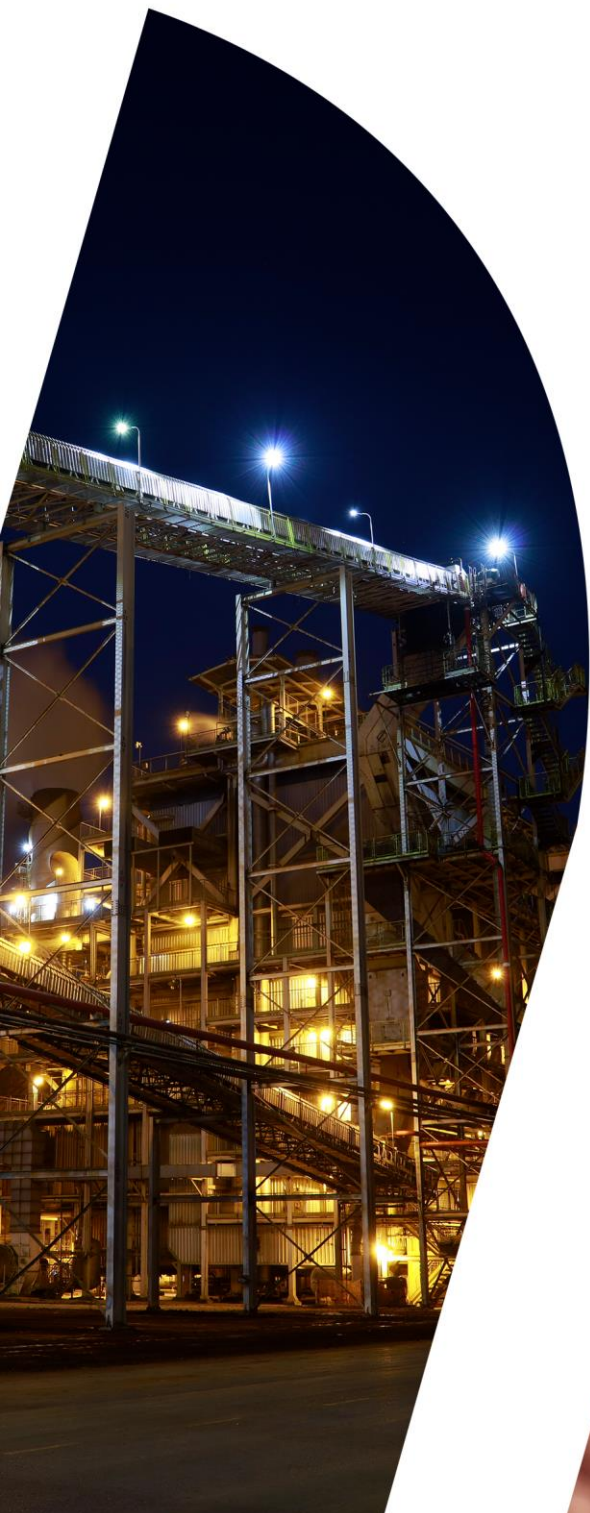


# Earnings Release

4th Quarter  
2020/2021 Crop Year



## Cash Net Income of R\$996.5 million in the 2020/21 crop year – growth of 39.7%

### 4Q21 and 12M21 Highlights (excluding the effects of IFRS 16)

- ✓ Adjusted EBITDA was **R\$568.2 million** in 4Q21 (-1.9%), with Adjusted EBITDA margin of 49.1%. In the 2020/21 crop year, Adjusted EBITDA amounted to **R\$2,188 million**, with Adjusted EBITDA margin of 50.6%;
- ✓ Adjusted EBITDA was **R\$273.8 million** in 4Q21 (+1.4%), with Adjusted EBIT margin of 23.7%, and **R\$1,022 million** in 12M21 (+28.9%), with Adjusted EBIT margin of 23.6%;
- ✓ **Net income** totaled **R\$207.4 million** (+45.4%) in 4Q21 and **R\$927.1 million** (45.1%) in 12M21;
- ✓ **Cash net income** amounted to **R\$228.7 million** in the quarter (+38.7%) and **R\$996.5 million in the 2020/21 crop year** (+39.7%);
- ✓ **Financial Leverage**, measured by the ratio of **Net Debt to Adjusted EBITDA**, was **1.24x** on March 31 (down 20.3% from March 31, 2020);
- ✓ On March 31, 2021, our sugar prices for the 2021/22 crop year were hedged for **~939,000 tons** of sugar, which represents **~97% of own cane**, at an average price of **~R\$1,634/ton**. For the 2022/23 crop year, **~343,000 tons** of sugar were hedged, which corresponds to **~38% of own cane**, at an average price of **~R\$1,773/ton**.

Executive Summary	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
Net Revenue <sup>1</sup>	1,157,045	1,146,539	0.9%	4,322,174	3,701,547	16.8%
Adjusted EBITDA	568,227	579,510	-1.9%	2,187,515	1,857,191	17.8%
Adjusted EBITDA Margin	49.1%	50.5%	-1.4 p.p.	50.6%	50.2%	0.4 p.p.
Adjusted EBIT	273,859	270,185	1.4%	1,021,885	792,538	28.9%
Adjusted EBIT Margin	23.7%	23.6%	0.1 p.p.	23.6%	21.4%	2.2 p.p.
Copersucar Rights	-	-	n.m.	383,040	349,056	9.7%
Net Income before taxes	277,486	184,346	50.5%	1,208,802	733,674	64.8%
Net Income without IFRS 16 effects	206,686	117,513	75.9%	952,166	661,815	43.9%
Non-cash effect of IFRS 16 on Net Income	674	25,132	-97.3%	(25,042)	(22,805)	9.8%
Net Income	207,360	142,645	45.4%	927,124	639,010	45.1%
Cash Income	228,716	164,860	38.7%	996,504	713,547	39.7%
Net Debt / EBITDA	1.24 x	1.55 x	-20.3%	1.24 x	1.55 x	-20.3%

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

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

**SMT03**  
R\$29.66 per share

**Market Capitalization:**  
R\$10.5 billion

\*As of March 31, 2021

### Earnings Conference Call

June 22, 2021 (Tuesday)

3:00 p.m. Brasília time + 55 11 4210-1803  
2:00 p.m. New York time +1 412 717-9627  
Code: São Martinho

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

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## **MESSAGE FROM MANAGEMENT**

The 2020/2021 crop year was, without doubt, an unprecedented year when humanity faced one of the most challenging moments in the midst of an unexpected pandemic, whose effects were felt around the world. We at São Martinho, as a Brazilian agribusiness company, continued our journey, implementing all the necessary adjustments and precautions in our daily routine, to continue producing our products and supplying the basic needs of humanity.

The efforts and commitment of our employees, and the support of their families, were fundamental for us to continue operating throughout the crop year. And despite the challenges that cropped up, we completed a year of record operating and financial results, accompanied by other significant achievements by the Company and market recognition, which we wish to share with our stakeholders.

We retained our Investment Grade rating assigned by Standard & Poor's, an attestation by the financial community of our qualified management, which is evident not only from our results but also the management of the Company's debt levels. Moreover, São Martinho was included in the new S&P/B3 Brasil ESG Index of B3, underlining our commitment to sustainability in our business.

We know that we have well-established ESG ("EESG") fronts at São Martinho, but we are also aware that we still have a long way ahead in streamlining these aspects, which we will soon share with our stakeholders.

In 2020, São Martinho was also elected Company of the Year by Valor Econômico, in its Valor 1000 ranking, from among the 1,000 biggest companies in Brazil with the best results and performance across 25 sectors of the economy. It was also elected the champion in its sector.

Based on our vision of the future and our growth plan for the next cycle, we will continue growing our business in a sustainable manner while ramping up our innovation process. At the start of 2021, after approval by the Board of Directors of São Martinho, we announced the construction of a new unit to produce ethanol from corn processing, adjacent to the Boa Vista Mill (UBV) in the state of Goiás. This new plant will use residual bagasse (biomass) from the UBV to generate power for the operation, thus resulting in a cleaner and more sustainable process. Regarding our agriculture 4.0 project, we are concluding the implementation of this new management front for our operations at all units and expect significant operational gains in the coming years. In fact, in 2020 we had announced a partnership with Ericsson and are already testing the 5G technology at our largest plant – the São Martinho Mill.

Before concluding our message, we wish to express our heartfelt gratitude to all our shareholders and our over 12,000 employees for their trust in both our strategy and the daily management of the Company's business. Thanks to this sense of belonging and the commitment to excellence in results despite the challenges faced during the crop year, we were elected by Valor Carreira as the Best Company in People Management among companies with 7,001 to 17,000 employees.

Thank you very much.

## Adoption of IFRS 16/CPC 06 – Leases

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

The Company and its subsidiaries consider as lease any agreement that, against consideration, transfers to the Company the right to control the use of an asset for a given period. Accordingly, agricultural partnership agreements were recognized in accordance with the accounting standard even though they have a legal nature different from that of leases.

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

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

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

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

### Impacts from IFRS16 on the Income Statements for 4Q21 and 12M21:

Results	4Q21			12M21			
	Before IFRS 16	Impacts	After IFRS 16	Before IFRS 16	Impacts	After IFRS 16	
<b>Net Revenue<sup>1</sup></b>	<b>1,157,045</b>		<b>1,157,045</b>	<b>4,322,174</b>		<b>4,322,174</b>	
<b>COGS</b>	<b>(731,304)</b>	<b>19,381</b>	<b>(711,923)</b>	<b>(2,836,465)</b>	<b>85,630</b>	<b>(2,750,835)</b>	
└ (-) Leasing Payment		76,660			311,604		→ We no longer account for cash cost of agrarian contracts
└ (+) Right-of-Use Amortization		(57,279)			(225,974)		→ We now account for contract amortization
<b>Gross Income</b>	<b>425,741</b>	<b>19,381</b>	<b>445,122</b>	<b>1,485,708</b>	<b>85,630</b>	<b>1,571,339</b>	
Selling/General/Adm. Expenses	(111,349)	(4)	(111,353)	(9,873)	(39)	(9,912)	
└ (-) Leasing Payment		303			1,226		
└ (+) Right-of-Use Amortization		(307)			(1,265)		
<b>Op. Income Before Financial Result</b>	<b>314,392</b>	<b>19,377</b>	<b>333,769</b>	<b>1,475,835</b>	<b>85,592</b>	<b>1,561,427</b>	
<b>Financial Result/Debt Hedge</b>	<b>(37,928)</b>	<b>(18,355)</b>	<b>(56,283)</b>	<b>(229,093)</b>	<b>(123,532)</b>	<b>(352,625)</b>	
└ Lease APV		(18,355)			(123,532)		→ Adjustment to Present Value (APV) of agrarian contracts is accounted for as net financial result
<b>Income before Taxes</b>	<b>276,465</b>	<b>1,021</b>	<b>277,486</b>	<b>1,246,742</b>	<b>(37,940)</b>	<b>1,208,802</b>	
Income tax	(69,779)	(347)	(70,126)	(294,576)	12,898	(281,678)	
<b>Net Income</b>	<b>206,686</b>	<b>674</b>	<b>207,360</b>	<b>952,166</b>	<b>-25,042</b>	<b>927,124</b>	
<b>Book EBITDA</b>	<b>605,072</b>	<b>76,962</b>	<b>682,034</b>	<b>2,630,953</b>	<b>312,830</b>	<b>2,943,783</b>	
Leasing Payment	-	(76,962)	(76,962)	-	(312,830)	(312,830)	
Other adjustments	(36,845)	-	(36,845)	(443,437)	-	(443,437)	
<b>Adjusted EBITDA</b>	<b>568,227</b>	<b>-</b>	<b>568,227</b>	<b>2,187,515</b>	<b>-</b>	<b>2,187,515</b>	→ As we no longer account for cash cost of agrarian contracts, Book EBITDA increased, which effect has been adjusted for the Adjusted EBITDA

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

**To improve analysis and comparisons between periods, the data presented in this release exclude the impacts from the adoption of IFRS 16.**



## COMPANY OVERVIEW

### Operating Highlights

OPERATIONAL DATA	12M21	12M20	Chg.(%)
<b>Crushed Sugarcane ('000 tons)</b>	<b>22,522</b>	<b>22,640</b>	<b>-0.5%</b>
Own	15,811	15,740	0.5%
Third Parties	6,711	6,900	-2.7%
Agricultural Yield (ton/ha)	80.7	82.9	-2.6%
Average TRS (kg/ton)	145.7	139.4	4.6%
<b>Production</b>			
Sugar ('000 tons)	1,483	1,106	34.1%
Ethanol ('000 m <sup>3</sup> )	1,018	1,172	-13.1%
Cogeneration ('000 MWh)	880	913	-3.7%
TRS Produced	3,282	3,155	4.0%
Mix Sugar - Ethanol	47% - 53%	37% - 63%	

As already disclosed, during the 2020/21 crop year, the Company processed 22.5 million tons of sugarcane, 0.5% less than in the previous crop year, due to drier weather during the period. As such, average Total Recoverable Sugar (TRS) in the crop year was 4.6% higher than in the previous crop year, resulting in the 4.0% increase in total TRS produced during the 2020/21 crop year.

The Company produced approximately 1,483 thousand tons of sugar and 1,018 thousand m<sup>3</sup> of ethanol, an increase of 34.1% and reduction of 13.1%, respectively, from the previous crop year. As such, sugar-ethanol production mix was 47% – 53%.

As per the Material Fact notice disclosed to the market today, we have detailed below our production guidance for the 2021/22 crop year.

### Production Guidance for 2021/22 crop year

	21/22 Guidance	20/21	Chg. (%)
<b>OPERATIONAL DATA</b>			
Crushing ('000 tons)	20,525	22,522	-8.9%
Average TRS (Kg/Ton)	146.0	145.7	0.2%
<b>Production data</b>			
Sugar ('000 tons)	1,205	1,483	-18.7%
Ethanol ('000 m <sup>3</sup> )	1,013	1,018	-0.5%
Cogeneration ('000 MWh)	833	880	-5.3%
Mix Sugar - Ethanol	42%-58%	47%-53%	

Cane crushing volume in the 2021/22 crop year is estimated at about 20.5 million tons, 8.9% lower than in the previous crop year, with average TRS in line with that registered in the 2020/21 crop year. This result

reflects the severe drought in the country, which is momentarily affecting the yields of our sugarcane fields.

Regarding the production mix expected for the crop year, the Company estimates 58% will be ethanol and 42% sugar, considering current and future market conditions during the crop year.

### Financial Indicators

The following table presents São Martinho's financial highlights in the fourth quarter and the full crop year, which will be discussed in more detail throughout this earnings release.

	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Net Revenue <sup>1</sup>	1,157,045	1,146,539	0.9%	4,322,174	3,701,547	16.8%
Adjusted EBITDA	568,227	579,510	-1.9%	2,187,515	1,857,191	17.8%
Adjusted EBITDA Margin	49.1%	50.5%	-1.4 p.p.	50.6%	50.2%	0.4 p.p.
Adjusted EBIT	273,859	270,185	1.4%	1,021,885	792,538	28.9%
Adjusted EBIT Margin	23.7%	23.6%	0.1 p.p.	23.6%	21.4%	2.2 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	10,649,932	10,477,842	1.6%	10,649,932	10,477,842	1.6%
Shareholders' Equity	4,035,495	3,369,482	19.8%	4,035,495	3,369,482	19.8%
EBITDA (LTM)	2,187,515	1,857,191	17.8%	2,187,515	1,857,191	17.8%
Net Debt	2,702,103	2,879,311	-6.2%	2,702,103	2,879,311	-6.2%
Net Debt / EBITDA (LTM)	1.24 x	1.55 x	-20.3%	1.24 x	1.55 x	-20.3%
Net Debt / Shareholders' Equity	67%	85%		67%	85%	

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

Data do not include the IFRS 16 impacts

### Inventories – 2020/21 Crop Year

At the end of the crop year, on March 31, the inventories of our main products were broken down as follows:

Inventories	4Q21	4Q20	Chg. (%)
Sugar (tons)	51,385	24,858	106.7%
Ethanol (m³)	84,606	87,604	-3.4%
Total TRS	199,024	175,261	13.6%

## INDUSTRY OVERVIEW

According to market data for the end of the 2020/21 crop year, the Center-South region processed around 605 million tons of sugarcane, 2.6% more than in the previous crop year. Around 46% of the production volume was allocated to sugar production, which totaled 38.5 million tons, while the balance 54% was allocated to ethanol production, which totaled around 30 billion liters.

The increase in sugar production in the 2020/21 crop year from the same period in the previous crop year was mainly due to its consistent premium over the remuneration of ethanol during the crop year.

During 2020 and to date, the country has been going through a period of prolonged and severe drought, which has affected the growth of sugarcane plantations and, therefore, the availability of sugar for the next crop year. According to market data<sup>1</sup>, the Center-South region should process between 540 million and 565 million tons, declining significantly in relation to the 2020/21 crop year.

According to the same estimates, the Center-South region should produce between 33 million and 35 million tons of sugar and between 24 million and 28 million tons of ethanol.

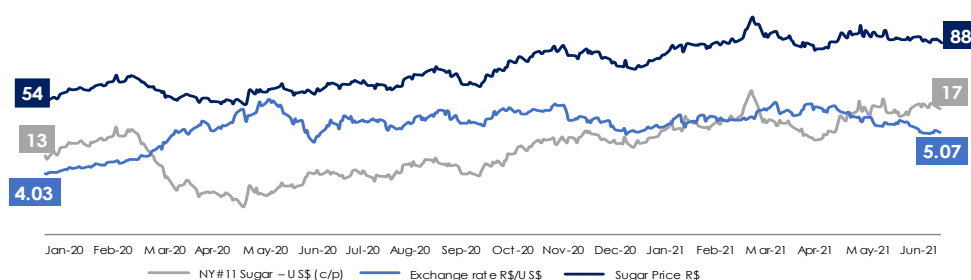
Later in this section, we will briefly comment on the market conditions that we envision for sugar and ethanol.

### Sugar

As mentioned earlier, the Center-South region in Brazil produced around 38.5 million tons of sugar in the 2020/21 crop year, about 44% more than in the prior crop year, reflecting the prioritization of sugar in the production mix due to its higher profitability than ethanol during the period.

As shown in the following chart, sugar prices recovered sharply during the 2020/21 crop year, driven by improved market fundamentals combined with the depreciation of the BRL, resulting in significant margin increase for Brazilian producers.

Chart 1



Considering the production estimates for the 2021/22 crop year and the effects on global trade flows, a surplus of around 1 million tons in global production is expected, mainly reflecting the lower sugar production in Brazil, as already mentioned earlier, and the potential increase in production in India and Thailand.

<sup>1</sup>.Canaplan/Datagro

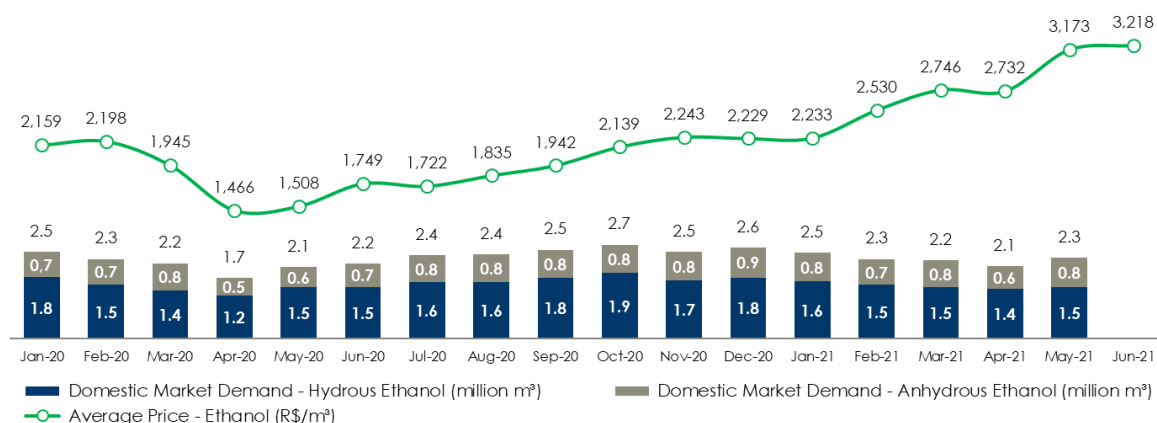
Considering the price scenario during 2020 and in early 2021, and our decision to prioritize ethanol in the production mix for the 2021/22 crop year, we have already hedged 97% of our sugar price exposure in USD ¢/lb at an average price of R\$1,634/ton<sup>2</sup>. For more details, see the 'Hedge' section in this earnings release.

Considering the short/medium-term scenario, we believe that sugar prices should remain high due to significant supply restrictions in Brazil combined with a possible change in India's ethanol market in 2022, which should consume a part of the surplus sugar production in the region (at least 4 million tons/year), as we will explain in the next section on the ethanol market.

## Ethanol

As mentioned earlier, according to market data, the Center-South region produced 30 billion liters of ethanol, 8.7% less than in the same period in the prior crop year, due to the higher share of sugar in the production mix.

As detailed in the following chart, ethanol prices have been recovering significantly in recent months due to favorable ethanol price parity in relation to gasoline, reflecting the increase in oil prices during the period, 'closing' the price discount gap in relation to sugar observed during 2020. The following chart shows monthly hydrous and anhydrous ethanol consumption and the average prices over the months, based on data from ESALQ, for better understanding.



Source: UNICA and CEPEA/ESALQ

In line with our production guidance for the 2021/22 crop year, we believe that ethanol prices will remain higher than in the previous crop year, mainly due to (i) transfer of prices to gasoline in line with international parity, reflecting the increase in oil prices, (ii) and the expected recovery in demand in Brazil of the otto cycle, reflecting GDP growth and the increase in mobility. Accordingly, we believe that ethanol price parity in relation to gasoline will remain at over 70% during the 2021/22 crop year (currently around 76% in the state of São Paulo).

In the medium term, global oil demand is expected to recover by the end of 2022, as per estimates by the International Energy Agency (IEA), with prices possibly remaining higher than in the pre-pandemic period.



Recently, the Indian government announced that it will bring forward the planned increase in ethanol blend in gasoline, reflecting an important trend in the sugar and ethanol blend among Indian producers. The blend, currently at approximately 8.5%, should increase to 10% in 2022 and 20% in 2023, which, according to market estimates, reflects the country's necessity to more than double its current ethanol production. This change represents an important advance for the global ethanol market and, at the same time, an important driver of future sugar prices since this change in blend will require, according to market data, at least 4 million tons of sugar/year.

2. Considering price not hedged at USD 5.10.

## FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
<b>Domestic Market</b>	<b>607,725</b>	<b>723,047</b>	<b>-15.9%</b>	<b>2,145,422</b>	<b>2,228,211</b>	<b>-3.7%</b>
Sugar	46,812	40,422	15.8%	154,352	134,393	14.9%
Ethanol	513,823	653,934	-21.4%	1,639,412	1,781,389	-8.0%
Energy	11,319	11,166	1.4%	200,276	218,444	-8.3%
Yeast	3,303	3,147	5.0%	43,442	23,791	82.6%
Real Estate Development	5,607	636	n.m	21,572	20,107	7.3%
CBIOs	-	-	n.m	27,179	-	n.m
Others	26,861	13,742	95.5%	59,189	50,087	18.2%
<b>Export Market</b>	<b>549,320</b>	<b>423,492</b>	<b>29.7%</b>	<b>2,176,752</b>	<b>1,473,336</b>	<b>47.7%</b>
Sugar	495,463	423,492	17.0%	1,783,993	1,107,684	61.1%
Ethanol	53,857	-	n.m	392,759	365,652	7.4%
<b>Net Revenue<sup>1</sup></b>	<b>1,157,045</b>	<b>1,146,539</b>	<b>0.9%</b>	<b>4,322,174</b>	<b>3,701,547</b>	<b>16.8%</b>
Sugar	542,275	463,914	16.9%	1,938,345	1,242,077	56.1%
Ethanol	567,680	653,934	-13.2%	2,032,171	2,147,041	-5.4%
Energy	11,319	11,166	1.4%	200,276	218,444	-8.3%
Yeast	3,303	3,147	5.0%	43,442	23,791	82.6%
Real Estate Development	5,607	636	n.m	21,572	20,107	7.3%
CBIOs	-	-	n.m	27,179	-	n.m
Others	26,861	13,742	95.5%	59,189	50,087	18.2%

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

### Net Revenue

In the fourth quarter of the 2020/21 crop year, the Company's net revenue totaled R\$1,157.0 million, in line with the net revenue in the same quarter the prior crop year, mainly due to the higher average selling price of sugar (+24%) and ethanol (+11%<sup>1</sup>). In 12M21, net revenue grew 16.8% to reach R\$4,322.2 million, mainly due to (i) the higher sales volume of sugar (+34%) at higher prices (+17%) compared to in 12M20, (ii) the sale of CBIOs during the crop year, and (iii) the higher sales volume of yeast, and better prices.

1 - Price net of selling expenses;

### Main Adjustments in Net Revenue for 4Q21 and 12M21

### 1) Debt maturity (Hedge Accounting)

Expense related to the effect from exchange variation on liabilities settled in 4Q21 that were designated as Hedge Accounting, at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$5.4/USD, we adjusted the amount of R\$0.6 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M21, we adjusted the amount of R\$2.4 million.

### 2) Purchase Price Allocation (PPA)

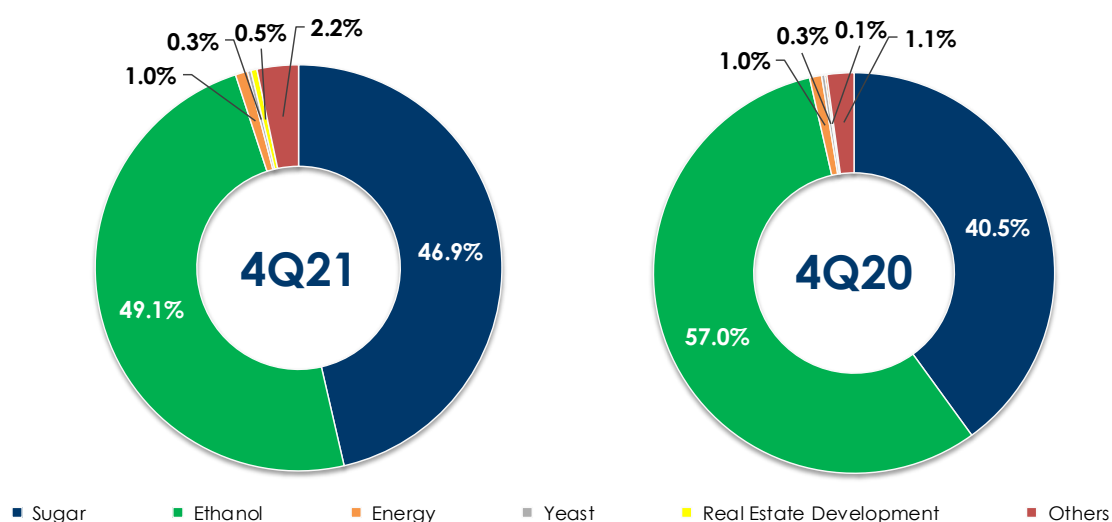
There were no expenses related to PPA in 4Q21. In 12M21, we made a non-cash adjustment of R\$6.6 million in net revenue, which reflects the amortization of goodwill paid for the future profitability of the volume of cogeneration at the Santa Cruz Mill.

### 3) Financial Revenue from Real Estate Development

Adjustment of operating revenue from real estate development related to the present value adjustment (AVP) of trade accounts receivable to better represent the performance of the business. This adjustment was already being made by the Company in the financial result. Accordingly, we made net revenue adjustments of R\$3.1 million in 4Q21 and R\$8.1 million in 12M21.

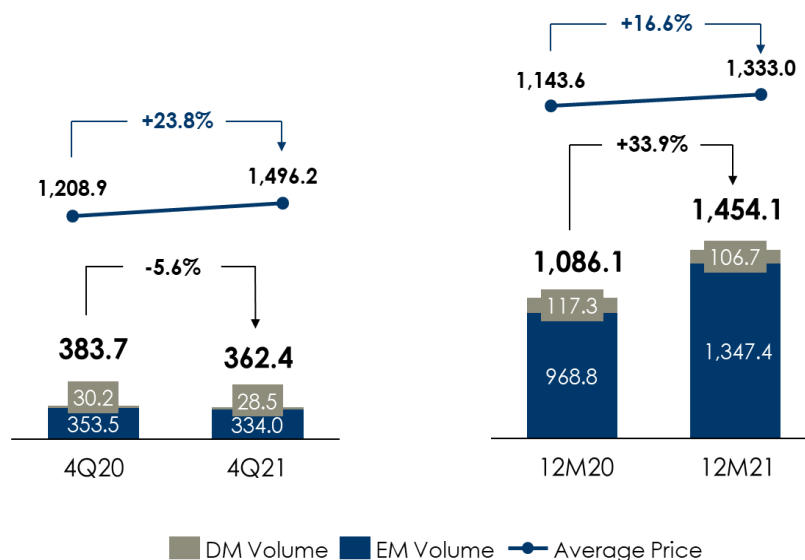
The following charts provide a breakdown of the Company's net revenue by product in 4Q21 compared to 4Q20.

## Net Revenue Breakdown



## Sugar

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



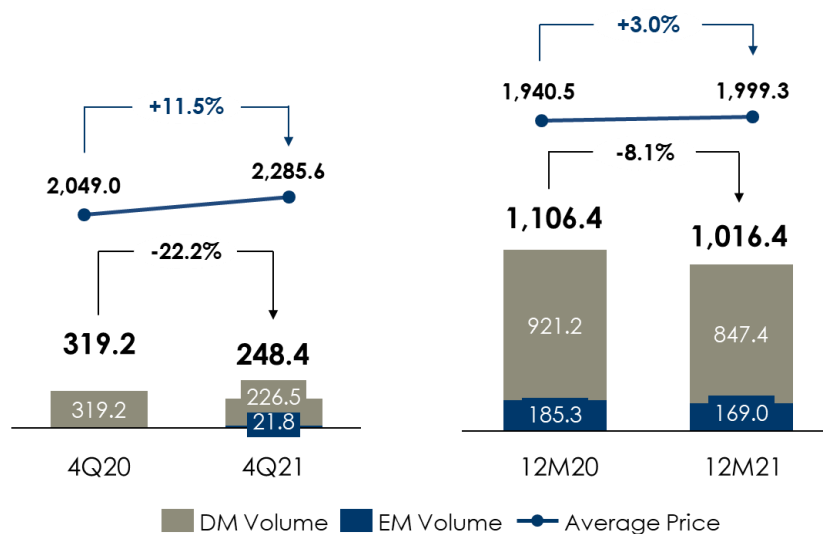
Net revenue from sugar sales totaled R\$542.3 million in 4Q21, 16.9% higher than in the prior crop year, reflecting the 23.8% increase in average sales price between the periods.

In 12M21, net revenue from sugar amounted to R\$1,938.3 million, 56.1% higher than in 12M20, due to higher sales volume, driven by the higher share of sugar in the production mix during the crop year combined with higher average prices.

As mentioned earlier, in March 2021, we had approximately 51,000 tons of sugar in inventory, which will be reverted to cash during the 2021/22 crop year.

## Ethanol

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



Net revenue from ethanol sales totaled R\$567.7 million in 4Q21, down 13.2% from 4Q20, primarily reflecting the 22.2% drop in sales despite the 11.5% increase in average price in 4Q21 compared to 4Q20. In 12M21, net revenue from ethanol sales totaled in R\$2,032.2 million, down 5.4% from the previous crop year, due to the same reasons that affected the quarterly performance.

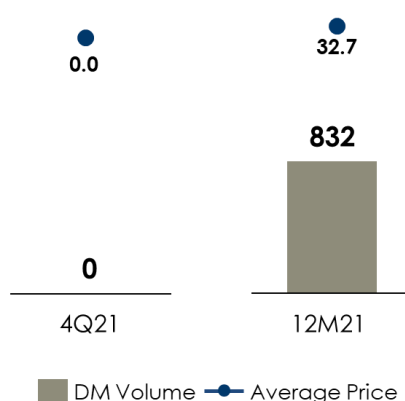
In March 2021, we had approximately 84,000 thousand m³ of ethanol in inventory, which should be sold during the 2021/22 crop year, when we believe the price scenario will be highly favorable.

## CBIOs

We did not sell any (decarbonization credit) CBIO in the fourth quarter of the crop year. In 12M21, we sold around 832,000 CBIOs at an average net price of R\$32.7/CBIO (net of PIS/Cofins and Income tax of 15% withheld at source).

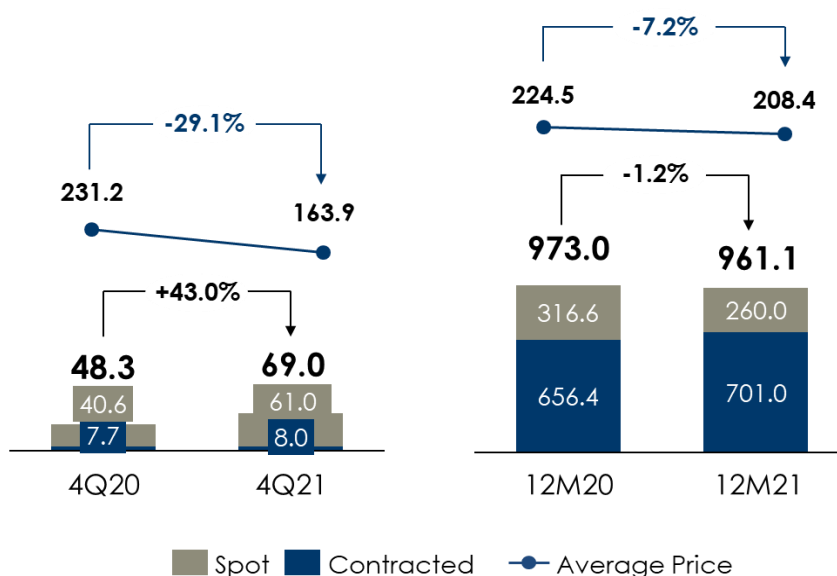
As described in the notes to the financial statements, on March 31, 2021, we had 408.6 thousand CBIOs issued but not sold.

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



## Cogeneration

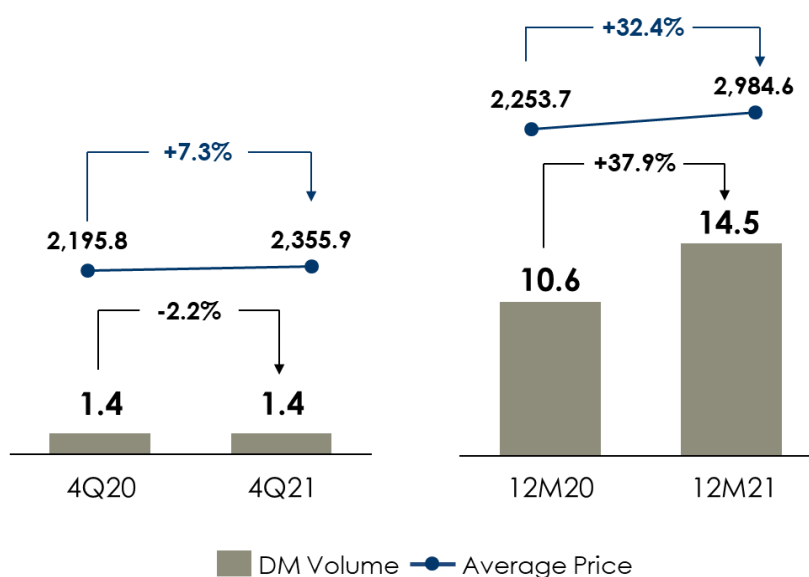
Volume ('000 MWh) and Average Price (R\$/MWh)



Net revenue from cogeneration sales was R\$11.3 million in 4Q21, up 1.4% from 4Q20, reflecting the 29.1% decline in average price on account of the lower spot price in 4Q21 versus 4Q20, despite the 43.0% increase in sales volume in the quarter. In 12M21, net revenue from cogeneration sales decreased 8.3% to R\$200.3 million, mainly due to lower price and volume in the period.

## Yeast

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



Net revenue from yeast sales totaled R\$3.3 million in 4Q21, increasing 5.0% from the same quarter last crop year. In 12M21, net revenue from yeast sales grew 82.6% from 12M20 to R\$43.4 million.



The better performance in both the quarter and the crop year mainly reflects the higher selling price in the periods, influenced by the appreciation of USD against BRL and higher sales volume in 12M21.

## Real Estate Development

The following table presents an overview of the projects and their sales and percentage of completion (POC) since their launch through March 2021.

Real Estate Development	Type	City	Area (m <sup>2</sup> )	Launched date	Total lots sold	POC Position
Recanto das Paineiras	Residence	Iracemápolis	376,567	June-14	99.9%	100.0%
Park Empresarial - I	Industrial	Iracemápolis	182,684	September-14	76.1%	100.0%
Park Empresarial - II	Industrial	Iracemápolis	133,794	October-17	33.6%	100.0%
Nova Pradópolis - Phase I	Residence	Pradópolis	246,937	December-15	91.2%	100.0%
Nova Pradópolis - Phase II	Residence	Pradópolis	255,750	July-17	81.3%	100.0%
Nova Iracemápolis	Residence	Iracemápolis	315,027	August-20	98.5%	21.6%
Jardim Irajá	Residence	Américo Brasiliense	161,214	October-20	55.5%	20.4%

In 12M21, the Company recognized net revenue of R\$21.6 million and cash generation of R\$28.3 million.

Real Estate Development	12M21 Net Revenue	12M21 Cash Generation	Portfolio March/21
R\$ '000			
Current Projects	15,856	16,487	30,041
Land Monetization	5,716	11,824	12,691
<b>Total</b>	<b>21,572</b>	<b>28,311</b>	<b>42,732</b>

1- Includes Financial Income from Real Estate Development

As mentioned earlier, the Company began to adjust its operating revenue from real estate development for the present value adjustment (AVP) of trade accounts receivable to better represent the performance of this business. This adjustment was already being made by the Company in the financial result.

Accordingly, we made net revenue adjustments of R\$3.1 million in 4Q21 and R\$8.1 million in 12M21.

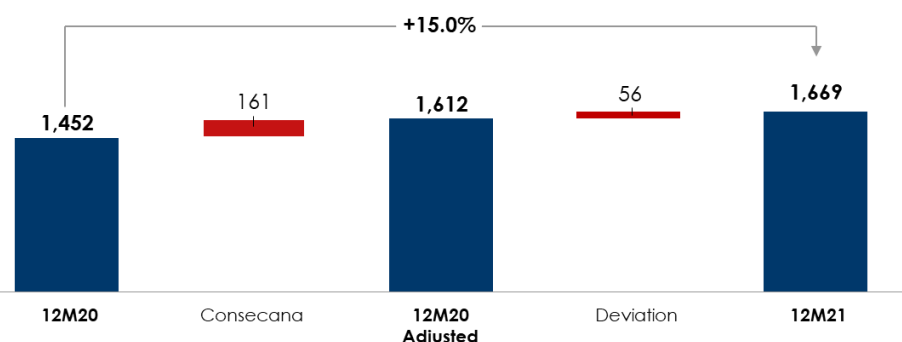
## CASH COGS

CASH COGS	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Agricultural Costs	420,805	410,949	2.4%	1,479,097	1,276,296	15.9%
Suppliers	212,956	194,777	9.3%	803,233	658,855	21.9%
Partnerships	127,152	117,462	8.2%	374,515	315,591	18.7%
Own Sugarcane	80,697	98,710	-18.2%	301,349	301,849	-0.2%
Industrial	46,601	51,587	-9.7%	192,128	177,031	8.5%
Other Products	18,067	12,052	49.9%	85,926	73,736	16.5%
<b>Total COGS</b>	<b>485,474</b>	<b>474,588</b>	<b>2.3%</b>	<b>1,757,151</b>	<b>1,527,062</b>	<b>15.1%</b>
TRS Sold ('000 Tons)	800	943	-15.2%	3,248	3,022	7.5%
Unit Cost (Sugar and Ethanol Cash COGS / TRS)	584	490	19.1%	514	480	6.9%

Data do not include the IFRS 16 impacts

Cash COGS in the 2020/21 crop year totaled R\$1,757.1 million, up 15.1% from the same period the prior crop year, mainly due to the increase in the Consecana price (+18.3%) and higher sales in terms of TRS (+7.5%) resulting from the 6.9% increase in unit COGS.

However, considering the volume of TRS produced in 12M21, which was 4.0% higher, and excluding the effect from the variation in the Consecana price, unit cash COGS considering both sugar and ethanol declined 3.7% from 12M20, reflecting a higher capacity to dilute fixed costs.



Produced TRS (thousand tons)	3,155	+4.0%	3,282
TRS Sold ('000 tons)	3,022	+7.5%	3,248
Unit Cost (COGS / TRS)	534	-3.7%	514

In 4Q21, cash COGS totaled R\$485.5 million, up 2.3% from 4Q20, mainly reflecting the variation in the Consecana price between the periods.

The following table presents details on the variation in average unit cash COGS for both sugar and ethanol compared to the same period last crop year.

Cash COGS per Product	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
<b>COGS (Cash)</b>	<b>466,703</b>	<b>462,071</b>	<b>1.0%</b>	<b>1,668,676</b>	<b>1,451,824</b>	<b>14.9%</b>
Sugar	235,920	205,387	14.9%	825,567	575,300	43.5%
Ethanol	230,782	256,685	-10.1%	843,109	876,524	-3.8%
<b>Average Cash Cost Per Unit<sup>1</sup></b>						
Sugar Cash Cost	650.9	535.2	21.6%	567.7	529.7	7.2%
Ethanol Cash Cost	929.2	804.3	15.5%	829.5	792.2	4.7%

Data do not include the IFRS 16 impacts

1 - Sugar in R\$/ton

Ethanol in R\$/m<sup>3</sup>

## CASH COST BY PRODUCT

To provide a better understanding of the impacts of cash cost, the following table presents a breakdown of costs in the comparison period (12M21 vs. 12M20).

	12M21							12M20						
	Sugar	Ethanol	Energy	Yeast	Real Estate Development	Others	Total	Sugar	Ethanol	Energy	Yeast	Real Estate Development	Others	Total
R\$ '000,000														
Net Revenue <sup>1</sup>	1,938	2,032	200	43	22	86	4,322	1,242	2,147	218	24	20	50	3,702
(-) Costs/Expenses	-1,043	-992	-86	-9	8	-14	-2,135	-726	-1,027	-64	-5	-5	-18	-1,844
<b>(=) Adjusted EBITDA</b>	<b>896</b>	<b>1,040</b>	<b>114</b>	<b>35</b>	<b>30</b>	<b>73</b>	<b>2,188</b>	<b>516</b>	<b>1,120</b>	<b>155</b>	<b>19</b>	<b>15</b>	<b>32</b>	<b>1,857</b>
Adjusted EBITDA Margin	46%	51%	57%	80%	138%	84%	51%	42%	52%	71%	78%	76%	65%	50%
<b>Average EBITDA Cost (R\$/unit<sup>2</sup>)</b>	<b>717</b>	<b>976</b>	<b>90</b>	<b>594</b>				<b>668</b>	<b>928</b>	<b>65</b>	<b>495</b>			
(+) Depreciation/Amortization	-505	-620	-21	-6	0	-13	-1,166	-382	-647	-20	-4	0	-12	-1,065
<b>(=) Adjusted EBIT</b>	<b>391</b>	<b>420</b>	<b>93</b>	<b>28</b>	<b>30</b>	<b>60</b>	<b>1,022</b>	<b>134</b>	<b>473</b>	<b>135</b>	<b>15</b>	<b>15</b>	<b>21</b>	<b>793</b>
(-) Depreciation/Amortization	505	620	21	6	0	13	1,166	382	647	20	4	0	12	1,065
(-) Maintenance Capex	-572	-689	0	0	0	0	-1,261	-408	-728	0	0	0	0	-1,136
<b>(=) Cash Generation</b>	<b>324</b>	<b>351</b>	<b>114</b>	<b>35</b>	<b>30</b>	<b>73</b>	<b>927</b>	<b>108</b>	<b>391</b>	<b>155</b>	<b>19</b>	<b>15</b>	<b>32</b>	<b>721</b>
Volume sold (unit <sup>3</sup> )	1,454	1,016	961	15			3,248	1,086	1,106	973	11			3,022
<b>Average Price (R\$/unit<sup>2</sup>)</b>	<b>1,333</b>	<b>1,999</b>	<b>208</b>	<b>2,985</b>				<b>1,144</b>	<b>1,940</b>	<b>225</b>	<b>2,254</b>			
<b>Average Total Cash Cost (R\$/unit<sup>2</sup>)</b>	<b>1,110</b>	<b>1,654</b>	<b>90</b>	<b>594</b>				<b>1,044</b>	<b>1,587</b>	<b>65</b>	<b>495</b>			

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

<sup>2</sup> Units: Sugar: ton, Ethanol: m<sup>3</sup>, Energy: MWh, Yeast: ton, Total: Kg of sugar and ethanol TRS/ton

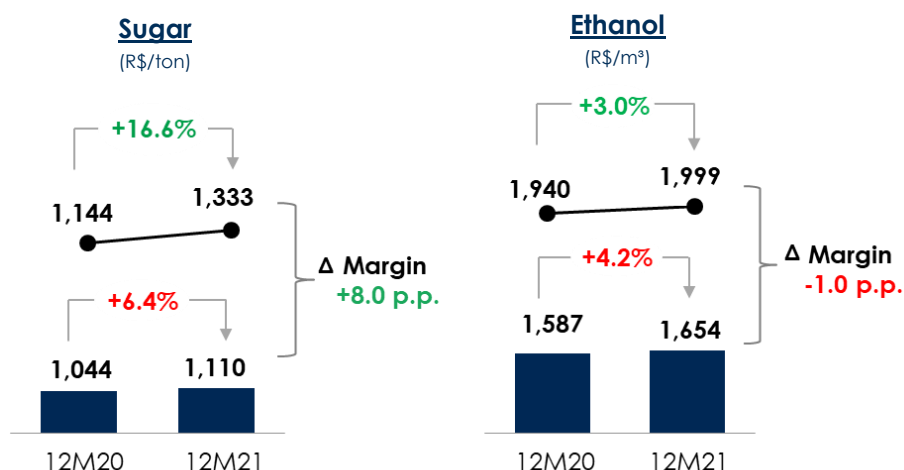
<sup>3</sup> Sugar: '000 tons, Ethanol: '000 m<sup>3</sup>, Energy: '000 MWh, Yeast: ton, Total: '000 tons of TRS

<sup>4</sup> The result of the sale of CBOs is considered within other

Data do not include the IFRS 16 impacts

Average sugar cash cost in 12M21 was R\$1,110/ton, up 6.4% from 12M20. Given that in the same period the average sugar sales price increased 16.6%, the product's operating margin expanded by 8.0 p.p.

For ethanol, average total cash cost in 12M21 was R\$1,654/m<sup>3</sup>, 4.2% higher than in the same period the previous crop year, while average selling price rose 3.0%. Consequently, product margin decreased 1.0 p.p. in relation to 12M20.



## SELLING EXPENSES

	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Port Costs / Freight	38,870	36,981	5.1%	160,170	126,923	26.2%
Other	3,373	3,039	11.0%	12,984	11,274	15.2%
<b>Selling Expenses</b>	<b>42,243</b>	<b>40,020</b>	<b>5.6%</b>	<b>173,154</b>	<b>138,197</b>	<b>25.3%</b>
TRS Sold ('000 tons)	800	943	-15.2%	3,248	3,022	7.5%
% of Net Revenue	3.7%	3.5%	0.2 p.p.	4.0%	3.7%	0.3 p.p.

In 4Q21, selling expenses totaled R\$42.2 million, increasing 5.6% in relation to 4Q20. In 12M21, selling expenses increased 25.3% compared to 12M20, to R\$173.1 million. These increases are related to freight and port costs and mainly reflect the increase in diesel prices, as well as higher export volume (i) of ethanol in 4Q21 and (ii) of sugar in 12M21, compared to the same period in the previous crop year.

## CASH GENERAL & ADMINISTRATIVE EXPENSES

	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Personnel and Management Fee	36,406	30,314	20.1%	131,546	120,035	9.6%
Taxes, Fees, Contributions and Contingencies	8,307	4,416	88.1%	23,875	20,184	18.3%
General Expenses and Third-Party Services	10,940	11,789	-7.2%	39,986	42,442	-5.8%
Stock Option - Vested	6,158	2,197	180.3%	19,983	10,790	85.2%
<b>Total recurring General and Administrative Expenses</b>	<b>61,811</b>	<b>48,716</b>	<b>26.9%</b>	<b>215,389</b>	<b>193,451</b>	<b>11.3%</b>
Stock Option - Non-vested	5,690	(6,500)	n.m.	16,928	(252)	n.m.
Non-recurring items/ Expenses with COVID-19	3,191	-	n.m.	10,044	7,988	25.7%
<b>Total General and Administrative Expenses</b>	<b>70,692</b>	<b>42,216</b>	<b>67.5%</b>	<b>242,362</b>	<b>201,187</b>	<b>20.5%</b>

In 4Q21, general and administrative expenses, excluding non-recurring items, totaled R\$61.8 million, increasing 26.9% from 4Q20. In 12M21, recurring G&A expenses totaled R\$215.4 million, increasing 11.3% compared to 12M20. The increase in expenses mainly reflects the noncash accounting effect of mark-to-market adjustment of the virtual options program, reflecting the share price appreciation in the period.

## EBITDA

EBITDA RECONCILIATION	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
<b>Adjusted EBITDA</b>	<b>568,227</b>	<b>579,510</b>	<b>-1.9%</b>	<b>2,187,515</b>	<b>1,857,191</b>	<b>17.8%</b>
Adjusted EBITDA Margin	49.1%	50.5%	-1.4 p.p.	50.6%	50.2%	0.4 p.p.
Non-cash effect of IFRS 16	76,962	114,783	-33.0%	312,830	274,903	13.8%
Biological Assets	45,241	(29,058)	n.m.	64,979	(30,602)	n.m.
Equity Income	983	(919)	n.m.	5,776	625	n.m.
Adjustment to Maturity of Hedge Accounting	(595)	(267)	122.8%	(2,376)	(1,113)	113.5%
Real Estate Results	(3,094)	-	n.m.	(8,137)	-	n.m.
Stock Option - Non-vested	(5,690)	6,500	n.m.	(16,928)	252	n.m.
Non Recurring Revenues (Expenses)	-	-	n.m.	17,083	(7,988)	n.m.
Copersucar Rights	-	-	n.m.	383,040	349,056	9.7%
<b>Book EBITDA<sup>1</sup></b>	<b>682,033</b>	<b>670,550</b>	<b>1.7%</b>	<b>2,943,783</b>	<b>2,442,324</b>	<b>20.5%</b>
EBITDA Margin	59.1%	58.5%	0.6 p.p.	68.4%	66.1%	2.3 p.p.
(-) Depreciation and Amortization	(351,954)	(377,109)	-6.7%	(1,392,869)	(1,256,491)	10.9%
(-) Financial Revenue (Expense), net	(52,594)	(109,095)	-51.8%	(342,112)	(452,159)	-24.3%
(=) Operating Income	277,486	184,346	50.5%	1,208,802	733,674	64.8%

<sup>1</sup> - Book EBITDA includes the IFRS 16 impacts

### Adjusted EBITDA

Adjusted EBITDA in 4Q21 totaled R\$568.2 million (adjusted EBITDA margin of 49.1%), down 1.9% from 4Q20, mainly due to the decline in the sale of ethanol (22.2%) and sugar (5.6%). In 12M21, Adjusted EBITDA increased 17.8% to R\$ 2,187.5 million, with Adjusted EBITDA margin of 50.6%, mainly reflecting the higher volume of sugar sold (+34%) at higher prices (+17%), the 3% increase in average ethanol sales prices, as well as the contribution from other segments, through higher sales of yeast and CBIOS.

### Main Adjustments to EBITDA in 4Q21 and 12M21

#### 1) IFRS 16 - Leases

Reduction in Adjusted EBITDA compared to accounting EBITDA of R\$77.0 million in 4Q21 related to lease payments that ceased to be recognized as cash cost (COGS), but as amortization of right of use. In the crop year, the reduction in Adjusted EBITDA was R\$312.8 million.

#### 2) Biological assets

Noncash reduction in adjusted EBITDA of R\$45.2 million in accounting costs (COGS) in 4Q21 from the mark-to-market adjustment of biological assets. In 12M21, this reduction was R\$65.0 million.

#### 3) Debt maturity (Hedge Accounting)

Expense related to the effect from exchange variation on liabilities settled in 4Q21 that were designated as Hedge Accounting, at a BRL/USD exchange rate of R\$3.3. Considering that the exchange rate used for the purposes of cash flow in the period was R\$5.4/USD, we adjusted the amount of R\$0.6 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 12M21, we adjusted the amount of R\$2.4 million.



## Operating Cash Generation (Adjusted Cash EBIT)

	4Q21	4Q20	Chg.%	12M21	12M20	Chg.%
R\$ '000						
<b>Adjusted Cash EBIT</b>	<b>102,561</b>	<b>146,462</b>	<b>-30.0%</b>	<b>926,510</b>	<b>721,080</b>	<b>28.5%</b>
Adjusted EBIT Margin	8.9%	12.8%	-3.9 p.p.	21.4%	19.5%	2.0 p.p.
(-) Maintenance Capex	(465,666)	(433,049)	7.5%	(1,261,006)	(1,136,110)	11.0%
<b>Adjusted EBITDA</b>	<b>568,227</b>	<b>579,510</b>	<b>-1.9%</b>	<b>2,187,515</b>	<b>1,857,191</b>	<b>17.8%</b>
Adjusted EBITDA Margin	49.1%	50.5%	-1.4 p.p.	50.6%	50.2%	0.4 p.p.
Non-cash effect of IFRS 16	76,962	114,783	-33.0%	312,830	274,903	13.8%
Biological Assets	45,241	(29,058)	n.m.	64,979	(30,602)	n.m.
Equity Income	983	(919)	n.m.	5,776	625	n.m.
Adjustment to Maturity of Hedge	(595)	(267)	122.8%	(2,376)	(1,113)	113.5%
Real Estate Results	(3,094)	-	n.m.	(8,137)	-	n.m.
Stock Option - Non-vested	(5,690)	6,500	n.m.	(16,928)	252	n.m.
Non Recurring Operating Income (Expenses)	-	-	n.m.	17,083	(7,988)	n.m.
Copersucar Rights	-	-	n.m.	383,040	349,056	9.7%
<b>Book EBITDA</b>	<b>682,034</b>	<b>670,550</b>	<b>1.7%</b>	<b>2,943,783</b>	<b>2,442,324</b>	<b>20.5%</b>
EBITDA Margin	59.1%	58.5%	0.6 p.p.	68.4%	66.1%	2.3 p.p.

Adjusted earnings before taxes (EBIT) in 4Q21 came to R\$102.6 million (Adjusted EBIT margin of 8.9%), down 30.0% from 4Q20. Considering the last 12 months, Adjusted Cash EBIT totaled R\$926.5 million (Adjusted EBIT Margin of 21.4%), an increase of 28.5% from the same period the previous year, mainly reflecting the same effects that positively impacted EBITDA.

## HEDGE

The following table details our sugar hedge position on March 31, 2021, considering the portion fixed in USD and open positions.

	Sugar Hedged (tons)	Avg. Price (USD c/p)	Avg. Price (R\$ ton)
<b>21/22 Harvest</b>	<b>939,288</b>	<b>13.75</b>	
	749,415	13.75	1,657
	189,873	13.75	not hedged
<b>22/23 Harvest</b>	<b>343,120</b>	<b>14.18</b>	
	260,909	14.18	1,829
	82,211	14.18	not hedged

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

## Hedge Accounting

### Effect on Shareholders' Equity

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

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income tax and social contribution. In the period from April 2020 to March 2021, we recorded a decline of R\$ 43.7 million in shareholders' equity due to the weaker BRL during the period.

### Effect on Income Statement

As previously mentioned, certain liabilities denominated in foreign currency were designated to Hedge Accounting, which will impact our net revenue.

In 4Q21, a total of US\$0.3 million in debt was recognized, with the exchange rate of R\$3.3/US\$ adopted for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$5.4/US\$, we made an adjustment of R\$0.6 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

In 12M21, a total of US\$1.1 million in debt was recognized at the exchange rate of R\$3.3/US\$ used for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$5.4/US\$, we made an adjustment of R\$2.4 million in net revenue and EBITDA to provide a better understanding of the Company's operating cash generation.

## NET FINANCIAL RESULT

FINANCIAL RESULTS	4Q21	4Q20	Chg.%	12M21	12M20	Chg.%
R\$ '000						
Financial Revenues	10,840	22,253	-51.3%	55,142	113,481	-51.4%
Financial Expenses	(47,515)	(69,600)	-31.7%	(203,621)	(298,360)	-31.8%
Exchange Variation/Derivative/Others	(658)	(53,502)	-98.8%	(12,477)	(78,502)	-84.1%
<b>Financial Revenues/Expenses</b>	<b>(37,333)</b>	<b>(100,849)</b>	<b>-63.0%</b>	<b>(160,956)</b>	<b>(263,381)</b>	<b>-38.9%</b>
Debt Prepayment Effect/ Interest rate renegotiation	-	-	n.m	(65,761)	(74,680)	-11.9%
IFRS16 Effects - APV	(18,355)	(8,921)	105.7%	(123,532)	(117,619)	5.0%
Real Estate Results	3,094	675	358.4%	8,137	3,521	131.1%
<b>Net Financial Result</b>	<b>(52,594)</b>	<b>(109,095)</b>	<b>-51.8%</b>	<b>(342,112)</b>	<b>(452,159)</b>	<b>-24.3%</b>
Debt Hedge	(595)	(267)	122.8%	(2,376)	(1,113)	113.5%
<b>Financial Result</b>	<b>(53,189)</b>	<b>(109,362)</b>	<b>-51.4%</b>	<b>(344,488)</b>	<b>(453,272)</b>	<b>-24.0%</b>

The financial result in 4Q21 was an expense of R\$ 52.6 million, down 51.8% from 4Q20, while the financial result in 12M21 was 24.3% lower than in 12M20, totaling R\$ 342.1 million.

The improved financial performance between the periods reflects the lower exchange rate variation on foreign currency debt and the reduction in financial expenses as a result of optimum debt management and the consequent reduction in the cost of debt.

## COPERSUCAR

### Obligations

On March 31, 2021, São Martinho had recognized R\$176.2 million in obligations payable to Copersucar under Liabilities on its balance sheet. In accordance with the terms negotiated for the withdrawal from Copersucar, we will continue to recognize under "Obligations - Copersucar" all liabilities related to the contingencies currently in litigation conducted by the attorneys at Copersucar. The total amount of these obligations is secured by bank sureties.

### Rights

Copersucar 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 clear legal right to these amounts is secured.

In one of the lawsuits in which Copersucar is the plaintiff, the Federal Government was ordered to pay damages arising from the setting of lagged prices for sugar and ethanol for sales made in the 1980s.

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

The excess of R\$2.2 billion claimed by the Federal Government (R\$286.3 million proportional to the Company) is still in dispute.

In March 2019, Copersucar received and transferred to cooperative members the first installment of the 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. Additionally, in September 2020, the third installment of the first court-ordered debt security (R\$1.08 billion) and the second installment of the supplementary court-ordered debt security (R\$1.975 billion) were collected.

Upon the transfer of 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 Copersucar, also filed a lawsuit, supported by a judicial deposit, claiming the suspension of the enforceability of IRPJ/CSLL/PIS/COFINS tax payments. The judicial deposit was provisioned for under: "Taxes with suspended payment." As established in the Agreement for Purchase and Sale of Shares in Santa Cruz S.A. Açúcar e Alcool ("USC"), the Company transferred R\$54,132 thousand to Luiz Ometto Participações S.A.

After the transfer and withholding of the amounts related to court expenses and the taxes under litigation, the balance of R\$383,040 thousand was recorded under "Other expenses (income), net." Management classifies the receipt of the remainder as probable, but not practically certain, therefore, the amount was not recorded.

## DEBT

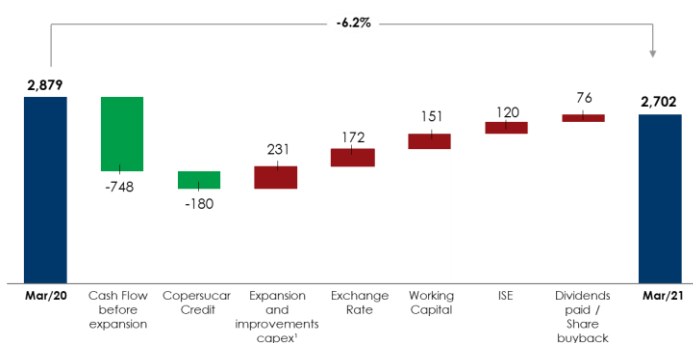
INDEBTEDNESS	Mar/21	Mar/20	Chg.%
R\$ '000			
Agribusiness Certificate of Receivables (CRA)	1,917,343	1,922,913	-0.3%
BNDES / FINAME	339,321	423,457	-19.9%
Rural Credit	-	278,536	n.m
Working Capital	286,649	261,837	9.5%
PESA	-	8,349	n.m
PPE (Export prepayment)	1,163,182	1,445,015	-19.5%
International Finance Corporation (IFC)	344,468	474,334	-27.4%
NCE (Export Credit Note)	-	-	n.m
Obligations from Acquisitions - LOP	15,288	26,934	-43.2%
<b>Gross Debt</b>	<b>4,066,251</b>	<b>4,841,376</b>	<b>-16.0%</b>
Cash and Cash Equivalents	1,364,148	1,962,065	-30.5%
<b>Net Debt</b>	<b>2,702,103</b>	<b>2,879,311</b>	<b>-6.2%</b>
Net Debt / LTM EBITDA - R\$	1.24 x	1.55 x	-20.3%
Net Debt / LTM EBITDA - USD <sup>1</sup>	1.05 x	1.23 x	-14.6%
<b>LTM Adjusted EBITDA</b>	<b>2,187,515</b>	<b>1,857,191</b>	<b>17.8%</b>

1 - LTM EBITDA average daily PTAX: mar/20: R\$ 4.11 and mar/21: R\$ 5.41

In March 2021, the Company's net debt totaled R\$2.7 billion, down 6.2% from March 2020, chiefly reflecting the operating cash flow during the 2020/21 crop year.

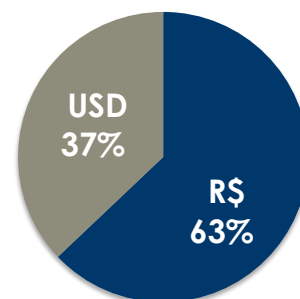
The following charts show the details of the debt position:

**Changes in Net Debt**  
R\$ - million

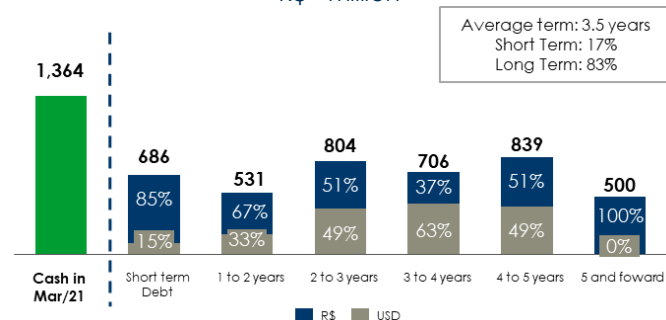


<sup>1</sup>Includes sale of fixed assets/ Others

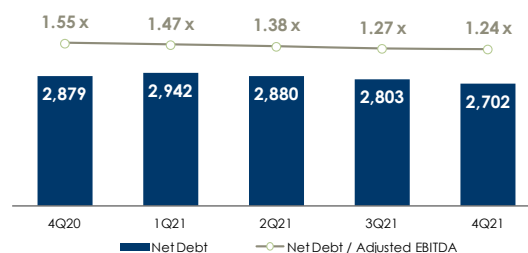
**Currency – Gross Debt**



**Debt Amortization Schedule**  
R\$ - million



**Net Debt/LTM EBITDA Evolution**  
R\$ - million





## CAPEX

(Maintenance)	4Q21	4Q20	Chg.%	12M21	12M20	Chg.%
R\$ '000						
Sugarcane Planting - Renovation	118,998	103,169	15.3%	358,822	318,717	12.6%
Off-Season Maintenance (Industrial/Agricultural)	208,219	208,422	-0.1%	342,215	303,851	12.6%
Crop Treatment	138,449	121,458	14.0%	559,969	513,543	9.0%
<b>Total</b>	<b>465,666</b>	<b>433,049</b>	<b>7.5%</b>	<b>1,261,006</b>	<b>1,136,110</b>	<b>11.0%</b>
<b>(Operational Improvements)</b>						
Equipment/Replacements	49,109	19,807	147.9%	98,130	92,487	6.1%
Environmental/Legal	4,066	10,316	-60.6%	21,920	39,336	-44.3%
<b>Total</b>	<b>53,175</b>	<b>30,123</b>	<b>76.5%</b>	<b>120,050</b>	<b>131,823</b>	<b>-8.9%</b>
<b>(Upgrading/Expansion)</b>						
Sugarcane Planting - Expansion / Biological Assets	-	10,442	n.m.	-	22,269	n.m.
Projects (Industrial/Agricultural)	81,648	23,719	244.2%	127,167	97,780	30.1%
<b>Total</b>	<b>81,648</b>	<b>34,161</b>	<b>139.0%</b>	<b>127,167</b>	<b>120,049</b>	<b>5.9%</b>
<b>GRAND TOTAL</b>	<b>600,488</b>	<b>497,333</b>	<b>20.7%</b>	<b>1,508,223</b>	<b>1,387,982</b>	<b>8.7%</b>

The Company's maintenance capex totaled R\$465.7 million in 4Q21, up 7.5% from the same period in the previous crop year. Maintenance capex in 12M21 increased 11.0% to reach R\$1.26 billion. The capex increase in the periods chiefly reflects the impact of exchange rate variation on the price of imported inputs, as well as a longer inter-crop period in the 2020/21 crop year.

Capex related to operational improvements comprises investments in (i) agricultural and industrial equipment and replacements, and (ii) environmental/legal investments, which totaled R\$53.2 million in 4Q21, up 76.5% from 4Q20, due to the time-difference effect of the calendar of disbursements scheduled for the crop year. In 12M21, total investments stood at R\$120.0 million, 8.9% lower than in the same period the previous crop year.

Expansion capex totaled R\$81.6 million in 4Q21 (+139%) and R\$127.2 million in 12M21, increasing 5.9% in the crop year, and was related to investments mainly in (i) Optimizing the harvest and crop treatment processes: R\$45 million and IRR of ~22% p.a. (*increase in equipment capacity and the use of innovative technologies, such as remote monitoring and use of drones*); (ii) Corn Ethanol Project: ~R\$25 million and IRR of ~25% p.a.; (iii) Modernization (retrofit) of boilers at the Boa Vista Mill: R\$13 million and IRR of ~14% (*higher industrial efficiency, with a marginal increase in ethanol production and lower use of energy*); and (iv) Production of industrial ethanol at the Santa Cruz Mill: R\$11 million and IRR of ~20% p.a.

For the 2021/22 crop year, we estimate maintenance capex of around R\$1.3 billion in addition to the disbursement already planned for the projects, as already announced to the market: (i) the cogeneration project at the São Martinho Mill, related to the A-6 auction (October 2019), and (ii) the corn ethanol production project annexed to the Boa Vista Mill, which total around R\$650 million. Apart from these projects, we estimate additional investments of around R\$100 million on technological deployments, such as the migration of our ERP system to a more advanced model, and on improving agro-industrial efficiency.

## CASH INCOME

Cash income totaled R\$228.7 million in 4Q21 and R\$996.5 million in 12M21, increasing 39.7% from the same period the previous crop year, mainly reflecting EBITDA growth during the period.

Cash Income	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Net Income	207,360	142,645	45.4%	927,124	639,010	45.1%
Non-cash effect of IFRS 16 on Net Income before taxes	(1,021)	(38,078)	-97.3%	37,940	34,554	9.8%
Income Tax booked	70,126	41,701	68.2%	281,678	94,664	197.6%
Income Tax paid	(2,508)	(10,466)	-76.0%	(30,354)	(18,882)	60.8%
Judicial Deposit (Income Tax/Social Contribution-Copersucar)	-	-	n.m.	(154,905)	(141,081)	9.8%
Biological Asset/Others	(45,241)	29,058	n.m.	(64,979)	30,602	n.m.
Debt Prepayment Effect	-	-	n.m.	-	74,680	n.m.
<b>Cash Income</b>	<b>228,716</b>	<b>164,860</b>	<b>38.7%</b>	<b>996,504</b>	<b>713,547</b>	<b>39.7%</b>
<b>Total Shares ex-treasury (in thousand)</b>	<b>346,375</b>	<b>346,744</b>	<b>-0.1%</b>	<b>346,375</b>	<b>346,744</b>	<b>-0.1%</b>
<b>Cash Income per share</b>	<b>0.66</b>	<b>0.48</b>	<b>38.9%</b>	<b>2.88</b>	<b>2.06</b>	<b>39.8%</b>

## RETURN ON INVESTED CAPITAL (ROIC)

With land	12M21	12M20	Without land	12M21	12M20
R\$ '000,000			R\$ '000,000		
Adjusted EBITDA	2,188	1,857	Adjusted EBITDA	2,188	1,857
(-) Maintenance Capex	-1,261	-1,136	(-) Maintenance Capex	-1,261	-1,136
(-) Income Tax/Social Contribution paid	-30	-19	(-) Income Tax/Social Contribution paid	-30	-19
			(-) Own land result	-74	-57
<b>Operating Cash Generation</b>	<b>896</b>	<b>702</b>	<b>Operating Cash Generation</b>	<b>822</b>	<b>645</b>
Permanent Assets*	7,529	7,168	Permanent Assets*	5,711	5,350
Short term Assets - Short-term Liabilities**	179	104	Short term Assets - Short-term Liabilities**	179	104
<b>Average Invested Capital</b>	<b>7,708</b>	<b>7,271</b>	<b>Average Invested Capital</b>	<b>5,889</b>	<b>5,454</b>
<b>ROIC<sup>1</sup></b>	<b>11.6%</b>	<b>9.7%</b>	<b>ROIC without land<sup>1</sup></b>	<b>14.0%</b>	<b>11.8%</b>

1 – Considers the average capital invested between the current and prior crop year.

\*Permanent Assets = Non-Current Assets + Biological Assets (current) – Financial Investments – IR/CS – Derivative Instruments – Copersucar Receivables – Related Parties – Judicial Deposits

\*\*Current Assets – Adjusted Current Liabilities (excludes IR/CS, Debt, Copersucar Obligations and Dividends)

## SHAREHOLDER REMUNERATION PROPOSAL

The Board of Directors meeting held on November 9, 2020, approved the payment of interest on equity in the gross amount of R\$120,000 thousand.

The Company has a Shareholder Remuneration Policy (Dividends), which guarantees dividends and/or interest on equity corresponding to at least 40% of annual cash net income, as per the calculation shown in the following table and in the Earnings Release disclosed by the Company, or 25% of net income from the year after deducting accumulated losses and the constitution of legal reserve, whichever is higher.

The minimum distribution of 40% of cash net income may not be adopted, by recommendation of the Board of Directors, in the following cases:

- the use of significant amount of capital in business investments, share repurchase programs and/or mergers and acquisitions;
- leverage indicators, such as a ratio of net debt to adjusted EBITDA of more than 2 times, determined at the close of the fiscal year, in order to maintain the investment grade rating assigned by S&P;
- changes in tax laws; and
- the allocation of mandatory reserves or restrictions on the distribution of a portion of these reserves that could affect the capacity to distribute net income.

The following table shows the dividends based on the remuneration policy

Calculation of cash profit	2021
EBT	1,208,802
IR/CS - book value	(281,679)
Profit for the year	927,123
Non-cash effect of IFRS on EBT	37,940
IR/CS - book value	281,678
IR/CS paid	(30,354)
Judicial deposit (IR/CS IAA)	(154,905)
Adjustment to biological assets	(64,979)
<b>Cash profit</b>	<b>996,503</b>
<b>Dividend policy (41.5% of cash profit)</b>	<b>413,829</b>
Unrealized profit reserve	6,171
<b>Total profit to be distributed</b>	<b>420,000</b>

The following table shows the proposed allocation of net income from the year. The Board of Directors meeting held on June 21, 2021, approved the proposal for additional distribution of dividends amounting to R\$197,459 (R\$0.5701 per share), to be ratified at the Annual Shareholders Meeting.

	2021	2020
Profit for the year	927,123	639,010
Transfer to legal reserve - 5%	(46,356)	(31,950)
Transfer to tax incentive reserve	(81,933)	-
Minimum mandatory dividend calculation basis	798,834	607,060
Minimum mandatory dividend - 25%	199,709	151,765
Interest on capital	120,000	120,000
IRRF on interest on capital	(16,660)	(16,592)
Mandatory minimum dividends	96,369	48,357
Recognition of unrealized profit reserve	6,171	6,332
Supplementary dividends	197,459	12,936
Total	403,339	171,033
Dividends per share	1.1645	0.4933
Quantity of shares, net of treasury shares - March 31	346,375	346,744

## CAPITAL MARKETS

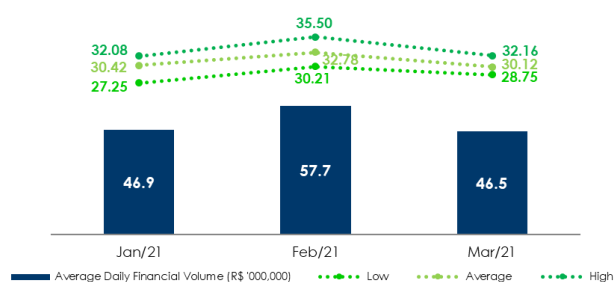
### SMT03 Performance - 12 months

R\$



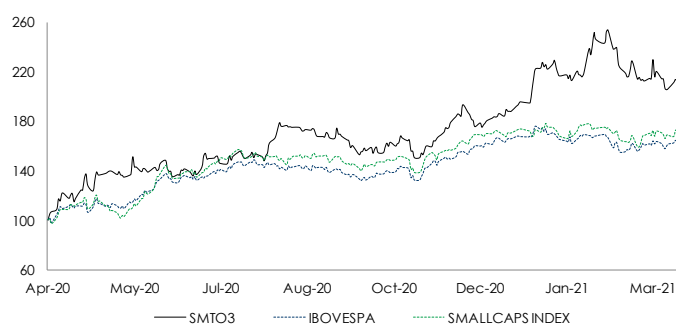
### Price and Volume

R\$



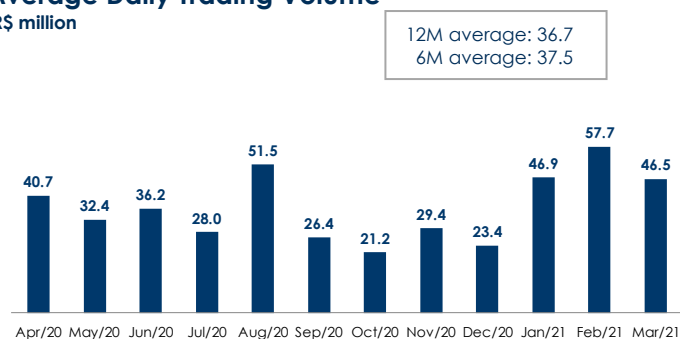
### SMT03 Performance vs. Stock Indexes

Base 100



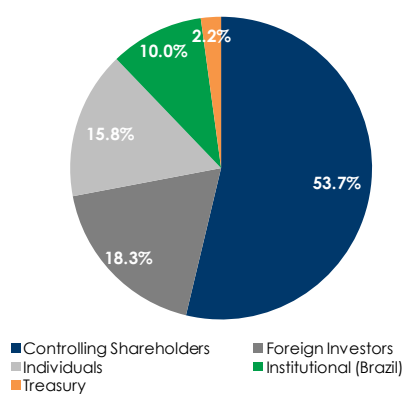
### Average Daily Trading Volume

R\$ million

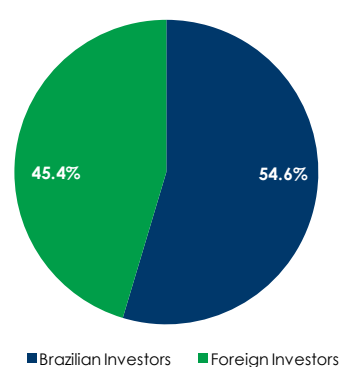


### Ownership structure

Base: March 31, 2021



### Free float composition





## **INVESTOR RELATIONS TEAM**

**Felipe Vicchiato** – CFO and IRO

**Aline Reigada** – IR Manager

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## **DISCLAIMER**

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

## **FINANCIAL STATEMENTS**

The figures in the following tables consider the impacts from the adoption of IFRS 16 as of the 2019/20 crop year, in accordance with the consolidated and audited Financial Statements, including the effects detailed in section 'Adoption of IFRS 16/CPC 06 – Leases' on page 4 of this earnings release.

## INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	4Q21	4Q20	Chg. (%)	12M21	12M20	Chg. (%)
R\$ '000						
Gross Revenue	1,247,719	1,273,698	-2.0%	4,642,887	4,065,225	14.2%
Deductions from Gross Revenue	(94,363)	(127,426)	-25.9%	(337,804)	(371,365)	-9.0%
<b>Net Revenue</b>	<b>1,153,356</b>	<b>1,146,272</b>	<b>0.6%</b>	<b>4,305,083</b>	<b>3,693,860</b>	<b>16.5%</b>
Cost of Goods Sold (COGS)	(711,923)	(762,475)	-6.6%	(2,750,835)	(2,516,996)	9.3%
<b>Gross Profit</b>	<b>441,433</b>	<b>383,797</b>	<b>15.0%</b>	<b>1,554,248</b>	<b>1,176,864</b>	<b>32.1%</b>
Gross Margin (%)	38.3%	33.5%	4.8 p.p	36.1%	31.9%	4.2 p.p
<b>Operating income (expenses)</b>	<b>(111,353)</b>	<b>(90,356)</b>	<b>n.m</b>	<b>(3,334)</b>	<b>8,969</b>	<b>-137.2%</b>
Selling Expenses	(42,242)	(40,020)	5.6%	(173,154)	(138,197)	25.3%
General and Administrative Expenses	(73,995)	(45,712)	61.9%	(257,158)	(216,869)	18.6%
Equity in the results of investees	983	(919)	n.m	5,776	625	824.2%
Other income (expenses), net	3,901	(3,705)	-205.3%	421,202	363,410	15.9%
<b>Operating profit</b>	<b>330,080</b>	<b>293,441</b>	<b>12.5%</b>	<b>1,550,914</b>	<b>1,185,833</b>	<b>30.8%</b>
<b>Finance income (costs)</b>	<b>(52,594)</b>	<b>(109,095)</b>	<b>-51.8%</b>	<b>(342,112)</b>	<b>(452,159)</b>	<b>-24.3%</b>
Finance income	13,934	22,928	-39.2%	63,279	117,003	-45.9%
Finance costs	(65,870)	(78,521)	-16.1%	(392,914)	(415,979)	-5.5%
Monetary and foreign exchange variations, net	735	50,777	-98.6%	(14,867)	(35,891)	-58.6%
Derivatives	(1,393)	(104,279)	-98.7%	2,390	(117,292)	n.m
<b>Profit before taxation</b>	<b>277,486</b>	<b>184,346</b>	<b>50.5%</b>	<b>1,208,802</b>	<b>733,674</b>	<b>64.8%</b>
Income Tax and Social Contribution - Current	451	(3,943)	n.m.	(167,151)	(124,725)	34.0%
Income Tax and Social Contribution - Deferred	(70,577)	(37,758)	n.m.	(114,527)	30,061	n.m
<b>Net Income</b>	<b>207,360</b>	<b>142,645</b>	<b>45.4%</b>	<b>927,124</b>	<b>639,010</b>	<b>45.1%</b>
Net Margin (%)	18.0%	12.4%	5.5 p.p	21.5%	17.3%	4.2 p.p

**BALANCE SHEET (ASSETS)**

<b>SÃO MARTINHO S.A. CONSOLIDATED - ASSETS</b>		
R\$ '000		
<b>ASSETS</b>	<b>Mar/21</b>	<b>Mar/20</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	288,350	92,066
Financial investments	1,062,154	1,831,504
Trade Receivables	215,659	165,829
Derivative Financial Instruments	139,904	224,635
Inventories and advance to suppliers	446,313	366,177
Biological Assets	989,540	713,547
Taxes Recoverable	12,062	12,303
Income Tax and Social Contribution	42,250	71,257
Other assets	9,376	8,832
<b>TOTAL CURRENT ASSETS</b>	<b>3,205,608</b>	<b>3,486,150</b>
<b>NON-CURRENT ASSETS</b>		
<b>Long-term Receivables</b>		
Financial investments	13,644	38,494
Inventories and advance to suppliers	106,838	49,916
Derivative Financial Instruments	48,639	28,977
Trade Receivables	24,189	27,192
Taxes Recoverable	96,241	81,046
Judicial Deposits	485,029	271,060
Other Assets	113,935	67,176
	<b>888,515</b>	<b>563,861</b>
<b>Investments</b>	39,951	33,868
<b>Property, plant and equipment</b>	5,962,644	5,844,505
<b>Intangible assets</b>	451,742	465,689
<b>Right-of-use assets</b>	1,869,396	1,719,453
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,212,248</b>	<b>8,627,376</b>
<b>TOTAL ASSETS</b>	<b>12,417,856</b>	<b>12,113,526</b>

## BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED - LIABILITIES		
R\$ '000		
LIABILITIES AND EQUITY	Mar/21	Mar/20
<b>CURRENT LIABILITIES</b>		
Borrowings	674,504	591,024
Leases payable	66,264	40,168
Agricultural partnership payable	285,308	203,835
Derivative Financial Instruments	218,685	406,473
Trade Payables	221,707	174,524
Payables to Copersucar	9,075	10,892
Salaries and Social Charges	171,883	150,249
Taxes recoverable	24,229	34,730
Income tax and social contribution payable	7,480	4,985
Dividends Payable	102,552	54,694
Advances from Customers	17,436	34,710
Acquisition of Ownership interests	11,638	11,664
Other Liabilities	30,812	18,527
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,841,573</b>	<b>1,736,475</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	3,376,459	4,223,418
Leases payable	399,157	377,954
Agricultural partnership payable	1,161,905	1,053,956
Derivative Financial Instruments	80,227	79,022
Payables to Copersucar	167,121	179,189
Deferred Income Tax and Social Contribution	834,822	746,226
Provision for Contingencies	102,256	100,283
Acquisition of Ownership interests	3,650	15,270
Taxes with suspended payment	458,480	242,188
Other Liabilities	5,617	12,869
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>6,589,694</b>	<b>7,030,375</b>
<b>EQUITY</b>		
Share Capital	2,071,819	1,696,652
Capital Reserve	-	9,418
Treasury Shares	(139,997)	(131,361)
Carrying Value Adjustments	551,050	607,022
Revenue Reserves	1,503,717	1,164,945
<b>TOTAL EQUITY</b>	<b>3,986,589</b>	<b>3,346,676</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>12,417,856</b>	<b>12,113,526</b>

## CONSOLIDATED CASH FLOW

<b>SÃO MARTINHO S.A.</b>	<b>12M21</b>	<b>12M20</b>
R\$ '000		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit for the year</b>	<b>927,124</b>	<b>639,010</b>
<b>Adjustments</b>		
Depreciation and amortization	671,008	636,816
Biological assets harvested	715,282	613,101
Change in the fair value of biological assets	(64,979)	30,602
Amortization of electricity contracts	6,579	6,574
Equity in the results of investees	(5,776)	(625)
Gains (losses) on investments and PP&E written off	7,547	(15,734)
Interest, monetary and exchange variations, net	171,495	243,479
Derivative financial instruments	345,018	143,322
Setup of provision for contingences, net	13,798	10,915
Income tax and social contribution	281,678	94,664
Taxes with suspended payment	216,292	42,794
Adjustment to present value and other adjustments	120,587	106,348
	<b>3,405,653</b>	<b>2,551,266</b>
<b>Changes in asset and liabilities</b>		
Trade receivables	(40,178)	26,347
Inventories	(101,404)	(95,738)
Taxes recoverable	20,267	37,324
Derivative financial instruments	(396,656)	(123,495)
Other assets	(254,455)	(283,333)
Trade payables	46,726	13,563
Salaries and social charges	21,635	15,878
Taxes payable	(152,671)	33,694
Payables to Copersucar	(13,792)	(25,832)
Provision for contingencies - settlement	(15,489)	(19,924)
Other liabilities	(3,545)	24,314
	<b>2,516,091</b>	<b>2,154,064</b>
<b>Cash from operations</b>	<b>2,516,091</b>	<b>2,154,064</b>
Payment of interest on borrowings	(212,512)	(178,303)
Income tax and social contribution paid	(30,354)	(18,882)
<b>Net cash provided by (used in) operating activities</b>	<b>2,273,225</b>	<b>1,956,879</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Investment of funds	(12,192)	(13,621)
Return of capital	8	-
Purchases of property, plant and equipment and intangible assets	(590,604)	(532,117)
Additions to biological assets (planting and crop treatments)	(917,711)	(852,931)
Financial investments	814,115	101,276
Proceeds from sale of property, plant and equipment	16,041	9,119
Dividends received	249	294
<b>Net cash provided by (used in) investing activities</b>	<b>(690,094)</b>	<b>(1,287,980)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Amortization of lease and partnership agreements	(295,975)	(276,168)
Proceeds from borrowings – third parties	212,479	546,107
Repayment of borrowings – third parties	(1,107,098)	(739,887)
Payment of dividends	(187,617)	(229,999)
Acquisition of treasury shares	(8,636)	(74,493)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,386,847)</b>	<b>(774,440)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>196,284</b>	<b>(105,541)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>92,066</b>	<b>197,607</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>288,350</b>	<b>92,066</b>