

Earnings Release

3Q23

2022/23



FEBRUARY 13, 2023

 **São Martinho**

Cash Net Income of R\$405.8 million in 3Q23

Adjusted EBITDA was R\$ 774.9 million in 3Q23 (-13.2%), with **Adjusted EBITDA margin of 50.5%**. The variation in the period mainly reflects the lower average sales price in the domestic market for ethanol (-15.7%)¹, which was partially offset by the premium on fuel exports;

Adjusted EBIT was R\$ 357.2 million in 3Q23 (-35.8%), with margin of 23.3%;

Net Income was R\$ 429.7 million (-38.3%) in 3Q23;

Cash Net Income totaled R\$ 405.8 million (-36.5%) in 3Q23;

Operating Cash Flow² totaled R\$ 1,289.4 million in 9M23, decreasing 4.2% from 9M22;

Leverage ratio ended 9M23 at 1.24x Net Debt/Adjusted EBITDA;

On December 31, 2022, our sugar prices for the 2022/23 crop year were hedged for ~349,000 tons of sugar at a price of ~R\$ 2,509/ton. For the 2023/24 crop year, ~533,000 tons of sugar (between 50% and 60% of own cane, depending on production next crop year) were hedged at a price of ~R\$ 2,316/ton;

1- Price net of taxes and selling expenses; 2- Operating Cash Flow = Adjusted EBITDA - Maintenance Capex.

Executive Summary

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Net Revenue ¹	1,534,656	1,584,671	1,531,126	-3.2%	0.2%	4,826,743	4,278,383	12.8%
Adjusted EBITDA	774,994	787,714	892,796	-1.6%	-13.2%	2,438,401	2,371,196	2.8%
Adjusted EBITDA Margin	50.5%	49.7%	58.3%	0.8 p.p	-7.8 p.p	50.5%	55.4%	-4.9 p.p
Adjusted EBIT	357,232	420,037	556,210	-15.0%	-35.8%	1,241,284	1,390,817	-10.8%
Adjusted EBIT Margin	23.3%	26.5%	36.3%	-3.2 p.p	-13.0 p.p	25.7%	32.5%	-6.8 p.p
Copersucar Rights	475,761	-	415,476	n.m.	14.5%	475,761	415,476	14.5%
Net Income before taxes	530,032	265,505	903,869	99.6%	-41.4%	1,012,552	1,642,441	-38.4%
Net Income without IFRS 16 effects	468,718	241,322	662,594	94.2%	-29.3%	946,542	1,205,641	-21.5%
Non-cash effect of IFRS 16 on Net Income	(39,026)	(28,726)	34,344	35.9%	n.m	(82,675)	49,800	n.m
Net Income	429,692	212,596	696,938	102.1%	-38.3%	863,867	1,255,441	-31.2%
Cash Income	405,812	318,202	639,232	27.5%	-36.5%	950,811	1,309,528	-27.4%
Net Debt / EBITDA	1.24 x	1.27 x	1.15 x	-2.2%	8.0%	1.24 x	1.15 x	8.0%

1 - Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC and includes Financial Income from Real Estate Development

Data do not include the IFRS 16 impacts, except net income before taxes and net income

SMT03: R\$ 26.52 per share

Market Capitalization: R\$ 9.4 billion

*On December 29, 2022

Earnings Conference Call

February 14, 2023 (Tuesday)

3:00 p.m. Brasília time + 55 11 3181-8565

1:00 p.m. New York time +1 412 717-9627

Dial-in: São Martinho

To access the webcast, [click here](#)

To access via HD Web Phone, [click here](#)

3Q23 EARNINGS RELEASE

Effects of adoption of IFRS 16/CPC 06

SMTO
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As mentioned in prior quarters, starting from the fiscal year ended March 31, 2020, the Company adopted the standard IFRS 16 – Leases, which introduced a single model for the balance-sheet recognition of leases and agricultural partnerships. The right to use such assets was recognized as an asset and the payment obligations as a liability.

The Company adopted the cumulative effect simplified approach and the following criteria:

1. **Liabilities:** outstanding balances of the agreements in force on the date of first-time adoption, net of advances and discounted by the average rate of future agreements of Interbank Deposits – DI (nominal coupon rate), with terms equivalent to those of partnership and lease agreements; and
2. **Assets:** amount equivalent to liabilities adjusted to present value.

There was no impact on the Company's Cash Flow or Adjusted EBITDA.

For more details, see the Financial Statements for the period.

Impacts from IFRS16 on Income Statements for 3Q23 and 9M23:

In R\$ '000

Results	3Q23			9M23			
	Before IFRS 16	Impacts	After IFRS 16	Before IFRS 16	Impacts	After IFRS 16	
Net Revenue¹	1,534,656	-	1,534,656	4,826,743	-	4,826,743	
COGS	(1,082,202)	14,221	(1,067,981)	(3,317,195)	84,573	(3,232,622)	We no longer account for <u>cash cost of agrarian contracts</u>
(-) Leasing Payment		115,743			362,644		→ We now account for <u>contract amortization</u>
(+) Right-of-Use Amortization		(101,521)			(278,071)		→
Gross Income	452,454	14,221	466,675	1,509,548	84,573	1,594,121	
Selling/General/Adm. Expenses	336,638	31	336,669	171,668	286	171,954	
(-) Leasing Payment		435			1,260		
(+) Right-of-Use Amortization		(404)			(974)		
Op. Income Before Financial Result	789,091	14,253	803,344	1,681,217	84,858	1,766,075	
Financial Result/Debt Hedge	(199,929)	(73,383)	(273,312)	(543,400)	(210,123)	(753,523)	
Lease APV		(73,383)			(210,123)		→ Adjustment to Present Value (APV) of agrarian contracts is accounted for as net financial result
Income before Taxes	589,163	(59,131)	530,032	1,137,817	(125,265)	1,012,552	
Income tax	(120,444)	20,104	(100,340)	(191,275)	42,590	(148,685)	
Net Income	468,718	(39,026)	429,692	946,542	(82,675)	863,867	
Book EBITDA	1,206,926	116,178	1,323,104	2,870,581	363,903	3,234,484	
Leasing Payment	-	(116,178)	(116,178)	-	(363,903)	(363,903)	As we no longer account for cash cost of agrarian contracts, Book EBITDA increased, which effect has been adjusted for the Adjusted EBITDA
Other adjustments	(431,932)	-	(431,932)	(432,179)	-	(432,179)	
Adjusted EBITDA	774,994	-	774,994	2,438,401	-	2,438,401	

Data do not include the IFRS 16 impacts, except net income before taxes and net income

Operating Highlights

	9M23	9M22	Δ 9M23/9M22
Crushed Sugarcane ('000 tons)	20,024.1	19,899.0	0.6%
Own	13,964.4	13,910.9	0.4%
Third Parties	6,059.7	5,988.1	1.2%
Agricultural Yield (ton/ha)	70.9	71.8	-1.2%
Average TRS (kg/ton)	140.0	146.7	-4.5%
Production			
Sugar ('000 tons)	1,206.1	1,303.1	-7.4%
Ethanol ('000 m³)	898.9	913.7	-1.6%
Cogeneration ('000 MWh)	732.7	759.7	-3.6%
TRS Produced ('000 tons)	2,803.5	2,920.3	-4.0%
Mix Sugar - Ethanol	45% - 55%	47% - 53%	

As of the end of the crushing period for the 2022/23 crop year, the Company had processed approximately 20.0 million tons of sugarcane, in line with the volume processed in the previous crop year. The result was due to the effects from weather events during the 2021/22 crop year – prolonged drought and frost (which occurred in July 2021 on certain fields). The start of crushing at the Usina São Martinho and Usina Santa Cruz units was postponed to the second half of April/22, a process partially offset by the late end of the crushing period (disclosed via material fact in December/22).

Considering the 4.5% decrease in average Total Recoverable Sugar (TRS), total TRS produced in the first half of crop year fell by 4.0% year over year.

Financial Highlights

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Net Revenue ¹	1,534,656	1,584,671	1,531,126	-3.2%	0.2%	4,826,743	4,278,383	12.8%
Adjusted EBITDA	774,994	787,714	892,796	-1.6%	-13.2%	2,438,401	2,371,196	2.8%
Adjusted EBITDA Margin	50.5%	49.7%	58.3%	0.8 p.p.	-7.8 p.p.	50.5%	55.4%	-4.9 p.p.
Adjusted EBIT	357,232	420,037	556,210	-15.0%	-35.8%	1,241,284	1,390,817	-10.8%
Adjusted EBIT Margin	23.3%	26.5%	36.3%	-3.2 p.p.	-13.0 p.p.	25.7%	32.5%	-6.8 p.p.
Consolidated Balance Sheet Indicators								
Total Assets	16,090,880	15,088,596	12,813,450	6.6%	25.6%	16,090,880	12,813,450	25.6%
Shareholders' Equity	5,843,204	5,469,773	4,841,265	6.8%	20.7%	5,843,204	4,841,265	20.7%
EBITDA (LTM)	3,209,157	3,326,959	2,939,423	-3.5%	9.2%	3,209,157	2,939,423	9.2%
Net Debt	3,978,762	4,219,538	3,372,842	-5.7%	18.0%	3,978,762	3,372,842	18.0%
Net Debt / EBITDA (LTM)	1.24 x	1.27 x	1.15 x	-2.2%	8.0%	1.24 x	1.15 x	8.0%
Net Debt / Shareholders' Equity	68.1%	77.1%	69.7%			68.1%	69.7%	

1- Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC and includes Financial Income from Real Estate Development

Data do not include the IFRS 16 impacts

According to data from UNICA, since the start of the crop year until January 16, 2023, Brazil's Center-South region processed around 542.1 million tons of sugarcane, approximately 3.7% more than in the same period last crop year, while the state of São Paulo registered a 4.3% increase in the period.

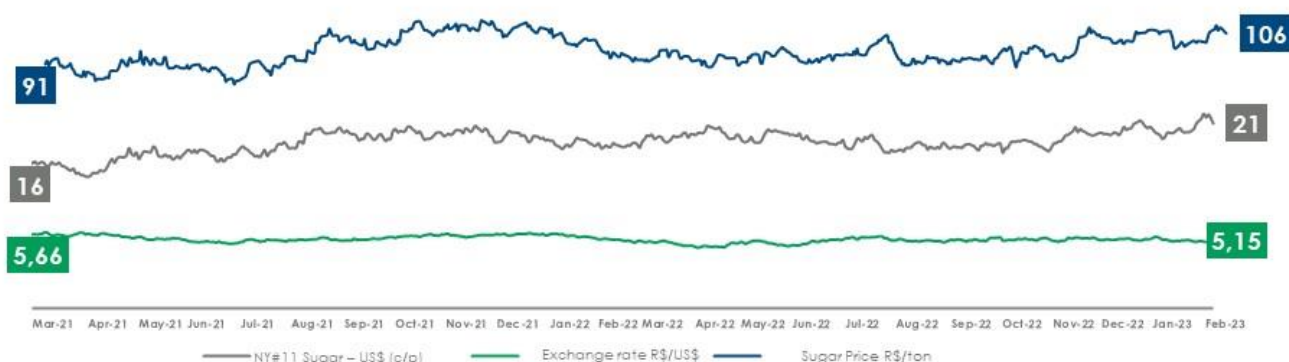
The production mix for the Center-South region consisted of 54.1% ethanol production, which totaled around 27.7 billion liters, up 3.3% from the prior-year period. Of the total ethanol production, around 11.8 billion liters were anhydrous (+8.6% vs. same period last year) and 15.9 billion liters were hydrous (-0.3%).

Sugar corresponded to 45.9% of the production mix, with production totaling 33.5 million tons, up 4.4% from the same period last crop year.

Sugar Market

As noted above, the Center-South produced around 33.5 million tons of sugar in first nine months of the 2022/23 crop year, representing an increase of approximately 4.4% on the prior-year period, which is mainly explained by the lower yield in the period.

The sugar price curve (as shown in the chart below) in the 22/23 crop year remained sustained by pressures from sugar production. In Brazilian real (R\$/ton), the price for Brazilian producers remains in line with the positive growth trend.



On December 31, 2022, around 349,000 tons of sugar for the 2022/23 crop year were hedged at a price of around R\$ 2,509¹/ton, representing an increase from the prices practiced in the previous crop year. For more details, see the 'Hedge' section in this earnings release.

¹ Price net of taxes and selling expenses.

Ethanol Market

In line with the production data mentioned above, Brazil's Center-South region produced around 27.7 billion liters of ethanol, down 3.3% from the same period last crop year.

As the following chart shows, the average ethanol price reached lower prices in the 2022/23 crop year (compared to 2021/22) due to the variation in the oil price and the impact from tax measures approved between May and August 2022 and extended for the first two months of 2023.



Source: UNICA and CEPEA/ESALQ (ESALQ-SP base)

3Q23 EARNINGS RELEASE

FINANCIAL PERFORMANCE

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Net Revenue Breakdown

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Domestic Market	676,370	678,698	964,182	-0.3%	-29.9%	2,301,048	2,465,676	-6.7%
Sugar	42,709	45,687	37,928	-6.5%	12.6%	136,967	134,370	1.9%
Ethanol	534,095	414,902	827,966	28.7%	-35.5%	1,698,843	1,934,162	-12.2%
Energy	49,923	78,148	42,912	-36.1%	16.3%	192,744	228,939	-15.8%
Yeast	8,189	22,452	6,489	-63.5%	26.2%	42,250	41,070	2.9%
Real Estate Development	143	1,546	16,006	-90.8%	-99.1%	4,046	48,506	-91.7%
CBIOs	9,107	4,547	12,883	100.3%	-29.3%	53,320	29,759	79.2%
Others	32,204	111,416	19,998	-71.1%	61.0%	172,878	48,870	n.m
Export Market	858,286	905,973	566,944	-5.3%	51.4%	2,525,695	1,812,706	39.3%
Sugar	535,062	522,514	442,155	2.4%	21.0%	1,522,711	1,534,445	-0.8%
Ethanol	319,338	377,194	122,793	-15.3%	160.1%	990,959	273,706	n.m
Yeast	3,886	6,265	-	-38.0%	n.m.	12,025	-	n.m.
Net Revenue¹	1,534,656	1,584,671	1,531,126	-3.2%	0.2%	4,826,743	4,278,382	12.8%
Sugar	577,771	568,201	480,083	1.7%	20.3%	1,659,678	1,668,815	-0.5%
Ethanol	853,433	792,096	950,759	7.7%	-10.2%	2,689,802	2,207,868	21.8%
Energy	49,923	78,148	42,912	-36.1%	16.3%	192,744	228,939	-15.8%
Yeast	12,075	28,717	8,485	-58.0%	42.3%	54,275	45,625	19.0%
Real Estate Development	143	1,546	16,006	-90.8%	-99.1%	4,046	48,506	-91.7%
CBIOs	9,107	4,547	12,883	100.3%	-29.3%	53,320	29,759	79.2%
Others	32,204	111,416	19,998	-71.1%	61.0%	172,878	48,870	n.m

1- Excludes the Hedge Accounting effect of foreign-denominated debt and PPA USC and includes Financial Income from Real Estate Development

Net revenue

São Martinho's net revenue ended 3Q23 in line with the same period of 2021/22, at R\$ 1,534.7 million, explained by lower sales prices for ethanol (-13.5% vs. 3Q22) and the higher sales prices for sugar (+13.2%). In the first nine months of 2022/23, net revenue came to R\$ 4,826.7 million, representing growth of 12.8% compared to 9M22, reflecting the higher sales prices for sugar (+18.4%) and ethanol (+4.2%) with a focus on sales in the export market.

Main Adjustments to Net Revenue for 3Q23 and 9M23

1. Debt Maturity (Hedge Accounting)

In 3Q22, there were no settlements of debt or the corresponding expense related to exchange variation on hedge accounting. Expenses related to exchange variation on liabilities settled in 9M23 and designated as hedge accounting were made at an exchange rate of R\$4.6/USD. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.9, an adjustment of R\$ 5.3 million was made to net revenue and EBITDA.

2. Purchase Price Allocation (PPA)

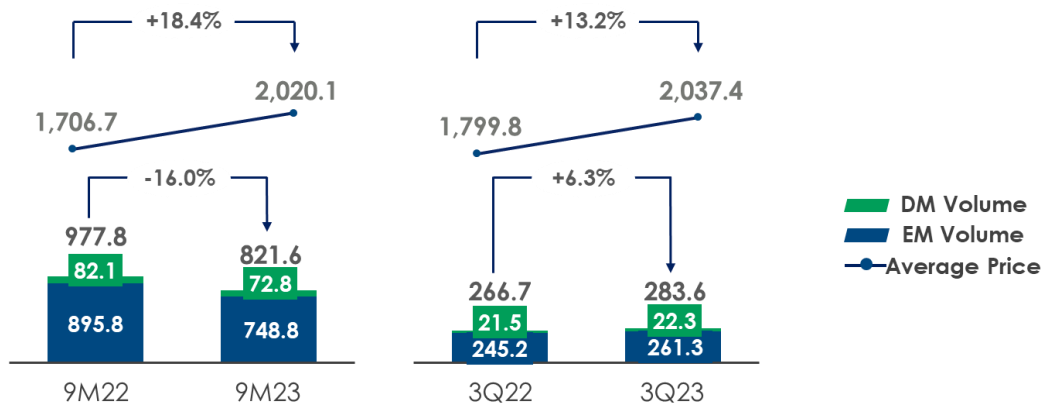
In 3Q23, non-cash revenue of R\$ 0.6 million was recorded, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of the Santa Cruz Mill. In the crop year to date, the adjustment to net revenue was R\$ 5.6 million.

3. Financial Income from Real Estate Development

Adjustment of operating revenue from real estate development related to the present value adjustment (AVP) of "trade accounts receivable" to better represent the performance of the business. This adjustment was already being made by the Company in the financial result. Net revenue was reduced by approximately R\$ 0.1 million in 3Q23 plus R\$ 2.4 million in 9M23.

A breakdown of net revenue by product in 3Q23 and 9M23 compared to prior-year periods is presented below.

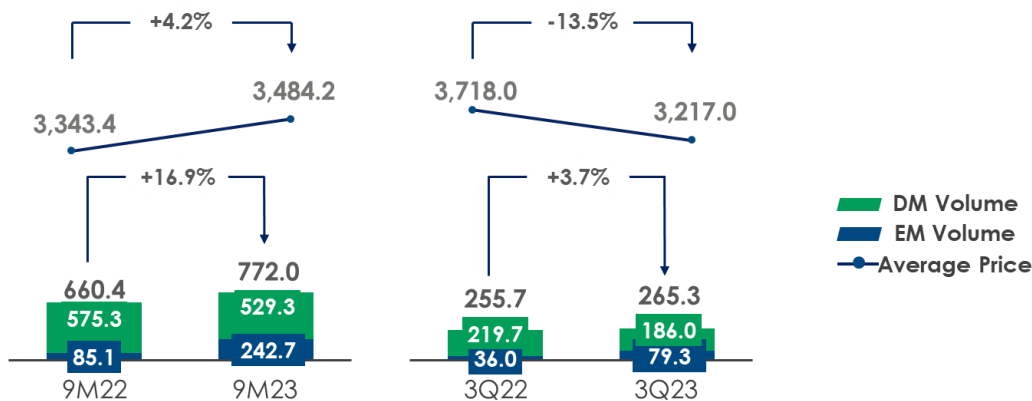
Sugar - Volume ('000 tons) and Average Price (R\$/ton)



Net revenue from sugar sales amounted to R\$ 577.8 million in 3Q23, increasing 20.3% from the same period last crop year, reflecting the better prices (+13.2%) practiced in the market. In 9M23, net revenue totaled R\$ 1,659.7 million, remaining in line with 9M22, due to the combination of lower sales volumes (-16.0%) and higher sales prices (18.4%).

Following the strategy of selling sugar in periods with better prices (R\$/ton), hedge positions for 4Q23 amount to approximately 349 thousand tons at a price of R\$2,537/ton (see 'Hedge Position'). Contributing to a better average sales price for the 22/23 harvest.

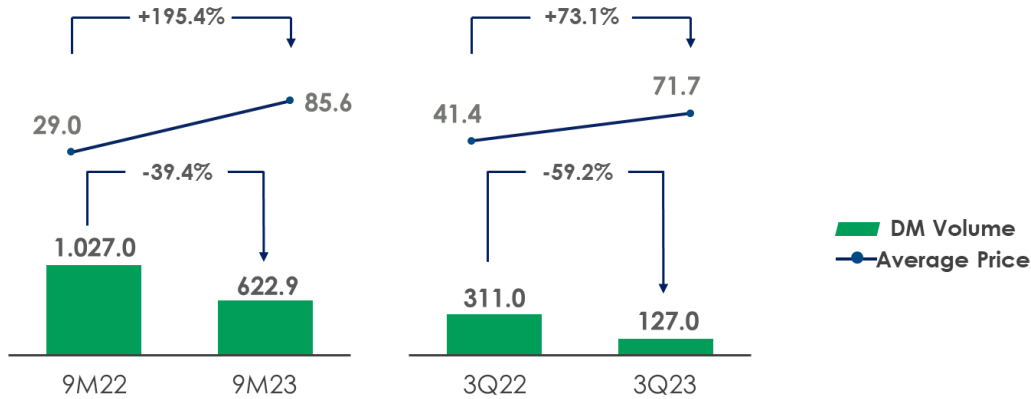
Ethanol - Volume ('000 m3) and Average Price (R\$/m3)



Net revenue from ethanol sales fell 10.2% in 3Q23 in relation to 3Q22, to R\$ 853.4 million, due to the lower prices (-13.5%) practiced in the period. In 9M23, net revenue grew by 21.8% to R\$ 2,689.8 million, driven by the higher export volume with better prices.

Continuing the strategy of selling ethanol to destinations with higher premiums, in the 4Q23 the volume of ethanol estimated for the export market totals around 79,000 m3 at an average price, net of taxes, of R\$ 3,666/m3 – helping the profitability of ethanol during a period of tax uncertainties in the domestic market.

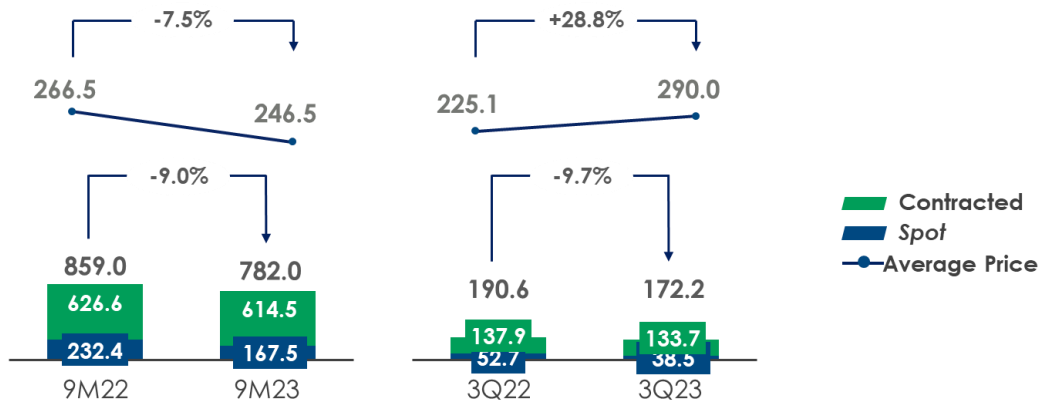
CBIOs - Volume ('000 CBIOs) and Average Price (R\$/CBIO)



In 3Q23, we sold around 127,000 CBIOs (decarbonization credits) at an average net price of R\$ 71.7/CBIO (net of PIS/Cofins and income tax withheld at source of 15%). In the crop year to date, we sold 622.9 thousand CBIOs at an average net price of R\$ 85.6/CBIO.

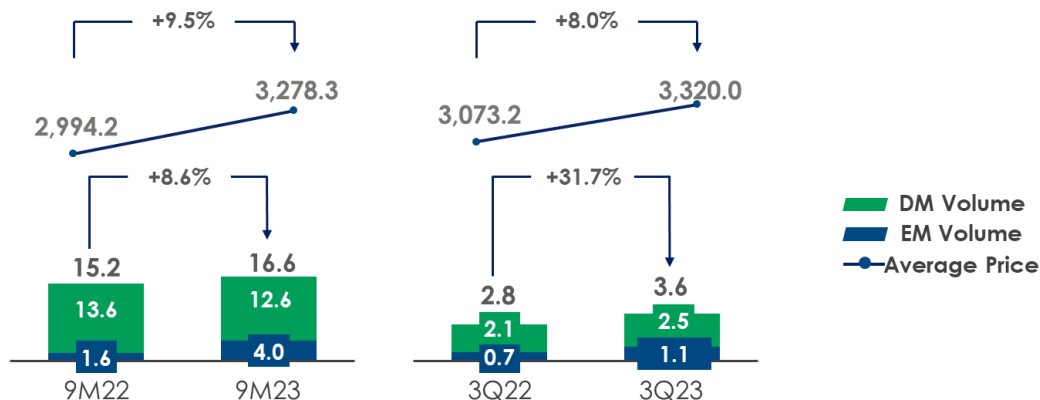
Moreover, as described in the notes to the financial statements ("Inventories and advances to suppliers"), on December 31, 2022, São Martinho had approximately 121,000 CBIOs issued but not sold.

Cogeneration - Volume ('000 MWh) and Average Price (R\$/MWh)



Net revenue from cogeneration sales totaled R\$ 49.9 million in 3Q23, up 16.3% from 3Q22, due to the higher spot price (PLD) in the period, which was partially offset by the lower volume. In 9M23, cogeneration net revenue fell by 15.8%, reflecting the lower prices (-7.5% vs. 9M22) and volumes (-9.0% vs. 9M22).

Yeast - Volume ('000 tons) and Average Price (R\$/ton)



Net revenue from yeast sales totaled R\$ 12.1 million in 3Q23, increasing 42.3% from 3Q22, explained by the combination of higher sales prices and sales volume in the period. In 9M23, net revenue grew 19.0%, due to the same reasons influencing the result for the quarter.

Real Estate Development

The following table presents an overview of the projects and their sales and percentage of completion (POC) since their launch as of December 2022.

Real Estate Development	Type	City	Area (m²)	Launched date	Total lots sold	POC Position
Recanto das Paineiras	Residence	Iracemápolis	376,567	June-14	99.8%	100.0%
Park Empresarial - I	Industrial	Iracemápolis	182,684	September-14	85.0%	100.0%
Park Empresarial - II	Industrial	Iracemápolis	133,794	October-17	35.7%	100.0%
Nova Pradópolis - Phase I	Residence	Pradópolis	246,937	December-15	89.7%	100.0%
Nova Pradópolis - Phase II	Residence	Pradópolis	255,750	July-17	77.6%	100.0%
Nova Iracemápolis	Residence	Iracemápolis	315,027	August-20	95.7%	100.0%
Jardim Irajá	Residence	Américo Brasiliense	161,214	October-20	98.5%	99.8%

In 9M23, we recognized net revenue of R\$ 4.0 million and cash generation of R\$ 15.0 million.

	9M23 Net Revenue	9M23 Cash Generation	Portfolio December/22
Current Projects	3,933	8,598	109,755
Land Monetization	113	6,423	7,071
Total (R\$ '000)	4,046	15,021	116,826

1 - Includes Financial Income from Real Estate Development

As mentioned earlier, the Company began to adjust its operating revenue from real estate development for the present value adjustment (AVP) of trade accounts receivable to better represent the performance of this business. This adjustment was already being made by the Company in the financial result. Net revenue was reduced at approximately R\$ 0.1 million in 3Q23 plus R\$ 2.4 million in 9M23.

3Q23 EARNINGS RELEASE

COSTS

SMTO
B3 LISTED NM

Cash COGS

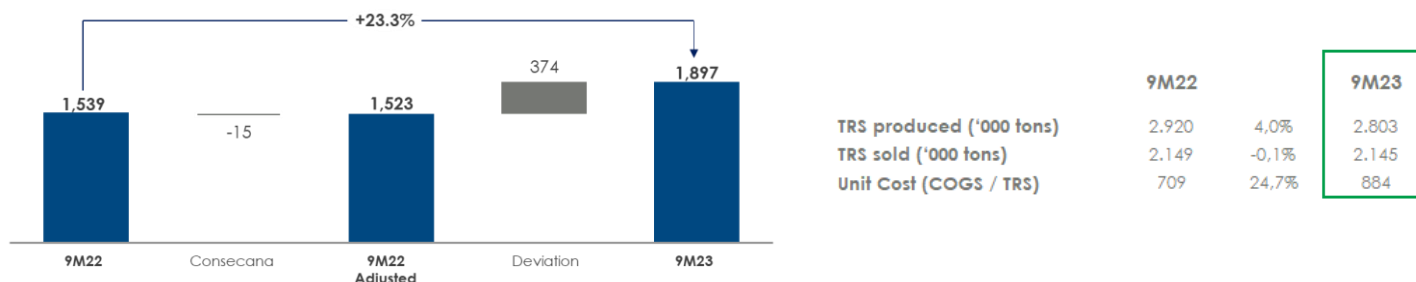
In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Agricultural Costs	491,562	544,288	478,577	-9.7%	2.7%	1,659,734	1,380,619	20.2%
Suppliers	266,643	348,534	254,829	-23.5%	4.6%	968,150	789,419	22.6%
Partnerships	124,417	103,114	141,051	20.7%	-11.8%	381,462	357,803	6.6%
Own Sugarcane	100,501	92,640	82,697	8.5%	21.5%	310,122	233,397	32.9%
Industrial	85,335	72,670	55,003	17.4%	55.1%	239,882	159,733	50.2%
Other Products	47,079	71,637	25,666	-34.3%	83.4%	172,721	103,220	67.3%
Total COGS	623,976	688,595	559,245	-9.4%	11.6%	2,072,336	1,643,573	26.1%
TRS Sold ('000 Tons)	752	676	714	11.2%	5.3%	2,185	2,149	1.7%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	800	959	747	-16.6%	7.2%	900	716	25.7%

Data do not include the IFRS 16 impacts

Cash COGS in 3Q23 amounted to R\$ 623.9 million, up 11.6% from the same period last crop year, mainly due to the lower production, which impacted the dilution of fixed costs, and the variation in input prices, especially diesel fertilizers and pesticides. For the 9M23, cash COGS totaled R\$ 2,072.3 million (+26.1% compared to 9M22) reflecting the same effects that affected the quarter.

Compared to 9M22, COGS in thousands of reais (including sugar and ethanol – excluding fuel resale operations) increased by 23.3% in the period, equivalent to 24.7% in unit values (COGS/Kgs TRS).



The following table details the variation in average unit cash COGS for sugar and ethanol from the same period in the 2022/23 crop year.

Cash COGS by Product

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
COGS (Cash)	601,538	648,255	533,074	-7.2%	12.8%	1,967,456	1,538,570	27.9%
Sugar	258,900	278,744	225,844	-7.1%	14.6%	820,249	774,128	6.0%
Ethanol	342,638	369,511	307,230	-7.3%	11.5%	1,147,207	764,442	50.1%
Average Cash Cost Per Unit¹								
Sugar Cash Cost	913	1,050.5	846.7	-13.1%	7.8%	998	791.7	26.1%
Ethanol Cash Cost	1,292	1,593.8	1,201.5	-19.0%	7.5%	1,486	1,157.6	28.4%

Data do not include the IFRS 16 impacts

1- Sugar in R\$/ton; Ethanol in R\$/m³

3Q23 EARNINGS RELEASE

COSTS

Cash COGS Breakdown

Cash COGS = COGS + Selling Expenses + General and Administrative Expenses – Depreciation/Amortization + Var. Fair Value of Biological Assets + Maintenance Capex;

In R\$ '000

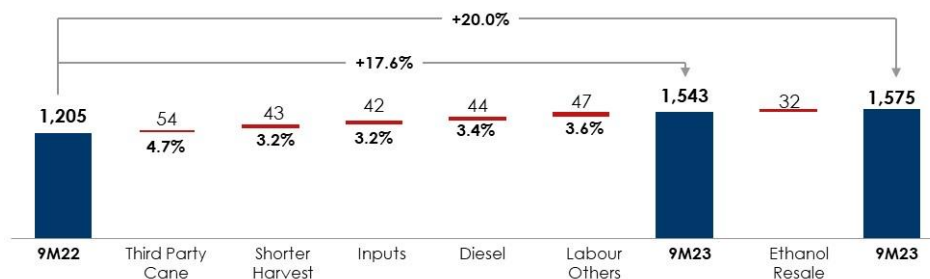
	9M23						9M22					
	Sugar	Ethanol	Cogen.	Yeast	Others	Total	Sugar	Ethanol	Cogen.	Yeast	Others	Total
Cost of Goods Sold (COGS)	1,296	1,780	47	22	172	3,316	1,221	1,242	75	21	39	2,598
Selling Expenses	83	64	11	-	0	158	84	18	10	-	-	112
General and Administrative Expense	75	113	19	-	5	212	78	86	19	-	3	186
(-) Depreciation and Amortization	(466)	(677)	(14)	(8)	(27)	(1,191)	(440)	(504)	(12)	(8)	(11)	(974)
Var. Fair Value of Biological Assets	(13)	(31)	-	-	(17)	(61)	(11)	21	-	-	-	10
Operational Cash COGS	975	1,248	64	14	132	2,433	932	864	92	13	31	1,931
(+) Maintenance Capex	472	677	-	-	-	1,149	481	544	-	-	-	1,025
Total Cash COGS	1,447	1,925	64	14	132	3,582	1,413	1,408	92	13	31	2,956
Average Price (R\$/Unit ¹)	2,020	3,484	246	3,278	-		1,707	3,343	267	2,994	-	
Unit Cash Cogs (R\$/Unit ¹)	1,762	2,570	81	845	-		1,445	2,132	107	849	-	
Operational Margin (%)	12.8%	26.3%	67.0%	74.2%	-		15.3%	36.2%	59.9%	71.6%	-	
Cash Cogs - Sugar and Ethanol						3,372						2,821
TRS Sold ('000 tons)						2,185						2,149
Average Cash Cost (R\$/TRS)						1,543						1,313

Data does not include the IFRS 16 impacts

1- Sugar/Yeast in ton; Ethanol in m³; Cogen. in Mwh

Cash Cost growth (+17.6% vis-à-vis 9M22 excluding resale ethanol) derives from the combination of lower productivity, lower availability of third-party sugarcane, higher input prices (notably diesel, fertilizers, and defensives) and the inflationary impact of labor during the harvest.

The impacts on the cash cost of sugar and ethanol equivalent (R\$/TRS) are highlighted below:



The evolution of the Operating Margin for sugar and ethanol is presented below:



3Q23 EARNINGS RELEASE

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

SMTO
B3 LISTED NM

Selling Expenses

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Selling Expenses	60,774	51,394	32,858	18.3%	85.0%	158,339	111,610	41.9%
Port Costs / Freight	56,994	47,643	29,818	19.6%	91.1%	147,094	101,254	45.3%
Other	3,780	3,751	3,040	0.8%	24.3%	11,245	10,356	8.6%
TRS Sold ('000 tons)	752	676	714	11.2%	5.3%	2,185	2,149	1.7%
% of Net Revenue	4.0%	3.2%	2.1%	0.7 p.p	1.8 p.p	3.3%	2.6%	0.7 p.p

Selling expenses amounted to R\$ 60.8 million in the third quarter of the crop year, increasing 85.0% in relation to 3Q22, explained by expenses related to the higher volume of ethanol exports and by the higher diesel prices between periods. In the crop year to date, selling expenses increased by 41.9% in relation to 9M22, explained by the same factors affecting the quarterly result.

Cash General & Administrative Expenses

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Labor/ General Expenses	59,602	67,002	51,266	-11.0%	16.3%	179,950	164,276	9.5%
Stock Option - Vested/ Others	1,596	(2,075)	436	-176.9%	n.m	(2,019)	3,929	-151.4%
Subtotal	61,198	64,927	51,703	-5.7%	18.4%	177,931	168,206	5.8%
Litigation	6,497	8,629	(2,807)	-24.7%	n.m	24,272	7,958	n.m
Stock Option - Non-vested	870	(15,424)	1,557	-105.6%	-44.1%	(23,216)	16,713	n.m
Total General and Administrative Expenses	68,565	58,132	50,452	17.9%	35.9%	178,987	192,876	-7.2%

In 3Q23, general and administrative expenses amounted to R\$ 68.4 million, increasing 35.9% from the same period last crop year, due to the reversal of provisions for legal contingencies in 3Q22. In 9M23, general and administrative expenses amounted to R\$ 178.9 million (-7.0% vs. 9M22), basically reflecting the noncash accounting effect of the mark-to-market adjustment of the Company's share price under the virtual stock options program, given the impact from the decline in share price over the year.

3Q23 EARNINGS RELEASE

EBITDA & EBIT

SMTO
B3 LISTED NM

EBITDA Reconciliation

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Adjusted EBITDA	774,994	787,714	892,796	-1.6%	-13.2%	2,438,401	2,371,196	2.8%
Adjusted EBITDA Margin	50.5%	49.7%	58.3%	0.8 p.p.	-7.8 p.p.	50.5%	55.4%	-4.9 p.p.
Copersucar Rights	475,761	-	415,476	n.m.	14.5%	475,761	415,476	14.5%
Non-cash effect of IFRS 16	116,178	101,909	139,224	14.0%	-16.6%	363,903	338,205	7.6%
Real Estate Results	73	(131)	2,124	-155.7%	-96.6%	(2,432)	(5,805)	-58.1%
Equity Income	1,266	1,458	1,979	-13.2%	-36.0%	3,893	5,281	-26.3%
Adjustment to Maturity of Hedge Accounting	-	-	(642)	n.m.	-100.0%	(5,321)	(29,206)	-81.8%
Stock Option - Non-vested	(870)	15,424	(1,557)	-105.6%	-44.1%	23,216	(16,713)	n.m.
Biological Assets	(44,298)	(25,995)	(4,104)	70.4%	n.m.	(62,938)	10,495	n.m.
Book EBITDA¹	1,323,104	880,379	1,445,296	50.3%	-8.5%	3,234,484	3,088,929	4.7%
EBITDA Margin	86.2%	55.7%	94.4%	30.6 p.p.	-8.1 p.p.	67.2%	72.9%	-5.7 p.p.
(-) Depreciation and Amortization	(519,687)	(441,294)	(408,590)	17.8%	27.2%	(1,476,162)	(1,135,288)	30.0%
(-) Financial Revenue (Expense), net	(273,385)	(173,580)	(132,837)	57.5%	105.8%	(745,770)	(311,200)	139.6%
(=) Operating Income	530,032	265,505	903,869	99.6%	-41.4%	1,012,552	1,642,441	-38.4%

1 - Book EBITDA includes the IFRS 16 impacts

Adjusted EBITDA

Adjusted EBITDA was R\$ 774.9 million in 3Q23 (-13.2%), with Adjusted EBITDA margin of 50.5%. The variation in the period reflects mainly the lower sales price for ethanol (-15.7%)¹ in relation to 3Q22. In the crop year to date, Adjusted EBITDA grew 2.8% (vs. 9M22) to R\$ 2,438.4 million, reflecting the higher ethanol export volumes (with a higher net price than in the domestic market).

1 - Price net of taxes and selling expenses.

Main Adjustments to EBITDA in 3Q23 and 9M23:

1. IFRS16 – Leases

Negative impact for the composition of Adjusted EBITDA of R\$ 116.2 million in 3Q23, and R\$ 363.9 million in 9M23, referring to the payment of leases that are no longer accounted for in cash cost (COGS) and are now accounted for as amortization of the right of use (for Book EBITDA purposes in accordance with IFRS16).

2. Biological assets

Positive adjustment for the normalization of Adjusted EBITDA of R\$44.3 million in 3Q23, and R\$62.9 million related to mark to market value (MTM) of biological assets, due to the Consecana variation impacting the accounting cost (COGS) – with no effect on cash flow.

3. Debt Maturity (Hedge Accounting)

In 3Q22, there was no settlements of debt or the corresponding expense related to exchange variation on hedge accounting. Expenses related to exchange variation on liabilities settled in 9M23 and designated as hedge accounting were made at an exchange rate of R\$4.6/USD. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.9, an adjustment of R\$ 5.3 million was made to net revenue and EBITDA.

3Q23 EARNINGS RELEASE

EBITDA & EBIT

SMTO
B3 LISTED NM

Adjusted Cash EBIT

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	3Q23 LTM	3Q22 LTM	Chg.%
Adjusted Cash EBIT	292,967	440,002	408,623	-33.4%	-28.3%	1,474,489	1,437,301	2.6%
Adjusted EBIT Margin	19.1%	27.8%	26.7%	-8.7 p.p.	-7.6 p.p.	23.4%	26.4%	-3.1 p.p.
(-) Maintenance Capex	(482,027)	(347,712)	(484,173)	38.6%	-0.4%	(1,734,668)	(1,490,638)	16.4%
Adjusted EBITDA	774,994	787,714	892,796	-1.6%	-13.2%	3,209,157	2,927,939	9.6%
Adjusted EBITDA Margin	50.5%	49.7%	58.3%	0.8 p.p.	-7.8 p.p.	50.8%	53.9%	-3.0 p.p.
Copersucar Rights	475,761	-	(415,476)	n.m.	n.m.	475,761	383,040	24.2%
Non-cash effect of IFRS 16	116,178	101,909	139,224	14.0%	-16.6%	555,759	415,167	33.9%
Real Estate Results	73	(131)	2,124	-155.7%	-96.6%	(6,041)	(8,899)	-32.1%
Equity Income	1,266	1,458	1,979	-13.2%	-36.0%	5,970	6,264	-4.7%
Adjustment to Maturity of Hedge	-	-	(642)	n.m.	-100.0%	(5,321)	(29,801)	-82.1%
Stock Option - Non-vested	(870)	15,424	(1,557)	-105.6%	-44.1%	4,761	(22,403)	-121.3%
Biological Assets	(44,298)	(25,995)	(4,104)	70.4%	n.m.	(49,429)	55,736	-188.7%
Book EBITDA	1,323,104	880,379	1,029,820	50.3%	28.5%	4,190,617	3,744,126	11.9%
EBITDA Margin	86.2%	55.7%	94.4%	30.6 p.p.	-8.1 p.p.	66.6%	69.7%	-3.2 p.p.

Adjusted Cash EBIT in 3Q23 came to R\$ 293.0 million (Adjusted EBIT margin of 19.1%), down 28.3% from 3Q22. Meanwhile, the increase in the crop year to date reflects mainly the same factors that positively impacted Adjusted EBITDA in the period.

Hedge Position

In R\$ '000

	Sugar hedged (tons)	Avg. Price (USD c/p)	Avg. Price (R\$/ton)
22/23 Harvest	348,854	20.08	
	306,667	20.08	2,537
	42,187	20.08	not hedged
23/24 Harvest	532,766	18.76	
	513,093	18.76	2,322
	19,673	18.76	not hedged

The table above details our sugar hedge position on December 31, 2022, considering the portion fixed in USD and open positions.

The open positions in USD on this date are mainly related to the exposure on the purchase of dollarized inputs for the crop year, as well as other obligations denominated in foreign currency.

Hedge Accounting Effects:

1. On Shareholders' Equity

As of March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income tax and social contribution. In the period from April to December 2022, we recorded a reduction in shareholders' equity of R\$7.2 million.

2. On Income Statement

In 3Q22, there was no settlements of debt or the corresponding expense related to exchange variation on hedge accounting. Expenses related to exchange variation on liabilities settled in 9M23 and designated as hedge accounting were recorded at an exchange rate of R\$4.6/USD. Considering that the exchange rate used for the purposes of cash flow in the period was R\$4.9, an adjustment of R\$ 5.3 million was made to net revenue and EBITDA.

3Q23 EARNINGS RELEASE

NET FINANCIAL RESULT

SMTO
B3 LISTED NM

Financial Result

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Financial Revenues	66,585	72,410	38,432	-8.0%	73.3%	220,024	105,398	108.8%
Financial Expenses	(153,171)	(106,903)	(115,060)	43.3%	33.1%	(457,523)	(235,164)	94.6%
Financial Revenues/Expenses	(86,586)	(34,493)	(76,628)	151.0%	13.0%	(237,499)	(129,766)	83.0%
Exchange Variation/Derivative/Others	(113,343)	(67,401)	(38,902)	68.2%	191.4%	(300,580)	(79,398)	n.m
IFRS16 Effects - APV	(73,383)	(71,817)	(15,183)	2.2%	n.m	(210,123)	(107,841)	94.8%
Real Estate Results	(73)	131	(2,124)	-155.7%	-96.6%	2,432	5,805	-58.1%
Net Financial Result	(273,385)	(173,580)	(132,837)	57.5%	105.8%	(745,770)	(311,200)	139.6%

The net financial result in 3Q23 was an expense of R\$ 273.4 million (+106% vs. 3Q22), as well as in 9M23, with an expense of R\$ 745.8 million (+140% vs. 9M22). The increase in expense during the harvest period is principally due to the result of Mark to Market (MTM) operations of derivatives (with no cash effect) transforming (SWAP) the portion of the debt in dollars and pre-fixed to CDI indexation.

3Q23 EARNINGS RELEASE

DEBT

SMTO
B3 LISTED NM

Debt

In R\$ '000

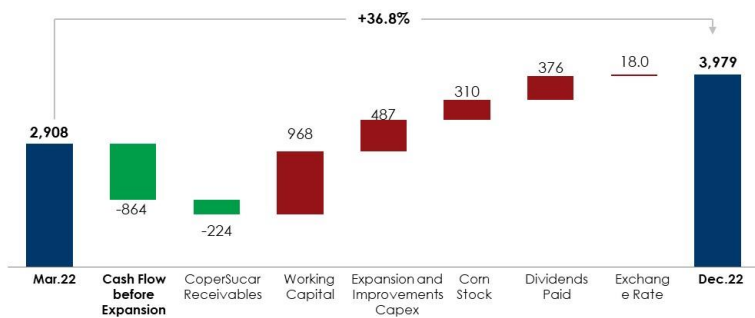
	Dec/22	Mar/22	Chg.%
Agribusiness Certificate of Receivables (CRA)	1,746,631	1,687,193	3.5%
BNDES / FINAME	964,935	903,297	6.8%
Working Capital/ NCE (Export Credit Note)	868,030	710,342	22.2%
Debentures	2,169,072	1,596,996	35.8%
PPE (Export prepayment)	157,933	190,395	-17.0%
International Finance Corporation (IFC)	769,108	800,127	-3.9%
Obligations from Acquisitions - LOP	3,670	3,668	0.1%
Gross Debt	6,679,379	5,892,017	13.4%
Cash and Cash Equivalents	2,700,617	2,984,141	-9.5%
Net Debt	3,978,762	2,907,876	36.8%
Net Debt / LTM EBITDA - R\$	1.24 x	0.93 x	34.0%
Net Debt / LTM EBITDA - USD ¹	1.15 x	0.94 x	21.9%
LTM Adjusted EBITDA	3,209,157	3,141,952	2.1%

¹ - LTM EBITDA average daily PTAX: Mar/22: R\$ 5.34 and Dec/22: R\$ 5.17

In December 2022, the Company's net debt stood at R\$ 3.9 billion, increasing 36.8% from March 2022. The increase in the period mainly reflects the higher working capital needs in the period and the investments in the completion phase.

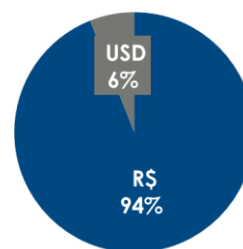
The following charts show details of the debt position:

Changes in Net Debt R\$ - Million

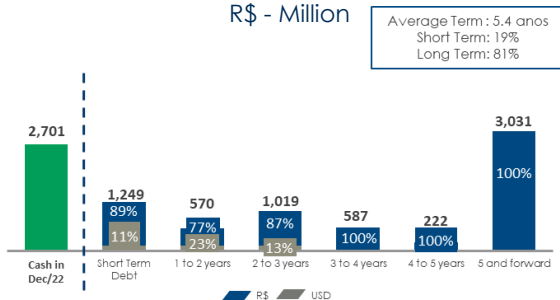


¹ Includes Sales of Fixed Assets/Others

Currency - Net Debt* Includes SWAP contracts

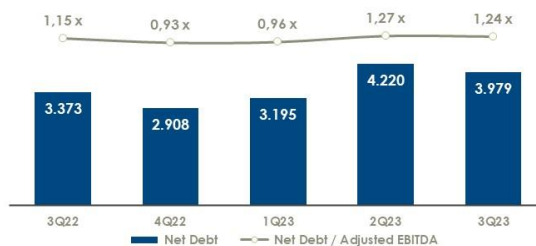


Debt Amortization Schedule R\$ - Million



Average Term: 5.4 anos
Short Term: 19%
Long Term: 81%

Net Debt/EBITDA LTM R\$ - Million



3Q23 EARNINGS RELEASE

CAPEX & CASH NET INCOME

SMTO
B3 LISTED NM

CAPEX Breakdown

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Maintenance	482,027	347,712	484,173	38.6%	-0.4%	1,149,033	1,024,972	12.1%
Sugarcane Planting - Renovation	114,776	111,967	113,516	2.5%	1.1%	327,611	292,309	12.1%
Off-Season Maintenance (Industrial/Agricultural)	124,717	-	160,937	n.m.	-22.5%	138,744	161,347	-14.0%
Crop Treatment	242,534	235,745	209,720	2.9%	15.6%	682,678	571,316	19.5%
Operational Improvements	67,159	27,229	51,444	146.6%	30.5%	130,109	122,661	6.1%
Equipment/Replacements	61,815	21,954	43,005	181.6%	43.7%	113,428	95,970	18.2%
Environmental/Legal	5,344	5,275	8,439	1.3%	-36.7%	16,681	26,691	-37.5%
Upgrading/Expansion	80,392	160,737	124,939	-50.0%	-35.7%	450,682	416,231	10.5%
Corn Ethanol Project	42,329	131,919	66,294	-67.9%	-36.1%	257,331	232,927	10.5%
UTE Phase II	14,929	16,436	32,678	-9.2%	-54.3%	118,308	75,556	56.6%
Other Projects	23,134	12,382	25,967	86.8%	-10.9%	75,043	107,748	-30.4%
GRAND TOTAL	629,578	535,678	660,556	17.5%	-4.7%	1,729,823	1,563,863	10.6%

The Company's maintenance capex in 3Q23 amounted to R\$ 482.0 million, decreasing 0.4% in relation to 3Q22, due to the longer inter-crop period related to the 2021/22 crop year, which increased investments in industrial and agricultural maintenance in the comparison period. In 9M23, maintenance capex came to R\$ 1,149.0 million (+12.1% vs. 9M22), due to inflationary effects on input prices combined with the longer inter-crop period.

Capex related to operational improvements totaled R\$ 67.2 million in 3Q23, increasing 30.5% on 3Q22, mainly due to the inflation in equipment prices and the replacement schedule. In 9M23, capex related to operational improvements increased 6.1% to R\$ 130.7 million, due to concentration of the replacement schedule in 1Q23.

Expansion capex totaled R\$ 80.4 million in 3Q23 and R\$ 450.7 million in 9M23, which was allocated to: (i) the Thermal Power Plant (A-6 auction in 2019); (ii) the corn ethanol project; and (iii) other smaller projects, including the irrigation and closure of the water circuit at the São Martinho Mill.

Capex totaled R\$629.6 million in 3Q23 (-4.7% vs. 3Q22) and R\$1,729.8 million in the 9 months of the 22/23 crop year (+10.6% vs. 9M22). Considering the 12 months of the current harvest, the total Capex is estimated to converge to R\$ 2.9 billion, in line with the guidance published in Nov/22.

Cash Net Income

In R\$ '000

	3Q23	2Q23	3Q22	Δ 3Q23/2Q23	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Net Income	429,692	212,596	696,938	102.1%	-38.3%	863,867	1,255,441	-31.2%
Non-cash effect of IFRS 16 on Net Income before taxes	59,131	43,525	(52,037)	35.9%	n.m.	125,265	(75,455)	n.m.
Income Tax booked	100,340	52,909	206,931	89.6%	-51.5%	148,685	387,000	-61.6%
Income Tax paid	(35,249)	(16,823)	(48,811)	109.5%	-27.8%	-57,544	(79,070)	-27.2%
Biological Asset/Others	44,298	25,995	4,104	70.4%	n.m.	62,938	(10,495)	n.m.
Cash Income	405,812	318,202	639,232	27.5%	-36.5%	950,811	1,309,528	-27.4%
Total Shares ex-treasury (in thousand)	346,375	346,375	346,375	0.0%	0.0%	346,375	346,375	0.0%
Cash Income per share	1.17	0.92	1.85	27.5%	-36.5%	2.75	3.78	-27.4%

Obligations

On December 31, 2022, São Martinho recognized the amount of R\$ 164.5 million in obligations payable to Copersucar under Liabilities on its balance sheet. In accordance with the terms negotiated for the withdrawal from Copersucar, we will continue to book under "Obligations – Copersucar" all liabilities related to the contingencies currently in litigation conducted by the attorneys at Copersucar. The total amount of these obligations is secured by bank sureties.

Rights

Copersucar is also a plaintiff in lawsuits claiming the refund/overpayment of various taxes or indemnities. The Company, as a former cooperative member, has a proportional right to these credits and will inform the market when its clear legal right to these amounts is secured.

In one of the lawsuits in which Copersucar is the plaintiff, the Federal Government was ordered to pay damages arising from the setting of lagged prices for sugar and ethanol for sales made in the 1980s. In June 2017, the first court-ordered debt security was issued, of R\$ 5.6 billion (R\$ 730.5 million proportional to the Company), in June 2018, the supplementary court-ordered debt security was issued in the amount of R\$ 10.6 billion (R\$ 1.4 billion proportional to the Company). The excess of R\$ 2.2 billion claimed by the Federal Government (R\$ 286.3 million proportional to the Company) is still in dispute.

Copersucar transferred to the Company the amounts received from the Federal Government related to this process, as shown in the following table.

Copersucar Rights

In R\$ '000

	2019	2020	2021	2022	2023
	March/2019	December/2019	Setemember/2020	October/2021	October/2022
First court-ordered debt security	906,287	1,059,956	1,083,223	1,174,400	1,346,041
Complementary court-ordered debt security	-	1,724,797	1,974,578	2,138,858	2,450,167
Precatórios Copersucar	906,287	2,784,753	3,057,801	3,313,258	3,796,208
PIS/COFINS withheld by Copersucar	(13,927)	(42,794)	(46,990)	(50,915)	(58,337)
Luiz Ometto Participações S.A. transfer	(3,313)	(24,119)	(26,700)	(28,697)	(33,226)
Other retentions and expenses	(26,824)	(46,665)	(51,266)	(55,348)	(63,489)
Other net Revenues SMSA	106,499	349,056	383,040	415,476	475,616

Upon transferring the funds, Copersucar withheld a portion to cover legal costs and the levy of PIS and COFINS taxes, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At December 31, 2022, the balance receivable from Copersucar was R\$ 212,962, booked under "Other long-term assets." The Company, in coordination with the measures taken by Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of the enforceability of IRPJ/CSLL/PIS/COFINS payment. The judicial deposit was provided for within "Taxes with suspended payment," under liabilities.

As established in the Agreement for Purchase and Sale of Shares in Santa Cruz S.A. Açúcar e Álcool ("USC"), the Company transferred R\$ 116,055 to Luiz Ometto Participações S.A.

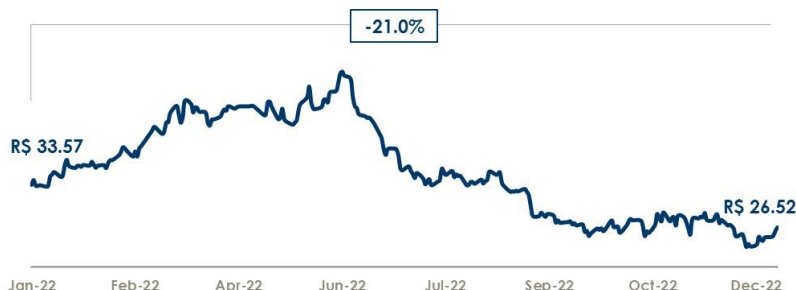
3Q23 EARNINGS RELEASE

CAPITAL MARKETS

SMTO
B3 LISTED NM

SMTO3 Performance – 12 months

R\$ - Million



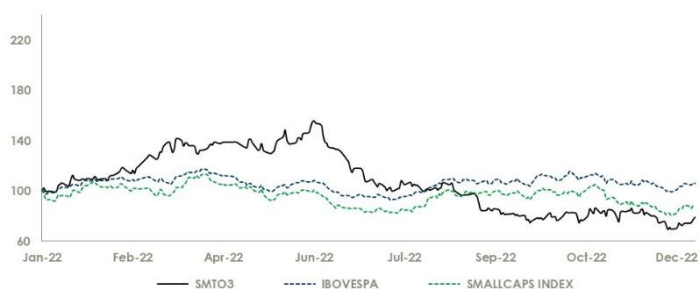
Price and Volume

In R\$



SMTO3 vs. Stock Indexes

Base 100



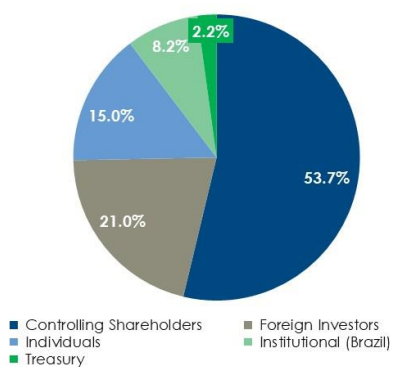
Average Daily Trading Volume

R\$ - Million



Ownership Structure

Base: December 29 2022



Free-Float Composition



This document contains forward-looking statements related to the business outlook, operating and financial projections and growth prospects of São Martinho. These statements are merely projections and as such are based exclusively on Management's expectations for the future of the business. These forward-looking statements depend materially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets, and therefore are subject to change without prior notice.

3Q23 EARNINGS RELEASE

FINANCIAL STATEMENTS

SMTO
B3 LISTED NM

The figures in the following tables consider the impacts from the adoption of IFRS 16 as of the 2019/20 crop year, in accordance with the consolidated and audited Financial Statements, including the effects detailed in section 'Adoption of IFRS 16/CPC 06 – Leases' on page 3 of this earnings release.

Income Statement

São Martinho - Consolidated in R\$ '000

	3Q23	3Q22	Δ 3Q23/3Q22	9M23	9M22	Δ 9M23/9M22
Gross Revenue	1,567,263	1,649,079	-5.0%	4,957,396	4,535,238	9.3%
Deductions from Gross Revenue	(33,169)	(117,346)	-71.7%	(144,048)	(297,921)	-51.6%
Net Revenue	1,534,094	1,531,733	0.2%	4,813,348	4,237,317	13.6%
Cost of Goods Sold (COGS)	(1,067,981)	(828,676)	28.9%	(3,232,622)	(2,414,354)	33.9%
Gross Profit	466,113	703,057	-33.7%	1,580,726	1,822,963	-13.3%
Gross Margin (%)	30.4%	45.9%	-15.5 p.p	32.8%	43.0%	-10.2 p.p
Operating income (expenses)	337,304	333,649	1.1%	177,596	130,678	35.9%
Selling Expenses	(60,774)	(32,858)	85.0%	(158,339)	(111,610)	41.9%
General and Administrative Expenses	(71,732)	(53,618)	33.8%	(188,254)	(202,629)	-7.1%
Equity in the results of investees	1,266	1,979	-36.0%	3,893	5,281	-26.3%
Other income (expenses), net	468,544	418,146	12.1%	520,296	439,636	18.3%
Operating profit	803,417	1,036,706	-22.5%	1,758,322	1,953,641	-10.0%
Finance income (costs)	(273,385)	(132,837)	105.8%	(745,770)	(311,200)	139.6%
Finance income	66,512	36,308	83.2%	222,457	111,201	100.0%
Finance costs	(226,554)	(130,244)	73.9%	(667,649)	(343,008)	94.6%
Monetary and foreign exchange variations, net	(16,697)	(41,120)	-59.4%	(184,381)	(104,411)	76.6%
Derivatives	(96,646)	2,219	-4455.4%	(116,197)	25,018	-564.5%
Profit before taxation	530,032	903,869	-41.4%	1,012,552	1,642,441	-38.4%
Income Tax and Social Contribution - Current	(167,506)	(140,475)	19.2%	(271,172)	(232,570)	16.6%
Income Tax and Social Contribution - Deferred	67,166	(66,456)	-201.1%	122,487	(154,430)	-179.3%
Net Income	429,692	696,938	-38.3%	863,867	1,255,441	-31.2%
Net Margin (%)	28.0%	45.5%	-17.5 p.p	17.9%	29.6%	-11.7 p.p

Balance Sheet (Assets)

São Martinho - Consolidated In R\$ '000

	Dec/22	Mar/22
CURRENT ASSETS		
Cash and Cash Equivalents	252,859	114,903
Financial investments	2,438,187	2,857,864
Trade Receivables	371,458	225,707
Derivative Financial Instruments	109,104	228,718
Inventories and advance to suppliers	1,819,070	764,576
Biological Assets	1,089,659	1,219,281
Taxes Recoverable	197,529	60,303
Income Tax and Social Contribution	85,014	65,232
Other assets	32,846	16,958
TOTAL CURRENT ASSETS	6,395,726	5,553,542
NON-CURRENT ASSETS		
Long-term Receivables		
Financial investments	9,571	11,374
Inventories and advance to suppliers	218,642	146,986
Deferred Income Tax and Social Contribution	66	-
Derivative Financial Instruments	190,209	169,679
Trade Receivables	42,440	26,872
Taxes Recoverable	245,684	177,844
Income Tax and Social Contribution	8,617	8,617
Judicial Deposits	1,068,358	749,361
Other Assets	214,809	156,471
	1,998,396	1,447,204
Investments	47,815	45,565
Property, plant and equipment	7,001,558	6,771,209
Intangible assets	461,892	457,313
Right-of-use assets	2,950,379	3,084,312
TOTAL NON-CURRENT ASSETS	12,460,040	11,805,603
TOTAL ASSETS	18,855,766	17,359,145

Balance Sheet (Liabilities)

São Martinho - Consolidated In R\$ '000

	Dec/22	Mar/22
CURRENT LIABILITIES		
Borrowings	1,245,611	581,515
Leases payable	99,708	82,475
Agricultural partnership payable	641,415	500,376
Derivative Financial Instruments	276,306	245,145
Trade Payables	318,766	415,082
Payables to Copersucar	13,341	12,753
Salaries and Social Charges	176,581	191,786
Taxes recoverable	25,086	34,871
Income tax and social contribution payable	8,758	7,597
Dividends Payable	31	5,971
Advances from Customers	187,149	27,269
Acquisition of Ownership interests	3,670	3,669
Other Liabilities	33,498	66,546
TOTAL CURRENT LIABILITIES	3,029,920	2,175,055
NON-CURRENT LIABILITIES		
Borrowings	5,430,098	5,306,834
Leases payable	595,377	539,057
Agricultural partnership payable	1,712,720	1,884,943
Derivative Financial Instruments	15,563	34,585
Payables to Copersucar	151,147	161,277
Deferred Income Tax and Social Contribution	982,083	1,111,225
Provision for Contingencies	103,356	87,006
Taxes with suspended payment	1,044,535	725,834
Other Liabilities	2,242	14,904
TOTAL NON-CURRENT LIABILITIES	10,037,121	9,865,665
EQUITY		
Share Capital	3,161,384	2,681,571
Treasury Shares	(139,997)	(139,997)
Carrying Value Adjustments	1,085,138	1,100,474
Revenue Reserves	1,210,275	1,676,377
Retained Earnings	471,925	-
TOTAL EQUITY	5,788,725	5,318,425
TOTAL LIABILITIES AND EQUITY	18,855,766	17,359,145

Consolidated Cash Flow

São Martinho - Consolidated In R\$ '000

	9M23	9M22
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	863.867	1.255.441
Adjustments		
Depreciation and amortization	718.414	520.647
Biological assets harvested	752.106	608.586
Change in the fair value of biological assets	62.938	(10.495)
Amortization of electricity contracts	5.642	6.055
Equity in the results of investees	(3.893)	(5.281)
Gains (losses) on investments and PP&E written off	101	(815)
Interest, monetary and exchange variations, net	339.184	215.629
Derivative financial instruments	46.331	64.767
Setup of provision for contingences, net	25.547	9.168
Income tax and social contribution	148.685	387.000
Taxes with suspended payment	318.701	251.070
Adjustment to present value and other adjustments	212.780	113.012
	3.490.403	3.414.784
Changes in asset and liabilities		
Trade receivables	(185.141)	(256.398)
Inventories	(623.676)	(645.283)
Taxes recoverable	(218.814)	(67.647)
Derivative financial instruments	(24.956)	(74.007)
Other assets	(324.173)	(284.919)
Trade payables	(50.293)	460.833
Salaries and social charges	(15.205)	11.172
Taxes payable	(239.123)	(126.881)
Payables to Copersucar	(13.476)	(9.438)
Provision for contingencies - settlement	(19.089)	(20.542)
Other liabilities	114.158	(3.169)
Cash from operations	1.890.615	2.398.505
Payment of interest on borrowings	(216.902)	(88.403)
Income tax and social contribution paid	(57.544)	(79.070)
Net cash provided by operating activities	1.616.169	2.231.032
CASH FLOW FROM INVESTING ACTIVITIES		
Investment of funds	(339)	(12.159)
Purchases of property, plant and equipment and intangible assets	(753.621)	(768.292)
Additions to biological assets (planting and crop treatments)	(1.017.990)	(861.503)
Financial investments	629.667	(74.786)
Proceeds from sale of property, plant and equipment	3.614	8.872
Dividends received	1.723	1.394
Net cash provided by investing activities	(1.136.946)	(1.706.474)
CASH FLOW FROM FINANCING ACTIVITIES		
Amortization of lease and partnership agreements	(450.992)	(449.047)
Proceeds from borrowings - third parties	677.200	1.951.678
Repayment of borrowings - third parties	(191.635)	(1.184.332)
Payment of dividends and Interest on Equity	(375.840)	(807.557)
Net cash provided by financing activities	(341.267)	(489.258)
Increase (decrease) in cash and cash equivalents	137.956	35.300
Cash and cash equivalents at the beginning of the period	114.903	288.350
Cash and cash equivalents at the end of the period	252.859	323.650
Additional information		
Balance of financial investments (current assets)	2.438.187	1.179.290
Total available funds	2.691.046	1.502.940



INVESTOR RELATIONS

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 **São Martinho**

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