

(A free translation of the original in Portuguese)

# Quarterly information (ITR)

at June 30, 2023 and independent auditor's  
report on review of quarterly information





(A free translation of the original in Portuguese)

## **Report on review of quarterly information**

To the Board of Directors and Stockholders  
São Martinho S.A.

### **Introduction**

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A. ("Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2023, comprising the balance sheet at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and explanatory notes.

Management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", of the Brazilian Accounting Pronouncements Committee (CPC), and International Accounting Standard (IAS) 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

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

### **Conclusion on the interim accounting information**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the quarterly information form referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information Form, and presented in accordance with the standards issued by the CVM.



São Martinho S.A.

### **Other matters**

#### **Statements of value added**

The parent company and consolidated quarterly information referred to above includes the parent company and consolidated statements of value added for the quarter ended June 30, 2023. These statements are the responsibility of the Company's management and are presented as supplementary information for the purposes of IAS 34. These statements have been submitted to the same review procedures carried out together with the review of the quarterly information, with the purpose of concluding whether they are reconciled with the interim accounting information and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added have not been prepared, in all material respects, in accordance with the criteria established in CPC 09 and in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, August 14, 2023

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers  
Auditores Independentes Ltda.  
CRC 2SP000160/O-5

Maurício Cardoso de Moraes  
Contador CRC 1PRO35795/O-1 "T" SP

## Contents

Balance sheet .....	2
Statement of income.....	3
Statement of comprehensive income .....	4
Statement of changes in equity .....	5
Statement of cash flows.....	6
Statement of value added.....	7
1. Operations.....	8
2. Summary of significant accounting policies.....	9
3. Significant accounting estimates and judgments.....	12
4. Cash and cash equivalents and financial investments .....	14
5. Trade receivables .....	14
6. Inventories and advances to suppliers .....	15
7. Biological assets .....	16
8. Taxes recoverable .....	17
9. Related parties .....	18
10. Investments.....	20
11. Property, plant and equipment .....	21
12. Intangible assets.....	24
13. Right-of-use assets, and lease and agricultural partnerships payable .....	25
14. Borrowings.....	29
15. Trade payables .....	31
16. Obligations and rights with Copersucar .....	31
17. Acquisition and disposal of ownership interest - payables and receivables.....	33
18. Equity.....	34
19. Profit sharing.....	37
20. Income tax and social contribution.....	37
21. Commitments .....	39
22. Provision for contingencies .....	40
23. Risk management and derivative financial instruments.....	44
24. Classification and fair value of financial instruments.....	51
25. Fair value .....	52
26. Segment information (Consolidated).....	54
27. Revenue .....	56
28. Costs and expenses by nature .....	57
29. Other income, net.....	57
30. Finance income (costs) .....	58
31. Earnings per share .....	58
32. Insurance coverage .....	59

## Balance sheet

At June 30 and March 31, 2023

All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	Note	Parent company		Consolidated		LIABILITIES AND EQUITY	Note	Parent company		Consolidated	
		June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023			June 30, 2023	March 31, 2023		
<b>CURRENT ASSETS</b>						<b>CURRENT LIABILITIES</b>					
Cash and cash equivalents	4	85,834	272,342	86,015	273,408	Borrowings	14	396,968	1,028,224	397,989	1,028,509
Financial investments	4	2,050,903	2,643,193	2,284,255	2,804,873	Leases payable	13	93,911	115,855	93,911	115,855
Trade receivables	5	293,183	259,493	325,020	274,904	Agricultural partnership payable	13	593,133	569,854	593,133	569,854
Derivative financial instruments	23	169,835	163,242	169,835	163,242	Derivative financial instruments	23	279,601	328,695	279,601	328,695
Inventories and advances to suppliers	6	1,242,987	687,944	1,236,913	694,118	Trade payables	15	545,957	294,679	538,328	281,311
Biological assets	7	1,414,213	1,160,568	1,414,213	1,160,568	Payables to Copersucar	16	13,739	13,539	13,739	13,539
Taxes recoverable	8	197,884	213,970	198,270	214,253	Salaries and social charges		265,240	193,597	267,187	195,162
Income tax and social contribution	20	123,451	93,631	123,483	93,880	Taxes payable		48,340	19,916	50,419	21,094
Other assets		40,278	6,530	42,008	8,229	Income tax and social contribution payable	20	-	-	8,902	8,490
<b>TOTAL CURRENT ASSETS</b>		<b>5,618,568</b>	<b>5,500,913</b>	<b>5,880,012</b>	<b>5,687,475</b>	Dividend payable	18	139,131	5,963	139,131	5,963
<b>NON-CURRENT ASSETS</b>						<b>NON-CURRENT LIABILITIES</b>					
Long-term receivables						Advances from customers		38,198	5,066	42,080	5,173
Financial investments	4	37,730	38,497	37,730	38,497	Acquisition of ownership interests	9 and 17	11,575	11,571	11,575	11,571
Inventories and advances to suppliers	6	228,544	224,678	228,544	224,678	Other liabilities		25,215	18,558	43,332	30,565
Derivative financial instruments	23	341,153	225,568	341,153	225,568	<b>TOTAL CURRENT LIABILITIES</b>		<b>2,451,008</b>	<b>2,605,517</b>	<b>2,479,327</b>	<b>2,615,781</b>
Taxes recoverable	8	239,469	228,308	241,832	230,676	<b>NON-CURRENT LIABILITIES</b>					
Income tax and social contribution	20	8,983	8,983	8,983	8,983	Borrowings	14	5,484,930	5,556,109	5,524,812	5,595,374
Judicial deposits	22	1,117,952	1,088,972	1,117,959	1,088,976	Leases payable	13	613,648	586,228	613,648	586,228
Trade receivables	5	-	-	37,948	40,692	Agricultural partnership payable	13	1,832,205	1,769,834	1,832,205	1,769,834
Other assets	9, 16 and 17	234,287	234,287	234,425	234,425	Derivative financial instruments	23	29,649	7,250	29,649	7,250
Total long-term receivables		2,208,118	2,049,293	2,248,574	2,092,495	Payables to Copersucar	16	163,437	162,986	163,437	162,986
Investments	10	1,772,790	1,720,098	49,596	47,798	Deferred income tax and social contribution	20	677,953	632,750	1,040,485	997,134
Property, plant and equipment	11	5,507,469	5,774,273	7,339,654	7,606,567	Provision for contingencies	22	111,174	110,706	112,034	111,541
Intangible assets	12	438,530	439,135	459,232	464,125	Taxes with suspended payment	16(b)	1,094,563	1,063,378	1,094,563	1,063,378
Right-of-use assets	13	2,993,916	2,925,325	2,993,916	2,925,325	Other liabilities		1,888	1,916	1,888	1,916
<b>TOTAL NON-CURRENT ASSETS</b>		<b>12,920,823</b>	<b>12,908,124</b>	<b>13,090,972</b>	<b>13,136,310</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>10,009,447</b>	<b>9,891,157</b>	<b>10,412,721</b>	<b>10,295,641</b>
<b>TOTAL ASSETS</b>		<b>18,539,391</b>	<b>18,409,037</b>	<b>18,970,984</b>	<b>18,823,785</b>	<b>EQUITY</b>	18				
						Share capital		3,161,384	3,161,384	3,161,384	3,161,384
						Treasury shares		(139,997)	(139,997)	(139,997)	(139,997)
						Carrying value adjustments		1,161,054	1,062,480	1,161,054	1,062,480
						Revenue reserves		1,848,563	1,828,496	1,848,563	1,828,496
						Retained earnings		47,932	-	47,932	-
						<b>TOTAL EQUITY</b>		<b>6,078,936</b>	<b>5,912,363</b>	<b>6,078,936</b>	<b>5,912,363</b>
						<b>TOTAL LIABILITIES AND EQUITY</b>		<b>18,539,391</b>	<b>18,409,037</b>	<b>18,970,984</b>	<b>18,823,785</b>

The accompanying notes are an integral part of this quarterly information

**Statement of income**  
**Periods ended June 30, 2023 and 2022**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue	27	1,298,240	1,655,272	1,342,587	1,697,459
Cost of goods sold	28	(842,297)	(1,128,846)	(831,598)	(1,116,397)
Gross profit		455,943	526,426	510,989	581,062
Operating income (expenses)					
Selling expenses	28	(42,870)	(43,315)	(46,327)	(46,171)
General and administrative expenses	28	(93,031)	(53,425)	(95,527)	(55,406)
Equity in the results of investees	10	52,683	50,143	1,789	1,169
Other revenue, net	29	9,249	34,258	9,566	35,166
		(73,969)	(12,339)	(130,499)	(65,242)
Operating profit		381,974	514,087	380,490	515,820
Finance income (costs)	30				
Finance income		85,939	74,082	93,677	83,404
Finance costs		(287,995)	(261,544)	(289,400)	(262,374)
Monetary and foreign exchange variations, net		(53,051)	(132,540)	(53,051)	(132,540)
Derivatives		87,956	12,705	87,956	12,705
		(167,151)	(307,297)	(160,818)	(298,805)
Profit before income tax and social contribution		214,823	206,790	219,672	217,015
Income tax and social contribution	20(c)				
Current		(1,536)	(10,803)	(6,761)	(21,387)
Deferred		6,981	25,592	7,357	25,951
Profit for the period		220,268	221,579	220,268	221,579
Basic and diluted earnings per share - R\$	31	0.6359	0.6397	0.6359	0.6397

The accompanying notes are an integral part of this quarterly information



# Statement of comprehensive income

## Periods ended June 30, 2023 and 2022

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Parent company and Consolidated	June 30, 2023	June 30, 2022
Profit for the period	220,268	221,579
Items that will be subsequently reclassified to profit or loss		
Changes in the year:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	(16,515)	5,733
Foreign exchange derivatives - Options / NDF	76,894	(116,944)
Foreign exchange gain (loss) on borrowings (Trade Finance)	82,030	36,399
	<u>142,409</u>	<u>(74,812)</u>
Recognition in operating income		
Commodity derivatives - Futures, options and forward contracts	45,749	32,491
Foreign exchange derivatives - Options / NDF	(41,625)	(27,360)
Foreign exchange gain (loss) on borrowings (Trade Finance)	6,572	5,321
	<u>10,696</u>	<u>10,452</u>
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	376	-
	<u>376</u>	<u>-</u>
Total changes in the year		
Commodity derivatives - Futures, options and forward contracts	29,610	38,224
Foreign exchange derivatives - Options / NDF	35,269	(144,304)
Foreign exchange gain (loss) on borrowings (Trade Finance)	88,602	41,720
Deferred taxes on the items above	(52,184)	21,882
	<u>101,297</u>	<u>(42,478)</u>
Total comprehensive income for the period	<u>321,565</u>	<u>179,101</u>

The accompanying notes are an integral part of this quarterly information



# Statements of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Carrying value adjustments											Retained earnings	Total
		Share capital	Treasury shares	Deemed cost		Hedge accounting	Others	Revenue reserves						
				Parent	Investees			Legal	Revaluation reserve	Unrealized profit reserve	Tax incentive reserve	Additional dividends		
<b>At March 31, 2022</b>		<b>2,681,571</b>	<b>(139,997)</b>	<b>106,799</b>	<b>1,183,641</b>	<b>(190,610)</b>	<b>644</b>	<b>262,776</b>	<b>1,030,260</b>	<b>21,989</b>	<b>229,887</b>	<b>131,465</b>	<b>-</b>	<b>5,318,425</b>
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(3,014)	41	-	-	-	-	-	-	-	2,973	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	(42,478)	-	-	-	-	-	-	-	(42,478)
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	39,897	-	(39,897)	-
Interest on capital paid	18 (e)	-	-	-	-	-	-	-	-	-	-	-	(115,000)	(115,000)
Carrying value adjustments of investees		-	-	-	-	-	63	-	-	-	-	-	-	63
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	221,579	221,579
<b>At June 30, 2022</b>		<b>2,681,571</b>	<b>(139,997)</b>	<b>103,785</b>	<b>1,183,682</b>	<b>(233,088)</b>	<b>707</b>	<b>262,776</b>	<b>1,030,260</b>	<b>21,989</b>	<b>269,784</b>	<b>131,465</b>	<b>69,655</b>	<b>5,382,589</b>
<b>At March 31, 2023</b>		<b>3,161,384</b>	<b>(139,997)</b>	<b>97,889</b>	<b>1,183,966</b>	<b>(220,113)</b>	<b>738</b>	<b>313,563</b>	<b>911,987</b>	<b>16,057</b>	<b>317,821</b>	<b>269,068</b>	<b>-</b>	<b>5,912,363</b>
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	(2,700)	(31)	-	-	-	-	-	-	-	2,731	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	101,297	-	-	-	-	-	-	-	101,297
Transfer to tax incentive reserve	18(d)	-	-	-	-	-	-	-	-	-	20,067	-	(20,067)	-
Interest on capital paid	18 (e)	-	-	-	-	-	-	-	-	-	-	-	(155,000)	(155,000)
Carrying value adjustments of investees		-	-	-	-	-	8	-	-	-	-	-	-	8
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	220,268	220,268
<b>At June 30, 2023</b>		<b>3,161,384</b>	<b>(139,997)</b>	<b>95,189</b>	<b>1,183,935</b>	<b>(118,816)</b>	<b>746</b>	<b>313,563</b>	<b>911,987</b>	<b>16,057</b>	<b>337,888</b>	<b>269,068</b>	<b>47,932</b>	<b>6,078,936</b>

The accompanying notes are an integral part of this quarterly information.

**Statement of cash flows**  
**Periods ended June 30, 2023 and 2022**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Cash flows from operating activities					
Profit for the period		220,268	221,579	220,268	221,579
Adjustments					
Depreciation and amortization	28	190,047	251,769	191,150	253,100
Biological assets harvested	28	226,149	259,819	226,149	259,819
Changes in the fair value of biological assets, agricultural produce, and CBOs	28	(145,136)	(7,355)	(145,136)	(7,355)
Amortization of electric power supply contracts		-	-	2,834	2,262
Equity in the results of investees	10	(52,683)	(50,143)	(1,789)	(1,169)
Gains (losses) on investments and PP&E written off	11	(1,616)	(948)	(1,616)	(948)
Interest, monetary and foreign exchange variations, net		119,875	252,611	114,803	246,379
Derivative financial instruments		(77,766)	9,176	(77,766)	9,176
Setup of provision for contingencies, net	22.1	9,883	9,158	9,883	9,215
Income tax and social contribution	20 b	(5,445)	(14,789)	(596)	(4,564)
Taxes with suspended payment		31,185	19,380	31,185	19,380
Adjustment to present value and other adjustments		87,701	64,923	88,987	65,311
		602,462	1,015,180	658,356	1,072,185
Changes in assets and liabilities					
Trade receivables		(43,189)	(193,382)	(58,009)	(212,522)
Inventories		(314,842)	(234,580)	(302,594)	(221,741)
Taxes recoverable		(12,010)	(69,564)	(11,855)	(69,971)
Derivative financial instruments		346	(18,792)	346	(18,792)
Other assets		(32,629)	(27,159)	(32,661)	(27,273)
Trade payables		297,269	166,619	303,007	165,596
Salaries and social charges		71,643	43,483	72,025	43,974
Taxes payable		4,881	(19,383)	4,555	(18,285)
Payables to Copersucar		(467)	(6,999)	(467)	(6,999)
Provision for contingencies - settlement	22.1	(13,276)	(5,183)	(13,276)	(5,183)
Other liabilities		39,760	(29,308)	49,645	(21,886)
Cash from operations		599,948	620,932	669,072	679,103
Payment of interest on borrowings and financing	14	(208,379)	(108,488)	(208,379)	(108,488)
Deferred income tax and social contribution		-	-	(3,599)	(5,472)
Net cash provided by operating activities		391,569	512,444	457,094	565,143
Cash flow from investing activities					
Investment of funds		257	(91)	257	(91)
Additions to property, plant and equipment and intangible assets	11 and 12	(140,358)	(257,228)	(141,372)	(268,765)
Additions to biological assets (planting and crop treatments)		(309,736)	(304,736)	(309,736)	(304,736)
Financial investments		659,967	310,485	594,571	268,553
Proceeds from sale of property, plant and equipment	11	3,004	2,443	3,004	2,443
Net cash provided by (used in) investing activities		213,134	(249,127)	146,724	(302,596)
Cash flows from financing activities					
Payments of lease agreements and partnerships	13	(155,192)	(164,620)	(155,192)	(164,620)
Proceeds from borrowings – third parties	14	-	70,000	-	70,000
Repayment of borrowings - third parties	14	(636,019)	(108,608)	(636,019)	(107,743)
Net cash used in financing activities		(791,211)	(203,228)	(791,211)	(202,363)
Net increase (decrease) in cash and cash equivalents		(186,508)	60,089	(187,393)	60,184
Cash and cash equivalents at the beginning of the period	4	272,342	114,874	273,408	114,903
Cash and cash equivalents at the end of the period	4	85,834	174,963	86,015	175,087
<b>Additional information</b>					
Balance of financial investments (current assets)	4	2,050,903	2,412,960	2,284,255	2,654,310
Total available funds	4	2,136,737	2,587,923	2,370,270	2,829,397

The accompanying notes are an integral part of this quarterly information.

**Statement of value added**  
**Periods ended June 30, 2023 and 2022**  
**All amounts in thousands of reais**

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue				
Gross sales of goods and products	1,329,441	1,758,967	1,376,534	1,805,288
Revenue from construction of own assets	328,564	301,559	328,570	301,559
Other income	4,200	2,998	4,200	2,998
	<u>1,662,205</u>	<u>2,063,524</u>	<u>1,709,304</u>	<u>2,109,845</u>
Inputs acquired from third parties				
Cost of products and goods sold	(456,625)	(448,220)	(436,357)	(424,926)
Material, electricity, third-party services, and other operating expens	287,666	(375,478)	274,207	(392,011)
	<u>(168,959)</u>	<u>(823,698)</u>	<u>(162,150)</u>	<u>(816,937)</u>
Gross value added	1,493,246	1,239,826	1,547,154	1,292,908
Depreciation and amortization	(190,047)	(251,769)	(191,150)	(253,100)
Biological assets harvested	(226,149)	(259,819)	(226,149)	(259,819)
Net value added generated by the entity	1,077,050	728,238	1,129,855	779,989
Value added received in transfer				
Equity in the results of investees	52,683	50,143	1,789	1,169
Finance income	304,348	237,711	312,091	247,156
Others	6,322	31,980	6,637	32,886
Total value added to be distributed	<u>1,440,403</u>	<u>1,048,072</u>	<u>1,450,372</u>	<u>1,061,200</u>
Distribution of value added				
Personnel and payroll charges				
Direct compensation	500,998	158,922	501,467	159,267
Benefits	152,099	57,585	152,445	57,874
Government Severance Indemnity Fund for Employees (FGTS)	41,312	14,820	41,346	14,861
Management compensation	23,418	(4,860)	23,775	(4,541)
Taxes, charges and contributions				
Federal	22,222	33,452	29,388	44,424
State	8,084	19,280	8,102	19,327
Municipal	513	775	669	946
Financing entities				
Interest	282,577	255,694	283,935	256,559
Rentals	2,382	1,252	2,392	1,256
Foreign exchange variations	125,450	233,283	125,450	233,328
Others	61,080	56,290	61,135	56,320
Retained earnings in the year	220,268	221,579	220,268	221,579
Value added distributed	<u>1,440,403</u>	<u>1,048,072</u>	<u>1,450,372</u>	<u>1,061,200</u>

The accompanying notes are an integral part of this quarterly information.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 1. Operations

São Martinho S.A. ("the Company" or "the Parent Company") is a listed corporation headquartered in Pradópolis, State of São Paulo. The Company and its subsidiaries (together referred to as "São Martinho") are primarily engaged in the cultivation of sugarcane, and production and sale of sugar, ethanol, and other sugarcane byproducts; co-generation of electric power; development of real estate ventures; agricultural production; import and export of goods, products, and raw materials, and investment in other companies.

Approximately 70% of the sugarcane used in the manufacture of products comes from plantations on land owned by the Company, its stockholders, related companies, or agricultural partnerships. The remaining 30% is supplied by third parties. The sugar-ethanol sector is subject to seasonal trends based on the sugarcane growth cycle in the Center-South region of Brazil, which typically begins in April and ends in December, resulting in fluctuations in the Company's inventories. Raw material supplies may also be affected by adverse climate conditions. A sugarcane crop takes up to 18 months to mature, and harvest runs, in general, from April to December, which is also the period when sugar and ethanol are produced, and electric power is co-generated.

In March 2023, the corn ethanol plant started operations at Usina Boa Vista, with a capacity to process 495,000 metric tons of corn, 200,000 cubic meters of ethanol per harvest, in addition to the production of DDGS and corn oil.

São Martinho is a subsidiary of the holding company LJM Participações S.A. ("LJM"), which owns 53.74% interest in the Company's voting capital.

The issue of this quarterly information was authorized by the Board of Directors on August 14, 2023.

#### **Armed conflict between Russia and Ukraine**

The conflict between Russia and Ukraine has affected the global economy, including the sugar-energy sector, threatening supply disruptions and affecting the price of inputs, mainly fertilizers, oil, and other commodities.

The Company is monitoring these events and adopting measures to optimize its resources, protect revenues, and ensure the availability of inputs for its production processes.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### Climate risk management

In common with others in the agribusiness sector and rural producers, São Martinho is subject to climate risks, including from prolonged droughts, frost and fire. These risks are constantly monitored and mitigating measures are taken to minimize their impact.

## 2. Summary of significant accounting policies

### 2.1 Statement of compliance and basis of preparation

The parent company and consolidated interim accounting information was prepared in accordance with the Technical pronouncement CPC 21 (R1) - Interim Financial Reporting, issued by the Brazilian Accounting Pronouncements Committee (CPC), and the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR). The parent company and consolidated quarterly information complies with both IFRS and accounting practices adopted in Brazil (BRGAAP).

This quarterly information has been prepared under the historical cost convention, as modified to reflect the deemed cost of property, plant and equipment at transition to IFRS/CPC, and certain derivative financial instruments and biological assets measured at fair value. Disclosures are limited to all information of significance to the financial statements, being consistent with that used by management in the performance of its duties.

The relevant accounting practices adopted by the Company are described in specific notes related to the items presented, and those affecting various aspects of the interim accounting information are described below.

The Company recognizes the dividends received from its subsidiaries as cash flows from investing activities, since it considers these dividends as returns on the investments made.

### 2.2 Basis of consolidation and investments in subsidiaries

Subsidiaries are all entities over which the Company has control. They are fully consolidated from the date on which control is transferred to the Company, and are deconsolidated from the date that control ceases.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

The consolidated balances reflect the equity interest in the following wholly-owned companies:

Company	Core activity
São Martinho Terras Agrícolas S.A. ("SM Terras Agrícolas")	Exploitation of land through agricultural lease and partnership, rental and sale of real estate.
São Martinho Terras Imobiliárias S.A. ("SM Terras Imobiliárias") (i)	Sale and purchase of real estate, development and exploitation of real estate and mining enterprises.
Bioenergética São Martinho S.A. ("Bio SM")	Co-generation of electric power
Bioenergética Santa Cruz S.A. ("Bio SC")	Co-generation of electric power
Bioenergética Boa Vista S.A. ("Bio BV")	Co-generation of electric power
Bioenergia São Martinho ("Bioenergia SM")	Co-generation of electric power
São Martinho Logística e Participações S.A. ("SM Logística")	General product storage
São Martinho Inova S.A. ("SM Inova")	Investment in companies.

(i) SM Terras Imobiliárias and its subsidiaries, established as Special-Purpose Entities (SPEs), and engaged in real estate development activities.

### 2.3 Functional and presentation currency

This quarterly information is presented in Brazilian Real/Reais (R\$), which is the currency of the primary economic environment in which the Company operates ("the functional currency"). All financial information presented in Brazilian Reais has been rounded off to the nearest thousand, unless otherwise stated.

### 2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency are recognized in the statement of income, except when deferred in equity as qualifying cash flow hedges.

### 2.5 Financial instruments

The Company adopts IFRS 9 (CPC 48) Financial Instruments (except for items related to hedge accounting), and classifies its financial assets as: measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

Impairment of financial instruments is calculated based on a prospective model hybrid of expected and incurred losses, which requires relevant judgment as how changes in economic factors affect the expected credit losses. The corresponding provisions are determined for: (i) 12-month expected credit losses, (ii) lifetime expected credit losses, i.e. credit losses that result from all possible default events over the expected life of a financial instrument and (iii) credit losses incurred due to failure to fulfill the contractual obligations.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

As permitted by IFRS 9, the Company applies IAS 39/CPC 38 for hedge accounting.

### a) **Financial assets**

Financial assets are classified as: (i) measured at amortized cost; (ii) measured at fair value through other comprehensive income, and (iii) measured at fair value through profit or loss. The measurement of financial assets depends on their classification.

### b) **Financial liabilities**

The Company's financial liabilities include trade payables, borrowings, leases, agricultural partnerships, payables to related parties, and other payables, which are measured at amortized cost. After initial recognition, borrowings are measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the statement of income when the liabilities are derecognized, and amortization, under the effective interest rate method.

### c) **Derivative financial instruments**

Derivatives are measured at fair value, with gains and losses recognized in the statement of income, unless the derivative has been designated as a hedging instrument and qualifies for hedge accounting.

At the inception of the transaction, the Company documents the relationship between the hedging instruments and hedged items, for the purpose of managing the risk and the strategy for undertaking hedging transactions.

The effective portion of changes in the fair value of derivatives designated as cash flow hedges is classified as "carrying value adjustment" in equity. The ineffective portion is recorded as "finance income (costs)" in the statement of income. The amounts accumulated in equity are reclassified to the statement of income for the year when the hedged item affects profit or loss, and the related effects are recognized as "net sales revenue" to minimize changes in the hedged item.

## 2.6 **Business combinations and goodwill**

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is evaluated based on the acquisition-date fair value.

Goodwill is initially measured at cost for the amount that exceeds: (a) the consideration transferred in exchange for the acquiree's control; (b) the amount of any non-controlling interest in the acquiree; and (c) the fair value of the interest previously held by the acquirer in the acquiree (if any) that exceeds the net amount of identifiable assets acquired and liabilities assumed, measured at fair value on the acquisition date. If after remeasurement, the Company's interest in the fair value of net identifiable assets acquired exceeds (a), (b) and (c) above, the excess amount

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

is immediately recognized in the statement of income as gain arising from a bargain purchase.

Goodwill corresponding to consolidated entities is recorded within "intangible assets" in the parent company and consolidated balance sheet.

In each business combination, any non-controlling interest in the acquired entity is measured at the fair value of this ownership, or proportionally to the fair value of the identifiable net assets acquired.

### **Acquisition costs incurred accounted for as expenses**

When acquiring a business, the Company assesses the financial assets acquired and liabilities assumed so as to correctly classify and designate them in accordance with the contractual terms, economic circumstances, and relevant conditions on the acquisition date. This procedure includes the segregation, by the acquiree, of embedded derivatives existing in host contracts.

For business combinations carried out in steps, the acquisition-date carrying amount of the ownership interest previously held by the acquirer in the acquiree is remeasured at fair value through profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For purposes of impairment testing, goodwill acquired in a business combination is allocated as from the acquisition date to each of the Company's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are attributed to these units.

### **3. Significant accounting estimates and judgments**

Accounting estimates and judgments are continually assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### **a) Impairment losses**

Goodwill is tested for impairment annually. The recoverable amounts of cash-generating units were determined based on value-in-use calculations, which require the use of estimates and budget projections approved by management (Note 12).

### **b) Fair value of biological assets**

This represents the present value of the expected net cash flows from biological assets, which is calculated through the use of discounted cash flow assumptions (Note 7).

### **c) Income tax, social contribution and other taxes**

The Company recognizes provisions when it is probable that additional taxes will be due. When the final outcome of tax matters differs from the amounts initially estimated and recorded, such differences will affect current and deferred tax assets and liabilities in the year in which the ultimate amount is determined.

### **d) Fair value of derivatives and other financial instruments**

The fair value of financial instruments that are not traded in an active market is determined through valuation techniques, which include the discounted cash flow model. The assumptions underlying these valuation techniques are based primarily on market conditions existing at the balance sheet date, if available. Where this is not feasible, a certain level of judgment is required to determine fair value with respect to data such as liquidity, credit risk, and volatility.

### **e) Provision for contingencies**

São Martinho is a party to labor, civil and tax proceedings at different court levels. Provisions for contingencies to cover probable risks of losses arising from unfavorable outcome of ongoing lawsuits are determined and adjusted based on management's assessment, under the advice of legal consultants, which requires a high degree of judgment.

### **f) Incremental borrowing rate on leases and agricultural partnerships**

Right-of-use assets, lease liabilities, and agricultural partnerships are measured at present value based on cash flows discounted using the incremental borrowing rates. This weighted average borrowing rate involves estimation, since it is the rate that the lessee would have to pay on a borrowing to raise the funds required to obtain an asset of similar value in a similar economic environment, and under equivalent terms and conditions, also considering the lessee's credit risk, the term of the agreement, and the collateral offered.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 4. Cash and cash equivalents and financial investments

Cash and cash equivalents comprise cash on hand, bank deposits, and highly liquid short-term investments with original maturities of three months or less, which are readily convertible into known amounts of cash, and are subject to immaterial risk of change in value.

	Parent company			Consolidated		
	Annual yield	June 30, 2023	March 31, 2023	Annual yield	June 30, 2023	March 31, 2023
Cash and banks in Brazil		2,768	1,520		2,949	2,586
Cash and banks abroad (US Dollar)	3.0%	83,066	21,454	3.0%	83,066	21,454
Financial investments						
. Investments in foreign currency (i)	4.4%	-	249,368	4.4%	-	249,368
<b>Total cash and cash equivalents</b>		<b>85,834</b>	<b>272,342</b>		<b>86,015</b>	<b>273,408</b>
Financial investments						
. Investment fund	101.1% of CDI	1,796,993	2,404,356	101.2% of CDI	2,030,088	2,566,036
. Bank Deposit Certificate (CDB)	103.3% of CDI	253,910	238,837	103.2% of CDI	254,167	238,837
. Other (ii)	96.2% of CDI	37,730	38,497	96.2% of CDI	37,730	38,497
<b>Total financial investments</b>		<b>2,088,633</b>	<b>2,681,690</b>		<b>2,321,985</b>	<b>2,843,370</b>
<b>Total cash and cash equivalents and financial investments</b>		<b>2,174,467</b>	<b>2,954,032</b>		<b>2,408,000</b>	<b>3,116,778</b>
<b>In non-current assets</b>		<b>37,730</b>	<b>38,497</b>		<b>37,730</b>	<b>38,497</b>
<b>Total available funds</b>		<b>2,136,737</b>	<b>2,915,535</b>		<b>2,370,270</b>	<b>3,078,281</b>

(i) Time Deposits (TD).

(ii) Resources pledged as collateral for borrowings obtained with BNDES and brokers, with redemption restriction until the maturity of the contracts.

### 5. Trade receivables

Trade receivables are initially stated at present value, less provision for impairment, where applicable.

The balance of trade receivables is as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Domestic market customers	106,575	92,808	177,077	149,628
Foreign market customers	186,634	166,711	186,634	166,711
(-) Expected credit losses	(26)	(26)	(743)	(743)
	293,183	259,493	362,968	315,596
<b>Current assets</b>	<b>(293,183)</b>	<b>(259,493)</b>	<b>(325,020)</b>	<b>(274,904)</b>
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>37,948</b>	<b>40,692</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

The aging list of trade receivables is as follows:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Falling due:	291,915	259,458	361,155	315,177
Overdue and not provided for:				
For 30 days	-	1	-	92
Over 30 days	1,268	34	1,813	327
	<b>293,183</b>	<b>259,493</b>	<b>362,968</b>	<b>315,596</b>

Includes amounts from related parties of R\$ 12,268 and R\$ 454 in the Parent company and Consolidated, respectively (R\$ 1,987 and R\$ 397, respectively, on March 31, 2023) (Note 9).

## 6. Inventories and advances to suppliers

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Current				
Finished products and work-in-process	693,464	98,396	681,249	98,396
Raw material – Corn (i)	168,575	251,944	168,575	251,944
Raw - material – Soybean	1,295	1,558	1,295	1,558
Advances - purchases of sugarcane	88,808	45,235	88,808	45,235
Advances - purchases of inputs and finished products	98,906	76,593	98,906	76,593
RenovaBio - CBIOS (ii)	10,774	4,209	10,774	4,209
Land subdivisions	-	-	6,142	6,174
Inputs, maintenance materials and other	181,165	210,009	181,164	210,009
	<b>1,242,987</b>	<b>687,944</b>	<b>1,236,913</b>	<b>694,118</b>
Non-current				
Advances - purchases of sugarcane	228,544	224,678	228,544	224,678
	<b>228,544</b>	<b>224,678</b>	<b>228,544</b>	<b>224,678</b>
	<b>1,471,531</b>	<b>912,622</b>	<b>1,465,457</b>	<b>918,796</b>

Inventories are carried at average acquisition or production cost, adjusted, where necessary, by a provision for impairment. Inventories of land (land subdivisions) relate to real estate developments and are stated at acquisition cost, increased by the surplus on revaluation of the deemed cost.

- (i) Relates to the raw material acquired for the production at the corn ethanol plant, which started in March 2023 (Note 1).
- (ii) On June 30, 2023, the Company had 126,000 registered decarbonization credits (Cbios) carried at fair value (60,000 Cbios on March 31, 2023).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 7. Biological assets

Biological assets are agricultural products under cultivation (standing sugarcane) from bearer plants, which will be used as raw material in the manufacture of sugar and ethanol at the time of harvest. These assets are carried at fair value less costs to sell.

The measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities, as there is little market activity, or prices or valuation techniques to support inputs in a thin, nonexistent, or illiquid market (non-observable inputs).

The fair value of biological assets was determined based on the discounted cash flow method, considering basically:

- a) Cash inflows obtained by multiplying the: *i)* estimated production measured in kilograms of Total Recoverable Sugar (TRS) by *ii)* sugarcane futures market price, which is projected based on publicly-available data and price estimates of sugar and ethanol; and
- b) Cash outflows represented by the estimated *(i)* costs necessary for the biological transformation of sugarcane (crop treatments) up to the harvest; *(ii)* harvesting/cutting, loading, and transportation costs; *(iii)* capital costs (land and machinery and equipment); *(iv)* costs of leases and agricultural partnerships; and *(v)* taxes levied on positive cash flows.

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

Parent Company and Consolidated	June 30, 2023	March 31, 2023
Estimated total harvested area (ha)	246,320	244,695
Amount of TRS per hectare	11.46	11.45
Projected average price of TRS (in R\$)	1.27	1.11

In this quarterly information, the discount rate of 11.7% p.a. was used to calculate the fair value of biological assets. (12.1% p.a. on March 31, 2023).

Based on estimates of revenue and costs, the Company determines the discounted cash flows to be generated, adjusting them to present value through the use of a discount rate compatible with the return on investment in the circumstances. Changes in the fair value are recorded within "biological assets", with a corresponding entry to the sub-account "changes in the fair value of biological assets", within "cost of goods sold" in the statement of income.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Changes in the fair value of biological assets for the period were as follows:

Parent Company and Consolidated	June 30, 2023	June 30, 2022
Historical cost	1,351,751	1,263,787
Fair value	(191,183)	(44,506)
<b>Biological assets - opening balance:</b>	<b>1,160,568</b>	<b>1,219,281</b>
Increases arising from crop treatments	181,575	205,010
Transfer from property, plant and equipment	308,087	24,794
Changes in fair value	149,018	8,165
Decreases resulting from harvest	(385,035)	(334,147)
<b>Biological assets - closing balance:</b>	<b>1,414,213</b>	<b>1,123,103</b>
Comprised of:		
Historical cost	1,456,378	1,159,444
Fair value	(42,165)	(36,341)
<b>Biological assets - closing balance:</b>	<b>1,414,213</b>	<b>1,123,103</b>

Sugarcane cultivation is exposed to the risk of climate changes, pests and diseases, forest fires, and other forces of nature, which may impact, either by increasing or reducing, future harvest results.

### Fair value sensitivity analysis

For purposes of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets on June 30, 2023, considering an increase/decrease in the following variables: (i) price of the sugarcane metric ton; and (ii) sugarcane production volume. The other variables were held constant. Accordingly, a 5% increase or decrease in the price of sugarcane metric ton would result in an increase or decrease of R\$ 114,036. For production volumes, the same 5% variation (up or down) would result in an increase or decrease of R\$ 113.463.

## 8. Taxes recoverable

Balances of taxes recoverable:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Current				
PIS and COFINS	121,573	139,922	121,573	139,963
ICMS	71,641	69,950	72,027	69,969
Tax Refund Program for Exporters (Reintegra)	1,128	2,782	1,128	2,782
Others	3,542	1,316	3,542	1,539
	<b>197,884</b>	<b>213,970</b>	<b>198,270</b>	<b>214,253</b>
Non-current				
PIS and COFINS	123,678	116,394	123,678	116,394
ICMS	98,248	94,783	100,611	97,151
Tax on Financial Transactions (IOF) on derivatives	9,857	9,701	9,857	9,701
INSS	7,686	7,430	7,686	7,430
	<b>239,469</b>	<b>228,308</b>	<b>241,832</b>	<b>230,676</b>
	<b>437,353</b>	<b>442,278</b>	<b>440,102</b>	<b>444,929</b>

The balances of taxes recoverable arise from commercial transactions and tax prepayments.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 9. Related parties

#### a) Parent company and consolidated balances:

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Current assets				
Trade receivables (i)				
Bio BV	2,792	1,188	-	-
Bio SM	2,509	303	-	-
Bio SC	426	16	-	-
SM Terras Imobiliárias	6,011	27	-	-
SM Terras Agrícolas	12	12	-	-
Others	518	441	454	397
	<b>12,268</b>	<b>1,987</b>	<b>454</b>	<b>397</b>
Non-current assets				
Other assets				
Luiz Ometto Participações S.A. (Note 17)	19,590	19,590	19,590	19,590
	<b>19,590</b>	<b>19,590</b>	<b>19,590</b>	<b>19,590</b>
Current liabilities				
Trade payables				
SM Terras Agrícolas	11,849	16,316	-	-
SM Terras Imobiliárias	-	1,782	-	-
Bio SM	3,927	-	-	-
Bio SC	223	140	-	-
CTC - Centro de Tecnologia Canavieira S.A.	865	210	865	210
Others	10	15	10	15
	<b>16,874</b>	<b>18,463</b>	<b>875</b>	<b>225</b>
Acquisition of ownership interest				
Luiz Ometto Participações S.A. (Note 17)	11,575	11,571	11,575	11,571
	<b>11,575</b>	<b>11,571</b>	<b>11,575</b>	<b>11,571</b>
Current and non-current liabilities:				
Leases and agricultural partnerships payable from stockholders and related parties				
	625,893	612,986	517,013	508,779

(i) These relate substantially to the apportionment of expenses with the Shared Services Center and sale of steam.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### b) Significant parent company and consolidated transactions in the period:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Sales revenue				
Bio BV	2,578	2,988	-	-
Bio SM	2,453	2,535	-	-
Bio SC	762	2,228	-	-
	<b>5,793</b>	<b>7,751</b>	-	-
Reimbursed expenses / Lease revenue (purchase of products and services)				
SM Terras Agrícolas	(19,420)	(21,018)	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(1,645)	(841)	(1,294)	(467)
SM Terras Imobiliárias	(7,119)	(7,256)	-	-
Bio SC	(117)	(334)	-	-
Bio BV	135	23	-	-
Bio SM	20	12	-	-
	<b>(28,146)</b>	<b>(29,414)</b>	<b>(1,294)</b>	<b>(467)</b>
Stockholders and related parties				
Sugarcane purchases / land leases / agricultural partnership and land lease/ reimbursed expenses				
Agro Pecuária Boa Vista S/A	(14,062)	(15,342)	(14,062)	(15,342)
Others	(8,163)	(2,628)	(8,255)	(2,714)
	<b>(22,225)</b>	<b>(17,970)</b>	<b>(22,317)</b>	<b>(18,056)</b>

Sales revenue relates to sale of steam. Purchases of products and services relate to purchase of sugarcane, electric power, steam production service, and royalties. Expenses reimbursed by subsidiaries or related parties refer to the apportionment of administrative service costs, calculated based on agreements among the parties.

### c) Management compensation:

The compensation paid or payable for management's services is shown below:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Fixed and variable compensation, and benefits	9,418	8,248	10,001	8,783
Social security contributions	1,854	1,575	1,958	1,671
<b>Total compensation and charges</b>	<b>11,272</b>	<b>9,823</b>	<b>11,959</b>	<b>10,454</b>

São Martinho offers its executive officers and managers a virtual stock option plan, which provides for cash settlement of the positive difference between the market value on the day before the exercise and the price set in each program.

The carrying amount of the liability relating to the new fair value calculation of the Virtual Option Plan is R\$ 28,569 (R\$ 12,556 on March 31, 2023).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

The balances of virtual stock options issued and their changes during the current period are shown below:

Plan	8th Plan	9th Plan	10th Plan	11th Plan	12th Plan	13th Plan	14th Plan	Total
Plan issue date	12/12/2016	05/02/2018	12/10/2018	12/09/2019	12/14/2020	12/13/2021	12/12/2022	
Deadline for exercise	2023	2024	2025	2026	2027	2028	2029	
Number of virtual options granted	727,273	882,074	1,133,513	1,072,712	754,980	563,175	1,463,211	6,596,938
Number of virtual options exercised/cancelled	(712,063)	(848,100)	(767,155)	(374,733)	(64,391)	(24,896)	(56,325)	(2,847,663)
<b>Number of virtual options to be exercised</b>	<b>15,210</b>	<b>33,974</b>	<b>366,358</b>	<b>697,979</b>	<b>690,589</b>	<b>538,279</b>	<b>1,406,886</b>	<b>3,749,275</b>
Exercise price (R\$)	17.70	17.76	19.07	19.38	24.22	37.17	27.44	

The plan's virtual options may be exercised after their respective grace periods, as follows: 1/3 after the second year of the grant, 1/3 after the third year of the grant, and 1/3 after the fourth year of the grant, always in compliance with each plan's deadline. The limit approved at the Annual General Meeting relates to the virtual options to be granted in that year.

## 10. Investments

The parent company and consolidated balance of investments in other companies is as follows:

Company	Ownership interest %	Parent company					
		Equity		Book value of investment		Equity in the results of investees	
		June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
<b>Classified as Investments</b>							
SM Terras Agrícolas	100.00%	859,669	839,802	850,494	839,802	10,692	12,092
SM Terras Imobiliárias	100.00%	698,189	686,649	695,873	686,996	8,876	5,466
Bio SC	100.00%	64,137	47,593	72,407	58,726	13,681	10,132
SM Inova	100.00%	43,840	42,361	43,840	42,361	11,717	1,183
Bio BV	100.00%	44,160	32,123	44,160	32,123	1,791	14,156
Bioenergia SM	100.00%	34,673	31,189	34,673	31,189	6,867	(262)
Bio SM	100.00%	30,222	27,805	30,222	27,805	(967)	7,356
SM Logística	100.00%	1,122	1,097	1,121	1,096	26	20
<b>Total classified as Investments</b>		<b>1,776,012</b>	<b>1,708,619</b>	<b>1,772,790</b>	<b>1,720,098</b>	<b>52,683</b>	<b>50,143</b>

Company	Ownership interest %	Consolidated					
		Equity		Book value of investment		Equity in the results of investees	
		June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023	June 30, 2023	June 30, 2022
<b>Classified as Investments</b>							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	895,806	862,600	48,503	46,705	1,789	1,169
Others		-	-	1,093	1,093	-	-
<b>Total classified as Investments</b>		<b>895,806</b>	<b>862,600</b>	<b>49,596</b>	<b>47,798</b>	<b>1,789</b>	<b>1,169</b>

(i) Pursuant to item 16 of CPC 18 (R2), the interest held by the Company in CTC is accounted for under the equity method, since the Company has significant influence over the investee.

There are no cross-holdings between the parent company and the investees.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Changes in investments during the period were as follows:

Changes in investments	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
<b>Balance at the beginning of the period</b>	<b>1,720,098</b>	<b>1,751,559</b>	<b>47,798</b>	<b>45,565</b>
Equity in the results of investees	52,683	50,143	1,789	1,169
Dividends distributed	-	-	-	(1,723)
Other effects of investments	9	63	9	63
<b>Balance at the end of the period</b>	<b>1,772,790</b>	<b>1,801,765</b>	<b>49,596</b>	<b>45,074</b>

### 11. Property, plant and equipment

The assets' net book values and useful lives, as well as the depreciation methods, are reviewed at year-end, and adjusted prospectively, where applicable. Depreciation is calculated using the straight-line method; for production equipment, the accelerated depreciation method is applied, taking into consideration the crushing season.

Maintenance costs that extend the useful lives of property, plant and equipment items are capitalized and items that replace others that suffer wear and tear during the crop period are recorded as assets, and depreciated during the subsequent crop season. Maintenance costs that do not affect the useful lives of the assets are recognized as expenses when incurred. Replaced items are written off.

Sugarcane plantations correspond to the bearer plants for growing sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years from the first harvest. The costs of charges on borrowings taken to finance the construction of property, plant and equipment are capitalized during the period required to construct and prepare the asset for its intended use.



## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent company	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
<b>At March 31, 2022</b>	<b>96,046</b>	<b>418,728</b>	<b>1,364,798</b>	<b>335,601</b>	<b>452,155</b>	<b>1,521,169</b>	<b>724,727</b>	<b>43,411</b>	<b>4,956,635</b>
Acquisitions	-	-	902	10,405	10,642	100,869	203,867	1,162	327,847
Intercrop maintenance (i)	-	-	8,280	2,971	4,585	-	-	-	15,836
Transfer of PP&E/biological assets	-	-	-	-	-	(24,794)	-	-	(24,794)
Cost of sale	-	-	(13)	(155)	(1,326)	-	-	(1)	(1,495)
Transfer between groups	-	-	15	20	(1,640)	1,640	(47)	12	-
Depreciation	-	(3,999)	(103,357)	(34,810)	(55,137)	-	-	(2,893)	(200,196)
<b>At June 30, 2022</b>	<b>96,046</b>	<b>414,729</b>	<b>1,270,625</b>	<b>314,032</b>	<b>409,279</b>	<b>1,598,884</b>	<b>928,547</b>	<b>41,691</b>	<b>5,073,833</b>
Total cost	96,046	545,593	2,223,270	548,965	843,973	1,598,884	928,547	193,386	6,978,664
Accumulated depreciation	-	(130,864)	(952,320)	(235,061)	(434,891)	-	-	(151,695)	(1,904,831)
<b>Net book value</b>	<b>96,046</b>	<b>414,729</b>	<b>1,270,950</b>	<b>313,904</b>	<b>409,082</b>	<b>1,598,884</b>	<b>928,547</b>	<b>41,691</b>	<b>5,073,833</b>
<b>At March 31, 2023</b>	<b>96,046</b>	<b>549,447</b>	<b>1,869,358</b>	<b>361,580</b>	<b>421,743</b>	<b>1,835,266</b>	<b>605,699</b>	<b>35,134</b>	<b>5,774,273</b>
Acquisitions	-	3,101	1,527	-	12,973	129,275	67,691	183	214,750
Intercrop maintenance (i)	-	-	12,210	3,994	5,524	-	-	-	21,728
Transfer of PP&E/biological assets	-	-	-	-	-	(308,087)	-	-	(308,087)
Cost of sale	-	-	(46)	(555)	(787)	-	-	-	(1,388)
Transfer between groups	-	11,671	(9,119)	-	(4,883)	4,883	(3,463)	911	-
Depreciation	-	(4,554)	(107,163)	(34,753)	(44,879)	-	-	(2,458)	(193,807)
<b>At June 30, 2023</b>	<b>96,046</b>	<b>559,665</b>	<b>1,766,767</b>	<b>330,266</b>	<b>389,691</b>	<b>1,661,337</b>	<b>669,927</b>	<b>33,770</b>	<b>5,507,469</b>
Total cost	96,046	705,718	2,812,661	591,959	847,662	1,661,337	669,927	194,856	7,580,166
Accumulated depreciation	-	(146,053)	(1,045,894)	(261,693)	(457,971)	-	-	(161,086)	(2,072,697)
<b>Net book value</b>	<b>96,046</b>	<b>559,665</b>	<b>1,766,767</b>	<b>330,266</b>	<b>389,691</b>	<b>1,661,337</b>	<b>669,927</b>	<b>33,770</b>	<b>5,507,469</b>
Residual value:									
Historical cost	24,759	502,325	1,610,619	316,138	377,031	1,661,337	669,927	33,770	5,195,906
Surplus on revaluation	71,287	57,340	156,148	14,128	12,660	-	-	-	311,563
Annual average depreciation rates/ Transfer of biological assets	-	3%	4%	7%	8%	14%	-	13%	

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and facilities	Manufacturing equipment and facilities	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
<b>At March 31, 2022</b>	<b>1,816,933</b>	<b>419,701</b>	<b>1,429,721</b>	<b>335,599</b>	<b>452,156</b>	<b>1,521,168</b>	<b>752,518</b>	<b>43,413</b>	<b>6,771,209</b>
Acquisitions	-	-	902	10,405	10,642	100,869	215,372	1,162	339,352
Intercrop maintenance (i)	-	-	8,417	2,971	4,585	-	-	-	15,973
Cost of sale	-	-	(13)	(155)	(1,326)	-	-	(1)	(1,495)
Transfer of biological assets	-	-	-	-	-	(24,794)	-	-	(24,794)
Transfer between groups	-	-	15	20	(1,640)	1,640	(47)	12	-
Depreciation	-	(4,016)	(104,764)	(34,810)	(55,138)	-	-	(2,892)	(201,620)
<b>At June 30, 2022</b>	<b>1,816,933</b>	<b>415,685</b>	<b>1,334,278</b>	<b>314,030</b>	<b>409,279</b>	<b>1,598,883</b>	<b>967,843</b>	<b>41,694</b>	<b>6,898,625</b>
Total cost	1,816,933	548,648	2,325,445	548,965	843,974	1,598,883	967,843	193,399	8,844,090
Accumulated depreciation	-	(132,963)	(990,843)	(235,062)	(434,892)	-	-	(151,705)	(1,945,465)
<b>Net book value</b>	<b>1,816,933</b>	<b>415,685</b>	<b>1,334,602</b>	<b>313,903</b>	<b>409,082</b>	<b>1,598,883</b>	<b>967,843</b>	<b>41,694</b>	<b>6,898,625</b>
<b>At March 31, 2023</b>	<b>1,816,755</b>	<b>550,378</b>	<b>1,931,129</b>	<b>361,579</b>	<b>421,743</b>	<b>1,835,265</b>	<b>654,580</b>	<b>35,138</b>	<b>7,606,567</b>
Acquisitions	-	3,101	1,549	-	12,973	129,275	68,680	183	215,761
Intercrop maintenance (i)	-	-	12,210	3,994	5,524	-	-	-	21,728
Cost of sale	(2)	-	(45)	(554)	(787)	-	-	-	(1,388)
Transfer of biological assets	-	-	-	-	-	(308,087)	-	-	(308,087)
Transfer between groups	-	11,671	(9,119)	-	(4,883)	4,883	(3,463)	911	-
Depreciation	-	(4,568)	(108,268)	(34,754)	(44,879)	-	-	(2,458)	(194,927)
<b>At June 30, 2023</b>	<b>1,816,753</b>	<b>560,582</b>	<b>1,827,456</b>	<b>330,265</b>	<b>389,691</b>	<b>1,661,336</b>	<b>719,797</b>	<b>33,774</b>	<b>7,339,654</b>
Total cost	1,816,753	708,779	2,914,196	591,959	847,662	1,661,336	719,797	194,870	9,455,352
Accumulated depreciation	-	(148,197)	(1,086,740)	(261,694)	(457,971)	-	-	(161,096)	(2,115,698)
<b>Net book value</b>	<b>1,816,753</b>	<b>560,582</b>	<b>1,827,456</b>	<b>330,265</b>	<b>389,691</b>	<b>1,661,336</b>	<b>719,797</b>	<b>33,774</b>	<b>7,339,654</b>
Residual value:									
Historical cost	167,065	502,415	1,658,062	316,137	377,031	1,661,336	719,797	33,774	5,435,617
Surplus on revaluation	1,649,688	58,167	169,394	14,128	12,660	-	-	-	1,904,037
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	7%	9%	14%	-	13%	

(i) For better presentation of the balances, off-season maintenance costs are distributed across the PP&E categories (also adjusted in 2022, for comparison purposes).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

As mentioned in Note 1, the corn ethanol plant started operations during the year ended March 31, 2023, and consequently the balance of "construction in Progress" was transferred to the respective asset classes.

The amount recorded within "construction in progress" refers primarily to the construction of the UTE power plant phase II.

Under the terms of certain borrowing agreements entered into by São Martinho, items of property, plant and equipment totaling R\$ 843,464 were pledged as collateral, of which R\$ 32,364 relates to rural properties (1,243 hectares of land).

Financial charges capitalized during the period amounted to R\$ 2,284 (R\$ 3,840 on June 30, 2022).

## 12. Intangible assets

Contractual relationships have finite lives, being amortized in proportion to the volume of sugarcane harvested during the term of the agreement with the partner or supplier.

Goodwill is carried at cost less accumulated impairment losses, and is tested annually for impairment.

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Goodwill based on future profitability (i)	374,632	374,632	374,632	374,632
Software	80,138	43,438	80,138	43,438
Accumulated amortization	(35,038)	(34,586)	(35,038)	(34,586)
Software under development - SAP S/4HANA	-	36,452	-	36,452
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(25,009)	(24,610)	(25,009)	(24,610)
Cost of rights on electricity contracts (iii)	-	-	103,401	103,401
Amortization of rights on electricity contracts (iii)	-	-	(94,362)	(90,068)
Other assets	1,364	1,366	13,027	13,023
	<b>438,530</b>	<b>439,135</b>	<b>459,232</b>	<b>464,125</b>

(i) Goodwill related to prior years' business combination of companies merged into the Company;

(ii) Relates to the acquisition of rights on agreements for agricultural partnership and sugarcane supply;

(iii) Relates to the fair value of agreements for electric power supply entered into with Bio SC, effective up to 2025 (business combination).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### Impairment of non-financial assets

In accordance with the provisions of CPC 01 (IAS 36) - "Impairment of assets", goodwill, property, plant and equipment, and intangible assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year, or more frequently, if evidence of impairment is identified. Annual impairment tests are performed at the end of March. In order to determine impairment loss, assets are grouped into cash-generating units (CGU), which correspond to the smallest group of assets generating cash flows that are clearly independent from those generated by another CGU.

On March 31, 2023, the Company tested its non-current assets for impairment, based on calculations of the value in use of each CGU, using pre-tax cash flow projections supported by financial budgets approved by management.

The growth rate does not exceed the long-term average growth rate of the industry in which the CGU operates.

The main assumptions and estimates relate to sugar and ethanol sales prices, electric power costs, and other macroeconomic data.

Main assumptions used by the Company (data from March 31, 2023):

Cash-generating Units	Nominal perpetuity growth rate	Nominal discount rate
São Martinho production unit	5.00%	12.33%
Santa Cruz production unit	5.00%	12.33%

The COVID-19 pandemic did not have a significant impact on the estimates used to assess impairment.

### 13. Right-of-use assets, and lease and agricultural partnerships payable

São Martinho adopts IFRS 16 (CPC 06 (R2)) - Leases, which introduces a single accounting model for leases and agricultural partnerships in the balance sheet. Right-of-use assets were recognized in assets and lease payment obligations in liabilities. Additionally, in compliance with CVM Resolution 859, the Company states that there have been no changes and/or reassessments in its lease agreements as a result of the COVID-19 pandemic.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Definitions used:

### Lease

The Company and its subsidiaries consider as a lease any contract that conveys the right to control the use of an asset for a period, in exchange for a consideration. Accordingly, agricultural partnership agreements, although having a different legal form, were accounted for as leases.

### The Company as the Lessee

The Company adopted the simplified cumulative effect approach and the following criteria : (i) liabilities: comprised of remaining balances of the contracts in force on the date of initial adoption, net of advance payments, and discounted at the average rate of DI futures contracts (nominal interest coupon), with terms equivalent to those of partnership and lease agreements; and (ii) assets: comprised of the amount equivalent to the liabilities adjusted to present value. The right-of-use assets and balance payable are remeasured at the reporting date, based on the index disclosed by the Council of Sugarcane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA).

No assets or liabilities were recognized for low value (computers, telephones and IT equipment in general) and/or short-term lease agreements (up to 12 months). Payments associated with these agreements were recorded as expenses on a straight-line basis.

### The Company as the Lessor

There were no changes in the accounting for contracts in which the Company is the lessor.

#### a) Changes in right-of-use assets

Right-of-use assets	Parent Company and Consolidated			
	Vehicles	Agricultural partnership	Agricultural lease	Total
<b>At March 31, 2022</b>	<b>4,439</b>	<b>2,452,464</b>	<b>627,409</b>	<b>3,084,312</b>
New agreements	998	126,712	136,535	264,245
Write-offs	(32)	-	-	(32)
Depreciation	(2,878)	(113,486)	(24,381)	(140,745)
<b>At June 30, 2022</b>	<b>2,527</b>	<b>2,465,690</b>	<b>739,563</b>	<b>3,207,780</b>
<b>At March 31, 2023</b>	<b>21,094</b>	<b>2,233,580</b>	<b>670,651</b>	<b>2,925,325</b>
New agreements	699	192,872	663	194,234
Depreciation	(3,556)	(97,957)	(24,130)	(125,643)
<b>At June 30, 2023</b>	<b>18,237</b>	<b>2,328,495</b>	<b>647,184</b>	<b>2,993,916</b>
Useful lives (years)	1 to 2	2 to 29	2 to 20	

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### b) Changes in lease and agricultural partnership liabilities

	Parent Company and Consolidated		
	Leases payable	Agricultural partnership	Total
<b>At March 31, 2022</b>	<b>613,097</b>	<b>2,393,753</b>	<b>3,006,850</b>
Offset of advances	-	(20,801)	(20,801)
Additions arising from new agreements	137,533	126,712	264,245
Write-offs	(44)	-	(44)
Payments made	(31,949)	(132,671)	(164,620)
Financial charges	16,862	49,447	66,309
<b>At June 30, 2022</b>	<b>735,499</b>	<b>2,416,440</b>	<b>3,151,939</b>
<b>At March 31, 2023</b>	<b>702,083</b>	<b>2,339,688</b>	<b>3,041,771</b>
Offset of advances	-	(36,647)	(36,647)
New agreements	1,362	192,872	194,234
Payments made	(41,989)	(113,203)	(155,192)
Financial charges	46,103	42,628	88,731
<b>At June 30, 2023</b>	<b>707,559</b>	<b>2,425,338</b>	<b>3,132,897</b>
Total in current liabilities	93,911	593,133	687,044
Total in non-current liabilities	613,648	1,832,205	2,445,853
<b>At June 30, 2023</b>	<b>707,559</b>	<b>2,425,338</b>	<b>3,132,897</b>

The balance of long-term lease agreements and agricultural partnerships payable is as follows:

Maturity	Parent Company and Consolidated
From 7/1/2024 to 6/30/2025	614,506
From 7/1/2025 to 6/30/2026	570,588
From 7/1/2026 to 6/30/2027	497,484
From 7/1/2027 to 6/30/2028	402,301
From 7/1/2028 to 6/30/2029	318,484
From 7/1/2029 to 6/30/2030	260,213
From 7/1/2030 to 6/30/2031	224,369
From 7/1/2031 onwards	894,928
(-) Adjustment to present value	(1,337,020)
	<b>2,445,853</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

The table below shows the potential rights to PIS/COFINS recoverable included in lease payments:

Parent Company and Consolidated	Agricultural lease	Adjustment to present value
Lease payment	940,533	318,705
Potentially recoverable PIS/COFINS (9.25%)	(65,355)	(21,644)
<b>June 30, 2023</b>	<b>875,178</b>	<b>297,061</b>

São Martinho's nominal incremental borrowing rates were based on the risk-free interest rates observed in the market for the terms of its contracts, adjusted based on its economic circumstances:

Parent Company and Consolidated	
Contract terms	Incremental rate
2 years	8.47%
3 years	8.76%
4 years	8.93%
5 years	8.82%
6 years	9.84%
7 years	10.25%
8 years	10.21%
9 years	9.32%
10 years	10.80%
11 years	9.23%
From 12 to 30 years	10.38%

Pursuant to IFRS 16, the Company remeasured its lease liabilities and right-of-use assets using the discounted cash flow technique, without considering the projected future inflation in the flows to be discounted.

Additionally, in compliance with CVM Circular Letter 02/2019, comparative information on lease and agricultural partnership liabilities, right-of-use assets, deferred taxes, depreciation expense and finance costs for the year ended March 31, 2023 and future periods is presented below, using a discounted cash flow that considers future inflation projected in the payment flows, and discounted at the nominal rates presented above:

# Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	From 7/1/2024 to 6/30/2025	From 7/1/2025 to 6/30/2026	From 7/1/2026 to 6/30/2027	From 7/1/2027 to 6/30/2028	From 7/1/2028 to 6/30/2029	From 7/1/2029 to 6/30/2034	From 7/1/2034 to 6/30/2039	From 7/1/2039 to 6/30/2044
Right-of-use assets								
IFRS 16	2,447,758	2,006,745	1,595,106	1,247,056	979,578	278,117	63,923	-
CVM Official Letter	3,523,805	2,916,640	2,352,965	1,865,577	1,480,978	437,682	102,757	-
	43.96%	45.34%	47.51%	49.60%	51.19%	57.37%	60.75%	N/A
Lease liability and agricultural partnership								
IFRS 16	2,378,995	1,944,200	1,543,824	1,203,583	940,642	277,561	57,876	-
CVM Official Letter	3,381,284	2,804,798	2,267,703	1,801,658	1,432,947	535,408	139,786	-
	42.13%	44.26%	46.89%	49.69%	52.34%	92.90%	141.53%	N/A
Amortization expense								
IFRS 16	(527,920)	(441,013)	(411,638)	(348,051)	(267,478)	(701,461)	(214,193)	(63,923)
CVM Official Letter	(734,793)	(607,166)	(563,675)	(487,388)	(384,599)	(1,043,296)	(334,925)	(102,757)
	39.19%	37.68%	36.93%	40.03%	43.79%	48.73%	56.37%	60.75%
Interest expenses								
IFRS 16	(174,640)	(171,358)	(167,811)	(157,322)	(140,876)	(506,099)	(186,891)	(89,739)
CVM Official Letter	(240,683)	(228,361)	(224,855)	(212,379)	(193,137)	(811,521)	(275,454)	(149,164)
	37.82%	33.27%	33.99%	35.00%	37.10%	60.35%	47.39%	66.22%

	IFRS 16/CPC 06	CVM Official Letter
Amortization expense	(2,975,677)	(4,258,599)
Interest expenses	(1,594,736)	(2,335,554)
	(4,570,413)	(6,594,153)

## 14. Borrowings

Borrowings are recognized at fair value, net of the transaction costs incurred, and are carried at amortized cost on the respective maturity dates.

Type	Annual charges		Parent company		Consolidated	
	Rate	Index	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
<b>In local currency</b>						
BNDES credit facility	2.1%	+TJLP	95,587	105,197	95,587	105,197
BNDES credit facility	4.2%	+IPCA	860,270	815,861	901,174	855,411
BNDES credit facilities (ii)	5.4%	Fixed rate	152,090	164,777	152,090	164,777
FINEP	4.0%	Fixed rate	18,561	23,641	18,561	23,641
Agro Export	0.6%	+CDI	94,679	92,286	94,679	92,286
Rural credit (ii)	8.0%	Fixed rate	173,788	339,355	173,788	339,355
Agribusiness Receivable Certificate (CRA)	98.5%	CDI	846,414	929,719	846,414	929,719
Agribusiness Receivable Certificate (CRA) (iv)	4.7%	+IPCA	289,806	551,500	289,806	551,500
Debentures (v)	6.0%	+IPCA	2,266,869	2,197,001	2,266,869	2,197,001
International Finance Corporation (IFC)	1.5%	+CDI	299,833	312,571	299,832	312,571
Other securitized credits	3.0%	+IGP-M/ Fixed rate	29	29	29	29
<b>Total in local currency</b>	<b>98.1%</b>	<b>CDI</b>	<b>5,097,926</b>	<b>5,531,937</b>	<b>5,138,829</b>	<b>5,571,487</b>
<b>In foreign currency</b>						
Export prepayment (PPE) (vi)	1.7%	6M Libor	291,489	433,951	291,489	433,951
Export prepayment (PPE)	1.6%	6M Sofr	97,322	156,139	97,322	156,139
International Finance Corporation (IFC) (vii)	1.5%	6M Libor	395,161	462,306	395,161	462,306
<b>Total in foreign currency</b>	<b>5.6%</b>		<b>783,972</b>	<b>1,052,396</b>	<b>783,972</b>	<b>1,052,396</b>
<b>TOTAL (i)</b>			<b>5,881,898</b>	<b>6,584,333</b>	<b>5,922,801</b>	<b>6,623,883</b>
Total in current liabilities			396,968	1,028,224	397,989	1,028,509
Total in non-current liabilities			5,484,930	5,556,109	5,524,812	5,595,374
			<b>5,881,898</b>	<b>6,584,333</b>	<b>5,922,801</b>	<b>6,623,883</b>

(i) Total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and on Interbank Deposit (DI) and LIBOR curves.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

- (ii) 58.5% of the of the BNDES credit facilities at fixed rate is linked to 53.5% of the DI rate, through a swap contract.
- (iii) 100% of the rural credit amount is linked to 72.95% of the DI rate, through a swap contract.
- (iv) 100% of the Agribusiness Receivable Certificates (CRAs) indexed to IPCA+ is linked to 121.9% of the DI rate, through a swap contract.
- (v) 25% of the debentures is linked to the DI rate + 1.1% p.a., 23% to the DI rate + 1.4% p.a., and the remaining 52%, to 108.2% of the DI rate, through a swap contract.
- (vi) 100% of the Export Credit Note (PPE) amount indexed to LIBOR is linked to the DI rate + 0.8% p.a., through a swap contract.
- (vii) 55% of the borrowing with *International Finance Corporation* (IFC) is linked to the DI rate + 1.2% p.a., and 45% is linked to a fixed rate of 5.0%, through a swap contract.

Changes in borrowings during the period were as follows:

Changes in debt	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Balance at the beginning of the year	6,584,333	5,868,315	6,623,883	5,888,349
Proceeds from borrowings	-	70,000	-	70,000
Repayment of principal	(636,019)	(108,608)	(636,019)	(107,743)
Payment of interest	(208,379)	(108,488)	(208,379)	(108,488)
Provision for interest/indexation accruals	188,034	177,964	189,387	177,964
Foreign exchange variation	(46,071)	112,885	(46,071)	112,885
<b>Balance at the end of the period</b>	<b>5,881,898</b>	<b>6,012,068</b>	<b>5,922,801</b>	<b>6,032,967</b>

Long-term borrowings mature as follows:

	Parent company	Consolidated
From 7/1/2024 to 6/30/2025	1,261,120	1,262,839
From 7/1/2025 to 6/30/2026	666,362	668,142
From 7/1/2026 to 6/30/2027	248,698	250,542
From 7/1/2027 to 6/30/2028	392,061	393,971
From 7/1/2028 to 6/30/2029	394,960	396,937
From 7/1/2029 to 6/30/2030	390,490	392,537
From 7/1/2030 to 6/30/2031	377,535	379,656
From 7/1/2031 to 6/30/2032	718,657	720,853
From 7/1/2032 to 6/30/2033	95,817	98,092
From 7/1/2033 onwards	939,230	961,243
	<b>5,484,930</b>	<b>5,524,812</b>

São Martinho's debt, of R\$ 843,464, is collateralized as follows: 96% by liens on equipment, vehicles, properties, and buildings, approximately 3% by land, and less than 1% by receivables from electric power trading and stockholders' sureties.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

At the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on discounted cash flows using a borrowing rate of 10.8% p.a. (12,3% p.a. on March 31, 2023) and are classified within Level 2 of the fair value hierarchy.

### Covenants

Borrowings of R\$ 4,314,670 include financial covenants determined and measured annually, which were all complied with at the reporting date.

## 15. Trade payables

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Sugarcane	237,987	37,120	228,013	19,022
Corn	45,715	-	45,715	-
Materials, services, and other	262,255	257,559	264,600	262,289
	<b>545,957</b>	<b>294,679</b>	<b>538,328</b>	<b>281,311</b>

Of the total amount of trade payables, R\$ 16,874 in the parent company, and R\$ 875 in the consolidated (R\$ 18,463 and R\$ 225, respectively, on March 31, 2023) refer to related parties (Note 9).

## 16. Obligations and rights with Copersucar

As part of the withdrawal process from Copersucar, the Company entered into an agreement that established obligations and rights that have not yet prescribed. The main obligations and rights are described below.

### a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of its association, for the purpose of financing their operations. The funds were obtained by the Cooperative and relate to temporary cash surpluses arising from preliminary injunctions in lawsuits claiming suspension of the enforceability of taxes. These cash surpluses relate to provisions for contingencies recorded by the Cooperative as non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company may be required to reimburse the amount within 120 days.

The liabilities include Excise Taxes (IPI), the constitutionality of which is being challenged in court by the Cooperative, and tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	June 30, 2023	March 31, 2023
REFIS - Copersucar - interest accruals based on the SELIC rate	18,220	21,341
Exchange Bill (LC) - interest accruals based on the SELIC rate	77,412	76,591
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	26,888	23,937
Others	2,300	2,300
	177,176	176,525
Current liabilities	(13,739)	(13,539)
<b>Non-current liabilities</b>	<b>163,437</b>	<b>162,986</b>

All the Company's liabilities to Copersucar are backed by bank sureties. In addition, in accordance with the terms negotiated at the withdrawal from Copersucar, the Company remains liable for the payment of any obligations, in proportion to its interest in Copersucar in previous harvests, resulting from tax assessments that may arise in relation to periods when the Company was a cooperative member.

Copersucar has been served tax assessment notices with respect to State Value-Added Tax (ICMS) levied on sales of fuel and industrial ethanol made up to December 31, 2008, of which the amount attributed to the Company would be approximately R\$ 192 million. Copersucar is confident that its position will prevail and that it will successfully defend against fines; according to its legal counsel, the causes involve a possible risk of loss.

### b) Rights:

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

The lawsuits in which Copersucar is the plaintiff include a claim against the Federal Government seeking compensation for losses caused by a mandatory freeze of sugar and ethanol prices in the 1980s.

In June 2017, the first court-ordered debt payment of R\$ 5.6 billion was issued (of which R\$ 730.5 million is due to the Company), and in June 2018, a supplementary court-ordered debt payment of R\$ 10.6 billion (of which R\$ 1.4 billion is due to the Company) was issued. The amount of R\$ 2.2 billion (of which R\$ 286.3 million is due to the Company) is still under dispute.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Copersucar transferred to the Company the amounts received from the Federal Government in connection with this lawsuit, as shown below.

	2019	2020	2021	2022	2023
<b>Copersucar rights</b>	March 2019	December 2019	September 2020	October 2021	October 2022
1st Court-ordered debt security	906,287	1,059,956	1,083,223	1,174,400	1,346,041
Supplementary court-ordered debt security	-	1,724,797	1,974,578	2,138,858	2,450,167
<b>Court-ordered debt securities - Copersucar</b>	<b>906,287</b>	<b>2,784,753</b>	<b>3,057,801</b>	<b>3,313,258</b>	<b>3,796,208</b>
<b>SMSA portion</b>	<b>150,563</b>	<b>462,634</b>	<b>507,996</b>	<b>550,436</b>	<b>630,668</b>
PIS/COFINS withheld - Copersucar	(13,927)	(42,794)	(46,990)	(50,915)	(58,337)
Transfer to Luiz Ometto Participações S.A.	(3,313)	(24,119)	(26,700)	(28,697)	(33,226)
Other withholdings and expenses	(26,824)	(46,665)	(51,266)	(55,348)	(63,489)
<b>Other net revenue - SMSA</b>	<b>106,499</b>	<b>349,056</b>	<b>383,040</b>	<b>415,476</b>	<b>475,616</b>

Upon transferring the funds, Copersucar withheld a portion to cover legal costs related to the dispute about the levy of PIS and COFINS on the compensation received, while undertaking to transfer the corresponding amounts in the event of a favorable outcome. At June 30, 2023, the balance receivable from Copersucar, of R\$ 212,963 (R\$ 212,963 on March 31, 2023) was recognized within "other non-current assets". The Company, in line 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".

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

In July 2023, Copersucar transferred to the Company the amount of R\$ 502,834, corresponding to the sixth installment of the first court-ordered debt payment, and the fifth installment of the supplementary court-ordered debt payment, which will be recorded under Other income, net.

### 17. Acquisition and disposal of ownership interest - payables and receivables

The balance relates to the acquisition and disposal of ownership interest, as follows:

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	Acquisitions	Disposals	Net balance
	Usina Santa Cruz	Agro Pecuária Boa Vista	
<b>At March 31, 2022</b>	<b>(62,745)</b>	<b>59,076</b>	<b>(3,669)</b>
Inflation adjustment	(1,797)	1,707	(90)
Repayment of interest	1,815	(1,724)	91
<b>At June 30, 2022</b>	<b>(62,727)</b>	<b>59,059</b>	<b>(3,668)</b>
<b>At March 31, 2023</b>	<b>(31,400)</b>	<b>39,419</b>	<b>8,019</b>
Inflation adjustment	(972)	1,225	253
Repayment of interest	988	(1,245)	(257)
<b>At June 30, 2023</b>	<b>(31,384)</b>	<b>39,399</b>	<b>8,015</b>
<b>Classified as:</b>			
Acquisition of ownership interests - current liabilities			(11,575)
Other non-current assets			19,590
			<b>8,015</b>

The amounts, adjusted based on the CDI rate, are paid annually and mature as follows:

	(Acquisition) / Disposal
Jan/2024	(11,575)
Jan/2025	19,590
	<b>8,015</b>

## 18. Equity

### a) Share capital

Share capital at the reporting date amounted to R\$ 3,161,384 (R\$ 3,161,384 on March 31, 2023), represented by 354,011,329 registered common shares without par value.

The Company is authorized to increase capital up to the limit of 372,000,000 common shares, without requiring prior amendment to its bylaws, upon a resolution of the Board of Directors determining the share issue conditions, including price and payment term.

At the Extraordinary General Meeting held on July 28, 2023, the stockholders approved a capital increase of R\$ 780,334, through the capitalization of R\$ 632,380 from the Capital Budget Reserve and R\$ 147,954 from the Tax Incentive Reserve.

**b) Treasury shares**

As repurchased equity instruments, treasury shares are recognized at acquisition cost, reducing equity. No gain or loss is recognized in the statement of income on purchase, sale, issue, or cancellation of the Company's equity instruments.

**c) Carrying value adjustments**

**Deemed cost**

These adjustments correspond to the surplus increment on revaluation of the deemed cost of land, buildings and premises, industrial facilities, vehicles and machinery, and agricultural implements. The amounts are recorded net of tax effects and their realization made through depreciation, write-off, or sale of the related assets. The realized amounts are transferred to "retained earnings".

**Hedge accounting fair value**

This relates to the results of unrealized/settled transactions with derivative financial instruments, classified as hedge accounting. This balance is reversed from equity to the results of operations, over time, as the related transactions mature, or the shipments take place.

**d) Revenue reserves**

**Legal reserve**

The legal reserve is credited annually with 5% of the profit for the year and cannot exceed 20% of the capital. The legal reserve has the purpose of preserving capital, and can only be used to offset losses and increase capital.

**Capital budget reserve**

This reserve is intended for funding future investments to increase the production capacity and other improvement processes, and for working capital purposes.

**Unrealized profit reserve**

This reserve arises from unearned income plus the results of the interest in Agro Pecuária Boa Vista S/A, sale of properties in real estate developments, and effects of changes in shareholdings.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### Tax incentive reserve

The Company benefits from a tax incentive program introduced by the State of Goiás, in the form of deferral of ICMS payment, the "Goiás Industrial Development Program - Produzir", which provides for a partial reduction in the tax. The use of this benefit is conditional upon compliance with all the obligations set forth in the program, which relate to factors under the Company's control.

The benefit related to ICMS reduction is calculated on the debt balance determined for each computation period, by applying the discount percentage granted under the tax incentive program.

The amount of this tax incentive computed for the period was recorded in the statement of income within "deductions from gross revenue", reducing the "ICMS payable" account. Since this amount may not be allocated as dividends, a tax incentive reserve is set up at the amount determined for the grant, with a corresponding entry to "Retained earnings".

At the reporting date, the incentive benefit amounted to R\$ 20,067 in the parent company and consolidated (R\$ 39,897 at June 30, 2022).

### e) Dividends and interest on capital

In accordance with the Compensation Policy (Dividends), the stockholders are entitled to a dividend and/or interest on capital of at least 40% of the annual cash profit, calculated as per the framework disclosed by the Company, or 25% of the profit for the year, after deduction of the accumulated deficit and appropriations to the legal reserve, whichever is greater.

The Board of Directors' meeting held on June 20, 2022 approved the prepayment of stockholders' compensation, in the gross amount of R\$ 115,000, paid as interest on capital; furthermore, the Board of Directors' meeting held on June 19, 2023, approved the prepayment of stockholders' compensation, in the gross amount of R\$ 155,000, paid as interest on capital.

At the Annual General Meeting held on July 28, 2023, the stockholders approved the payment of additional dividends of R\$ 269,068, as proposed by management for the year ended March 31, 2023, which, together with R\$ 5,932 from the realization of the unrealized profit reserve, total the dividend balance to be paid of R\$ 275,000. The dividends are scheduled to be paid to the shareholders on August 15, 2023.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 19. Profit sharing

As part of its policy, the Company manages a profit-sharing program for its employees, linked to a pre-agreed plan of operating and financial targets. The amounts of profit sharing for the reporting period totaled R\$ 18,182 in the parent company, and R\$ 18,205 in the consolidated (R\$ 14,473 and R\$ 14,499 in the parent company and consolidated, respectively, on June 30, 2022).

### 20. Income tax and social contribution

Deferred income and social contribution taxes are calculated on income tax and social contribution losses, and corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in this interim accounting information.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available to offset temporary differences and/or tax losses, considering projections of future profitability based on internal assumptions and future economic scenarios, which may, therefore, suffer changes.

The Company has adopted IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatments, which addresses the accounting for income taxes in cases where the tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32). The Company determines whether it considers each uncertain tax treatment separately or together with one or more uncertain tax treatments. The approach that best predicts the resolution of uncertainties is followed. The Company did not identify any effects from the adoption of this interpretation.

#### a) Balances

	Parent company		Consolidated	
	June 30, 2023	March 31, 2023	June 30, 2023	March 31, 2023
Current assets				
. Income tax and social contribution recoverable	<u>123,451</u>	<u>93,631</u>	<u>123,483</u>	<u>93,880</u>
Debts in current liabilities				
. Income tax and social contribution payable	<u>-</u>	<u>-</u>	<u>8,902</u>	<u>8,490</u>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### b) Changes in deferred income tax and social contribution

Parent company	March 31, 2023	Recognized in the statement of income	Recognized in other comprehensive income	June 30, 2023
Income tax and social contribution losses	3,617	44,816	-	48,433
Exclusion of IRPJ/CSLL on tax overpayments (20.1)	6,937	-	-	6,937
Derivative financial instruments	111,885	(37,657)	(52,184)	22,044
Provision for contingencies	109,416	155	-	109,571
Foreign exchange gains	5,250	(6,185)	-	(935)
Other assets	136,317	(24,117)	-	112,200
<b>Total deferred income and social contribution tax assets</b>	<b>373,422</b>	<b>(22,988)</b>	<b>(52,184)</b>	<b>298,250</b>
Surplus on revaluation of PP&E (deemed cost)	(109,333)	3,202	-	(106,131)
Accelerated depreciation incentive	(616,564)	6,992	-	(609,572)
Tax benefit on merged goodwill	(197,959)	-	-	(197,959)
Foreign exchange losses	(72,635)	22,007	-	(50,628)
Other liabilities	(9,681)	(2,232)	-	(11,913)
<b>Total deferred income and social contribution tax liabilities</b>	<b>(1,006,172)</b>	<b>29,969</b>	<b>-</b>	<b>(976,203)</b>
<b>Deferred income tax and social contribution</b>	<b>(632,750)</b>	<b>6,981</b>	<b>(52,184)</b>	<b>(677,953)</b>

Consolidated	March 31, 2023	Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electric power supply contracts	June 30, 2023
Income tax and social contribution losses	3,617	44,816	-	-	48,433
Exclusion of IRPJ/CSLL on tax overpayments (20.1)	6,937	-	-	-	6,937
Derivative financial instruments	111,884	(37,656)	(52,184)	-	22,044
Provision for contingencies and other liabilities	109,416	155	-	-	109,571
Foreign exchange gains	5,250	(6,185)	-	-	(935)
Other assets	136,322	(24,117)	-	-	112,205
<b>Total deferred income and social contribution tax assets</b>	<b>373,426</b>	<b>(22,987)</b>	<b>(52,184)</b>	<b>-</b>	<b>298,255</b>
Surplus on revaluation of PP&E (deemed cost)	(462,221)	3,202	-	-	(459,019)
Accelerated depreciation incentive	(616,564)	6,992	-	-	(609,572)
Tax benefit on merged goodwill	(197,959)	-	-	-	(197,959)
Intangible assets	(5,736)	-	-	1,476	(4,260)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Foreign exchange losses	(72,635)	22,007	-	-	(50,628)
Other liabilities	(10,377)	(1,857)	-	-	(12,234)
<b>Total deferred income and social contribution tax liabilities</b>	<b>(1,370,560)</b>	<b>30,344</b>	<b>-</b>	<b>1,476</b>	<b>(1,338,740)</b>
<b>Deferred income tax and social contribution</b>	<b>(997,134)</b>	<b>7,357</b>	<b>(52,184)</b>	<b>1,476</b>	<b>(1,040,485)</b>

Deferred tax assets and liabilities are presented net in the balance sheet, by legal entity, when there is a legally enforceable right and the intention to offset them upon computation of current taxes, and when related to the same tax authority.

The Company recognizes deferred tax assets based on projections of taxable profit, which do not exceed a period of ten years, and are reviewed annually.

Deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the underlying property, plant and equipment items. The realization of this liability is estimated at the average rate of 15% per year, consistent with the depreciation rates of the respective property, plant and equipment items, except for the deferred tax liabilities on the surplus value of land, which will be realized if sold.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### (i) Income tax/social contribution (IRPJ/CSLL) levied on refunds of tax overpayments adjusted by the Selic rate declared unconstitutional

On September 24, 2021, the Supreme Court ("STF") judgment of RE No. 1.063.187, through general repercussion (Topic 962) and by unanimous vote, ruled that income taxes charged on indexation or interest accruals (Selic rate) on amounts received as a refund for tax overpayments are unconstitutional.

Based on this decision, and in accordance with ICPC 22 / IFRIC 23 - Uncertainty over Tax Treatments, the Company recognized in the financial statements for the year ended March 31, 2022, the amount of R\$ 15,920 as current and deferred income tax assets for the year, as follows: R\$ 8,983 in non-current assets, as income tax and social contribution recoverable related to periods in which the Company recorded taxable profit; and R\$ 6,937 in non-current liabilities, as deferred income tax and social contribution, due to the adjustment of tax loss carryforwards related to periods in which the Company recorded tax losses and the use of tax loss carryforwards increased by the Selic rate.

### c) Reconciliation of the income tax and social contribution expense

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit before taxes	214,823	206,790	219,672	217,015
<b>Income tax and social contribution at nominal rates (34%)</b>	<b>(73,040)</b>	<b>(70,309)</b>	<b>(74,688)</b>	<b>(73,785)</b>
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	17,912	17,049	608	397
. Permanent (additions) exclusions, net	(505)	(599)	(505)	(610)
. Cbios	1,561	15,725	1,561	15,725
. Interest on capital	52,700	39,100	52,700	39,100
. State subsidy / Credit granted (Note 27)	6,817	13,565	6,817	13,565
. Tax incentives	-	252	-	255
. Adjustment to the calculation relating to subsidiary taxed based on deemed profit	-	-	14,103	9,894
. Others	-	6	-	23
<b>Income tax and social contribution expenses</b>	<b>5,445</b>	<b>14,789</b>	<b>596</b>	<b>4,564</b>
Income tax and social contribution at the effective rate	-2.5%	-7.2%	-0.3%	-2.1%
Current income tax and social contribution	(1,536)	(10,803)	(6,761)	(21,387)
Deferred income tax and social contribution	6,981	25,592	7,357	25,951

## 21. Commitments

The Company assumes various commitments in the ordinary course of its business, among which:

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### **Riparian forests and Legal Reserve areas**

São Martinho has uncultivated areas, covered by preserved native vegetation, which are in the process of regeneration or enrichment, intended to protect the biodiversity and ensure the sustainability of agricultural activities.

São Martinho's commitment to adopt best environmental practices and sustainable actions is evidenced by its compliance with the Forest Code and other environmental legislation regarding Permanent Preservation (PPA) and Legal Reserve (LR) areas. The Company has registered all its properties with the Rural Environmental Register (CAR) and adhered to the Environmental Regularization Program (PRA), which awaits legal regulation to be implemented.

Investments in Permanent Preservation Areas, Legal Reserve, and other activities in connection with environmental regularization are recorded within property, plant and equipment.

### **Sales commitments**

At the reporting date, the Company's commitments for future sales of sugar, ethanol and electric power, were as follows:

	Up to 1 year	From 2 to 3 years	More than 3 years
Ethanol (m <sup>3</sup> )	369,800	96,000	576,000
Sugar (metric tons)	1,298,568	1,022,520	3,000,000
Electric power (Mwh)	674,654	1,029,626	5,605,978

### **Purchases of inputs and corn**

The Company constantly enters into purchase contracts for the acquisition of inputs intended for use in maintaining its crops throughout the harvest season. It also enters into contracts for the purchase of corn at pre-established prices to meet its ethanol production needs. These operations are usually conducted through annual negotiations.

## **22 Provision for contingencies**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are set up, reviewed and adjusted to reflect management's best estimate at the reporting date.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 22.1 Probable losses

Supported by its legal counsel's assessment of probable losses, the Company's management recorded the following provisions for contingencies classified as involving probable risk of losses (include interest/indexation accruals):

	Parent company			
	Tax claims	Civil and environmental claims	labor claims	Total
<b>At March 31, 2022</b>	<b>14,779</b>	<b>3,983</b>	<b>67,589</b>	<b>86,351</b>
Additions	418	2,212	8,342	10,972
Reversals	(2)	(108)	(1,704)	(1,814)
Utilization	(6)	(400)	(4,777)	(5,183)
Interest/indexation accruals	537	2,316	2,080	4,933
<b>At June 30, 2022</b>	<b>15,726</b>	<b>8,003</b>	<b>71,530</b>	<b>95,259</b>
<b>At March 31, 2023</b>	<b>16,247</b>	<b>7,681</b>	<b>86,778</b>	<b>110,706</b>
Additions	11	27	13,107	13,145
Reversals	(5)	(1)	(3,256)	(3,262)
Utilization	(11)	(35)	(13,230)	(13,276)
Interest/indexation accruals	457	229	3,175	3,861
<b>At June 30, 2023</b>	<b>16,699</b>	<b>7,901</b>	<b>86,574</b>	<b>111,174</b>

	Consolidated			
	Tax claims	Civil and environmental claims	labor claims	Total
<b>At March 31, 2022</b>	<b>14,779</b>	<b>4,638</b>	<b>67,589</b>	<b>87,006</b>
Additions	418	2,269	8,342	11,029
Reversals	(2)	(108)	(1,704)	(1,814)
Utilization	(6)	(400)	(4,777)	(5,183)
Interest/indexation accruals	537	2,386	2,080	5,003
<b>At June 30, 2022</b>	<b>15,726</b>	<b>8,785</b>	<b>71,530</b>	<b>96,041</b>
<b>At March 31, 2023</b>	<b>16,247</b>	<b>8,516</b>	<b>86,778</b>	<b>111,541</b>
Additions	11	27	13,107	13,145
Reversals	(5)	(1)	(3,256)	(3,262)
Utilization	(11)	(35)	(13,230)	(13,276)
Interest/indexation accruals	457	254	3,175	3,886
<b>At June 30, 2023</b>	<b>16,699</b>	<b>8,761</b>	<b>86,574</b>	<b>112,034</b>

The nature of the main lawsuits covered by the provisions above is as follows (parent company and consolidated):

#### Tax lawsuits:

Relate to success fees payable to lawyers defending the Company's interests in the related lawsuits.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### Civil and environmental lawsuits:

Relate to: i) general indemnities; (ii) redress for environmental damages caused by the burning of sugarcane fields, which is being challenged by the Company; and (iii) success fees payable to the legal counsel for defending the related lawsuits.

### Labor lawsuits:

Relate to: (i) overtime; (ii) indemnity for elimination of breaks between shifts; (iii) hazardous work and health hazard premiums; (iv) refund of payroll deductions, such as union dues; (v) sundry indemnities, and (vi) other labor charges.

## 22.2 Judicial deposits

	Parent company			Consolidated		
	IAA (i)	Others	Total	IAA (i)	Others	Total
<b>At March 31, 2022</b>	<b>715,277</b>	<b>33,843</b>	<b>749,120</b>	<b>715,277</b>	<b>34,084</b>	<b>749,361</b>
Additions	-	1,061	1,061	-	1,061	1,061
Utilization	-	(1,832)	(1,832)	-	(1,832)	(1,832)
Interest/indexation accruals	19,091	552	19,643	19,091	551	19,642
<b>At June 30, 2022</b>	<b>734,368</b>	<b>33,624</b>	<b>767,992</b>	<b>734,368</b>	<b>33,864</b>	<b>768,232</b>
<b>At March 31, 2023</b>	<b>1,051,683</b>	<b>37,289</b>	<b>1,088,972</b>	<b>1,051,683</b>	<b>37,293</b>	<b>1,088,976</b>
Additions	-	1,641	1,641	-	1,642	1,642
Utilization	-	(2,760)	(2,760)	-	(2,760)	(2,760)
Interest/indexation accruals	29,327	772	30,099	29,327	774	30,101
<b>At June 30, 2023</b>	<b>1,081,010</b>	<b>36,942</b>	<b>1,117,952</b>	<b>1,081,010</b>	<b>36,949</b>	<b>1,117,959</b>

(i) See note 16 (b))

Judicial deposits relate to contingent assets and liabilities, accrue interest, and are recorded as non-current assets.

## 22.3 Possible risk of losses

São Martinho is a party to a number of litigation proceedings of a tax, environmental, civil and labor nature, for which the risk of loss is classified as possible. The nature and estimated amounts are:

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Nature	Parent company				Consolidated				
	June 30, 2023		March 31, 2023		June 30, 2023		March 31, 2023		
	Number of proceedings	Amount							
Environmental	92	8,349	94	8,353	92	8,349	94	8,353	
Civil	68	25,054	63	21,293	136	33,460	125	28,871	
Labor claims	70	14,864	80	14,898	71	14,884	81	14,917	
Tax claims									
Social security contribution	(i)	11	123,706	11	119,819	11	123,706	11	119,819
Computation of IRPJ/CSLL	(ii)	5	273,000	5	264,420	5	273,000	5	264,420
Offset of federal taxes	(iii)	108	230,292	108	213,225	114	234,224	114	213,812
ICMS	(iv)	18	99,342	17	87,441	18	99,342	17	87,441
Federal taxes	(v)	1	1,081,010	1	1,051,683	1	1,081,010	1	1,051,683
Other lawsuits	(vi)	30	545,789	30	553,171	35	563,562	35	566,743
<b>Total</b>		<b>403</b>	<b>2,401,406</b>	<b>409</b>	<b>2,334,303</b>	<b>483</b>	<b>2,431,537</b>	<b>483</b>	<b>2,356,059</b>

### Tax lawsuits:

- (i) These lawsuits relate to the levy of the Social Security Contribution (INSS) on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not eligible for the exemptions set out in Article 149, paragraph 2, of the Brazilian Federal Constitution.
- (ii) The lawsuits relate to the exclusion from the income tax and social contribution tax base of expenses related to securitized financing, as well as those arising from incentivized accelerated depreciation, as provided for in Article 325 of the Income Tax Regulations (RIR)/2018.
- (iii) The lawsuits relate to requests to offset IRPJ, CSLL, PIS, COFINS, and other federal taxes as a result of overpayments and/or tax losses, and tax credits proportional to the export revenue which have been disallowed by the Brazilian Federal Revenue Service (RFB).
- (iv) These lawsuits have challenged allegedly undue ICMS credits, based on the Control of ICMS Credit on Permanent Assets (CIAP); collection of ICMS-ST in interstate sales of ethanol and charging of ICMS on sales of yeast with exemption intended for animal feed.
- (v) Relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed against the Sugar and Alcohol Institute (IAA) (Note 16).
- (vi) Other tax-related disputes: a) Public Civil Action disputing the legality of the decrees of the State of Goiás that granted ICMS credits under the PRODUZIR Program; (b) fine for lack of approval of offset; (c) contribution to the National Service for Industrial Training (SENAI); (d) fee payable to the National Department of Mineral Research (DNPM); (e) levy of Property Transfer Tax (ITBI) on merger transaction; and (f) Municipal Real Estate Tax (IPTU) collection claims.

### Other proceedings:

Civil proceedings comprise compensation claims for damage, in general arising from (i) traffic accidents; (ii) review of contracts; and (iii) damage to third parties resulting from fires in sugarcane plantation areas (strict liability).

Environmental proceedings relate to assessment notices issued by the Environmental Company of São Paulo State (CETESB) and/or environmental police for fires caused by sugarcane burning, as well as annulment actions to cancel the fines imposed by the entities.

Labor claims relate mainly to assessment notices served up by the Ministry of Labor and/or annulment actions to cancel these notices.

#### **22.4 STF Decision - effectiveness of res judicata in tax matters (Topics 881 and 885)**

The Company does not benefit nor has it benefited from favorable final decisions on tax matters that have subsequently lost their effects following an opposite decision of the Federal Supreme Court (STF) handed down through concentrated control of constitutionality or with general repercussion. That is, the Company will not be affected by the STF decision in RE 955227 ("Topic 885") and RE 949297 ("Topic 881").

#### **22.5 Income tax and social contribution levied on ICMS tax benefits (Topic 1.182 of the Superior Court of Justice (STJ))**

The ICMS tax benefits (PRODUZIR - GO) received by the Company are recognized and accounted for as an investment grant in accordance with the requirements set forth in Supplementary Law 160/2017, Law 12,973/2014 and STJ decision ( Topic 1,182).

### **23 Risk management and derivative financial instruments**

The Company is exposed to market risks, including foreign exchange risk, commodity price volatility risk, interest rate risk, credit risk and liquidity risk. Management believes that risk management is fundamental to: (i) monitor, on a continuous basis, the exposure levels relating to the sales volumes contracted; (ii) estimate the value of each risk, based on established limits of foreign exchange exposure and sugar sales prices; and (iii) prepare future cash flow forecasts and define the approval authority levels for taking out financial instruments designed to protect product prices and hedge sales performance against foreign exchange fluctuation, price volatility and interest rate.

Derivative financial instruments are contracted exclusively for the purpose of pricing and hedging the Company's exports of sugar, ethanol and other products against foreign exchange risk, price fluctuation, and interest rate variations.

#### **23.1 Market risks**

##### **a) Foreign exchange risk**

Management's policy requires the Company to manage its foreign exchange risk to reduce the adverse effects of a possible currency mismatch.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

The Company manages its foreign exchange risk through currency non-deliverable forward contracts ("NDFs"), options strategies, swaps, and natural hedges (such as debt or purchases in foreign currency). The Company's financial risk management policy defines guidelines that establish the adequate level of protection for expected cash flows, mainly those related to export sales.

### **Assets and liabilities exposed to exchange variation**

The table below summarizes the assets and liabilities denominated in foreign currency (U.S. dollars), recorded in the balance sheet at December 31, 2019:

Consolidated	June 30, 2023	Equivalent to thousands of US\$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits and financial investments)	83,066	17,239
Trade receivables	186,634	38,732
Derivative financial instruments	510,988	106,045
<b>(+) Total assets</b>	<b>780,688</b>	<b>162,016</b>
Current and non-current liabilities:		
Borrowings	783,972	162,677
Derivative financial instruments	309,250	64,170
<b>(-) Total liabilities</b>	<b>1,093,222</b>	<b>226,847</b>
Subtotal assets (liabilities)	(312,534)	(64,831)
Borrowings in foreign currency	783,972	162,677
<b>Assets - net exposure</b>	<b>471,438</b>	<b>97,846</b>

The net exposure is calculated with the exclusion of borrowings in foreign currency, since these will be settled with resources from future export revenue and are, therefore, effectively covered by the Company's hedging policy.

These assets and liabilities were adjusted and recorded at the exchange rate in effect at the reporting date: R\$ 4.8186 per US\$ 1.00 for assets, and R\$ 4.8192 per US\$ 1.00 for liabilities.

#### **b) Commodity price volatility risk**

São Martinho is exposed to the risk of fluctuations in commodity prices in its sugar and ethanol production processes, and acquisition of corn.

#### **c) Cash flow and fair value interest rate risk**

The Company's borrowings are contracted at floating rates. For borrowings in local currency, the risk of fluctuation in interest rates is naturally mitigated, since all financial investments are linked to floating rates. For borrowings in foreign currency,

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

the risk of interest rate and currency fluctuation is mitigated through offshore financial investments, exports, and derivative instruments such as swaps.

### d) Market risk sensitivity analysis

The following table provides a sensitivity analysis of the effects of changes in the relevant risk factors to which the Company is exposed. The analysis considers only instruments that have not been designated for hedge accounting.

Consolidated	Risk factor	Impacts on P/L		
		Probable scenarios 5%	Possible scenarios 25%	Possible scenarios 50%
Cash and cash equivalents	Decrease in exchange rate - R\$/US\$	(4,154)	(20,769)	(41,538)
Trade receivables	Decrease in exchange rate - R\$/US\$	(9,780)	(48,901)	(97,802)
Borrowings	Increase in exchange rate - R\$/US\$	(126)	(632)	(1,264)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R\$/US\$	(143)	(715)	(1,430)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(82)	(409)	(818)
Swap contracts	Decrease in exchange rate - R\$/US\$ and increase in the yield curve	(7,794)	(19,677)	(40,003)
<b>Net exposure</b>		<b>(22,079)</b>	<b>(91,103)</b>	<b>(182,855)</b>

The sensitivity analysis of changes in interest rates considers the effects of an increase or decrease of 5bps, 25bps and 50bps (basis points) in the pricing curve of the derivative instrument. The exposure to rates relates exclusively to changes in the Interbank Deposit (DI) yield curve. The impact on the result for other risk factors corresponds to changes of 5%, 25% and 50% in the respective market curve of their associated risk, described above (foreign exchange and commodities prices).

### e) Financial instruments

The Company has elected to use hedge accounting to record the following derivative financial instruments: a) derivatives of sugar, ethanol and foreign currency - US dollar; and b) foreign currency debts - US dollar - that cover sales of the 2022/23 to 2025/26 crop seasons and were classified as cash flow hedges of highly probable expected transactions (future sales).

Prospective and retrospective tests carried out to verify the hedge accounting effectiveness showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

Derivatives designated as cash flow hedges mitigate the effects of changes in future sales of sugar. These transactions are carried out on the New York - Intercontinental Exchange (ICE Futures US), with top-tier financial institutions through OTC contracts, or directly with the Company's customers.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

For foreign-exchange hedges, derivative and non-derivative financial instruments were designated as cash flow hedges in respect of future sales in foreign currency. These hedges are contracted through Non-Deliverable Forwards (NDFs), option strategies, swaps, and foreign currency borrowings from top-tier financial institutions, following the Risk Management criteria (Note 23.2).

At the reporting date and on March 31, 2023, the balances of assets and liabilities related to transactions involving derivative financial instruments and the respective maturity dates were as follows:

Parent Company and Consolidated	June 30, 2023			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<b>In current assets - Gain</b>				
Margin deposit				7,354
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	3,150	24.80	8,300	672
. Purchase commitment	114,559	20.63	251,094	27,124
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	158,622	5.54	878,766	98,083
. Purchase commitment	223	4.79	1,068	7
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	27,941	23.03	68,367	4,381
. Bidding position in put options	131,019	19.92	277,289	12,053
Flex option contracts - US dollar - OTC				
. Bidding position in put options	22,000	5.68	124,960	15,896
Interest rate swap contracts - OTC				4,265
<b>Total derivative financial instruments in current assets</b>				<b>169,835</b>
<b>In non-current assets - Gain</b>				
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	4,457	5.05	22,508	58
Interest rate swap contracts - OTC				341,095
<b>Total derivative financial instruments in non-current assets</b>				<b>341,153</b>

Parent Company and Consolidated	June 30, 2023			
	Contracted amount/volume	Average price/rate	Notional value - R\$	Fair value - R\$
<b>In current liabilities - Loss</b>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	52,123	17.61	97,521	29,083
. Purchase commitment	31,548	24.20	81,114	4,728
Commodity forward contracts - Sugar #11				
. Sale commitment	11,380	19.87	24,024	3,521
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	5,000	4.81	24,050	4
. Purchase commitment	2,140	5.03	10,764	155
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	153,677	22.63	369,490	34,942
Flex option contracts - US dollar - OTC				
. Short position in call options	22,000	6.06	133,320	671
Interest rate swap contracts - OTC				206,497
<b>Total derivative financial instruments in current liabilities</b>				<b>279,601</b>
<b>In non-current liabilities - Loss</b>				
Interest rate swap contracts - OTC				29,649
<b>Total derivative financial instruments in non-current liabilities</b>				<b>29,649</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Parent Company and Consolidated	March 31, 2023			
	Contracted amount/ volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current assets - Gain</u>				
Margin deposit				22,265
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	102	21.80	249	1
. Purchase commitment	151,086	19.74	334,044	36,220
Currency forward contracts (NDF) - US Dollar - OTC				
. Sale commitment	307,472	5.44	1,672,648	74,404
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in call options	40,032	20.50	91,916	8,116
. Bidding position in put options	88,041	18.26	180,060	4,062
Flex option contracts - US dollar - OTC				
. Bidding position in put options	22,000	5.68	124,960	11,142
Interest rate swap contracts - OTC				7,032
<b>Total derivative financial instruments in current assets</b>				<b>163,242</b>
<u>In non-current assets - Gain</u>				
Interest rate swap contracts - OTC				225,568
<b>Total derivative financial instruments in non-current assets</b>				<b>225,568</b>

Parent Company and Consolidated	March 31, 2023			
	Contracted amount/ volume	Average price/rate	Notional value - R\$	Fair value - R\$
<u>In current liabilities - Loss</u>				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	143,517	18.58	298,663	53,636
Commodity forward contracts - Sugar #11				
. Sale commitment	28,500	19.42	61,991	7,364
Currency forward contracts (NDF) - US Dollar - OTC				
. Purchase commitment	15,000	5.25	78,750	2,213
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Short position in call options	128,073	20.63	295,930	27,420
Flex option contracts - US dollar - OTC				
. Bidding position in call options	22,000	6.06	133,320	3,403
Interest rate swap contracts - OTC				234,659
<b>Total derivative financial instruments in current liabilities</b>				<b>328,695</b>
<u>In non-current liabilities - Loss</u>				
Interest rate swap contracts - OTC				7,250
<b>Total derivative financial instruments in non-current liabilities</b>				<b>7,250</b>

Margin deposit balances relate to funds maintained in current accounts with brokers to cover the initial and variation margins established by the Commodities Exchange on which the contracts are signed, and also to secure outstanding contracts and net remittances in relation to daily adjustments resulting from fluctuations in contract prices in the futures and options market.

The potential results of futures, options and forward contracts relate to the cumulative positive (negative) effect of the fair value of derivative financial instruments, on the corresponding categories.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

At the reporting date, financial instruments designated for hedge accounting were as follows:

Parent Company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	47,447	61,170	(13,723)
Foreign exchange derivatives - Options / NDF	114,021	65	113,956
Foreign exchange differences on borrowings (Trade Finance)	19,163	299,420	(280,257)
	180,631	360,655	(180,024)
Deferred taxes on the items above	(61,415)	(122,623)	61,208
	<b>119,216</b>	<b>238,032</b>	<b>(118,816)</b>

### f) Estimated realization

The impacts recorded in the Company's equity at the reporting date, and the estimated realization in profit or loss are shown below:

Parent company and Consolidated	23/24 crop season	24/25 crop season	25/26 crop season	Total
Derivative financial instruments:				
Commodity derivatives - Futures, options and forward contracts	(17,043)	3,320	-	(13,723)
Foreign exchange derivatives - Options / NDF	113,161	795	-	113,956
Foreign exchange differences on borrowings (Trade Finance)	(48,321)	(119,666)	(112,270)	(280,257)
	47,797	(115,551)	(112,270)	(180,024)
Deferred taxes on the items above	(16,251)	39,287	38,172	61,208
	<b>31,546</b>	<b>(76,264)</b>	<b>(74,098)</b>	<b>(118,816)</b>

## 23.2 Credit risk

Credit risk is managed by contracting operations only with top-tier financial institutions, which meet the Company's risk assessment criteria. São Martinho controls, on a monthly basis, its exposure in derivatives and financial investments, using maximum concentration criteria, based on the financial institution's rating and equity.

For customers' default, the credit risk associated with each individual customer is assessed annually, and whenever a new customer is included in the Company's customer base, for which an individual credit limit is established, based on the risk identified.

## 23.3 Liquidity risk

The Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs and short-term debt.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Cash surplus in local currency is invested in repurchase agreements backed by corporate bonds, Bank Deposit Certificates (CDBs) and investment funds pegged to the CDI interest rate, with high liquidity and actively traded in the market.

Cash surplus in foreign currency is invested with daily liquidity at fixed rates previously established.

The table below presents the financial liabilities by maturity groupings, corresponding to the remaining period from the balance sheet date to the contractual maturity date, based on undiscounted future cash flows.

Parent company	Up to 1 year	From 2 to 3 years	More than 3 years	Total
<b>At June 30, 2023</b>				
Borrowings	390,595	2,361,852	5,400,080	8,152,527
Leases payable	135,091	249,647	641,736	1,026,474
Agricultural partnership payable	811,315	931,374	1,956,043	3,698,732
Derivative financial instruments	279,601	29,649	-	309,250
Trade payables	545,957	-	-	545,957
Acquisition of ownership interest	10,516	-	-	10,516
Other liabilities	25,215	1,888	-	27,103
	<b>2,198,290</b>	<b>3,574,410</b>	<b>7,997,859</b>	<b>13,770,559</b>

<b>At March 31, 2023</b>				
Borrowings	1,266,140	2,381,684	5,384,080	9,031,904
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	294,679	-	-	294,679
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	18,558	1,916	-	20,474
	<b>2,870,094</b>	<b>3,541,106</b>	<b>7,887,563</b>	<b>14,298,763</b>

Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
<b>At June 30, 2023</b>				
Borrowings	391,994	2,368,186	5,447,518	8,207,698
Leases payable	135,091	249,647	641,736	1,026,474
Agricultural partnership payable	811,315	931,374	1,956,043	3,698,732
Derivative financial instruments	279,601	29,649	-	309,250
Trade payables	538,328	-	-	538,328
Acquisition of ownership interest	10,516	-	-	10,516
Other liabilities	43,332	1,888	-	45,220
	<b>2,210,177</b>	<b>3,580,744</b>	<b>8,045,297</b>	<b>13,836,218</b>

<b>At March 31, 2023</b>				
Borrowings	1,267,504	2,387,882	5,430,403	9,085,789
Leases payable	164,570	263,694	635,176	1,063,440
Agricultural partnership payable	787,098	886,562	1,868,307	3,541,967
Derivative financial instruments	328,695	7,250	-	335,945
Trade payables	281,311	-	-	281,311
Acquisition of ownership interest	10,354	-	-	10,354
Other liabilities	30,565	1,916	-	32,481
	<b>2,870,097</b>	<b>3,547,304</b>	<b>7,933,886</b>	<b>14,351,287</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 23.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to provide returns for stockholders and benefits for other stakeholders, and to maintain an optimal debt-equity structure to reduce the cost of capital.

In order to maintain or adjust its capital structure, the Company may take actions to ensure the achievement of the above-mentioned objectives, as permitted by the Brazilian Corporate Law.

## 24 Classification and fair value of financial instruments

### 24.1 Classification

Financial assets and liabilities are classified as follows:

	Classification	Parent company	
		June 30, 2023	March 31, 2023
Financial assets			
Cash and cash equivalents	Amortized cost	85,834	272,342
Financial investments	Fair value through profit or loss	2,088,633	2,681,690
Trade receivables	Amortized cost	293,183	259,493
	Fair value through other		
Derivative financial instruments	comprehensive income	165,628	156,210
Derivative financial instruments	Fair value through profit or loss	345,360	232,600
Judicial deposits	Amortized cost	1,117,952	1,088,972
Other assets, except prepayments	Amortized cost	256,710	236,233
		<b>4,353,300</b>	<b>4,927,540</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	29	29
Borrowings	Amortized cost	5,881,869	6,584,304
	Fair value through other		
Derivative financial instruments	comprehensive income	73,104	94,036
Derivative financial instruments	Fair value through profit or loss	236,146	241,909
Leases and agricultural partnerships payable	Amortized cost	3,132,897	3,041,771
Trade payables	Amortized cost	545,957	294,679
Acquisition of ownership interests	Amortized cost	11,575	11,571
Other liabilities	Amortized cost	27,103	20,474
		<b>9,908,680</b>	<b>10,288,773</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

		Consolidated	
	Classification	June 30, 2023	March 31, 2023
Financial assets			
Cash and cash equivalents	Amortized cost	86,015	273,408
Financial investments	Fair value through profit or loss	2,321,985	2,843,370
Trade receivables	Amortized cost	362,968	315,596
	Fair value through other		
Derivative financial instruments	comprehensive income	165,628	156,210
Derivative financial instruments	Fair value through profit or loss	345,360	232,600
Judicial deposits	Amortized cost	1,117,959	1,088,976
Other assets, except prepayments	Amortized cost	258,222	237,690
		<b>4,658,137</b>	<b>5,147,850</b>
Financial liabilities			
Borrowings	Fair value through profit or loss	29	29
Borrowings	Amortized cost	5,922,772	6,623,854
	Fair value through other		
Derivative financial instruments	comprehensive income	73,104	94,036
Derivative financial instruments	Fair value through profit or loss	236,146	241,909
Trade payables	Amortized cost	538,328	281,311
Leases and agricultural partnerships payable	Amortized cost	3,132,897	3,041,771
Acquisition of ownership interests	Amortized cost	11,575	11,571
Other liabilities	Amortized cost	45,220	32,481
		<b>9,960,071</b>	<b>10,326,962</b>

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: There is no history of significant default in the Company.

## 25 Fair value

The Company measures and determines fair value using various methods, including market approaches of income or cost, in order to estimate the value that market participants would use to price the asset or liability. Financial assets and liabilities carried at fair value are classified and disclosed within the following fair value hierarchy levels:

**Level 1** - Quoted prices (unadjusted) in active, liquid and visible markets, for identical assets and liabilities that are readily available at the measurement date;

**Level 2** - Quoted prices (which may be adjusted or not) for similar assets or liabilities in active markets; and

**Level 3** - Assets and liabilities for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from a thin, non-existent, or illiquid market (non-observable inputs).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

During the reporting period, there was no reclassification of assets and liabilities at fair value to or from level 1, 2 or 3.

Parent company	June 30, 2023			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,088,633	-	-	2,681,690	-
Derivative financial instruments	44,230	466,758	-	48,399	340,411	-
Biological assets	-	-	1,414,213	-	-	1,160,568
	<b>44,230</b>	<b>2,555,391</b>	<b>1,414,213</b>	<b>48,399</b>	<b>3,022,101</b>	<b>1,160,568</b>
Liabilities						
Derivative financial instruments	68,753	240,497	-	81,056	254,889	-
Borrowings	-	29	-	-	29	-
	<b>68,753</b>	<b>240,526</b>	<b>-</b>	<b>81,056</b>	<b>254,918</b>	<b>-</b>

Consolidated	June 30, 2023			March 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Financial investments	-	2,321,985	-	-	2,843,370	-
Derivative financial instruments	44,230	466,758	-	48,399	340,411	-
Biological assets	-	-	1,414,213	-	-	1,160,568
	<b>44,230</b>	<b>2,788,743</b>	<b>1,414,213</b>	<b>48,399</b>	<b>3,183,781</b>	<b>1,160,568</b>
Liabilities						
Derivative financial instruments	68,753	240,497	-	81,056	254,889	-
Borrowings	-	29	-	-	29	-
	<b>68,753</b>	<b>240,526</b>	<b>-</b>	<b>81,056</b>	<b>254,918</b>	<b>-</b>

### Futures and Options - ICE

The fair value of futures traded on the New York - Intercontinental Exchange (ICE Futures US) and B3 - Brazil, Stock Exchange, OTC is calculated as the difference between the price of the derivative in the contract and the market closing price on the base date, which is obtained from quotations in an active market, and reconciled with creditor or debtor balances with the brokers. The fair value of options traded on the ICE platform is obtained from market quotations.

### Currency options

The fair value of currency options is obtained through the use of the Garman & Kohlhagen model, which is based on public market data and characteristics thereof, specifically the underlying asset price, strike of options, volatility, yield curve, and the time remaining to the maturity of the contracts.

### Forward contracts

The fair values of forward contracts, both for foreign exchange and sugar, contracted in the OTC market with leading banks, are calculated using discounted future cash flow methods, which are based on observable market data, specifically the DI, LIBOR, and exchange coupon interest curves published by the B3, PTAX 800 published by the Brazilian Central Bank, and sugar futures prices disclosed by the ICE Exchange.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### Other financial assets and liabilities

The carrying amounts of trade receivables, notes receivable, trade payables and notes payable less impairment provision, or adjustment to present value, where applicable, are assumed to approximate their fair values.

## 26 Segment information (Consolidated)

Management has determined the Company's operating segments based on the reports used for strategic decisions and reviewed by the main decision-makers, namely: the Executive Board, the CEO, and the Board of Directors.

The analyses are made by business segment, as described below, based on the products sold by the Company:

- (i) Sugar;
- (ii) Ethanol;
- (iii) Ethanol corn;
- (iv) Electric power;
- (v) Real estate businesses;
- (vi) Yeast;
- (vii) DDGs; and
- (viii) Other less relevant products and by-products.

The operating segment performance is analyzed based on each product's results, focusing on profitability. The operating assets related to these segments are all located in Brazil.

### Consolidated result by segment

	June 30, 2023									
Consolidated	Sugar	Ethanol	Ethanol Corn	Electric power	Real estate businesses	Yeast	DDGs	Other products	Not by segment	Total
Gross revenue										
Domestic market	66,478	331,388	64,315	61,928	5,315	18,243	30,169	49,028	-	626,864
Foreign market	710,329	50,922	-	-	-	3,783	-	-	-	765,034
Gain/loss on derivatives	(12,394)	1,698	-	-	-	-	-	-	-	(10,696)
Amortization of electricity supply contract	-	-	-	-	-	-	-	-	(2,834)	(2,834)
(-) Taxes, contributions, and deductions on sales	(4,482)	(18,078)	4,348	(3,264)	(187)	(2,909)	(4,086)	(7,123)	-	(35,781)
<b>Net revenue</b>	<b>759,931</b>	<b>365,930</b>	<b>68,663</b>	<b>58,664</b>	<b>5,128</b>	<b>19,117</b>	<b>26,083</b>	<b>41,905</b>	<b>(2,834)</b>	<b>1,342,587</b>
Cost of goods sold	(485,900)	(342,704)	(64,161)	(15,206)	(31)	(5,785)	(36,912)	(26,035)	-	(976,734)
Change in the market value of biological assets, agricultural produce, and CBIOs	88,058	50,837	-	-	-	-	-	6,241	-	145,136
<b>Gross profit</b>	<b>362,089</b>	<b>74,063</b>	<b>4,502</b>	<b>43,458</b>	<b>5,097</b>	<b>13,332</b>	<b>(10,829)</b>	<b>22,111</b>	<b>(2,834)</b>	<b>510,989</b>
Gross margin	47.6%	20.2%	6.6%	74.1%	99.4%	69.7%	-41.5%	52.8%	-	38.1%
Selling expenses	(38,376)	(4,474)	(2)	(3,510)	-	-	-	35	-	(46,327)
Other operating expenses, net	-	-	-	-	-	-	-	-	(84,172)	(84,172)
<b>Operating profit</b>	<b>323,713</b>	<b>69,589</b>	<b>4,500</b>	<b>39,948</b>	<b>5,097</b>	<b>13,332</b>	<b>(10,829)</b>	<b>22,146</b>	<b>(87,006)</b>	<b>380,490</b>
Operating margin	42.6%	19.0%	6.6%	68.1%	99.4%	69.7%	-41.5%	52.8%	-	28.3%
Other income and expenses not by segment	-	-	-	-	-	-	-	-	(160,222)	(160,222)
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,268</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

								June 30, 2022	
Consolidated	Sugar	Ethanol	Electric power	Real estate businesses	Yeast	Other products	Not by segment	Total	
Gross revenue									
Domestic market	57,932	823,390	69,673	1,379	13,519	88,529	-	1,054,422	
Foreign market	466,930	292,950	-	-	1,879	-	-	761,759	
Gain/loss on derivatives	(12,619)	2,167	-	-	-	-	-	(10,452)	
Amortization of electricity supply contract	-	-	-	-	-	-	(2,262)	(2,262)	
(-) Taxes, contributions, and deductions on sales	(3,857)	(74,235)	(5,000)	(1,662)	(1,915)	(19,339)	-	(106,008)	
<b>Net revenue</b>	<b>508,386</b>	<b>1,044,272</b>	<b>64,673</b>	<b>(283)</b>	<b>13,483</b>	<b>69,190</b>	<b>(2,262)</b>	<b>1,697,459</b>	
Cost of goods sold	(401,122)	(665,548)	(17,241)	39	(6,875)	(33,005)	-	(1,123,752)	
Changes in the market value of biological assets, and agricultural produce	11,063	(8,465)	-	-	-	4,757	-	7,355	
<b>Gross profit</b>	<b>118,327</b>	<b>370,259</b>	<b>47,432</b>	<b>(244)</b>	<b>6,608</b>	<b>40,942</b>	<b>(2,262)</b>	<b>581,062</b>	
Gross margin	23.3%	35.5%	73.3%	86.2%	49.0%	59.2%	-	34.2%	
Selling expenses	(27,244)	(15,249)	(3,678)	-	-	-	-	(46,171)	
Other operating income, net	-	-	-	-	-	-	(19,071)	(19,071)	
<b>Operating profit</b>	<b>91,083</b>	<b>355,010</b>	<b>43,754</b>	<b>(244)</b>	<b>6,608</b>	<b>40,942</b>	<b>(21,333)</b>	<b>515,820</b>	
Operating margin	17.9%	34.0%	67.7%	86.2%	49.0%	59.2%	-	30.4%	
Other income and expenses not by segment	-	-	-	-	-	-	(294,241)	(294,241)	
<b>Profit for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221,579</b>	

On June 30, 2023, net revenue from Cbios (decarbonization credits), amounting to R\$ 3,939, (R\$ 39,543 on June 30, 2022) is recorded within "other products".

### Consolidated operating assets by segment

The main operating assets of São Martinho were segregated by segment based on the cost centers into which they are allocated and/or the apportionment criterion that takes into consideration the share of each product in relation to total production. This allocation could, therefore, vary from one period to another.

									June 30, 2023	
	Sugar	Ethanol	Ethanol Corn	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total	
Trade receivables	166,778	54,559	10,238	31,969	53,722	8,720	14,715	22,267	362,968	
Inventories and advances to suppliers	498,783	738,218	194,309	-	6,142	2,070	5,006	20,929	1,465,457	
Biological assets	801,725	612,488	-	-	-	-	-	-	1,414,213	
Property, plant and equipment	2,953,184	3,653,210	541,193	143,595	-	36,528	10,899	1,045	7,339,654	
Intangible assets	275,092	173,854	1,247	9,039	-	-	-	-	459,232	
Right-of-use assets	1,408,352	1,585,564	-	-	-	-	-	-	2,993,916	
<b>Total assets allocated</b>	<b>6,103,914</b>	<b>6,817,893</b>	<b>746,987</b>	<b>184,603</b>	<b>59,864</b>	<b>47,318</b>	<b>30,620</b>	<b>44,241</b>	<b>14,035,440</b>	
Other unallocated assets	-	-	-	-	-	-	-	4,935,544	4,935,544	
<b>Total</b>	<b>6,103,914</b>	<b>6,817,893</b>	<b>746,987</b>	<b>184,603</b>	<b>59,864</b>	<b>47,318</b>	<b>30,620</b>	<b>4,979,785</b>	<b>18,970,984</b>	

									March 31, 2023	
	Sugar	Ethanol	Ethanol Corn	Electric power	Real estate businesses	Yeast	DDGs	Not by segment	Total	
Trade receivables	135,185	67,393	-	10,688	52,021	-	-	50,309	315,596	
Inventories and advances to suppliers	364,995	260,099	262,301	-	6,173	53	4,597	20,578	918,796	
Biological assets	717,735	442,833	-	-	-	-	-	-	1,160,568	
Property, plant and equipment	3,346,635	3,522,861	543,309	154,631	-	39,131	-	-	7,606,567	
Intangible assets	277,816	171,481	1,494	13,334	-	-	-	-	464,125	
Right-of-use assets	1,481,610	1,443,715	-	-	-	-	-	-	2,925,325	
<b>Total assets allocated</b>	<b>6,323,976</b>	<b>5,908,382</b>	<b>807,104</b>	<b>178,653</b>	<b>58,194</b>	<b>39,184</b>	<b>4,597</b>	<b>70,887</b>	<b>13,390,977</b>	
Other unallocated assets	-	-	-	-	-	-	-	5,432,808	5,432,808	
<b>Total</b>	<b>6,323,976</b>	<b>5,908,382</b>	<b>807,104</b>	<b>178,653</b>	<b>58,194</b>	<b>39,184</b>	<b>4,597</b>	<b>5,503,695</b>	<b>18,823,785</b>	

As the decision-makers analyze liabilities on a consolidated basis, the segment information relating to liabilities is not being disclosed.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 27 Revenue

São Martinho recognizes revenue by reflecting the consideration it expects to receive in exchange for the control of goods and services.

There are no estimated losses in relation to sales of sugar and ethanol and other by-products, since all the performance obligations are fulfilled at the time the final product is delivered, which is also the time when revenue is recognized.

For the real estate development segment, the Company adopts the provisions of Technical Interpretation 02 (OCPC 04), in accordance with guidance from the Brazilian Securities Commission (CVM), recognizing revenue over time (Percentage of Completion (PoC) method). The year-to-date amount recognized in this quarterly information totaled R\$ 309 (no revenue under the PoC method was recorded for the period ended June 30, 2022).

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities.

#### a) Sale of goods and rendering of services

São Martinho sells sugar, ethanol, electric power, and yeast, among other products. Sales are recognized when the products are delivered to the customer. In order for revenue to be recognized, the Company follows the conceptual framework of the standard, which comprises the following steps: identification of contracts with customers, identification of performance obligations under the contracts, determination of the transaction price, and allocation of the transaction price.

São Martinho renders planting, mechanization and logistics services. These services are priced based on the time incurred and the materials used, and are recognized as they are rendered.

The Company's three largest customers of sugar sales accounted for about 36% of net revenue; for the ethanol sold, the three largest customers accounted for 28%.

#### b) Sale of plots of land and land subdivisions (Real Estate Developments)

Sales revenue and cost of land inherent in real estate developments are recognized in profit or loss to the extent that the infrastructure work progresses, as directed by the CVM and detailed above.

For installment sales of land with completed infrastructure projects, revenue is recognized when the sale is made, regardless of the receipt of the contractual amount, and is measured at the fair value of the consideration received and receivable. The amounts receivable are adjusted to present value.

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

Sales revenue was as follows:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Gross sales revenue				
Domestic market	575,722	1,004,434	626,864	1,054,422
Foreign market	765,034	761,759	765,034	761,759
Gain/loss on derivatives	(10,696)	(10,452)	(10,696)	(10,452)
	<u>1,330,060</u>	<u>1,755,741</u>	<u>1,381,202</u>	<u>1,805,729</u>
Amortization of electric power supply contract (i)	-	-	(2,834)	(2,262)
	<u>1,330,060</u>	<u>1,755,741</u>	<u>1,378,368</u>	<u>1,803,467</u>
Taxes, contributions, and deductions on sales	(31,820)	(100,469)	(35,781)	(106,008)
	<u><b>1,298,240</b></u>	<u><b>1,655,272</b></u>	<u><b>1,342,587</b></u>	<u><b>1,697,459</b></u>

(i) Amortization of the electric power supply contracts entered into with BIO SC.

## 28 Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Depreciation and amortization (including biological assets harvested)	(416,196)	(511,588)	(417,299)	(512,919)
Raw materials and consumables	(412,284)	(397,237)	(397,914)	(381,799)
Personnel expenses	(129,824)	(130,027)	(131,568)	(131,564)
Material for resale (mainly ethanol to be resold in 2022)	(2,875)	(33,923)	(2,875)	(35,327)
Maintenance parts and services	(34,687)	(45,021)	(34,787)	(45,104)
Changes in the fair value of biological assets, agricultural produce, and CBI Os	145,136	7,355	145,136	7,355
Freight on sales	(40,317)	(36,096)	(40,317)	(36,096)
Third-party services	(21,179)	(20,592)	(21,748)	(20,971)
Litigation	(9,672)	(9,089)	(9,672)	(9,146)
Cost of land sales	-	-	31	39
Other expenses	(56,300)	(49,368)	(62,439)	(52,442)
	<u><b>(978,198)</b></u>	<u><b>(1,225,586)</b></u>	<u><b>(973,452)</b></u>	<u><b>(1,217,974)</b></u>
<u>Classified as:</u>				
Cost of goods sold	(842,297)	(1,128,846)	(831,598)	(1,116,397)
Selling expenses	(42,870)	(43,315)	(46,327)	(46,171)
General and administrative expenses	(93,031)	(53,425)	(95,527)	(55,406)
	<u><b>(978,198)</b></u>	<u><b>(1,225,586)</b></u>	<u><b>(973,452)</b></u>	<u><b>(1,217,974)</b></u>

## 29 Other income, net

In this quarterly information, consolidated "other income" includes R\$ 32,844 related to out-of-period tax credits for expenses now treated as being essential to the production process (based on legal understanding).

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 30 Finance income (costs)

	Parent company		Consolidated	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Finance income				
Interest received and earned	79,169	75,771	86,768	83,708
Other income	11,479	1,908	11,623	3,411
PIS/COFINS on finance income	(4,709)	(3,597)	(4,714)	(3,715)
	<b>85,939</b>	<b>74,082</b>	<b>93,677</b>	<b>83,404</b>
Finance costs				
Interest on borrowings	(188,691)	(178,009)	(190,045)	(178,874)
Adjustment to present value (i)	(87,701)	(64,923)	(87,701)	(64,923)
Interest paid	(4,288)	(9,141)	(4,287)	(9,003)
Bank guarantee commission	(2,155)	(2,195)	(2,155)	(2,197)
Payables to Copersucar	(1,437)	(1,735)	(1,437)	(1,735)
Other expenses	(3,723)	(5,541)	(3,775)	(5,642)
	<b>(287,995)</b>	<b>(261,544)</b>	<b>(289,400)</b>	<b>(262,374)</b>
Exchange and monetary variation, net				
Trade receivables and payables	(5,177)	12,748	(5,177)	12,748
Available funds	(11,919)	3,995	(11,919)	3,995
Borrowings	(35,955)	(149,283)	(35,955)	(149,283)
	<b>(53,051)</b>	<b>(132,540)</b>	<b>(53,051)</b>	<b>(132,540)</b>
Derivatives - not designated for hedge accounting				
Gain on swap transactions	63,243	3,825	63,243	3,825
Gain (loss) on ethanol transactions	-	(209)	-	(209)
Foreign exchange gain (loss), net	(1,527)	2,110	(1,527)	2,110
Gain (loss) on sugar transactions	4,387	1,912	4,387	1,912
Gain on foreign exchange transactions	22,155	5,319	22,155	5,319
Cost of stock exchange transactions	(302)	(252)	(302)	(252)
	<b>87,956</b>	<b>12,705</b>	<b>87,956</b>	<b>12,705</b>
<b>Finance income (costs)</b>	<b>(167,151)</b>	<b>(307,297)</b>	<b>(160,818)</b>	<b>(298,805)</b>

(i) Mainly leases and agricultural partnerships payable.

### 31 Earnings per share

	June 30, 2023	June 30, 2022
Profit for the period attributed to owners of the parent	220,268	221,579
Weighted average number of common shares in the period - in thousands	346,375	346,375
<b>Basic and diluted earnings per share - R\$</b>	<b>0.6359</b>	<b>0.6397</b>

## Notes to the quarterly information at June 30, 2023

All amounts in thousands of reais unless otherwise stated

### 32 Insurance coverage

São Martinho maintains a standard safety, training and quality program for all units, which aims at reducing the risks of accidents, among other purposes. Insurance policies are taken out at amounts considered sufficient to cover potential losses, if any, on its assets and liabilities. The amounts covered by the insurance policies in effect at the reporting date are as follows:

Parent Company and Consolidated Item	Insured risks	Maximum coverage (i)
Loss of Profit and Operational Risks (ii)	Loss of profit due to material damages to facilities, buildings, industrial machinery and equipment, and electric power generation. Operational Risks - any material damage to buildings, facilities, inventories, agricultural and industrial machinery and equipment.	2,272,307
Civil Liability	Damages caused to third parties as a result of professional errors or omissions (E&O insurance).	2,583,900
Environmental Responsibility	Environmental accidents that may lead to breaches of environmental laws.	30,000

(i) Corresponds to the maximum coverage amount for the various assets and locations insured.

(ii) Insurance coverage against material damages (operating risks) to vehicles are excluded. using the Economic Research Institute (FIPE) table, instead.

\* \* \*