417
<b>As of March 31, 2022</b>	1,840,826	2,422,331
Additions to sugarcane treatments	1,193,378	1,600,272
Absorption of harvested sugarcane costs	(874,712)	(1,074,165)
Change in fair value, net of realization	(165,916)	355,582
Mergers (Notes 30.a and 30.b)	393,619	-
Corporate reorganization (Note 12.d.i)	-	836,445
<b>As of March 31, 2023</b>	2,387,195	4,140,465

The estimated fair value could increase (decrease) if:

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

The operational activities of sugarcane planting are exposed to variations resulting from climate changes, pests, diseases, and forest fires, among other natural forces.

## RAÍZEN ENERGIA S.A.

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Historically, climatic conditions can cause volatility in the sugar-energy sector and, consequently, in the Company's operating results, as they influence crops by increasing or reducing harvests.

## 8. Recoverable taxes

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
PIS and COFINS (i)	209,611	166,533	523,511	506,255
ICMS (ii)	108,723	223,137	422,622	294,001
IPI	47,779	34,980	63,408	49,738
Refis	45,461	43,185	70,390	43,185
Reintegra (iii)	9,385	7,618	104,404	11,249
Others	4,562	4,462	6,884	7,876
	425,521	479,915	1,191,219	912,304
Current	(289,919)	(397,991)	(934,119)	(687,802)
Non-current	135,602	81,924	257,100	224,502

The movement of the main taxes to be recovered is detailed below:

						Individual
	ICMS	PIS and COFINS	IPI	Reintegra	IRPJ and CSLL (Note 18.a.1)	Total
As of March 31, 2021	212,846	162,999	31,657	7,053	322,560	737,115
Credit generation	705,277	138,216	11,212	7,377	159,552	1,021,634
Offset with taxes of the same nature and others	(693,065)	(151,475)	(7,889)	(6,812)	(350,314)	(1,209,554)
Monetary update	-	16,792	-	-	7,895	24,688
Write-offs	(1,920)	-	-	-	-	(1,920)
As of March 31, 2022	223,137	166,533	34,980	7,618	139,694	571,961
Mergers (Notes 30.a and 30.b)	10,487	7,852	502	1,378	523	20,743
Credit generation	478,926	353,066	23,108	9,617	101,147	965,864
Offset with taxes of the same nature and others	(602,927)	(322,470)	(10,810)	(9,228)	(112,476)	(1,057,912)
Monetary update	-	4,630	-	-	13,846	18,476
Write-offs	(900)	-	-	-	(10,554)	(11,455)
As of March 31, 2023	108,723	209,611	47,779	9,385	132,180	507,678

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### Notes from management to the financial statements as of March 31, 2023

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	Consolidated					
	ICMS	PIS and COFINS	IPI	Reintegra	IRPJ and CSLL (Note 18.a.1)	Total
As of March 31, 2021	274,812	447,511	40,032	9,891	361,740	1,133,986
Business combination (Note 30.d)	-	319	-	-	438	758
Credit generation	1,496,507	156,916	20,336	8,412	137,831	1,820,002
Offset with taxes of the same nature and others	(1,474,972)	(153,781)	(10,629)	(7,054)	(360,144)	(2,006,580)
Monetary update	-	55,289	-	-	8,115	63,404
Write-offs	(2,346)	-	-	-	(1,893)	(4,239)
As of March 31, 2022	<u>294,001</u>	<u>506,255</u>	<u>49,738</u>	<u>11,249</u>	<u>146,087</u>	<u>1,007,330</u>
Corporate reorganization (Note 12.d.i)	167,919	48,825	2,838	20,790	20,715	261,087
Credit generation	872,137	377,097	23,774	82,781	186,293	1,542,082
Offset with taxes of the same nature and others	(910,005)	(417,083)	(12,941)	(10,415)	(133,022)	(1,483,466)
Monetary update	-	8,417	-	-	16,303	24,720
Write-offs	(1,430)	-	-	-	(21,364)	(22,794)
As of March 31, 2023	<u>422,622</u>	<u>523,511</u>	<u>63,408</u>	<u>104,404</u>	<u>215,012</u>	<u>1,328,957</u>

#### (i) PIS and COFINS

##### ICMS on the PIS and COFINS tax bases

Since adoption of the PIS and COFINS noncumulative regime, the Company has been pleading in court the right to exclude ICMS from the PIS and COFINS tax base. In the year ended March 31, 2023, the Company recognized consolidated credits amounting to R\$ 18,489 (R\$ 65,720 in 2022), under Recoverable taxes, arising from the update of credits referring to lawsuits on exclusion of ICMS from the PIS and COFINS tax base on which a final and unappealable decision has been handed down for the entire period after 5 years of the date of distribution of the lawsuits in court. The consolidated credits of R\$ 18,489 (R\$ 11,192 in 2022) were recognized in the statement of income for the year.

The recoverable balance of PIS and COFINS presented in these financial statements reflects the amount that the Company expects to realize, less the provision for loss of credits for which Management does not expect to realize, when applicable. Considering Management's best projections and estimates, the expectation of realization of PIS and COFINS credits is up to 10 years.

#### (ii) ICMS

They arise, substantially, in relation to the production mix of the bioenergy parks linked to tax incentives and benefits and the application of diversified rates in the entry and exit of goods or service taken, an operation carried out without paying the tax in cases where it is admitted, such as exemption, suspension or non-incidence, or even covered by the deferral.

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In order to use ICMS credit balances, the Company internally reviews certain activities, in particular the production mix, operations logistics and structured operations. In addition, there are requests for special regimes from certain state tax authorities, requests for authorization to transfer balances between branches in the same state and analysis of credit sales to third parties.

The recoverable ICMS balance presented in these financial statements reflects the amount that the Company expects to realize, less the provision for loss of credits for which Management does not expect to realize, when applicable.

#### (iii) Reintegra

Refers to a federal tax whose objective is to partially or fully return, as a contribution to PIS-Pasep and Cofins, the remaining tax residue in the production chain of exported goods.

The main variation that occurred in the year ended March 31, 2023, was R\$ 69,190, arising from a lawsuit that became final and unappealable court decision, recognizing the right to determine the amounts related to Reintegra, for the periods from December 2011 to December 2023, of the export revenue of some products, as well as the respective monetary update.

## 9. Other financial assets

	Individual		Consolidated	
	2023	2022	2023	2022
Credits from indemnity suits - refundable (1)	7,295	6,902	7,296	6,902
Credits from indemnity suits - own (2)	75,053	-	171,637	105,908
National Treasury Certificates - ("CTN") (3)	-	-	34,940	31,126
Others	1	1	1	1
	82,349	6,903	213,874	143,937
Current	(37,633)	-	(105,683)	(37,633)
Non-current	44,716	6,903	108,191	106,304

- (1) Credits arising from final favorable decisions for RESA, which are not part of the net assets contributed by Cosan in establishing the Group. As such, RESA recorded an obligation of equal value, classified as current and non-current liabilities, under Related parties (Note 11.c), as these credits will be fully refunded to Cosan when effectively received.
- (2) Credits arising from a final court decision favoring Raizen 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 Bioparks by the federal government by setting prices lower than market prices. The balance recorded in the Parent Company in the year ended March 31, 2023 includes the amount of R\$ 105,908 from the merger (Note 30.b) and the amount of R\$ 45,425 received in credits from claims for damages. The balance recorded in the consolidated for the year ended March 31, 2023, includes R\$ 125,609 from the corporate reorganization (Note 12.d.i) and the amount of R\$ 78,680 received in credits from claims for damages.
- (3) Government securities 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 securities earn the General Market Price Index (IGP-M) plus annual interest of 12%. At maturity, their amount tends to be equivalent to the principal amount of the debt payable to PESA and can be used to settle this debt.

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

#### 10. Securities (non-current)

	Index	Consolidated weighted average yield		Individual		Consolidated	
		2023	2022	2023	2022	2023	2022
Issuance of debentures (1)	IPCA	100%	-	-	-	118,954	-
Investment fund (2)	CDI + 4% p.a.	100%	-	48,824	-	48,824	-
				48,824	-	167,778	-

(1) Refer to the issuance of simple and non-convertible debentures, with unsecured guarantee, in a single series, for private placement of Tamara Energia e Participações S.A., with payments of annual installments as from May 2024 and final maturity in 2051.

(2) Refer to the Company's shareholding in an investment fund with receivables, with annual remuneration based on CDI plus annual interest of approximately 4%, with a maturity up to 5 years.

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### 11. Related parties

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

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
<b>Assets classified by currency:</b>				
Domestic (local currency)	11,390,366	5,342,407	9,858,476	3,860,419
Abroad (foreign currency) (Note 27.d)	1,001,718	625,910	3,754,515	3,470,780
	<u>12,392,084</u>	<u>5,968,317</u>	<u>13,612,991</u>	<u>7,331,199</u>
<b>Asset management (1)</b>				
Raízen S.A. and its subsidiaries	8,879,467	2,932,489	8,879,467	2,932,489
Bioenergia Barra Ltda. and its subsidiaries	409,370	1,158,309	-	-
Raízen Biomassa S.A.	287,101	223,463	-	-
Raízen GD Ltda.	252,148	108,634	-	-
WX Energy Comercializadora de Energia Ltda.	-	-	-	-
Gera Next Participações S.A.	159,409	14,144	-	-
RZ Agrícola Caarapó Ltda.	137,750	50,153	-	-
Raízen-Geo Biogás Costa Pinto Ltda.	118,016	-	-	-
Raízen Biogás Ltda.	119,113	77,201	-	-
Raízen Centrosul S.A. and its subsidiaries	16,569	28,179	-	28,179
Others	889	3	-	-
	<u>10,588,012</u>	<u>4,592,575</u>	<u>8,879,467</u>	<u>2,960,668</u>
<b>Commercial and administrative transactions (2)</b>				
Raízen S.A. and its subsidiaries	108,377	54,159	1,721,025	1,405,395
Grupo Rumo	53,607	38,590	54,591	40,659
Shell Trading US Company	-	-	50,043	32,609
Grupo Gera	-	-	14,495	-
Companhia de Gás de São Paulo - Comgás	7,680	9,975	7,680	9,975
Shell Trading Rotterdam	-	-	9,136	10,834
Cosan S.A. Indústria e Comércio	6,012	10,475	6,794	11,285
Philipinas Shell Petroleum Corp.	-	-	6,407	-
Raízen Centro-Sul S.A. and its subsidiaries	49,322	2,844	-	8,488
Raízen Trading S.A.	1,001,577	402,354	-	-
Raízen Caarapó Açúcar e Alcool Ltda.	31,557	3,949	-	-
RZ Agrícola Caarapó Ltda.	4,260	1,275	-	-
Raízen Biomassa S.A.	33	11,179	-	-
Raízen International Universal Corp.	-	222,873	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	-	12,305	-	-
Raízen Paraguaçu Ltda.	-	12,057	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	-	7,897	-	-
Unimodal Ltda.	-	3,617	-	-
Others	31,727	11,000	22,222	11,580
	<u>1,294,152</u>	<u>804,549</u>	<u>1,892,393</u>	<u>1,530,825</u>
<b>Financial transactions (3)</b>				
Raízen S.A. and its subsidiaries	-	-	2,270,205	2,215,656
	-	-	<u>2,270,205</u>	<u>2,215,656</u>
<b>Framework agreement (4)</b>				
Cosan S.A. Indústria e Comércio	509,779	570,481	570,785	623,367
Shell Brazil Holding B.V.	141	683	141	683
Benálcool Açúcar e Alcool Ltda.	-	29	-	-
	<u>509,920</u>	<u>571,193</u>	<u>570,926</u>	<u>624,050</u>
	<u>12,392,084</u>	<u>5,968,317</u>	<u>13,612,991</u>	<u>7,331,199</u>
<b>Current assets</b>	<u>(12,048,154)</u>	<u>(5,565,410)</u>	<u>(11,219,192)</u>	<u>(5,009,226)</u>
<b>Non-current assets</b>	<u>343,930</u>	<u>402,907</u>	<u>2,393,799</u>	<u>2,321,973</u>

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## Notes from management to the financial statements as of March 31, 2023

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	Individual		Consolidated	
	2023	2022	2023	2022
<b>Liabilities</b>				
<b>Liabilities classified by currency:</b>				
Domestic (local currency)	5,102,980	7,245,564	2,161,726	3,993,827
Abroad (foreign currency)(Note 27.d)	2,950,530	2,795,615	548,445	233,647
	<u>8,053,510</u>	<u>10,041,179</u>	<u>2,710,171</u>	<u>4,227,474</u>
<b>Asset management (1)</b>				
Raízen S.A. and its subsidiaries	156,030	581,910	156,030	581,910
Raízen Centro-Sul S.A. and its subsidiaries	1,065,484	1,178,965	-	1,178,965
Agrícola Ponte Alta Ltda.	1,061,503	1,028,599	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	730,541	212,665	-	-
Bioenergia Barra Ltda. and its subsidiaries	383,658	532,364	-	-
Gera Next Participações S.A.	2,687	97,259	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	-	1,137,054	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	-	314,658	-	-
Raízen Paraguaçu Ltda.	-	185,964	-	-
WX Energy Comercializadora de Energia Ltda.	-	137,362	-	-
Benálcool Açúcar e Álcool Ltda.	-	238	-	-
Rio Power Participações S.A.	-	-	-	1,843
Others	670	560	40	-
	<u>3,400,573</u>	<u>5,407,598</u>	<u>156,070</u>	<u>1,762,718</u>
<b>Commercial and administrative transactions (2)</b>				
Raízen S.A. and its subsidiaries	64,075	51,045	303,463	156,950
Shell Trading Rotterdam	-	-	266,456	-
Grupo Rumo	87,600	42,433	90,744	47,608
Shell Trading US Company	-	-	52,145	233,647
Cosan Lubrificantes e Especialidades	4,770	4,427	7,308	5,308
Grupo Gera	-	-	6,577	-
Propriedades Agrícola Radar and its subsidiaries	2,779	1,405	2,779	1,405
Raízen Trading S.A.	59,412	83,228	-	-
Raízen Fuels Finance Limited	22,217	-	-	-
Raízen Centrosul S.A. and its subsidiaries	13,038	5,056	-	52,207
Bioenergia Barra Ltda. and its subsidiaries	8,514	4,123	-	-
Raízen International Universal Corp.	1,079	1,591	-	-
Raízen Araraquara A.A.Ltda.	-	6,940	-	-
Raízen Paraguaçu Ltda.	-	3,388	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	-	2,870	-	-
Others	19,526	15,019	19,487	17,452
	<u>283,010</u>	<u>221,525</u>	<u>748,959</u>	<u>514,577</u>
<b>Financial transactions (3)</b>				
Raízen Fuels Finance Limited	2,808,370	2,710,796	-	-
	<u>2,808,370</u>	<u>2,710,796</u>	<u>-</u>	<u>-</u>
<b>Corporate reorganization</b>				
Logum Logística S.A. (Note 12.d.i)	-	7,070	-	7,070
Uniduto Logística S.A. (Note 12.d.i)	-	1,095	-	1,095
	<u>-</u>	<u>8,165</u>	<u>-</u>	<u>8,165</u>
<b>Framework agreement (4)</b>				
Cosan S.A. Indústria e Comércio	326,533	414,555	572,033	665,389
Agrícola Ponte Alta Ltda.	1,915	1,915	-	-
	<u>328,448</u>	<u>416,470</u>	<u>572,033</u>	<u>665,389</u>



## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

		Individual		Consolidated
	2023	2022	2023	2022
				(Continued)
<b>Lease liabilities (5)</b>				
Radar Propriedades Agrícolas S.A.	255,129	245,595	255,129	245,595
Nova Agrícola Ponte Alta S.A.	132,591	153,959	132,591	153,959
Jatobá Produtos Agrícola Ltda.	84,163	95,899	84,163	95,899
Aguassanta Desenvolvimento Imobiliário S.S	82,697	7,358	82,697	7,358
Jequitibá Propriedades Agrícolas Ltda.	75,989	2,231	75,989	2,231
Aguassanta Agrícola S.A.	73,220	107,124	73,220	107,124
Nova Amaralina S.A. Propriedades Agrícolas	65,271	79,188	65,271	79,188
Proud Participações S.A.	63,230	74,872	63,230	74,872
Águas da Ponte Alta S.A.	62,398	67,653	62,398	67,653
Bioinvestments Negócios e Participações S.A.	62,056	71,654	62,056	71,654
Terrainvest Propriedades Agrícolas S.A.	60,244	75,539	60,244	75,539
Aguassanta Desenvolvimento Imobiliário S.A.	50,834	149,981	50,834	149,981
Seringueira Propriedades Agrícolas Ltda.	49,789	61,148	49,789	61,148
Agrobio Investimento e Participações S.A.	42,723	14,552	42,723	14,552
Terras da Ponte Alta S.A.	21,860	24,851	21,860	24,851
Others	50,915	45,021	50,915	45,021
	1,233,109	1,276,625	1,233,109	1,276,625
	8,053,510	10,041,179	2,710,171	4,227,474
<b>Current liabilities</b>	(4,065,058)	(5,983,270)	(1,262,744)	(2,616,003)
<b>Non-current liabilities</b>	3,988,452	4,057,909	1,447,427	1,611,471

#### (1) Asset management

The amounts recorded in assets and liabilities refer to resources made available and received for carrying out asset management activities. The Company recorded in the year ended March 31, 2023, net financial income in the amounts of R\$ 1,063,880 and R\$ 920,793 (net financial income in the amounts of R\$ 13,965 and R\$ 35,340 in 2022) in the Individual and Consolidated financial statements, respectively, due to cash management.

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

#### (2) Commercial and administrative transactions

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

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

#### (3) Financial transactions

As of March 31, 2023, and 2022, the amount recorded in assets refers to pre-export financing ("PPE") agreements receivable from Raízen S.A., at an average effective annual interest rate of 5.74% (4.19% in 2022), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Consolidated	
				2023	2022
PPE	Dollar (US\$)	350,000	01/20/2027	1,798,297	1,672,169
		350,000		1,798,297	1,672,169
PPE	Euro (€)	60,000	09/21/2022	-	318,772
		60,000		-	318,772
				1,798,297	1,990,941
			Current	(140,067)	(332,711)
			Non-current	1,658,230	1,658,230

As of March 31, 2023, and 2022, Raízen Trading, subsidiary of Raízen Energia, lent US\$ 92,888 thousand, R\$ 471,908, converted in March 2023 (USD 47,077 thousand, R\$ 224,715, converted in March 2022) receivable from Raízen S.A. and its subsidiaries, at an annual rate of 2.96% and final maturity in December 2024.

The amount recorded in liabilities refers mainly to pre-export financing agreements due to Raízen Fuels, at an average effective annual interest rate of 5.78% (4.49% in 2022), as follows:

Agreement	Currency	Principal in foreign currency	Maturity	Individual	
				2023	2022
PPE (1)	Dollar (US\$)	200,000	04/30/2024	1,014,193	956,732
PPE	Dollar (US\$)	25,000	01/20/2027	124,278	114,075
PPE (1)	Dollar (US\$)	125,000	01/20/2027	621,391	607,404
PPE (1)	Dollar (US\$)	233,478	01/20/2027	1,048,509	1,032,585
		583,478		2,808,370	2,710,796
			Current	6,402	(23,302)
			Non-current	2,814,772	2,687,494

(1) The Company designates certain pre-export financing agreements as liability measured at fair value through profit or loss. Accordingly, referred to agreement is increased by the fair value measurement, determined by level 2 of the fair value hierarchy, in the amount of R\$ 152,162 (R\$ 54,588 in 2022), with a positive impact on profit or loss of R\$ 97,574 (positive impact of R\$ 3,218 in 2022), see Note 26.

#### (4) Framework agreement

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

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

#### (5) Lease liabilities

As of March 31, 2023, and 2022, the amount recorded in liabilities refers to lease agreements of transactions with related parties.

	Individual and Consolidated
<b>As of March 31, 2021</b>	<b>933,717</b>
Additions of new contracts	96,151
Write-off of contracts	(79,486)
Payment of principal	(240,030)
Interest	101,473
Transfers and reclassifications	2,042
Remeasurement of contracts	462,758
<b>As of March 31, 2022</b>	<b>1,276,625</b>
Additions of new contracts	216,519
Write-off of contracts	(88,276)
Payment of principal	(281,622)
Interest	106,047
Remeasurement of contracts	3,816
<b>As of March 31, 2023</b>	<b>1,233,109</b>
Current	(233,626)
Non-current	999,483

#### b) Summary of transactions with related parties (4)

	Individual		Consolidated	
	2023	2022	2023	2022
<b>Sales of products, net of returns</b>				
Raízen S.A. and its subsidiaries	466,204	894,172	20,109,073	12,204,993
Shell Trading US Company	-	-	1,008,531	682,257
Shell Trading Rotterdam	-	-	675,992	492,954
Raízen Centro-Sul S.A and its subsidiaries (iv)	38,704	10,007	157,333	251,188
Pilipinas Shell Petroleum Corp.	-	-	47,154	9,868
Compass Comercializadora S.A.	-	-	23,566	21,537
Shell Energy do Brasil Ltda.	-	-	1,085	23,327
Raízen Paraguaçu Ltda.	675	222,597	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	5,743	133,494	-	-
Raízen International Universal Corporation	2,374,092	2,063,830	-	-
Raízen Trading S.A.	6,769,990	4,309,856	-	-
Others	251,600	20,769	21,992	137,193
	9,907,008	7,654,725	22,044,726	13,823,317
<b>Purchase of goods and services</b>				
Shell Trading US Company	-	-	(3,244,479)	(4,047,985)
Raízen Centro-Sul S.A and its subsidiaries (iv)	(779,160)	(193,700)	(2,054,062)	(1,908,717)
Raízen S.A. and its subsidiaries	(1,073,426)	(646,059)	(1,286,770)	(771,776)
Shell Trading Rotterdam	-	-	(903,555)	-
WX Energy Coml Energia Ltda.	(336)	-	(176,934)	-
Grupo Rumo (i)	(442,879)	(311,961)	(511,873)	(404,083)
Shell Energy do Brasil Ltda.	-	-	(95,818)	(18,970)
Cosan Lubrificantes e Especialidades S.A.	(22,994)	(26,483)	(31,724)	(33,703)
CTC - Centro de Tecnologia Canavieira Ltda.	(20,570)	-	(25,239)	-
Shell Brasil Petróleo	(6,133)	(14,854)	(7,725)	(19,511)
Raízen Caarapó Açúcar e Alcool Ltda.	(112,456)	(2,548)	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	(13,848)	(116,395)	-	-
Raízen Trading S.A.	(5,535)	(692,885)	-	-
Raízen Paraguaçu Ltda.	(911)	(34,501)	-	-
Others	(75,213)	(65,689)	(29,058)	(18,970)
	(2,553,461)	(2,105,075)	(8,367,237)	(7,223,715)

# RAÍZEN ENERGIA S.A.

## Notes from management to the financial statements as of March 31, 2023

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

	Individual		Consolidated	
	2023	2022	2023	2022
<b>Reimbursement of shared expenses (1)</b>				
<b>(Continued)</b>				
Raízen S.A. and its subsidiaries	257,480	188,483	257,457	188,477
Grupo Rumo (i)	32,651	31,901	32,651	31,901
Companhia de Gás de São Paulo - Comgás	15,024	27,365	15,024	27,365
Cosan Lubrificantes e Especialidades S.A.	14,159	10,037	14,159	10,037
Raízen Conveniências LTDA	5,296	-	5,296	-
Agrícola Ponte Alta Ltda.	11,645	-	-	-
Cosan S.A. Indústria e Comércio	4,224	2,263	4,224	2,263
Raízen Caarapó Açúcar e Alcool Ltda.	78,529	14,097	-	-
Bioenergia Barra Ltda. and its subsidiaries	30,647	14,358	-	-
Raízen Paraguaçu Ltda.	2,869	33,677	-	-
Raízen Araraquara Açúcar e Alcool Ltda.	903	9,672	-	-
Others	86,955	30,975	29,654	15,351
	540,382	362,828	358,465	275,394
<b>Net financial income (expenses) (3)</b>				
Raízen S.A. and its subsidiaries	1,121,928	74,147	1,291,062	(266,737)
Grupo Radar (iii)	(58,204)	(63,705)	(58,204)	(63,705)
Raízen Centro-Sul S.A. and its subsidiaries (iv)	(78,981)	(36,815)	(61,060)	(36,815)
Grupo Águas Santa (ii)	(17,913)	(20,241)	(17,913)	(20,241)
Grupo Janus	(16,823)	(14,626)	(16,823)	(14,626)
Raízen Fuels Finance Limited	(448,488)	431,979	-	-
Bioenergia Barra Ltda and its subsidiaries	54,446	3,404	-	-
Raízen Trading S.A.	37,823	(69,727)	-	-
Raízen Centroeste Açúcar e Alcool Ltda.	(9,282)	(38,266)	-	-
Raízen Paraguaçu Ltda.	(406)	21,829	-	-
Tellus Group	(122)	(8,047)	(122)	(8,047)
Others	(1,649)	(68,023)	(7,917)	(4,350)
	582,329	211,909	1,129,023	(414,521)

- (i) The term "Grupo Rumo" 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.;
- (ii) The term "Grupo Aguassanta" refers to land lease transactions for the planting of sugarcane with companies Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda., Palermo Agrícola S.A., Vila Santa Empreendimentos Imobiliários Ltda. e Aguassanta Propriedades, Negócios e Desenvolvimento Imobiliário S.A.;
- (iii) The term "Grupo Radar" refers to land lease transactions for the planting of sugarcane, and the main companies of the group are: 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.;
- (iv) The term "Raízen Centrosul S.A. and its subsidiaries" refers to the activities of production, processing and sale of rural and agricultural products, especially sugarcane and its byproducts, generation and sale of energy and byproducts from cogeneration of energy. The main companies of the Group are: Raízen Centro-Sul S.A., Raízen Centro-Sul Comercializadora S.A and Raízen Centrosul Paulista S.;
- (v) The terms "Grupo Janus" and "Tellus" refer to land lease transactions for the planting of sugarcane, and the main companies of the group are Jatobá Propriedades Agrícolas, Seringueira Propriedades Agrícolas Ltda. and Jequitibá Propriedades Agrícolas Ltda.

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

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

#### c) Summary of balances reimbursable from/to indirect joint venture Cosan

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Current assets</b>				
Other receivables (i)	141,275	123,510	148,037	133,288
	141,275	123,510	148,037	133,288
<b>Non-current assets</b>				
Judicial deposits (Note 19)	102,730	155,206	222,129	271,959
Other financial assets (Note 9)	7,295	6,902	7,295	6,902
Other receivables (i)	75,233	128,937	194,572	253,240
	185,258	291,045	423,996	532,101
<b>Total assets</b>	<b>326,533</b>	<b>414,555</b>	<b>572,033</b>	<b>665,389</b>
<b>Current liabilities</b>				
Taxes payable	3,210	8,446	4,197	9,478
Other payables (ii)	162,780	159,837	178,009	178,841
	165,990	168,283	182,206	188,319
<b>Non-current liabilities</b>				
Taxes payable (ii)	176,664	175,566	186,657	185,167
Provision for legal disputes (Note 19)	167,125	226,632	201,922	249,881
	343,789	402,198	388,579	435,048
<b>Total liabilities</b>	<b>509,779</b>	<b>570,481</b>	<b>570,785</b>	<b>623,367</b>

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

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

#### d) Officers and members of the Board of Directors

Fixed and variable compensation to key management personnel of Raízen, including statutory officers and members of the Board of Directors, recognized in profit or loss for the years ended March 31, 2023, and 2022, is as follows:

	<b>2023</b>	<b>2022</b>
Regular compensation	(8,047)	(11,643)
Bonuses and other variable compensation	(13,479)	(16,486)
Share-based payment (Note 28.c)	(3,995)	-
<b>Total compensation</b>	<b>(25,521)</b>	<b>(28,129)</b>

The Company shares the corporate, management and operating costs and structures with its Parent company Raízen S.A. Key management personnel and other administrative functions are mostly comprised of employees of the Company. Therefore, as of March 31, 2023, Raízen S.A reimbursed R\$ 71,593 (R\$ 66,521 in 2022) to the Company.

#### e) Revolving Credit Facility

The Company, through its subsidiary Raízen Fuels, has a revolving credit facility amounting to US\$ 1,000,000 held with its indirect shareholders Shell and Cosan with a revolving credit facility in the same amount from a syndicate of banks. The details of this operation are described in Note 17.

## **RAÍZEN ENERGIA S.A.**

### **Notes from management to the financial statements**

**as of March 31, 2023**

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

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#### **f) Other significant information involving related parties**

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

**RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements**  
**as of March 31, 2023**  
**In thousands of Reais - R\$, unless otherwise indicated**

**12. Investments**

**a) Individual**

	Country	Business activity	Equity interest	Investments (1)		Equity accounting result	
				2023	2022	2023	2022
<u>Book value</u>							
Agrícola Ponte Alta Ltda.	Brazil	Sale of ethanol	92.29%	1,087,633	1,044,723	43,248	192,910
Benálcool Açúcar e Álcool Ltda.	Brazil	Holding company	100.00%	3,521	2,556	975	(226)
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	19.04%	168,802	154,522	20,070	25,365
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Bioenergy park (sugar, ethanol and cogeneration of power)	100.00%	1,837,560	366,203	211,442	85,057
Raízen Centroeste Açúcar e Álcool Ltda. (5)	Brazil	Ethanol biopark	-	-	1,812,755	14,909	263,720
Logum Logística S.A.	Brazil	Logistics	30.00%	313,623	312,059	(57,035)	(58,919)
Raízen Araraquara Açúcar e Álcool Ltda. (3) and (5)	Brazil	Bioenergy park (sugar, ethanol and cogeneration of power)	-	-	869,438	(1,891)	73,044
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	991	-	21,535	(27,552)
Raízen International Universal Corporation	British Virgin Islands	Sale of ethanol and sugar	100.00%	677,644	316,335	344,066	390,983
Raízen Energy Finance Ltd. (6)	Cayman Islands	Financing	-	-	27,285	(12)	(22,770)
Raízen Paraguaçu Ltda. (3) and (5)	Brazil	Bioenergy park (sugar, ethanol and cogeneration of power)	-	-	1,207,234	51,878	520,632
Bionergia Barra Ltda.	Brazil	Cogeneration of power	100.00%	1,318,368	810,329	515,323	368,273
Uniduto Logística S.A.	Brazil	Logistics	46.48%	48,560	48,338	(8,855)	(9,139)
Raízen-Geo Biogás S.A.	Brazil	Biogas biopark	85.00%	9,785	25,571	(15,781)	(7,005)
Raízen Trading S.A and its subsidiaries	Switzerland	Trading	100.00%	871,209	424,972	431,670	194,046
Raízen Biomassa S.A.	Brazil	Biomass	81.50%	(39,153)	(39,153)	-	(20,090)
RZ Agrícola Caarapó Ltda.	Brazil	Planting and sale of sugarcane	100.00%	312,398	417,457	(101,124)	14,939
Raízen Centro Sul S.A. (7)	Brazil	Bioenergy park (sugar, ethanol and cogeneration of power)	100.00%	7,513,100	-	500,904	-
Subtotal				14,124,041	7,800,624	1,971,322	1,983,268
<u>Investment goodwill (4)</u>							
Benálcool Açúcar e Álcool Ltda.				49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda. (5)				-	197,013	-	-
Raízen Tarumã Ltda.				92,379	92,379	-	-
Uniduto Logística S.A.				5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.				45,514	45,514	-	-
Ryballa Participações Ltda.				5,400	5,400	-	-
Raízen Biomassa S.A.				39,153	39,153	-	-
Raízen Centro Sul S.A. (7)				687,385	-	-	-
Subtotal				924,709	434,337	-	-
Total investment				15,048,750	8,234,961	1,971,322	1,983,268
<u>Provision for negative equity at subsidiaries and associates (2)</u>							
Unimodal Ltda. (6)	Brazil	Logistics	-	-	(1,923)	(732)	-
Raízen Biomassa S.A.	Brazil	Biomass	81.50%	(122,305)	(20,117)	(102,188)	-
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	-	(18,790)	-	-
Others	Brazil	-	-	(4)	(3)	-	-
Total provision for negative equity				(122,309)	(40,833)	(102,920)	-
						1,868,402	1,983,268

(1) Investments accounted for under the equity method; (2) Classified in non-current liabilities, under "Other liabilities"; (3) As of March 31, 2023, the investment balances include an allocated portion of surplus value from the merger of Curupay and acquisition of Biopark Zanin, in the amounts of R\$ 58,729 and zero (R\$ 67,664 and R\$ 71,271 (negative) in 2022), respectively. Amortization of surplus values of such allocations, classified in the Parent Company as equity accounting result, totaled R\$ 8,445 and R\$ 80 (R\$ 9,969 and R\$ 2,774 in 2022), respectively; (4) Goodwill on acquisition of shares; (5) Refers to merged companies, see Notes 30.a and 30.b; (6) Companies shut down during the year ended March 31, 2023; and (7) On October 1, 2022, Raízen Centro Sul and its subsidiaries were acquired through s capital increase by the parent company RSA in the Company (more details in 12.d.i.).

RAÍZEN ENERGIA S.A.

Notes from management to the financial statements  
as of March 31, 2023  
In thousands of Reais - R\$, unless otherwise indicated

Consolidated

	Country	Business activity	Equity interest	Investments (1)		Equity accounting result	
				2023	2022	2023	2022
Book value							
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	20.86%	184,968	158,657	21,261	25,871
Logum Logística S.A.	Brazil	Logistics	30.00%	313,623	312,059	(57,035)	(58,919)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	48,560	48,338	(8,855)	(9,139)
CGB Caruaru Energia Ltda.	Brazil	Energy	50.00%	2,221	3,506	(288)	3
Gera Soluções e Tecnologia S.A.	Brazil	Energy	30.00%	7,732	3,939	(12,397)	-
J.F ENERGIA S.A.	Brazil	Energy	50.00%	4,395	2,352	1,302	-
Rio Power Participações S.A.	Brazil	Energy	57.89%	10,479	9,388	1,074	-
Dunamis SPE S.A.	Brazil	Energy	1.00%	1,048	-	(30)	-
Subtotal				573,026	538,239	(54,968)	(42,184)
Surplus value of assets, net attributed to associates (3)							
CGB Caruaru Energia Ltda.				5,819	-	(233)	-
Gera Soluções e Tecnologia S.A.				3,056	-	(123)	-
J.F Energia S.A.				5,731	-	(230)	-
Rio Power Participações S.A.				13,938	-	(559)	-
Subtotal				28,544	-	(1,145)	-
Investment goodwill (2)							
In Uniduto Logística S.A.				5,676	5,676	-	-
In Centro de Tecnologia Canavieira S.A.				51,946	51,946	-	-
Gera Soluções e Tecnologia S.A. (3)				22,018	-	-	-
Subtotal				79,640	57,622	-	-
Total investment				681,210	595,861	(56,113)	(42,184)

(1) Investments measured by the equity method; (2) Goodwill on the purchase of shares; (3) Surplus value generated in the business combination of the Grupo Gera. For additional information see Note 30.d.



RAÍZEN ENERGIA S.A.

Notes from management to the financial statements  
as of March 31, 2023

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

Changes in investments in subsidiaries and associates:

	Individual	Consolidated
<b>As of March 31, 2021</b>	7,789,547	560,063
Equity accounting result	1,983,268	(42,184)
Additions to investment (Note 12.e.i)	994,961	114,856
Dividends declared	(9,657)	(474)
Business combination (Note 30.d)	-	19,185
Dividends received (Note 12.e.ii)	(2,383,682)	(51,505)
Effect of foreign currency translation - CTA	(139,715)	(4,263)
Effect on additional acquisition in subsidiary	(7,423)	-
Transfers and reclassifications	6,793	-
Others	869	183
<b>As of March 31, 2022</b>	8,234,961	595,861
Equity accounting result	1,971,322	(56,113)
Additions to investment (Note 12.d.ii)	67,677	86,929
Dividends declared (Note 12.d.iii)	(39,774)	(6,938)
Dividends received (Note 12.d.iv)	476	476
Effect on additional acquisition in subsidiary	2,880	(2,479)
Business combination (Note 30.d)	-	51,708
Effect of foreign currency translation - CTA	33,146	2,702
Mergers (Notes 30.a and 30.b)	(2,892,225)	-
Corporate reorganization (Note 12.d.i)	7,692,052	10,623
Transfers and reclassifications	(21,382)	(1,861)
Others	(383)	302
<b>As of March 31, 2023</b>	15,048,750	681,210

Changes in the provision for negative equity at subsidiaries and associates:

	Individual
<b>As of March 31, 2021</b>	(34,040)
Transfers and reclassifications (1)	(6,793)
<b>As of March 31, 2022</b>	(40,833)
Equity accounting result	(102,920)
Write-off	1,923
Transfers and reclassifications (1)	21,382
Effect of foreign currency translation - CTA	(1,861)
<b>As of March 31, 2023</b>	(122,309)

(1) This refers to the transfer of balances from Raízen International, Raízen Biomassa and Raízen Fuels between the group of Investments and Negative equity due to the results for the year.

RAÍZEN ENERGIA S.A.

Notes from management to the financial statements  
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Summarized financial information of associates, considering adjustments for equity accounting results, when applicable

As of March 31, 2023

	Assets	Liabilities	Equity	Net operating revenue	(Loss) net income
Logum Logística S.A. (1) / (2)	3,529,780	(2,503,369)	1,026,411	251,941	(170,926)
Uniduto Logística Ltda. (1) / (2)	104,543	(56)	104,487	-	(19,054)
Centro de Tecnologia Canaveira S.A. (2) / (4)	1,007,678	(120,971)	886,707	313,037	105,411
Iogen Energy Corporation (3)	38,359	(400,476)	(362,117)	-	(1,476)
CGB Caruaru Energia Ltda. (1)	13,838	(9,395)	4,443	-	(576)
Gera Soluções e Tecnologia S.A. (1)	36,833	(11,059)	25,774	-	(41,324)
J.F Energia S.A. (1)	10,215	(1,425)	8,790	4,263	2,604
Rio Power Participações S.A. (1)	34,311	(16,210)	18,101	5,114	1,855
Dunamis SPE S.A.	110,268	(5,468)	104,800	-	-

As of March 31, 2022

	Assets	Liabilities	Equity	Net operating revenue	(Loss) net income
Logum Logística S.A. (1) / (2)	3,226,669	(2,269,038)	957,631	177,416	(196,396)
Uniduto Logística Ltda. (1) / (2)	106,378	(2,371)	104,007	-	(19,663)
Centro de Tecnologia Canaveira S.A. (2) / (4)	910,117	(98,557)	811,560	367,427	132,145
Iogen Energy Corporation (3)	34,065	(384,082)	(350,017)	-	(219)
CGB Caruaru Energia Ltda. (1)	15,861	(8,849)	7,012	7	6
Gera Soluções e Tecnologia S.A. (1)	14,566	(1,435)	13,131	-	-
J.F Energia S.A. (1)	8,516	(3,812)	4,704	-	-
Rio Power Participações S.A. (1)	25,836	(9,615)	16,221	-	-

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

**RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements  
as of March 31, 2023**

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

**d) Transactions occurred up to March 31, 2023**

**i) Contribution of investment in Raizen Centro Sul by the parent company RSA**

As mentioned in Note 1, at the EGM held on October 1, 2021, RSA contributed to the Company all the shares held in Raizen Centro Sul, corresponding to 7,467,760,106 common shares, equivalent to 100% of the capital, for R\$ 7,692,052, already deducting equity variations in the amount of R\$ 73,203, related to net assets contributed between the base date of the independent appraisal report and such EGM.

The consolidated net assets contributed by the parent company to the Company are shown below:

Accounts	Balance
Cash and cash equivalents	132,395
Restricted cash	1,532
Derivative financial instruments - assets	103,668
Trade accounts receivable	169,810
Inventories (Note 6)	1,548,456
Dividends receivable	407
Biological assets (Note 7)	836,445
Recoverable income tax and social contribution	20,715
Recoverable taxes (Note 8)	240,372
Deferred income and social contribution - assets, net (Note 18)	1,204,108
Related parties - assets, net	1,142,842
Judicial deposits	182,987
Other financial assets (Note 9)	125,609
Investments (Note 12)	10,623
Property, plant and equipment (Note 13)	3,309,310
Intangible assets (Note 14)	699,003
Right of use (Note 16.a)	2,398,690
Suppliers (Note 15)	(1,025,638)
Lease liabilities (Note 16)	(3,198,272)
Derivative financial instruments - liabilities	(101,663)
Payroll and related charges payable	(137,734)
Income tax and social contribution payable	(24,073)
Taxes payable	(10,442)
Provision for legal disputes (Note 19)	(389,766)
Other current and non-current assets, net	452,668
Consolidated net assets of Raizen Centro-Sul	7,692,052
Capital increase according to EGM of October 1, 2021	7,765,255
Changes in contributed net assets (1)	(73,203)
Consolidated net assets contributed	7,692,052

(1) Equity variations occurred between the valuation base date, August 31, 2022, and the date of contribution of Raízen Centro-Sul's consolidated net assets by the parent company RSA on October 1, 2022, in the amount of R\$ 73,203, were absorbed by the Company, as a contra entry to Capital reserve, in equity.

**ii) Additions to investment**

**Capital increase in Logum Logística S.A. ("Logum")**

In the year ended March 31, 2023, capital increases in Logum were resolved, approved and subscribed, totaling R\$ 171,497. The amounts subscribed by the Company in these transactions totaled R\$ 58,599, fully paid in through a checking account. In the same period, the amount of R\$

**RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements  
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**In thousands of Reais - R\$, unless otherwise indicated**

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7,070 was paid up in currency, this amount was recorded as unpaid capital in March 2022, see Note 11.a.

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 year ended March 31, 2023, capital increases in Uniduto were resolved, approved and subscribed, totaling R\$ 18,029. The amounts subscribed by the Company in these transactions totaled R\$ 9,078, fully paid in through a checking account. In the same period, the amount of R\$1,095 was paid up in currency, this amount was recorded as unpaid capital in March 2022, see Note 11.a.

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 increases in other investees

In the year ended March 31, 2023, capital increases in other investees were resolved, approved and subscribed, totaling R\$ 19,252, fully paid in through a current 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.

**iii) Dividends declared**

Dividends declared by the investee "CTC"

Based on the results for the year ended March 31, 2022, the investee "CTC" allocated dividends to the Company, Raízen Caarapó and Raízen Centro-Sul S.A. in the amounts of R\$ 6,038, R\$ 171 and R\$ 407, respectively. During the year ended March 31, 2023, "CTC" made the payment in the amount of R\$ 6,209.

Dividends declared by Raízen Energy Finance Ltd.

As a result of the shutdown process, which is ongoing, the investee allocated dividends to the Company in the amount of R\$ 27,865, in currency, which was received on August 12, 2022.

Declared dividends from Gera Next Participações S.A.

During the year ended March 31, 2023, the subsidiary JF Energia S.A. paid minimum mandatory dividends to the parent company Gera Next in the amount of R\$ 322, referring to the year ended December 31, 2022.

Dividends declared by RZ Agrícola Caarapó Ltda.

During the year ended March 31, 2023, the Company updated the declared dividends reduction of the investee for the year ended March 31, 2022, in the amount of R\$ 1,087.

Dividends declared by other investees

Based on the results for the year ended March 31, 2023, the other investees allocated dividends to the Company, in the amount of R\$ 6,958.

**RAÍZEN ENERGIA S.A.**

**Notes from management to the financial statements  
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In thousands of Reais - R\$, unless otherwise indicated

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**iv) Dividends received**

Dividends received from Raízen and Wilmar Sugar PTE Ltd.

As a result of the shutdown process, the investee Raízen and Wilmar Sugar PTE Ltd. allocated dividends to the Company, with a remaining amount of R\$ 476, which was received on May 9, 2022.

Dividends received from Bioenergia Barra

During the year ended March 31, 2023, the investee Bioenergia Barra paid dividends for the year ended March 31, 2022, in the amount of R\$ 3,683.

**e) Transactions occurred up to March 31, 2022**

**i) Additions to investment**

Capital increase in Logum Logística S.A. ("Logum")

In the year ended March 31, 2022, capital increases in Logum were resolved, approved and subscribed, totaling R\$ 120,293. The amounts subscribed by the Company in these transactions totaled R\$ 99,443, of which R\$ 92,373 were paid up in currency and R\$ 7,070 will be paid up until December 2022.

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 year ended March 31, 2022, capital increases in Uniduto were resolved, approved and subscribed, totaling R\$ 30,803. The amounts subscribed by the Company in these transactions totaled R\$ 15,413, of which R\$ 14,318 were paid up in currency and R\$ 1,095 will be paid up until December 2022.

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 Centroeste Açúcar e Alcool Ltda. ("Raízen Centroeste")

In the year ended March 31, 2022, the Company entered into an Agreement for the purchase of shares held by Agrícola Ponte Alta in Raízen Centroeste in the amount of R\$ 866,270.

At the end of this operation, the Company started to hold a direct interest of 100% in Raízen Centroeste (47.37% in 2021).

Capital increase in Raízen-Geo Biogás S.A.

In the year ended March 31, 2022, capital increases in the company were resolved, approved and subscribed, totaling R\$ 15,600. The amounts subscribed by the Company in these transactions totaled R\$ 13,260, fully paid in through a checking account.

RAÍZEN ENERGIA S.A.

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

ii) Dividends received

In the year ended March 31, 2022, the subsidiaries paid dividends to the Company as follows:

Dividends received				
Subsidiaries	Proceeds	Periods:	Amounts received	Receipt date
Agrícola Ponte Alta	Retained earnings	Mar/21	257,935	06/25/2021
	Income for the period	Apr/21 to Nov/21	55,376	12/28/2021
Benálcool	Income reserve	Prior periods	1,499	12/28/2021
Bio Barra	Income reserve	Prior periods	876,357	12/28/2021
Raizen Araraquara	Income reserve	Prior periods	185,370	12/28/2021
Raizen Caarapó	Retained earnings	Mar/21	64,265	06/25/2021
	Income for the period	Apr/21 to Nov/21	28,870	12/28/2021
Raizen Centroeste	Retained earnings	Mar/21	95,175	06/25/2021
	Income for the period	Apr/21 to Nov/21	33,159	12/28/2021
Raizen Fuels	Retained earnings	Mar/21	45,994	09/30/2021
Raizen Paraguaçu	Retained earnings	Mar/21	518,178	06/25/2021
	Income for the period	Apr/21 to Nov/21	169,999	12/28/2021
Centro de Tecnologia Canavieira	Retained earnings	Mar/21	5,917	08/30/2021
Raizen and Wilmar Sugar PTE Ltd.	Retained earnings	Prior periods	45,588	02/10/2022
Total			2,383,682	

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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## 13. 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	Others	Total
<b>Cost</b>										
<b>As of March 31, 2021</b>	17,514	1,172,077	4,897,522	451,913	185,794	646,023	1,120,997	5,989,295	20,876	14,502,011
Additions	-	20,994	45,843	51	4	848,635	748,152	746,189	585	2,410,453
Write-offs	-	(217)	(110,679)	(37,013)	(119)	-	-	(23,825)	-	(171,853)
Transfer between cost and depreciation	-	-	-	-	-	-	(580,035)	-	-	(580,035)
Transfers (1)	317	165,641	456,683	14,360	25,112	(738,936)	627	-	642	(75,554)
Estimated loss (2)	-	-	377	9,981	8	-	-	-	-	10,366
<b>As of March 31, 2022</b>	17,831	1,358,495	5,289,746	439,292	210,799	755,722	1,289,741	6,711,659	22,103	16,095,388
Additions	-	13,911	56,653	31	1,440	2,393,028	913,463	1,079,619	2	4,458,147
Mergers (Notes 30.a and 30.b)	3,574	208,246	949,327	52,008	13,398	56,656	214,535	963,413	(25,427)	2,435,730
Write-offs	-	-	(148,626)	(42,956)	(9,679)	(14,141)	-	(6,067)	(17)	(221,486)
Transfers (1)	-	55,983	359,252	9,852	15,131	(627,092)	(869,723)	575	30,089	(1,025,933)
Reversal of estimated loss (2)	-	-	606	3,018	11	-	-	-	-	3,635
<b>As of March 31, 2023</b>	21,405	1,636,635	6,506,958	461,245	231,100	2,564,173	1,548,016	8,749,199	26,750	21,745,481
<b>ccumulated depreciation:</b>										
<b>As of March 31, 2021</b>	-	(346,932)	(2,171,420)	(266,368)	(132,960)	-	(579,973)	(4,301,403)	(14,963)	(7,814,019)
Depreciation expense in the year	-	(36,389)	(266,100)	(33,102)	(16,369)	-	(617,578)	(476,035)	(3,961)	(1,449,534)
Write-offs	-	217	94,223	28,841	145	-	-	-	-	123,426
Transfer between cost and depreciation	-	-	-	-	-	-	580,035	-	-	580,035
Transfers (1)	-	22	3,883	(4,147)	295	-	-	-	-	53
<b>As of March 31, 2022</b>	-	(383,082)	(2,339,414)	(274,776)	(148,889)	-	(617,516)	(4,777,438)	(18,924)	(8,560,039)
Depreciation expense in the year	-	(46,586)	(344,262)	(36,005)	(21,706)	-	(866,397)	(580,108)	(3,936)	(1,899,000)
Write-offs	-	-	139,324	34,335	9,453	-	-	-	17	183,129
Mergers (Notes 30.a and 30.b)	-	(59,456)	(474,234)	(29,677)	(10,766)	-	(137,332)	(724,641)	-	(1,436,106)
Transfers (1)	-	619	85,726	297	2,993	-	869,158	-	(25)	958,768
<b>As of March 31, 2023</b>	-	(488,505)	(2,932,860)	(305,826)	(168,915)	-	(752,087)	(6,082,187)	(22,868)	(10,753,248)
<b>Net residual value:</b>										
As of March 31, 2023	21,405	1,148,130	3,574,098	155,419	62,185	2,564,173	795,929	2,667,012	3,882	10,992,233
As of March 31, 2022	17,831	975,413	2,950,332	164,516	61,910	755,722	672,225	1,934,221	3,179	7,535,349

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

(2) This refers to the reversal of provision for estimated loss on property, plant and equipment recognized in the statement of income for the year under "Other operating revenue, net" (Note 25).

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023 In thousands of Reais - R\$, unless otherwise indicated

#### 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	Others	Total
<b>Cost</b>										
<b>As of March 31, 2021</b>	45,185	1,954,425	9,586,068	532,352	224,433	1,053,406	1,457,920	7,162,340	33,764	22,049,893
Additions	-	21,993	58,924	62	315	1,167,659	970,475	877,615	586	3,097,629
Write-offs	-	(217)	(136,520)	(46,364)	(762)	7	-	(24,698)	-	(207,554)
Transfer between cost and depreciation	-	-	-	-	-	-	(753,025)	-	-	(753,025)
Transfers (1)	2,382	214,772	771,050	14,815	30,779	(1,128,959)	627	-	6,083	(88,451)
Reversal of estimated loss (2)	-	-	594	10,307	7	-	-	-	-	10,908
Business combination (Note 30.d)	2,550	17,356	12,094	-	-	40,604	-	-	-	72,604
Others	-	-	-	-	-	-	-	-	(545)	(545)
<b>As of March 31, 2022</b>	50,117	2,208,329	10,292,210	512,172	254,772	1,132,717	1,675,997	8,015,257	39,888	24,181,459
Additions	-	26,135	64,885	32	1,593	3,721,617	1,571,114	1,354,903	(53)	6,740,226
Write-offs	1,140	(570)	(197,603)	(56,846)	(6,843)	(14,524)	-	(6,103)	(200)	(281,549)
Transfers (1)	3,335	15,645	779,959	14,695	21,269	(893,657)	(1,545,102)	643	(1,085)	(1,604,298)
Reversal of estimated loss (2)	-	1,210	6,473	3,043	11	-	-	-	27	10,764
Business combination (Note 30.d)	-	(4,546)	14,121	-	-	-	-	-	-	9,575
Corporate reorganization (Note 12.d.i)	75,710	422,729	2,187,309	20,747	12,997	166,783	664,246	794,917	6,690	4,352,128
Others	-	-	-	-	263	-	-	-	-	263
<b>As of March 31, 2023</b>	130,302	2,668,932	13,147,354	493,843	284,062	4,112,936	2,366,255	10,159,617	45,267	33,408,568
<b>Accumulated depreciation</b>										
<b>As of March 31, 2021</b>	-	(538,220)	(4,180,602)	(280,800)	(160,014)	-	(752,950)	(5,054,827)	(25,511)	(10,992,924)
Depreciation expense in the year	-	(57,182)	(507,195)	(45,785)	(19,530)	-	(802,586)	(593,678)	(5,269)	(2,031,225)
Write-offs	-	217	113,113	39,071	161	-	-	-	-	152,562
Transfer between cost and depreciation	-	-	-	-	-	-	753,025	-	-	753,025
Transfers (1)	-	124	9,240	(4,117)	(248)	-	-	-	100	5,099
<b>As of March 31, 2022</b>	-	(595,061)	(4,565,444)	(291,631)	(179,631)	-	(802,511)	(5,648,505)	(30,680)	(12,113,463)
Depreciation expense in the year	-	(70,007)	(599,410)	(49,950)	(26,194)	-	(1,137,908)	(680,864)	(5,998)	(2,570,331)
Write-offs	-	22	163,632	54,341	9,613	-	-	-	85	227,693
Corporate reorganization (Note 12.d.i)	-	(26,080)	(244,392)	(5,408)	(10,457)	(3,079)	(568,464)	(184,421)	(517)	(1,042,818)
Transfers (1)	-	26,744	(61,463)	(113)	5,381	-	1,566,318	-	(27)	1,536,840
<b>As of March 31, 2023</b>	-	(664,382)	(5,307,077)	(292,761)	(201,288)	(3,079)	(942,565)	(6,513,790)	(37,137)	(13,962,079)
<b>Net residual value:</b>										
As of March 31, 2023	130,302	2,004,550	7,840,277	201,082	82,774	4,109,857	1,423,690	3,645,827	8,130	19,446,489
As of March 31, 2022	50,117	1,613,268	5,726,766	220,541	75,141	1,132,717	873,486	2,366,752	9,208	12,067,996

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

(2) This refers to the reversal of provision for estimated loss on property, plant and equipment recognized in the statement of income for the year under "Other operating revenue, net" (Note 25).



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### **Notes from management to the financial statements as of March 31, 2023**

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#### **Construction in progress**

The balance of construction in progress refers mainly to a: i) construction of E2G plants; ii) expansion of the cogeneration structure; iii) construction of solar energy generation and distribution plants; iv) projects for irrigation implementation and expansion and v) construction and expansion of biogas plants.

In the year ended March 31, 2023, various projects of such nature were completed, totaling R\$ 890,578.

#### **Capitalization of borrowing costs**

In the year ended March 31, 2023, capitalized borrowing costs - Individual and Consolidated totaled R\$ 68,735 and R\$ 71,950 (R\$ 64,006 and R\$ 65,467 in 2022), respectively. The weighted average annual rates of financial charges for debt - Individual and Consolidated, used to capitalize interest on the balance of construction in progress, were 12.83% and 12.42% as of March 31, 2023 (17.18% and 16.74% in 2022), respectively.

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## 14. Intangible assets

### a) Individual

	Software license	Goodwill	Sharecropping agreements	Sugarcane supply agreements	Technology (2)	Total
<b>Cost or valuation:</b>						
<b>As of March 31, 2021</b>	323,053	1,639,811	18,411	26,011	185,136	2,192,422
Additions	25,444	-	-	-	-	25,444
Transfers (1)	75,554	-	-	-	-	75,554
<b>As of March 31, 2022</b>	424,051	1,639,811	18,411	26,011	185,136	2,293,420
Additions	21,830	-	-	-	-	21,830
Mergers (Notes 30.a and 30.b)	1,832	98,380	-	-	-	100,212
Transfers (1)	67,237	-	-	-	-	67,237
<b>As of March 31, 2023</b>	514,950	1,738,191	18,411	26,011	185,136	2,482,699
<b>Accumulated amortization:</b>						
<b>As of March 31, 2021</b>	(222,036)	(368,026)	(18,078)	(22,992)	(109,287)	(740,419)
Amortization expense in the year	(40,987)	-	-	(2,225)	(18,530)	(61,742)
Transfers (1)	(53)	-	-	-	-	(53)
<b>As of March 31, 2022</b>	(263,076)	(368,026)	(18,078)	(25,217)	(127,817)	(802,214)
Amortization expense in the year	(52,243)	-	(128)	(811)	(18,591)	(71,773)
Mergers (Notes 30.a and 30.b)	(1,626)	-	-	-	-	(1,626)
Transfers (1)	(72)	-	(199)	199	-	(72)
<b>As of March 31, 2023</b>	(317,017)	(368,026)	(18,405)	(25,829)	(146,408)	(875,685)
<b>Net residual value:</b>						
As of March 31, 2023	197,933	1,370,165	6	182	38,728	1,607,014
As of March 31, 2022	160,975	1,271,785	333	794	57,319	1,491,206

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

(2) Refers to technologies developed by logen to produce second-generation ethanol ("E2G"), represented by contractual rights including exclusivity to RESA for the sale of these rights in the territories in which it operates, among others. Amortization takes place over an average term of 10 years, which reflects the estimated time for the financial return of the technologies developed to produce E2G

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#### b) Consolidated

	Software license	Goodwill (4)	Sharecropping agreements	Sugarcane supply agreements	Contractual relationships with clients	Operating authorization (3)	Right of use - public concessions	Technology (1)	Others	Total
<b>Cost or valuation:</b>										
<b>As of March 31, 2021</b>	345,030	1,978,730	18,411	181,516	16,196	-	12,541	185,136	30,364	2,767,924
Additions	25,726	-	-	-	-	-	-	-	-	25,726
Business combination (Note 30.d)	-	163,504	-	-	-	-	1,470	-	-	164,974
Write-offs	15	-	-	-	-	-	-	-	-	15
Transfers (2)	88,451	-	-	-	-	-	-	-	-	88,451
Others	-	-	-	-	-	-	-	-	(2,266)	(2,266)
<b>As of March 31, 2022</b>	459,222	2,142,234	18,411	181,516	16,196	-	14,011	185,136	28,098	3,044,824
Additions	22,646	-	-	-	45,000	-	-	-	-	67,646
Business combination (Note 30.d)	-	(100,216)	-	-	-	124,711	-	-	-	24,495
Corporate reorganization (Note 12.d.i)	16,775	687,348	-	-	-	-	-	-	-	704,123
Transfers (2)	67,529	-	-	-	-	-	-	-	-	67,529
Others	1,205	-	-	-	-	-	-	-	(535)	670
<b>As of March 31, 2023</b>	567,377	2,729,366	18,411	181,516	61,196	124,711	14,011	185,136	27,563	3,909,287
<b>Accumulated amortization:</b>										
<b>As of March 31, 2021</b>	(243,105)	(431,380)	(18,077)	(119,301)	(3,534)	-	(12,541)	(109,287)	(21,206)	(958,431)
Amortization expense in the year	(41,426)	-	-	(10,658)	(1,767)	-	-	(18,530)	-	(72,381)
Transfers (2)	(5,099)	-	-	-	-	-	-	-	-	(5,099)
<b>As of March 31, 2022</b>	(289,630)	(431,380)	(18,077)	(129,959)	(5,301)	-	(12,541)	(127,817)	(21,206)	(1,035,911)
Amortization expense in the year	(59,071)	-	(39)	(3,841)	(1,620)	(4,830)	(977)	(18,590)	-	(88,968)
Corporate reorganization (Note 12.d.i)	(5,120)	-	-	-	-	-	-	-	-	(5,120)
Transfers (2)	(71)	-	-	-	-	-	-	-	-	(71)
<b>As of March 31, 2023</b>	(353,892)	(431,380)	(18,116)	(133,800)	(6,921)	(4,830)	(13,518)	(146,407)	(21,206)	(1,130,070)
<b>Net residual value:</b>										
As of March 31, 2023	213,485	2,297,986	295	47,716	54,275	119,881	493	38,729	6,357	2,779,217
As of March 31, 2022	169,592	1,710,854	334	51,557	10,895	-	1,470	57,319	6,892	2,008,913

(1) Refers to technologies developed by logen to produce second-generation ethanol ("E2G"), represented by contractual rights including exclusivity to RESA for the sale of these rights in the territories in which it operates, among others. Amortization takes place over an average term of 10 years, which reflects the estimated time for the financial return of the technologies developed to produce E2G.

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

(3) Refers to the operating authorization for electricity generation and distribution, arising from the acquisition and establishment of the Grupo Gera (Note 30.d).

(4) Goodwill generated on acquisitions is transferred at the Consolidated level from the investment line to intangible assets

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Goodwill

This refers to goodwill paid for expected future profitability, amortized on a straight-line basis until March 31, 2009, after which, as required by IAS 38 (CPC 04) – Intangible assets, they are no longer amortized. As of March 31, 2023, the balance of goodwill is as follows:

Goodwill	Individual	Consolidated
	2023	2023
On acquisition of Costa Rica Canavieira Ltda.	57,169	57,169
On acquisition of Cerrado Açúcar e Álcool S.A.	24,660	24,660
On acquisition of former Cosan S.A. Açúcar e Álcool (current RESA)	558	558
On acquisition of Univalem S.A. Açúcar e Álcool	5,018	5,018
On acquisition of Biopark Açucareira Bom Retiro S.A.	81,575	81,575
On acquisition of Biopark Benálcool	100,046	149,247
On acquisition of Biopark Santa Luíza	42,348	42,348
On acquisition of Biopark Zanin Açúcar e Álcool	98,380	98,380
On acquisition of Vertical	-	4,313
On acquisition of Corona Group	380,003	380,003
On acquisition of Destivale Group	42,494	42,494
On acquisition of Mundial Group	87,435	87,435
On establishment of FBA- Franco Brasileira S.A. Açúcar e Álcool	4,407	4,407
On merger of Curupay S.A. Participações	-	109,841
On payment of capital at Mundial	14,800	14,800
On acquisition of Bioparks Santa Cândida e Paraíso	431,272	431,272
On acquisition of RWXE Participações S.A.	-	8,430
On acquisition of Ryballa Participações Ltda	-	5,400
On acquisition of Gera Next Participações (Note 30.d)	-	63,288
On acquisition of Raizen Centro-Sul (Note 12.d.i)	-	687,348
	1,370,165	2,297,986

Impairment analysis for cash generating units containing goodwill

The Company tests the recoverable amount of goodwill at least annually.

The Company uses the value in use method to determine the recoverable amount, which is based on the projection of the discounted cash flows expected from the cash-generating units determined by management based on the budgets that consider the assumptions related to each CGU, using information available in the market and prior performance.

The discounted cash flows of the Company and its subsidiaries, which comprise substantially the CGUs “Sugar” and “Renewables”, were prepared for a period of 25 years, in accordance with a reasonable time to recover the assets related to the activities of the Company’s economic sector. No real growth rate was considered in the year of the cash flow or in perpetuity, based on past performance and expectations for market development. The discount rate used was 8.62% per year (6.91% in 2022).

The main assumptions used for the Company and its subsidiaries were: (i) expected price of sales of commodities over the long term, (ii) productivity in agricultural areas, (iii) performance of Total Recoverable Sugar (“TRS”), and (iv) operating and administrative costs. The entire cash flow was discounted at rates that reflect specific risks related to the relevant assets in each cash-generating unit.

As a result of the annual impairment tests, no losses were recognized in the years ended March 31, 2023, and 2022. The determination of the recoverability of assets depends on certain key assumptions as described above, which are influenced by the market, technological and economic

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conditions prevailing when such test is carried out and, therefore, it is not possible to determine whether impairment losses will occur in the future and, in the event, they occur, if they will be material.

15. Suppliers

	Individual		Consolidated	
	2023	2022	2023	2022
Suppliers of materials and services (i)	1,323,343	598,932	5,814,195	4,158,122
Sugarcane suppliers (ii)	346,277	235,845	539,890	330,080
Suppliers - agreement (iii)	223,851	168,245	3,024,603	3,040,892
	1,893,471	1,003,022	9,378,688	7,529,094
Domestic (local currency)	1,872,963	1,001,297	3,869,616	1,890,672
Abroad (foreign currency)(Note 27.d)	20,508	1,725	5,509,072	5,638,422
	1,893,471	1,003,022	9,378,688	7,529,094

- i. Balance payable to suppliers of materials and services refers to acquisitions of machinery and equipment for the bioparks, as well as the origination of products for resale.
- ii. The sugarcane harvest period, which usually takes place between April and December of each year, generally has a direct impact on the balance with sugarcane suppliers and the respective cutting, loading and transportation services.
- iii. The Company has agreements related to payments with financial institutions ("Agreements") through which certain suppliers may anticipate their receivables related to products and services provided to the Company, directly with financial institutions.

Under such Agreements, the supplier elects whether to anticipate the receivables and the financial institutions decide whether or not to acquire said credits, without interference from Raízen. The use of the Agreements does not imply any change in the notes issued by the suppliers, maintaining the conditions regarding the original amounts and payment terms which is approximately 100 days, falling within the Company's ordinary operational cycle.

The main variations in the year ended March 31, 2023, refer to: (i) the Company's operating cycle, as mentioned in Note 1; and (ii) the corporate reorganization, as mentioned in Note 12.d.i, in the amount of R\$ 1,025,638.

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16 Leases

16.a. Rights of use

As of March 31, 2023, and 2022, rights of use are presented by the following underlying assets:

a.1) Individual

	Land	Properties	Vehicles	Machinery and equipment	Manufacturing facilities	Total
<b>Cost or valuation:</b>						
<b>As of March 31, 2021</b>	5,352,509	126,040	248,245	337,868	97,328	6,161,990
Additions	916,980	6	12,713	102,144	-	1,031,843
Write-offs	(351,799)	(20)	(40,728)	(5,419)	-	(397,966)
Remeasurements(1)	2,329,005	(1,618)	29,665	(15)	30,806	2,387,843
<b>As of March 31, 2022</b>	8,246,695	124,408	249,895	434,578	128,134	9,183,710
Additions	942,411	-	353,824	37,625	-	1,333,860
Write-offs	(385,932)	(1,693)	(1,985)	(948)	-	(390,558)
Remeasurements(1)	159,548	15,635	20,130	8,162	11,883	215,358
Mergers (Notes 30.a and 30.b)	1,056,279	5,030	27,224	52,160	-	1,140,693
<b>As of March 31, 2023</b>	10,019,001	143,380	649,088	531,577	140,017	11,483,063
<b>Amortization:</b>						
<b>As of March 31, 2021</b>	(1,488,583)	(24,058)	(101,927)	(88,643)	(11,893)	(1,715,104)
Additions	(1,332,118)	(13,063)	(47,652)	(68,183)	(6,503)	(1,467,519)
Write-offs	105,101	8	33,708	1,362	-	140,179
<b>As of March 31, 2022</b>	(2,715,600)	(37,113)	(115,871)	(155,464)	(18,396)	(3,042,444)
Additions	(1,400,719)	(12,194)	(80,115)	(78,617)	(8,217)	(1,579,862)
Write-offs	124,436	(1,080)	611	566	-	124,533
Mergers (Notes 30.a and 30.b)	(330,676)	(1,008)	(6,861)	(18,886)	-	(357,431)
<b>As of March 31, 2023</b>	(4,322,559)	(51,395)	(202,236)	(252,401)	(26,613)	(4,855,204)
<b>Net residual value:</b>						
As of March 31, 2023	5,696,442	91,985	446,852	279,176	113,404	6,627,859
As of March 31, 2022	5,531,095	87,295	134,024	279,114	109,738	6,141,266

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

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a.2) Consolidated

	Land	Properties	Aircraft and vehicles	Machinery and equipment	Manufacturing facilities	Total
<b>Cost or valuation:</b>						
<b>As of March 31, 2021</b>	6,271,052	174,798	267,568	396,235	97,324	7,206,977
Additions	1,065,966	49,947	17,565	141,814	-	1,275,292
Write-offs	(391,658)	(355)	(47,028)	(9,364)	-	(448,405)
Remeasurements(1)	2,670,119	(7,039)	34,042	(812)	30,811	2,727,121
Business combination (Note 30.d)	-	-	-	4,513	-	4,513
<b>As of March 31, 2022</b>	9,615,479	217,351	272,147	532,386	128,135	10,765,498
Additions	1,167,038	81,294	584,823	82,123	-	1,915,278
Write-offs	(438,590)	(1,693)	(7,010)	(2,703)	-	(449,996)
Remeasurements(1)	259,275	15,844	19,758	9,299	11,883	316,059
Corporate reorganization (Note 12.d.i)	3,262,310	143	71,773	343,363	-	3,677,589
Others	-	1,465	-	-	-	1,465
<b>As of March 31, 2023</b>	13,865,512	314,404	941,491	964,468	140,018	16,225,893
<b>Amortization:</b>						
<b>As of March 31, 2021</b>	(1,699,704)	(50,761)	(110,066)	(100,698)	(11,857)	(1,973,086)
Additions	(1,542,107)	(47,095)	(54,575)	(87,199)	(6,503)	(1,737,479)
Write-offs	115,455	199	38,263	2,674	-	156,591
<b>As of March 31, 2022</b>	(3,126,356)	(97,657)	(126,378)	(185,223)	(18,360)	(3,553,974)
Additions	(1,623,083)	(49,156)	(101,848)	(141,216)	(8,217)	(1,923,520)
Write-offs	137,914	(1,080)	2,846	575	-	140,255
Corporate reorganization (Note 12.d.i)	(1,136,037)	(143)	(16,055)	(126,664)	-	(1,278,899)
<b>As of March 31, 2023</b>	(5,747,562)	(148,036)	(241,435)	(452,528)	(26,577)	(6,616,138)
<b>Net residual value:</b>						
As of March 31, 2023	8,117,950	166,368	700,056	511,940	113,441	9,609,755
As of March 31, 2022	6,489,123	119,694	145,769	347,163	109,775	7,211,524

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

We present below the weighted average amortization rates by class of right of use as of March 31, 2023, and 2022:

Class	Average rate (% per year)	
	2023	2022
Land	12%	18%
Properties	16%	37%
Aircraft and vehicles	11%	6%
Machinery and equipment	15%	16%
Manufacturing facilities	6%	6%

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16.b. Lease liabilities

Changes in lease liabilities in the years ended March 31, 2023, and 2022 are as follows:

	Individual	Consolidated
<b>As of March 31, 2021</b>	<b>3,768,966</b>	<b>4,588,315</b>
Additions	961,790	1,209,306
Write-offs	(173,001)	(215,668)
Payments	(1,341,706)	(1,657,322)
Interest	397,523	483,989
Remeasurements(1)	1,898,986	2,238,178
Amortizations by advances and others	(96,330)	(118,096)
Business combination (Note 30.d)	-	6,894
<b>As of March 31, 2022</b>	<b>5,416,228</b>	<b>6,535,596</b>
Additions	1,117,341	1,698,759
Write-offs	(203,437)	(253,260)
Payments	(1,567,858)	(2,095,902)
Interest	539,801	738,589
Remeasurements(1)	211,542	312,243
Amortizations by advances and others	(23,050)	37,729
Mergers (Notes 30.a and 30.b)	823,982	-
Corporate reorganization (Note 12.d.i)	-	3,198,272
Others	-	1,533
<b>As of March 31, 2023</b>	<b>6,314,549</b>	<b>10,173,559</b>
Current	(1,469,821)	(2,411,402)
Non-current	4,844,728	7,762,157

(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 rate applied to lease liabilities as of March 31, 2023, was 10.15% per year (8.93% in 2022).

As of March 31, 2023, the maturity of lease liabilities of third parties and related parties (Note 11.a.5) Consolidated is as follows:

Years	Present value	Future value
1 to 12 months	2,645,028	3,170,104
13 to 24 months	1,912,589	2,711,737
25 to 36 months	1,661,546	2,285,168
37 to 48 months	1,446,594	1,917,339
49 to 60 months	1,041,039	1,383,895
61 to 72 months	742,074	989,616
73 to 84 months	498,083	679,203
85 to 96 months	370,269	504,049
97 to 120 months	461,401	650,423
More than 121 months	628,045	897,504
Gross amount	11,406,668	15,189,038
Potential right of PIS and COFINS recoverable (1)	(1,055,117)	(1,404,986)
Total net	10,351,551	13,784,052

(1) This refers to the potential right of PIS/COFINS credits on payments of lease calculated based on the theoretical rate of 9.25%. The purpose of this disclosure is to comply with Memorandum Circular CVM/SNC/SEP No. 02/2019 and is only an estimate. Therefore, these credits are not those that could effectively be used by RESA in the future. It is possible that, when such fact occurs, said credits may be materially different due to possible differences between the theoretical and effective rates, as well as possible changes in Brazilian tax legislation.



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**17. Loans and financing**

Type	Final maturity	Index	Finance charges		Individual		Consolidated	
			Annual effective average interest rate (1)		2023	2022	2023	2022
			2023	2022				
Debt classification per currency:								
Denominated in Brazilian real (R\$)					11,905,523	6,863,443	12,386,436	7,888,650
Denominated in US dollar (US\$) and Euro (€)(Note 27.d)					3,907,149	1,338,503	8,544,525	6,073,577
					15,812,672	8,201,946	20,930,961	13,962,227
Debt type (1):								
BNDES	March/24	URTJLP	7.45%	6.08%	92	492	314	982
BNDES	December/30	(R\$) Fixed rate	4.20%	3.66%	46,589	91,881	92,595	176,269
BNDES	April/24	UMBND	5.41%	5.04%	24	3,123	5,785	14,315
BNDES	December/38	IPCA	9.23%	11.72%	60,307	64,200	150,840	160,546
Debentures	March/32	IPCA	9.80%	11.26%	2,432,079	1,170,895	2,432,079	1,170,895
PPE	March/29	(US\$) + Libor	6.53%	1.72%	1,183,708	1,338,503	1,183,708	1,338,503
PPE	May/27	SOFR	6.74%	-	253,010	-	253,010	-
PPE	March/29	(US\$) Fixed rate	5.03%	-	2,470,430	-	2,470,430	-
Term Loan Agreement	April/24	(US\$) + Libor	6.01%	2.00%	-	-	1,014,572	957,484
Rural financial product note ("CPF-R")	November/29	CDI	15.74%	13.42%	1,052,373	1,037,064	1,052,373	1,037,064
Senior Notes Due 2027 ("Senior 2027")	January/27	(US\$) Fixed rate	5.30%	5.30%	-	-	3,622,804	3,462,065
Resolution No. 2471 (PESA)	April/23	IGP-M	5.01%	16.51%	-	-	35,303	35,300
PESA	October/25	Fixed rate	3.00%	3.00%	23	30	23	30
Credit notes	July/30	CDI	14.84%	-	614,506	-	614,506	-
Credit notes	December/29	CDI	15.28%	-	1,038,076	-	1,038,076	-
Machinery and Equipment Financing (Finame)/Lease	January/25	Fixed rate	6.93%	6.70%	13,497	18,335	13,657	27,358
Finep	November/22	Fixed rate	-	5.00%	-	-	-	22,069
Agribusiness Receivables Certificate ("CRA")	July/2029	CDI	13.17%	11.29%	1,316,706	1,300,940	1,316,706	1,782,037
CRA	August/37	IPCA	10.39%	12.16%	5,331,252	3,176,483	5,634,180	3,461,785
Schuldschein	September/22	Euribor	-	1.82%	-	-	-	315,525
					15,812,672	8,201,946	20,930,961	13,962,227
Expenses incurred with the placement of the securities:								
BNDES					(493)	(829)	(1,198)	(1,653)
CRA					(10,963)	(25,316)	(10,964)	(25,316)
PPE					-	-	(78)	(92)
CPR-F					-	(9,856)	-	(9,856)
Senior Notes Due 2027					-	-	(2,622)	(3,099)
Credit notes					(7,664)	-	(7,664)	-
					(19,120)	(36,001)	(22,526)	(40,016)
					15,793,552	8,165,945	20,908,435	13,922,211
Current					(1,255,175)	(215,763)	(1,677,472)	(1,139,072)
Non-current					14,538,377	7,950,182	19,230,963	12,783,139

(1) Loans and financing are generally guaranteed by promissory notes from the Company. In certain cases, they also have guarantees from its subsidiaries, from Raízen S.A., in addition to security interest, such as: i) credit rights arising from energy trading contracts (BNDES); ii) CTN (Note 9) and land mortgage (PESA); iii) property, plant and equipment (Note 13); and iv) chattel mortgage of financed assets (Finame).

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

	2023	
	Individual	Consolidated
13 to 24 months	1,227,923	2,248,824
25 to 36 months	741,381	749,871
37 to 48 months	255,660	3,823,394
49 to 60 months	3,763,810	3,790,838
61 to 72 months	3,803,224	3,811,715
73 to 84 months	2,064,908	2,073,399
85 to 96 months	1,008,341	1,015,843
More than 97 months	1,673,130	1,717,079
	14,538,377	19,230,963

a) BNDES

This corresponds to funds raised by the Company and its subsidiaries for financing of the cogeneration and greenfield projects and for construction of the Biogas plant and Sugar Warehouses.

b) Debentures

Between November 2019 and April 2022, the CVM granted to the Company registration for its Public Issue of Simple Debentures, non-convertible into shares, of the unsecured type, at the nominal value of R\$ 1,000.00, as shown below:

	Index	Principal	Receipt date	Maturity
4 <sup>th</sup> Series	IPCA	900,000	11/28/2019	11/16/2029
5 <sup>th</sup> Series	IPCA	169,518	06/15/2020	06/15/2030
7 <sup>th</sup> Series (1)	IPCA	768,094	04/13/2022	03/15/2029
7 <sup>th</sup> Series (1)	IPCA	428,591	04/13/2022	03/15/2032

c) Pre-export financing

The Company entered into pre-export financing agreements with various financial institutions for financing for future export of products, as shown below:

Maturity	Amount raised	
	R\$	US\$
May-27	255,494	50,000
Mar-29	2,549,450	500,000
Mar-29	1,148,770	275,000

In March 2023, the Company renegotiated the maturities of certain PPE contracts, originally scheduled for 2027, in the amount of US\$ 400,000 thousand, equivalent to R\$ 2,023,500, for new maturities in 2029, with immaterial changes in the other contractual terms.

d) Term Loan Agreement

On March 25, 2019, Raízen Fuels took out a new term loan agreement of US\$ 200,000 thousand, partially repaying the above loan, with final maturity on April 30, 2024. Jointly with this agreement, Raízen Fuels also obtained a revolving credit facility of US\$ 300,000 thousand, with maturity in April 2024.

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e) Agricultural Product Note

Taken out on	Maturity	Principal
Nov/22	Nov/29	750,000
Dec/19	Nov/29	250,000

The funds raised will be used for preparation of the soil, plantation and plant treatments.

f) Senior Notes Due 2027

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

g) PESA

In the period from 1998 to 2000, the Company and its subsidiaries renegotiated their debts related to financing for agricultural costing with various financial institutions, reducing their financial cost to annual interest rates below 7.53%, guaranteeing repayment of the debt with assignment and transfer of National Treasury Certificates (CTN), redeemable upon settlement of the debt, taking advantage of the incentive granted by Central Bank Resolution No. 2471, of February 26, 1998. Said debt is settled upon redemption of the CTNs and compliance with contractual provisions.

h) Credit notes

Taken out on	Amount raised	Index	Maturity
Jul/2022	600,000	CDI	Jul/2030
Dec/2022	1,000,000	CDI	Dec/2029

i) Finame

These refer to machinery and equipment financing transactions, intermediated by several financial institutions and are intended for investments in property, plant and equipment. Such financing agreements are paid monthly, guaranteed by chattel mortgage of the financed items.

j) CRA

The funds raised were used in the activities carried out by the Company and its subsidiaries, substantially related to agribusiness, in the ordinary course of business. As of March 31, 2023, the CRA agreements payable are as follows:

Taken out on	Company	Issuer	Issue	Series	Maturity	Principal
May/16	RESA	RB Capital Companhia de Securitização	1st	4th	May23	209,294
May/17	RESA	RB Capital Companhia de Securitização	1st	6th	Apr23	738,814
May/17	RESA	RB Capital Companhia de Securitização	1st	7th	Apr/24	230,877
Mar/19	RESA	RB Capital Companhia de Securitização	6th	1st	Mar/25	300,000
Mar/19	RESA	RB Capital Companhia de Securitização	6th	2nd	Mar/26	600,000
Jul/19	RESA	True Securitizadora S.A.	6th	1st	Jul/29	228,190
Jul/19	RESA	True Securitizadora S.A.	6th	2nd	Jul/29	787,658
Jun/20	RESA	True Securitizadora S.A.	8th	2nd	Jun/27	352,426
Jun/20	RESA	True Securitizadora S.A.	8th	2nd	Jun/30	728,056
Sep/22	RESA	True Securitizadora S.A.	38th	1st	Aug/32	1,060,000
Sep/22	RESA	True Securitizadora S.A.	38th	2nd	Aug/37	940,000
						6,175,315

(1) Funding expenses were fully recognized in the Company's statement of income due to the swap contracted.

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In May 2022, the Company settled the CRA agreement, related to the 1st issue of the single series signed in May 2016, in the principal amount of R\$ 465,706.

k) Schuldschein

In September 2021, Raízen Fuels settled the Schuldschein agreement, signed in September 2015, amounting to EUR 60 thousand, corresponding to approximately R\$455,638 in principal and interest, converted on the settlement date.

l) Working Capital

In June 2022, the Company raised the amount of R\$ 1,750,000 in the form of working capital, with fixed index, effective rate p.a. of 14.09%. This contract was settled in March 2023 in the amount of R\$ 1,947,827.

m) Advances on Exchange Contracts "ACC"

In May and June 2022, the Company signed ACC contracts in the amount of US\$ 90,000 thousand, with index (US\$) + Fixed, effective rate p.a. of 3.02%. These contracts were settled in March 2023 in the amount of R\$ 485,380.

Covenants

The Company and its subsidiaries are not compelled to comply with financial ratios and are subject only to certain covenants of loan and financing agreements, such as cross-default and negative pledge. As of March 31, 2023, the Company and its subsidiaries are following all covenants referring to loans, financing and debentures.

Revolving Credit Facility

Raízen Fuels, a wholly owned subsidiary of Raízen Energia, has a revolving credit facility in the total amount of US\$ 1,000,000 thousand, not used until the closing date of these financial statements as follows:

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

Fair value

As of March 31, 2023, and 2022, the carrying amount and fair value of the loans and financing, determined by level 2 of the fair value hierarchy, are shown below:

Type	Classification	Individual					
		Amount raised, updated		Fair value (3)		Financial income (expenses) (2)	
		2023	2022	2023	2022	2023	2022
Pre-export financing	Fair value through profit or loss	4,334,979	1,305,173	4,288,413	1,338,503	79,896	(21,276)
Certificate of Agribusiness Receivables (CRA)	Fair value through profit or loss	5,619,921	2,884,846	5,330,417	2,754,899	159,557	249,795
Debentures	Fair value through profit or loss	2,613,704	1,291,025	2,432,077	1,170,895	61,497	89,231

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		12,568,604	5,481,044	12,050,907	5,264,297	300,950	317,750
		Consolidated					
Type	Classification	Amount raised, updated		Fair value (3)		Financial income (expenses) (2)	
		2023	2022	2023	2022	2023	2022
Senior Notes Dues 2027 (1)	Fair value through profit or loss	1,948,031	1,824,378	1,824,506	1,786,649	85,794	93,223
PPE	Fair value through profit or loss	4,334,979	1,305,173	4,288,413	1,338,503	79,896	(18,058)
CRA	Fair value through profit or loss	5,923,663	3,173,158	5,634,170	3,040,201	156,537	169,604
Term Loan Agreement	Fair value through profit or loss	1,017,947	948,244	1,014,572	957,484	12,615	1,889
Debentures	Fair value through profit or loss	2,613,704	1,291,024	2,432,077	1,170,894	61,497	89,231
		15,838,324	8,541,977	15,193,738	8,293,731	396,339	335,889

- (1) The fair value of Senior 2027 is based on the price quote on the secondary market. As of March 31, 2023, the face value is 97.66% (109.17% in 2022).
- (2) Refers to the impact of fair value on financial income (expenses), as presented in Note 26
- (3) Said debts are presented plus valuation at negative fair value in the amounts of R\$ 517,697 and R\$ 644,586 (R\$ 216,747 and R\$ 248,246 in 2022), Individual and Consolidated, respectively.

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

18. Income tax and social contribution

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

	Individual		Consolidated	
	2023	2022	2023	2022
Income before income tax and social contribution	180,186	1,015,698	720,070	1,532,013
Income tax and social contribution at nominal rate (34%)	(61,263)	(345,337)	(244,824)	(520,884)
Adjustments to calculate the effective rate:				
Difference between deemed income and taxable income rates (i)	-	-	35,728	57,878
Taxation on a worldwide basis ("TBU") related to investments abroad	(233,983)	(132,248)	7,744	1,957
Investment grant - ICMS	55,653	-	115,801	55,448
Equity accounting result	635,257	674,311	(19,078)	(14,343)
Brazilian Special Regime for Reinstatement of Taxes (Reintegra)	3,270	2,506	27,630	2,860
Tax overpayment - Selic (ii)	70,395	36,320	78,193	47,460
Amortization of surplus values on acquisition of equity interest (iii)	32,176	-	32,176	-
Reversal of previously recognized deferred IR/CS (iv)	-	-	(94,796)	-
Breakages and inventory difference	(7,624)	(4,300)	(10,936)	(11,077)
Others	(4,740)	516	(2,913)	6,724
Current and deferred income tax and social contribution credit (expenses)	489,141	231,768	(75,275)	(373,977)
Effective rate	-271.46%	-22.82%	10.45%	24.41%

- (i) Companies with energy cogeneration activities calculated IRPJ and CSLL based on Presumed Profit. This form of taxation considers as taxable income the application of a percentage on billing, as determined by law, generating a difference in relation to the nominal rate of IRPJ and CSLL.
- (ii) On September 24, 2021, the Federal Supreme Court of Brazil ("STF"), upon ruling Appeal No. 1,063,187 that has not yet become final and unappealable, recognized the unconstitutionality of the IRPJ and CSLL on the Selic-based adjustment (arrears interest and monetary variation) levied on tax overpayments. The Company and its subsidiaries are parties to ongoing individual lawsuits, which have not yet become final and unappealable, claiming the definitive exclusion of this tax levy. Considering the legal grounds contained in the appeal to the STF, the Company reassessed the likelihood of success, considering that it is probable that the tax treatment will be accepted. Accordingly, it recognized in the statement of income for the third quarter of 2021 income from IRPJ and CSLL, in accordance with the provisions of ICPC 22 - Uncertainty over income tax treatments (equivalent to IFRIC 23).
- (iii) Refers to the amortization of surplus values on the acquisition of equity interest of Raízen Araraquara, deductible for tax purposes upon the merger.
- (iv) On March 31, 2023, the subsidiary Raízen Biomassa recognized an impairment loss, against profit or loss, under the line-item Deferred Income Tax and Social Contribution.

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a.1) Income tax and social contribution recoverable

	Individual		Consolidated	
	2023	2022	2023	2022
Income tax ("IRPJ")	89,232	139,407	123,791	144,853
Social contribution ("CSLL")	42,948	287	47,585	1,139
	132,180	139,694	171,376	145,992
Tax credits of entities abroad	-	-	43,636	95
	132,180	139,694	215,012	146,087
Current	(132,180)	(139,694)	(210,810)	(146,087)
Non-current	-	-	4,202	-

a.2) Income tax and social contribution payable

	Consolidated	
	2023	2022
IRPJ	24,361	72,383
CSLL	8,331	30,011
Tax debts of entities abroad	1,401	19,929
	34,093	122,323

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

b.1) Individual

				2023	2022
	Basis	IRPJ 25%	CSLL 9%	Total	Total
<u>Non-current assets (liabilities)</u>					
<b>Tax losses</b>					
Tax losses	5,191,064	1,297,766	-	1,297,766	1,114,590
Negative basis for social contribution	5,869,889	-	528,290	528,290	351,154
<b>Temporary differences:</b>					
Provisions for legal disputes	1,207,494	301,874	108,674	410,548	328,988
Exchange variation - cash basis	1,314,353	328,588	118,292	446,880	356,733
Unrealized income (loss) from derivatives	1,370,185	342,546	123,317	465,863	538,071
Tax overpayment - Selic	269,535	67,384	24,258	91,642	34,184
Estimated loss on realization of assets	241,947	60,487	21,775	82,262	69,537
Remuneration and employee benefits	430,621	107,655	38,756	146,411	112,157
Lease liabilities	1,269,703	317,426	114,273	431,699	257,639
Provisions and other temporary differences	139,994	34,999	12,599	47,598	77,663
Total deferred tax assets		2,858,725	1,090,234	3,948,959	3,240,716
Biological assets	(1,180,524)	(295,131)	(106,247)	(401,378)	(357,939)
Capitalized borrowing costs	(264,359)	(66,090)	(23,792)	(89,882)	(70,071)
Capital gain	(208,471)	(52,118)	(18,762)	(70,880)	(111,582)
Review of useful lives of property, plant and equipment	(1,287,800)	(321,950)	(115,902)	(437,852)	(365,410)
Amortized tax goodwill	(1,169,503)	(292,376)	(105,255)	(397,631)	(323,486)
Fair value of financial liabilities	(527,253)	(131,813)	(47,453)	(179,266)	(79,162)
Total deferred tax liabilities		(1,159,478)	(417,411)	(1,576,889)	(1,307,650)
<b>Deferred taxes - Assets, net</b>		1,699,247	672,823	2,372,070	1,933,066

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b.2) Consolidated

				2023	2022
	Basis	IRPJ 25%	CSLL 9%	Total	Total
Non-current assets (liabilities)					
Tax losses					
Tax losses	10,053,912	2,513,478	-	2,513,478	1,324,690
Negative basis for social contribution	10,732,789	-	965,951	965,951	426,747
Temporary differences:					
Provisions for legal disputes	1,609,753	402,438	144,878	547,316	366,087
Unrealized income (loss) from derivatives	55,791	13,948	5,021	18,969	349,289
Exchange variation – cash basis	1,401,921	350,480	126,173	476,653	387,334
Tax overpayment – Selic	294,397	73,599	26,496	100,095	42,531
Provision for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Estimated loss on realization of assets	294,132	73,533	26,472	100,005	97,455
Remuneration and employee benefits	500,032	125,008	45,003	170,011	121,902
Lease liabilities	2,121,591	530,398	190,943	721,341	288,033
Provisions and other temporary differences	-	-	-	-	55,908
Total deferred tax assets		4,124,546	1,545,936	5,670,482	3,516,639
Biological assets	(2,169,382)	(542,346)	(195,244)	(737,590)	(499,442)
Capitalized borrowing costs	(350,497)	(87,624)	(31,545)	(119,169)	(106,633)
Capital gain	(208,476)	(52,119)	(18,763)	(70,882)	(111,582)
Review of useful lives of property, plant and equipment	(2,551,803)	(637,951)	(229,662)	(867,613)	(745,312)
Fair value of property, plant and equipment	(762,768)	(190,692)	(68,649)	(259,341)	(58,825)
Amortized tax goodwill	(1,595,429)	(398,857)	(143,589)	(542,446)	(386,086)
Fair value of financial liabilities	(525,879)	(131,470)	(47,329)	(178,799)	80,185
Provisions and other temporary differences	(200,756)	(50,189)	(18,068)	(68,257)	-
Total deferred tax liabilities		(2,091,248)	(752,849)	(2,844,097)	(1,988,065)
Total deferred taxes		2,033,298	793,087	2,826,385	1,528,574
Deferred taxes – Assets, net				3,450,544	2,004,274
Deferred taxes – Liabilities, net				(624,159)	(475,700)
Total deferred taxes				2,826,385	1,528,574

b.3) Changes in deferred taxes, net:

	Individual		Consolidated	
	2023	2022	2023	2022
Balance at beginning of year	1,933,066	2,166,384	1,528,574	1,780,011
Revenue in income	653,695	339,059	262,086	318,703
Deferred taxes on comprehensive income	(111,577)	(572,377)	(111,577)	(572,377)
Deferred tax liability from mergers (Notes 30.a and 30.b)	(118,711)	-	-	-
Corporate reorganization (Note 12 d.i.)	-	-	1,204,108	-
Business combination (Note 30.d)	-	-	(63,288)	(392)
Use of income tax and social contribution tax loss carryforwards for settlement of Refis	11,938	-	(2,833)	-
Others	3,659	-	9,315	2,629
Balance at end of year	2,372,070	1,933,066	2,826,385	1,528,574

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

In assessing the ability to recover deferred taxes, management takes into consideration projections of future taxable profit and changes in temporary differences. There is no expiration date for the

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use of the income tax and social contribution tax loss carryforwards balances, however the use of the tax loss carryforward is limited to 30% of annual taxable profits.  
As of March 31, 2023, the Company expects to realize deferred tax assets, including income tax and social contribution tax loss carryforwards and temporary differences, as follows:

	Individual	Consolidated
Years		
2023/2024 harvest	585,146	497,469
2024/2025 harvest	526,622	673,873
2025/2026 harvest	443,875	383,231
2026/2027 harvest	411,865	619,291
2027/2028 harvest	409,986	684,024
2028/2029 harvest onwards	1,571,465	2,812,594
Total	3,948,959	5,670,482

19. Legal disputes and judicial deposits

Breakdown of legal disputes assessed as probable loss

As of March 31, 2023, and 2022, the balances of the legal disputes are as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Tax	90,136	69,692	147,885	79,967
Civil	58,901	125,326	119,065	132,277
Environmental	19,253	17,435	35,041	20,036
Labor	424,762	309,486	735,319	409,917
	593,052	521,939	1,037,310	642,197
Non-reimbursable legal disputes (i)	425,927	295,307	835,388	392,316
Reimbursable legal disputes (ii)(Note 11.c)	167,125	226,632	201,922	249,881

When Raízen was set up it was agreed that Cosan would reimburse the Company for legal disputes that were ongoing or originated before its formation, thus, the Company should reimburse Cosan regarding the judicial deposits made on the date before its formation. As of March 31, 2023, and 2022, the balances of judicial deposits are as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Tax	285,122	238,567	478,956	363,698
Civil	10,052	43,547	17,546	43,747
Labor	54,117	66,658	153,207	84,466
	349,291	348,772	649,709	491,911
Own judicial deposits	246,561	193,566	427,580	219,952
Refundable judicial deposits (Note 11.c)	102,730	155,206	222,129	271,959

i) Non-reimbursable legal disputes

	Individual			
	Tax	Civil	Environmental	Labor
As of March 31, 2022	4,138	32,849	3,504	254,816
Provisioned for the year	273	3,232	345	154,867
Write-offs / reversals (i)	(9,560)	(3,180)	(142)	(86,717)
Payments	(122)	(2,918)	(283)	(50,185)
Mergers (Notes 30.a and 30.b)	6,683	4,071	20	50,845
Monetary update (ii)	3,937	7,004	210	52,240
As of March 31, 2023	5,349	41,058	3,654	375,866



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- (i) Considers the reversal of monetary update in the amount of (R\$ 41,768) recognized in the statement of income for the year under financial income (expenses).  
(ii) Recorded in the statement of income for the year under financial income (expenses).

	Consolidated				
	Tax	Civil	Environmental	Labor	Total
As of March 31, 2022	12,404	36,854	3,578	339,480	392,316
Provisioned for the year	2,784	7,118	1,049	246,605	257,556
Write-offs / reversals (i)	(53,715)	(8,767)	(343)	(132,292)	(195,117)
Payments	(21,506)	(3,230)	(578)	(89,651)	(114,965)
Monetary update (ii)	8,350	11,212	1,125	85,145	105,832
Corporate reorganization (Note 12.d.i)	99,915	54,314	13,102	222,435	389,766
As of March 31, 2023	48,232	97,501	17,933	671,722	835,388

- (i) Considers the reversal of monetary update in the amount of (R\$ 80,840) recorded in the statement of income for the year under financial income (expenses).  
(ii) Recorded in the statement of income for the year under financial income (expenses).

ii) Reimbursable legal disputes (i)

	Individual				
	Tax	Civil	Environmental	Labor	Total
As of March 31, 2022	65,554	92,477	13,931	54,670	226,632
Provisioned for the year	14,649	14,859	425	3,290	33,223
Write-offs / reversals (ii)	(25,229)	(95,886)	(131)	(13,296)	(134,542)
Payments	(3,351)	(6,753)	(140)	(4,023)	(14,267)
Mergers (Notes 30.a and 30.b)	-	-	-	208	208
Monetary update	33,164	13,146	1,514	8,047	55,871
As of March 31, 2023	84,787	17,843	15,599	48,896	167,125

	Consolidated				
	Tax	Civil	Environmental	Labor	Total
As of March 31, 2022	67,564	95,423	16,457	70,437	249,881
Provisioned for the year	19,416	15,362	503	3,493	38,774
Write-offs / reversals (iii)	(25,361)	(95,978)	(1,071)	(15,113)	(137,523)
Payments	(3,351)	(6,886)	(480)	(4,477)	(15,194)
Monetary update	41,386	13,643	1,698	9,257	65,984
As of March 31, 2023	99,654	21,564	17,107	63,597	201,922

- (i) The movement does not have and will never have an effect on the result, due to the Company's right to reimbursement.  
(ii) This includes reversal of monetary update amounting to R\$ 32,323.  
(iii) This includes reversal of monetary update amounting to R\$ 34,443.

iii) Total legal disputes

	Individual				
	Tax	Civil	Environmental	Labor	Total
As of March 31, 2022	69,692	125,326	17,435	309,486	521,939
Provisioned for the year	14,922	18,091	770	158,157	191,940
Write-offs / reversals	(34,789)	(99,066)	(273)	(100,013)	(234,141)
Payments	(3,473)	(9,671)	(423)	(54,208)	(67,775)
Mergers (Notes 30.a and 30.b)	6,683	4,071	20	51,053	61,827
Monetary update	37,101	20,150	1,724	60,287	119,262
As of March 31, 2023	90,136	58,901	19,253	424,762	593,052

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	Consolidated				
	Tax	Civil	Environmental	Labor	Total
As of March 31, 2022	79,967	132,277	20,036	409,917	642,197
Provisioned for the year	22,200	22,480	1,552	250,098	296,330
Write-offs / reversals	(79,076)	(104,745)	(1,414)	(147,405)	(332,640)
Payments	(24,857)	(10,116)	(1,058)	(94,128)	(130,159)
Corporate reorganization (Note 12.d.i)	49,736	24,855	2,823	94,402	171,816
Monetary update	99,915	54,314	13,102	222,435	389,766
As of March 31, 2023	147,885	119,065	35,041	735,319	1,037,310

a) Tax

	Individual		Consolidated	
	2023	2022	2023	2022
ICMS (i)	31,975	20,509	34,405	27,879
IPI (ii)	44,137	35,594	76,197	35,594
Lawyers' fees	92	4,137	15,995	4,356
PIS and COFINS	285	277	3,690	277
INSS	11,386	5,542	12,006	7,670
Others	2,261	3,633	5,592	4,191
	90,136	69,692	147,885	79,967
Non-reimbursable legal disputes	5,349	4,137	48,232	12,404
Reimbursable legal disputes	84,787	65,555	99,653	67,563

The main variations that occurred during the year ended March 31, 2023, refer to; (1)adhesion to the “Litígio Zero” program, which was reversed from the provision in the amount of (R\$ 65,236); and (2) corporate restructuring, as mentioned in Note 12.d.i., addition in the amount of R\$ 99,915.

- i) The amount recorded as a provision for ICMS credits is represented by: (a) tax assessments received that, despite being defended at the administrative or judicial levels, are assessed as probable loss by the Company's legal advisors; (b) use of finance credits and charges in matters on which the understanding by the Company management and tax advisors differs from the tax authorities' interpretations.
- ii) The provisioned IPI amount corresponds to IPI *Seletividade*, a matter recently judged by the Federal Supreme Court with general resonance (RE No. 592,145, theme 080) unfavorably to the taxpayer, establishing the following thesis: Constitutionally, from the selective character viewpoint, given the essentiality of the product and the isonomic treatment, article 2 of Law No. 8,393/1991 establishes the maximum Federal VAT (IPI) rate of 18%, exemption ensured, regarding taxpayers located in the area of operation of the Northeast Development Agency (SUDENE) and the Amazon Development Agency (SUDAM), and authorization to reduce up to 50% of the rate for taxpayers located in the states of Espírito Santo and Rio de Janeiro.

b) Civil, environmental, and labor

The Company and its subsidiaries are parties to several civil lawsuits related to: (i) property and pain and suffering damages; (ii) contractual disputes; (iii) executions; (iv) collections; (v) rendering of accounts; (vi) possessions; and (vii) public civil and annulment actions of environmental nature, among other types of action.

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

The Company and its subsidiaries are also parties to administrative and legal proceedings involving fires in sugarcane fields/rural properties.

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One of the main variations that occurred during the year ended March 31, 2023, refers to; corporate restructuring, as mentioned in Note 12.d.i., addition in the amount of R\$ 289,851.

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

a) Tax

	Individual		Consolidated	
	2023	2022	2023	2022
ICMS (i)	1,943,582	1,883,088	3,705,576	2,780,747
INSS (ii)	276,002	221,548	333,188	232,596
IPI (iii)	155,494	274,190	251,826	345,952
IRPJ and CSLL (iv)	1,565,927	1,630,614	2,065,008	1,935,841
PIS and COFINS (v)	1,833,376	1,667,721	2,161,668	1,780,985
Offsets with IPI credit - IN No. 67/98 (vi)	121,998	118,149	139,905	140,239
MP No. 470 - Debt in installment payment (vii)	246,801	243,688	246,801	243,688
Others	604,395	340,511	945,353	481,158
	6,747,575	6,379,509	9,849,325	7,941,206
Non-reimbursable legal disputes	3,928,905	3,467,734	6,593,989	4,679,068
Reimbursable legal disputes	2,818,670	2,911,775	3,255,336	3,262,138

The main variations in “possible legal disputes” during the year ended March 31, 2023, refer to the corporate reorganization, as mentioned in Note 12.d.i, in the amount of R\$ 1,507,171.

(i) ICMS

Refers substantially to: (i) portion related to fine of the tax assessment notice served due to the alleged nonpayment of ICMS and noncompliance with accessory obligation, in an operation involving sharecropping agreement and toll manufacturing, from May 2005 to March 2006 and May 2006 to March 2007; (ii) ICMS levied on shipping of crystallized sugar for export, which, according to the tax agent, is classified as semi-finished good and, under ICMS regulation, is subject to taxation; (iii) ICMS levied on alleged divergences in the sugar and ethanol inventories, arising from the comparison between the magnetic tax files and the Inventory Registration Books; (iv) tax assessment notices related to collection of the ICMS tax differential resulting from sales of ethanol intended to companies located in other states of the Country, which, based on a superseding rule, had their state registrations revoked; and (v) ICMS requirement resulting from disallowance of diesel oil credits used in the agro-industrial production process, with a defense filed for being essential to the Company's activities, based on article 155, paragraph 2, item I of the Federal Constitution and Supplementary Law No. 87/96; (vi) alleged undue use of credits related to ICMS-ST on diesel in the capacity of final consumer; (vii) matching credit allegedly unduly taken; (viii) tax credits related to freight (transport services) allegedly unduly used since the subsequent operation is exempt or not taxed; (ix) alleged failure to collect ICMS and undue credit due until customs clearance of goods imported from abroad through a branch located in another state; (x) alleged non-payment of tax on the sale of anhydrous fuel alcohol to a company whose registration status is not located. The State Treasury, despite the Company's proven good faith, disregarded the existing evidence and declared, retroactively, the unsuitability of the corresponding invoices, contrary to Precedent 509 of the STJ.

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**(ii) INSS**

Possible legal disputes related to INSS involve mainly: (i) revision of the legal disputes linked to MPS/SRP Revenue Procedure No. 03/2005, from 2005 to 2011, which are now assessed as remote loss due to the probable recognition of laches term. MPS/SRP Revenue Procedure No. 03/2005 restricted the constitutional immunity of social security taxes on export revenue, and exports are now taxed through commercial exporting companies or trading companies (ii) requirement of the contribution for purposes of the National Rural Learning Service (SENAR) on direct and indirect export operations, where the Brazilian IRS ("RFB") understands that there is no right to constitutional immunity; and (iii) requirement of the social security tax on resale of goods in the domestic market and to third parties that are not included in the social security tax base calculation, which only applies to gross revenue resulting from the production effectively occurring in the facilities and not from purchased goods.

**(iii) IPI**

RFB Regulatory Instruction No. 67/98 validated the procedure adopted by industrial facilities that shipped products without recording and paying IPI, related to operations with demerara, upper quality granulated sugar, special granulated sugar, extra special granulated sugar, and refined granulated sugar, carried out from July 6, 1995, to November 16, 1997, and with refined amorphous sugar carried out from January 14, 1992, to November 16, 1997. This ruling was used in the respective proceedings brought by the Brazilian Federal Revenue Service, whose likelihood of loss is classified as possible, according to the assessment of the Company's legal advisors.

**(iv) IRPJ and CSLL**

IRJP and CSLL balances refer substantially to:

In relation to non-reimbursable legal disputes, interlocutory decisions were handed down by the RFB in November 2014 addressing disallowance of noncumulative PIS/COFINS credits, arising from goods and services purchased in the domestic market and offset against IRRF and CSLL/IRPJ. Given that the disallowed credits are related to goods and services used in the Company's production chain, the disallowance is totally undue and illegal, based on current legislation (Laws No. 10,637/02 and No. 10,833/03), explaining the classification of loss as possible.

In December 2016, the Company was served a notice, recoverable from the shareholder Cosan, related to the disallowance of deductions from goodwill amortization for calendar years 2011 to 2012 (the corporate fact that generated the right to use goodwill occurred in 2006) for which the possible amount totals R\$ 124,607 (R\$ 115,471 in 2022).

In February 2018, the Company was served a notice referring to the disallowance of goodwill amortization due to expected future profitability, deducted from the IRPJ and CSLL tax bases for calendar years 2013 to 2016, in the amount of R\$ 408,257 (R\$ 373,830 in 2022). The Company filed an administrative defense because the goodwill amortization occurred under the terms of the current legislation. The likelihood of a favorable outcome is assessed as possible.

In the last two months of 2018, the Company was served a notice by the federal tax authorities requiring payment of IRPJ and CSLL for 2013 and 2014 based on alleged undue deductions from taxable profit for the year of monthly estimates that were subject to unapproved offsets. The

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Company filed objections, as current legislation, and opinion No. 88/14 of the Office of the Attorney General of the National Treasury (PGFN) allow the collection of estimates in offsetting processes.

(v) PIS and COFINS

These refer substantially to: (i) disallowance of PIS and COFINS credits by the noncumulative system, from 2012 to 2015, provided for in Laws No. 10,637/2002 and No. 10,833/2003. These disallowances stem, in summary, from the restrictive interpretation of the RFB regarding the concept of "inputs", as well as different interpretations of the said laws. These challenges are still at the administrative level; (ii) related to the unconstitutionality of the increase in the PIS/COFINS tax bases determined by Law No. 9,718/98. It is worth mentioning that this issue has already been consistently accepted by the Federal Supreme Court, deeming such an exception unconstitutional; and (iii) the difference in PIS and COFINS calculated as a result of offset of the Social Contribution Tax for Intervention in the Economic Order (CIDE). For tax authorities, such deduction could only have been made in the event of payment.

(vi) Offsets with IPI credit – IN 67/98

RFB Regulatory Instruction No. 67/98 brought with it the possibility of a refund of IPI collected in the period from January 14, 1992, to November 16, 1997, on amorphous refined sugar. Accordingly, RESA, for the years in which the payment was made, pleaded to offset amounts against other taxes due. However, the Federal Revenue Service dismissed requests for refund as well as an offset. Thus, RESA administratively appealed against the dismissal.

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

(vii) MP 470/2009 – installment payment of debts (vi)

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

b) Civil, environmental and labor

	Individual		Consolidated	
	2023	2022	2023	2022
Civil	478,210	343,973	945,499	674,248
Environmental	92,295	86,936	146,672	88,916
Labor	168,107	113,292	251,727	140,912
	738,612	544,201	1,343,898	904,076
Non-reimbursable legal disputes	385,303	252,929	735,087	359,947
Reimbursable legal disputes	353,309	291,272	608,811	544,129

The main variations in "possible legal disputes" during the year ended March 31, 2023, refer to the corporate reorganization, as mentioned in Note 12.d.i, in the amount of R\$ 334,057.

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20. Commitments (Consolidated)

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

The Company has agreements with the Grupo Rumo for transportation and handling of sugar for export.

As of March 31, 2023, the volumes related to purchase commitments and service agreements by harvest are as follows:

	Sugarcane (in tons)	Storage (in cubic meters)	Transportation and handling of sugar (in tons)
2023/2024 harvest	44,242,657	1,777,000	10,199,429
2024/2025 harvest	38,851,678	1,878,228	1,400,000
2025/2026 harvest	33,151,814	1,482,228	-
2026/2027 harvest	27,219,945	1,482,228	-
As from 2027/2028 harvest	40,241,490	1,482,228	-
Total	183,707,584	8,101,912	11,599,429
Total estimated payments (nominal value)	29,217,200	626,055	493,239

21. Equity

a) Capital and capital reserve

As of March 31, 2023, capital amounts to R\$ 19,531,609. As of March 31, 2022, capital amounted to R\$ 11,766,354.

On June 1, 2021, the Company resolved to redeem and cancel all class B preferred shares in the amount of R\$ 2,220. In the same period, its shareholders Shell and CIP Cosan Investimentos e Participações S.A. ("CIP") contributed all of their shares to Raízen S.A.

On June 30, 2021, shareholders Shell and Cosan resolved and approved the conversion of the only Class A preferred share and of the 100,000 Class D preferred shares issued by the Company into one common share, at the ratio of one common share per each preferred share converted.

At the Annual and Extraordinary General Meeting held on August 31, 2021, shareholder Raízen S.A. resolved and approved the Company's capital increase, in the amount of R\$ 5,250,000, through the subscription and payment of 5,877,231,396 new registered book-entry common no-par-value shares, through the capitalization of credit held by the referred shareholder against the Company, arising from the advance for future capital increase (AFAC) made on August 6, 2021. As a result of this transaction, the Company's subscribed and paid-in capital amounts to R\$ 11,766,354 and is represented by 13,120,614,595 registered common no-par-value shares. Shell and CIP shareholders waive their respective preemptive rights in the subscription of new shares representing the capital increase then resolved.

On December 1, 2021, Cosan Investimentos e Participações S.A. ("CIP") was merged into Cosan S.A.

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On March 31, 2022, Cosan S.A. and Shell entered into Share Purchase and Sale Agreements for the sale of shares held by them in the Company to Blueway Trading Importação e Exportação S.A. ("Blueway"). After the transaction, Raízen S.A. and Blueway became the sole shareholders of the Company.

As mentioned in Notes 1 and 12.d.i, at the EGM held on October 1, 2022, the parent company RSA approved the increase in the Company's capital by R\$ 7,765,255. The referred to capital increase was made through subscription and payment of 7,467,760,106 new common registered book-entry and no-par-value shares.

The Company's fully subscribed, and paid-in capital is represented as follows:

	Shareholders (shares in units)		
	Raízen S.A.	Blueway	Total
Common shares	13,120,614,593	2	13,120,614,595
Total as of March 31, 2022	13,120,614,593	2	13,120,614,595
Common shares	20,588,374,699	2	20,588,374,701
Total as of March 31, 2023	20,588,374,699	2	20,588,374,701

Capital reserves

Capital reserve

This corresponds substantially to the goodwill reserve arising from the portion of the share issue price with no par value that exceeded the amount allocated to the formation of share capital. Said reserve can only be used for capital increase, absorption of losses that exceed retained earnings and income reserves, redemption, reimbursement or purchase of shares, or payment of cumulative dividends to holders of preferred shares.

On July 1, 2021, subsidiary "Bio Barra" acquired for R\$ 5,000 the 30% equity interest in "RWXE", which belonged to non-controlling shareholder WX Energy Participações Ltda. As a result, "Bio Barra" now holds 100% equity interest in "RWXE". This transaction had an impact on the Company in the amount of R\$ 7,421.

In the year ended March 31, 2023, the indirect subsidiary "Gera Next Participações" acquired for R\$ 5,121 the 16.48% interest in "CGB Santos Energia Ltda", which belonged to the non-controlling shareholder "Gera Energia Brasil S.A.". As a result, "Gera Next Participações" currently holds 100% interest in "CGB Santos". This transaction had an impact on the Company in the amount of R\$ 2,230.

In the year ended March 31, 2023, the non-controlling shareholder of "Unimodal" assigned its 26.59% interest to the Company, generating an effect of R\$ 961.

In the year ended March 31, 2023, the capital increase mentioned in Notes 1 and 12.d.i resulted in equity variations between the valuation base date, August 31, 2022, and the date of contribution of Raízen Centro-Sul's consolidated net assets made by the parent company RSA on October 1, 2022, in the amount of R\$ 73,203, which were absorbed by the Company.

Special goodwill reserve

This arises from downstream mergers occurred in the Company, the goodwill of which is now deductible for income tax and social contribution purposes. Accordingly, the Company set up a special goodwill reserve in equity, as the effect at subsidiaries of the downstream mergers, with a

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corresponding entry of deferred tax assets, equivalent to the tax benefit of 34% that will result from amortization of such goodwill.

b) Dividends

In accordance with the Company's bylaws, shareholders are entitled to mandatory minimum dividends of 1% on net income determined at the year end, adjusted in accordance with article 202 of the Brazilian Corporation Law.

The amounts of legal reserve and dividends for the years ended March 31, 2023, and 2022 were determined as follows:

	2023	2022
Net income for the year	669,327	1,247,466
(-) Own tax incentives	(163,686)	-
(-) Effect of tax incentives of subsidiary	(69,721)	(163,081)
	435,920	1,084,385
(-) Set up of legal reserve - 5%	(33,467)	(62,373)
Dividend distribution calculation basis	402,453	1,022,012
Mandatory minimum dividends from common shares - 1%	(4,025)	(10,219)
Total provisioned dividends in the Parent Company and Consolidated	(4,025)	(10,219)



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As of March 31, 2023											
Company	Proceeds	Year	Approval at EGM and/or AEGM	Share type and class	Impacts on profit or loss	Without impacts on profit or loss	Amounts payable	Amounts paid	Receiver	Percentage	Payment date
RESA	Retained earnings	Mar/22	07/29/2022	Common shares	10,219	-	-	10,219	RSA	100%	10/07/2022
RESA	Retained earnings	Mar/23	-	Common shares	4,025	-	4,025	-	RSA	100%	
					14,244	-	4,025	10,219			

As of March 31, 2022											
Company	Proceeds	Year	Approval at EGM and/or AEGM	Share type and class	Impacts on profit or loss	Without impacts on profit or loss	Amounts payable	Amounts paid	Receiver	Percentage	Payment date
RESA	Retained earnings	Mar/21	06/01/2021	B Preferred shares	-	1,525	-	1,525	CIP	100%	12/22/2021
RESA	Retained earnings	Mar/21	06/01/2021	Common shares	5,001	-	-	5,001	Shell / CIP	50% each	12/22/2021
RESA	Retained earnings	Mar/21	06/01/2021	D Preferred shares	1,726	-	-	1,726	Shell	100%	12/22/2021
RESA	Retained earnings	Mar/21	06/01/2021	Common shares	738,428	-	-	738,429	Shell / CIP	50% each	03/25/2022
RESA	Retained earnings	Mar/22	-	Common shares	10,219	-	10,219	-	RSA	100%	-
					755,374	1,525	10,219	746,681			

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c) Equity adjustments

i) Effect of foreign currency translation – CTA

Corresponds to the differences in the translation into Brazilian reais of financial information of investees with a functional currency different from the Parent Company’s.

ii) Net gains (losses) on derivatives - hedge accounting

This refers to changes in the fair value of financial instruments arising from hedged cash flows from export revenues for VHP sugar, ethanol and foreign exchange differences on pre-export financing.

iii) Actuarial liabilities

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

iv) Changes in equity adjustments, net of taxes:

	2021	Comprehensive income	2022	Comprehensive income	2023
Effect of foreign currency translation - CTA	202,766	(136,133)	66,633	32,757	99,390
Actuarial losses with defined benefit plans	(12,483)	3,851	(8,632)	1,511	(7,121)
Net loss on derivative financial instruments - Hedge accounting	(1,973,589)	1,108,103	(865,486)	216,920	(648,566)
Others	-	-	-	(2,900)	(2,900)
Total	(1,783,306)	975,821	(807,485)	248,288	(559,197)

d) Income reserve

i) Legal reserve

As of March 31, 2023, and 2022, the Company allocated 5% of net income for the year to the legal reserve, in accordance with the bylaws and in compliance with the Brazilian Corporation Law.

ii) Tax incentive reserve

State	Tax benefit	Own		Effect in subsidiaries		Notes	Impact on profit or loss	
		2023	2022	2023	2022		2023	2022
Goiás	Goiás State Industrial Development Program (1)	106,075	-	-	106,489	24 and 25	106,075	106,489
Mato Grosso de Sul	Term of agreement No. 331/2008 (2)	-	-	58,074	56,592	24	58,074	56,592
São Paulo, Minas Gerais, Goiás and Mato Grosso do Sul	Credit Granted EC 123/2022 and Decree 67,121 of 09/26/2022 (3)	57,611	-	11,647	-	22	69,258	-
		163,686	-	69,721	163,081		233,407	163,081

(1) Refers to the Goiás state incentive program “Produzir”, which finances part of the ICMS payment. As of March 31, 2023, there was no record of the effect from subsidiaries of tax incentives, due to the merger of Raizen Centro Oeste into the Company, as per Note 30.a.

(2) Refers to the tax benefit on sugar industrial processing operations in that state, equivalent to 67% of the ICMS debt balance and the matching credit of ethanol.

(3) Refers to the financial aid granted by the states as ICMS tax credits on Interstate and Intermunicipal Transport Services and Communication to producers or distributors of hydrated ethanol.

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As of March 31, 2023, the entire amount related to these benefits was allocated to the Tax incentive reserve.

For the subsidiaries Raízen Centro-Sul S.A. and Raízen Centro-Sul Paulista S.A., there were no transfers to the tax incentive reserve, as the Companies presented accumulated losses. Therefore, the incentive of R\$ 107,186 calculated in the period from October 2022 to March 2023, was used to offset these losses and are presented as follows:

State	Tax benefit	Allocation to income reserves		Amount to be allocated to income reserves		Note	Impact on profit or loss	
		2023	2022	2023	2022		2023	2022
Mato Grosso do Sul	Term of agreement No. 331/2008 Credit Granted EC 123/2022 and	-	-	44,713	-	24	44,713	-
São Paulo, Minas Gerais, Goiás and Mato Grosso do Sul	Decree 67,121 of 09/26/2022	-	-	62,473	-	22	62,473	-
		-	-	107,186	-		107,186	-

iii) Profit retention reserve

On June 1, 2021, at the Annual and Extraordinary General Meeting, the Company's shareholders approved the allocation of the profit or loss of March 2021, including the allocation of the balances of income reserves until that date, in the amount of R\$ 738,429, as dividends payable.

This refers to the remaining balance of the Company's net income for the year, after allocations for set up of the legal reserve and provision for dividends. The Company's Bylaws provide that up to 80% of the profit for the year can be allocated to this reserve, for operations and new investments and projects, not exceeding 80% of the capital amount.

e) Interest of non-controlling shareholders

Non-controlling interests correspond to interest held by these shareholders at the proportion of 15% on equity of subsidiary Biogás, 18.50% on equity of subsidiary Raízen Biomassa and 49% on equity of subsidiary Raízen Gera Desenvolvedora S.A.

f) Earnings per share

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

The table below presents information on profit or loss and shares used to calculate basic and diluted earnings per share for the years ended March 31, 2023, and 2022 (in thousands of reais, except for earnings per share):

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Basic and Diluted:

	2023	2022
<b>Numerator</b>		
Net income for the year	669,327	1,247,466
Profit available to holders of common shares	669,327	1,247,466
<b>Denominator:</b>		
Weighted average number of common shares outstanding (in thousands)	16,823,805	10,657,008
Basic and diluted earnings per common share (reais per share)	0.040	0.117

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

22. Net operating revenue

	Individual		Consolidated	
	2023	2022	2023	2022
Gross revenue from sales of products and services	14,956,453	10,630,000	80,297,272	52,842,392
Sales taxes (i)	(738,355)	(843,710)	(1,755,648)	(2,332,508)
Returns and cancellations	(144,665)	(67,585)	(66,370)	(81,801)
Trade discounts	(6,621)	(9,412)	(25,427)	(56,943)
Net operating revenue	14,066,812	9,709,293	78,449,827	50,371,140

(i) As of March 31, 2023, amounts to R\$ 57,611 and R\$ 131,731 (zero in 2022), in the Individual and Consolidated, respectively, referring to the ICMS tax incentive. See Note 21.d.ii.

The net operating revenue by product is broken down as follows:

	Individual		Consolidated	
	2023	2022	2023	2022
Net sales and service revenue	15,355,695	12,612,807	79,738,710	53,274,654
Results with financial instruments designated as hedge accounting	(1,093,779)	(2,883,828)	(1,093,779)	(2,883,828)
Results with commodities financial instruments not designated as hedge accounting	(195,104)	(19,686)	(195,104)	(19,686)
Net operating revenue	14,066,812	9,709,293	78,449,827	50,371,140

23. Segment information

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

- (i) **Sugar:** this refers to sugar production, sale, origination, and trading activities.
- (ii) **Renewables:** this refers to ethanol production, sale, origination, and trading activities; production and sale of bioenergy; resale and trading of electric power and production and sale of other renewable products (solar energy and biogas). These business activities were aggregated into a single segment, as their products and services come from renewable sources, use similar technologies, and present synergies in their production and distribution process. The combinations of these activities result in the portfolio of clean energy and retirement of carbon credits offered by

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the Company. The performance of these business activities is assessed on an integrated basis by the decision makers through operating income (loss).

- (iii) **Marketing and services:** refer to the trading and sale activities of petroleum by-products (Diesel and Gasoline).

Operating results by segment

The performance of the segments is evaluated based on the operating income (loss) and this information is prepared based on items directly attributable to the segment, as well as those that can be

allocated on a reasonable basis. There are no transfers and/or eliminations between business segments.

	Reportable segments				2023
	Sugar	Renewables	Marketing and services	Not segmented	Total
Net operating revenue	25,736,674	27,506,924	25,206,229	-	78,449,827
Cost of products sold and services provided	(24,010,326)	(24,307,766)	(25,418,865)	-	(73,736,957)
Gross profit	1,726,348	3,199,158	(212,636)	-	4,712,870
Selling expenses	(756,400)	(614,948)	157,226	-	(1,214,122)
General and administrative expenses	(617,807)	(654,757)	-	-	(1,272,564)
Other operating revenue (expenses), net	91,270	94,299	-	-	185,569
Equity accounting result	10,323	(66,436)	-	-	(56,113)
Income before financial results and income tax and social contribution	453,734	1,957,316	(55,410)	-	2,355,640
Financial results (i)	-	-	-	(1,635,570)	(1,635,570)
Income tax and social contribution (current and deferred)(i)	-	-	-	(75,275)	(75,275)
Net income (loss) for the year	453,734	1,957,316	(55,410)	(1,710,845)	644,795
Other selected information:					
Depreciation and amortization	2,718,640	3,395,843	-	-	6,114,483
Additions to property, plant and equipment and intangible assets	(3,233,367)	(3,363,480)	-	-	(6,596,847)
Net gain arising from changes in fair value and realized gain or loss on biological assets	(184,040)	(171,542)	-	-	(355,582)

	Reportable segments				2022
	Sugar	Renewables	Marketing and services	Not segmented	Total
Net operating revenue	15,188,794	22,421,677	12,760,669	-	50,371,140
Cost of products sold and services provided	(13,894,182)	(19,279,653)	(12,667,117)	-	(45,840,952)
Gross profit	1,294,612	3,142,024	93,552	-	4,530,188
Selling expenses	(661,115)	(562,209)	-	-	(1,223,324)
General and administrative expenses	(540,041)	(457,133)	-	-	(997,174)
Other operating revenue, net	24,751	24,018	-	-	48,769
Equity accounting result	13,150	(55,334)	-	-	(42,184)
Income before financial results and income tax and social contribution	131,357	2,091,366	93,552	-	2,316,275
Financial results (i)	-	-	-	(784,262)	(784,262)
Income tax and social contribution (current and deferred)(i)	-	-	-	(373,977)	(373,977)
Net income (loss) for the year	131,357	2,091,366	93,552	(1,158,239)	1,158,036
Other selected information:					
Depreciation and amortization	1,934,162	2,366,540	-	-	4,300,702
Additions to property, plant and equipment and intangible assets	1,501,727	1,457,744	-	-	2,959,471
Net gain arising from changes in fair value and realized gain or loss on biological assets	450,657	450,760	-	-	901,417

- (i) The financial results and income taxes, as they are managed within the Group, are not allocated to the operating segments.

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

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		Consolidated
	2023	2022
Foreign market	50,176,676	25,031,993
Domestic market	28,273,151	25,339,147
Total	78,449,827	50,371,140

The net operating revenue by product is broken down as follows:

		Consolidated
	2023	2022
Ethanol (i)	22,627,027	16,861,110
Sugar (i)	25,736,564	15,188,790
Diesel (ii)	17,903,974	9,997,069
Energy	3,628,471	3,945,118
Gasoline (ii)	7,302,255	2,763,600
Others	1,251,536	1,615,453
Total	78,449,827	50,371,140

- (i) This increase is mainly due to sugar and ethanol origination activities by Raízen Trading.  
(ii) This refers to the import of oil by-products and, due to the nature of the operation, may significantly impact revenue and cost, according to market opportunities, but generate a limited impact on gross profit.

The main Company clients in the years ended March 31, 2023, and 2022, which individually represented 5% or more of the Company's total revenues, are as follows:

		Consolidated
Client	2023	2022
Raízen S.A.	24.27%	23.50%

Operating assets by segment

Given that part of the assets is also used for the production of sugar and renewables, the Company segregated these assets by segment through the corresponding cost centers in which they are allocated and/or apportionment criteria that take into account the production of each product in relation to its total production.

	Reportable segments			2023
	Sugar	Renewables	Marketing and services	Total
Investments (Note 12)	116,799	564,411	-	681,210
Property, plant and equipment (Note 13)	8,519,751	10,925,599	1,139	19,446,489
Intangible assets (Note 14)	1,233,737	1,537,585	7,895	2,779,217
Right of use (Note 16.a)	4,773,934	4,827,158	8,663	9,609,755
Total assets allocated by segment	14,644,221	17,854,753	17,697	32,516,671
Other current and non-current assets (i)	-	-	-	49,666,875
Total assets	14,644,221	17,854,753	17,697	82,183,546
Total liabilities	-	-	-	(60,011,300)
Total net assets	14,644,221	17,854,753	17,697	22,172,246

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	Reportable segments			2022	
	Sugar	Renewables	Marketing and services	Not segmented	Total
Investments (Note 12)	106,774	489,087	-	-	595,861
Property, plant and equipment (Note 13)	4,920,123	7,147,555	318	-	12,067,996
Intangible assets (Note 14)	890,841	1,114,631	3,441	-	2,008,913
Right of use (Note 16.a)	3,509,877	3,696,494	5,153	-	7,211,524
Total assets allocated by segment	9,427,615	12,447,767	8,912	-	21,884,294
Other current and non-current assets (i)	-	-	-	36,691,304	36,691,304
Total assets	9,427,615	12,447,767	8,912	36,691,304	58,575,598
Total liabilities	-	-	-	(44,979,744)	(44,979,744)
Total net assets	9,427,615	12,447,767	8,912	(8,288,440)	13,595,854

(i) This refers to other current and non-current assets that are not segmented and were included in the tables above for purposes of reconciliation with total assets.

The operating assets related to these segments are located only in Brazil.

Geographic information

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

	Consolidated	
	2023	2022
Brazil	28,273,151	25,339,116
Asia	18,287,482	7,368,036
North America	11,399,857	8,573,291
South America (1)	9,527,492	3,637,357
Europe	9,315,165	3,989,005
Others (2)	1,646,680	1,464,334
Total	78,449,827	50,371,139

(1) South America (except Brazil).  
(2) Africa, Central America, United Arab Emirates and Oceania.

24. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in the statement of income by function. The reconciliation of profit or loss by nature for the years ended March 31, 2023, and 2022 is as follows:

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a) Costs and expenses by nature:

	Individual		Consolidated	
	2023	2022	2023	2022
Sugar and Ethanol for resale and raw materials (i)	(5,276,997)	(4,294,530)	(35,971,814)	(24,366,324)
Diesel and gasoline derivates for resale	(320,566)	(179,637)	(25,423,301)	(12,667,117)
Depreciation and amortization	(4,441,876)	(3,330,042)	(6,114,483)	(4,300,702)
Purchase of energy for resale	-	-	(2,253,550)	(3,008,768)
Personnel expenses	(1,160,789)	(1,009,901)	(1,990,876)	(1,522,567)
Cutting, loading and transportation (CCT)	(1,146,726)	(830,851)	(1,616,532)	(1,115,301)
Maintenance materials	(546,932)	(365,183)	(776,505)	(476,798)
Hired labor	(234,801)	(262,831)	(357,664)	(328,038)
Change in fair value, net of realization	(165,916)	705,270	355,582	901,417
Other expenses	(1,079,142)	(578,669)	(2,074,500)	(1,177,252)
	(14,373,745)	(10,146,374)	(76,223,643)	(48,061,450)

(i) As of March 31, 2023, amounts to R\$ 59,630 and R\$ 162,417 in the Individual and Consolidated, respectively (zero and R\$ 56,592 in 2022, respectively), referring to the ICMS tax incentive. See Note 21.d.ii.

b) Classified as:

	Individual		Consolidated	
	2023	2022	2023	2022
Cost of products sold and services provided	(12,225,083)	(8,498,365)	(73,736,957)	(45,840,952)
Selling expenses	(1,339,437)	(997,921)	(1,214,122)	(1,223,324)
General and administrative	(809,225)	(650,088)	(1,272,564)	(997,174)
	(14,373,745)	(10,146,374)	(76,223,643)	(48,061,450)

25. Other operating revenue (expenses), net

	Individual		Consolidated	
	2023	2022	2023	2022
Revenue from investment grant (1)	46,445	-	46,445	106,489
Recognition of tax credits, net (2)	10,690	1,518	90,201	11,340
Revenue from sale of scrap and waste	29,097	24,365	41,659	30,534
Gain (loss) on sale of property, plant and equipment	2,131	12,614	1,541	17,554
Set up of provision for legal disputes, net	(45,561)	(31,285)	(24,680)	(25,094)
Gain (loss) on commercial operations (3)	(7,406)	123,672	22,841	(93,424)
Net reversal of estimated loss on property, plant and equipment (Note 13)	3,635	10,366	10,764	10,908
Others	1,133	738	(3,202)	(9,538)
	40,164	141,988	185,569	48,769

- (1) Refers to the state incentive program “Produzir”, according to the settlement agreement with the state of Goiás, which finances part of the ICMS payment.
- (2) Refers, substantially, to the recognition of Reintegra, between the periods from December 2011 to December 2013, in the amount of R\$ 69,190, whose counterpart is mentioned in Note 8.
- (3) Refers mostly to income (expenses) on washout of certain commercial agreements, within the scope of the Company’s commercial strategy in the ordinary course of business.



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26. Financial results

	Individual		Consolidated	
	2023	2022	2023	2022
<u>Financial expenses</u>				
Interest	(2,366,850)	(1,270,784)	(2,425,937)	(1,419,844)
Monetary variation losses	(359,538)	(446,458)	(392,418)	(483,900)
PIS and COFINS on financial income	(91,933)	(19,945)	(106,166)	(28,873)
Others	(168,416)	(20,380)	(171,937)	(52,047)
	<u>(2,986,737)</u>	<u>(1,757,567)</u>	<u>(3,096,458)</u>	<u>(1,984,664)</u>
Fair value of financial instruments payable (Notes 11 and 17)	398,524	320,968	396,339	335,889
Amounts capitalized on qualifying assets (Note 13)	68,735	64,006	71,950	65,467
	<u>(2,519,478)</u>	<u>(1,372,593)</u>	<u>(2,628,169)</u>	<u>(1,583,308)</u>
<u>Financial income</u>				
Interest	1,530,628	281,964	1,392,567	343,647
Monetary variation gains	-	-	15,188	4,133
Yields from financial investments	267,915	72,562	280,848	105,803
Others	289	72	12,978	682
	<u>1,798,832</u>	<u>354,598</u>	<u>1,701,581</u>	<u>454,265</u>
Exchange rate change, net (1)	(55,805)	408,649	(82,781)	362,914
Net effect of derivatives (2)	(644,996)	(63,131)	(626,201)	(18,133)
	<u>(1,421,447)</u>	<u>(672,477)</u>	<u>(1,635,570)</u>	<u>(784,262)</u>

(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.

27. Financial instruments and risk management

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
- Exchange rate risk
- Interest rate risk
- Credit risk
- Liquidity risk

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

b) Risk management structure

The Company has specific treasury and trading policies that define how risk management should be carried out, never operating with derivatives which are beyond the notional total of the underlying asset or liability.

To monitor activities and ensure compliance with policies, the Company has the following main committees: (i) Risk Committee that meets weekly to analyze the behavior of the commodities

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(sugar, ethanol and oil by-products) and foreign exchange markets and deliberate on hedging positions and pricing strategy for exports or imports of products, so as to reduce the adverse effects of changes in prices and exchange rates; and (ii) Ethanol and by-products Committee that meets monthly to assess the risks associated with the sale of ethanol and byproducts and to adapt to the limits defined in the risk policies.

The financial instruments for hedging purposes are taken out by analyzing the risk exposure to which management seeks coverage.

As of March 31, 2023, and 2022, the fair values related to transactions involving derivative financial instruments for hedging purposes are presented below:

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	Individual		Consolidated	
	Fair value		Fair value	
	Notional amount		Notional amount	
	2023	2022	2023	2022
Price risk				
Commodity derivatives				
Futures and options	7,863,224	6,707,122	(1,083,079)	(2,169,724)
	7,863,224	6,707,122	(1,083,079)	(2,169,724)
Exchange rate risk				
Foreign exchange rate derivatives				
Futures contracts	(64,775)	(293,744)	(116)	(578)
Forward contracts	11,753,208	14,269,730	288,812	937,748
Locked-in exchange	-	236,890	-	52,131
Exchange swap	(5,397,925)	(2,368,900)	(511,222)	(408,693)
	6,290,508	11,843,976	(222,526)	580,608
Interest rate risk				
Interest derivatives	(7,164,201)	(3,787,366)	124,821	197,382
	(7,164,201)	(3,787,366)	124,821	197,382
Total			(1,180,784)	(1,391,734)
Current assets			2,762,722	3,283,753
Non-current assets			1,079,928	1,237,546
Total assets			3,842,650	4,521,299
Current liabilities			(3,483,111)	(4,554,348)
Non-current liabilities			(1,540,323)	(1,358,685)
Total liabilities			(5,023,434)	(5,913,033)

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#### c) Price risk (Consolidated)

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

As of March 31, 2023, the Company had contracted the following operations:

Price risk: commodity derivatives outstanding as of March 31, 2023							Consolidated
Derivatives	Long/Short	Market	Contract	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	ICE	Sugar#11	Apr/23 to Feb/25	9,102,977 t	18,578,941	(3,519,332)
Futures	Short	NYSE LIFFE	Sugar#5	Apr/23 to Nov/23	511,400 t	1,418,755	(183,083)
Futures	Short	OTC	Sugar#11	Apr/23 to Sep/25	2,877,702 t	5,989,089	(730,152)
Options	Short	ICE	Sugar#11	Apr/23 to Feb/24	960,572 t	(1,972,914)	(64,974)
Subtotal - sugar futures short position					13,452,651 t	24,013,871	(4,497,541)
Futures	Long	ICE	Sugar#11	Apr/23 to Sep/24	(8,714,339) t	(16,938,219)	2,751,806
Futures	Long	NYSE LIFFE	Sugar#5	Apr/23 to Nov/23	(112,550) t	(312,309)	39,968
Futures	Long	OTC	Sugar#5	Jul-23	(5,000) t	(23,167)	660
Options	Long	ICE	Sugar#11	Apr/23 to Sep/23	(883,759) t	1,807,441	65,025
Subtotal - sugar futures long position					(9,715,648) t	(15,466,254)	2,857,459
Physical fixed	Short	ICE	Sugar#11	Apr/23 to Oct/31	16,533,724 t	34,404,823	(59,408)
Physical fixed	Short	NYSE LIFFE	Sugar#5	Apr/23 to Dec/23	37,445 t	118,019	8,017
Subtotal - physical fixed sugar short position					16,571,169 t	34,522,842	(51,391)
Physical fixed	Long	ICE	Sugar#11	Apr/23 to Jun/27	(2,964,232) t	(7,077,946)	746,464
Physical fixed	Long	NYSE LIFFE	Sugar#5	Apr/23 to Dec/24	(268,085) t	(814,771)	53,538
Subtotal - physical fixed sugar long position					(3,232,317) t	(7,892,717)	800,002
Subtotal sugar futures					17,075,855 t	35,177,742	(891,471)
Futures	Short	B3	Ethanol	Apr/23 to Dec/23	64,800 m <sup>3</sup>	180,534	(2,787)
Futures	Short	NYMEX	Ethanol	Apr/23 to Dec/23	1,423,525 m <sup>3</sup>	4,809,004	116,278
Futures	Short	OTC	Ethanol	Apr/23 to Dec/23	75,923 m <sup>3</sup>	239,317	10,100
Options	Short	NYMEX	Ethanol	Apr/23 to May/23	(111,818) m <sup>3</sup>	188,021	5,416
Subtotal - ethanol futures short position					1,452,430 m <sup>3</sup>	5,416,876	129,007
Futures	Long	B3	Ethanol	Apr/23 to Dec/23	(22,110) m <sup>3</sup>	(59,821)	182
Futures	Long	NYMEX	Ethanol	Apr/23 to Dec/23	(1,302,382) m <sup>3</sup>	(3,939,398)	96,406
Futures	Long	OTC	Ethanol	Apr/23 to Dec/23	(64,584) m <sup>3</sup>	(161,227)	(7,071)
Options	Long	NYMEX	Ethanol	Apr/23 to May/23	125,333 m <sup>3</sup>	(219,540)	(462)
Subtotal - ethanol futures long position					(1,263,743) m <sup>3</sup>	(4,379,986)	89,055

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Price risk commodity derivatives outstanding as of March 31, 2023							
Derivatives	Long/Shorts	Markets	Contract	Maturity	Notional (units)	Notional (R\$ thousand)	Fair value (R\$ thousand)
(Continued)							
Physical fixed	Short	CHGOETHNL	Ethanol	Apr/23 to Jun/30	1,062,326 m <sup>3</sup>	4,087,206	159,994
Subtotal - physical fixed ethanol short position					1,062,326 m <sup>3</sup>	4,087,206	159,994
Physical fixed	Long	CHGOETHNL	Ethanol	Apr/23 to Dec/23	(136,834) m <sup>3</sup>	(478,213)	1,472
Subtotal - physical fixed ethanol long position					(136,834) m <sup>3</sup>	(478,213)	1,472
Subtotal - ethanol futures					1,114,179 m <sup>3</sup>	4,645,883	379,528
Futures	Short	NYMEX	Gasoline	Apr-23	3,657 m <sup>3</sup>	12,579	945
Subtotal - gasoline futures short position					3,657 m <sup>3</sup>	12,579	945
Futures	Long	NYMEX	Gasoline	Apr-23	(3,657) m <sup>3</sup>	(12,723)	(1,088)
Subtotal - gasoline futures long position					(3,657) m <sup>3</sup>	(12,723)	(1,088)
Subtotal - gasoline futures					- m <sup>3</sup>	(144)	(143)
Futures	Short	NYMEX	Heating Oil	Apr/23 to Oct/23	476,841 m <sup>3</sup>	2,035,968	42,486
Futures	Short	ICE	Heating Oil	Apr/23 to Dec/23	273,625 m <sup>3</sup>	1,006,636	73,437
Options	Short	NYMEX	Heating Oil	Jul/23 to Sep/23	(238,500) m <sup>3</sup>	611,383	(9,769)
Subtotal heating oil short position					511,966 m <sup>3</sup>	3,653,987	106,154
Futures	Long	NYMEX	Heating Oil	Apr/23 to out/23	(532,968) m <sup>3</sup>	(1,890,904)	(25,648)
Futures	Long	ICE	Heating Oil	Apr/23 to Dec/23	(240,487) m <sup>3</sup>	(868,212)	(21,197)
Options	Long	NYMEX	Heating Oil	Apr/23 to Sep/23	198,432 m <sup>3</sup>	(633,072)	3,053
Subtotal heating oil long position					(575,023) m <sup>3</sup>	(3,392,188)	(43,792)
Physical fixed	Short	NYMEX	Heating Oil	Apr-23	59,000 m <sup>3</sup>	217,865	(15,760)
Subtotal - physical fixed ethanol short position					59,000 m <sup>3</sup>	217,865	(15,760)
Physical fixed	Long	NYMEX	Heating Oil	Apr-23	(95,836) m <sup>3</sup>	(322,752)	19,090
Subtotal - physical fixed ethanol long position					(95,836) m <sup>3</sup>	(322,752)	19,090
Subtotal - heating oil futures					(99,893) m <sup>3</sup>	156,912	65,692
Physical fixed	Short	CCEE	Energy	Apr/23 to Dec/41	29,297,842 mwh	6,253,570	2,262,653
Subtotal - energy physical fixed short position					29,297,842 mwh	6,253,570	2,262,653
Physical fixed	Long	CCEE	Energy	Apr/23 to Sep/53	(32,855,743) mwh	(7,290,741)	(1,288,527)
Subtotal - energy physical fixed long position					(32,855,743) mwh	(7,290,741)	(1,288,527)
Subtotal - energy physical fixed					(3,557,901) mwh	(1,037,171)	974,126
Net exposure of commodity derivatives as of March 31, 2023						38,943,222	527,732
Net exposure of commodity derivatives as of March 31, 2022						13,676,687	(1,724,659)

### d) Exchange rate risk (Consolidated)

Currency risk derives from the possibility of fluctuations in exchange rates used for revenue from exports, imports, debt flows and other assets and liabilities in foreign currency. The Company uses

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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derivative operations to manage cash flow risks denominated, substantially, in US dollars, net of other cash and cash equivalent flows.

As of March 31, 2023, and 2022, the Company has contracted the operations described below:

Price risk: foreign exchange derivatives outstanding as of March 31, 2023						Consolidated	
Derivatives	Long/Short	Market	Contract	Maturity	Notional (US\$ thousand)	Notional (R\$ thousand)	Fair value (R\$ thousand)
Futures	Short	B3	Commercial Dollar	Apr/23 to May/23	377,750	1,919,121	7,364
Futures	Short	OTC	Dollar Option	Mar-24	20,646	104,890	(3,213)
Subtotal - sugar futures short position					398,396	2,024,011	4,151
Futures	Long	B3	Commercial Dollar	Apr/23 to May/23	(390,500)	(1,983,896)	(7,480)
Options	Long	OTC	Dollar Option	Mar-24	(20,646)	(104,890)	3,213
Subtotal - sugar futures long position					(411,146)	(2,088,786)	(4,267)
Forward	Short	OTC	NDF	Apr/23 to Mar/25	2,842,048	14,438,742	345,470
Forward	Long	OTC	NDF	Apr/23 to Mar/24	(620,321)	(3,151,481)	(66,114)
Subtotal - forward - long/short positions					2,221,727	11,287,261	279,356
Exchange swap	Short	OTC	Exchange swap	Apr/24 to Mar/29	(1,062,500)	(5,397,925)	(511,222)
Subtotal - swap					(1,062,500)	(5,397,925)	(511,222)
Locked-in exchange	Short	OTC	Locked-in exchange	Apr/23 to Dec/26	346,768	1,761,721	(45,742)
Locked-in exchange	Long	OTC	Locked-in exchange	Apr/23 to Oct/24	(300,962)	(1,529,005)	50,086
Subtotal - Locked-in exchange short position					45,806	232,716	4,344
Net exposure of foreign exchange derivatives as of March 31, 2023					1,192,283	6,057,277	(227,638)
Net exposure of foreign exchange derivatives as of March 31, 2022					2,660,131	12,603,168	591,491

As of March 31, 2023, and 2022, the summary of the net foreign exchange exposure of the Company's consolidated statement of financial position, considering the parity of all currencies to US\$, is presented below:

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### Notes from management to the financial statements as of March 31, 2023

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	<b>Consolidated 2023</b>	
	<b>R\$</b>	<b>US\$ (in thousands)</b>
Cash and cash equivalents (Note 3)	4,552,585	896,108
Restricted cash (Note 4)	1,136,302	223,664
Foreign trade accounts receivable (Note 5.a)	3,112,619	612,672
Related parties (Note 11)	3,206,070	631,066
Foreign advances from clients (Note 5.b)	(1,493,923)	(294,056)
Suppliers (Note 15)	(5,509,072)	(1,084,378)
Loans and financing (Note 17)	(8,544,525)	(1,681,861)
Derivatives (Note 27.d)(i)	-	(1,192,283)
Currency exposure, net	(3,539,944)	(1,889,068)
Derivatives settled in the month following closing (ii)		339,972
Net currency exposure, adjusted as of March 31, 2023 (iii)		(1,549,096)
Net currency exposure, adjusted as of March 31, 2022 (iii)		(2,864,282)

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

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

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

#### e) **Interest rate risk (Consolidated)**

The Company monitors fluctuations in floating interest rates related to certain debts, especially those linked to Libor and IPCA, 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:

The positions of derivative financial instruments used to hedge against the interest rate risk are as follows:

<b>Consolidated</b>						
<b>Price risk: interest derivatives outstanding as of March 31, 2023</b>						
<b>Derivatives</b>	<b>Long / Short</b>	<b>Market</b>	<b>Contract</b>	<b>Maturity</b>	<b>Notional (US\$ thousand)</b>	<b>Notional (R\$ thousand)</b>
Interest rate swap	Long	OTC	Interest rate swap	May/23 to Aug/37	(1,452,456)	(7,379,059)
Net exposure of interest derivatives as of March 31, 2023					(1,452,456)	(7,379,059)
Net exposure of interest derivatives as of March 31, 2022					(844,743)	(4,002,224)

#### f) **Hedge accounting effect**

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

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### Notes from management to the financial statements as of March 31, 2023

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The impacts recognized in the Company's equity and the estimated realization in profit or loss are as follows:

Financial instruments	Market	Risk	Year of realization			Contributed equity valuation adjustments (1)	2023	2022
			2023/2024	2024/2025	Above 2025			
Futures	OTC / ICE	Sugar#11 Sugar#5	(868,210)	(115,601)	13,577	11,822	(958,412)	(1,987,338)
Futures	B3 / NYMEX / OTC	Ethanol	(186)	-	-	-	(186)	2,885
Option	ICE	Sugar#11	(11,364)	-	-	-	(11,364)	(67,314)
NDF	OTC	Exchange	361,659	117,221	302,041	(7,527)	773,394	1,491,945
Swap	Debt	Exchange	-	-	(726,937)	-	(726,937)	(690,207)
PPE	Debt	Exchange	(25,543)	-	(66,406)	32,777	(59,172)	(61,314)
			(543,644)	1,620	(477,725)	37,072	(982,677)	(1,311,343)
(-) Deferred taxes			184,839	(551)	162,427	(12,604)	334,11	445,857
Effect on equity in 2023			(358,805)	1,069	(315,298)	24,468	(648,566)	(865,486)

(1) Other comprehensive income contributed by the corporate reorganization of Raizen Centro-Sul.

### Cash flow hedge

	2023	2022
Balance at beginning of year	(865,486)	(1,973,589)
Movement occurred in the year:		
Designation as hedge accounting:		
Fair value of commodity futures	(887,566)	(3,557,422)
Fair value of exchange forward	111,836	2,402,704
	(775,730)	(1,154,718)
Realizations and write-offs of commodities and foreign exchange results		
Net operating revenue	1,104,988	2,883,827
Other operating expenses, net	(591)	(50,165)
	1,104,397	2,833,662
Total movements occurred during the year (before deferred taxes)	328,667	1,678,944
Effect of deferred taxes on equity adjustment	(111,747)	(570,841)
	216,920	1,108,103
As of March 31, 2023	(648,566)	(865,486)

For the period ended March 31, 2023, there were no reclassifications to the financial results referring to ineffective portions of the structures designated as cash flow hedges.



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### Notes from management to the financial statements as of March 31, 2023

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

#### g) Summary of hedge effects on the consolidated profit or loss for the year, excluding mark-to-market from trade agreement and inventory

Selected result information	Note	Exposure	Hedge	Hedge effects on the consolidated profit or loss				Income excluding hedge effects	2023
				Exchange	Commodities	Interest	Total		
Net operating revenue	22	Operating income	Cash flow and Fair value	864,383	(2,234,068)	-	<b>(1,369,685)</b>	79,819,512	<b>78,449,827</b>
Cost of products sold and services provided	24	Operating income	Cash flow and Fair value	-	(175,040)	-	<b>(175,040)</b>	(73,561,917)	<b>(73,736,957)</b>
Gross profit (loss)				864,383	(2,409,108)	-	<b>(1,544,725)</b>	6,257,595	<b>4,712,870</b>
Other operating revenue (expenses), net		Operating income	Cash flow	591	-	-	<b>591</b>	(1,214,713)	<b>(1,214,122)</b>
Income (loss) before financial results and income tax and social contribution				864,974	(2,409,108)	-	<b>(1,544,134)</b>	5,042,882	<b>3,498,748</b>
Financial results	26	Interest and foreign exchange variations on loans and financing	Fair value	307,458	-	88,881	<b>396,339</b>	(3,024,508)	<b>(2,628,169)</b>
Exchange variations		Foreign exchange variations on loans and financing	Cash flow	5,077	-	-	<b>5,077</b>	(87,858)	<b>(82,781)</b>
Net effect of derivatives	26	Interest and foreign exchange variations on loans and financing	Cash flow and Fair value	(344,121)	(135,177)	(146,904)	<b>(626,202)</b>	1	<b>(626,201)</b>
				(31,586)	(135,177)	(58,023)	<b>(224,786)</b>	(3,112,365)	<b>(3,337,151)</b>
Income (loss) before income tax and social contribution				833,388	(2,544,285)	(58,023)	<b>(1,768,920)</b>	1,930,517	<b>161,597</b>

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### Notes from management to the financial statements as of March 31, 2023

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Selected result information	Note	Exposure	Hedge	Hedge effects on the consolidated profit or loss				Income excluding hedge effects	2022
				Exchange	Commodities	Interest	Total		
Net operating revenue	22	Operating income	Cash flow and fair value	(89,699)	(2,813,815)	-	<b>(2,903,514)</b>	53,274,654	<b>50,371,140</b>
Cost of products sold and services provided	24	Operating income	Cash flow and fair value	-	(85,928)	-	<b>(85,928)</b>	(45,755,024)	<b>(45,840,952)</b>
Gross profit (loss)				(89,699)	(2,899,743)	-	<b>(2,989,442)</b>	7,519,630	<b>4,530,188</b>
Other operating revenue (expenses), net		Operating income	Cash flow	50,165	-	-	<b>50,165</b>	(1,273,489)	<b>(1,223,324)</b>
Income (loss) before financial results and income tax and social contribution				(39,534)	(2,899,743)	-	<b>(2,939,277)</b>	6,246,141	<b>3,306,864</b>
Financial results									
Financial expenses	26	Interest and foreign exchange variations on loans and financing	Fair value	76,584	-	259,307	<b>335,891</b>	(1,919,199)	<b>(1,583,308)</b>
Exchange variations	26	Foreign exchange variations on loans and financing	Cash flow	(23,988)	-	-	<b>(23,988)</b>	386,902	<b>362,914</b>
Net effect of derivatives		Interest and foreign exchange variations on loans and financing	Cash flow and fair value	371,797	164,077	(554,009)	<b>(18,135)</b>	2	<b>(18,133)</b>
				424,393	164,077	(294,702)	<b>293,768</b>	(1,532,295)	<b>(1,238,527)</b>
Income (loss) before income tax and social contribution				384,859	(2,735,666)	(294,702)	<b>(2,645,509)</b>	4,713,846	<b>2,068,337</b>

For the period ended March 31, 2023, there were no reclassifications to the financial results referring to ineffective portions of the structures designated as cash flow hedges.

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### Notes from management to the financial statements as of March 31, 2023

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The breakdown of commodity hedge effects on the consolidated operating income, during the years ended March 31, 2023, and 2022, is shown below:

	2023		
	Sugar	Petroleum and its Ethanol derivatives	Total commodities
Net operating revenue	(2,257,626)	23,558	- (2,234,068)
Cost of products sold and services provided	(482,287)	351,213	(43,966) (175,040)
Gross profit (loss)	(2,739,913)	374,771	(43,966) (2,409,108)
Other operating revenue (expenses), net			-
Income (loss) before financial results and income tax and social contribution	(2,739,913)	374,771	(43,966) (2,409,108)

	2022		
	Sugar	Petroleum and its Ethanol derivatives	Total commodities
Net operating revenue	(1,963,914)	(849,901)	- (2,813,815)
Cost of products sold and services provided	(85,279)	(125,485)	124,836 (85,928)
Gross profit (loss)	(2,049,193)	(975,386)	124,836 (2,899,743)
Other operating revenue (expenses), net			-
Income (loss) before financial results and income tax and social contribution	(2,049,193)	(975,386)	124,836 (2,899,743)

### **Credit risk (Consolidated)**

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

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

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

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

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**Guarantee margins** (Restricted Cash, Note 4.b) - Derivative transactions on commodity exchanges (ICE US, NYMEX, LIFFE and B3) require guarantee margins. The total consolidated margin deposited as of March 31, 2023, amounts to R\$ 1,161,028 (R\$ 1,917,299 in 2022), of which R\$ 25,019 (R\$ 76,310 in 2022) in restricted financial investments and R\$ 1,136,009 (R\$ 1,840,989 in 2022) in margin on derivative transactions.

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

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

#### **h) Liquidity risk (Consolidated)**

Liquidity risk is that in which the Company may encounter difficulties in honoring the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The approach to this risk consists of prudential management that guarantees sufficient liquidity to meet its obligations when they fall due, under normal and stress conditions, without causing unacceptable losses or risking damage to the Company's reputation.

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

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

					Consolidated
					March 31, 2023
	Up to 1 year	Up to 2 years	From 3 to 5 years	Above 5 years	Total
Loans and financing (1)	1,830,210	2,676,990	12,252,720	16,047,372	32,807,292
Suppliers (Note 15)	9,378,688	-	-	-	9,378,688
Derivative financial instruments	6,210,173	626,903	1,334,260	191,144	8,362,480
Related parties (*)	1,282,950	1,447,427	-	-	2,730,377
Lease liabilities from third parties and related parties (1)	3,170,104	2,711,737	5,586,402	3,720,795	15,189,038
As of March 31, 2023	21,872,125	7,463,057	19,173,382	19,959,311	68,467,875
As of March 31, 2022	20,617,747	3,857,727	12,120,533	12,849,392	49,445,399

(1) Undiscounted contractual cash flows.

(\*) Except for lease liabilities with related parties.

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## Notes from management to the financial statements as of March 31, 2023

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### i) Fair value (Consolidated)

The fair value of financial assets and liabilities is the amount for which a financial instrument may be exchanged in a current transaction between willing parties, other than a forced sale or settlement. The fair value of cash and cash equivalents, trade accounts receivable, suppliers, related parties and other short-term obligations approximates the respective carrying amount. The fair value of long-term assets and liabilities does not differ significantly from their carrying amount.

The fair value of loans and financing is close to the carrying amount since they are subject to variable interest rates (Note 17).

Derivatives measured by valuation techniques with observable market data refer mostly to swaps and forward contracts. The most frequently applied valuation techniques include forwards and swap pricing models, using present value calculation. The models include various inputs, including in connection with the creditworthiness of the counterparties, spot and forward foreign exchange rates, interest rate curves and forward rate curves of the hedged commodity.

The consolidated financial instruments are classified into the following categories:

		Carrying amount			Consolidated Fair value
	Classification	2023	2022	2023	2022
<b>Financial assets</b>					
Cash and cash equivalents, except financial investments (Note 3)	Amortized cost	4,567,184	3,677,410	4,567,184	3,677,410
Financial investments (Note 3)	Fair value through profit or loss	3,318,709	3,628,530	3,318,709	3,628,530
Restricted cash, except restricted financial investments (Note 4)	Amortized cost	1,136,009	1,840,989	1,136,009	1,840,989
Restricted cash, except restricted financial investments (Note 4)	Fair value through profit or loss	26,670	76,376	26,670	76,376
Trade accounts receivable (Note 5.a)	Amortized cost	4,288,386	2,569,778	4,288,386	2,569,778
Derivative financial instruments (2)	Fair value through profit or loss	8,865,656	7,731,300	8,865,656	7,731,300
Related parties (Note 11)	Amortized cost	13,612,991	7,331,199	13,612,991	7,331,199
Securities (Note 10)	Fair value through profit or loss	167,778	-	167,778	-
Other financial assets (Note 9)	Amortized cost	213,874	143,937	213,874	143,937
		36,197,257	26,999,519	36,197,257	26,999,519
<b>Financial liabilities</b>					
Loans and financing (Note 17)(1)	Amortized cost	(5,714,697)	(5,628,480)	(5,750,619)	(5,794,818)
Loans and financing (Note 17)	Fair value through profit or loss	(15,193,738)	(8,293,731)	(15,193,738)	(8,293,731)
Derivative financial instruments (2)	Fair value through profit or loss	(8,362,480)	(8,600,011)	(8,362,480)	(8,600,011)
Suppliers (Note 15)	Amortized cost	(9,378,688)	(7,529,094)	(9,378,688)	(7,529,094)
Advance from clients (Note 5.b)	Amortized cost	(3,417,006)	(1,280,940)	(3,417,006)	(1,280,940)
Related parties (Note 11)	Amortized cost	(2,710,171)	(4,227,474)	(2,710,171)	(4,227,474)
		(44,776,780)	(35,559,730)	(44,812,702)	(35,726,068)

(1) These are stated net of security placement costs.

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### Notes from management to the financial statements as of March 31, 2023

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(2) As of March 31, 2023, these include derivatives designated as hedging instruments in the amount of R\$ 982,675 (R\$ 1,311,343 in 2022).

### Fair value hierarchy

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

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

As of March 31, 2023, and 2022, the hierarchies used in the valuation techniques of the Company's financial instruments are described below:

	Consolidated		
Financial instruments measured at fair value	Level 1	Level 2	Total
Financial investments (Note 3)	-	3,318,709	3,318,709
Restricted financial investments (restricted cash) (Note 4)	-	26,670	26,670
Derivative financial instruments – assets	5,091,892	3,773,764	8,865,656
Securities (Note 10)	-	167,778	167,778
Loans and financing (Note 17)	-	(15,193,738)	(15,193,738)
Derivative financial instruments – liabilities	(5,541,432)	(2,821,048)	(8,362,480)
As of March 31, 2023	(449,540)	(10,727,865)	(11,177,405)
As of March 31, 2022	(2,137,628)	(3,319,908)	(5,457,536)

During the years ended March 31, 2023, and 2022, there were no transfers between these levels to determine the fair value of financial instruments.

### j) Sensitivity analysis

Raízen adopted three scenarios for its sensitivity analysis, one probable and two (possible and remote) that may have adverse effects on the fair value of its financial instruments. The probable scenario was defined based on the commodities futures market curves for sugar, ethanol, diesel (heating oil), US dollar and other currencies on March 31, 2023, corresponding to the balance of the derivatives' fair value on that date. Possible and remote adverse scenarios were defined considering adverse impacts of 25% and 50% on product price curves and US dollar, which were calculated based on the probable scenario.

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## Notes from management to the financial statements as of March 31, 2023

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### Sensitivity analysis table

#### i) Changes in the fair value of financial instruments:

		Impact on profit or loss (*)				
		March 31, 2023				
	Risk factor	Probable scenario	Remote scenario + (25%)	Fair value balance	Remote scenario + (50%)	Fair value balance
<b>Price risk</b>						
Commodity derivatives						
Futures contracts and options						
Purchase and sale commitments	Sugar price increase	(891,471)	(8,934,741)	(9,826,212)	(17,869,482)	(18,760,953)
Purchase and sale commitments	Gasoline price decrease	(143)	-	(143)	-	(143)
Purchase and sale commitments	Diesel price decrease	65,692	19,124	84,816	38,248	103,940
Purchase and sale commitments	Energy price decrease	974,126	(902,599)	71,527	(1,805,198)	(831,072)
Purchase and sale commitments	Ethanol price increase	379,528	(1,072,623)	(693,095)	(2,145,246)	(1,765,718)
		527,732	(10,890,839)	(10,363,107)	(21,781,678)	(21,253,946)
<b>Currency risk</b>						
Foreign exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	US\$/R\$ exchange rate decrease	(116)	(16,249)	(16,365)	(32,498)	922
Locked-in exchange contracts:						
Purchase and sale commitments	US\$/EUR exchange rate increase	4,344	843,192	847,536	1,686,384	(67,188)
Forwards:						
Purchase and sale commitments	US\$/R\$ exchange rate increase	289,872	(2,118,835)	(1,828,963)	(4,237,670)	(3,947,798)
Purchase and sale commitments	EUR/US\$ exchange rate increase	(10,484)	(428,917)	(439,401)	(857,834)	(868,318)
Purchase and sale commitments	EUR/R\$ exchange rate decrease	(32)	(2,200)	(2,232)	(4,400)	(4,432)
FX swaps:						
Purchase and sale commitments	US\$/R\$ exchange rate decrease	(511,222)	(1,323,375)	(1,834,597)	(2,646,750)	(3,157,972)
		(227,638)	(3,046,384)	(3,274,022)	(6,092,768)	(8,044,786)
<b>Interest rate risk</b>						
Swap, forward and futures contracts						
	Interest rate decrease	203,082	48,124	251,206	96,248	299,330
		203,082	48,124	251,206	96,248	299,330
Total		503,176	(13,889,099)	(13,385,923)	(27,778,198)	(28,999,402)

(\*) Projected result considering a horizon of up to 12 months from March 31, 2023.

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### Notes from management to the financial statements as of March 31, 2023

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As of March 31, 2023, the commodity and foreign exchange futures curves used in the sensitivity analysis are described below:

	Position	Probable	Possible	Scenarios
				Remote
Sugar price increase	Short	2,289	2,861	3,434
Ethanol price increase	Short	3,607	4,509	5,411
Energy price increase	Short	168	210	252
Diesel price decrease	Long	3,264	2,448	1,632
Ibovespa index increase	Short	4.826	6.032	7.238
US\$/R\$ exchange rate increase	Short	1.051	1.314	1.577
EUR/US\$ exchange rate increase	Long	5.667	4.250	2.833
EUR/R\$ exchange rate decrease		5.0804	3.8103	2.5405
US\$/R\$ exchange rate decrease	Long			
Interest rate decrease	Long	13.65	10.24	6.82

#### ii) Net foreign exchange exposure

The probable scenario considers the position as of March 31, 2023. The effects of the possible and remote scenarios that would be posted to the consolidated statement of income as foreign exchange gains (losses) are as follows:

		Effect of exchange rate changes			
		Scenarios			
Net foreign exchange exposure March 31, 2023		+25%	+50%	-25%	-50%
Cash and cash equivalents (Note 3)	4,552,585	1,138,146	2,276,293	(1,138,146)	(2,276,293)
Restricted cash (Note 4)	1,136,302	284,076	568,151	(284,076)	(568,151)
Foreign trade accounts receivable (Note 5.a)	3,112,619	778,155	1,556,310	(778,155)	(1,556,310)
Related parties (Note 11)	3,206,070	801,518	1,603,035	(801,518)	(1,603,035)
Advances from clients (Note 5.b)	(1,493,923)	(373,481)	(746,962)	373,481	746,962
Suppliers (Note 15)	(5,509,072)	(1,377,268)	(2,754,536)	1,377,268	2,754,536
Loans and financing (Note 17)	(8,544,525)	(2,136,131)	(4,272,263)	2,136,131	4,272,263
Impact on statement of income for the year		(884,985)	(1,769,972)	884,985	1,769,972

As of March 31, 2023, the rates used in the mentioned sensitivity analysis were as follows:

	R\$/US\$
Probable, statement of financial position balance	5.08
Possible scenario +25%	6.35
Remote scenario +50%	7.62
Possible scenario -25%	3.81
Remote scenario -50%	2.54



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### Notes from management to the financial statements as of March 31, 2023

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#### iii) Interest rate sensitivity

As of March 31, 2023, the probable scenario considers the weighted average post-fixed annual interest rate on the loans and financing, and for financial investments and securities (except LFT), the CDI and IPCA accumulated over the past 12 months. In both cases, simulations were performed with an increase and decrease of 25% and 50%. The consolidated results of this sensitivity analysis are presented below:

	Probable scenario	March 31, 2023			
		Interest rate sensitivity			
		25%	50%	-25%	-50%
Financial investments	446,059	111,515	223,030	(111,515)	(223,030)
Restricted cash	3,567	892	1,784	(892)	(1,784)
Debentures (securities)	5,531	1,383	2,766	(1,383)	(2,766)
Investment fund (securities)	8,701	2,175	4,351	(2,175)	(4,351)
Loans and financing	(1,583,952)	(395,988)	(791,976)	395,988	791,976
Additional impact on income (loss) for the year	(1,120,094)	(280,023)	(560,045)	280,023	560,045

As of March 31, 2023, we applied the following rates and assumptions in the sensitivity analysis:

	Probable scenario	March 31, 2023			
		Interest rate sensitivity			
		25%	50%	-25%	-50%
Accumulated CDI - % p.y. (1)	13.44%	16.80%	20.16%	10.08%	6.72%
100% Accumulated CDI - 4% p.y.	17.82%	22.28%	26.73%	13.37%	8.91%
Post-fixed interest rate on loans and financing - % p.y.	10.75%	13.44%	16.13%	8.06%	5.38%
Accumulated IPCA - % p.y.	4.65%	5.81%	6.98%	3.49%	2.33%
(1) Corresponding to 96.90% of the accumulated CDI.					

#### k) Capital management (Consolidated)

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

Raizen has a relationship with the main local and international rating agencies, as shown below:

Agency	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	August/2022
	Global	BBB	Stable	August/2022
Moody's	National	AAA.Br	Stable	February/2023
	Global	Baa3	Stable	February/2023
Standard & Poor's	National	brAAA	Stable	November/2022
	Global	BBB-	Stable	November/2022

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### Notes from management to the financial statements as of March 31, 2023

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

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

Financial leverage ratios as of March 31, 2023, and 2022 are shown below:

	<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>
<b>Third party capital</b>		
Loans and financing (Note 17)	20,908,435	13,973,993
(-) Cash and cash equivalents (Note 3)	(7,885,893)	(7,305,940)
(-) Financial investments linked to financing (Note 4)	(1,651)	(1,840,989)
(-) National Treasury Certificates - CTN (Note 9)	(34,940)	(31,126)
(-) Intragroup pre-export financing (Note 11.a.3)	(1,798,297)	(1,990,941)
(-) Securities (Note 10)	(167,778)	
(-) Foreign exchange and interest rate swaps and other derivatives	334,253	95,174
	<u>11,354,129</u>	<u>2,900,171</u>
<b>Own capital</b>		
Equity		
Attributable to Company's controlling shareholders	22,146,276	13,543,838
Interest of non-controlling shareholders	25,970	52,016
	<u>22,172,246</u>	<u>13,595,854</u>
<b>Total capital</b>	<u>33,526,375</u>	<u>16,496,025</u>
<b>Leverage ratio</b>	<u>34%</u>	<u>18%</u>

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### **Notes from management to the financial statements as of March 31, 2023**

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

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## **28. Retirement supplementation plan and other employee benefits**

### **(a) Pension fund**

#### **Defined contribution**

The Company sponsors the Retirement Plan Raiz, administered by Raizprev - Entidade de Previdência Privada, a closed nonprofit supplementary pension plan entity.

The Entity has administrative, equity and financial autonomy, and its objective is to administer and provide private pension plans, as defined in the Benefit Plan Regulations.

The Company has legal and contractual obligations that could give rise to the need to make additional extraordinary contributions in case of shortfall.

In the year ended March 31, 2023, the contribution recognized as an expense totaled R\$ 23,170 (R\$ 18,259 in 2022).

The subsidiary Raizen Centro-Sul offered to its employees a defined contribution Private Pension Plan. Contribution has been suspended since March 24, 2023, and the plan is closed to new participants.

The expense of the subsidiary Raizen Centro-Sul with a private pension plan was R\$ 818 in the six-month period ended March 31, 2023. Due to the plan's characteristics and design, Raizen Centro-Sul does not have any future obligation arising from post-employment or actuarial benefits.

### **(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.

### **(c) Share-based payment**

As mentioned in Note 27 to the annual financial statements as of March 31, 2022, the parent company RSA offers a restricted shares plan where the eligible employees of the Company benefited through the share grant instrument, which are conditioned to: i) non-interruption of the relationship between the executive and the Company (restricted share unit - RSU) vesting period; and (ii) achievement of performance conditions (performance share unit - PSU). The fair value of grants related to the period the participant remains in the Company during the vesting period (restricted share unit - RSU) was determined based on the market value of RSA's shares on B3.

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

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As of March 31, 2023, the Parent Company RSA has the following share-based payment programs and their vesting conditions in effect:

- (1) IPO Incentive (PSU):** The effectiveness of this program, as well as the beginning of the vesting period, was conditioned to the satisfactory conclusion of the initial public offering of the Company's shares. The acquisition of the right to receive shares is subject to performance conditions in 5 annual installments, each installment corresponding to a vesting period.
- (2) VLP 20/21 (PSU):** The delivery of shares will occur in a single installment, at the end of the 3-year period, cumulatively subject to the application of performance and permanence conditions during the vesting period.
- (3) VLP 20/21 (RSU):** Grants are subject to the maintenance of the employment relationship during the vesting period.
- (4) Transition Program – 17/18:** The purpose of this program is the migration of participants granted under the terms of the former long-term variable compensation plans to the current share-based compensation plan of Raízen, as approved at an EGM held on July 2, 2021. The delivery of shares will occur in a single installment, subject to the maintenance of the employment relationship during the vesting period.
- (5) VLP 21/22 (PSU):** The acquisition of the right of a participant to receive Company shares is subject to the application of performance, which will occur in a single installment, at the end of 3 years from the grant date.
- (6) VLP 21/22 (RSU):** RSU grants are subject to the participant's stay during the vesting period. Upon completion of this period, for each 1(one) RSU, the participant will be entitled to receive 1(one) share of the Company.

The table below presents the information of the agreed plans:

## RAÍZEN ENERGIA S.A.

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

Program	Lot	Life expectancy (years)	In number of shares			Fair value on grant date - R\$
			Plan grant	Exercised	Available	
Incentive IPO (RSU)	1	1	406,044	(406,044)	-	7.57
Incentive IPO (PSU)	2	2	483,945	-	483,945	7.95
Incentive IPO (PSU)	3	3	801,744	-	801,744	8.17
Incentive IPO (PSU)	4	4	599,926	-	599,926	8.28
Incentive IPO (PSU)	5	5	575,135	-	575,135	8.59
Program Transition - 16'17	1	1	2,384,686	(2,384,686)	-	6.75
Program Transition - 17'18	1	2	3,638,775	(176,744)	3,462,031	6.75
VLP 20/21 (PSU)	1	3	513,788	(29,398)	484,390	8.19
VLP 20/21 (RSU)	1	3	672,603	(12,600)	660,003	7.34
VLP 18/19	1	-	2,705,994	(2,705,994)	-	4.52
VLP 21/22 (PSU)	1	3	509,102	-	509,102	4.62
VLP 21/22 (RSU)	1	3	736,867	-	736,867	4.29
			14,028,609	(5,715,466)	8,313,143	

During the year ended March 31, 2023, the Parent Company RSA delivered 5,715,466 shares, equivalent to the amount of R\$ 30,923. There were no cancellations of shares in the year ended March 31, 2023.

The movement of share-based payments by the Parent Company RSA during the year ended March 31, 2023, is as follows:

	Values in R\$
<b>As of March 31, 2022</b>	42,305
Transaction with share-based payment	46,112
Share-based payment exercise	(30,923)
<b>As of December 31, 2022</b>	57,494

As beneficiary of the products and services provided, the Company measures the products or services received as share-based equity-settled transaction, considering its rights and obligations, as well as the nature of the premiums granted.

During the year ended March 31, 2023, the contribution recognized as an expense by the Company totaled R\$ 35,342 (R\$ 27,441 in 2022) and the balances payable remain outstanding in Related parties (Note 11.b).

## 29. Insurance

The Company has an insurance and risk management program that provides coverage and protection compatible with its assets and operation.

The insurance coverage taken out is based on a careful study of risks and losses carried out by local insurance advisors, and the types of insurance taken out are considered sufficient by management

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

to cover claims, if any, considering the nature of the activities of the Company and its subsidiaries, which are described below: As of March 31, 2023, the details are as follows:

Insurance type	Coverage	Insured amount
Operational risks	Fire, lightning, explosion, among others	1,000,748
General civil liability (1)(2)	Third-party claims	530,200
		<u>1,530,948</u>

(1) The amount includes coverage for Raizen Group (RESA and RSA).

## 30. Corporate restructuring and Business combination

### a) Corporate restructuring related to the merger of Raizen Centroeste into Raizen Energia

On May 2, 2022, the merger of Raizen Centroeste into its sole and controlling shareholder Raizen Energia was approved. As a result of this merger, Raizen Energia received the assets of Raizen Centroeste and succeeded it in all its rights and obligations.

The details of the net assets contributed at Raizen Energia are as follows:

Accounts	Total
Cash and cash equivalents	25,468
Trade accounts receivable, net of estimated loss	16,800
Inventories	66,790
Biological assets (Note 7)	244,634
Related parties	1,150,159
Recoverable taxes	5,130
Judicial deposits	3,477
Property, plant and equipment (Note 13)	586,846
Intangible assets (Note 14)	46
Right of use (Note 16.a)	305,933
Other receivables	4,739
Loans and financing	(7,703)
Suppliers	(62,504)
Payroll and related charges payable	(15,698)
Income tax and social contribution payable	(4,574)
Taxes payable	(51,480)
Related parties	(12,461)
Lease liabilities (Note 16.b)	(306,979)
Provision for legal disputes (Note 19)	(11,889)
Deferred income tax and social contribution (Note 18.b)	(102,181)
Other liabilities	(6,888)
Investments (Note 12)	<u>1,827,665</u>

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### Notes from management to the financial statements as of March 31, 2023

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#### b) Corporate restructuring related to the merger of Raízen Araraquara into Raízen Energia

On May 2, 2022, the merger of Raízen Araraquara into its sole and controlling shareholder Raízen Energia was approved. As a result of this merger, Raízen Energia received the assets of Raízen Araraquara and succeeded it in all its rights and obligations.

The details of the net assets contributed at Raízen Energia are as follows:

Accounts	Total
Cash and cash equivalents	60,409
Trade accounts receivable, net of estimated loss	16,910
Inventories	44,085
Biological assets (Note 7)	148,985
Related parties	318,523
Recoverable taxes	15,613
Judicial deposits	18,367
Other financial assets (Note 9)	105,908
Property, plant and equipment (Note 13)	412,778
Intangible assets (Note 14)	98,540
Right of use (Note 16.a)	477,329
Other receivables	24,824
Loans and financing	(6,237)
Suppliers	(48,246)
Payroll and related charges payable	(13,682)
Taxes payable	(671)
Related parties	(10,656)
Lease liabilities (Note 16.b)	(517,003)
Provision for legal disputes (Note 19)	(49,938)
Deferred income tax and social contribution (Note 18.b)	(16,530)
Other liabilities	(14,748)
Investments (Note 12)	<b>1,064,560</b>

#### c) Corporate restructuring related to the merger of Raízen Paraguaçu into Raízen Caarapó

On May 2, 2022, the merger of Raízen Paraguaçu into Raízen Caarapó was approved. As a result of this merger and considering that Raízen Paraguaçu held 58.76% of the capital of Raízen Caarapó, a capital increase in such Company was recorded, in the amount of R\$ 616,530. Raízen Caarapó received the assets, assuming the assets and liabilities and succeeding it in all its rights and obligations, and Raízen Energia will continue to directly control such investment.

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### **Notes from management to the financial statements as of March 31, 2023**

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

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#### **d) Acquisition and formation of the Grupo Gera**

On January 5, 2022, indirect subsidiary Biobarra concluded the acquisition and formation of the Grupo Gera.

This acquisition supplements Raízen's product and service platform in the renewables segment, reinforcing its leading position in the process for transition and decarbonization of the global energy matrix, by increasing the offer of cleaner, renewable, and sustainable energy.

RESA aims to expand its portfolio through this investment, with a share in the local distributed generation market, and accelerate the growth of the renewable energy segment, aggregating new solutions, like Hydroelectric Power Generation Stations (CGH) and biogas from urban waste.

On December 28, 2022, the Company concluded the procedures for allocating the purchase price for the acquisition of the Grupo Gera. Accordingly, the final goodwill generated on the acquisition of the Grupo Gera totaled R\$ 63,288 (preliminary goodwill of R\$ 163,504 in 2022).

During the year ended March 31, 2023, the movement of the final goodwill generated in said acquisition is as follows:



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## Notes from management to the financial statements as of March 31, 2023

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Accounts	Amount
Cash and cash equivalents	53,493
Trade accounts receivable	8,168
Related parties – assets	3,060
Recoverable income tax and social contribution (Note 18.a)	438
Recoverable taxes (Note 8.i)	319
Right of use (Note 16.a)	4,513
Investments (Note 12.b)	19,185
Property, plant and equipment (Note 13.b)	72,604
Intangible assets (Note 14.b)	1,470
Suppliers	(6,498)
Related parties – liabilities	(1,865)
Lease liabilities (Note 16.b)	(6,894)
Income tax and social contribution payable	(272)
Payroll and related charges payable	(43)
Taxes payable	(932)
Deferred income tax and social contribution liabilities, net (Note 18.b.3)	(392)
Others, net	(391)
Consolidated net assets of the Grupo Gera	145,963
 (-) Interest of non-controlling shareholders	 (51,772)
 (+) Consideration paid	 226,571
(+) Consideration payable	31,124
Total consideration	257,695
 <b>Preliminary goodwill generated on the acquisition as of March 31, 2022 (Note 14.b)</b>	 <b>163,504</b>
 <b>Movement of goodwill:</b>	
Price adjustment favorable to the seller (i)	22,490
Surplus value of investments (Note 12)	(51,708)
Surplus value of property, plant and equipment (Note 13)	(9,575)
Surplus value of intangible assets (Note 14)	(124,711)
Deferred taxes on surplus value (Note 18.b)	63,288
Total movement of goodwill (Note 14)	(100,216)
 <b>Final goodwill generated on the acquisition and formation of the Grupo Gera (Note 14)</b>	 <b>63,288</b>

(i) Price adjustments recorded in the period according to the conditions stipulated in the contract. The outstanding balance of consideration payable was R\$ 22,465 as of March 31, 2023, less the payment of R\$ 36,192 made in the year ended on March 31, 2023.

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The valuation techniques used to measure the preliminary fair value of the significant net assets acquired were as follows:

Assets acquired	Valuation techniques
Investments (1)	Allocation of goodwill to the following assets, over which the Company does not have control: (i) operating authorization (valid until 2052), (ii) intellectual property (useful life of 10 years); and remaining goodwill.
Property, plant and equipment (1)	Market comparison technique: the valuation model considers the market prices quoted for similar items, when available.
Intangible assets (1)	Operating authorization: Income approach. The enterprise value (EV) of each cash-generating plant on the Transaction date is adjusted by the surplus value of property, plant and equipment. Then, the carrying amount of each cash-generating plan is deducted, resulting in the fair value adjustment. The operating authorization is valid until 2052, to be amortized on a straight-line basis over the referred to period.

(1) In the final allocation of goodwill, on the mentioned surplus value and loss in value, deferred tax liabilities were recorded in the amount of R\$ 63,288.

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### Notes from management to the financial statements as of March 31, 2023

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## 31. Cash flow supplementary information

### a) Reconciliation of cash flow from financing activities

The reconciliation of cash flow financing activities for the years ended March 31, 2023, and 2022 is as follows:

							Individual
(Assets) / Liabilities	Financial investments linked to financing	Loans and financing	Lease liabilities	Lease liabilities – related parties	Related parties	Dividends payable	Total
As of March 31, 2022	(66)	8,165,945	5,416,228	1,276,625	3,525,819	10,219	18,394,770
Transactions with impact on FCF							
Loans and financing obtained - third parties	-	10,303,325	-	-	-	-	10,303,325
Amortizations of principal of loans and financing - third parties	-	(3,305,500)	-	-	-	-	(3,305,500)
Payments of interest on loans and financing - third parties	-	(976,172)	-	-	-	-	(976,172)
Amortizations of lease liabilities – third parties	-	-	(1,567,858)	-	-	-	(1,567,858)
Amortizations of lease liabilities – related parties	-	-	-	(281,622)	-	-	(281,622)
Payment of dividends (Note 21.b)	-	-	-	-	-	(10,219)	(10,219)
Amortizations of principal on intragroup pre-export financing obtained	-	-	-	-	(6,511)	-	(6,511)
Payments of interest on intragroup pre-export financing obtained	-	-	-	-	(147,673)	-	(147,673)
Asset management, net – intragroup	-	-	-	-	(5,463,861)	-	(5,463,861)
	-	6,021,653	(1,567,858)	(281,622)	(5,618,045)	(10,219)	(1,456,091)
Other movements that do not affect the FCF							
Net interest, inflation adjustments and exchange rate changes	(5)	1,731,470	539,801	106,047	(735,881)	-	1,641,432
Mergers	-	13,940	823,982	-	(1,452,551)	-	(614,629)
Fair value of financial instruments payable (Note 26)	-	(300,113)	-	-	(98,411)	-	(398,524)
Payment of dividends (Note 21.b)	-	-	-	-	-	4,025	4,025
Addition, write-off, remeasurement of lease liabilities and others	-	160,657	1,102,396	132,059	-	-	1,395,112
	(5)	1,605,954	2,466,179	238,106	(2,286,843)	4,025	2,027,416
As of March 31, 2023	(71)	15,793,552	6,314,549	1,233,109	(4,379,069)	4,025	18,966,095

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## Notes from management to the financial statements as of March 31, 2023

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(Assets) / Liabilities								Individual
	Financial investments linked to financing	Loans and financing	Lease liabilities	Lease liabilities – related parties	Related parties	Dividends payable	Capital	Total
As of March 31, 2021	(39)	8,996,213	3,768,966	933,717	4,528,691	8,252	6,514,134	24,749,934
Transactions with impact on FCF								
Payment of capital	-	-	-	-	-	-	5,250,000	5,250,000
Amortizations of principal of loans and financing – third parties	-	(832,177)	-	-	-	-	-	(832,177)
Payments of interest on loans and financing – third parties	-	(364,943)	-	-	-	-	-	(364,943)
Amortizations of lease liabilities – third parties	-	-	(1,341,706)	-	-	-	-	(1,341,706)
Amortizations of lease liabilities – related parties	-	-	-	(240,030)	-	-	-	(240,030)
Payment of dividends	-	-	-	-	-	(746,681)	-	(746,681)
Redemption of financial investments linked to financing (restricted cash)	(103)	-	-	-	-	-	-	(103)
Amortizations of principal on intragroup pre-export financing obtained	-	-	-	-	(42,730)	-	-	(42,730)
Payments of interest on intragroup pre-export financing obtained	-	-	-	-	(66,388)	-	-	(66,388)
Asset management, net – intragroup	-	-	-	-	(287,433)	-	-	(287,433)
	(103)	(1,197,120)	(1,341,706)	(240,030)	(396,551)	(746,681)	5,250,000	1,327,809
Other movements that do not affect the FCF							-	
Net interest, inflation adjustments and exchange rate changes	76	576,724	397,523	101,473	(528,625)	-	-	547,171
Fair value of financial instruments payable (Note 26)	-	(226,326)	-	-	2,610	-	-	(223,716)
Payment of dividends	-	-	-	-	-	748,648	-	748,648
Addition, write-off, remeasurement of lease liabilities and others	-	16,454	2,591,445	481,465	(80,306)	-	2,220	3,011,278
	76	366,852	2,988,968	582,938	(606,321)	748,648	2,220	4,083,381
As of March 31, 2022	(66)	8,165,945	5,416,228	1,276,625	3,525,819	10,219	11,766,354	30,161,124

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

(Assets)/ Liabilities	Consolidated						Total
	Financial investments linked to financing	Loans and financing	Lease liabilities	Lease liabilities - related parties	Related parties	Dividends payable	
As of March 31, 2022	(66)	13,922,211	6,535,596	1,276,625	(3,416,905)	10,219	18,327,680
Transactions with impact on FCF							
Loans and financing obtained - third parties	-	10,514,025	-	-	-	-	10,514,025
Amortizations of principal of loans and financing - third parties	-	(4,368,709)	-	-	-	-	(4,368,709)
Payments of interest on loans and financing - third parties	-	(1,277,746)	-	-	-	-	(1,277,746)
Amortizations of lease liabilities - third parties	-	-	(2,095,902)	-	-	-	(2,095,902)
Amortizations of lease liabilities - related parties	-	-	-	(281,622)	-	-	(281,622)
Payment of dividends (Note 21.b)	-	-	-	-	-	(10,219)	(10,219)
Principal receipts from PPEs granted - intragroup	-	-	-	-	312,464	-	312,464
Proceeds from loans - intragroup	-	-	-	-	(229,814)	-	(229,814)
Asset management, net - intragroup	-	-	-	-	(6,037,478)	-	(6,037,478)
	-	4,867,570	(2,095,902)	(281,622)	(5,954,828)	(10,219)	(3,475,001)
Other movements that do not affect the FCF							
Net interest, inflation adjustments and exchange rate changes	(53)	2,353,486	738,589	106,047	(1,298,565)	-	1,899,504
Fair value of financial instruments payable (Note 26)	-	(396,339)	-	-	-	-	(396,339)
Corporate reorganization	(1,532)	-	3,198,272	-	(389,945)	-	2,806,795
Payment of dividends (Note 21.b)	-	-	-	-	-	4,025	4,025
Addition, write-off, remeasurement of lease liabilities and others	-	161,507	1,797,004	132,059	66,641	-	2,157,211
	(1,585)	2,118,654	5,733,865	238,106	(1,621,869)	4,025	6,471,196
As of March 31, 2023	(1,651)	20,908,435	10,173,559	1,233,109	(10,993,602)	4,025	21,323,875

# RAÍZEN ENERGIA S.A.

## Notes from management to the financial statements as of March 31, 2023

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

	Consolidated						
(Assets) / Liabilities	Financial investments linked to financing	Loans and financing (1)	Lease liabilities	Lease liabilities - related parties	Related parties	Dividends payable	Capital  Total
As of March 31, 2021	(39)	16,543,819	4,588,315	933,717	(3,227,202)	8,252	6,514,134 25,360,996
Transactions with impact on FCF							
Payment of capital	-	-	-	-	-	-	5,250,000 5,250,000
Loans and financing obtained - third parties	-	244,124	-	-	-	-	- 244,124
Amortizations of principal of loans and financing - third parties	-	(1,844,525)	-	-	-	-	- (1,844,525)
Payments of interest on loans and financing - third parties	-	(620,101)	-	-	-	-	- (620,101)
Amortizations of lease liabilities - third parties	-	-	(1,657,322)	-	-	-	- (1,657,322)
Amortizations of lease liabilities - related parties	-	-	-	(240,030)	-	-	- (240,030)
Payment of dividends	-	-	-	-	-	(746,681)	- (746,681)
Redemption of financial investments linked to financing (restricted cash)	(19)	-	-	-	-	-	- (19)
Proceeds from loans - intragroup	-	-	-	-	(262,713)	-	- (262,713)
Asset management, net - intragroup	-	-	-	-	(382,023)	-	- (382,023)
	(19)	(2,220,502)	(1,657,322)	(240,030)	(644,736)	(746,681)	5,250,000 (259,290)
Other movements that do not affect the FCF							
Net interest, inflation adjustments and exchange rate changes	(8)	(113,703)	483,989	101,473	348,912	-	- 820,663
Fair value of financial instruments payable (Note 26)	-	(335,889)	-	-	-	-	- (335,889)
Payment of dividends	-	-	-	-	-	748,648	- 748,648
Addition, write-off, remeasurement of lease liabilities and others	-	17,361	3,120,614	481,465	106,121	-	2,220 3,727,781
	(8)	(432,231)	3,604,603	582,938	455,033	748,648	2,220 4,961,203
As of March 31, 2022	(66)	13,891,086	6,535,596	1,276,625	(3,416,905)	10,219	11,766,354 30,062,909

## RAÍZEN ENERGIA S.A.

### Notes from management to the financial statements as of March 31, 2023

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

#### a) Main transactions not involving cash

	<b>Individual</b>		<b>Consolidated</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Transactions not involving cash</b>				
Depreciation of agricultural area assets capitalized as biological assets (Note 7)	(31,106)	(24,864)	(31,126)	(30,528)
Depreciation of agricultural area assets capitalized as property, plant and equipment (Note 13)	(76,356)	(76,972)	(91,301)	(92,611)
Right of use (Note 16.a)	(1,158,660)	(3,021,720)	(1,782,806)	(3,558,522)
Tax credits on property, plant and equipment, including adjustment to present value	(3,237)	(2,920)	(2,774)	(5,853)
Interest capitalized in property, plant and equipment (Notes 13 and 26)	(68,735)	(64,006)	(71,950)	(65,467)
Intangible assets (Note 14)	-	-	(45,000)	-
Other liabilities (Note 30.d)	-	-	(22,465)	(31,124)
Unpaid capital (Note 12.e.i)	-	(8,165)	-	(8,165)
	<u>(1,338,094)</u>	<u>(3,198,647)</u>	<u>(2,047,422)</u>	<u>(3,792,270)</u>

## 32. Subsequent events

### a) Short-term Loans and financing

On April 3, May 5 and May 10, 2023, the Company raised loans and financing, in the amount of R\$3,946,093, with maturity between March 18 and 25, 2024. Such funding is in line with the deliberation and approval of the Board of Directors of March 29, 2023, regarding the obtaining of short-term financing by the Company.

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