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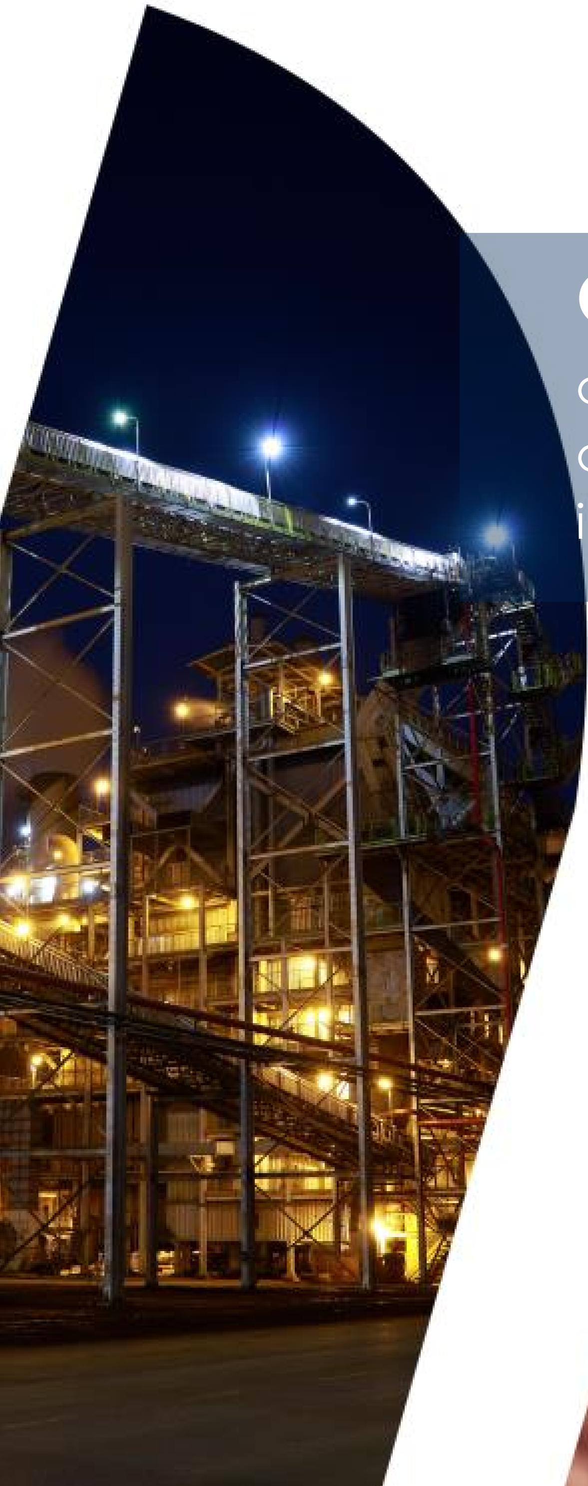

Quarterly Information (ITR)

at June 30, 2020 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, 2020, comprising the balance sheet as at that date and the statements of income, comprehensive income, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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 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 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, and presented in accordance with the standards issued by the CVM.

PricewaterhouseCoopers, Av. Antônio Diederichsen 400, 21° e 22°, Ed. Metropolitan Business Center, Ribeirão Preto, SP, Brasil, 14020-250, Caixa Postal 308, T: +55 (16) 3516 6600, www.pwc.com.br

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, 2020. 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.

Prior-year and prior-period information

The Quarterly Information (ITR) mentioned in the first paragraph includes accounting information related to the statement of income, changes in equity, cash flows, and value added for the quarter ended June 30, 2019 obtained from the Quarterly Information (ITR) at that date and presented for comparison purposes. The accounting information for the quarter ended June 30, 2019 was reviewed by another firm of independent auditors, whose report, dated August 12, 2019, expressed an unmodified conclusion.

Ribeirão Preto, August 10, 2020

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Maurício Cardoso de Moraes
Contador CRC 1PR035795/O-1 "T" SP

Contents

Balance sheet
At June 30 and March 31, 2020

All amounts in thousands of reais

(A free translation of the original in Portuguese)

ASSETS	Note	Parent company June 30, 2020	Parent company March 31, 2020	Consolidated June 30, 2020	Consolidated March 31, 2020
CURRENT ASSETS					
Cash and cash equivalents	4	234,452	91,998	236,859	92,066
Financial investments	4	1,307,651	1,775,640	1,405,092	1,831,504
Trade receivables	5	223,832	125,531	266,659	165,829
Derivative financial instruments	23	98,729	224,635	98,729	224,635
Inventories and advances to suppliers	6	724,778	357,890	720,183	366,177
Biological assets	7	689,676	713,547	689,676	713,547
Taxes recoverable	8	20,438	12,303	20,438	12,303
Income tax and social contribution	20	56,770	71,257	56,770	71,257
Dividends receivable		-	-	249	-
Other assets		16,408	8,581	16,639	8,832
TOTAL CURRENT ASSETS		3,372,734	3,381,382	3,511,294	3,486,150
NON-CURRENT ASSETS					
Financial investments	4	35,269	35,011	38,738	38,494
Inventories and advances to suppliers	6	81,866	49,916	81,866	49,916
Derivative financial instruments	23	34,630	28,977	34,630	28,977
Trade receivables	5	-	-	34,326	27,192
Receivables from Copersucar		10,017	10,017	10,017	10,017
Taxes recoverable	8	71,360	80,051	72,733	81,046
Judicial deposits	22	271,722	270,872	271,901	271,060
Related parties	9	255	255	-	-
Other assets		57,159	57,159	57,159	57,159
		562,278	532,258	601,370	563,861
Investments	10	1,500,581	1,462,223	34,560	33,868
Property, plant and equipment	11	3,885,130	4,058,484	5,665,225	5,844,505
Intangible assets	12	412,209	413,075	459,922	465,689
Right-of-use assets	13	1,647,850	1,719,453	1,647,850	1,719,453
		7,445,770	7,653,235	7,807,557	8,063,515
TOTAL NON-CURRENT ASSETS		8,008,048	8,185,493	8,408,927	8,627,376
TOTAL ASSETS		11,380,782	11,566,875	11,920,221	12,113,526

LIABILITIES AND EQUITY	Note	Parent company June 30, 2020	Parent company March 31, 2020	Consolidated June 30, 2020	Consolidated March 31, 2020
CURRENT LIABILITIES					
Borrowings	14	697,575	591,024	697,575	591,024
Leases payable	13	49,987	40,168	49,987	40,168
Agricultural partnership payable	13	226,727	203,835	226,727	203,835
Derivative financial instruments	23	319,392	406,473	319,392	406,473
Trade payables	15	275,051	176,848	268,067	174,524
Payables to Copersucar	16	10,892	10,892	10,892	10,892
Salaries and social charges		200,341	149,263	201,536	150,249
Taxes payable		37,953	32,477	41,673	34,730
Income tax and social contribution payable	20	-	-	6,377	4,985
Dividends payable	18	54,694	54,694	54,694	54,694
Advances from customers		10,908	34,662	10,953	34,710
Acquisition of ownership interests	9 and 17	11,647	11,664	11,647	11,664
Other liabilities		14,480	10,310	19,272	18,527
TOTAL CURRENT LIABILITIES		1,909,647	1,722,310	1,918,792	1,736,475
NON-CURRENT LIABILITIES					
Borrowings	14	3,898,061	4,223,418	3,898,061	4,223,418
Leases payable	13	359,021	377,954	359,021	377,954
Agricultural partnership payable	13	1,008,497	1,053,956	1,008,497	1,053,956
Derivative financial instruments	23	68,363	79,022	68,363	79,022
Payables to Copersucar	16	178,443	179,189	178,443	179,189
Taxes payable		8,923	7,283	8,923	7,283
Deferred income tax and social contribution	20	196,204	214,220	726,029	746,226
Provision for contingencies	22	97,942	99,793	98,439	100,283
Acquisition of ownership interests	9 and 17	15,270	15,270	15,270	15,270
Taxes with suspended payment	16 (b)	242,188	242,188	242,188	242,188
Other liabilities		5,614	5,596	5,586	5,586
TOTAL NON-CURRENT LIABILITIES		6,078,526	6,497,889	6,608,820	7,030,375
EQUITY	18				
Share capital		1,696,652	1,696,652	1,696,652	1,696,652
Capital reserve		9,418	9,418	9,418	9,418
Treasury shares		(131,361)	(131,361)	(131,361)	(131,361)
Carrying value adjustments		533,529	607,022	533,529	607,022
Revenue reserves		1,182,573	1,164,945	1,182,573	1,164,945
Retained earnings		101,798	-	101,798	-
TOTAL EQUITY		3,392,609	3,346,676	3,392,609	3,346,676
TOTAL LIABILITIES AND EQUITY		11,380,782	11,566,875	11,920,221	12,113,526

The accompanying notes are an integral part of this quarterly information

Statement of income

Periods ended June 30, 2020 and 2019

All amounts in thousands of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue	27	993,812	724,511	1,021,020	751,729
Cost of goods sold	28	(711,938)	(560,843)	(701,229)	(553,031)
Gross profit		281,874	163,668	319,791	198,698
Operating income (expenses)					
Selling expenses	28	(44,720)	(24,896)	(45,293)	(25,472)
General and administrative expenses	28	(55,500)	(51,045)	(56,329)	(51,931)
Equity in the results of investees	10	38,341	35,815	941	408
Other revenue, net		1,860	9,779	2,445	10,698
		(60,019)	(30,347)	(98,236)	(66,297)
Operating profit		221,855	133,321	221,555	132,401
Finance income (costs)	29				
Finance income		17,802	44,687	20,096	47,363
Finance costs		(98,512)	(95,315)	(98,531)	(94,704)
Monetary and foreign exchange variations, net		(1,333)	(16,017)	(1,333)	(16,017)
Derivatives		6,915	(158)	6,915	(158)
		(75,128)	(66,803)	(72,853)	(63,516)
Profit before income tax and social contribution		146,727	66,518	148,702	68,885
Income tax and social contribution	20 (b)				
Current		(13,093)	27,991	(15,561)	25,213
Deferred		(17,928)	(3,046)	(17,435)	(2,635)
Profit for the period		115,706	91,463	115,706	91,463
Basic and diluted earnings per share - R$	30	0.3337	0.2584	0.3337	0.2584

The accompanying notes are an integral part of this quarterly information

Statement of comprehensive income
Periods ended June 30, 2020 and 2019
All amounts in thousands of reais (A free translation of the original in Portuguese)

Parent company and consolidated	June 30, 2020	June 30, 2019
Profit for the year	115,706	91,463
Items that will be subsequently reclassified to profit or loss		
Changes in the period:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	(39,151)	9,522
Foreign exchange derivatives - Options / NDF	(63,936)	14,363
Foreign exchange differences on borrowing agreements (Trade Finance)	(93,823)	29,674
	(196,910)	53,559
Recognition in operating income		
Commodity derivatives - Futures, options and forward contracts	5,362	(775)
Foreign exchange derivatives - Options / NDF	85,063	1,385
Foreign exchange differences on borrowing agreements (Trade Finance)	602	442
	91,027	1,052
Write-off due to ineffectiveness		
Commodity derivatives - Futures, options and forward contracts	166	27
	166	27
Total changes in the period		
Commodity derivatives - Futures, options and forward contracts	(33,623)	8,774
Foreign exchange derivatives - Options / NDF	21,127	15,748
Foreign exchange differences on borrowing agreements (Trade Finance)	(93,221)	30,116
Deferred taxes on the items above	35,944	(18,576)
	(69,773)	36,062
Total comprehensive income for the year	45,933	127,525

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)

					Carrying value adjustments									
					Deemed cost			Revenue reserve						
	Note	Share capital	Capital reserves	Treasury shares	Parent	Investees	Hedge accounting	Legal	Capital reserve	Unrealized revenue reserve	Tax incentive reserve	Supplementary dividends	Retained earnings	Total
At March 31, 2019	18	1,696,652	9,418	(234,100)	172,822	989,265	(145,732)	110,427	357,124	40,463	365,748	28,923	-	3,391,010
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	-	(3,905)	(350)	-	-	-	-	-	-	4,255	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	-	36,062	-	-	-	-	-	-	36,062
Cancellation of treasury shares	18 b	-	-	177,232	-	-	-	-	(177,232)	-	-	-	-	-
Transfer to tax incentive reserve	18 (d)	-	-	-	-	-	-	-	-	-	22,715	-	(22,715)	-
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	91,463	91,463
At June 30, 2019	18	1,696,652	9,418	(56,868)	168,917	988,915	(109,670)	110,427	179,892	40,463	388,463	28,923	73,003	3,518,535
At March 31, 2020	18	1,696,652	9,418	(131,361)	126,500	1,031,673	(551,151)	142,377	487,851	34,131	487,650	12,936	-	3,346,676
Realization of surplus on revaluation of deemed cost	18 (c. i)	-	-	-	(3,655)	(65)	-	-	-	-	-	-	3,720	-
Gain (loss) on derivate transactions - hedge accounting	18 (c. ii)	-	-	-	-	-	(69,773)	-	-	-	-	-	-	(69,773)
Transfer to tax incentive reserve	18 (d)	-	-	-	-	-	-	-	-	-	17,628	-	(17,628)	-
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	115,706	115,706
At June 30, 2020	18	1,696,652	9,418	(131,361)	122,845	1,031,608	(620,924)	142,377	487,851	34,131	505,278	12,936	101,798	3,392,609

The accompanying notes are an integral part of this quarterly information

Statement of cash flows
Periods ended June 30, 2020 and 2019
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Note	Parent company		Consolidated	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Cash flows from operating activities					
Profit for the period		115,706	91,463	115,706	91,463
Adjustments					
Depreciation and amortization	28	175,753	159,877	177,092	149,244
Biological assets harvested	28	185,029	129,409	185,029	129,409
Change in the fair value of biological assets	28	(11,039)	(9,274)	(11,039)	(9,274)
Amortization of electricity contracts		-	-	3,236	2,763
Equity in the results of investees	10	(38,341)	(35,815)	(941)	(408)
Gains (losses) on investments and PP&E written off	11	50	1,298	(67)	279
Interest, monetary and exchange variations, net		42,307	57,032	41,251	55,360
Derivative financial instruments		84,101	1,210	84,101	1,210
Setup of provision for contingencies, net	22.1	2,836	4,333	2,849	4,350
Income tax and social contribution	20 (b)	31,021	(24,945)	32,996	(22,578)
Adjustment to present value and other adjustments		43,217	3,325	42,542	2,013
		630,640	377,913	672,755	403,831
Changes in assets and liabilities					
Trade receivables		(94,034)	(5,432)	(106,997)	(13,054)
Inventories		(219,167)	(250,789)	(206,286)	(250,626)
Taxes recoverable		16,223	(26,369)	15,846	(26,371)
Derivative financial instruments		(73,482)	11,380	(73,482)	11,380
Other assets		(8,266)	(72,504)	(8,238)	(72,249)
Trade payables		98,464	117,003	97,529	110,503
Salaries and social charges		51,078	46,362	51,287	46,539
Taxes payable		(6,554)	5,412	(5,194)	5,836
Payables to Copersucar		(1,256)	(3,676)	(1,256)	(3,676)
Provision for contingencies - settlement	22.1	(2,223)	(4,896)	(2,236)	(4,913)
Other liabilities		(19,585)	(3,284)	(23,012)	(3,124)
Cash from operations		371,838	191,120	410,716	204,076
Payment of interest on borrowings	14	(135,117)	(62,427)	(135,117)	(62,427)
Income tax and social contribution paid		-	-	(969)	(879)
Net cash provided by (used in) operating activities		236,721	128,693	274,630	140,770
Cash flows from investing activities					
Investment of funds	17	(215)	(608)	(215)	(608)
Purchases of property, plant and equipment and intangible assets		(35,541)	(57,029)	(35,543)	(57,059)
Additions to biological assets (planting and crop treatments)	7 and 11	(192,121)	(180,393)	(192,121)	(180,393)
Financial investments		479,593	(159,825)	438,586	(197,585)
Proceeds from sale of property, plant and equipment	11	396	1,961	5,835	3,191
Net cash provided by (used in) investing activities		252,112	(395,894)	216,542	(432,454)
Cash flows from financing activities					
Amortization of lease and partnership agreements	13	(112,341)	(129,361)	(112,341)	(105,002)
Proceeds from borrowings – third parties	14	143,481	416,087	143,481	416,087
Repayment of borrowings - third parties	14	(377,519)	(140,593)	(377,519)	(140,593)
Net cash provided by (used in) financing activities		(346,379)	146,133	(346,379)	170,492
Increase (decrease) in cash and cash equivalents		142,454	(121,068)	144,793	(121,192)
Cash and cash equivalents at the beginning of the period	4	91,998	197,170	92,066	197,607
Cash and cash equivalents at the end of the period	4	234,452	76,102	236,859	76,415
Additional information					
Balance of financial investments (current assets)	4	1,307,651	1,979,023	1,405,092	2,065,201
Total available funds	4	1,542,103	2,055,125	1,641,951	2,141,616

The accompanying notes are an integral part of this quarterly information

Statement of value added
Periods ended June 30, 2020 and 2019
All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue				
Gross sales of goods and products	1,053,761	796,434	1,082,944	831,094
Revenue from construction of own assets	183,699	179,578	183,699	179,578
Other income	1,096	644	1,689	1,540
	1,238,556	976,656	1,268,332	1,012,212
Inputs acquired from third parties				
Cost of products and goods sold	(274,443)	(210,491)	(256,602)	(211,511)
Material, electricity, third-party services, and other operating expenses	(211,002)	(161,091)	(218,857)	(168,788)
	(485,445)	(371,582)	(475,459)	(380,299)
Gross value added	753,111	605,074	792,873	631,913
Depreciation and amortization	(175,753)	(159,877)	(177,092)	(149,244)
Biological assets harvested	(185,029)	(129,409)	(185,029)	(129,409)
Net value added generated by the entity	392,329	315,788	430,752	353,260
Value added received in transfer				
Equity in the results of investees	38,341	35,815	941	408
Finance income	195,223	94,775	197,523	97,452
Other	1,544	9,306	1,538	9,331
Total value added to be distributed	627,437	455,684	630,754	460,451
Distribution of value added				
Personnel and payroll charges				
Direct compensation	125,619	115,107	125,694	115,164
Benefits	45,686	40,675	45,900	40,879
Government Severance Indemnity Fund for Employees (FGTS)	10,652	11,580	10,657	11,584
Management compensation	10,655	8,270	10,943	8,546
Taxes, charges and contributions				
Federal	45,631	(3,199)	48,324	832
State	2,319	29,901	2,330	30,069
Municipal	392	617	403	627
Financing entities				
Interest	94,569	89,916	94,569	89,916
Rentals	804	607	804	607
Foreign exchange variations	139,756	59,515	139,756	59,515
Other	35,648	11,232	35,668	11,249
Retained profits for the period	115,706	91,463	115,706	91,463
Value added distributed	627,437	455,684	630,754	460,451

The accompanying notes are an integral part of this quarterly information

1. Operations

São Martinho S.A. (the "Company" or "Parent Company") is a listed corporation headquartered in Pradópolis, state of São Paulo, with its shares traded on the listing segment of B3 S.A. - Brazil, Stock Exchange, OTC ("B3"). The Company and its subsidiaries (together, "São Martinho", or "Consolidated") are primarily engaged in the cultivation of sugarcane, and production and sale of sugar, ethanol and other sugarcane byproducts; cogeneration of electricity; 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 production of the goods derives from plantations on land owned by the Company, its stockholders, related companies, or under agricultural partnerships. The remaining 30% of sugarcane is supplied by third parties. Businesses in the sugar-ethanol sector are 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, which leads to fluctuations in the Company's inventories. Raw material supply may be impacted by adverse climate conditions. Sugarcane crop takes up to 18 months to mature, and harvest begins, in general, from April to December, which is also the period when sugar and ethanol are produced, and electricity is cogenerated.

The Company is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which holds 53.74% interest in the Company's voting capital. In turn, LJN is owned by the family holding companies: Luiz Ometto Participações S.A., João Ometto Participações S.A., and Nelson Ometto Participações Ltda.

The issue of this quarterly information was authorized by the Board of Directors on August 10, 2020.

RenovaBio - CBIOs

At June 30, 2020, the Company had issued 458 thousand pre-CBIOs. After their registration, the decarbonization credits (CBIOs) may be traded mainly with fuel distributors whose acquisition targets have been established under the RenovaBio program. Considering that by the end of the reporting date there was not yet an active market for trading CBIOs, it was not possible to measure and estimate the market or fair values for these assets.

About Renovabio:

The rationale behind RenovaBio, the National Biofuel Policy introduced by Law 13,576/2017, is the establishment of annual national decarbonization targets for the fuel sector, with a view to stimulating an increased production and participation of biofuel in the Brazilian transport energy matrix.

Fuel distributors must prove compliance with individual mandatory targets through the purchase of decarbonization credits (CBIOs), which are publicly traded financial assets derived from the certification of the biofuel production process based on the respective efficiency levels achieved in relation to the emissions.

Effects of the Coronavirus pandemic on the quarterly information

The potential impacts of the Coronavirus pandemic (Covid-19) are reflected in the estimates and judgments used in the preparation of this quarterly information, notably in those relating to the fair value of biological assets, derivative financial instruments with foreign exchange exposure, and impairment test for goodwill, which may affect the Company's future results.

On the date the issue of this quarterly information was authorized by the Board of Directors, an assessment conducted by the Company's management concluded that there were no material uncertainties which might cast doubt on the Company's ability to continue as a going concern, and no issues were identified that could affect the quarterly information at June 30, 2020.

2. Summary of significant accounting policies

2.1 Statement of compliance and basis of preparation

The interim accounting information included in this parent company and consolidated quarterly 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). We further state that the parent company and consolidated quarterly Information comply with both BR GAAP and IFRS.

This quarterly information was prepared under the historical cost convention, as modified to reflect the deemed cost of property, plant and equipment items on the transition date to IFRS/CPC, except for certain derivative financial instruments and biological assets measured at fair value, and disclose all (and only) the applicable significant information related to interim financial statements, which is consistent with the information utilized by management in the performance of its duties.

The significant accounting practices adopted by the Company are described in specific notes to this quarterly information related to the items reported; the accounting practices generally applicable, in different respects, to interim accounting information, are described below.

The Company records dividends received from its subsidiaries on its cash flows from investing activities, since it considers these dividends as return 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.

The consolidated balances in this interim accounting information represent 100% of the equity interest held in the following companies:

Company	Core activity
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 electricity
Bioenergética Santa Cruz S.A. ("Bio SC")	Co-generation of electricity
São Martinho Inova S.A. ("SM Inova")	Investment in companies.
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 Logística e Participações S.A. ("SM Logística")	General product storage
Bioenergia São Martinho ("Bioenergia SM")	Co-generation of electricity
Bioenegética Boa Vista S.A. ("Bioenergética UBV")	Co-generation of electricity

(i) São Martinho Terras Imobiliárias ("SM Terras Imobiliárias") includes its subsidiaries engaged in real estate development and exploitation, established as Special-Purpose Entities (SPEs).

2.3 Functional and presentation currency

The financial information is presented in Brazilian reais (R$), which is the currency of the primary economic environment in which the Company operates ("the functional currency").

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 model hybrid of expected and incurred credit losses, which requires relevant judgment on how changes in economic factors affect 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 of the issuer of the instrument to make the contractual payments.

As permitted by IFRS 9, the Company adopts the requirements of 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 through the amortization process, 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 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 of such changes 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" in order 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 is immediately recognized in the statement of income as gain 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.

If the business combination is carried out in stages, 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, as from the acquisition date, allocated 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 evaluated and are 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:

a) Impairment losses

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

b) Fair value of biological assets

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

c) Income tax, social contribution and other taxes

The Company recognizes provisions for situations where it is probable that additional taxes will be due. When the final outcome of these 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 by using valuation techniques, which include the discounted cash flow model. Whenever possible, these techniques are based on market conditions existing at the balance sheet date. When this is not possible, a certain level of judgment is required to determine the 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 claims at different judicial levels. Provisions for contingencies, set up to cover potential losses arising from unfavorable outcome of ongoing lawsuits, are determined and restated based on management's assessment, which is guided by the opinion of legal consultants, and requires a high degree of judgment on the matters involved.

f) ICMS tax benefits

As disclosed in Note 18(d), the Company has ICMS tax incentives granted by the State of Goiás. On August 7, and December 15, 2017, the Complementary Law 160/2017 and ICMS Agreement 190/2017, respectively, were published, regulating the granting of tax benefits that disregard item "g", subsection XII, paragraph 2 of Art. 155 of the Federal Constitution.

The State of Goiás published a list of all the rulings that granted the tax benefits introduced under Decree 9,193/2018 and subsequent amendments, and Decree 9,358/2018, in addition to registering and filing the supporting documentation with the Executive Secretariat of the National Council of Fiscal Policy (CONFAZ), as provided for in Clause 4 of ICMS Agreement 190/2017.

The Company's management, together with its legal advisors, follows up the matter, through the Treasury Department of Goiás.

All amounts in thousands of reais unless otherwise stated

g) Incremental borrowing rate on leases and agricultural partnership

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, which also takes into consideration the lessee's credit risk, the term of the agreement, and the collateral offered.

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, 2020	March 31, 2020	Annual yield	June 30, 2020	March 31, 2020
Cash and banks (in Brazil)		132	180		2,539	248
Cash and banks (abroad) (US Dollar)	0.30% p.a.	234,320	91,818	0.30% p.a.	234,320	91,818
Total cash and cash equivalents		**234,452**	**91,998**		**236,859**	**92,066**
Financial investments						
. Investment fund	98.12% of	1,224,241	1,693,054	99.45% of CDI	1,321,682	1,748,918
. Funds - Financial Treasury Bills (LFT)	100% of SELIC	19,445	19,301	100% of SELIC	19,445	19,301
. Bank Deposit Certificate (CDB)	100.85% of CDI	83,410	82,586	100.86% of CDI	83,410	82,586
. Other (i)	99.05% of CDI	15,824	15,710	99.23% of CDI	19,293	19,193
Total financial investments		**1,342,920**	**1,810,651**		**1,443,830**	**1,869,998**
Total cash and cash equivalents and financial investments		**1,577,372**	**1,902,649**		**1,680,689**	**1,962,064**
In non-current assets		**35,269**	**35,011**		**38,738**	**38,494**
Total available funds		**1,542,103**	**1,785,052**		**1,641,951**	**1,840,984**

(i) 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.

All amounts in thousands of reais unless otherwise stated

The balance of trade receivables is broken down as follows:

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Domestic customers	88,726	120,101	166,370	188,100
Foreign market customers	135,106	5,430	135,106	5,430
Expected impairment loss on trade receivables	-	-	(491)	(509)
	223,832	**125,531**	**300,985**	**193,021**
Current assets	**223,832**	**125,531**	**266,659**	**165,829**
Non-current assets	**-**	**-**	**34,326**	**27,192**

The aging list of trade receivables is as follows:

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Falling due:	223,139	124,557	300,081	191,911
Overdue and not provisioned				
Up to 30 days	5	69	61	112
Over 31 days	688	905	843	998
	223,832	**125,531**	**300,985**	**193,021**

Of the amount receivable, R$ 2,033 and R$ 181 in the Parent company and Consolidated, respectively (R$ 1,612 and R$ 626, respectively, at March 31, 2020), refer to related parties, as detailed in Note 9.

6. Inventories and advances to suppliers

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Current				
Finished products and work-in-process	508,373	139,599	495,558	139,599
Advances - purchases of sugarcane	64,315	61,238	64,315	61,238
Advances - purchases of inputs	63,332	71,254	63,332	71,254
Land subdivisions	-	-	8,220	8,287
Inputs, ancillary materials for maintenance and others	88,758	85,799	88,758	85,799
	724,778	**357,890**	**720,183**	**366,177**
Non-current				
Advances - purchases of sugarcane	81,866	49,916	81,866	49,916
	81,866	**49,916**	**81,866**	**49,916**
	806,644	**407,806**	**802,049**	**416,093**

All amounts in thousands of reais unless otherwise stated

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.

7. Biological assets

Biological assets correspond to the agricultural products under development (standing sugarcane) produced by the 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 for which there is little, if any, market activity, or whose prices or valuation techniques are supported by inputs from 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 on positive cash flows.

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

Parent company and Consolidated	June 30, 2020	March 31, 2020
Estimated total harvest area (ha)	239,011	239,774
Expected yield (metric ton/ha)	88.00	91.35
Amount of TRS per metric ton of sugar (kg)	136.13	133.30
Projected average price of TRS (R$)	0.6301	0.6038

At June 30, 2020, the discount rate used to calculate the fair value of biological assets was 7.35% p.a. (7.22% p.a. at March 31, 2020).

All amounts in thousands of reais unless otherwise stated

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 sales" in the statement of income.

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

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Historical cost	829,616	742,524	829,616	742,524
Fair value	(116,069)	(85,467)	(116,069)	(85,467)
Biological assets - opening balance:	**713,547**	**657,057**	**713,547**	**657,057**
Changes:				
Increases arising from crop treatments	125,893	117,056	125,893	117,056
Transfer of PP&E/biological assets	98,155	73,352	98,155	73,352
Changes in fair value	31,649	25,794	31,649	25,794
Decreases resulting from harvest	(279,568)	(219,224)	(279,568)	(219,224)
Biological assets - closing balance:	**689,676**	**654,035**	**689,676**	**654,035**
Comprised of:				
Historical cost	774,095	713,708	774,095	713,708
Fair value	(84,419)	(59,673)	(84,419)	(59,673)
Biological assets - closing balance:	**689,676**	**654,035**	**689,676**	**654,035**

The operating activities of sugarcane cultivation are exposed to the risk of damage caused by 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 the purpose of the sensitivity analysis, the Company assessed the impact on the fair value of its biological assets at June 30, 2020, considering the 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$ 63,502. Regarding the production volume, the same 5% variation (up or down) would result in an increase or decrease of R$ 56.743.

All amounts in thousands of reais unless otherwise stated

8. Taxes recoverable

Breakdown of taxes recoverable:

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Current				
PIS / COFINS	7,062	4,031	7,062	4,031
ICMS	12,487	7,407	12,487	7,407
Others	889	865	889	865
	20,438	**12,303**	**20,438**	**12,303**
Non-current				
PIS / COFINS	42,876	44,832	42,900	44,864
Reintegra	879	4,870	879	4,870
IOF on derivatives	8,689	8,653	8,689	8,653
ICMS	12,306	15,117	13,271	16,080
INSS	6,610	6,579	6,994	6,579
	71,360	**80,051**	**72,733**	**81,046**
	91,798	**92,354**	**93,171**	**93,349**

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

PIS – Social Integration program
COFINS – Social Contribution on Revenues
ICMS – State Value-Added tax
Reintegra - Special Regime for the Reinstatement of Taxes for Exporters
IOF - Tax on Financial Transactions
INSS - National Institute of Social Security

All amounts in thousands of reais unless otherwise stated

9. Related parties

a) Parent company and consolidated balances:

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Current assets				
Trade receivables (i)				
São Martinho Terras Imobiliárias S.A.	16	22	-	-
Bioenergética Santa Cruz S.A.	1,067	9	-	-
Bioenergética São Martinho S.A.	821	1,014	-	-
São Martinho Terras Agrícolas S.A.	11	14	-	-
CTC - Centro de Tecnologia Canavieira S.A.	21	447	93	528
Others	97	106	88	98
	2,033	**1,612**	**181**	**626**
Non-current assets				
Advance for future capital increase				
São Martinho Inova S.A.	5	5	-	-
Bioenergia São Martinho Ltda.	250	250	-	-
	255	**255**	**-**	**-**
Current liabilities				
Trade payables				
São Martinho Terras Imobiliárias S.A.	597	168	-	-
Bioenergética Santa Cruz S.A.	321	258	-	-
São Martinho Terras Agrícolas S.A.	9,893	5,423	-	-
CTC - Centro de Tecnologia Canavieira S.A.	182	346	182	346
Others	9	9	9	9
	11,002	**6,204**	**191**	**355**
Advances from customers				
CTC - Centro de Tecnologia Canavieira S.A.	7	-	7	-
	7	**-**	**7**	**-**
Leases and agricultural partnerships payable from shareholders and related parties	285,969	291,281	285,969	291,281
Current and non-current liabilities				
Acquisition of ownership interest				
Luiz Ometto Participações S.A. (Note 17)	26,917	26,934	26,917	26,934

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

All amounts in thousands of reais unless otherwise stated

b) Parent company and consolidated significant transactions in the period:

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Sales revenue				
Bioenergética Santa Cruz S.A.	3,059	1,974	-	-
Bioenergética São Martinho S.A.	1,900	1,748	-	-
	4,959	**3,722**	**-**	**-**
Reimbursed expenses/Lease revenue (purchase of products and services)				
São Martinho Terras Imobiliárias S.A.	(1,599)	(1,233)	-	-
São Martinho Terras Agrícolas S.A.	(23,663)	(23,090)	-	-
Bioenergética Santa Cruz S.A.	(471)	(820)	-	-
Bioenergética São Martinho S.A.	11	82	-	-
CTC - Centro de Tecnologia Canavieira S.A.	(120)	(569)	100	(371)
Agro Pecuária Boa Vista S/A	31	49	31	49
	(25,811)	**(25,581)**	**131**	**(322)**
Shareholders and related parties				
Sugarcane purchases / agricultural partnership and land lease				
Agro Pecuária Boa Vista S/A	(8,621)	(7,789)	(8,621)	(7,789)
Others	(4,639)	(4,360)	(4,639)	(4,360)
	(13,260)	**(12,149)**	**(13,260)**	**(12,149)**

Sales revenue relate to sale of steam. Purchases of products and services relate to purchase of sugarcane, electricity, steam production service, and royalties. Expenses reimbursed by subsidiaries or related parties relate to expenditures incurred with the Shared Services Center, the Board of Directors, and the corporate office. Apportionments are supported by agreements signed by the parties.

c) Management compensation

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

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Fixed and variable compensation, and benefits	7,005	6,646	7,490	7,110
Social security contributions	1,380	1,317	1,467	1,400
Total compensation and charges	**8,385**	**7,963**	**8,957**	**8,510**

São Martinho makes available to its executive officers 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.

All amounts in thousands of reais unless otherwise stated

On December 9, 2019, the Board of Directors approved the granting of 1,072,712 new options, in the amount of R$ 7,015, through the 11th Stock Option Plan, whose regulation is the same as that of other plans already existing in the Company.

Accordingly, in this quarterly information, the carrying amount of the liability relating to the new fair value calculation of the Virtual Option Plan is R$ 6,207 (R$ 82 at March 31, 2020).

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

Plan	6th Plan	7th Plan	8th Plan	9th Plan	10th Plan	10th Plan	Total
Plan issue date	12/15/2014	12/14/2015	12/12/2016	05/02/2018	12/10/2018	12/09/2019	
Deadline for exercise *(i)*	2021	2022	2023	2024	2025	2026	
Number of virtual options granted	835,725	696,465	727,273	882,074	1,133,513	1,072,712	5,347,762
Number of virtual options exercised	(807,951)	(655,515)	(410,383)	(108,066)	-	-	(1,981,915)
Number of virtual options to be exercised	**27,774**	**40,950**	**316,890**	**774,008**	**1,133,513**	**1,072,712**	**3,365,847**
Exercise price (R$)	12.04	15.87	17.70	17.76	19.07	19.38	

The virtual options for each plan 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, complying with the deadlines established for each plan. 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:

				Parent company			
	Ownership interest %	Investee's adjusted equity		Investment book value		Equity in the results of investees	
Company		June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020	June 30, 2020	June 30, 2019
Classified as Investments							
SM Terras Imobiliárias	100.00%	161,774	159,086	161,774	159,086	2,691	1,339
Bio SM	100.00%	44,217	37,381	44,217	37,381	6,835	8,426
SM Inova	100.00%	27,826	26,870	27,826	26,870	954	408
SM Terras Agrícolas	100.00%	1,155,543	1,144,494	1,155,543	1,144,494	11,050	11,767
SM Logística	100.00%	2,673	2,703	2,673	2,703	(30)	(29)
Bio SC	100.00%	72,879	61,941	108,547	91,688	16,858	13,904
Bioenergética BV	100.00%	1	1	1	1	-	-
Bioenergia SM	100.00%	-	-	-	-	(17)	-
Total classified as Investments		**1,464,913**	**1,432,476**	**1,500,581**	**1,462,223**	**38,341**	**35,815**

All amounts in thousands of reais unless otherwise stated

							Consolidated
	Ownership interest %	Investee's adjusted equity		Investment book value		Equity in the results of investees	
Company		June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020	June 30, 2020	June 30, 2019
Classified as Investments							
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.41%	614,959	601,912	33,297	32,590	956	408
Others		-	-	1,263	1,278	(15)	-
Total classified as Investments		**614,959**	**601,912**	**34,560**	**33,868**	**941**	**408**

(i) As regulated by 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.

11. Property, plant, and equipment

The assets' net book values and useful lives, and 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 are 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 bearer plants that are exclusively used to grow sugarcane. Sugarcane is classified as a permanent crop and its economically productive cycle lasts, on average, eight years after 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.

All amounts in thousands of reais unless otherwise stated

Parent company	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Other PP&E	Total
At March 31, 2019	**209,296**	**401,832**	**1,179,860**	**306,422**	**229,566**	**287,476**	**1,190,628**	**120,764**	**53,460**	**3,979,304**
Total cost	209,296	490,357	1,775,974	306,422	363,639	565,861	1,190,628	120,764	170,003	5,192,944
Accumulated depreciation	-	(88,525)	(596,114)	-	(134,073)	(278,385)	-	-	(116,543)	(1,213,640)
Net book value	**209,296**	**401,832**	**1,179,860**	**306,422**	**229,566**	**287,476**	**1,190,628**	**120,764**	**53,460**	**3,979,304**
Acquisitions	5,871	286	7,393	302,757	15,950	59,151	339,388	125,690	6,252	862,738
Capital contribution to subsidiary (i)	(119,064)	-	-	-	-	-	-	-	-	(119,064)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Cost of sale	-	-	(35)	-	(2,497)	(3,835)	(47)	-	(372)	(6,786)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,438)	(79,024)	(307,868)	(21,186)	(37,689)	-	-	(10,689)	(468,894)
At March 31, 2020	**96,103**	**395,287**	**1,166,760**	**301,311**	**223,751**	**298,255**	**1,350,926**	**174,939**	**51,152**	**4,058,484**
Total cost	96,103	496,251	1,841,782	301,311	377,559	617,139	1,350,926	174,939	178,131	5,434,141
Accumulated depreciation	-	(100,964)	(675,022)		(153,808)	(318,884)	-	-	(126,979)	(1,375,657)
Net book value	**96,103**	**395,287**	**1,166,760**	**301,311**	**223,751**	**298,255**	**1,350,926**	**174,939**	**51,152**	**4,058,484**
Acquisitions	-	34	1,132	-	1,623	1,178	66,458	24,894	1,133	96,452
Transfer of PP&E/biological assets	-	-	-	-	-	-	(98,155)	-	-	(98,155)
Cost of sale	-	-	(9)	-	(137)	(300)	-	-	-	(446)
Transfer between groups	-	2,491	12,768	-	8,865	(3,796)	12,017	(33,313)	968	-
Depreciation	-	(3,922)	(31,976)	(120,236)	(7,061)	(4,626)	-	-	(3,384)	(171,205)
At June 30, 2020	**96,103**	**393,890**	**1,148,675**	**181,075**	**227,041**	**290,711**	**1,331,246**	**166,520**	**49,869**	**3,885,130**
Total cost	96,103	498,776	1,855,661	301,311	387,690	625,381	1,331,246	166,520	180,231	5,442,919
Accumulated depreciation	-	(104,886)	(706,986)	(120,236)	(160,649)	(334,670)		-	(130,362)	(1,557,789)
Net book value	**96,103**	**393,890**	**1,148,675**	**181,075**	**227,041**	**290,711**	**1,331,246**	**166,520**	**49,869**	**3,885,130**
Net book value										
Historical cost	24,816	327,236	943,143	181,075	201,934	251,412	1,331,246	166,520	49,869	3,477,251
Surplus on revaluation	71,287	66,654	205,532	-	25,107	39,299	-	-	-	407,879
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

All amounts in thousands of reais unless otherwise stated

Consolidated	Land	Buildings and outbuildings	Manufacturing equipment and facilities	Intercrop maintenance	Vehicles	Agricultural machinery and implements	Sugarcane plantations	Construction in progress	Improvements and other PPE	Total
At March 31, 2019	**1,812,339**	**405,543**	**1,237,880**	**307,002**	**229,564**	**287,477**	**1,190,627**	**120,762**	**53,466**	**5,644,660**
Total cost	1,812,339	496,594	1,857,960	307,158	363,637	565,861	1,190,627	120,762	170,003	6,884,941
Accumulated depreciation	-	(91,051)	(620,080)	(156)	(134,073)	(278,384)	-	-	(116,537)	(1,240,281)
Net book value	**1,812,339**	**405,543**	**1,237,880**	**307,002**	**229,564**	**287,477**	**1,190,627**	**120,762**	**53,466**	**5,644,660**
Acquisitions	11,782	286	7,393	303,851	15,950	59,151	339,388	125,690	6,252	869,743
Cost of sale	(334)	-	(35)	-	(2,497)	(3,835)	(47)	-	(373)	(7,121)
Transfer from Inventories to Sales	(1,782)	-	-	-	-	-	-	-	-	(1,782)
Transfer of biological assets	-	-	-	-	-	-	(188,814)	-	-	(188,814)
Transfer between groups	-	5,607	58,566	-	1,918	(6,848)	9,771	(71,515)	2,501	-
Depreciation	-	(12,619)	(81,578)	(308,420)	(21,186)	(37,689)	-	-	(10,689)	(472,181)
At March 31, 2020	**1,822,005**	**398,817**	**1,222,226**	**302,433**	**223,749**	**298,256**	**1,350,925**	**174,937**	**51,157**	**5,844,505**
Total cost	1,822,005	502,487	1,923,767	303,059	377,558	617,139	1,350,925	174,937	178,135	7,250,012
Accumulated depreciation	-	(103,670)	(701,541)	(626)	(153,809)	(318,883)	-	-	(126,978)	(1,405,507)
Net book value	**1,822,005**	**398,817**	**1,222,226**	**302,433**	**223,749**	**298,256**	**1,350,925**	**174,937**	**51,157**	**5,844,505**
Acquisitions	-	34	1,132	-	1,623	1,178	66,458	24,894	1,132	96,451
Cost of sale	(4,565)	-	(8)	-	(137)	(300)	-	-	-	(5,010)
Transfer of biological assets	-	-	-	-	-	-	(98,155)	-	-	(98,155)
Transfer between groups	-	2,491	12,768	-	8,865	(3,796)	12,016	(33,313)	969	-
Depreciation	-	(3,974)	(32,931)	(120,588)	(7,061)	(4,626)	-	-	(3,386)	(172,566)
At June 30, 2020	**1,817,440**	**397,368**	**1,203,187**	**181,845**	**227,039**	**290,712**	**1,331,244**	**166,518**	**49,872**	**5,665,225**
Total cost	1,817,440	505,012	1,937,647	302,739	387,689	625,382	1,331,244	166,518	180,236	7,253,907
Accumulated depreciation	-	(107,644)	(734,460)	(120,894)	(160,650)	(334,670)		-	(130,364)	(1,588,682)
Net book value	**1,817,440**	**397,368**	**1,203,187**	**181,845**	**227,039**	**290,712**	**1,331,244**	**166,518**	**49,872**	**5,665,225**
Net book value										
Historical cost	165,930	329,768	983,586	181,845	201,933	251,413	1,331,244	166,518	49,872	3,662,109
Surplus on revaluation	1,651,510	67,600	219,601	-	25,106	39,299	-	-	-	2,003,116
Annual average depreciation rates/ Transfer of biological assets	-	3%	5%	100%	7%	9%	14%	-	14%	

All amounts in thousands of reais unless otherwise stated

The amount recorded within "Construction in progress" relates mainly to projects for the implementation of data transmission technology (4G), construction of a plant for production of hydrolyzed yeast, firefighting/prevention, and expansion of ethanol storage and shipping.

Under the terms of certain borrowing agreements entered into by the Company, property, plant, and equipment items totaling R$ 644,130 were pledged as collateral, of which R$ 59,934 relates to rural properties (1,970 hectares of land).

Financial charges capitalized by the Group during the year amounted to R$ 306 (R$ 418 at March 31, 2020).

12. Intangible assets

Contractual relationships have a finite useful life, and their amortization is calculated based on the quantity 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, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Goodwill based on future profitability (i)	374,632	374,632	374,633	374,633
Software license	38,221	37,492	38,221	37,492
Accumulated amortization	(29,409)	(28,821)	(29,409)	(28,821)
Rights on sugarcane contracts (ii)	42,443	42,443	42,443	42,443
Amortization of rights on sugarcane contracts (ii)	(18,248)	(17,026)	(18,248)	(17,026)
Rights on electricity contracts (iii)	-	-	103,401	103,401
Amortization of rights on electricity contracts (iii)	-	-	(67,217)	(62,315)
Other assets	4,570	4,355	16,098	15,882
	412,209	**413,075**	**459,922**	**465,689**

(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 electricity supply entered into with BIO SC, effective up to 2025 (business combination).

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 found.

All amounts in thousands of reais unless otherwise stated

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 clearly independent from those generated by another CGU.

At March 3, 2020, the Company tested its non-current assets for impairment. The assessment was based on calculations of the value in use of each CGU, which use pre-income tax and social contribution cash flow projections, based on 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 involved are estimates of sugar and ethanol sales prices, costs related to energy and other macroeconomic data.

Main assumptions used by the Company (March 31, 2020):

Cash-generating Units	Average growth rate of net operating revenue	Nominal perpetuity growth rate	Nominal discount rate
São Martinho and Iracema production units	4.7%	4.5%	6.6%
Santa Cruz production unit	4.9%	4.5%	6.6%

The effects of the Coronavirus (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

a) Leases

From the year ended March 31, 2020, the Company adopted 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 liabilities, in liabilities. Additionally, in compliance with CVM Resolution 859, the Company declares that there have been no changes and/or revaluations in its lease agreements as a consequence of the COVID-19 pandemic.

Changes in accounting policies are detailed below:

b) Lease definition provided by IFRS 16 (CPC 06 R2)

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

All amounts in thousands of reais unless otherwise stated

c) The Company as the Lessee

The Company adopted the simplified approach with recognition of cumulative effect, 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. Right-of-use assets and the balance payable are remeasured at year-end, based on the index disclosed by the Council of Sugarcane, Sugar and Ethanol 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.

d) The Company as the Lessor

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

Changes in right-of-use assets during the period were as follows:

	Parent company and Consolidated			
Right-of-use assets	**Vehicles**	**Agricultural partnership**	**Agricultural lease**	**Total**
At March 31, 2020	2,683	1,315,293	401,477	1,719,453
New agreements	28,385	57,831	764	86,980
Contract update	-	(10,344)	(8,508)	(18,852)
Write-offs	-	(21,936)	(11,743)	(33,679)
Depreciation	(3,865)	(87,655)	(14,532)	(106,052)
At June 30, 2020	**27,203**	**1,253,189**	**367,458**	**1,647,850**
Useful lives (years)	1 to 2	2 to 29	2 to 20	

Changes in lease and agricultural partnership liabilities during the period were as follows:

All amounts in thousands of reais unless otherwise stated

Arrendamentos e Parcerias agrícolas a pagar	Controladora e Consolidado			
	Saldo do compromissos de arrendamentos	Saldo de adiantamentos efetuados	Ajuste a valor presente	Total
Saldos em 31 de março de 2020	2,663,969	(108,822)	(879,234)	1,675,913
Compensação de adiantamentos	-	2,929	-	2,929
Novos contratos	130,783	-	(43,803)	86,980
Atualização contratual	(30,256)	-	11,404	(18,852)
Baixas	(50,372)	-	12,051	(38,321)
Pagamentos efetuados	(112,341)	-	-	(112,341)
Apropriação encargos financeiros	-	-	47,924	47,924
Saldos em 30 de junho de 2020	**2,601,783**	**(105,893)**	**(851,658)**	**1,644,232**

Passivo Circulante	**276,714**
Arrendamentos a pagar	49,987
Parceria Agrícola a pagar	226,727
Passivo não Circulante	**1,367,518**
Arrendamentos a pagar	359,021
Parceria Agrícola a pagar	1,008,497
	1,644,232

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

Maturity	Parent company and Consolidated
From 7/1/2021 to 6/30/2022	306,401
From 7/1/2022 to 6/30/2023	270,538
From 7/1/2023 to 6/30/2024	248,349
From 7/1/2024 to 6/30/2025	226,353
From 7/1/2025 to 6/30/2026	206,126
From 7/1/2026 to 6/30/2027	166,922
From 7/1/2027 to 6/30/2028	130,036
From 7/1/2028 onwards	555,921
(-) Adjustment to present value	(743,128)
	1,367,518

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

	Parent company and Consolidated	
	Agricultural lease	Adjustment to present value
Lease payment	648,916	266,202
Potentially recoverable PIS/COFINS (9.25%)	(42,769)	(17,255)
June 30, 2020	606,147	248,947

All amounts in thousands of reais unless otherwise stated

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, and adjusted to its economic reality:

Parent company and consolidated	
Contract terms	Incremental borrowing rate
2 years	7.41%
3 years	8.08%
4 years	8.45%
5 years	8.68%
6 years	8.73%
7 years	8.84%
8 years	9.08%
9 years	8.80%
10 years	9.17%
11anos	9.21%
From 12 to 30 years	9.31%

In full compliance with IFRS 16, the Company measured and 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, as prohibited by the standard.

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 June 30, 2020 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:

Parent company and Consolidated	From 7/1/2010 to 6/30/2021	From 7/1/ /2021 to 6/30/2022	From 7/1/2022 to 6/30/2023	From 7/1/2023 to 6/30/2024	From 7/1/2024 to 6/30/2025	From 7/1/2025 to 6/30/2030	From 7/1/2030 to 6/30/2035	From 7/1/2035 to 6/30/2040
Right-of-use assets								
IFRS 16	1,387,158	1,170,852	974,885	799,045	642,282	194,242	26,356	-
CVM Official Letter	1,791,091	1,520,106	1,274,352	1,052,061	853,752	263,872	38,505	-
	29.12%	29.83%	30.72%	31.66%	32.92%	35.85%	46.09%	N/A
Liabilities of leases and agricultural partnerships								
IFRS 16	1,416,669	1,255,464	1,087,257	924,408	768,717	284,795	44,794	-
CVM Official Letter	1,703,328	1,451,186	1,220,673	1,009,971	820,804	312,613	55,967	-
	20.23%	15.59%	12.27%	9.26%	6.78%	9.77%	24.94%	N/A
Depreciation expenses								
IFRS 16	(233,489)	(216,306)	(195,967)	(175,839)	(156,763)	(448,040)	(167,886)	(26,355)
CVM Official Letter	(286,973)	(270,985)	(245,754)	(222,291)	(198,308)	(589,880)	(225,368)	(38,505)
	22.91%	25.28%	25.41%	26.42%	26.50%	31.66%	34.24%	46.10%
Interest expense								
IFRS 16	(45,513)	(125,543)	(101,007)	(86,138)	(72,736)	(229,963)	(70,062)	(9,259)
CVM Official Letter	(112,875)	(112,182)	(110,230)	(107,185)	(102,896)	(444,701)	(175,770)	(28,296)
	148.01%	-10.64%	9.13%	24.43%	41.46%	93.38%	150.88%	205.61%

	IFRS 16/ CPC 06	CVM Official Letter
Depreciation expenses	(1,620,646)	(2,078,064)
Interest expenses	(740,221)	(1,194,135)
	(2,360,867)	(3,272,199)

All amounts in thousands of reais unless otherwise stated

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 .

	Annual charges		Parent company and consolidated	
Type	Rate	Index	June 30, 2020	March 31, 2020
In local currency				
Export Credit Note (NCE)	105.50%	CDI	30,374	131,780
BNDES credit facility	2.23%	+ TJLP	157,804	162,873
BNDES credit facility	3.22%	-	151,846	160,039
Rural credit	6.63%	-	-	278,497
FINEP	4.00%	-	79,359	84,433
Agribusiness Receivable Certificate (CRA)	98.06%	CDI	1,434,820	1,474,171
Agribusiness Receivable Certificate (CRA) (a) (iii)	4.88%	+ IPCA	440,387	448,743
Other securitized credits	3.00%	+IGP-M/PRE	1,515	8,389
Leases	5.98%	Fixed rate	311	-
Total in local currency	**111.27%**	**CDI**	**2,296,416**	**2,748,925**
In foreign currency				
Export prepayment	4.15%	Forex variation	1,102,163	1,050,150
Export prepayment	1.67%	6M Libor	549,495	394,865
International Finance Corporation (IFC)	1.70%	6M Libor	494,336	474,334
Export Credit Note (NCE) (iii)	2.27%	Forex variation	137,780	130,057
FINEM	2.73%	Currency basket	15,446	16,111
Total in foreign currency	**4.21%**		**2,299,220**	**2,065,517**
TOTAL (i)			**4,595,636**	**4,814,442**
Current			697,575	591,024
Non-current			3,898,061	4,223,418

(i) Total costs of liabilities in local and foreign currency were calculated based on the terms of the portfolios, and Interbank Deposit (DI) and LIBOR curves.
(ii) 51% of the Agribusiness Receivable Certificates (CRAs) is linked to 121.87% of the DI variation, through a swap contract.
(ii) 100% of the Export Credit Note (NCE) amount is linked to the DI variation +1.40% p.a., through a swap contract.

The table below shows the changes in borrowings during the period:

	Parent company and Consolidated	
Changes in debt	June 30, 2020	June 30, 2019
Previous balance	4,814,442	4,452,600
Proceeds from borrowings	143,481	416,087
Repayment of principal amount	(377,519)	(140,593)
Repayment of interest	(135,117)	(62,427)
Monetary adjustment	47,539	71,799
Foreign exchange variation	102,810	(23,806)
	4,595,636	**4,713,660**

All amounts in thousands of reais unless otherwise stated

Long-term borrowings mature as follows:

Parent company and Consolidated	Maturity
From 7/1/2021 to 6/30/2022	677,941
From 7/1/2022 to 6/30/2023	1,043,942
From 7/1/2023 to 6/30/2024	451,363
From 7/1/2024 to 6/30/2025	1,070,652
From 7/1/2025 to 6/30/2026	579,496
From 7/1/2026 to 6/30/2027	21,011
From 7/1/2027 to 6/30/2028	20,589
From 7/1/2028 onwards	33,067
	3,898,061

In this quarterly information, R$ 644,130 of São Martinho's debt is collateralized as follows: 91% by equipment, properties, and buildings, approximately 9% by land, and 1% by receivables from electricity trading and stockholders' sureties.

At the reporting date, the carrying amounts of borrowings approximate their fair value. The fair values are based on cash flows discounted using the borrowing rate of 4.4% (4.7% at March 31, 2020), and are classified within Level 2 of the fair value hierarchy.

Covenants

The Company has entered into contracts that include financial covenants amounting to R$ 2,167,038, which are determined and required annually. These covenants were complied with in the reporting period.

15. Trade payables

	Parent company		Consolidated	
	June 30, 2020	March 31, 2020	June 30, 2020	March 31, 2020
Sugarcane	159,932	74,749	149,443	69,158
Materials, services, and other	115,119	102,099	118,624	105,366
	275,051	**176,848**	**268,067**	**174,524**

Of the total amount of trade payables, R$ 11,002 in the parent company, and R$ 191 in the consolidated (R$ 6,204 and R$ 355, respectively, at March 31, 2020) refer to related parties, as detailed in Note 9.

All amounts in thousands of reais unless otherwise stated

16. Obligations and rights with Copersucar

As part of the process to withdraw from Copersucar, the Company entered into an agreement that established obligations and rights that have not expired yet, and are described below.

a) Obligations:

Copersucar provided funds, through bills of exchange, to its members, including the Company during the period of 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 within non-current liabilities. However, in the event of unfavorable outcomes in the lawsuits, the Company could be required to reimburse the amount within 120 days. The main amounts included in these liabilities arose from Excise Tax (IPI), the constitutionality and lawfulness of which was challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

Parent company and Consolidated	June 30, 2020	March 31, 2020
REFIS - Copersucar - Restated by reference to SELIC rate	52,511	53,456
Exchange Bill (LC) - Restated by reference to SELIC rate	71,276	71,077
Exchange Bill (LC) - Transfer of funds without imposition of charges	52,356	52,356
Expenses with tax proceedings	10,892	10,892
Others	2,300	2,300
Total	**189,335**	**190,081**
Current liabilities	**10,892**	**10,892**
Non-current liabilities	**178,443**	**179,189**

All the Company's liabilities to Copersucar are backed by bank sureties. In addition, in accordance with the terms negotiated for 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 in which the Company was a cooperative member.

Copersucar has been served delinquency 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 amount to approximately R$ 260 million. Copersucar believes to have solid grounds to successfully defend itself against the fines imposed, and the risk of loss involved has been classified as possible by its legal advisors.

b) **Rights:**

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

Among the lawsuits to which Copersucar is an active party, it should be highlighted the one that ordered the Federal Government to compensate for damages arising from the setting of lagged prices for sugar and ethanol sales made in the 1980s.

In June 2017, the first court-ordered debt security of R$ 5.6 billion (of which the Company is entitled to R$ 730.5 million) was issued, and in June 2018, the supplementary court ordered debt security amounting to R$ 10.6 billion (of which the Company is entitled to R$ 1.4 billion) was issued.

The excess of R$ 2.2 billion alleged by the Federal Government (of which the Company is entitled to R$ 286.3 million) is still under dispute.

In March 2019, Copersucar received and transferred to the Cooperative members the first installment of the first court ordered debt security (R$ 906 million). Additionally, in December 2019, the second installment of the first court ordered debt security (R$ 1.06 billion) and the first installment of the supplementary court ordered debt security (R$ 1.725 billion) were collected.

At transferring the funds, Copersucar withheld a portion for litigation seeking damages and the levy of PIS and COFINS taxes, while undertaking to transfer the corresponding amounts in the event of a favorable outcome.

The Company, in coordination with the measures taken by Copersucar, has 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 the line item: "Taxes with suspended payment" As provided for in the Agreement for Purchase and Sale of Shares of Santa Cruz S.A. Açúcar e Álcool ("USC")., the Company transferred R$ 27,432 to Luiz Ometto Participações S.A.

After the transfer and withholding of the amounts related to court expenses and taxes under litigation, the balance of R$ 349,056 was recorded within "Other expenses (income), net". As management classifies the receipt of the remainder credit as probable, but not practically certain, the related amount has not been recorded.

All amounts in thousands of reais unless otherwise stated

17. Acquisition and disposal of ownership interest – payables and receivables

The balance of net payables relates to the acquisition and disposal of ownership interest, and is broken down as follows:

	Acquisitions	Disposals	
Parent company and Consolidated	Santa Cruz	Agro Pecuária Boa Vista	Net balance
At March 31, 2020	(125,043)	98,109	(26,934)
Monetary adjustment	(922)	724	(198)
Repayment of interest	998	(783)	215
At June 30, 2020	**(124,967)**	**98,050**	**(26,917)**
		Current liabilities	(11,647)
		Non-current liabilities	(15,270)
			(26,917)

The amounts are restated by reference to the CDI variation, and paid on an annual basis, according to the following schedule:

Maturities	(Acquisition) / Disposal
From 7/1/2021 to 6/30/2022	(11,620)
From 7/1/2022 to 6/30/2023	(11,620)
From 7/1/2023 to 6/30/2024	(11,620)
From 7/1/2024 to 6/30/2025	19,590
	(15,270)

18. Equity

a) Share capital

The share capital at June 30, 2020, and March 31, 2020 totaled R$ 1,696,652, comprised by 354,011,329 registered common shares with no par value.

The Company is authorized to increase its capital up to the limit of 372,000,000 (three hundred and seventy-two million) common shares, regardless of amendments to its bylaws, upon resolution by the Board of Directors, which will determine the share issue conditions, including price and payment term.

At the Extraordinary General Meeting held on July 31, 2020, the stockholders approved a capital increase in the amount of R$ 375,167, through the transfer of R$ 9,418 from the Capital Reserve, and R$ 365,749 from the Tax Incentive Reserve.

b) Treasury shares

Since treasury shares are repurchased equity instruments, they are recognized at acquisition cost in an account 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.

The Board of Directors' meeting held on June 24, 2019 approved the cancellation of 10 million treasury shares.

During the quarter ended June 31, 2020, there was no change in the balance of 7,267,063 shares held in treasury.

c) Carrying value adjustments

(i) Deemed cost

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

(ii) Hedge accounting fair value

This relates to the results of unrealized/settled transactions with derivative financial instruments, classified as hedge accounting. The balance is reversed over time from equity, as the related transactions mature/are shipped.

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 ensuring the integrity of capital, and can only be used to offset losses and increase capital.

Capital budget reserve

This reserve is intended to fund investments to increase the production capacity and other projects for process improvement.

Unrealized profit reserve

This reserve arises from unearned income and comprises the sale of ownership interest held in Agro Pecuária Boa Vista S/A, sale of properties arising from real estate developments, and earnings resulting from changes in shareholding.

Tax incentive reserve

The Company benefits from a tax incentive program of the State of Goiás, effective until 2033, in the form of deferral of ICMS payment, named "Goiás Industrial Development Program - Produzir", which provides for a partial reduction on such 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 the reduction in the payment of ICMS 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 in the amount determined for the grant, with a corresponding entry to "Retained earnings".

The incentive amount that impacted the result at the reporting date was R$ 17,629 in the parent and consolidated (R$ 22,715 at June 30, 2019).

e) Capital reserve

This reserve is made up with the marked-to-market Company's shares issued at the time of exchanging shares with non-controlling interests.

f) Dividends

The stockholders are entitled to a minimum dividend of 25% on profit for the year, after the deduction of accumulated losses, and transfer to the legal reserve.

At the Annual General Meeting held on July 31, 2020, the stockholders approved the payment of additional dividends of R$ 12,936, as proposed by management for the year ended March 31, 2020.

19. Profit sharing

The Company has a profit-sharing program in place for its employees, linked to a previously established plan of operating and financial targets. The amounts of profit sharing for the current period and for the period ended June 30, 2019, recorded as operating costs or expenses in the statement of income, totaled R$ 13,205 and R$ 12,139, respectively, in the parent company (R$ 13,219 and R$ 12,145, respectively, in the consolidated).

20. Income tax and social contribution

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

Deferred tax assets are recognized to the extent that 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 of income taxes in cases where tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32). The entity shall determine 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 should be followed. The Company did not identify impacts from the adoption of this interpretation.

All amounts in thousands of reais unless otherwise stated

a) Changes in deferred income tax and social contribution

Parent company	March 31, 2020	Recognized in the statement of income	Recognized in other comprehensive income	June 30, 2020
Income tax and social contribution losses	38,137	(15,637)	-	22,500
Derivative financial instruments	305,040	(3,881)	35,944	337,103
Provision for contingencies	53,629	5,924	-	59,553
PIS/COFINS on receipt from IAA	4,735	-	-	4,735
Biological assets and agricultural product (fair value)	45,745	(3,753)	-	41,992
Foreign exchange variation	25,344	(2,855)	-	22,489
Leases and agricultural partnerships	12,299	(107)	-	12,192
Other assets	4,806	(1,020)	-	3,786
Total income and social contribution tax assets	**489,735**	**(21,329)**	**35,944**	**504,350**
Surplus on revaluation of PP&E (deemed cost)	(142,805)	3,936	-	(138,869)
Accelerated depreciation incentive	(346,415)	841	-	(345,574)
Tax benefit on merged goodwill	(180,409)	(4,387)	-	(184,796)
Gain on bargain purchase/surplus on revaluation of PPA	(19,704)	1,642	-	(18,062)
Divesture with deferred taxation	(13,552)	-	-	(13,552)
Securitized financing	(1,070)	1,369	-	299
Total income and social contribution tax liabilities	**(703,955)**	**3,401**	**-**	**(700,554)**
Deferred income tax and social contribution	**(214,220)**	**(17,928)**	**35,944**	**(196,204)**

Consolidated	March 31, 2020	Recognized in the statement of income	Recognized in other comprehensive income	Consolidation adjustment - Rights on electricity contracts	June 30, 2020
Income tax and social contribution losses	38,136	(15,637)	-	-	22,499
Derivative financial instruments	305,041	(3,881)	35,944	-	337,104
Provision for contingencies	47,944	(629)	-	-	47,315
PIS/COFINS on receipt from IAA	4,735	-	-	-	4,735
Biological assets and agricultural product (fair value)	45,747	(3,753)	-	-	41,994
Provision for other obligations	6,174	6,553	-	-	12,727
Foreign exchange variation	25,344	(2,855)	-	-	22,489
Land leases and partnerships	12,299	(107)	-	-	12,192
Other assets	4,161	(625)	-	-	3,536
Total income and social contribution tax assets	**489,581**	**(20,934)**	**35,944**	**-**	**504,591**
Surplus on revaluation of PP&E (deemed cost)	(653,728)	4,035	-	-	(649,693)
Accelerated depreciation incentive	(346,415)	841	-	-	(345,574)
Tax benefit on merged goodwill	(180,409)	(4,387)	-	-	(184,796)
Gain on bargain purchase/surplus on revaluation of PPA	(19,704)	1,642	-	-	(18,062)
Divesture with deferred taxation	(13,552)	-	-	-	(13,552)
Securitized financing	(1,070)	1,369	-	-	299
Adjustment to present value	1	(1)	-	-	-
Intangible assets	(15,323)	-	-	1,688	(13,635)
Gain from change in interest held in CTC	(5,068)	-	-	-	(5,068)
Total income and social contribution tax liabilities	**(1,235,268)**	**3,499**	**-**	**1,688**	**(1,230,081)**
Deferred income tax and social contribution	**(745,687)**	**(17,435)**	**35,944**	**1,688**	**(725,490)**
Other deferred taxes	**(539)**	**-**	**-**	**-**	**(539)**

The 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 at the computation of current taxes, and when they relate to the same tax authority.

The Company recognizes deferred tax assets based on projections of taxable profit for the following years. These projections, which do not exceed ten years, are reviewed annually.

All amounts in thousands of reais unless otherwise stated

Deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the property, plant and equipment items that gave rise to them. The realization of this liability is estimated at the average rate of 15% per year, according to 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.

b) Reconciliation of the income tax and social contribution expense

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Profit before taxation	146,727	66,518	148,702	68,885
Income tax and social contribution at nominal rates - 34%	**(49,887)**	**(22,616)**	**(50,559)**	**(23,421)**
Adjustments for calculation of the effective tax rate:				
. Equity in the results of subsidiary	13,036	12,177	320	139
. Permanent (additions) exclusions, net	(460)	(330)	(460)	(330)
. State subsidy	5,994	7,723	5,994	7,723
. Tax incentives	278	-	278	-
. Adjustment to the calculation relating to subsidiary taxed based on deeme	-	-	11,413	10,476
. Recognition of income tax and social contribution credits from prior years	6	27,991	6	27,991
. Others	12	-	12	-
Income tax and social contribution expense	**(31,021)**	**24,945**	**(32,996)**	**22,578**
Income tax and social contribution at the effective rate	21.1%	-37.5%	22.2%	-32.8%
Current income tax and social contribution	(13,093)	27,991	(15,561)	25,213
Deferred income tax and social contribution	(17,928)	(3,046)	(17,435)	(2,635)

21. Commitments

In the ordinary course of its business, the Company assumes various commitments, among which the following should be highlighted:

<u>Riparian forests and Legal Reserve areas</u>

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

São Martinho's commitment to the best environmental practices and sustainable actions is evidenced by its compliance with the Forest Code and other environmental legislation regarding Permanent Preservation Areas (PPA) and Legal Reserve (LR). It should be highlighted that 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 in property, plant, and equipment.

All amounts in thousands of reais unless otherwise stated

Sale commitments

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

	Até um ano	de dois a três anos	Acima de três anos
Etanol (m³)	629,600	155,246	720,000
Açúcar (tons)	1,385,588	314,372	-
Energia (Mwh)	567,920	1,135,840	2,832,200

Purchases of inputs

The Company regularly enters into purchase agreements for the acquisition of agricultural inputs to be used in the maintenance of its crops throughout the crop season. These transactions are generally carried out through purchase for future delivery.

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 dates.

22.1 Probable losses

Based on its legal counsel's assessment of probable losses, São Martinho has recorded the following provisions for contingencies involving probable losses (amounts monetarily restated):

					Parent company
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	27,583	57,252	99,793	270,872
Additions	7	25	6,130	6,162	1,742
Reversals	(75)	(1,934)	(1,317)	(3,326)	-
Utilization	(7)	(6)	(2,210)	(2,223)	(1,158)
Restatements	47	(3,923)	1,412	(2,464)	266
At June 30, 2020	**14,930**	**21,745**	**61,267**	**97,942**	**271,722**

All amounts in thousands of reais unless otherwise stated

	Consolidated				
	Tax	Civil and environmental	Labor	TOTAL	Judicial deposits
At March 31, 2020	14,958	28,073	57,252	100,283	271,060
Additions	19	25	6,130	6,174	1,742
Reversals	(75)	(1,934)	(1,316)	(3,325)	-
Utilization	(19)	(6)	(2,211)	(2,236)	(1,167)
Restatements	47	(3,916)	1,412	(2,457)	266
At June 30, 2020	**14,930**	**22,242**	**61,267**	**98,439**	**271,901**

Judicial deposits are monetarily restated and presented in non-current assets. Additions recorded in the period are shown in Note 16 (b).

On the date of this quarterly information, the nature of the main lawsuits included in the above provisions is as follows (parent company and consolidated):

Tax lawsuits:
Relate to: (*i*) taxes of which the payment is being challenged by the Company, with the respective amounts deposited in court; and (*ii*) success fees payable to the lawyers hired to defend the Company in tax lawsuits.

Civil and environmental lawsuits:
Relate to: (i) compensation in general; (ii) environmental administrative penalties for the event of a fire in a sugarcane crop area, the legality of which is being challenged by the Company, with the respective amounts deposited in court; (iii) success fees payable to the lawyers hired to defend the Company in tax lawsuits.

Labor lawsuits:
Relate mainly to claims for: (i) overtime; (ii) indemnity for elimination of the break between shifts; (iii) hazardous duty and health hazard premiums; (iv) refund of payroll deductions, such as union dues.

22.2 Possible losses

São Martinho is a party to various litigations involving tax, environmental and civil matters that were assessed by the legal counsel as involving possible losses. The nature and the amounts thereof are as follows:

All amounts in thousands of reais unless otherwise stated

		Parent company				Consolidated			
		June 30, 2020		March 31, 2020		June 30, 2020		March 31, 2020	
Nature		Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount	Number of proceedings	Amount
Environmental		96	7,986	91	6,120	96	7,986	91	6,120
Civil									
Indemnities		53	22,956	51	28,353	53	22,956	53	28,787
Review of contracts		10	1,362	11	2,472	11	1,383	12	2,493
Other lawsuits		13	15,192	13	15,187	17	15,268	16	15,260
Labor		44	4,007	36	3,246	44	4,007	36	3,246
Tax									
Social security contribution	(i)	16	229,584	16	227,621	16	229,584	16	227,621
Computation of IRPJ/CSLL	(ii)	5	258,055	5	292,703	5	258,055	5	292,703
Offset of federal taxes	(iii)	83	127,927	76	110,047	85	131,912	77	114,032
ICMS	(iv)	14	55,985	13	36,399	14	55,985	13	36,399
Federal taxes	(v)	1	242,188	1	242,188	1	242,188	1	242,188
Other lawsuits	(vi)	23	503,935	21	473,442	28	517,355	26	486,861
TOTAL		**358**	**1,469,177**	**334**	**1,437,778**	**370**	**1,486,679**	**346**	**1,455,710**

Tax lawsuits:

(i) The 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 included in the exemptions provided for in Article 149, paragraph 2, of the Federal Constitution.

(ii) The lawsuits relate to the exclusion from the income tax and social contribution calculation basis, expenses related to securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive 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 rejected by the Brazilian Federal Revenue Service (RFB), and are currently pending judgment.

(iv) These lawsuits address allegedly undue ICMS credit, based on the Control of ICMS Credit on Permanent Assets (CIAP).

(v) The lawsuit relates to the levy of IRPJ/CSLL/PIS/COFINS on court-ordered debt payment received pursuant to the Sugar Pricing Lawsuit filed by the Sugar and Alcohol Institute (IAA), as mentioned in Note 16.

(vi) The proceedings deal with other tax disputes such as: (a) Public Civil Action disputing the legality of the decrees of the State of Goiás that granted ICMS credits under the PRODUZIR Program; (b) tax assessment notices related to a fine arising from the disallowance of offset; (c) contribution to the National Service for Industrial Training (SENAI)I; (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 lawsuits for damage, in general arising from *(i)* traffic accidents and *(ii)* review of contracts.

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

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

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. São Martinho does not enter into financial instruments for speculative purposes.

23.1 Market risk

a) Foreign exchange risk

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

Non-Derivable Forwards (NDF), and swap and option strategies are used to manage this risk. 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.

<u>Assets and liabilities exposed to exchange variation</u>

The table below summarizes the assets and liabilities denominated in foreign currency (U.S. dollars), recorded in the balance sheet at March 31, 2020:

All amounts in thousands of reais unless otherwise stated

Consolidated	June 30, 2020	Equivalent to thousands of US$
Current and non-current assets		
Cash and cash equivalents (banks - demand deposits)	234,320	42,795
Trade receivables	135,106	24,675
Derivative financial instruments	133,359	24,356
Total assets	502,785	91,826
Current and non-current liabilities:		
Borrowings	2,299,220	419,872
Derivative financial instruments	387,755	70,810
Total liabilities	2,686,975	490,682
Subtotal assets (liabilities)	(2,184,190)	(398,856)
(-) Borrowings foreign currency	2,299,220	419,872
Net exposure - assets	**115,030**	**21,016**

The net exposure deducts foreign currency loans and financing, as these will be settled with funds from future export revenues and, therefore, protected by the Company's hedge policy.

These assets and liabilities were adjusted and recorded in this quarterly information at the exchange rate in effect on June 30, 2020: R$ 5.4754 per US$ 1.00 for assets and R$ 5.4760 per US$ 1.00 for liabilities.

b) Commodity price volatility risk

As a manufacturer of sugar and ethanol, São Martinho is exposed to the risk of fluctuations in commodity prices.

c) Cash flow and fair value interest rate risk

The Company’s borrowings are contracted at floating rates. Regarding borrowings in local currency, the risk of fluctuation in interest rates is mitigated naturally since all financial investments are linked to floating rates. For borrowings in foreign currency, swaps may be contracted to mitigate possible interest-rate fluctuations (Libor).

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.

All amounts in thousands of reais unless otherwise stated

Consolidated	Risk factor	Impacts on P/L Probable scenario 5%	Possible scenario 25%	Possible scenario 50%
Cash and cash equivalents	Decrease in exchange rate - R$/US$	(11,718)	(58,592)	(117,184)
Trade receivables	Decrease in exchange rate - R$/US$	(6,756)	(33,780)	(67,561)
Borrowings	Increase in exchange rate - R$/US$	(371)	(1,855)	(3,710)
Derivative financial instruments				
Currency forward contracts	Increase in exchange rate - R$/US$	(1,152)	(5,760)	(11,519)
Futures price (sugar and ethanol)	Increase in commodity futures prices	(21)	(104)	(208)
Swap contracts	Decrease in exchange rate - R$/US$ abd increase in the yield curve	(1,119)	(2,807)	(5,641)
Net exposure		**(21,137)**	**(102,898)**	**(205,823)**

The sensitivity analysis of variations in interest curves 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 variations in the Interbank Deposit (DI) curve.

e) Financial instruments

São Martinho 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 crop years from 2020/2021 to 2025/2026, and were classified as cash flow hedge of highly probable forecast transactions (future sales).

In order to apply hedge accounting, prospective and retrospective tests were carried out to verify effectiveness. These tests showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

In the case of sugar hedges, the derivatives were designated as cash flow hedges against variations arising from future sales of sugar. These transactions are carried out on the New York - Intercontinental Exchange (ICE Futures US), and with top-tier financial institutions through over-the-counter contracts or directly with the Company’s customers.

In the case of foreign exchange hedges, derivative and non-derivative financial instruments were designated as cash flow hedges for future sales in foreign currency. These hedges are contracted through Non-Deliverable Forwards (NDFs), swap and option strategies, and foreign currency borrowings from top-tier financial institutions.

In this quarterly information and at March 31, 2020, the balances of assets and liabilities related to transactions involving derivative financial instruments and the maturity dates were as follows:

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
				June 30, 2020
In current assets - Gain				
Margin deposit				16,663
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	268,287	13.22	428,182	33,387
. Purchase commitment	78,541	11.13	105,533	9,985
Commodity futures contracts - Ethanol				
. Purchase commitment	600	4,460	2,676	-
Commodity forward contracts - Sugar #11				
. Sale commitment	7,925	13.28	12,706	1,150
Currency forward contracts (NDF) - US dollar - OTC				
. Purchase commitment	2,607	4.49	11,705	2,510
. Sale commitment	21,124	5.48	115,760	790
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	134,576	13.91	225,991	30,088
Interest rate swap contracts - OTC				4,156
Total derivative financial instruments in current assets				**98,729**
In non-current assets - Gain				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	27,382	11.98	39,602	209
. Purchase commitment	14,275	11.38	19,612	940
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	15,489	5.57	86,274	309
Interest rate swap contracts - OTC				33,172
Total derivative financial instruments in non-current assets				**34,630**

Parent company and Consolidated	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
				June 30, 2020
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	72,495	11.46	100,297	5,907
. Purchase commitment	206,715	14.48	361,358	57,157
Commodity futures contracts - Ethanol				
. Sale commitment	1,500	1,890	2,835	42
. Purchase commitment	600	1,530	918	8
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	228,846	4.44	1,016,076	231,083
. Purchase commitment	6,000	5.46	32,760	69
Flex option contracts - US dollar - OTC				
. Short position in call options	134,576	15.34	249,224	3,561
Interest rate swap contracts - OTC				21,565
Total derivative financial instruments in current liabilities				**319,392**
In non-current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	37,035	11.72	52,401	907
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	23,938	5.44	130,299	2,089
Interest rate swap contracts - OTC				65,367
Total derivative financial instruments in non-current liabilities				**68,363**

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	March 31, 2020			
	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
In current assets - Gain				
Margin deposit				43,596
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	483,334	13.02	721,252	124,016
. Purchase commitment	3,607	11.08	4,581	32
Commodity futures contracts - Ethanol				
. Sale commitment	1,200	1,645	1,974	-
Commodity forward contracts - Sugar #11				
. Sale commitment	15,546	13.11	23,359	4,310
Currency forward contracts (NDF) - US dollar - OTC				
. Purchase commitment	2,607	4.49	11,705	1,985
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Bidding position in put options	134,576	13.91	214,547	45,344
Interest rate swap contracts - OTC				5,352
Total derivative financial instruments in current assets				**224,635**
In non-current assets - Gain				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Sale commitment	10,160	14.44	16,815	3,612
. Purchase commitment	762	11.29	986	4
Interest rate swap contracts - OTC				25,361
Total derivative financial instruments in non-current assets				**28,977**

Parent company and Consolidated	March 31, 2020			
	Contracted amount/volume	Average price/rate	Notional value - R$	Fair value - R$
In current liabilities - Loss				
Commodity futures contracts - Sugar #11 - Commodities Exchange				
. Purchase commitment	434,767	13.99	697,112	161,629
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	283,168	4.43	1,254,434	226,984
Flex option contracts - US dollar - OTC				
. Short position in call options	134,576	15.34	236,604	3,567
Interest rate swap contracts - OTC				14,293
Total derivative financial instruments in current liabilities				**406,473**
In non-current liabilities - Loss				
Currency forward contracts (NDF) - US dollar - OTC				
. Sale commitment	7,697	4.53	34,871	5,891
Interest rate swap contracts - OTC				73,131
Total derivative financial instruments in non-current liabilities				**79,022**

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

All amounts in thousands of reais unless otherwise stated

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

At June 30, 2020, financial instruments designated for hedge accounting are broken down as follows:

Parent company and Consolidated	Assets	Liabilities	Total in other comprehensive income
Financial instruments:			
Commodity derivatives - Futures, options and forward contracts	81,247	101,547	(20,300)
Foreign exchange derivatives - Options / NDF	463	207,055	(206,592)
Foreign exchange differences on borrowing agreements (Trade Finance)	-	713,903	(713,903)
	81,710	1,022,505	(940,795)
Deferred taxes on the items above	(27,781)	(347,652)	319,871
	53,929	**674,853**	**(620,924)**

f) Estimated realization

The impacts recorded in equity and the estimated realization in profit or loss at the reporting date are as follows:

Parent company and consolidated	20/21 crop year	21/22 crop year	22/23 and 23/24 crop years	24/25 to 25/26 crop years	TOTAL
Derivative financial instruments:					
Commodity derivatives - Futures, options and forward contracts	(23,035)	2,735	-	-	(20,300)
Foreign exchange derivatives - Options / NDF	(197,247)	(9,345)	-	-	(206,592)
Foreign exchange differences on borrowing agreements (Trade Finance)	(1,829)	(144,718)	(292,634)	(274,722)	(713,903)
	(222,111)	(151,328)	(292,634)	(274,722)	(940,795)
Deferred taxes on the items above	75,518	51,452	99,496	93,405	319,871
	(146,593)	**(99,876)**	**(193,138)**	**(181,317)**	**(620,924)**

23.2 Credit risk

Credit risk is managed by contracting 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 rating of the financial institution.

With respect to customers’ default risk, the credit risk associated with each individual customer is assessed annually, and whenever a new customer is included in the Company’s customer base, with the establishment of an individual credit limit, based on the risk identified.

All amounts in thousands of reais unless otherwise stated

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.

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

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

The table below analyzes the financial liabilities into relevant maturity groupings, which correspond 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
At June 30, 2020				
Borrowings	186,927	2,030,030	3,141,993	5,358,950
Leases payable	57,257	56,561	540,886	654,704
Agricultural partnership payable	277,148	491,829	1,142,311	1,911,288
Derivative financial instruments	319,392	68,363	-	387,755
Trade payables	275,051	-	-	275,051
Acquisition of ownership interest	12,345	24,006	(9,851)	26,500
Other liabilities	14,480	-	5,614	20,094
	1,142,600	**2,670,789**	**4,820,953**	**8,634,342**
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	176,848	-	-	176,848
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other liabilities	10,310	-	5,596	15,906
	1,649,833	**2,843,970**	**4,647,539**	**9,141,342**

All amounts in thousands of reais unless otherwise stated

Consolidated	Up to 1 year	From 2 to 3 years	More than 3 years	Total
At June 30, 2020				
Borrowings	186,927	2,030,030	3,141,993	5,358,950
Leases payable	57,257	56,561	540,886	654,704
Agricultural partnership payable	277,148	491,829	1,142,311	1,911,288
Derivative financial instruments	319,392	68,363	-	387,755
Trade payables	268,067	-	-	268,067
Acquisition of ownership interest	12,345	24,006	(9,851)	26,500
Other liabilities	19,272	-	5,586	24,858
	1,140,408	**2,670,789**	**4,820,925**	**8,632,122**
At March 31, 2020				
Borrowings	695,444	2,125,151	2,949,233	5,769,828
Leases payable	66,110	119,929	517,511	703,550
Agricultural partnership payable	281,961	507,585	1,173,327	1,962,873
Derivative financial instruments	406,473	79,022	-	485,495
Trade payables	174,524	-	-	174,524
Acquisition of ownership interest	12,687	12,283	1,872	26,842
Other liabilities	18,527	-	5,586	24,113
	1,655,726	**2,843,970**	**4,647,529**	**9,147,225**

23.4 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders, and to maintain an optimal capital 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 objectives mentioned above, as permitted by the Brazilian Corporation Law.

24. Classification and fair value of financial instruments

24.1 Classification

Financial assets and liabilities are classified as follows:

All amounts in thousands of reais unless otherwise stated

			Parent company
	Classification	June 30, 2020	March 31, 2020
Financial assets			
Cash and cash equivalents	Amortized cost	234,452	91,998
Financial investments	Fair value through profit or loss	1,342,920	1,810,651
Trade receivables	Amortized cost	223,832	125,531
Derivative financial instruments	Fair value through other comprehensive income	96,031	222,899
Derivative financial instruments	Fair value through profit or loss	37,328	30,713
Judicial deposits	Amortized cost	271,722	270,872
Related parties	Amortized cost	255	255
Other assets, except prepayments	Amortized cost	61,215	60,826
		2,267,755	**2,613,745**
Financial liabilities			
Borrowings	Fair value through profit or loss	1,826	8,389
Borrowings	Amortized cost	4,593,810	4,806,053
Derivative financial instruments	Fair value through other comprehensive income	300,823	398,071
Derivative financial instruments	Fair value through profit or loss	86,932	87,424
Leases and agricultural partnerships payable	Amortized cost	1,644,232	1,675,913
Trade payables	Amortized cost	275,051	176,848
Acquisition of ownership interests	Amortized cost	26,917	26,934
Other liabilities	Amortized cost	20,094	15,906
		6,949,685	**7,195,538**

			Consolidated
	Classification	June 30, 2020	March 31, 2020
Financial assets			
Cash and cash equivalents	Amortized cost	236,859	92,066
Financial investments	Fair value through profit or loss	1,443,830	1,869,998
Trade receivables	Amortized cost	300,985	193,021
Derivative financial instruments	Fair value through other comprehensive income	96,031	222,899
Derivative financial instruments	Fair value through profit or loss	37,328	30,713
Judicial deposits	Amortized cost	271,901	271,060
Other assets, except prepayments	Amortized cost	61,256	60,879
		2,448,190	**2,740,636**
Financial liabilities			
Borrowings	Fair value through profit or loss	1,826	8,389
Borrowings	Amortized cost	4,593,810	4,806,053
Derivative financial instruments	Fair value through other comprehensive income	300,823	398,071
Derivative financial instruments	Fair value through profit or loss	86,932	87,424
Trade payables	Amortized cost	268,067	174,524
Leases and agricultural partnerships payable	Amortized cost	1,644,232	1,675,913
Acquisition of ownership interests	Amortized cost	26,917	26,934
Other liabilities	Amortized cost	24,858	24,113
		6,947,465	**7,201,421**

All amounts in thousands of reais unless otherwise stated

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 uses various methods for measuring and determining fair value, 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, nonexistent, or illiquid market (non-observable inputs).

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

	June 30, 2020			March 31, 2020		
Parent company	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Financial investments	-	1,342,920	-	-	1,810,651	-
Derivative financial instruments	75,759	57,600	-	173,008	80,604	-
Biological assets	-	-	689,676	-	-	713,547
	75,759	**1,400,520**	**689,676**	**173,008**	**1,891,255**	**713,547**
Liabilities						
Derivative financial instruments	64,021	323,734	-	161,629	323,866	-
Borrowings	-	1,826	-	-	8,389	-
	64,021	**325,560**	**-**	**161,629**	**332,255**	**-**

	June 30, 2020			March 31, 2020		
Consolidated	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Financial investments	-	1,443,830	-	-	1,869,998	-
Derivative financial instruments	75,759	57,600	-	173,008	80,604	-
Biological assets	-	-	689,676	-	-	713,547
	75,759	**1,501,430**	**689,676**	**173,008**	**1,950,602**	**713,547**
Liabilities						
Derivative financial instruments	64,021	323,734	-	161,629	323,866	-
Borrowings	-	1,826	-	-	8,389	-
	64,021	**325,560**	**-**	**161,629**	**332,255**	**-**

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 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 over-the-counter market with leading banks, are calculated using discounted future cash flow methods, which are based on market data on the date of each contract, specifically the DI, LIBOR, and DDI interest curves published by the BM&F, PTAX 800 published by the Brazilian Central Bank, and ICE sugar futures prices.

Other financial assets and financial liabilities

The carrying amounts of 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) Electricity;
(iv) Real estate developments;
(v) Yeast; and
(vi) Other less relevant products and by-products.

The performance analyses of operating segments are based on the results of operations of each product, focusing on profitability. The operating assets related to these segments are all located in Brazil.

All amounts in thousands of reais unless otherwise stated

Consolidated results by segment

Consolidated	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Other products	Not by segment	Total
								June 30, 2020
Gross revenue								
Domestic market	41,442	340,845	69,848	1,011	11,976	13,343		478,465
Foreign market	626,803	72,394	-	-		-		699,197
Gain/loss on derivatives	(89,220)	(1,807)						(91,027)
Amortization of electricity supply contract							(3,236)	(3,236)
(-) Taxes, contributions, and deductions on sales	(2,319)	(50,828)	(5,360)	(169)	(1,455)	(2,248)		(62,379)
Net revenue	**576,706**	**360,604**	**64,488**	**842**	**10,521**	**11,095**	**(3,236)**	**1,021,020**
Cost of goods sold	(377,143)	(312,669)	(14,104)	(67)	(2,970)	(5,315)		(712,268)
Change in the market value of biological assets							11,039	11,039
Gross profit	**199,563**	**47,935**	**50,384**	**775**	**7,551**	**5,780**	**7,803**	**319,791**
Gross margin	*34.60%*	*13.29%*	*78.13%*	*92.04%*	*71.77%*	*52.10%*	-	*31.32%*
Selling expenses	(37,106)	(5,147)	(3,040)	-	-	-	-	(45,293)
Other operating expenses, net	-	-	-	-	-	-	(52,943)	(52,943)
Operating profit	**162,457**	**42,788**	**47,344**	**775**	**7,551**	**5,780**	**(45,140)**	**221,555**
Operating margin	28.17%	11.87%	73.42%	92.04%	71.77%	52.10%	-	21.70%
Other income and expenses not by segment	-	-	-	-	-	-	(105,849)	(105,849)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**115,706**

Consolidated	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Other products	Not by segment	Total
								June 30, 2019
Gross revenue								
Domestic market	32,124	414,619	73,584	699	7,309	20,496	-	548,831
Foreign market	224,702	56,269	-	-	-	-	-	280,971
Gain/loss on derivatives	1,432	(2,484)	-	-	-	-	-	(1,052)
Amortization of electricity supply contract	-	-	-	-	-	-	(2,763)	(2,763)
(-) Taxes, contributions, and deductions on sales	(1,983)	(61,953)	(6,023)	(224)	(908)	(3,167)	-	(74,258)
Net revenue	**256,275**	**406,451**	**67,561**	**475**	**6,401**	**17,329**	**(2,763)**	**751,729**
Cost of goods sold	(207,474)	(322,998)	(14,436)	(38)	(2,681)	(14,678)	-	(562,305)
Change in the market value of biological assets	-	-	-	-	-	-	9,274	9,274
Gross profit	**48,801**	**83,453**	**53,125**	**437**	**3,720**	**2,651**	**6,511**	**198,698**
Gross margin	*19.04%*	*20.53%*	*78.63%*	*92.00%*	*58.12%*	*15.30%*	-	*26.43%*
Selling expenses	(17,455)	(5,377)	(2,640)	-	-	-	-	(25,472)
Other operating expenses, net	-	-	-	-	-	-	(40,825)	(40,825)
Operating profit	**31,346**	**78,076**	**50,485**	**437**	**3,720**	**2,651**	**(34,314)**	**132,401**
Operating margin	12.23%	19.21%	74.73%	92.00%	58.12%	15.30%	-	17.61%
Other income and expenses not by segment	-	-	-	-	-	-	(40,938)	(40,938)
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**91,463**

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.

	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Not by segment	Total
							June 30, 2020
Trade receivables	122,504	47,966	80,161	42,593	4,243	3,518	300,985
Inventories and advances to suppliers	286,731	500,611	-	8,220	1,555	4,932	802,049
Biological assets	304,860	384,816	-	-	-	-	689,676
Property, plant and equipment	2,701,074	2,824,934	128,820	-	7,194	3,203	5,665,225
Intangible assets	249,288	174,450	36,184	-	-	-	459,922
Right-of-use assets	790,343	857,507	-	-	-	-	1,647,850
Total assets allocated	**4,454,800**	**4,790,284**	**245,165**	**50,813**	**12,992**	**11,653**	**9,565,707**
Other unallocated assets	-	-	-	-	-	2,354,514	2,354,514
Total	**4,454,800**	**4,790,284**	**245,165**	**50,813**	**12,992**	**2,366,167**	**11,920,221**

All amounts in thousands of reais unless otherwise stated

							March 31, 2020
	Sugar	Ethanol	Electricity	Real estate ventures	Yeast	Not by segment	Total
Trade receivables	17,277	70,340	56,885	42,941	2,345	3,233	193,021
Inventories and advances to suppliers	154,786	245,954	-	8,287	1	7,065	416,093
Biological assets	246,388	467,159	-	-	-	-	713,547
Property, plant and equipment	2,302,517	3,384,846	148,538	-	5,300	3,304	5,844,505
Intangible assets	248,545	176,057	41,087	-	-	-	465,689
Right-of-use assets	685,740	1,033,713	-	-	-	-	1,719,453
Total assets allocated	**3,655,253**	**5,378,069**	**246,510**	**51,228**	**7,646**	**13,602**	**9,352,308**
Other unallocated assets	-	-	-	-	-	2,761,218	2,761,218
Total	**3,655,253**	**5,378,069**	**246,510**	**51,228**	**7,646**	**2,774,820**	**12,113,526**

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

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 products, since all performance obligations are fulfilled at the time the final product is delivered, which is also the time when revenue is recognized.

Regarding the real estate development segment, the Company adopts the provisions of the Technical Interpretation 02 (OCPC 04), in accordance with CVM guidance, recognizing revenue over time (Percentage of Completion (PoC). The year-to-date amount recognized in this quarterly information totaled R$ 842 (R$ 475 at June 30, 2019).

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, electricity, 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 practice, which comprises the following steps: identification of contracts with customers, identification of performance obligations under the contracts, determination of the transaction price, and transaction price allocation.

All amounts in thousands of reais unless otherwise stated

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

At the reporting date, the Company had clients representing more than 10% of its net revenue. The Company's three largest customers of sugar sales account for about 51% of net revenue; while for the ethanol sold, the three largest customers account for 10%.

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 the income statement to the extent that the infrastructure work progresses, as required by CVM and detailed above.

In relation to installment sales of land whose infrastructure projects are completed, revenue is recognized when the sale is made, regardless of the term for receiving the contractual amount, and is measured at the fair value of the consideration received and receivable. The amounts receivable are adjusted to present value.

Sales revenue is broken down as follows:

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Gross sales revenue				
Domestic market	445,931	516,575	478,465	548,831
Foreign market	699,197	280,971	699,197	280,971
Gain/loss on derivatives	(91,027)	(1,052)	(91,027)	(1,052)
	1,054,101	796,494	1,086,635	828,750
Amortization of electricity supply contract *(i)*	-	-	(3,236)	(2,763)
	1,054,101	796,494	1,083,399	825,987
Taxes, contributions, and deductions on sales	(60,289)	(71,983)	(62,379)	(74,258)
	993,812	**724,511**	**1,021,020**	**751,729**

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

28. Costs and expenses by nature

The reconciliation of expenses by nature is as follows:

All amounts in thousands of reais unless otherwise stated

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Raw materials and consumables	214,629	154,835	202,134	154,839
Personnel expenses	118,704	103,990	119,547	104,704
Depreciation and amortization (including biological assets harvested)	360,782	289,286	362,121	278,653
Third-party services	53,672	29,684	53,293	28,984
Maintenance parts and services	38,745	27,134	39,010	27,174
Litigation	2,580	4,117	2,592	4,134
Changes in the fair value of biological assets	(11,039)	(9,274)	(11,039)	(9,274)
Resale material	2,728	5,078	2,728	8,367
Cost of land sales	-	-	67	38
Other expenses	31,357	31,934	32,398	32,815
	812,158	**636,784**	**802,851**	**630,434**
Classified as:				
Cost of goods sold	711,938	560,843	701,229	553,031
Selling expenses	44,720	24,896	45,293	25,472
General and administrative expenses	55,500	51,045	56,329	51,931
	812,158	**636,784**	**802,851**	**630,434**

29. Finance income (costs)

	Parent company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Finance income				
Interest received and earned	13,829	32,833	15,061	34,643
PIS/COFINS on finance income	(725)	(1,655)	(754)	(1,674)
Adjustment to present value	-	9,862	-	9,862
Other income	4,698	3,647	5,789	4,532
	17,802	44,687	20,096	47,363
Finance costs				
Adjustment to present value	(43,218)	(13,584)	(43,218)	(12,957)
Interest on borrowings	(46,505)	(69,771)	(46,505)	(69,771)
Interest paid	(5,066)	(6,625)	(5,066)	(6,625)
Bank guarantee commission	(83)	(119)	(83)	(119)
Payables to Copersucar	(2,116)	(1,812)	(2,116)	(1,812)
Other expenses	(1,524)	(3,404)	(1,543)	(3,420)
	(98,512)	(95,315)	(98,531)	(94,704)
Exchange and monetary variation, net				
Available funds	5,387	(4,342)	5,387	(4,342)
Trade receivables and payables	2,267	(5,806)	2,267	(5,806)
Borrowings	(8,987)	(5,869)	(8,987)	(5,869)
	(1,333)	(16,017)	(1,333)	(16,017)
Derivatives - not designated for hedge accounting				
Gain (loss) on sugar transactions	836	(204)	836	(204)
Gain (loss) on ethanol transactions	408	31	408	31
Gain (loss) on foreign exchange transactions	(4,841)	5,997	(4,841)	5,997
Gain/loss on swaps	7,913	(5,222)	7,913	(5,222)
Cost of stock exchange transactions	(345)	(301)	(345)	(301)
Foreign exchange variation, net	2,944	(459)	2,944	(459)
	6,915	(158)	6,915	(158)
Finance income (costs)	**(75,128)**	**(66,803)**	**(72,853)**	**(63,516)**

(i) Mainly represented by leases and agricultural partnerships payable.

30. Earnings per share

	June 30, 2020	June 30, 2019
Profit for the period attributed to owners of the parent	115,706	91,463
Weighted average number of common shares in the period - in thousands	346,744	354,011
Basic and diluted earnings per share - R$	**0.3337**	**0.2584**

31. Insurance coverage

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

Parent company and Consolidated Risks covered	Maximum coverage *(i)*
Loss of profits	3,691,545
Civil liability	3,201,438
Other coverage	2,763,259
Fire, lightning strike, and explosion of any nature	2,020,000
Electrical damage	1,932,531
Theft or robbery	237,201
Natural phenomena, aircraft and vehicle crash, etc.	192,000

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

Coverage related to vehicles, mainly civil liability, is also included, except for material damages to the vehicle, which use as reference, on average, 100% of the Economic Research Institute (FIPE) table.

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